

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

June 25, 2015

The June 25, 2015 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Steve Moss, Pam Tietz, Randy Robinson and M.A. Leonard.

Bob Cook introduced Lynne M. Harrington and Wan-Chong Kung from Nuveen Asset Management, the investment manager of the Commission's reserves, who reported on market conditions and the performance of the Commission's investment portfolio.

Judith Olsen, the Executive Director of Impact Capital gave a report on the use of the Commission's investments with Impact Capital.

Kim Herman gave his Executive Director's Report.

The work session was adjourned at 12:00 p.m.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

June 25, 2015

The Commission meeting was called to order by Chair Karen Miller at 1:00 p.m. in the Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington. Those Commissioners present were Steve Moss, Pam Tietz, Randy Robinson, Regina Stark, Dan McConnon and M.A. Leonard.

Approval of the Minutes

The minutes of the May 18, 2015 Commission meeting were approved as mailed.

Proud Partner Award

Karen Miller recognized the Seattle branch of Pacific Continental Bank for its partnership with the Commission in financing the facilities of nonprofit organizations. She noted the bank's use of the Commission's tax-exempt STEP bond program to enable nonprofits to build and equip facilities.

Cy Pres Grant Awarded to the Commission

Attorney General Bob Ferguson announced the award of a grant to the Commission in the amount of \$807,788 over the next two years to serve homeowners through the Commission's statewide foreclosure housing-counseling network. The funds were made available through settlement of a law suit brought by the Attorney General against various lenders.

**Public Hearing:
Annual public hearing for the issuance of single-family bonds**

Ms. Miller opened a public hearing on the annual authorization of Homeownership Bonds and related programs at 1:03 p.m.

Lisa DeBrock, Director of the Homeownership Division, noted that the hearing is a routine administrative item that is done on an annual basis. Ms. DeBrock stated that this public hearing concerns the proposed issuance by the Commission of single family program bonds and homeownership program bonds in one or more series, in a total amount not to exceed \$500 million. The Bonds will be used to help 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 that are secured by our loans to the Commission's bond trustee who will acquire the securities with the proceeds of the bonds.

A portion of the bonds may be short term notes which will be issued pending the establishment of mortgage rates through the issuance of long term bonds. The issuance of bonds and any remarketing or refunding of bonds is done 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, if the interest on the bonds is to be exempt from federal income taxes.

Borrowers must be first-time homebuyers (unless the property is located in targeted areas as defined by the Code or the loan is made to a veteran as defined in 38 U.S.C. §101 and are subject to maximum income limits). Properties are subject to maximum purchase prices and must be owner-occupied. No other public hearing needs to be held for bonds issued within a one year period. No comments were received from the general public. The results of the hearing will be sent to the Governor for his approval of the issuance of bonds.

There were no further questions or public comments, and the hearing was closed at 1:06 p.m.

**Public Hearing:
Ruby Preservation
Portfolio, OID #15-
74A-D**

Ms. Miller opened a public hearing on OID 15-74A-D, Ruby Preservation Portfolio, at 1:15 p.m.

**Public Hearing:
Ruby Preservation
Portfolio, OID #15-
74A-D**

Bob Peterson, Manager in the Multifamily Housing and Community Facilities Division, said that the hearing was for the proposed issuance of one or more series of tax-exempt revenue notes to provide a portion of the costs of acquiring and rehabilitating two multifamily housing facilities (Madrona Manor and Lexy Manor) in the community of Oak Harbor and two multifamily housing facilities (Norris Place and Fairhaven Manor) in the community of Burlington. The project will be owned by BOH Portfolio Preservation Associates, LLLP, a Washington limited liability limited partnership. The total estimated aggregate note amount is not expected to exceed \$13,350,900. Mr. Peterson introduced Corey Baldwin representing Shelter Resources.

Mr. Baldwin stated that the Ruby Preservation project is the acquisition and rehabilitation of four projects totaling 166 units located in Burlington and Oak Harbor. The current properties are existing affordable housing facilities built around 1992-1999. The set-a-side for the portfolio will be 100% at 60% area median income (AMI).

There was no further public comment and the hearing was closed at 1:18 p.m.

**Public Hearing:
Marion Court
Preservation, OID
#14-112A-B**

Ms. Miller opened a public hearing on OID 14-112A-B, Marion Court Preservation, at 1:19 p.m.

