

31 YEARS OF *OPPORTUNITIES*



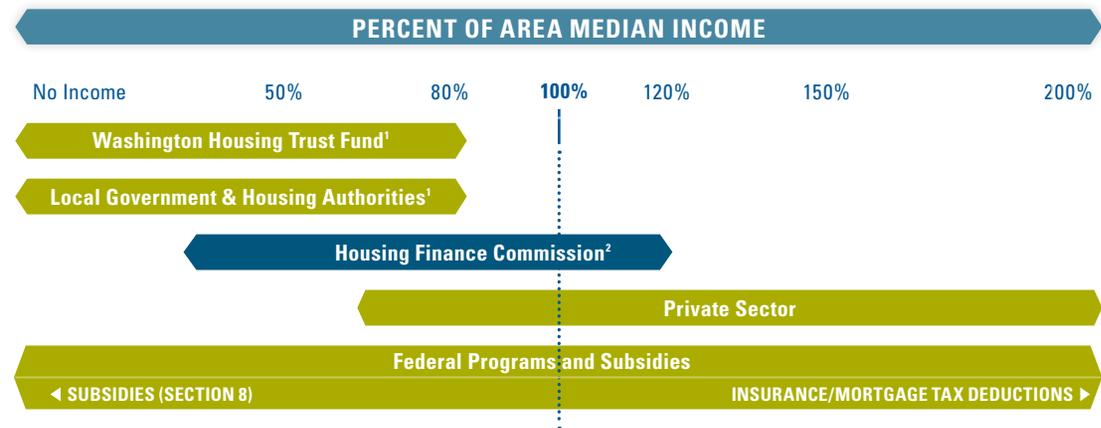
The Washington State Housing Finance Commission benefits residents of every county across the state by investing not just in affordable housing and home loans, but also nonprofit facilities, energy projects, loans for new farmers, and more.

Our state’s people and communities are as diverse as its landscape. From urban to rural, homeless to homebuyer, our programs are designed to be used in cooperation with the private sector to serve local needs.

At the same time, our programs are an important source of jobs and economic stimulus—especially in tough economic times.

WHO WE SERVE

The Commission’s financing mechanisms for affordable housing are intended to serve those with low to moderate income—“shallow subsidies” in comparison to other public resources. The majority of people we serve earn less than the state’s median income, which ranged in 2014 from \$43,000 in Ferry County to \$88,200 in King County.



¹Federal, State, and Local Funds ²Using No State Funds

31 Years

Programs and services offered by the Commission support:

- Affordable housing
- Community facilities
- Farms and ranches
- Energy projects
- Job creation
- State economy
- And hundreds of families

Learn More

We welcome the opportunity to tell you more about our programs and how they work to make your community stronger. Please contact us at 206-464-7139, or visit our website at www.wshfc.org.



ON THE COVER *The Lucero family celebrates their new home in Waterville, made possible by the Commission through the Home Advantage program.*

Visualizing Impact, 1983–2014

49,199 single-family homes financed, enough to house the populations of both SeaTac and Moses Lake.



100,949 multifamily living units financed, enough to house the populations of both Olympia and Richland.



Multiplied by just 2.1 people per household...

More than **315,311** people have safe, affordable housing tonight, thanks to the Commission.



315,311+ PEOPLE



Apartment funded through Multifamily Housing program.

Cumulative Totals per County from July 1, 1983–June 30, 2014

Through the allocation of federal housing credits and the issuance of bonds, we help finance a spectrum of affordable multifamily housing statewide, with projects in nearly every county.

100,949
housing units

27,787
housing units for seniors

Multifamily Senior Housing Units

(Included in Total Unit Count)

Type	Number of Units
Assisted-living Units	5,177
Independent-living Units	19,544
Nursing Beds	3,066
Total	27,787

“Cottage Grove is the first place where people say, ‘welcome, come on in.’”
Billy Levin—Seattle, WA

