

**WASHINGTON STATE HOUSING FINANCE COMMISSION
COMMISSION WORK SESSION AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **work session** in the **Commission's Board Room**, located at 1000 Second Avenue, 28th Floor, Seattle, Washington 98104-3601, on Thursday, September 24, 2015, at 11:00 a.m. to consider the following:

- I. Lisa DeBrock/Bill Conner – Updates on the Housing Counseling and Foreclosure Prevention Programs (20 min.) **A**

- II. Lisa Vatske/Rich Zwicker – A briefing on the Proposed 9% Competitive Housing Tax Credit Program Policy Changes for the 2016 Allocation Round (20 min.) **B**

- III. Executive Director's Report

**WASHINGTON STATE HOUSING FINANCE COMMISSION
COMMISSION MEETING AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Special Meeting** in the **Commission’s Board Room**, located at 1000 Second Avenue, 28th Floor, Seattle, Washington 98104-3601, on Thursday, September 24, 2015, at 1:00 p.m. to consider the following:

- I. Chair: Approval of the Minutes from the August 11, 2015, Emergency Meeting and August 27, 2015, Special Meeting. (5 min.)** **1**

- II. Chair: Conduct a Public Hearing on the following:**

 - A. CRISTA Ministries, OID #15-111A** **2**
Bob Peterson: The proposed issuance of a non-profit revenue bond in the approximate amount of \$3,000,000 to finance the rehabilitation and renovation of a continuing care retirement facility located at 19303 Fremont Avenue N., Shoreline, Washington, 98133, and an independent/assisted living facility located at 1600 NW Crista Shores Lane, Silverdale, Washington, 98383, consisting of a total of 385 Independent Living units, 127 Assisted Living units and 152 Skilled Nursing units. The project is owned by CRISTA Ministries, a Washington 501(c)(3) nonprofit organization. (10 min.)

 - B. The Reserve at Lynnwood, OID #15-69A** **3**
Bob Peterson: The proposed issuance of revenue bonds in an amount not to exceed \$42,000,000 to provide a portion of the financing to acquire, construct and equip a 295–unit multifamily housing facility, and to pay a portion of the cost of issuing the bonds. The project is located at 19815 Scriber Lake Road, Lynnwood, Washington, 98036. The project will be owned by Reserve at Lynnwood Partners LLLP, a Washington limited liability limited partnership. (10 min.)

 - C. Bob Peterson: Recommend and Present Projects for Allocation of Low Income Housing Tax Credits from the 2015 Funding Round. (10 min.)** **4**

 - D. Present proposed 9% Competitive Housing Tax Credit Program Policy Changes for the 2016 Allocation Round** **5**
Lisa Vatske/Rich Zwicker: A public hearing on the proposed changes to the 9% Competitive Housing Tax Credit Program Policies for the 2016 allocation round. (30 min.)

 - E. Lisa DeBrock/Christian Hayes: Approval of Resolution No. 15-114 for the use of bond-cap for the Mortgage Credit Certificate (MCC) Program (10 min.)** **6**

III. Consider and Act on the Following Action Items:

- A. Resolution No. 15-120, for the Allocation of Credit for the 2015 Housing Tax Credit Program** **7**
Lisa Vatske: A Resolution authorizing the Executive Director to make reservations and/or allocations of 2015 Housing Tax Credits. (10 min.)
- B. Lisa Vatske:** Request approval of the proposed changes to the 9% Competitive Housing Tax Credit Program Policies for the 2016 allocation round. (10 min.) **8**
- C. Resolution No. 15-93, Ruby Preservation Portfolio** **9**
David Clifton: A Resolution approving the issuance of one or more series of tax-exempt revenue notes in the principal amount not to exceed \$13,500,000 to provide a portion of the costs of acquiring and rehabilitating the following four multifamily housing facilities: Madrona Manor located at 890 S.W. Kimball Drive, Oak Harbor, WA 98277; Lexy Manor located at 300 N.E. 7th Avenue, Oak Harbor, WA 98277; Norris Place located at 486 S. Norris Street, Burlington, WA 98233; and Fairhaven Manor located at 115 Hulbush Lane, Burlington, WA 98233. The project will be owned by BOH Portfolio Preservation Associates, LLLP, a Washington limited liability limited partnership. The public hearing for this project was held on June 25, 2015. (10 min.)
- D. Resolution No. 15-116, The Alliance Center** **10**
David Clifton: A Resolution approving the issuance of a tax-exempt revenue bond in the amount of \$1,989,000 to refinance a facility in Kent, Washington, owned by South County Area Human Services Alliance, a Washington 501(c)(3) nonprofit organization. The public hearing for this project was held on September 10, 2015. (10 min.)
- E. Resolution No. 15-117, Edmonds Community College Student Housing** **11**
David Clifton: A Resolution approving the issuance of a tax-exempt bond in the amount of \$15,740,000 to refinance series 2008 bonds previously issued by the Commission that were used to finance the construction and equipping of a student housing facility located on the campus of Edmonds Community College located adjacent to the northwest corner of the intersection of 68th Avenue W and 200th Street SW in Lynnwood, WA 98036. The project is owned by ECCO Properties, a Washington 501(c)(3) nonprofit organization. The public hearing for this project was held on June 12, 2008. (10 min.)
- F. Resolution No. 15-118, CRISTA Ministries** **12**
David Clifton: A Resolution approving the issuance of a revenue bond in an amount not to exceed \$3,000,000 to finance the rehabilitation and renovation of a continuing care retirement facility located at 19303 Fremont Avenue N., Shoreline, Washington, 98133, and an independent/assisted living facility located at 1600 NW Crista Shores Lane, Silverdale,