Mr. Peterson said that the hearing was for the proposed issuance of one or more series of tax-exempt revenue notes to provide a portion of the costs of acquiring and rehabilitating one multifamily housing facility (Marion Court) in the community of Bremerton, one multifamily housing facility (Marine Plaza) in the community of Port Townsend, and one multifamily housing facility (The Olympian Senior) in the community of Olympia. The project will be owned by Marion Court Preservation Limited Partnership, a Washington limited partnership. The total estimated aggregate note amount is not expected to exceed

\$16,000,000. Mr. Peterson stated that there are three public comments regarding this portfolio. The first letter is from the Mayor of Port Townsend in support of the financing and the other two are letter from current residents regarding concerns arising from their relocation and disruption while the renovations are being made. Mr. Peterson introduced Chuck Treach from Preservation Partners Development.

Mr. Treach that Marion Court Preservation project is the acquisition and rehabilitation of three projects totaling 125 units located throughout Western Washington. He stated that Preservation Partners Development buys current Section 8 properties and updates them to improve on the quality of life of tenants in the buildings and preserve their affordability. The updates include new roofs, energy efficient windows, energy efficient lighting fixtures, new kitchens and bathrooms. Mr. Treach stated that they have reached out to the tenants regarding the disruption from relocation and will continue to do so. Renovations will be made during weekdays and 5-10 units will be renovated at a time.

There was no further public comment and the hearing was closed at 1:26 p.m.

**Public Hearing:
LIHTC from the
2015 Funding
Round**

The Chair opened a public hearing on the recommended allocation of Low Income Housing Tax Credits at 1:26 p.m.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, stated that there will be two projects discussed at the public hearing today.

Woodlakes Mercy Redevelopment

Mr. Peterson said that the first project is Woodlakes Mercy Redevelopment and introduced Bill Rumpf and Colin Morgan-Cross.

Mr. Rumpf stated that preservation is a big part of Mercy Housing Northwest's organizational strategy. He also stated that these three properties (Woodlake

Manor I & II and Lake Village East) are USDA rural development properties located in Snohomish County.

Mr. Morgan-Cross stated that this project will transform 88 apartments which is home to over 100 seniors and disabled individuals into energy efficient and healthy accessible housing for seniors in Snohomish County,. 50% of the units are restricted to households with incomes at 30% AMI, 25% of the units are restricted at 40% AMI and the remaining 25% are restricted at 60% AMI. The rural development loans and rental assistance will be extended 30 years to ensure the residents pay no more than 30% of their income for rent.

Oak Trace Apartments

For the last project Mr. Peterson introduced Sue Baker from Trillium Housing Services. She stated that Oak Trace Apartments is a 58 unit new construction, garden-style community in South Tacoma that will serve workforce households with incomes at or below 50% AMI. It is located close to major services and will feature a community room with a kitchen, a fitness center and a computer lab.

There was no further public comment and the hearing was closed at 1:39 p.m.

Action Item: Bond/General/Tax Credit Counsel and Special Counsel

Mr. Herman stated that Commission staff conducted a Request for Proposal (RFP) process in order to select General Counsel, Bond Counsel, Tax Credit Counsel and Special Counsel for the Commission's Energy Efficiency Loan Program. Mr. Herman noted that staff reviewed the responses focusing on past experience, experience of key staff, track record, customer service, and various other characteristics of the RFP responses.

On April 16, 2015 RFPs were e-mailed to a variety of legal firms; a legal notice appeared in the Bond Buyer, Seattle Times, and Daily Journal of Commerce newspapers; and posted on the Commission website.

The RFP responses were due on April 30, 2015 and staff received responses from 9 law firms requesting to be considered for various single family and multifamily legal services positions:

- Pacifica Law Group
- Foster Pepper PLLC
- Kutak Rock LLP
- Greenberg Traurig LLP
- Pugh, Jones and Johnson, P.C.
- Hillis Clark Martin and Peterson P.S.
- Hunton & Williams LLP
- Ballard Spahr LLP
- Dorsey & Whitney LLP

On May 4, 2015, the Executive Management Team (EMT) met to review the RFP responses to determine which candidates to interview. Our discussion focused on past experience, experience of key staff, track record, customer service, and fees. Following this discussion, the EMT decided to recommend Pacifica Law Group as General, Bond, and Tax Credit Counsel; Foster Pepper as Special Counsel Energy Efficiency Loan Program and for alternate legal services. EMT also decided to conduct phone interviews of four (4) firms for Special Counsel Single Family: Kutak Rock, Foster Pepper, Greenberg Traurig and Pugh, Jones and Johnson, which were held on June 15, 2015. As a result of those interviews, EMT decided to recommend retaining Kutak Rock LLP as Single Family Tax Counsel and Foster Pepper as Single Family Disclosure Counsel.