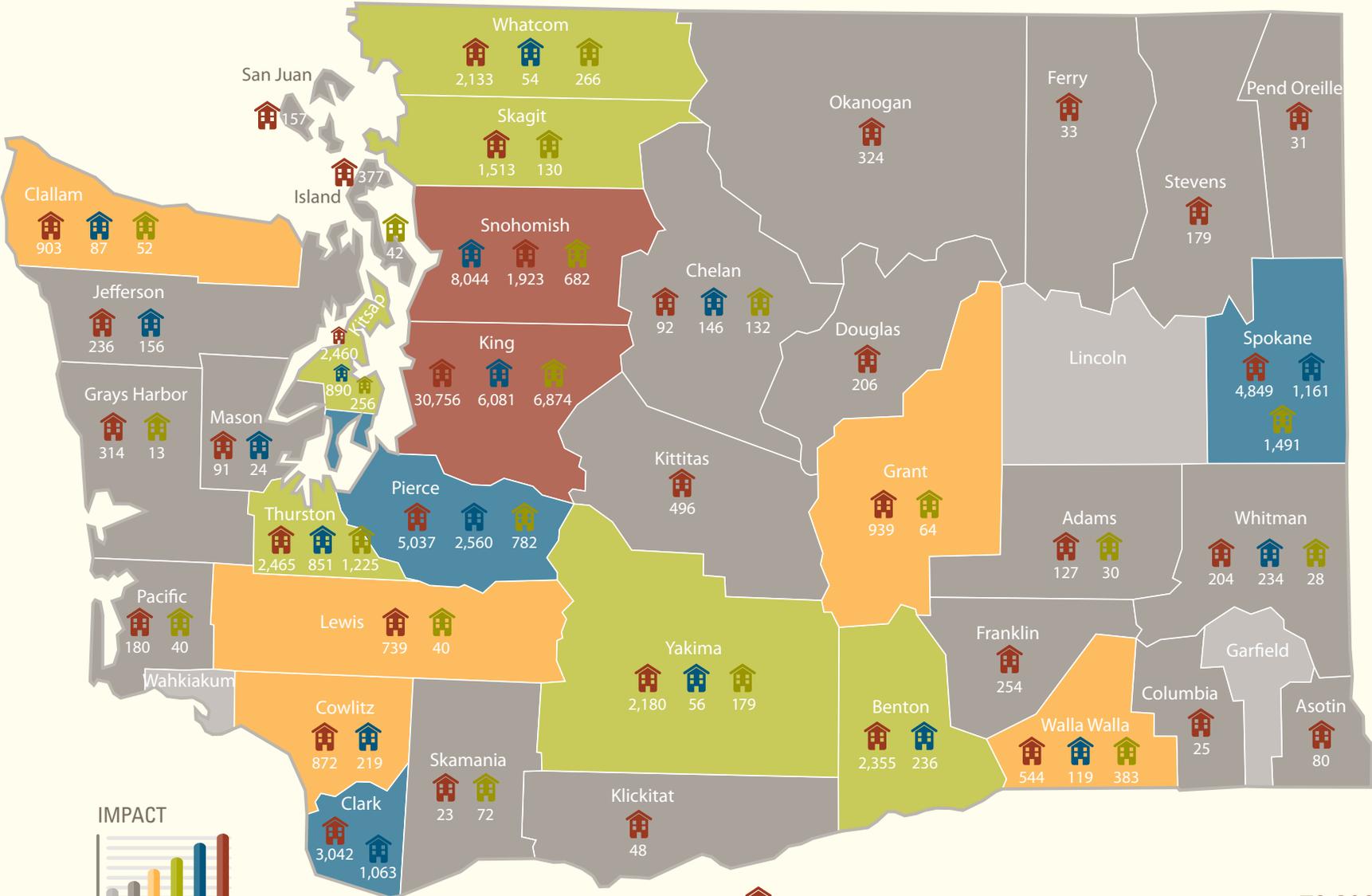
Multifamily Bonds Issued and Housing Credits Allocated by County

County	Bonds	Housing Credits
Adams	\$ —	\$ 8,679,940
Asotin	—	7,445,850
Benton	103,048,815	72,068,920
Chelan	9,345,000	10,899,590
Clallam	23,343,295	60,961,344
Clark	127,334,059	433,556,359
Columbia	—	2,631,250
Cowlitz	13,149,633	36,151,750
Douglas	—	18,915,434
Ferry	—	4,229,900
Franklin	—	36,092,709
Garfield	—	—
Grant	9,600,000	104,452,476
Grays Harbor	—	24,143,030
Island	8,603,089	12,963,680
Jefferson	15,860,914	12,705,276
King	1,188,345,477	1,541,412,914
Kitsap	70,693,200	127,484,397
Kittitas	—	25,688,200
Klickitat	—	4,624,370
Lewis	11,145,000	74,112,729
Lincoln	—	—

County	Bonds	Housing Credits
Mason	\$ 1,837,935	\$ 5,283,540
Okanogan	—	22,552,339
Pacific	—	1,995,910
Pend Oreille	—	566,590
Pierce	186,863,049	261,613,270
San Juan	—	5,745,260
Skagit	31,288,501	72,083,238
Skamania	—	2,495,860
Snohomish	480,050,847	221,448,210
Spokane	165,795,000	234,987,657
Stevens	—	14,457,420
Thurston	142,499,656	68,750,580
Wahkiakum	—	—
Walla Walla	13,148,098	50,448,190
Whatcom	43,715,000	125,743,422
Whitman	9,770,000	19,791,021
Yakima	4,255,489	206,923,246
Tax-exempt	\$ 2,659,692,057	
Taxable	\$ 254,855,117	
Total	\$2,914,547,174	\$3,934,105,871

¹ Federal housing credits are allocated for 10 years. Credit amounts used are the 10-year totals.

