

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

December 15, 2016

The December 15, 2016 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Wendy Lawrence, Randy Robinson, and Pam Tietz.

David Clifton, Sharonn Meeks and Rich Zwicker gave a presentation on the Commission's Senior Policies and an update on Senior Programs.

Kim Herman gave the Executive Director's report.

The work session was adjourned at 12:11 p.m.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

December 15, 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 Wendy Lawrence, Randy Robinson, Beth Baum, Diane Klotz, and Pam Tietz.

**Approval of the
Minutes**

The minutes of the November 17, 2016 special meeting and November 21, 2016 emergency meeting were approved as mailed.

**Public Hearing:
Shoreline Ronald
Commons and
Redmond Integrated
Service Center,
OID# 16-154A**

Ms. Miller opened a public hearing on OID 16-154A, Shoreline Ronald Commons and Redmond Integrated Service Center at 1:02 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 (i) refinance an existing taxable loan for a 12,000 square foot integrated service center, located at 17839 Aurora Avenue North, Shoreline, Washington 98133; (ii) finance the construction and equipping of a 27,862 square foot integrated service center and administrative offices, located at 15511 NE 90th Street, Redmond, Washington 98052; and (iii) pay all or a portion of the costs of issuing the Bonds. The facilities are owned by Hopelink, a Washington nonprofit 501(c)(3) corporation. The total estimated aggregate bond amount is not expected to exceed \$13,000,000. Mr. Peterson introduced Lauren Thomas, CEO at Hopelink and Geoff Crump, COO at Hopelink.

Ms. Thomas said Hopelink serves more than 64,000 homeless and low-income families, children, seniors and people with disabilities in north and east King County. Hopelink is one of 30 community action agencies in Washington State

and over 1,000 in the nation. Washington State Community Action Partners (WSCAP) works to build healthy communities and eliminate poverty through a unified network of community action agencies across Washington State.

Mr. Crump stated the Ronald Commons is an on-site 12,000-square-foot Integrated Service Center. Ronald Commons will offer services and permanent, affordable housing to sixty formerly homeless and low-income households, including families and veterans. All sixty units are reserved for households earning 30 percent or 50 percent of the Area Median Income, with rents well below area average. The property helps expand the availability of affordable housing in Shoreline.

Mr. Crump also stated that the Redmond Integrated Service Center will reunite our administrative offices with our Redmond client services staff and our Redmond food bank, enabling us to continue to provide essential services to those in need well into the future.

Hopelink currently has about 275 employees located on 13 different locations statewide.

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

**Public Hearing:
Boulevard Place,
OID# 11-44A**

Ms. Miller opened a public hearing on OID 11-44A, Boulevard Place at 1:09 p.m.

Mr. Peterson said that this is a proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs to acquire, construct and equip a 292-unit multifamily housing facility, located at 18221 Bothell Way NE, Bothell, Washington 98011 to be owned by Boulevard Place Associates Limited Partnership, 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 \$49,350,000. Mr. Peterson introduced Bryan Park, President of Pacific Northern Construction Company.

Mr. Park stated that Boulevard Park is now a 291-unit mixed use new construction senior housing development located in Bothell, Washington. Set-asides include 20% of the units for disabled persons and 30% of the units for elderly individuals and households whose incomes do not exceed 80% of the AMI. The amenities for this project include multiple elevator access points, a media and game center, an observation desk, a social room, and landscaped courtyards.

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

**Action Item:
Resolution No. 16-
158, Mt. Baker
Apartments, OID#
16-133A**

Lisa Vatske, Director of the Multifamily and Community Facilities Division, said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs to acquire and rehabilitate an 84-unit low-income multifamily housing facility located at 308 W. Champion, Bellingham, Washington 98225 to be owned by Baker Apartments LLC, a Washington limited liability company. Proceeds of the bonds may be used to pay a portion or all of the costs of financing the bonds. The total estimated aggregate bond amount is not expected to exceed \$8,500,000. The public hearing was held October 27, 2016.

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

**Action Item:
Resolution No. 16-
159, Puget Park
Apartments, OID#
16-130A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs to acquire land and construct and equip a 256-unit multifamily housing facility, consisting of three parcels forming the Western border of the intersection of 130th Street SE and Meridian Avenue S., and four parcels on the SE corner of said intersection (approximately 13000 – 13019 Meridian Avenue S.) in Everett, Washington 98208 to be owned by Puget Park LLC, a Washington limited liability company. 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 \$55,000,000 (a portion of which will be taxable). The public hearing was held October 27, 2016.

