

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## WORK SESSION MINUTES

June 29<sup>th</sup>, 2017

The June 29, 2017, work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Duane Davidson, Beth Baum, Steve Moss, Ken Larsen, Gabe Spencer, Diane Klontz and Pam Tietz

Cindy Felker reviewed and had a discussion regarding the Commission's Succession Plan.

Lisa DeBrock presented a briefing on the upcoming request for proposals for Single Family master servicer(s).

Diane Klontz gave her Department of Commerce report.

Kim Herman gave the Executive Director's report.

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

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**June 29, 2017**

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 Duane Davidson, Randy Robinson, Beth Baum, Steve Moss, Ken Larsen, Gabe Spencer, Diane Klontz and Pam Tietz.

**Approval of the Minutes**

The minutes of the April 27, 2017, and May 22, 2017, special meetings were approved as mailed.

**Commissioner Recognition**

**Gabe Spencer and Pam Tietz – Commissioner Service**

The Chair presented Mr. Spencer and Ms. Tietz with a clock for their tireless efforts to improve housing and community facilities for the citizens of Washington and his service on the Washington Housing Finance Commission Board from November 2009 (Tietz)/April 2011 (Spencer) through June 30, 2017.

**Commission Hearing: Santos Place/Sandpoint Family Housing Resyndication, OID # 17-104A**

Ms. Miller opened a Commission hearing on OID 17-104A, Santos Place/Sandpoint Family Housing Resyndication at 1:05 p.m.

Bob Peterson, Manager of the Multifamily Housing and Community Facilities Division, said that this is a proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition, rehabilitation and addition to a 69-unit low income multifamily housing facility located at 6801, 6831 and 6940 62nd Avenue NE, Seattle, WA 98115, to be owned by SPH Two LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may be used to provide a portion or all of the costs of financing the bonds.

The total estimated bond amount is not expected to exceed \$8,000,000. Mr. Peterson introduced Gordon McHenry Jr., President and CEO of Solid Ground.

Mr. McHenry Jr. stated that the Santos Place/Sandpoint Family Housing Resyndication is a renovation of 69 units of existing housing for homeless individuals and families in three building, and the addition of eight new units within one of the existing buildings, converting storage spaces into housing units. The existing units all have Section 8 subsidy, and the new units, which will serve disabled individuals.

There were no comments from members of the public and the hearing was closed at 1:11 p.m.

**Commission  
Hearing: The  
Walk, OID # 13-  
101A**

Ms. Miller opened a Commission hearing on OID 13-101A, The Walk at 1:11 p.m.

Mr. Peterson said this is a proposed issuance of a Qualified Energy Conservation Bond (QECCB) to finance the construction of 38 units of a 52-unit housing development located at 201 Madrona Way NE, Bainbridge Island, WA 98110 to be owned by Paditu, LLC, a Washington limited liability company. This project is part of Kitsap County's Green Community Initiative. The total estimated bond amount is not expected to exceed \$4,100,000. Mr. Peterson introduced Marji Williams and Kelly Samson representing the developers Paditu LLC.

Ms. Williams stated that five of the units will be held permanently affordable for households with income at or below 100 percent of Area Median Income (AMI). This project is part of Kitsap County's Green Community Initiative and targets the Living Building Challenge Net Zero certification as well as four other performance categories.

Mr. Samson stated that the project location when formally a mobile park facility.

There were no comments from members of the public and the hearing was closed at 1:15 p.m.

**Public Hearing:  
Vintage at  
Bremerton, OID #  
17-139A**

Ms. Miller opened a public hearing on OID 17-139A, Vintage at Bremerton at 1:15 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 for the acquisition and rehabilitation of a 143-unit low income multifamily housing facility for seniors located at 1717 Sheridan Road, Bremerton, WA 98310, to be owned by Vintage at Bremerton 2, LP, a Washington 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 note amount is not expected to exceed \$19,000,000. Mr. Peterson introduced Joe McCarthy representing Vintage Housing.

Mr. McCarthy stated that units at Vintage at Bremerton are available to seniors at or below 50% and 60% AMI. The property will include a community garden, business center, and a media room. He also stated that each unit will have about \$25,000 in renovations per unit.