Washington, 98383, consisting of a total of 385 Independent Living units, 127 Assisted Living units and 152 Skilled Nursing units. The project is owned by CRISTA Ministries, a Washington 501(c)(3) nonprofit organization. The public hearing for this project is to be held on Sept. 24, 2015. (10 min.)

G. Resolution No. 15-119, Skyline at First Hill 13

David Clifton: A Resolution approving the issuance of tax-exempt revenue bonds in an amount not to exceed \$10,000,000 to refund outstanding obligations of the Commission which refinanced the development, acquisition, construction and equipping of a continuing care retirement facility known as Skyline at First Hill, located at 725 9th Avenue, Seattle, Washington, 98104. The facility is composed of a mix of independent living units, assisted living units, memory support assisted living units and skilled nursing beds. The project is owned by FH, LLC, a Washington limited liability company, the sole member of which is Presbyterian Retirement Communities Northwest, a Washington 501(c)(3) nonprofit organization. The public hearing for this project was held on Sept. 3, 2015. (10 min.)

H. Resolution No. 15-121, Mountlake Senior Apartments 14

David Clifton: A Resolution approving the issuance of a tax-exempt revenue note in an amount not to exceed \$14,000,000 to provide a portion of the financing for the acquisition of land and new construction and equipping of a 96-unit senior housing facility, located at 5525 - 244th Street SW in Mountlake Terrace, WA, 98043, and to pay a portion of the costs of issuing the note. The project is owned by Mountlake Senior Living Associates Limited Partnership, a Washington limited partnership. The public hearing for this project was held on Sept. 3, 2015 and will hold a public hearing on September 30, 2015. (10 min.)

I. Lisa DeBrock/Christian Hayes: Approval of Resolution No. 15-114 for the use of bond cap for the Mortgage Credit Certificate (MCC) Program (10 min.) 15

IV. Information Report on Department of Commerce Activities. (10 min.)

V. Executive Director’s Report (10 min.)

VI. Commissioners’ Reports (10 min.)

VII. Chair: Consent Agenda (5 min.)

A. Status report on the current Homeownership Programs 16

B. Status report on the current Homebuyer Education Programs 17

C. Multifamily Housing and Community Facilities Activities Report 18

D. Asset Management and Compliance Report 19

E.	Financial Statements as of August 31, 2015 available at the meeting	20
VIII.	Chair: Miscellaneous Business and Correspondence (5 min.)	
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IX.	Chair: Public Comment	
X.	Executive Session (if necessary)	
XI.	Adjourn	

Karen Miller, Chair

Consent Agenda items will only be discussed at the request of a Commissioner.

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the "Commission") will hold an open public hearing for the purpose of considering the issuance by the Commission of tax-exempt revenue bonds (the "Bonds") to finance the rehabilitation and renovation of a continuing care retirement facility located in Shoreline, Washington and an independent/assisted living facility located in Silverdale, Washington, both owned by CRISTA Ministries, a Washington nonprofit organization. The public hearing will be held starting at 1:00 p.m., Thursday, September 24, 2015, in the 28th Floor Board Room of the Commission's offices located at 1000 Second Ave., Seattle, Washington 98104-3601.

The Bonds will be issued pursuant to Chapter 43.180 Revised Code of Washington, and the Internal Revenue Code of 1986, as amended.

The proceeds of the Bonds will be used to provide financing for the following projects:

Project:	CRISTA Senior Living/Cristwood Retirement Community
Project Address:	19303 Fremont Avenue N. Shoreline, WA 98133
Project:	CRISTA Senior Living/Crista Shores
Project Address:	1600 NW Crista Shores Lane Silverdale, WA 98383
Total Estimated Project Cost:	\$3,000,000
Estimated Maximum Bonds Amount:	\$3,000,000

Proceeds of the Bonds will be used for the rehabilitation and renovation of a continuing care retirement facility located in Shoreline, Washington and an independent/assisted living facility located in Silverdale, Washington, consisting of a total of 385 Independent Living units, 127 Assisted Living units and 152 Skilled Nursing units, owned by CRISTA Ministries (the "Facilities").

