

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

August 27, 2015

The August 27, 2015 work session was called to order at 9:00 a.m. by Karen Miller. In attendance were Commissioners Gabe Spencer, Pam Tietz, Steve Moss, Randy Robinson, and Beth Baum.

Kim Herman introduced Renee Rooker, Director of the Walla Walla Housing Authority and she provided an overview of the housing situation in the Walla Walla area.

Lisa Vatske and Rich Zwicker discussed proposed amendments to the 2016 Tax Credit Policies and gave an update regarding outreach to stakeholders.

Val Pate and Lisa Vatske gave an update on the staff investigation of affordable housing preservation challenges and opportunities.

The work session was adjourned at 10:35 a.m.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

August 27, 2015

The Commission meeting was called to order by Chair Karen Miller at 10:42 a.m. in the Board Room of the Washington State Housing Finance Commission at 6 W Rose St, Walla Walla, Washington. Those Commissioners present were Gabe Spencer, Pam Tietz, Steve Moss, Dan McConnon, Randy Robinson, and Beth Baum.

Approval of the Minutes

The minutes of the June 25, 2015 Commission meeting were approved as mailed.

Election of the Treasurer and Vice-Chair of the Commission.

Chair Karen Miller announced that the Vice Chair and Treasurer position is vacant. Therefore, she asked for nominations for the position of Vice Chair and Treasurer.

Mr. Spencer nominated Pam Tietz for the position of Vice Chair. Mr. Moss seconded the nomination. There were no other nominations, and Ms. Tietz was elected by acclamation.

Ms. Baum nominated Gabe Spencer for the position of Treasurer. Mr. Moss seconded the motion. There were no other nominations, and Mr. Spencer was elected by acclamation.

Commission Hearing: Skyline at First Hill, OID # 06-133A

A public hearing was opened on OID No. 06-133A, Skyline at First Hill, at 10:45 a.m.

David Clifton, Assistant Director of Multifamily and Community Facilities, said the hearing was for the proposed refinancing of Series 2012 tax-exempt bonds previously issued by the Commission that were used to refund Series 2007B

bonds which were issued to provide a part of the financing for the development, acquisition, construction and equipping of a 309-unit continuing care retirement facility known as Skyline at First Hill located at 600 University Street, Seattle, WA 98101. Proceeds of the bonds will also be used to reimburse capital projects and expenditures including renovations to the 9th Floor, construction of a Therapy Space, and other routine capital expenditures. The project is owned by FH, LLC, a Washington limited liability company. The estimated bond amount is not expected to exceed \$10,000,000.

There was no further public comment and the hearing was closed at 10:49 a.m.

**Commission
Hearing: The
Alliance Center,
OID # 07-100A**

A public hearing was opened on OID No. 07-100A, The Alliance Center, at 10:49 a.m.

Mr. Clifton said the hearing was for the proposed refinancing of outstanding Series 2007 Bonds that were used for the acquisition and rehabilitation of an approximately 21,000 sq. ft. facility that houses several nonprofit agencies that provide services to low income individuals and families located at 515 W. Harrison Street, Kent, WA 98032. The project is owned by South County Area Human Services Alliance, a Washington 501(c)(3) nonprofit organization. The estimated bond amount is not expected to exceed \$2,000,000.

There was no further public comment and the hearing was closed at 10:55 a.m.

**Commission
Hearing:
Mountlake Senior
Living, OID #15-
97A**

A public hearing was opened on OID No. 15-97A, Mountlake Senior Living, at 10:55 a.m.

Mr. Clifton said the hearing was for the proposed issuance of a tax-exempt note to finance a portion of the costs for the acquisition of land and the construction and equipping of a 96-unit senior housing facility at 5525 244th Street SW, Mountlake Terrace, WA 98043. The project will be owned by Mountlake Senior Living Associates Limited Partnership, a Washington limited partnership. The estimated note amount is not expected to exceed \$13,000,000.

There was no further public comment and the hearing was closed at 10:59 a.m.

**Commission
Hearing: Isabella
Court, OID #15-
92A**

A public hearing was opened on OID No. 15-92A, Isabella Court, at 10:59 a.m.

Mr. Clifton said the hearing was for the proposed issuance of a tax-exempt bond to finance a portion of the costs for the acquisition of land and the construction and equipping of a 49-unit senior housing facility at 3112 NE 62nd Avenue, Vancouver, WA 98661. The project will be owned by REACH Isabella Court LLC, a Washington limited liability company. The estimated bond amount is not expected to exceed \$7,000,000.

There was no further public comment and the hearing was closed at 11:05 a.m.