100,949 Housing Units



Units financed with housing credits and/or tax-exempt bonds: **72,308**
 Units financed with bonds only: **15,860**
 Nonprofit units financed: **12,781**

*July 1, 1983 to June 30, 2014

Total Investments, 1983–2014

Since 1983, our financing has created or rehabilitated more than 100,000 rental homes, of which over 27,000 serve the elderly. The Commission's two most important financing tools for multifamily development are issuing bonds and allocating housing tax credits. Both are purchased by investors on the private market; the proceeds of bond sales are loaned to the developer through a bank, while tax credits are converted into equity in the project.

Different financing tools are used for different populations and geographic areas throughout the state.

The Commission monitors and inspects multifamily properties to ensure they remain in compliance with program requirements and thus remain eligible for the tax benefits that helped to finance them.

Multifamily Housing Bonds

\$2.66 billion issued

The Commission issues tax-exempt bonds at below-market rates to help for-profit and nonprofit developers finance the construction, acquisition, and rehabilitation of multifamily rental housing for people with low to moderate incomes.

- \$2.66 billion in tax-exempt bonds helped finance 45,985 units of rental housing, of which 32,430 served low-income and/or special-needs households.

Housing Credits, 1987–2014

\$3.9 billion allocated

The Commission allocates the Low-Income Housing Tax Credit across Washington state. This program is one of the nation's most important tools for financing affordable housing.

Housing credits are sold to investors and converted into equity for the construction, acquisition, or rehabilitation of affordable multifamily housing.

4 Percent Housing Credit/ Tax-Exempt Bond Program

284 projects—39,625 units

The 4 percent housing credit program (in which the credit provides up to 30 percent of the project's equity) combined more than \$908 million in housing credits with tax-exempt bond financing to fund multifamily rental housing, including housing for the elderly and the disabled.

9 Percent Housing Credit Program

642 projects—32,875 units

Housing credits in the 9 percent program (in which the credit provides up to 70 percent of the project's equity) are allocated through an annual competitive process in which projects are evaluated and scored according to the Commission's established criteria.

- This program finances projects in rural and urban communities statewide for low-income individuals, including the elderly (nearly 6,764 units), the disabled (3,999 units), large households (over 2,600 units), farmworkers (1,696 units), and the homeless (2,101 units).

Bonds Only (80/20 Program)

15,860 units

In this program, tax-exempt multifamily bonds are used on their own, without tax credits, to develop multifamily homes that do not have rent restrictions. This program is often used to finance homes for seniors (including assisted-living facilities). Developers can choose to either reserve 20 percent of units for households earning up to 50 percent of area median income, or reserve 40 percent of the units for households earning up to 60 percent of median income. They may also choose to exceed these requirements.

Nonprofit Housing Bonds

131 projects—12,781 units

Tax-exempt 501(c)(3) bonds help nonprofit providers of housing (and housing with services) to finance or refinance independent-living apartments, group homes, assisted-living facilities, nursing homes, retirement communities, and student dormitories.

- \$1.4 billion in tax-exempt bonds helped finance 12,781 units of rental housing.
- Tax-exempt nonprofit bonds were refunded for 25 projects.
- \$41 million in taxable bonds were issued to finance associated project costs.



501(c)(3) Bonds for Nonprofit Housing & Facilities*

County	Bonds Issued
Adams	\$ 815,677
Benton	5,643,802
Chelan	5,307,390
Clallam	3,366,843
Clark	3,900,000
Grant	2,254,115
Grays Harbor	2,900,000
Island	250,000
King	1,570,192,053
Kitsap	46,386,000
Lewis	1,100,000
Pacific	3,050,000
Pierce	127,777,749
Skagit	6,490,004
Skamania	3,427,438
Snohomish	89,345,429
Spokane	183,591,546
Thurston	81,417,810
Walla Walla	13,422,800
Whatcom	25,222,750
Whitman	2,095,697
Yakima	27,501,561
Tax-exempt	\$ 2,205,459,064
Taxable	\$ 63,862,500
Total	\$2,269,321,564

*See pages 10–11 for facilities detail.

Capital Plus!

32 projects—\$9.3 million invested

Principal paid off: \$2.4 million

In cooperation with the Washington Community Reinvestment Association, Capital Plus! provides financing of up to \$500,000 for the purchase or capital lease of facilities and/or equipment for 501(c)(3) organizations that serve or provide community services primarily to lower-income persons, persons with special needs, or organizations that serve a unique or special purpose in the community.

The projects funded through Capital Plus! include community gardening for at-risk youth in Olympia; senior housing in rural Stevens County; a community center for disabled adults in Whatcom County; supportive housing in Thurston County; and seasonal farmworker housing in Mesa, Washington.

Land Acquisition Program

18 projects, \$10.3 million

Principal paid off: \$2.5 million

The Land Acquisition Program is a revolving loan program that assists eligible organizations to purchase land suited for the eventual development of affordable housing. This program has enabled the development of 108 homes for homeowners and 663 rental units.