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

**Action Item:
Impact Capital
predevelopment
loan program**

Mr. Herman stated that in 1990, the Commission entered into an agreement with HUD to refund outstanding high interest bonds on projects that had Section 8 contracts with lower interest bonds to reduce the debt and thereby lower the federal subsidy payments required to service that debt. HUD agreed to share

50% of the savings to the U.S. government with the Commission. In turn, the Commission agreed to allocate 50% of its share of the savings to the state Department of Community Development, which was the administrator of the Section 8 program at the time, and which subsequently became CTED, and now, the Department of Commerce.

In 1996, the Commission created a revolving loan program with its share of the money in partnership with the Washington Community Development Loan Fund (WCDLF) to finance predevelopment loans for housing projects serving low-income people for five years. HUD approved this use of the funds by the Commission and the WCDLF. When WCDLF was absorbed by Impact Capital, the loan program continued to operate as specified in the original agreement. The predevelopment program has no geographic restrictions within the state, and Impact Capital is able to use this money for a number of the loans made in Eastern Washington and rural areas that lack other sources of funding. This predevelopment loan program is separate from the \$5.25 million loan program the Commission created with Impact Capital with PIF money.

The original predevelopment loan program was extended in 2005 for another 5 years with the contract term expiring on September 1, 2010 and then again for another 5 years with the contract term expiring on September 1, 2015. The balance in the fund at the beginning of the term extension was \$730,975.58. The fund currently has \$313,893 committed to loans.

Because of the importance of these dollars to Impact Capital's ability to make predevelopment loans throughout the state, they have indicated their desire to extend this program for another 5 year term. This is one of the very few funding sources for the high risk predevelopment loans for affordable housing currently available, and has had success in producing housing units statewide.

Mr. Herman requested the approval of the staff recommendation that the Commission extend the program for an additional 5 years, under the current terms and conditions, to June 30, 2020. The expiration date would match the new

expiration date of the Impact Capital PIF loan program so that in the future, renewals can occur together.

Ms. Tietz moved to approve the recommendation. Ms. Leonard seconded the motion. The request was approved with one abstention by Randy Robinson due to potential conflicts of interest by his employer.

**Action Item:
Impact Capital
Loan Resolution
No. 15-88**

Mr. Herman stated that at the April 26, 2012 Commission meeting, Judith Olsen, the Executive Director of Impact Capital, provided a report to the Commission regarding the use of the Program Investment Fund (PIF) loan in the amount of \$5,250,000 from the Commission. Ms. Olsen indicated that the Commission's investment "provide a critical and unique resource statewide for the development of affordable housing". Judith also indicated that the Commission investment had helped create more than 102 projects with 4,126 housing units; had been successfully used to make loans worth a total of \$70,383,808; and, leveraged a total of \$877,970,762 in other investments, a ratio of 12:1. Impact Capital has invested Commission funds in 291 loans for a total roll-over value of \$37.6 million.

During the recession, the Commission lowered the interest rate on the PIF loan to 0.50% to help Impact Capital remain financially stable in light of the significant drop in loan applications from housing organizations statewide. By lowering the interest rate on the investment of Commission funds, Impact Capital was able to continue lending at attractive rates and still cover the cost of administering the loan program. As a result of this action, Impact Capital has been able to achieve a very high rate of usage of the Commission investment during the recession for those borrowers that have needed a source of low interest development money.

The current loan to Impact Capital expires June 30, 2015, and Impact Capital has indicated their desire to extend this loan for another 5 years, under the same terms and conditions, to expire June 30, 2020.

Ms. Tietz moved to approve the recommendation to extend the loan. Mr. Moss seconded the motion. The request was approved with one abstention by Randy Robinson due to potential conflicts of interest by his employer.

