

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## WORK SESSION MINUTES

February 25, 2016

The February 25, 2016 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Diane Klontz, Gabe Spencer, Wendy Lawrence, Pam Tietz and Regina Stark.

Lisa Vatske and Rich Zwicker started an initial discussion on the 2017 9% Tax Credit Policies.

Lisa Vatske and Bob Peterson discussed a request to waive the current Land Acquisition Program (LAP) Policy regarding restricting fund use for land only.

Kim Herman presented the Executive Director's report.

Diane Klontz presented the Department of Commerce Report.

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

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**February 25, 2016**

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 Diane Klontz, Gabe Spencer, Wendy Lawrence, Ken Larsen, Pam Tietz and Regina Stark.

**Approval of the  
Minutes**

The minutes of the January 28, 2016 Commission meeting were approved as mailed.

**Public Hearing:  
Senior Life  
Resources-Fowler  
Street Campus,  
OID# 16-52A**

A public hearing was opened at 1:00 p.m. for OID No. 16-52A, Senior Life Resources Fowler Street Campus.

David Clifton, Assistant Director of the Multifamily and Community Facilities Division, said this hearing was for the proposed issuance of one or more series of tax-exempt revenue bonds to finance the new construction of an administration building and commercial kitchen for the senior nutrition program, as well as other site development which may include but not limited to a parking lot and landscaping located at 1824, 1834, 1844 Fowler Street, Richland, WA 99352 and owned by Senior Life Resources Northwest, a Washington nonprofit corporation. Proceeds of the bonds may be used to pay a portion of the costs of issuance. The total estimated aggregate bond amount is not expected to exceed \$1,500,000.

Mr. Clifton introduced Grant Baynes, Executive Director at Senior Life Resources.

Mr. Baynes stated that the Meals on Wheels Program employs approximately 500 union employees and served about 157,000 meals last year. He noted that a majority of people that they serve cannot otherwise obtain nutritional meals.

There were no additional comments from members of the public and the hearing was closed at 1:09 p.m.

**Public Hearing:  
Seattle Art  
Museum, OID# 15-  
101A**

A public hearing was opened at 1:09 p.m. for OID No. 15-101A, Seattle Art Museum.

Mr. Clifton said this hearing is for the proposed issuance by the Commission of a Qualified Energy Conservation Bond (the "Bond") to finance replacement and repair of environmental and building systems to improve energy efficiency and water conservation at the Venturi building owned by the Seattle Art Museum (SAM), a Washington nonprofit corporation located at 1300 First Avenue, Seattle, WA 98101. A portion of the proceeds may be used to pay costs of issuing the Bond. The total estimated bond amount is not expected to exceed \$3,000,000. Mr. Clifton introduced Richard Beckerman, COO of the Seattle Art Museum.

Mr. Beckerman stated that the proceeds from the Qualified Energy Conservation Bond will be used to finance replacement and repair of environmental and building systems to improve energy efficiency and water conservation at the 25 year old Seattle Art Museum Venturi building. He noted that the qualification for the Bond was through King County's Green Community Initiative.

There were no additional comments from members of the public and the hearing was closed at 1:13 p.m.

**Public Hearing:  
LARC at Kent  
Station, OID #15-  
143A**

A public hearing was opened at 1:14 p.m. for OID No. 15-143A, LARC at Kent Station.

Bob Peterson, Multifamily Housing and Community Facilities Division Manager, said this hearing is for the proposed issuance of a tax-exempt revenue notes to

finance a portion of the acquisition of land and new construction and equipping of a 131–unit senior affordable housing facility located at the parcels of land adjacent to the northern endpoints of 3rd Ave N, 2nd Ave N and 1st Ave N, bounded on the north and west by State Route 167 and on the east by the Burlington Northern railroad tracks, Kent, WA, 98032, to be owned by Legacy Affordable Retirement Communities (LARC) at Kent Station, LLC, a Washington limited liability company. Proceeds of the notes may be used to pay a portion of the costs of issuance. The total estimated aggregate amount of the note is not expected to exceed \$20,000,000. Mr. Peterson introduced David Sinnett, Development Manager at LARC at Kent Station.