“We’re so happy in our home, and I’m glad programs exist to help families like us achieve the American dream!” The Lucero Family—Waterville, WA

Cumulative Totals per County from July 1, 1983–June 30, 2014

Washington state residents in every county have achieved the American dream of homeownership thanks to the Commission’s home loans and downpayment assistance.

49,199

Total households served

13,495

Total downpayment assistance loans

\$5 billion

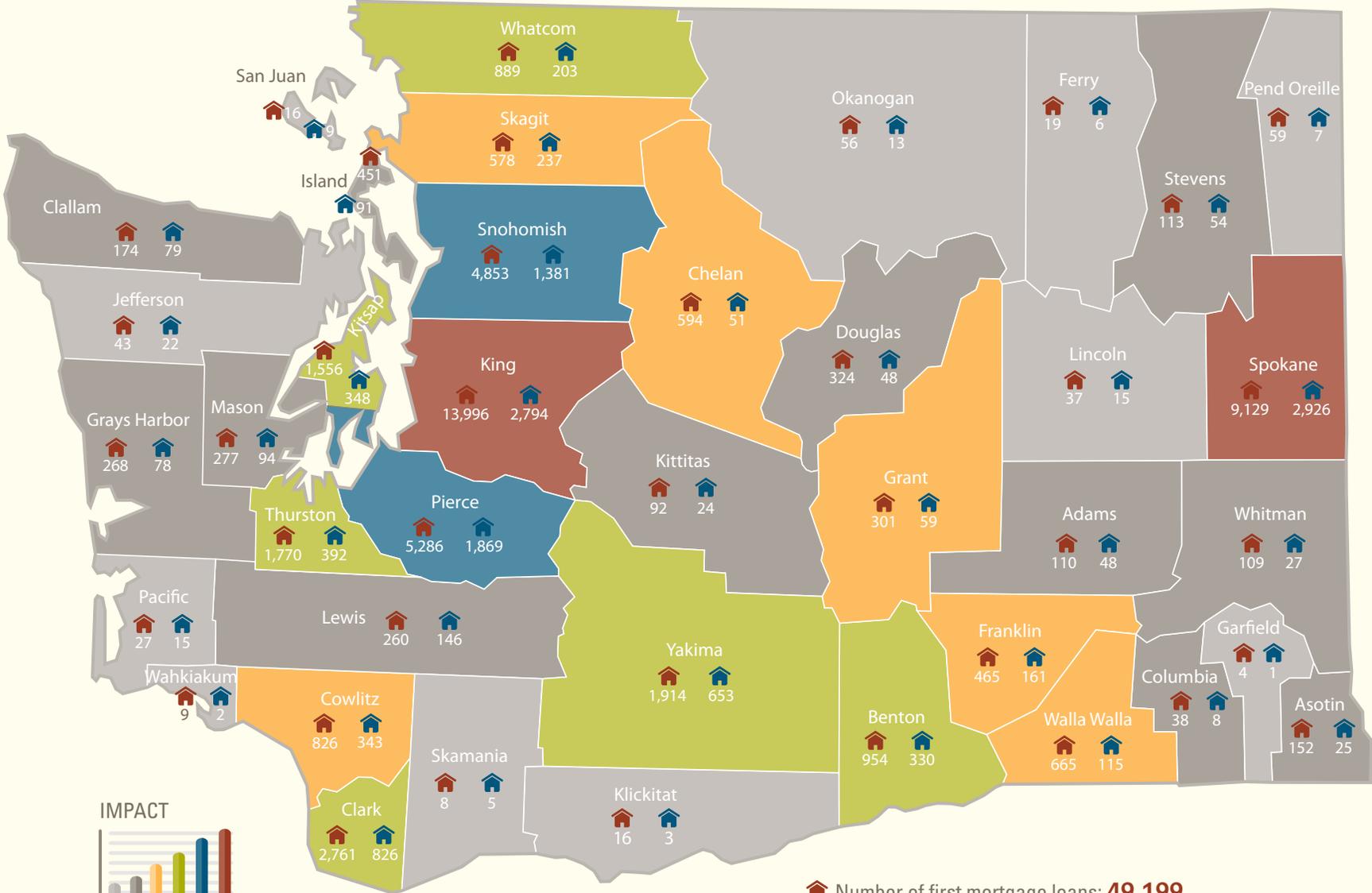
Total amount loaned

Single-Family Loans by County

County	First Mortgage Loans	Downpayment Loans
Adams	\$ 10,287,960	\$ 315,281
Asotin	9,191,320	156,396
Benton	81,868,376	1,687,848
Chelan	43,149,923	256,634
Clallam	17,303,044	700,849
Clark	293,833,822	5,330,092
Columbia	1,886,508	91,758
Cowlitz	71,914,102	1,511,204
Douglas	27,469,607	251,980
Ferry	1,330,592	27,824
Franklin	47,435,541	821,453
Garfield	292,211	3,811
Grant	20,211,133	333,407
Grays Harbor	19,513,312	481,350
Island	56,023,100	684,770
Jefferson	5,319,399	162,111
King	1,488,105,165	39,836,605
Kitsap	153,246,334	2,187,358
Kittitas	9,329,447	183,976
Klickitat	1,196,040	12,450