**Action Item:
Resolution No. 15-
85, Single Family
Resolution**

Ms. DeBrock said this is a resolution authorizing the issuance and remarketing of Single Family Mortgage Revenue Bonds, Homeownership Program Bonds, and Single Family Special Program Bonds in one or more series, in a total amount not to exceed \$500,000,000; reauthorizing the Home Advantage Program, payment agreements and the sale of certificates without the issuance of bonds, to facilitate the financing of single family housing; and, to approve swap agreements and the selection of a swap counterparty for any payment agreement; all in accordance with the terms and conditions of the resolution.

This resolution includes both new money bonds and bonds that do not require volume cap (e.g. taxable bonds), as well as notes.

Resolution 15-85 is intended to cover all of our fixed rate single-family bonds issued through June 30, 2016 and the approval and sale of certificates for the same period of time.

This eliminates the need to come back before the Commission every time we issue fixed rate bonds during year and it allows us to capitalize on any advantageous fluctuations we might see in the market. The resolution also confirms and continues approval of the Home Advantage program.

Mr. Moss moved to approve the resolution. Mr. Robinson seconded the motion. Resolution No. 15-85 was unanimously approved.

**Action Item: PIF
Request Pierce
County DPA
program**

Lisa DeBrock asked for \$400,000 of Program Investment Fund for the proposed Pierce County downpayment assistance program to be used in conjunction with the Commission's Home Advantage first mortgage program. It is a partnership between the Commission and the Pierce County Community Development Corporation (CDC). Discussions about partnering with Pierce County started quite some time ago, and the Commission discussed ways that together we could deepen the CDC's assistance to households and also help the CDC with the administrative burden of running its current program. The Commission currently offers a downpayment assistance program in conjunction with the City of Tacoma and now, after watching the success of this program, we feel we can be successful in replicating this program in Pierce County beyond Tacoma.

The maximum loan amount will be \$20,000 at 4% interest, deferred for 30 years just like our Tacoma program. Like any other downpayment loan, the second mortgage is payable when the borrower sells, refinances, or in 30 years. It is for borrowers who make 80% or less of the Pierce County Area Median Income and the property needs to be within Pierce County, but outside the city limits of Tacoma, Lakewood, and Bonney Lake. The Pierce County CDC has obligated \$300,000 of Home Investment Partnership funds that will be leveraged with up to \$300,000 of undesignated Program Investment Funds from the Commission. The CDC received approval from its board to proceed with this program on June 16th.

Ms. DeBrock introduced Bryan Schmidt who is the Housing Supervisor with Pierce County Community Connections. Mr. Schmidt discussed the partnership with the Commission.

Karen Carlson-Bunce, Program Administrator Communications and Business Development in the Homeownership Division, noted the successes the Homeownership Division has seen with its partnership downpayment assistance programs and how the Division is looking forward to partnering with Pierce County CDC to offer downpayment assistance.

Ms. Carlson-Bunce stated that the Commission's first partnership Downpayment Assistance Program was House Key Plus Seattle. It was introduced in 2004 and we have been going strong for 11 years to assist 400 lower income families with over \$20 million in downpayment assistance. This program led to partnerships with several other jurisdictions including King County, and the eastside member cities of ARCH: Federal Way, Bremerton, Tacoma and the Department of Commerce.

The Commission has leveraged and administered HOME, CDBG, ADDI, NSP, LEVY and AG Settlement funds for our partners. We are happy to now partner with Pierce County to administer its HOME funds. Administration of these funds, especially HOME, is not an easy task. There are many "hoops" with these funds, but thanks to our agreement with our master servicer it makes offering these programs to assist low income folks a little less complicated.

Ms. Carlson-Bunce also stated that there are many benefits for our partners. For example, by easing the servicing issues and costs, we are able to assist our partners with lower administration costs. They can leverage our funds together with theirs to offer more buying power and increase available funds to assist more families. Also our partner jurisdiction does not go into a riskier subsequent position, such as third mortgages. Since these are deferred second mortgages, tied to the Commission's first mortgages, we can monitor the borrower's payment performance. When these jurisdictions offer their own stand-alone second mortgages they often do not know how the first mortgage is performing.

There are also benefits to the Commission. These types of "niche" products bring people to our homeownership programs. It has also increased the number of lenders wanting to participate and offer our programs. And we are upholding our mission by increasing housing access and affordability for lower income folks, and together with our partners – our funds are more "powerful".

The Commission's partnership downpayment assistance programs have resulted in over \$85 million in additional first mortgage loans for our homeownership division over the last 11 years.

