

Updated

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, December 17, 2015, at 11:00 a.m. to consider the following:

- I. Kim Herman/Rich Zwicker:** Overview of the proposed 2016-2017 Housing Finance Plan and the timeline for the 2016 public hearing(s) and adoption by the Commission (15 min.). **a**
- II. Lisa Vatske/David Clifton:** Review and discussion on the proposed changes to the Bond/Tax Credit Policy. (15 min.) **b**
- III. Michone Preston, Maureen Fife, Calvin Hewitt and Daryl Daus, Habitat for Humanity of Washington:** Present the Commission with an award, provide an update on two affiliates that received the Commission funds and to share the 'affiliate readiness report' (15 min)
- IV. Kim Herman:** Update on the Program Investment Fund (PIF). (15 mins) **c**

**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, December 17, 2015, at 1:00 p.m. to consider the following:

- I. **Chair: Approval of the Minutes from the November 19, 2015 Special Meeting.** 1
(5 min.)

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

 - A. **HopeSource II Rural Preservation, OID #14-107A-E** 2
Bob Peterson: The proposed issuance of tax–exempt revenue bonds to provide a portion of the costs of acquiring and rehabilitating four senior housing facilities: Berg Rose Apartments located at 263 Mine Street, Leavenworth, WA 98826 (30 units); Cashmere Park Apartments located at 302 Fisher Street, Cashmere, WA 98815 (24 units); Cascade Manor Apartments located at 101 South Pearl Street, Ellensburg, WA 98926 (20 units); Huntington Court Apartments located at 306 E Manitoba Avenue, Ellensburg, WA 98926 (24 units); and the acquisition and rehabilitation of two multifamily housing facilities: Selah Park located at 502 South 5th Street, Selah, WA 98942 (24 units) and Park Village located at 554 South 5th Street, Selah, WA 98942 (24 units). All six facilities are to be owned by HopeSource II Rural Preservation Associates LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay a portion of the costs of issuing the bonds. The total estimated aggregate bond amount is not expected to exceed \$8,000,000. (10 min.)

 - B. **Beaver Cove Apartment Homes, OID#15-135A** 3
Bob Peterson: The proposed issuance of a tax–exempt revenue bonds to finance a portion of the costs for the acquisition, construction, and equipping of a 118-unit multifamily housing facility located at 19800 50th Avenue West in Lynnwood, WA 98036, in unincorporated Snohomish County, to be owned by Lynnwood Beaver Cove LLC, a Washington limited liability company. Proceeds of the bonds may be used to pay a portion of the costs of issuing the bonds. The total estimated aggregate bond amount is not expected to exceed \$18,160,000. (10 min.)

 - C. **The Northwest Railway Museum, OID#15-134A** 4
David Clifton: The proposed issuance of tax-exempt revenue bonds to finance a portion of the costs for the construction a railway education facility with a library, archives, classroom, and program facilities and to refinance existing debt for facilities located at 9300, 9312 and 9320 Stone Quarry Road,

Snoqualmie, WA, 98065, in King County, Washington, to be owned by The Northwest Railway Museum, a Washington nonprofit 501(c)(3) corporation. Proceeds of the bonds may also be used to pay a portion of the costs of issuance and to improve existing facilities at the museum, including but not limited to, purchase and installation of an overhead crane, construction of additional gallery space, building entry improvements, restrooms, locker room, office space, staff/visitor parking lot, and purchase and installation of energy efficient heating and lighting systems. The total estimated bond amount is not expected to exceed \$4,000,000. (10 min.)

- D. Cannon House, OID#15-136A** **5**
David Clifton: The proposed issuance of a tax-exempt revenue bond to refinance existing debt of a 120-bed assisted living facility located at 113-23rd Avenue S. Seattle, WA 98144 owned by Sea-Mar Community Health Center, a Washington nonprofit 501(c)(3) organization. A portion of the proceeds of the bond may be used to pay the costs of issuance. The total estimated bond amount is not expected to exceed \$5,100,000. (10 min.)

III. Consider and Act on the Following Action Items:

- A. Resolution No. 15-141, Gateway Apartments** **6**
Lisa Vatske: A Resolution approving the issuance of a tax-exempt revenue obligation note in an amount not to exceed \$34,000,000 to finance a portion of the costs for the acquisition, construction and equipping of Gateway Apartments, a 177-unit multifamily housing facility located at 13000 21st Drive SE, Everett, WA 98208 in unincorporated Snohomish County to be owned by Gateway, LLC, a Washington limited liability company. Public hearing for this project was held on November 19, 2015. (10 min.)
- B. Resolution No. 15-142, Celebration Senior Living West** **8**
Lisa Vatske: A Resolution approving the issuance of a tax-exempt revenue obligation note in an amount not to exceed \$21,100,000 to finance a portion of the costs for the acquisition, construction and equipping of Celebration Senior Living West, a 189-unit senior housing facility located at 1316 S 328th St in Federal Way, WA 98033, to be owned by Celebration Senior Living West Associates Limited Partnership, a Washington limited partnership. Public hearing for this project was held on November 19, 2015. (10 min.)
- C. Resolution No. 15-137, Reauthorization of Funding for the Beginning Farmer/Rancher Program** **9**
Lisa Vatske/Faith Pettis: A Resolution approving the issuance of up to \$2,000,000 in bonds to fund the Beginning Farmer/Rancher Loan Program. (10 min.)