County	First Mortgage Loans	Downpayment Loans
Lewis	\$ 24,177,734	\$ 898,749
Lincoln	2,591,045	120,559
Mason	27,617,540	656,345
Okanogan	4,251,151	73,229
Pacific	2,203,386	105,416
Pend Oreille	4,572,537	33,458
Pierce	588,281,789	13,182,144
San Juan	1,831,215	102,013
Skagit	69,638,914	1,456,664
Skamania	849,082	31,008
Snohomish	622,654,254	10,492,585
Spokane	704,214,586	13,710,406
Stevens	9,993,161	359,518
Thurston	175,461,762	2,626,378
Wahkiakum	833,830	7,000
Walla Walla	44,205,645	640,271
Whatcom	96,788,216	1,695,740
Whitman	7,878,909	211,404
Yakima	158,681,621	3,252,981
Total	\$4,905,633,313	\$104,693,025

62,608 Home Loans \$5 Billion Invested



Less → More

*July 1, 1983 to June 30, 2014

🏠 Number of first mortgage loans: **49,199**

🏠 Number of downpayment assistance loans: **13,495**

Households may receive both first mortgage loans and downpayment assistance loans.

First Mortgage Programs

HOME ADVANTAGE (2013)

\$706 million in loans
4,014 households served

In 2013, Home Advantage replaced House Key as the Commission’s primary first-mortgage program. It is funded by the proceeds from loans bought and sold on the open market.

HOUSE KEY STATE BOND (1983–2014)

\$4.2 billion in loans
45,185 households served

These numbers include the following programs:

Open Door Second Mortgage Provided 74 loans in downpayment and closing-cost assistance for first-time homebuyers purchasing a home in the City of Tacoma or in King County.

Community Reinvestment Act (CRA) Single-Family Home Ownership Provided 49 first-mortgage loans for low- and moderate-income families in rural areas of Washington.

Cash Window, Voyager, and Express Programs

Provided 168 House Key loans that were sold directly to Fannie Mae and Ginnie Mae, making it possible for the Commission to assist more first-time homebuyers with first-mortgage funds.

Mortgage Credit Certificate A tax-credit program used to offset a portion of personal federal tax liability so that buyers can more easily afford their mortgage payments. This program credited 4,048 households from 2008-2014.

Homebuyer Education (1991 – present)

- 174,072 potential homebuyers educated about process of homebuying, real estate and finance terminology, and home maintenance and repair.
- 14,965 homebuyer seminars coordinated statewide.
- 658 online seminars completed—a new option beginning in 2014.
- 6,946 instructors, including loan originators, real-estate professionals, and nonprofit partners, trained to teach free homebuyer education seminars.

Homeowner/Homebuyer Counseling (1998 – present)

\$26 million allocated to nonprofit organizations
97,000 households assisted

The Commission oversees one of the state’s largest housing counseling programs, including help for thousands of homeowners facing foreclosure. In addition to 20 nonprofit partners and 90 housing counselors statewide, these funds also support the state’s foreclosure counseling hotline, providing personal assistance over the phone to hundreds of callers each year.

Amount	Grant Source	Nonprofit Organizations Providing Counseling
\$3.12 million*	Washington State Office of the Attorney General (National Settlement) (2012–2014)	9
\$12.5 million*	State of Washington 2011 Foreclosure Fairness Act (2011–2014)	18
\$385,250*	Housing and Urban Development Emergency Homeowners Loan Program (2011–2014)	8
\$2.5 million	National Foreclosure Mitigation (2008–2014)	11 (administered by NeighborWorks)
\$4.1 million*	Housing and Urban Development (1998–2014)	50
\$550,000	Washington State Office of the Attorney General (Wells Fargo Settlement) (2011–2012)	16
\$595,000	Washington State Office of the Attorney General (Countrywide Settlement) (2010–2011)	11
\$500,000	State of Washington 2010 legislative appropriation (2010–2011)	15
\$250,000	Housing and Urban Development Neighborhood Initiative (2009–2011)	22
\$990,000	State of Washington 2008 legislative appropriation (2008–2009)	25
\$571,355	Rural Housing and Economic Development (2000–2001, 2003–2004)	16

*Ongoing programs

Downpayment Assistance Programs

- \$104,693,025 in second-mortgage loans
- 13,495 households served

The Commission offers second mortgages to assist homebuyers with the downpayment and closing costs of a home purchase. Maximum loan amounts and interest rates vary by program. Funding sources also vary; many programs are sustained through the Commission's Program Investment Fund, while others are partnerships with other entities.

