

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

May 18, 2015

The Commission meeting was called to order by Chair Karen Miller at 1:00 p.m. in the Olympic Room, located at 1 Heron Road Port Ludlow, Washington 98365. Those Commissioners present were Pam Tietz, M.A. Leonard, Steve Moss, Randy Robinson, Lloyd Weatherford, Regina Stark, Mario Villanueva and Gabe Spencer.

**Approval of the
Minutes**

The minutes of the April 23, 2015 Commission meeting were approved as mailed.

**Action Item:
Resolution No. 15-
77, Meadowdale
Apartments**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, stated that this is a resolution approving the issuance of a bond by the Commission in the principal amount not to exceed \$7,000,000 to refinance a tax-exempt bond previously issued by the Commission for the acquisition of a 108-unit multifamily housing facility in Lynnwood, WA; pay for capital improvements; and pay a portion of the costs associated with issuing the bond. The project will be owned by Low Income Housing Institute, a 501(c)(3) nonprofit organization. The public hearing for this project was held on March 26, 2015.

Ms. Stark moved to approve the request. Mr. Moss seconded the motion. The request was unanimously approved.

**Action Item:
Resolution No. 15-
78, Columbia Basin
College Health
Science Center II**

This item was pulled from the agenda.

**Action Item:
Resolution No. 15-
79, Heron's Key**

This item was pulled from the agenda.

Ms. Vatske read a public comment submitted by Liz Tidyman, a private Washington State resident, regarding financing Continuing Care Retirement Communities (CCRC). Her written comments are attached as Appendix A.

**Action Item:
Resolution No. 15-
80, The Adriana
Senior Apartments**

This item was pulled from the agenda.

**Action Item:
House Key
Opportunity DPA
program PIF
Request**

Lisa DeBrock, Director of the Homeownership Division, stated she is requesting up to \$2 million dollars from PIF for a new Opportunity Down Payment Assistance program to serve as a companion program for the upcoming House Key Opportunity Bond issue which will take place over the summer. In the past the Commission has limited its limited House Key Opportunity bond funds to homebuyers with special needs. These funds typically go to HomeChoice borrowers who are families with disabilities, low income borrowers using Seattle, ARCH, Veterans, or Tacoma Down Payment Assistance programs and borrowers purchasing in a community land trust. All of these programs serve special needs groups and in the past when only offered to with these downpayment assistance programs, the funds have taken months before fully reserved. As we want the funds to go out quickly, we have the need to serve even a broader group of first time homebuyers at lower incomes.

As proposed, borrowers would receive up to \$10,000 based on need at 1% simple interest which is payment deferred until the borrower sells, refinances, no longer occupies the property or in 30 years upon payoff of the first mortgage. The Commission will also continue to assist veterans with an honorable discharge under this program without an assessment of need. The Commission is setting income limits which are lower than our Home Advantage Down Payment Assistance programs to serve families at approximately 80% and below of Area Median Income, based on a 4 person family. Ms. DeBrock is excited about this program and believes it will serve a need that the Commission is currently not

meeting. These funds will come from a re-designation from our House Key Plus program.

Ms. Tietz moved to approve the request. Mr. Moss seconded the motion. The request was unanimously approved.

**Action Item:
Pacific Tower
project PIF
Request**

The PIF Request was pulled from the agenda.

Executive Session

At 9:10 a.m. the meeting was temporarily adjourned to go into Executive Session to discuss litigation matters. The public meeting was called back into session at 9:35 a.m. No action was taken.

Adjournment

The meeting was adjourned at 9:36 a.m.

Signature

Liz Tidyman
1720 140th Lane SE
Bellevue WA 98027
425-417-1431
emt8615@mac.com

May 15, 2015

To the Chair and Members of the
Washington State Housing Finance Commission
1000 Second Avenue Suite 2700
Seattle WA 98104

Hand delivered to WSHFC offices on May 15, 2015

Dear Commissioners,

Having attended several WSHFC meetings, I note that when a Resolution has been introduced for a vote, the Chair asks if there are any comments from persons in attendance. I am not able to go to Port Ludlow for the May 18 meeting, so I am delivering this to the office with the request that it be distributed to Commissioners, and/or read into the record, as the Commission's adopted procedures permit.

The agenda informs the public that the Commission will consider Resolution #15-79, which is the question of whether or not to approve the issuance of up to \$155 million in bond financing for Heron's Key in Gig Harbor. I suggest that action on this Resolution is not yet timely.