There were no comments from members of the public and the hearing was closed at 1:19 p.m.

**Public Hearing:  
Welcome Center,  
OID # 17-140A**

Ms. Miller opened a public hearing on OID 17-140A, Welcome Center at 1:19 p.m.

Mr. Peterson said this is a proposed issuance of tax-exempt revenue bonds to finance the construction and equipping of a 7,856 square foot community facility with a gathering hall, reception areas, library, craft and activity rooms, commercial-grade kitchen, administrative office space, bathrooms and showers, and an outdoor covered patio located at 12306 Vickery Avenue E., Tacoma, WA 98446, to be owned by L'Arche Tahoma Hope Community, a Washington 501(c)(3) nonprofit organization. Proceeds of the bonds may be used to provide a portion or all of the costs of financing the bonds. The total estimated bond amount is not expected to exceed \$1,500,000. Mr. Peterson introduced Laura

Giddings, Executive Director and Community Leader for L'Arche Tahoma Hope.

Ms. Giddings stated that the Welcome Centers vision is to "...provide a place of belonging, where core members, assistants, volunteers, families of those living with intellectual disabilities, supporters like you, and the broader community can build relationships of mutuality and trust." L'Arche Tahoma Hope is fulfilling a long-time dream to build a Welcome Center on property adjacent to our homes and farm in eastern Pierce County. The Welcome Center will provide L'Arche Tahoma Hope with long-needed accessible space for community gatherings, programs for core members, administration functions, and to receive guests and visitors from the broader community.

There were no comments from members of the public and the hearing was closed at 1:24 p.m.

**Public Hearing: St.  
Andrew's Place  
Assisted Living;  
OID # 17-143A**

Ms. Miller opened a public hearing on OID 17-143A, St. Andrew's Place Assisted Living at 1:24 p.m.

Mr. Peterson said this is a proposed issuance of tax-exempt revenue bonds to refinance existing debt of a 40-apartment unit assisted living community for seniors 55 and older located at 520 E. Park Avenue, Port Angeles, WA 98362, to be owned by St. Andrew's Retirement Community, a Washington 501(c)(3) nonprofit organization. Proceeds of the bonds may be used to provide a portion or all of the costs of financing the bonds. The total estimated bond amount is not expected to exceed \$1,650,000. Mr. Peterson introduced Beverly Maine representing St. Andrews Place Assisted Living.

Ms. Maine stated that this is the 20<sup>th</sup> year of operating. St. Andrew's Place's (SAP) purpose is to promote and enhance dignity, choice and independence in a home-like atmosphere to individuals needing help with meals, dressing, bathing, managing their medication routines and other activities of daily living regardless of income or background. SAP currently has 60 people on their waiting list.

SAP is the only assisted living community in Clallam County that accepts Medicaid.

There were no comments from members of the public and the hearing was closed at 1:30 p.m.

**Public Hearing:  
Franke Tobey  
Jones, OID # 17-  
142A**

Ms. Miller opened a public hearing on OID 17-142A, Franke Tobey Jones at 1:30 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt revenue bonds to finance (i) the construction and equipping of a new facility containing 43 skilled nursing beds and 28 memory care units, and (ii) the construction and equipping of a 16-unit independent living community and one duplex in an existing continuing care retirement community, located at 5340 North Bristol Street, Tacoma, WA 98407. The buildings will be owned by Franke Tobey Jones, a Washington 501(c)(3) nonprofit organization. Proceeds of the bonds may be used to provide a portion or all of the costs of financing the bonds. The total estimated bond amount is not expected to exceed \$30,000,000. Mr. Peterson introduced Mark Gustafson, President and CEO of Franke Tobey Jones.

Mr. Gustafson stated that Franke Tobey Jones is vibrant, inclusive, not-for-profit senior community on a 20 acre North Tacoma campus. Which has independent living, assisted living, memory care and skilled nursing home care, we promote the enjoyment of living and life. He stated that this is all part of phase I and phase II will replace what was demolished down in the first phase.

He also mentioned that they managed the Point Defiance Ruston Senior Center.

There were no comments from members of the public and the hearing was closed at 1:38 p.m.