Downpayment assistance is only available to borrowers who use a Commission first mortgage and complete a homebuyer-education class.



Mei Jones and Brian Nozynski didn't have a traditional downpayment. Their dream of homeownership in Seattle was made a reality through the downpayment assistance program.

Program	Eligible Households	Borrowers Served	Total Loaned for Downpayment and Closing-Cost Assistance
ONGOING PROGRAMS			
Home Advantage DPA	Those who qualify for a Home Advantage first mortgage	3,572	\$ 24,865,983
HomeChoice	Individuals with disabilities; 42% of borrowers earn less than 50% of the area median income	1,203	\$ 15,273,995
Home Advantage Built New <i>(formerly New Home for You)</i>	Purchasing newly constructed, never-occupied homes	144	\$ 1,063,081
Home Advantage Rebound <i>(funded by the state Consumer Remedy Fund)</i>	Buying a home that has been foreclosed	310	\$ 2,806,416
House Key Plus Seattle <i>(a partnership with the City of Seattle since 2004)</i>	First-time homebuyers within the City of Seattle earning 80% or less of area median income	375	\$ 19,400,214
House Key Schools	Employees of community/technical colleges, K-12 public schools, and private schools accredited or recognized by the State of Washington	181	\$ 1,358,221
House Key Plus CLT	Buying a home in King, Skagit, San Juan, or Whatcom counties on community land trust (CLT) property	117	\$ 1,483,340
House Key Plus ARCH <i>(A Regional Coalition for Housing)</i>	Buying a home in east King County within an ARCH member city or surrounding unincorporated area	61	\$ 1,756,961
House Key Veterans	Military veterans	46	\$ 314,377
PREVIOUS PROGRAMS			
House Key Plus <i>(ended Jan. 2013)</i>	Low- and moderate-income first-time homebuyers	6,319	\$ 26,521,431
House Key Real Estate Owned <i>(ended 2012)</i>	Buying a home that has been foreclosed	893	\$ 6,448,429
House Key Bremerton <i>(ended 2012)</i>	Buying a home in the City of Bremerton	5	\$ 36,916
House Key Rural <i>(ended 2011)</i>	Rural borrowers who earn up to 80% of area median income	193	\$ 1,760,117
House Key King County <i>(ended 2010)</i>	Buying a home in King County (outside the Seattle city limits and outside the ARCH King County area)	38	\$ 1,124,256
House Key Federal Way <i>(ended 2010)</i>	Buying a foreclosed, bank-owned, delinquent, or abandoned home in Federal Way	11	\$ 314,213
House Key Extra <i>(ended 2005)</i>	Rural residents with disabilities or who have a dependent family member with a disability	27	\$ 165,075
Total		13,495	\$104,693,025



“Our new Gordon Family YMCA in Sumner opens in 2015, thanks in part to the Commission’s tax-exempt bonds.”

Bob Ecklund, President & CEO, YMCA of Pierce and Kitsap Counties

Nonprofit Facilities Program

155 facilities

\$847 million in bonds

The Commission issues tax-exempt 501(c)(3) bonds to finance capital facilities and equipment owned by nonprofit organizations. Projects include schools, daycare centers, animal shelters, community centers, job training centers, social services offices, and research facilities.

- \$847 million in nonprofit bonds contributed to the financing of all 155 facilities.
- \$89.2 million in nonprofit bonds were refunded to decrease debt service.
- \$22.7 million in taxable bonds were issued to finance associated project costs.

Category	Facilities
Social Services & Athletic Facilities	67
Animal Welfare	3
Cultural Facilities	13
Economic Development	3
Job Training	16
Education	51
Scientific Research	2
Total	155

Beginning Farmer/Rancher Program

24 farms

1,399 acres

\$5.2 million in bonds

The Commission, in partnership with **Northwest Farm Credit Services**, issues bonds to enable beginning farmers and ranchers to purchase land and equipment. The loans of up to \$477,000 can be combined with other loans and grants.

Beginning Farmer/Rancher Loans by County

County	Acres	Bond Amount
Adams	60	\$ 165,000
Benton	20.8	187,000
Chelan	11	400,000
Ferry	226	200,000
Grant	116	274,603
King	59.5	672,500
Kittitas	120	225,000
Lewis	106	415,000
Lincoln	270	242,000
Pierce	74	412,500
Spokane	40	72,000
Walla Walla	10.1	184,800
Whatcom	48	518,000
Yakima	237.6	1,244,500
Total	1,399	\$5,212,903

