

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## WORK SESSION MINUTES

August 25, 2016

The August 25, 2016 work session was called to order at 9:45 a.m. by Karen Miller. In attendance were Commissioners Randy Robinson, Wendy Lawrence, Ken Larsen, Regina Stark, Gabe Spencer, Pam Tietz and Beth Baum.

Samya Lutz, Housing & Services Program Manager presented an overview of City of Bellingham's housing initiatives to provide perspective on local issues and challenges.

John E. Harmon, Executive Director of the Bellingham/Whatcom County Housing Authority, presented about the properties they have developed using the Low Income Housing Tax Credit program.

Greg Winter, Executive Director of the Opportunity Council, gave an update on housing needs and their strategies in the region of communities that Opportunity Council serves (Whatcom, Island, San Juan counties).

Lisa Vatske presented a briefing of the 2017 9% tax credit policy change recommendations.

**The work session was adjourned at 11:55 a.m.**

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**August 25, 2016**

The Commission meeting was called to order by Chair Karen Miller at 11:55 a.m. in the Baker Room at 804 10th Street, Bellingham, Washington 98225. Those Commissioners present were Randy Robinson, Wendy Lawrence, Ken Larsen, Regina Stark, Gabe Spencer, Pam Tietz and Beth Baum.

**Approval of the Minutes**

The minutes of the June 23, 2016 meeting were approved as mailed.

**Action Item:  
Resolution No. 16-123, The Reserve at Auburn**

This item was pulled from the agenda.

**Action Item:  
Resolution No. 16-124, The Villas at Auburn**

This item was pulled from the agenda.

**Action Item:  
Resolution No. 16-135, Southside by Vintage**

Lisa Vatske, Director of the Multifamily and Community Facilities Division, said this is a resolution approving the issuance of tax-exempt revenue notes to finance a portion of the acquisition and new construction of a 298-unit multifamily housing development located at 11225 1st Avenue South, Seattle, WA 98168, to be owned by Vintage at Southside, LP, a Washington limited partnership and to pay the costs of issuing the notes. The total estimated aggregate note amount is not expected to exceed \$55,000,000. The public hearing was held August 15, 2016.

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

**Action Item:  
Resolution No. 16-  
136, Wesley Homes  
Lea Hill, LLC  
Refunding**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to (a) refinance an existing continuing care retirement community located at 32049 109th Place SE, Auburn, WA 98092, (b) refinance an existing continuing care retirement community located at 815 S. 216th Street, Des Moines, WA 98198 and (c) refinance the acquisition of property located 707 39th Avenue SE, Puyallup, WA 98373, all owned by Wesley Homes, a Washington nonprofit 501(c)(3) corporation. A portion of the proceeds of the bonds may be used to (i) refund the Commission's outstanding Nonprofit Refunding Revenue Bonds (Wesley Homes Project), Series 2007A, which refinanced the construction, improvement and equipping of Wesley Homes Lea Hill and Wesley Homes Des Moines; (ii) refund the Commission's outstanding Nonprofit Revenue Bond (Wesley Homes at Lea Hill Project), Series 2014, which financed additional construction, improvement and equipping of Wesley Homes Lea Hill and (iii) refinance a taxable loan incurred to acquire the Wesley Homes Bradley Park property. Proceeds of the bonds are also expected to be used to fund a debt service reserve fund for the bonds and to pay all or a portion of the costs of issuing the bonds. The total estimated aggregate bond amount is not expected to exceed \$60,000,000. The public hearing was held July 28, 2016.

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

**Executive  
Director's Report**

Mr. Herman reported that Asset Management and Compliance Division held two Compliance training sessions, in Vancouver and Moses Lake. This was the result of our commitment to re-distribute some of the staff time gained through hiring third party inspectors, and using the gain to increase training opportunities outside of Seattle. The trainings were well-received, and we are planning to hold more sessions statewide. In October, the Commission will hold a Compliance training in Yakima.

Erik Giesen attended the Farmworker Housing Conference at the end of July. This conference was co-sponsored by CASA (Community and Shelter Assistance

Corp.) and ORFH (Office of Rural and Farmworker Housing). This conference was held in Hood River, Oregon, and participants included agency staff, funders, USDA representatives, and other rural housing stakeholders.

Mr. Herman reported that the Homeownership Division is still negotiating the contract with Lakeview Loan Servicing to take on single-family servicing. They have announced Lakeview to our lenders and have started the process of approving lenders who are not currently approved with Lakeview. They have also moved forward with getting our systems to communicate and are working on manual updates.

The Commission was recognized by Fannie Mae as the number one in HFA volume for the first half of 2016 for conventional volume. This is the first time the top spot has changed from the MassHousing in many years.

July was another heavy production month, although we didn't break any new records, we had over \$170 million in Home Advantage reservations assisting 773 families and another \$11.1 million assisting 62 families in House Key reservations totally over \$181.1 million in reservations.

On August 15th, we received eight applications for Bond Cap and 4% tax credits, as per our request for projects closing by year end to submit by this date. The eight applications total approximately \$181 million in requests. These new applications added to what was already in the pipeline will consume our 2016 initial bond cap allocation plus an additional \$200 million that we expect we can still get from Commerce, as we requested the additional \$300 million that may still be available of unused 2016 cap. All of this means we should have some available 2016 cap to be used as carryforward in 2017.

The Commission is on a fast track to put together some new bond volume cap/4% program scoring and policy recommendations for 2017 as we continue to transition to a more competitive 4% tax credit process. We plan on briefing the Commissioners at the September work session, with stakeholder input between

September and October, and then a public hearing and action at the October meeting.

Lisa Vatske attended the last two listening sessions held by Senator Maria Cantwell, in Woodland and Pt. Townsend she also attended a homeless youth summit, held by Rep. Denny Heck that included the HUD Secretary, Julian Castro.

Bob Peterson participated on a panel put together by Impact Capital in Spokane regarding all of the Commission's programs.

Senator Cantwell held her latest housing roundtable event last Thursday, August 18, in Port Townsend. This is the tenth event she's held statewide to talk with local housing and elected leaders about local affordable housing challenges. Lisa Vatske represented the Commission for the discussion, which also included the mayor of Port Townsend, Kay Kassinger of the Peninsula Housing Authority, several representatives from the local Habitat for Humanity affiliate, and others from local economic development efforts. The Commission was also pleased that two executives from Preservation Partners, a 4% private developer that recently completed a renovation project in Port Townsend, came from California. The high cost of infrastructure development in the Port Townsend area was eye-opening to the Senator and also helpful for us at the Commission. The Senator may hold another housing event or two somewhere in the state before Labor Day.

Commission staff also met with Senator Cantwell's policy adviser, Artie Mandel, who was in town this week. We talked about the progress of the Senator's two tax-credit bills and how we can help, and he asked what other housing issues are on the horizon.

## **Commissioners' Reports**

Ms. Tietz attended the open house for Marilee and Buder Haven in Spokane.

Ms. Miller stated she attended the Mountlake Senior Living opening in Mountlake Terrace. She stated that the residents were really excited about the opening.

Ms. Baum stated that the Audit Committee met today. She stated they discussed the charter, swap policy, and the upcoming changes to Governmental Accounting Standards Board (GASB) standards.

**Consent Agenda**

The Consent Agenda was approved as mailed.

**Adjournment**

The meeting was adjourned at 12:12 p.m.

**Signature**

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