**Public Hearing:  
McKinley Terrace  
Properties  
Redevelopment,  
OID # 17-103A-D**

Ms. Miller opened a public hearing on OID 17-103A, McKinley Terrace Properties Redevelopment at 1:38 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt and taxable revenue notes to provide a portion of the costs of acquiring and rehabilitating: (1) two multifamily housing facilities (McKinley Terrace Apartments located at 809 E. Wright Avenue, Tacoma, WA 98404; Meadow Park Garden Court located at 5602 Hannah Pierce Road W., University Place, WA 98467); (2) one senior multifamily facility (Chehalis Manor located at 300 South Market Boulevard, Chehalis, WA 98532); and (3) one senior multifamily facility (Kennewick Garden Court located at 955 West 5th Avenue, Kennewick, WA 99336). All facilities are expected to be owned by McKinley Terrace LLC, a Washington limited liability company. Proceeds of the notes are expected to be used to provide a portion of the financing for the acquisition and rehabilitation of the 107-unit McKinley Terrace Apartments, the 66-unit Meadow Park Garden Court, the 33-unit Chehalis Manor and the 27-unit Kennewick Garden Court. Proceeds of the notes may also be used to pay a portion or all of the costs of issuing the bonds. The total estimated aggregate note amount is not expected to exceed \$33,000,000 (a portion of which may be taxable). Mr. Peterson introduced Larry Blake from Evergreen Development Solutions, LLC.

Mr. Blake stated that this is a 233-units project across four locations. The units will serve residence at or below 60% of the AMI. The amenities include onsite business learning centers, onsite community gardens, onsite playgrounds or fitness trails, and media centers.

The renovations on the units will include new energy code appliances like washers, dryers, air conditioning and flooring. The exterior renovations include new shutters, updated ADA code accessibilities and a modern look.

There were no comments from members of the public and the hearing was closed at 1:44 p.m.

**Public Hearing:  
LARC @ Burien,  
OID # 16-156A**

Ms. Miller opened a public hearing on OID 16-156A, LARC @ Burien at 1:44 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt notes to finance a portion of the costs for the acquisition, construction and equipping of a 160-unit senior multifamily housing facility located at 11672 Des Moines Memorial Drive, Burien, WA 98168, to be owned by LARC @ Burien, LLC, a Washington limited liability company. Proceeds of the notes may be used to pay a portion or all of the costs of financing the notes. The total estimated note amount is not expected to exceed \$26,000,000. Mr. Peterson introduced David Sinnett, representing LARC at Burien.

Mr. Sinnett stated that thus projects are 100 percent of the units at 60 AMI. The properties amenities will include fitness center, community garden, a business learning center, media room, and covered and secured bicycle storage.

There were no comments from members of the public and the hearing was closed at 1:47 p.m.

**Public Hearing:  
YWCA Snohomish  
Portfolio, OID # 17-  
108A-C**

Ms. Miller opened a public hearing on OID 17-108A-C, YWCA Snohomish Portfolio at 1:47 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt and taxable revenue bonds to finance a portion of the costs for the acquisition and rehabilitation of three multifamily housing facilities (Somerset Village located at 19703 – 19723 68<sup>th</sup> Avenue W., Lynnwood, WA 98036; Victorian Woods located at 4002-4015 and 4101-4103 212<sup>th</sup> Street SW, Mountlake Terrace, WA 98043; Wear to Live located at 11802 4<sup>th</sup> Avenue W., Everett, WA 98204). All facilities will be owned by Snohomish Portfolio LLLP, a Washington limited liability limited partnership. Proceeds of the bonds are expected to be used to provide a portion of the financing for the acquisition and rehabilitation of the 64-unit Somerset Village, the 66-unit Victorian Woods and the 90-unit Wear to Live. Proceeds of the bonds may also be used to pay a portion or all of the costs of issuing the bonds. The total estimated aggregate bond amount is not expected

to exceed \$37,000,000 (a portion of which may be taxable). Mr. Peterson introduced Kris Lambright, Chief Financial Officer at the YWCA of King County.

Ms. Lambright that this acquisition and rehabilitation of 220 total units of multifamily housing units over three properties will serve households at 50% and 60% of the AMI. Twenty percent of the units will be set aside for large households.