Sustainable Energy Program

7 projects

\$14.55 million invested

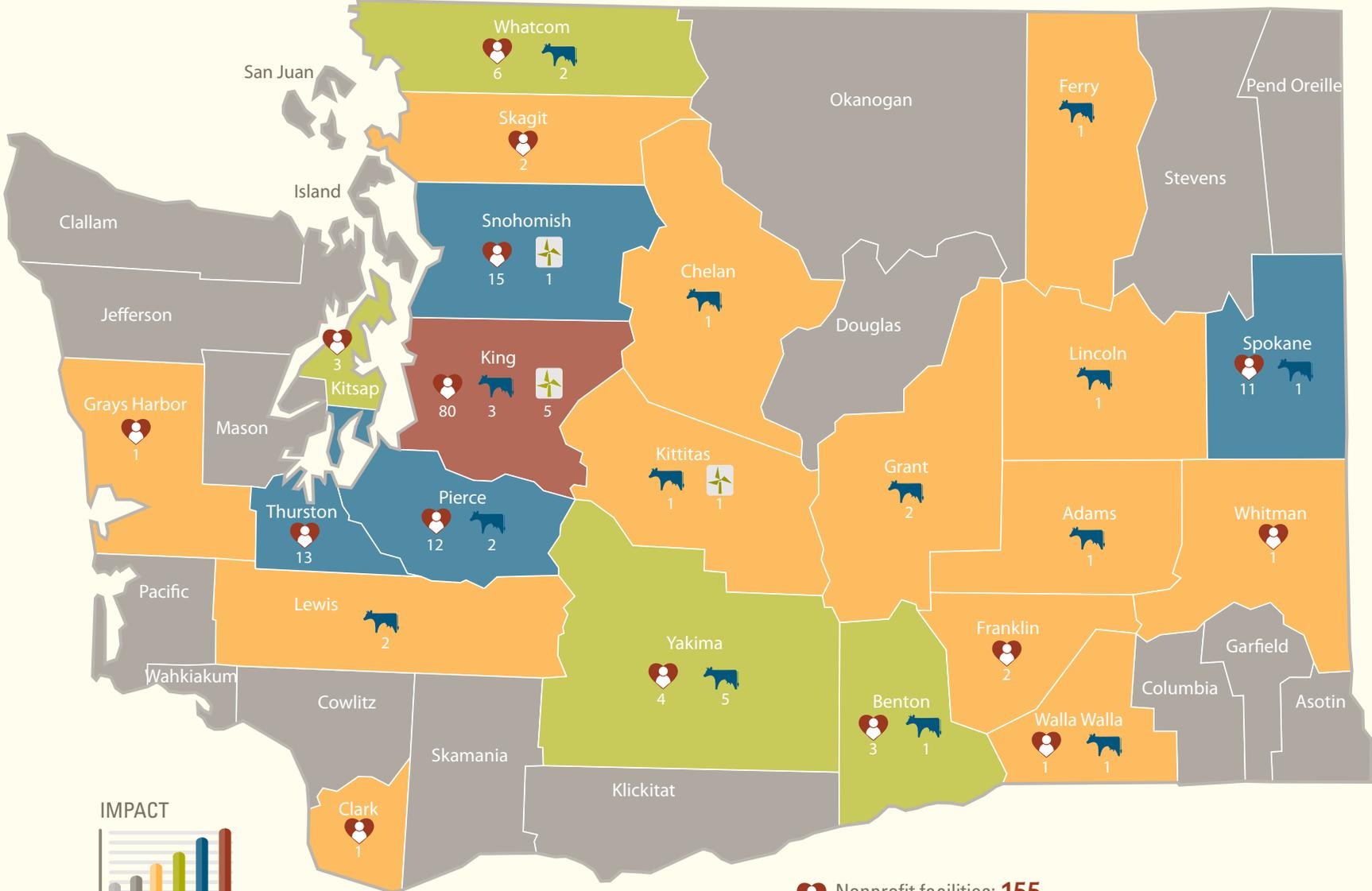
In 2009, the state legislature gave the Commission the authority to develop financing programs for energy-efficiency and renewable-energy projects. Since 2012, the Commission has financed seven projects for both private companies and nonprofits. They included:

- Energy-efficiency upgrades at Seattle-area YMCAs, a community-health nonprofit in Everett and a Bainbridge Island grocery store
- Wind turbines that power local homes near Ellensburg
- Affordable and highly energy-efficient single-family homes in Seattle

Energy Projects By County

County	Amount
Snohomish	\$ 500,000
Kittitas	9,000,000
King	5,050,000
Total	\$14,550,000

186 Community & Energy Projects \$867 Million Invested



- Nonprofit facilities: **155**
- Farms/ranches: **24** (1,399 acres total)
- Energy Projects: **7**

*July 1, 1983 to June 30, 2014



Asset Management, Compliance and Finance

Once the construction or remodeling of multifamily affordable housing is finished, the work of the Asset Management and Compliance team begins. This division helps property owners and managers comply with the state statutes, the federal tax code, and contractual commitments that come with bond and tax-credit financing. Our commitment to monitoring and providing technical assistance lasts for the term of the bonds and/or tax credits—anywhere from 10 to 40 years.