Mr. Sinnett stated that the units will be restricted to seniors whose income levels are not more than 60% of the area median income average median income. The project will offer a fitness center, game room, business center, and a theater room. This project will have three residential buildings and one recreational building.

There were no additional comments from members of the public and the hearing was closed at 1:17 p.m.

**Public Hearing:  
Allocation of Low  
Income Housing  
Tax Credits from  
the 2016 Funding  
Round.**

The Chair opened a public hearing on the recommended allocation of Low Income Housing Tax Credits at 1:17 p.m.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said that there will be one project to consider today from the King county pool. Ms.Vatske introduced Daniel Malone, Executive Director at Downtown Emergency Services Center (DESC) and Jessica Adam, Director of Property Development at DESC.

Mr. Malone state that Estelle Supportive Housing is located in the Mount Baker neighborhood of Seattle, this Housing First project will provide permanent, supportive housing for chronically homeless individuals. It will provide 24 hour on-site staffing and on-site cash management for all tenants. The healthcare services will be in partnership with Harborview Medical.

Mr. Spencer asked if the soil was contaminated. Ms. Adam stated that the environmental remediation methods are being done and the site used to be a retail store for used tires.

Mr. Herman asked if Mr. Malone could tell us why he thinks the homelessness issues is rapidly escalating. Mr. Malone stated that people can't get affordable housing to get themselves out of homelessness.

There were no additional comments from members of the public and the hearing was closed at 1:27 p.m.

**Action Item:  
Resolution No. 16-61, 2016 Allocation of Credit for the Housing Tax Credit Program**

Ms. Vatske said this was a resolution authorizing the Executive Director to make reservations and/or allocations of 2016 Housing Tax Credits to the following project:

- DESC – Estelle Supportive Housing

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

**Action Item:  
Resolution No. 16-53, a Resolution for the adoption of the WSHFC 2016–2017 Housing Finance Plan**

Mr. Zwicker said this is a resolution approving the adoption of the WSHFC 2016–2017 Housing Finance Plan.

Ms. Klontz moved to approve the resolution. Ms. Lawrence seconded the motion. The resolution was unanimously approved.

**Action Item:  
Resolution No. 16-46, The Northwest Railway Museum, OID# 15-134A**

Ms. Vatske said this is a resolution approving the issuance of tax-exempt nonprofit revenue bonds in an amount not to exceed \$3,600,000 to finance and refinance facilities located at 9300, 9312, 9320 Stone Quarry Road, Snoqualmie, WA, 98065, owned by The Northwest Railway Museum, a Washington nonprofit corporation. A portion of the proceeds from the bonds may be used to

pay part of the costs of issuance. The public hearing was held on December 17, 2015.

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

**Action Item:  
Resolution No. 16-  
55, Cannon House,  
OID# 15-136A**

Ms. Vatske said this is a resolution approving the issuance of nonprofit housing revenue bonds in an amount not to exceed \$5,100,000 to finance a portion of an existing 120-bed assisted living facility located at 113 – 23rd Avenue S Seattle, WA 98144, owned and operated by Sea-Mar Community Health Center, a Washington nonprofit organization. A portion of the proceeds from the bonds may be used to pay part of the costs of issuance. The public hearing was held on December 17, 2015

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

**Action Item:  
Resolution No. 16-  
57, Vintage at  
Bellingham, OID#  
15-107A**

Ms. Vatske said this is a resolution approving the issuance of tax-exempt revenue obligation notes in an amount not to exceed \$11,000,000 to finance a portion of the costs to acquire, rehabilitate and equip an independent living senior facility located at 4625 Cordata Parkway, Bellingham, WA, 98226, to be owned by Vintage at Bellingham, LP, a Washington limited partnership. A portion of the proceeds from the notes may be used to pay part of the costs of issuance. The public hearing was held on October 22, 2015.

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

**Action Item:  
Resolution No. 16-  
58, The Meadows,  
OID# 15-108A**

Ms. Vatske said this is a resolution approving the issuance of tax-exempt revenue obligation notes in an amount not to exceed \$13,800,000 to finance a portion of the costs to acquire, rehabilitate and equip a multifamily housing facility located at 355 Meadowbrook Court, Bellingham, WA, 98226, to be owned by The Meadows by Vintage, LP, a Washington limited partnership. A portion of the

proceeds from the notes may be used to pay part of the costs of issuance. The public hearing was held on February 24, 2016.