At the April 23 public hearing, I requested that the Commission act only *after* receiving a due-diligence report from staff on the Department of Health's written Certificate of Need findings on the project. At that time, the findings were expected by the end of April; a subsequent letter (attached) notified the applicant and other affected persons that the Department needed until May 29 to complete their evaluation of the project.

The Department of Health issues a Certificate of Need, or a conditional Certificate of Need, only if it finds a project conforms to statutory criteria found in RCW 70.38 / WAC 246-310. No nursing home may obtain licensing approval without first obtaining Certificate of Need approval.

It would seem to me to be insufficient *due* diligence if the Commission were to send this \$155 million bond issuance to the Governor for signature without first reading, or even receiving a staff report on, the Department of Health's decision *whether or not* to issue the Certificate of Need that would be required for this CCRC's nursing home.

The Certificate of Need application included a financial plan for bond financing in 2016, so no credible argument could be made that the Commission would be delaying the project by taking action only *after* reading the pending Certificate of Need decision.

Thank you,
Liz Tidyman





STATE OF WASHINGTON
DEPARTMENT OF HEALTH

April 30, 2015

Randall L. Stamper
720 West Boone, Suite 200
Spokane, Washington 99201

RE: CN 15-01

Dear Mr. Stamper:

The department is notifying you that The Certificate of Need applications submitted by Emerald Heights on behalf of Heron's Key proposing to establish a continuing care retirement community in Gig Harbor with a 45 bed skilled nursing facility scheduled to be released Wednesday April 29, 2015 will be released Friday May 29, 2015.

The additional time will allow the department time to finalize the evaluation.

If you have any question, please contact me at (360) 236-2958.

Sincerely,

Bob Russell, Analyst
Certificate of Need Program
Community Health Systems





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, June 25th, 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 June 24th, 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.

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 notes (the "Notes") to finance a portion of the costs of acquiring and rehabilitating two multifamily housing facilities in the community of Oak Harbor, Washington in Island County, to be owned by BOH Portfolio Preservation Associates, LLLP, a Washington limited liability limited partnership ("Borrower"). The public hearing will be held starting at 1:00 p.m., Thursday, June 25, 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.

A portion of the proceeds of the Notes will be used to provide financing for the following projects, which are two of four similar projects to be financed by the Notes:

Total Estimated Aggregate Note Amount:	\$13,350,900
Project:	Madrona Manor
Project Address:	890 S.W. Kimball Drive, Oak Harbor, WA 98277
Total Estimated Project Cost:	\$6,064,464
Estimated Amount of Notes for this Project:	\$3,903,725
Project:	Lexy Manor
Project Address:	300 N.E. 7 th Avenue, Oak Harbor, WA 98277
Total Estimated Project Cost:	\$2,930,075
Estimated Amount of Notes for this Project:	\$1,911,924

Each apartment in the projects 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.

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 projects and the proposed Notes 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, June 24, 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 projects will receive funding from the Notes. 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 projects.

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 notes (the "Notes") to finance a portion of the costs of acquiring and rehabilitating a 40-unit multifamily housing facility in the community of Port Townsend, Washington in Jefferson County, to be owned by Marion Court Preservation Limited Partnership, a Washington limited partnership ("Borrower"). The public hearing will be held starting at 1:00 p.m., Thursday, June 25, 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.

A portion of the proceeds of the Notes will be used to provide financing for the following project, which is one of three similar projects to be financed by the Notes:

Total Estimated Bond Amount:	\$16,000,000
Project:	Marine Plaza
Project Address:	619 Clay Street Port Townsend, WA 98368
Total Estimated Project Cost:	\$5,479,637
Estimated Amount of Notes for this Project:	\$5,000,000

Each apartment in the Project 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.

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 projects and the proposed Notes may be mailed or faxed to the attention of Dan Schilling, 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, June 24, 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 projects will receive funding from the Notes. 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 projects.

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 notes (the "Notes") to finance a portion of the costs of acquiring and rehabilitating a 35-unit multifamily housing facility in the community of Bremerton, Washington in Kitsap County, to be owned by Marion Court Preservation Limited Partnership, a Washington limited partnership ("Borrower"). The public hearing will be held starting at 1:00 p.m., Thursday, June 25, 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.

A portion of the proceeds of the Notes will be used to provide financing for the following project, which is one of three similar projects to be financed by the Notes:

Total Estimated Bond Amount:	\$16,000,000
Project:	Marion Court
Project Address:	3500 Marion Court Bremerton, WA 98312
Total Estimated Project Cost:	\$5,285,459
Estimated Amount of Notes for this Project:	\$5,000,000

Each apartment in the Project 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.