This new program is modelled on our Tacoma DPA program and because the City of Tacoma is a similar demographic, we believe the launch of the Pierce County DPA program should go smoothly. We are working with Mr. Schmidt to let folks know that the Commission will now be administering Pierce County's downpayment assistance and reaching out to our participating lenders, especially those that already offer the Tacoma DPA program. We anticipate many of these same lenders also worked with Pierce County's DPA program so they should be able to adjust to the change quickly, as they have already been through a similar transition with the City of Tacoma's program. There are already 4 counseling agencies in Pierce County that are trained and ready for the 1:1 counseling requirement.

It is interesting to note that in Pierce County, Homeownership division has closed 869 first mortgage loans in the last 12 months, 757 of which included some type of DPA. 454 also combined with a Mortgage Credit Certificate (MCC). We anticipate launching this program July 1st, along with the Bremerton DPA program.

Ms. Leonard moved to approve the request for \$400,000 of Program Investment Fund for the House Key Pierce County DPA Program. Ms. Tietz seconded the motion. The motion was unanimously approved.

Action Item: 2015-2016 - General Operating Budget

Bob Cook, Finance Director, requested approval of the corrected General Operating Budget for the Commission's July 1, 2015 – June 30, 2016 fiscal year. Mr. Cook stated that the draft budget was reviewed at the Commission planning session in May. He noted that revenues for the year in the operating fund total about \$24.3 million with just over \$17.7 million of expenses.

Mr. Moss moved to approve the budget. Ms. Stark seconded the motion. The annual budget was approved.

**Action Item:
Transfer reserves
in excess to PIF**

Mr. Cook requested approval to transfer excess earnings in the general operating fund as of June 30, 2015, to the Program Investment Fund.

Mr. Cook confirmed that the amount held in reserves is \$18 million.

Ms. Leonard moved to approve the transfer of excess revenue into the Program Investment Fund. Mr. Moss seconded the motion. The motion was approved unanimously.

**Action Item:
Request extending
the current fee
waiver**

David Clifton, Assistant Director of Multifamily and Community Facilities, requested approval to continue the current fee waiver for three programs: Nonprofit Housing, Nonprofit Facilities and Sustainable Energy. The fee waiver should extend until such time that the spread between taxable and tax-exempt bonds is sufficient to tolerate a higher fee. When such an event occurs, staff will bring a recommendation to the Commissioners whether to maintain the fee waiver or raise the fees. The Executive Director will report annually to the Commission on the status of the fee waiver at the annual planning session.

Ms. Tietz moved to approve the extension of the fee waiver. Ms. Leonard seconded the motion. The motion was approved unanimously.

**Action Item:
Resolution No. 15-
84, for the
Allocation of Credit
for the 2015
Housing Tax Credit
Program**

Ms. Vatske said this was a resolution authorizing the Executive Director to make reservations and/or allocations of 2015 Housing Tax Credits to the following projects:

- Woodlake Mercy Redevelopment
- Oak Trace

Ms. Stark moved to approve the request. Mr. Moss seconded the motion. The request was approved with one abstention by M.A. Leonard due to potential conflict of interest by her employer.

Action Item: Re-allocation of Housing Tax Credits – Western Avenue Senior Housing

Ms. Vatske said this was a request for the exchange of a 2014 allocation of \$748,725 Low-Income Housing Tax Credits for 2015 tax credits on behalf of Western Senior Housing LLC. There has been no material change to the residential project, which continues to be fully funded and awaiting commencement of construction upon completion of the MarketFront garage podium. Construction of the MarketFront podium was delayed due to an unforeseen delay in the viaduct replacement tunnel project, and a resulting delay in funding for the MarketFront. The City of Seattle had initially targeted a Local Improvement District (LID) as the source of the \$34M City contribution to the MarketFront. It took 6-8 months to fully work through the change in funding source for the City of Seattle's \$34 million. The amount was ultimately committed with the approval of the Development Agreement between the Pike Place Market Public Development Authority (PDA) and the City.

After securing a stellar A-/Stable rating from S&P, the PDA successfully closed a bond sale of over \$22.5 million on June 9, fully funding the base MarketFront project. Construction of the MarketFront commenced on June 15, and construction of Western Avenue Senior Housing atop the garage podium is anticipated to begin in April 2016.