**Action Item:
Resolution No. 15-
91A, The Bertschi
School**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said that this is a resolution approving the issuance of a nonprofit revenue and refunding revenue bond in the principal amount not to exceed \$7,500,000 to finance and refinance facilities located at 2205, 2215, 2219, 2227 and 2231 – 10th Avenue East, and 913 East Lynn Street in Seattle, WA 98102. The project will be owned by The Bertschi School, a Washington 501(c)(3) nonprofit organization. The public hearing for this project was held on July 23, 2015.

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

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

Ms. Vatske said that this is a resolution approving the issuance of bonds by the Commission in the principal amount not to exceed \$6,500,000 to finance the acquisition and rehabilitation of the following four multifamily housing facilities: Belfair House Apartments located at 170 NE State Route 300, Belfair, WA 98528; Ashford House Apartments located at 24170 NE State Highway 3, Belfair, WA; Saratoga Springs Apartments located at 1100 N 12th Street, Shelton, WA 98584; and Killion Court Apartments located at 405 Killion Court NW, Yelm, WA 98597. The project will be owned by CAC 515 Preservation

Portfolio Associates, LLLP, a Washington limited liability limited partnership.
The public hearing for this project was held on April 30, 2015.

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

**Action Item:
Resolution No. 15-
93, Ruby
Preservation
Portfolio**

This item was pulled from the agenda.

**Action Item:
Resolution No. 15-
103, CityCenter
Apartments**

Ms. Vatske said that this is a resolution approving the issuance of a multifamily revenue note in the principal amount not to exceed \$45,000,000 to provide a portion of the financing for the acquisition and new construction and equipping of a 349–unit multifamily housing facility at 3800 196th Street Southwest in Lynnwood, WA 98036. The project will be owned by CityCenter Apartments Lynnwood Partners LLLP, a Washington limited liability limited partnership. The public hearing for this project was held on April 23, 2015.

Ms. Baum moved to approve the resolution. Mr. Spencer seconded the motion.
The resolution was unanimously approved.

**Action Item:
Resolution No. 15-
104, South Hill
Apartments**

Ms. Vatske said that this is a resolution approving the issuance of a multifamily revenue note in the principal amount not to exceed \$26,000,000 to provide a portion of the financing for the acquisition and construction and equipping of a 216–unit multifamily housing facility at 14104 & 14124 Meridian Avenue East in Puyallup, WA 98373, in unincorporated Pierce County. The project will be owned by South Hill by Vintage, LLC, a Washington limited liability company. The public hearing for this project was held on July 23, 2015.

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

Action Item: PIF invest in the short-term ownership of Home Advantage Loans

Bob Cook, Senior Director of the Finance Division stated that the he is seeking approval to use the liquidity in the PIF fund to augment our current available monies for the purchase of Home Advantage single-family mortgage loans. This will yield a return at the mortgage rate during the time we own them, which is much higher than that on other current, short-term investment alternatives.

He stated the risk of owning the loans is minimal because they are newly originated and our time of ownership is short, generally from two to six weeks. If a loan cannot be securitized for any reason, the master servicer, and ultimately the originating lender, are required to repurchase the loan.

He also mentioned that this will not be considered a PIF program designation, rather an alternative method to invest excess PIF liquidity. We will manage the level of investment to ensure that funds are available for all PIF program disbursements when needed.

Mr. Moss moved to authorize staff to invest excess liquidity in the PIF fund for the purchase and short-term ownership of Home Advantage loans. Mr. McConnon seconded the motion. The motion was unanimously approved.

Action Item: Request approval of proposed compensation increase for the Executive Director

The Chair stated that Commissioners discussed Mr. Herman's evaluation in May. She asked for a motion to approve the proposed compensation for him. Ms. Teitz moved that the Executive Director's salary be increased by 3% from \$164,160 to \$169,085, effective September 1, 2015.

Mr. Spencer seconded the motion. The motion was unanimously approved.

Commissioner Report

Mr. Spencer said he and Ms. Lawrence attended the NCSHB Conference in Annapolis, Maryland. He stated that the panel discussions were very good and cost containment was a big topic, though there was low attendance somewhat due to airport issues going on at the same time.

**Department of
Commerce Report**

Mr. McConnon reported that Janet Masella has announced that she will be retiring at the end of September and Corina Grigoras has been appointed in her place.

He also stated that the first stages of the 2015 Housing Trust Fund round has just opened.

He mentioned that Commerce is working on displacement issues for individuals affected by the fires in Washington State.

Mr. McConnon also mentioned that the Pacific Tower transaction closed on August 14, 2015.

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 11:51 a.m.

Signature