D.	Resolution No. 15-138, Carryforward of Private Activity Bond Cap	10
	Kim Herman: A Resolution approving the carryforward of Private Activity Bond Cap. (10 min.)	
E.	Request approval on 2016 Commission Meeting Calendar	11
	Kim Herman (5 min.)	
F.	Request approval of the Commission’s 2016 Legislative Agenda	12
	Kim Herman (5 min.)	
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	13
B.	Status report on the current Homebuyer Education Programs	14
C.	Multifamily Housing and Community Facilities Activities Report	15
D.	Asset Management and Compliance Report	16
E.	Financial Statements as of November 30, 2015 available at the meeting	17
VIII.	Chair: Miscellaneous Business and Correspondence (5 min.)	
A.	Miscellaneous Business and Correspondence	18
B.	HFC Events Calendar	19
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 open public hearings for the purpose of considering the issuance by the Commission of one or more series of tax-exempt revenue bonds (the "Bonds") to finance a portion of the costs of acquiring and rehabilitating two multifamily housing facilities in the community of Selah, Washington in Yakima County, which are expected to be owned by Hopesource II Rural Preservation Associates LLLP, a Washington limited liability limited partnership ("Borrower"). The public hearings will be held starting at 1:00 p.m., Thursday, December 17, 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 Facilities, which are two of six similar projects (the "Portfolio") to be financed by the Bonds:

Total Estimated Bond Amount:	\$8,000,000
Facility:	Park Village
Facility Address:	554 South 5 th Street, Selah, WA 98942
Total Estimated Facility Cost:	\$2,600,000
Estimated Amount of Bonds for this Facility:	\$1,359,620
Facility:	Selah Park
Facility Address:	502 South 5 th Street, Selah, WA 98942
Total Estimated Facility Cost:	\$2,725,000
Estimated Amount of Bonds for this Facility:	\$1,142,240

Proceeds of the Bonds are expected to be used to provide a portion of the financing for the acquisition and rehabilitation of a total of 48 units of multifamily housing at two adjacent facilities (each, a "Facility," and together, the "Facilities") 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 in each Facility will be set aside for persons or households with low incomes.

The total aggregate estimated cost of the acquisition and rehabilitation of the Portfolio and costs of issuance of the Bonds is estimated to be \$15,400,000.

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 Facilities and the proposed Bonds may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Multifamily Housing and Community Facilities 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, December 16, 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 Facilities will receive funding from the Bonds. 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 Facilities.

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 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 open public hearings for the purpose of considering the issuance by the Commission of one or more series of tax-exempt revenue bonds (the "Bonds") to finance a portion of the costs of acquiring and rehabilitating two senior housing facilities in the community of Ellensburg, Washington in Kittitas County, which are expected to be owned by Hopesource II Rural Preservation Associates LLLP, a Washington limited liability limited partnership ("Borrower"). The public hearings will be held starting at 1:00 p.m., Thursday, December 17, 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 Facilities, which are two of six similar projects (the "Portfolio") to be financed by the Bonds:

Total Estimated Bond Amount:	\$8,000,000
Facility:	Cascade Manor Apartments
Facility Address:	101 South Pearl Street, Ellensburg, WA 98926
Total Estimated Facility Cost:	\$2,260,000
Estimated Amount of Bonds for this Facility:	\$1,150,156
Facility:	Huntington Court Apartments
Facility Address:	306 E Manitoba Avenue, Ellensburg, WA 98926
Total Estimated Facility Cost:	\$2,040,000
Estimated Amount of Bonds for this Facility:	\$998,606

Proceeds of the Bonds are expected to be used to provide a portion of the financing for the acquisition and rehabilitation of the 20-unit Cascade Manor Apartments and the 24-unit Huntington Court Apartments (each, a "Facility" and together, the "Facilities") 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 in each Facility will be set aside for persons or households with low incomes.

The total aggregate estimated cost of the acquisition and rehabilitation of the Portfolio and costs of issuance of the Bonds is estimated to be \$15,400,000.

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 Facilities and the proposed Bonds may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Multifamily Housing and Community Facilities 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, December 16, 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 Facilities will receive funding from the Bonds. 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 Facilities.