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

**Action Item:  
Resolution No. 16-  
59, The Timbers,  
OID# 15-123A**

Ms. Vatske said this is a resolution approving the issuance of tax-exempt revenue obligation notes in an amount not to exceed \$21,000,000 to finance a portion of the costs to acquire, rehabilitate and equip a multifamily housing facility located at 8510 212th St. NE, Arlington, WA, 98223, to be owned by The Timbers by Vintage, LP, a Washington limited partnership. A portion of the proceeds from the notes may be used to pay part of the costs of issuance. The public hearing was held on February 24, 2016.

Ms. Klontz moved to approve the resolution. Ms. Lawrence seconded the motion. The resolution was unanimously approved.

**Action Item:  
Resolution No. 16-  
60, Vintage at  
Arlington, OID#  
15-122A**

Ms. Vatske said this is a resolution approving the issuance of tax-exempt revenue obligation notes in an amount not to exceed \$13,000,000 to finance a portion of the costs to acquire, rehabilitate and equip an independent living senior facility located at 8510 - 212th St. NE, Arlington, WA, 98223, to be owned by Vintage at Arlington, LP, a Washington limited partnership. A portion of the proceeds from the notes may be used to pay part of the costs of issuance. The public hearing was held on October 22, 2015.

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

**Action Item:  
Resolution No. 16-  
50, Hope Source II  
Rural Preservation,  
OID# 14-107A-E**

Ms. Vatske said this is a resolution approving the issuance of tax-exempt revenue bonds in an amount not to exceed \$7,390,000 to finance a portion of four senior housing facilities located at 263 Mine Street, Leavenworth, WA 98826, 302 Fisher Street, Cashmere, WA 98815, 101 South Pearl Street, Ellensburg, WA 98926, 306 E Manitoba Avenue, Ellensburg, WA 98926, and two multifamily housing facilities located at 502 South 5th Street, Selah, WA 98942, and 554

South 5th Street, Selah, WA 98942, to be owned by Hopesource II Rural Preservation Associates LLLP, a Washington limited liability limited partnership. A portion of the proceeds from the bonds may be used to pay part of the costs of issuance. The public hearing was held on December 17, 2015.

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

**Action Item:  
Resolution No. 16-  
62, Lynnwood City  
Center Senior  
Living, OID# 13-  
122A**

Ms. Vatske said this is a resolution approving the issuance of a tax-exempt revenue obligation note in an amount not to exceed \$40,000,000 to finance a portion for the acquisition of land and new construction and equipping of a 308-unit senior housing facility located at 19501- 40th Avenue West, Lynnwood, WA, 98036, to be owned by Lynnwood City Center Senior Living Associates (2016), LLC, a Washington limited liability company. A portion of the proceeds from the notes may be used to pay part of the costs of issuance. The public hearing was held on January 28, 2016.

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

**Action Item:  
Resolution No. 16-  
47, Madison Way  
Apartments, OID#  
15-115A**

This item was pulled from the agenda.

**Action Item:  
Waiver to the LAP  
Policy regarding  
the land only  
purchase  
restriction**

Ms. Vatske stated that Valley Cities Recovery Center needs financing to purchase land with a vacant facility on it and plans to repurpose that facility within the 4 year period. This project will provide mental health services, beds and housing. Services could be provided within 6 months, with a phased development to include housing over a 3 year period. Given the timing is much quicker than the LAP criteria as well as this being an existing facility, we recommend and seek the Commission's approval to waive these criteria for this project and utilize a portion of the existing LAP resources for this purpose.

Ms. Tietz moved to approve the one time waiver request. Mr. Lawrence seconded the motion. The request was unanimously approved.

**Commissioners' Reports**

Ms. Lawrence wanted to thank Ms. Vatske and staff for working with Washington State Tribes on getting a meeting to start a conversation and better partnership.

**Consent Agenda**

The Consent Agenda was approved as mailed.

**Adjournment**

The meeting was adjourned at 1:49 p.m.

**Signature**

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