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

**Action Item:
Resolution No. 16-161,
Reauthorization of
Funding for the
Beginning
Farmer/Rancher
Program**

Ms. Vatske said that resolution 16-161 authorizes staff to issue up to \$2 million in bonds to fund the Beginning Farmer/Rancher Program in the next year.

Ms. Baum moved for approval of resolution 16-161 Ms. Tietz seconded the motion. Resolution 16-161 was unanimously approved.

**Action Item:
Resolution No. 16-162, Carryforward
of Private Activity
Bond Cap**

Ms. Vatske stated that this resolution authorizes and delegates to the Executive Director the authority to carry forward private activity bond volume cap and to determine the allocation of the volume cap between the multifamily and single-family bond programs.

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

**Action Item:
Approval of Single
Family Investment
Bankers
recommendation**

Corinna Obar, Manager of the Homeownership Division, stated at least every 2 years, pursuant to the Revised Code of Washington, section 43.180.100 and the Washington Administrative Code section 262-01-070, we do a request for proposals for single family investment bankers.

Investment bankers develop and structure each bond issue and purchase the Commission's bonds.

She posted the RFP last month and the due date for proposals was Monday, December 5th. The Commission received eight responses from the following firms:

RBC Capital Markets
George K. Baum
Bank of America Merrill Lynch
Wells Fargo Securities
Raymond James
Key Banc Capital Markets
Robert W. Baird & Company
Blaylock Beal Van, LLC

Due to the fact that we anticipate doing a relatively small amount of bond sales over the next two years, we decided not to ask the proposers to incur the costs of coming to Seattle for interviews and evaluated them on their written proposals. We looked at the following criteria:

- Demonstrated technical competence, expertise and innovative ability.
- Demonstrated success in structuring and/or marketing housing bond issues.
- Familiarity with FHA insured and VA guaranteed housing programs, as well as with privately insured programs.
- The cost in fees and expenses.
- Reputation for services.
- Qualifications of the individuals assigned to represent the investment banking firm in meetings and negotiations with the Commission regarding the structuring and purchase of bonds.
- Compatibility with the Commission and its staff of the individuals assigned to represent the investment banking firm in meetings and negotiations with the Commission.
- Accessibility of the underwriter's personnel to the Commission and its staff.

Ms. Obar is recommending that the Commission retain RBC Capital Markets and George K. Baum as senior managers and Wells Fargo Securities as a co-manager.

Edward Jones was previously part of our finance team. However, they exited this market approximately a year ago. Since their departure, we used a selling group to also facilitate retail sales. Staff doesn't believe the expected volume necessitates a larger team and recommends keeping the selling group and welcomes the above firms to participate.

Ms. Obar asked for Commission approval of the recommendations and authority for the Executive Director to negotiate contract terms with the firms.

Ms. Klontz moved to accept the recommendations for selection of Single Family Investment Bankers. Ms. Tietz seconded the motion. The motion was unanimously approved.

**Action Item:
Request approval
on 2017
Commission
Meeting Calendar**

Ms. Baum moved to approve the 2017 Commission Meeting Calendar. Ms. Lawrence seconded the motion. The request to approve the 2017 Commission meeting calendar was unanimously approved.

**Action Item:
Request approval
of the
Commission's 2017
Legislative Agenda**

After a brief explanation of the Legislative Agenda for 2017 by the Executive Director. Ms. Tietz moved to approve the 2017 Legislative Agenda. Mr. Robinson seconded the motion. The request was unanimously approved.

**Information Report
on Department of
Commerce
Activities**

Ms. Klontz stated that the Governor's operating budget proposed an increase of \$20 million to reduce homelessness for both families and individuals. In addition, there is a \$13 million investment for Commerce's part in a comprehensive, multi-partner behavioral health and housing effort, which also includes a capital budget component. There is a proposed funding increase of \$1.8 million for OEDC's sector lead program, small businesses and underserved communities. The budget includes a new \$25 million proposal to fund an expanded state LIHEAP program.

She also mentioned that housing is a key piece to the State's capital budget. More than \$115 million is proposed for the Housing Trust Fund and Preservation Program, brownfields mitigation work for housing development, and Growth Management Act-related investments that encourage the development of

affordable housing. As noted, there is also a capital budget component to the behavioral health and housing effort. Regarding infrastructure, there is a proposed \$19 million appropriation in the Public Works Trust Fund for pre-construction and emergency loans, and \$37.6 million toward new local and community projects.

Lastly, there is a \$26.3 million proposal to build child care facilities, in partnership with the Department of Early Learning, in order to meet certain mandates in supporting our children's early education.

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 1:50 p.m.

Signature