Stewart and Barbara Davidson in their garden at Duvall Riverside Village.

Keeping Housing Safe And Affordable

75,000+ units
in 934 properties monitored statewide

- Nearly 61,400 housing credit-financed units (9 percent and 4 percent credits)
- Over 15,000 bond-only units
- 437 Resolutions Trust Corporation units

250-280 properties
inspected each year

EDUCATION AND TRAINING

- Ten to 15 compliance workshops annually for more than 600 owners, property managers, and staff
- Classes for users of the web-based annual reporting system, WBARS
- Specialized training sessions in conjunction with the Affordable Housing Management Association and the Council for Affordable and Rural Housing

PARTNERSHIPS

By working with other entities who fund housing, the Commission helps to maximize agency resources.

- Cities of Seattle, Spokane, and Tacoma
- King and Snohomish counties
- Washington State Department of Commerce
- Seattle Housing Authority
- Washington State USDA Rural Development
- City of Bellingham

WEB-BASED REPORTING SYSTEM

The Washington State Web-Based Annual Reporting System, or WBARS, is a comprehensive and innovative system created by the Commission and the State Department of Commerce, and shared by seven different public funders in Washington state. It manages detailed property and tenant information on thousands of properties, allowing more than 1,600 property managers and owners to easily meet reporting requirements, while giving funders a powerful oversight tool. WBARS is the only housing finance agency reporting system in the nation used by multiple agencies.

TECHNICAL ASSISTANCE

- Daily guidance provided by phone and email
- Periodic compliance workshops tailored to industry beginners as well as seasoned professionals
- Award-winning website which provides:
 - Program manuals, report forms, FAQs, web training videos, and electronic workshop registration
 - A calendar of regional housing and economic development activities
 - Links to funding and compliance resources
 - Monthly email updates to over 1,300 subscribers with timely information on compliance and asset management topics

Ensuring Sound Fiscal Management

Finance Activities, 1983–2014

The Finance team uses resources efficiently and effectively—delivering the most impact throughout the state as possible.

ASSET MANAGEMENT

- Recorded transactions on 375 outstanding bond issues with \$4 billion of outstanding debt
- Monitored performance of trustees, servicers, and other outside contractors
- Created quarterly financial statements on outstanding bond issues
- Supplied voluntary disclosure reports to bond investors and rating agencies

GENERAL OPERATIONS

- Prepared monthly financial statements
- Performed investment management oversight
- Coordinated the annual budget and work-planning process
- Coordinated annual audits by the independent auditor and the state auditor
- Administered and monitored the Program Investment Fund
- Provided financial management and accounting services for the Washington Higher Education Facilities Authority and the Tobacco Settlement Authority

Affiliated Organizations

Tobacco Settlement Authority

1 bond issue—
\$305.9 million of outstanding debt

The Finance Division manages the assets of the Tobacco Settlement Authority, a Governor-appointed board established to oversee the issuance of bonds against state tobacco-settlement revenues in 2002.

In 2013, bonds were refunded to save Washington taxpayers approximately \$90 million in interest over the next decade.

Washington Higher Education Facilities Authority

84 bond issues—**\$1.9** billion

The Finance Division manages the assets of the Washington Higher Education Facilities Authority, a Governor-appointed board. WHEFA financing enables the state’s nonprofit, private colleges and universities to build, equip, expand, and improve their facilities through tax-exempt bonds.

By providing reduced financing options to educational institutions, they are able keep costs down for students.

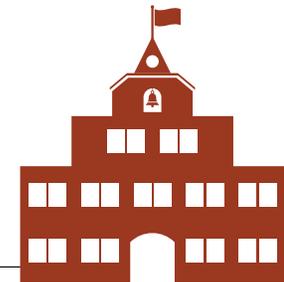


Recent Projects

Seattle Pacific University

\$85.5 million

Construction of a student resident hall and related improvements



University of Puget Sound (Tacoma)

\$68.5 million

Construction of a student resident hall and related improvements

Gonzaga University (Spokane)

\$53 million

Construction and equipment for a university center, housing dining services, academic, and co-curricular spaces



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Opening doors to a better life

The Washington State Housing Finance Commission is a publicly accountable, self-supporting team dedicated to increasing housing access and affordability and to expanding the availability of quality community services for the people of Washington. We work to increase housing people can afford statewide, and we issue below-market-rate, tax exempt bonds, and federal housing credits to fund housing and nonprofit facilities across Washington. The bonds of the Washington State Housing Finance Commission are not obligations of Washington state and are not repaid with tax dollars. The Commission is financially self-sufficient. All operating expenses are paid from program revenues. No taxpayer dollars were used to produce this document. For more information about the Commission and its work, visit www.wshfc.org or call 206-464-7139 or 1-800-767-HOME (4663) in Washington state.



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