This notice is intended to comply with the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. Written comments with respect to the proposed Project and the proposed Bonds may be mailed or faxed to the attention of Jacob Richardson, WSHFC, MHCF Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587-5113, for receipt no later than 5 p.m. on Wednesday, September 23, 2015. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from tax-exempt obligations. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the MHCF division at 206-464-7139 or 1-800-767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the "Commission") will hold an open public hearing for the purpose of considering the issuance by the Commission of one or more tax-exempt revenue bonds (the "Bonds") to finance a portion of the costs for construction of a multifamily housing facility in Lynnwood, Washington, to be owned by Reserve at Lynnwood Partners LLLP, a Washington limited liability limited partnership. The public hearing will be held starting at 1:00 p.m., Thursday, September 24, 2015, in the 28th Floor Board Room of the Commission's offices located at 1000 Second Ave., Seattle, Washington 98104-3601.

The Bonds will be issued pursuant to Chapter 43.180 Revised Code of Washington, and the Internal Revenue Code of 1986, as amended.

The proceeds of the Bonds will be used to provide financing for the following project:

Project:	The Reserve at Lynnwood
Project Address:	5800 198 th Street SW Lynnwood, WA 98036
Total Estimated Project Cost:	\$62,150,000
Estimated Maximum Bond Amount:	\$42,000,000

Proceeds of the Bonds will be used to provide a portion of the financing to acquire, construct and equip a 295-unit multifamily housing facility in Lynnwood, Washington, and to pay a portion of the cost of issuing the Bonds. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. Written comments with respect to the proposed Project and the proposed Bonds may be mailed or faxed to the attention of Jason Hennigan, WSHFC, MHCF Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587-5113, for receipt no later than 5 p.m. on Wednesday, September 23, 2015. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from tax-exempt obligations. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the MHCF division at 206-464-7139 or 1-800-767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

FHA, VA and Rural Development mortgages and other loans. Until the total MCC credit amount for the Program is exhausted, a qualifying homebuyer may apply for an MCC through a participating lender at the time of loan application. Applicants must meet the credit and underwriting criteria established by the participating lenders that provides the loan. The Commission will neither make nor purchase any loans in connection with this Program. MCC applications will be accepted on a first-come, first served basis; however, for the first year of the Program, 20% will be reserved for persons purchasing single-family homes in Targeted Areas. There is no allocation of MCC's by lender.

Banks, savings and loan associations, mortgage companies and other financing institutions and individuals are invited to participate as lenders. The Commission will make a list of participating lenders available to the public upon request. An applicant may also obtain a loan from a lender not on this list if the lender agrees to participate in the Program. Any lender who wishes to participate will be required to sign a Participation Agreement, which outlines the lender's loan review and reporting responsibilities, and pay to the Commission a \$500 annual fee.

Each applicant for an MCC will be required to pay a nonrefundable \$650 fee at the time of application. The Commission reserves the right to adjust or waive the fee from time to time.

MCC's cannot be used with Commission-financed mortgage loans or with any mortgage loans subsidized by mortgage revenue bonds. Current federal tax law may require a payment to the federal government of a "recapture" tax if the homeowner sells or otherwise transfers his or her home to someone else within nine years after the MCC is issued.

The Commission reserves the right to adjust, modify or amend the Program guidelines at its sole discretion and without further notice.

If you have any questions regarding the Mortgage Credit Certificate Program or with further information about the requirements for participating lenders, please contact Lisa DeBrock at the Washington State Housing Finance Commission, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-1046, 1(800) 767-HOME outside Seattle or (206) 464-7139.



The Washington State
HOUSING FINANCE COMMISSION

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing for the purpose of considering the allocation by the Commission of federal low-income housing tax credits (the “Credits”) to sponsor multifamily residential projects. The projects to be considered for an allocation of Credits are posted on the Commission’s website at <http://www.wshfc.org/mhcf/9percent/2015list.pdf>. The open public hearing will be held at 1:00 p.m., or as soon thereafter as the consideration of any other Commission business will allow, on *Thursday, September 24th, 2015*, in the Commission’s **Board Room, 1000 Second Avenue, 28th Floor, Seattle, Washington**. Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at 206.464.7139 or 1.800.767.HOME (in state) at least *48 hours* in advance of the hearing.

The Credits will be allocated pursuant to the authority of the Commission under Chapter 43.180 RCW as amended, Executive Order 94-05, dated April 2, 1994, and the Internal Revenue Code of 1986, as amended. As a condition of receiving an allocation of tax credits and under a competitive process, the developers commit to serving very low and extremely low income and special needs populations for up to 40 years.