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 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 open public hearings for the purpose of considering the issuance by the Commission of one or more series of tax-exempt revenue bonds (the "Bonds") to finance a portion of the costs of acquiring and rehabilitating two senior housing facilities in the communities of Leavenworth and Cashmere, Washington in Chelan County, which are expected to be owned by Hopesource II Rural Preservation Associates LLLP, a Washington limited liability limited partnership ("Borrower"). The public hearings will be held starting at 1:00 p.m., Thursday, December 17, 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 Facilities, which are two of six similar projects (the "Portfolio") to be financed by the Bonds:

Total Estimated Bond Amount:	\$8,000,000
Facility:	Berg Rose Apartments
Facility Address:	263 Mine Street, Leavenworth, WA 98826
Total Estimated Facility Cost:	\$3,560,000
Estimated Amount of Bonds for this Facility:	\$1,907,690
Facility:	Cashmere Park Apartments
Facility Address:	302 Fisher Street, Cashmere, WA 98815
Total Estimated Facility Cost:	\$2,280,000
Estimated Amount of Bonds for this Facility:	\$1,163,688

Proceeds of the Bonds are expected to be used to provide a portion of the financing for the acquisition and rehabilitation of the 30-unit Berg Rose Apartments and the 24-unit Cashmere Park Apartments (each, a "Facility" and together, the "Facilities") 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 in each Facility will be set aside for persons or households with low incomes.

The total aggregate estimated cost of the acquisition and rehabilitation of the Portfolio and costs of issuance of the Bonds is estimated to be \$15,400,000.

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 Facilities and the proposed Bonds may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Multifamily Housing and Community Facilities 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, December 16, 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 Facilities will receive funding from the Bonds. 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 Facilities.

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 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 series of tax-exempt revenue obligations (the "Notes") to finance a portion of the costs for the acquisition and rehabilitation of a multifamily housing facility in Lynnwood, Washington, to be owned by Lynnwood Beaver Cove LLC, a Washington limited liability company. The public hearing will be held starting at 1:00 p.m., Thursday, December 17, 2015, in the 28th Floor Board Room of the Commission's offices located at 1000 Second Ave., Seattle, Washington 98104-3601.

The Notes 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 Notes will be used to provide financing for the following project (the "Project"):

Project:	Beaver Cove Apartment Homes
Project Address:	19800 50 th Avenue West Lynnwood, WA 98036
Total Estimated Project Cost:	\$22,622,610
Estimated Maximum Note Amount:	\$18,160,000

Proceeds of the Notes will be used to provide a portion of the financing for the acquisition of land and rehabilitation of a 118-unit multifamily housing facility in Lynnwood, WA, and to pay a portion of the costs of issuing the Notes. 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 Notes 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 5:00 p.m. on Wednesday, December 16, 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 bond (the "Bond") to finance and refinance facilities owned and to be owned by The Northwest Railway Museum, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The public hearing will be held starting at 1:00 p.m., Thursday, December 17, 2015 in the 28th floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104–1046.

The Bond will be issued pursuant to the Revised Code of Washington, Chapter 43.180 and the Code.

The proceeds of the Bond will be used to finance and refinance the following:

Project:	Railway History Center
Addresses:	Conservation and Restoration Center - 9300 Stone Quarry Road Railway Education Center - 9312 Stone Quarry Road Train Shed Exhibit Building - 9320 Stone Quarry Road Snoqualmie, WA 98065
Estimated Project Amount:	\$4,800,000
Maximum Bond Amount:	\$4,000,000

Proceeds of the Bond are expected to be used (1) to refinance existing taxable debt used to finance and/or refinance a portion of The Northwest Railway Museum's acquisition, construction, and equipping costs in connection with museum facilities located at the addresses noted above, (2) to finance a portion of the costs of constructing a railway education facility with a library, archives, classroom, and program facilities at the addresses noted above, and (3) to pay all or a portion of the costs of issuing the Bond. Proceeds of the Bond may also be used to improve existing facilities at the Railway History Center, including, but not limited to, purchase and installation of an overhead crane, construction of additional gallery space, building entry improvements, restrooms, locker room, office space, staff/visitor parking lot, and purchase and installation of energy efficient heating and lighting systems.

Written comments with respect to the Project and the proposed Bond may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Multifamily Housing and Community Facilities Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-1046 or to (206) 587-5113, for receipt no later than 5 p.m. on Wednesday, December 16, 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 a tax-exempt bond. 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 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 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 a tax-exempt revenue bond (the "Bond") to provide a portion of the financing for a facility to be owned by Sea-Mar Community Health Center, a nonprofit organization described under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The public hearing will be held starting at 1 p.m., Thursday, December 17, 2015, in the 28th floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-1046.

The Bond will be issued pursuant to the Revised Code of Washington, Chapter 43.180 and the Code.

The proceeds of the Bond will be used to refinance the following project:

Project:	Cannon House
Address:	113 – 23 rd Avenue S Seattle, WA 98144
Estimated Total Project Cost:	\$5,100,000
Estimated Bond Amount:	\$5,100,000

Cannon House is an existing 120-bed assisted living facility. A percentage of the units will be set aside for low-income households.

Written comments with respect to the proposed refinancing and the proposed Bond may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Capital Projects Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-1046 or to (206) 587-5113, for receipt no later than 5 p.m. on Wednesday, December 16, 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 a tax-exempt bond. 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 Capital Projects 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.