

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## WORK SESSION MINUTES

November 17, 2016

The November 17, 2016 work session was called to order at 11:00 a.m. by Pam Tietz. In attendance were Commissioners Cary Retlin, Gabe Spencer, Regina Stark and Ken Larsen.

Rich Zwicker and Krystina Eals introduced Gordon McHenry, Jr. Executive Director of Solid Ground, he gave a presentation on Solid Ground and their statewide outreach. Ms. Eals gave an update regarding funds raised for the 2016 Combined Fund Drive.

Lisa Vatske and Kim Herman gave a presentation on the Preservation Investment in the Ridpath Hotel.

Kim Herman gave the Executive Director's report.

Cary Retlin gave the Department of Commerce report.

**The work session was adjourned at 11:54 a.m.**

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**November 17, 2016**

The Commission meeting was called to order by Chair Pam Tietz 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 Cary Retlin, Gabe Spencer, Regina Stark and Ken Larsen.

**Public Hearing:  
Sea Mar  
Vancouver Family  
Housing, OID# 16-  
137A**

Ms. Tietz opened a public hearing on OID 16-137A, Sea Mar Vancouver Family Housing, at 1:00 p.m.

Bob Peterson, Manager of the Multifamily Housing and Community Facilities Division, said that this a proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs to construct and equip a 70-unit low income multifamily housing facility, located at 7803 NE Fourth Plain Boulevard, Vancouver, WA 98662 to be owned by Sea Mar Housing Vancouver, LP, a Washington limited partnership. Proceeds of the notes may be used to provide a portion or all of the costs of financing the bonds. The total estimated aggregate note amount is not expected to exceed \$12,000,000. Mr. Peterson introduced Jose Bazan, Project Manager and Jesus Sanchez, Vice President Economic Development at Sea Mar Community Health Center.

Mr. Sanchez stated that Sea Mar Vancouver Family Housing is a 70-unit low-income new construction project which is a 13 unit increase from the project that it is replacing. The amenities will include an onsite community garden, business center, playground, fitness trail, and covered and secured bicycle storage. The units will be restricted to households earning less than 60% of the area median income (AMI) for King County.

Mr. Spencer asked to explain the purpose of the 20 one bedroom units since this project was directed towards large family households. Mr. Bazan stated that Sea Mar conducted a survey that concluded that there is a demand for one-bedroom units in the area for couples and singles.

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

**Public Hearing:  
Mt. Baker Village  
Preservation, OID#  
16-70A**

Ms. Tietz opened a public hearing on OID 16-70A, Mt. Baker Village Preservation, at 1:09 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs to acquire land and rehabilitate an existing 107-unit multifamily housing facility and to construct and equip 49 additional units located at 2530, 2540, 2554, 2555, 2569, 2570, 2580 29th Avenue South and 2914 S. McClellan Street, Seattle, WA 98144 to be owned by Mt. Baker Village LLLP, a Washington limited liability limited partnership. Proceeds of the notes may be used to provide a portion or all of the costs of financing the notes. The total estimated aggregate note amount is not expected to exceed \$33,000,000. Mr. Peterson introduced Mike Rooney, Executive Director at Mount Baker Housing Association.

Mr. Rooney stated that at Mt. Baker Housing Association, their mission is to improve lives and strengthen communities in southeast Seattle by creating quality, affordable housing and supporting our residents.

Mt. Baker Housing began as a community redevelopment project focused on the Mt. Baker Village Apartments. The complex had been poorly maintained by the previous owner, leaving hundreds of low-income residents living in unsafe conditions. In March of 1988 the City of Seattle purchased the property and sold it to the newly established Mt. Baker Housing Association. Rehabilitation on the nine-building complex began in 1988 and was completed in 1990.

To date, we have developed—and now own and operate—seven low-income and affordable housing properties with just over 300 units.

Mr. Rooney stated that this project will be restricted to households earning less than 60% AMI and will have better ADA accessibility.

There were no comments from members of the public and the hearing was closed at 1:14 p.m.

**Public Hearing:  
Commission  
Hearing: Ridpath  
Club Apartments,  
OID# 14-99A**

Ms. Tietz opened a Commission hearing on OID 14-99A, Ridpath Club Apartments, at 1:15 p.m.

Mr. Peterson said this is a proposed issuance of multifamily revenue bonds to provide a portion of the financing for the acquisition and rehabilitation of a 206-unit multifamily housing facility located at 515 W. Sprague Avenue, Spokane, WA 99201 to be owned by Ridpath Club Apartments, LLC, a Washington limited liability company. Bond proceeds may also be used to pay a portion of the costs of issuance. The estimated bond amount is not expected to exceed \$15,000,000. Mr. Peterson introduced Ron Wells, President of Ron Wells Group LLC, Ronne Thielan, Executive Vice President of R4 Capital and David Condon, Mayor of Spokane.

Mayor Condon stated that this project would be a great example of the City of Spokane's Vision 20/20 plan. The Vision 20/20 plan is a development plan to make Spokane safer, stronger and smarter.

Mr. Wells stated that the Ridpath Hotel is a complex of four buildings in Spokane, Washington. The Ridpath Tower, the main portion of the hotel, was designed by San Francisco architect Ned Hyman Abrams and is the second iteration of the Ridpath Hotel – the original building was destroyed by fire in 1950. The hotel, originally opened in 1900 and closed in 2008, has the distinction of being Spokane's longest continuously run hotel through those 108 years. The renovation has had some minor ups and downs but with the help of the Commission's financing this acquisition and rehabilitation should be able to push forward.

Ms. Thielan stated that 70% of the total units will be at or below 60% AMI. The first floor will have a restaurant and retail space.

There were no comments from members of the public and the hearing was closed at 1:32 p.m.

## **Commissioners' Reports**

Mr. Spencer stated that the audit committee met this morning to hear a report from Moss-Adams on the results of the Commission's independent audit for the fiscal year ended June 30, 2016. Moss-Adams expressed an unmodified or 'clean' opinion on the Commission's finance statements.

Moss-Adams presented its required communications to the audit committee, reminding us of their independence in relation to the Commission, that their performance of the audit is in accordance with generally accepted audit standards and in consideration of the Commission's internal controls over reporting, and to communicate findings that they judged to be relevant to us.

They reported that there were no:

- Difficulties encountered in performing the audit
- Disagreements with management
- Corrected or uncorrected audit adjustments
- Deficiencies in Internal Control that came to their attention
- Fraud or noncompliance with laws, regulations, grants and contracts

The Committee accepted their report.

## **Adjournment**

The meeting was adjourned at 1:37 p.m. and no actions were taken by the Commission due to the absence of a quorum.

## **Signature**

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