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

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

Ms. Vatske said this is a resolution approving the issuance of a bond by the Commission in the principal amount not to exceed \$7,000,000 to finance the construction of a new educational center for health sciences in Richland, WA. The project will be owned by Columbia Basin College Foundation, a 501(c)(3) nonprofit organization. The public hearing for this project was held on April 23, 2015.

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

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

Prior to reading the official request for this resolution Ms. Vatske stated that she would like to make a few comments and provide a brief background. She stated this transaction falls under our publicly sold unrated bond policy. This policy, approved by the Commissioners, provides the foundation and guidance to assess these types of transactions and delegates the authority to determine that our criteria has been met to the Executive Director. We engaged an independent financial advisor, Barry Fick, from Springsted Inc. who has reviewed the financial feasibility study for the project, addressed the criteria of our unrated bond policy and considered the concerns and comments expressed at the public hearing and submitted as part of the record. Mr. Fick prepared a written memo to staff and our Executive Director.

Just to give you a sense of the level of due diligence that goes into the financial feasibility study and the review that Mr. Fick provided, it included a review of pre-sales, of bond feasibility, of the facility operating data, of management plans, as well as a "what if" analysis, a review of the Commissions unrated bond policies, bond structure and comparable financings as well as a stress test on coupon and yield levels.

The Commission's criteria includes three main conditions, each of which encompasses many additional aspects of due diligence;

1. The risk of default on the bonds is low- which takes into account the capacity and track record of the sponsor, management team, construction risk and financial analysis.
2. Potential bond holders are capable of assessing the risk of their investment –which takes into account the financing partners, bond denomination amounts; review of the offering statement and sales to qualified investors.
3. There is an acceptable strategy to monitor the bond covenants and clearly delineated default strategy.

Mr. Fick has provided a written summary as per our policy which addresses the Commission's ; therefore, staff recommends passage of this resolution and that

the transaction move forward as it meets the Commission's criteria as outlined in our Bond Policies.

Ms. Vatske said this is a resolution approving the issuance of bonds by the Commission in the principal amount not to exceed \$155,000,000 to finance the construction of a continuing care retirement facility in Gig Harbor, WA. The community is expected to include 194 independent living units, 36 assisted living units, and 45 skilled nursing beds. The project will be owned by Heron's Key, a 501(c)(3) nonprofit organization. The public hearing for this project was held on April 23, 2015.

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

**Action Item:
Resolution No. 15-
82, Amara Building**

Ms. Vatske said this is a resolution approving the issuance of bonds by the Commission in the principal amount not to exceed \$5,400,000 for the acquisition and rehabilitation of an existing facility in Seattle, WA, and refinancing of existing debt used to acquire the property and site preparation work. The project will be owned by Amara Parenting & Adoption Services, a Washington 501(c)(3) non-profit corporation. The public hearing for this project was held on November 18, 2014.

Mr. Moss moved to approve the request. Ms. Tietz seconded the motion. The request was approved with one abstention by Randy Robinson and due to potential conflict of interest by her employer.

**Action Item: Resolution
No. 15-83, CAC 515
Preservation Portfolio**

This item was pulled from the agenda.

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

The PIF Request was pulled from the agenda.

Consent Agenda

The Consent Agenda was approved as mailed.

Public Comment

Ms. Liz Tidyman, a private Washington State resident, made several comments and included written testimony as part of the Commission meeting record, regarding the financing of Heron’s Key, a Continuing Care Retirement Community (CCRC). She stated that she had concerns regarding the application for bond financing, pointing to several instances in the application that seemed either incomplete or inaccurate. She also commented on the Department of Health’s Certificate of Need application and process and questioned its accuracy. She further questioned whether or not Heron’s Key was the sole borrower or part of an obligated group.

Ms. Marilyn Farrell, a private Washington State resident and an 8 year resident at Emerald Heights Retirement Community, commented regarding the life care contract that residents sign with Emerald Heights, costing \$500,000. She stated that in the last flu session she counted 18 residents that were unable to get contract services and had to pay additional out of pocket medical expenses. She also stated that 80% of the residents have signed this “traditional” contract and after 5 years there is no refund. The new contract at Heron’s Key is a 75% refundable contract, so when the person dies the deceased estate is left with 75% of the contracted amount. The way the contracts are written residents are not allowed to apply for Medicaid funds. She also wanted to point out that she believes she has fewer rights as a resident in an assisted living community than as a regular citizen with street right regarding consumer protection.

Adjournment

The meeting was adjourned at 2:35 p.m.

Signature