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 projects and the proposed Notes may be mailed or faxed to the attention of Dan Schilling, 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, June 24, 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 projects will receive funding from the Notes. 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 projects.

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 notes (the "Notes") to finance a portion of the costs of acquiring and rehabilitating two multifamily housing facilities in the community of Burlington, Washington in Skagit County, to be owned by BOH Portfolio Preservation Associates, LLLP, a Washington limited liability limited partnership ("Borrower"). The public hearing will be held starting at 1:00 p.m., Thursday, June 25, 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.

A portion of the proceeds of the Notes will be used to provide financing for the following projects, which are two of four similar projects to be financed by the Notes:

Total Estimated Aggregate Note Amount:	\$13,350,900
Project:	Norris Place
Project Address:	486 S. Norris Street, Burlington, WA 98233
Total Estimated Project Cost:	\$6,178,798
Estimated Amount of Notes for this Project:	\$4,153,727
Project:	Fairhaven Manor
Project Address:	115 Hulbush Lane, Burlington, WA 98233
Total Estimated Project Cost:	\$5,116,762
Estimated Amount of Notes for this Project:	\$3,381,524

Each apartment in the projects 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.

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 projects and the proposed Notes 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, June 24, 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 projects will receive funding from the Notes. 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 projects.

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 notes (the "Notes") to finance a portion of the costs of acquiring and rehabilitating a 50-unit multifamily housing facility in the community of Olympia, Washington in Thurston County, to be owned by Marion Court Preservation Limited Partnership, a Washington limited partnership ("Borrower"). The public hearing will be held starting at 1:00 p.m., Thursday, June 25, 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.

A portion of the proceeds of the Notes will be used to provide financing for the following project, which is one of three similar projects to be financed by the Notes:

Total Estimated Bond Amount:	\$16,000,000
Project:	The Olympian Senior
Project Address:	519 Washington Street S.E. Olympia, WA 98501
Total Estimated Project Cost:	\$6,620,878
Estimated Amount of Notes for this Project:	\$6,000,000

Each apartment in the Project 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.

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 projects and the proposed Notes may be mailed or faxed to the attention of Dan Schilling, 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, June 24, 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 projects will receive funding from the Notes. 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 projects.

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

Notice is hereby given that the Washington State Housing Finance Commission (the “Commission”) will hold a public hearing at 1:00 p.m., Thursday, June 25, 2015, in the 28th floor Board Room of the Commission at 1000 Second Avenue, Seattle, Washington 98104 or as soon thereafter as practicable, for the purpose of receiving public comment regarding the issuance of the following described single-family mortgage revenue bonds.

The Commission intends to issue its Single-Family Program Bonds, Single Family Special Program Bonds and Homeownership Program Bonds, in one or more series, in a total amount not to exceed \$500,000,000 (together, the “Bonds”). The Bonds will be used to finance the acquisition of eligible single-family residences throughout the state. Mortgage loans will be originated by lending institutions under standard FHA, VA, USDA, Freddie Mac, and Fannie Mae guidelines, and sold to a master servicer. The master servicer will pool the mortgage loans and sell Ginnie Mae, Fannie Mae or Freddie Mac mortgage-backed securities secured by such loans to the Commission’s bond trustee. Proceeds of the Bonds may also, in limited cases, be used to make loans for downpayment and closing cost assistance. The issuance of the Bonds and any remarketing or refunding thereof are pursuant to a plan of financing of the Commission.

The mortgage loans must meet the requirements of the originating lenders as well as Section 143 of the Internal Revenue Code of 1986, as amended (“Code”). Borrowers must be first-time homebuyers (unless the property is located in targeted areas as defined by the Code) and are subject to maximum income limits. Properties are subject to maximum purchase prices and must be owner occupied.

The public is invited to attend and make written or oral statements including objections, if any, concerning the proposed Bonds. Written comments may be mailed or faxed to the attention of Lisa DeBrock, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-1046 or to (206) 587-5113, for receipt no later than 5 p.m. on Wednesday, June 24, 2015. Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact Lisa DeBrock at least 48 hours in advance of the hearing. This notice is published pursuant to Section 147(f) of the Code.

Paul Edwards, Deputy Director
WASHINGTON STATE
HOUSING FINANCE COMMISSION