Written comments with respect to the proposed projects and allocation of Credits may be emailed to lisa.vatske@wshfc.org, mailed or faxed to the **Washington State Housing Finance Commission** (*Attention: Lisa Vatske, MHCF Division Director, 1000 Second Avenue, Suite 2700, Seattle, Washington, 98104-1046; fax number 206.587.5113*) for receipt no later than *5:00 p.m. on September 23rd, 2015*. The public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the projects will receive Credits; however, the Commission will not consider testimony and written comments regarding land use, zoning, and environmental regulation, which should be directed to the local jurisdictions that are authorized to consider these matters when issuing building permits for the project.



The Washington State
HOUSING FINANCE COMMISSION

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Washington State Housing Finance Commission (*the "Commission"*) will hold a public hearing in the Boardroom of the Commission's offices, 1000 Second Avenue, 28th Floor, Seattle, Washington, on ***Thursday, September 24, 2015 at 1:00 P.M.***, or as soon thereafter as practical, for the purpose of receiving public comment regarding proposed "changes" to the *9% Competitive Housing Tax Credit Program Policies for the 2016 allocation round*.

The Commission is the agency designated by the Governor to allocate federal Low-Income Housing Tax Credits in the state. Tax credits are awarded on a competitive basis to developers for financing either the rehabilitation of existing buildings or construction of new buildings for residential use. Recipients must comply with federal and state requirements that include maximum rent levels and the set-aside of a certain percentage of apartment units for occupancy by low-income tenants.

The public is invited to attend the public hearing and make written or oral statements including objections, if any, concerning the proposed "changes" to the *Policies*. **Written comments received no later than 5:00 P.M., Wednesday, September 23, 2015** will also be considered. The Commission is scheduled to take action on the proposed "changes" to the *Policies* immediately following the conclusion of the public hearing.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Tax Credit division directly at least *48 hours in advance* of the hearing.

Kim Herman, Executive Director
Washington State Housing Finance Commission

EXHIBIT B

WASHINGTON STATE HOUSING FINANCE COMMISSION

FORM OF PUBLIC NOTICE

The Washington State Housing Finance Commission (Commission) proposes to implement a Mortgage Credit Certificate Program (Program) to provide assistance to home buyers purchasing new or existing residences in the state of Washington. A Mortgage Credit Certificate (MCC) reduces the amount of income tax a qualified homeowner pays by providing a tax credit which is in effect for the life of a mortgage loan, as long as the homeowner occupies the home as a principal residence. After all other credits and deductions are taken into account, the value of the MCC is applied directly to a homeowner's remaining tax liability.

No sooner than 90 days following publication of this Notice, the Commission intends to make MCC's available to homebuyers when purchasing existing, new and manufactured housing according to the guidelines summarized below. The total credit authority available under the Program is \$60,000,000 which is expected to provide assistance with respect to \$300,000,000 in aggregate principal amount of mortgage loans.

The annual amount of the MCC tax credit will be equal to 20% of the yearly interest paid or accrued on the homeowner's mortgage loan. The amount of the credit may not exceed the homeowner's total tax liability for a specified year, but excess credit may be carried forward for up to three subsequent tax years. Use of an MCC will reduce the deduction for home mortgage interest on the homeowner's tax return. An MCC expires on the date the mortgage loan relating thereto is paid in full or is refinanced, and an MCC is revoked on the date the residence to which it relates ceases to be the taxpayer's primary residence. The Commission reserves the right to adjust the MCC credit rate or make allocations to specific sectors of the housing industry or to conform to market demand or future tax legislation.

To be eligible for an MCC, applicants must: (1) Purchase a new or existing single-family home in the state of Washington; (2) Obtain a new mortgage or home loan (refinancing of an existing mortgage or land contract is not permissible, except for certain construction loans); (3) Continuously occupy the home as a primary residence within 60 days of its purchase; (4) Purchase a home which has a total cost that does not exceed the maximum purchase price limits as established by the Commission (which currently range from \$235,000 to \$475,000, depending on location); (5) Have a household income, including all household members eighteen years or older, that does not exceed the maximum household incomes as established by the Commission (which currently range from \$65,000 to \$90,000 for one- or two-person families, and from \$75,000 to \$97,000 for three-or-more-person families, depending on location); and (6) Not have had an ownership interest in a principal residence within the preceding three years, except for qualified homebuyers purchasing homes in federally designated targeted areas and certain veterans. The applicant must sign all documents and affidavits which are needed to demonstrate eligibility for an MCC, and the regulations, rulings and interpretations issued by the Internal Revenue Service shall control in the event of a conflict with other requirements. The Commission reserves the right to adjust the purchase price and income limits for the Program to reflect housing costs and market conditions within federal guidelines.

MCC's shall be issued in conjunction with fixed or adjustable rate conventional conforming loans, (i.e., Fannie Mae or Freddie Mac saleable), loans insured or guaranteed by