She also mentioned that some current residents will not qualify for the new set asides and they have been working closely with those residents to find relocations plans. Qualified residents will have very minimal relocation times.

In response to a question from Commissioner Moss, Ms. Lambright that portions of the bond maybe taxable but they are still trying to figure that out.

There were no comments from members of the public and the hearing was closed at 1:53 p.m.

**Public Hearing:  
Waterview  
Crossing, OID # 15-  
100A**

Ms. Miller opened a public hearing on OID15-100A, Waterview Crossing at 1:53 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition of land and new construction and equipping of a 326-unit multifamily housing facility located at 22000 Pacific Highway South, Des Moines, WA 98198, to be owned by Waterview Crossing, LLC, a Washington limited liability company. Proceeds of the notes may be used to provide a portion or all of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$85,000,000 (a portion of which may be taxable). Mr. Peterson introduced David Ratliff representing Waterview Crossing.

Mr. Ratliff stated that 100% of the units will be affordable and leased to households earning no more than 60% AMI in King County. 20% set aside for

disabled persons, and 20% set aside for large households. The project will include a swimming pool, spa, fitness center, lounge, indoor basketball court, business center, outdoor play areas, and meeting rooms.

Mr. Ratliff stated that this project displaced a mobile home park but agreed to a favorable settlement.

There were no comments from members of the public and the hearing was closed at 1:57 p.m.

**Public Hearing:  
Annual public  
hearing for the  
issuance of single-  
family bonds**

Ms. Miller opened a public hearing on the annual authorization of Homeownership Bonds and related programs at 1:57 p.m.

Lisa DeBrock, Director of the Homeownership Division, noted that the hearing is a routine item that is done on an annual basis. Ms. DeBrock stated that this public hearing concerns the proposed issuance by the Commission of single family program bonds and homeownership program bonds in one or more series, in a total amount not to exceed \$500 million. The Bonds will be used to finance the acquisition of eligible single-family residences throughout the state.

Mortgage loans will be originated by lending institutions under standard FHA, VA, USDA, Freddie Mac and Fannie Mae guidelines, and sold to a master servicer. The master servicer will pool the mortgage loans and sell Ginnie Mae, Fannie Mae or Freddie Mac mortgage-backed securities that are secured by our loans to the Commission's bond trustee who will acquire the securities with the proceeds of the bonds.

A portion of the bonds may be short term notes which will be issued pending the establishment of mortgage rates through the issuance of long term bonds. The issuance of bonds and any remarketing or refunding of bonds is done pursuant to a plan of financing of the Commission.

The mortgage loans must meet the requirements of the originating lenders as well as Section 143 of the Internal Revenue Code of 1986, as amended, if the interest on the bonds is to be exempt from federal income taxes.

Borrowers must be first-time homebuyers (unless the property is located in targeted areas as defined by the Code or the loan is made to a veteran as defined in 38 U.S.C. §101 and are subject to maximum income limits). Properties are subject to maximum purchase prices and must be owner-occupied. No other public hearing needs to be held for bonds issued within a one year period. No comments were received from the general public. The results of the hearing will be sent to the Governor for his approval prior to the issuance of bonds.

There were no additional comments from members of the public and the hearing was closed at 2:00 p.m.

**Public Hearing:  
Allocation of Low  
Income Housing  
Tax Credits from  
the 2017 Funding  
Round.**

The Chair opened a public hearing on the recommended allocation of Low Income Housing Tax Credits at 2:00 p.m.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said that there will be eight projects to consider today.

**Driftwood Point**

102 11th Avenue  
Long Beach, WA 98631

Ms. Vatske introduced Chris Pegg, representing Joint Pacific County Housing Authority. She stated that Driftwood Point will be a 27-unit new construction development in Long Beach, WA that will serve homeless individuals, veterans, families, and persons with disabilities. The set-asides for this project are 10% of the units at 30% AMI, 30% of the units at 40% and the remaining 30% at 50% AMI.

**Caples Terrace**

500 Omaha Way  
Vancouver, WA 98661

Ms. Vatske said the next project is Caples Terrace, which is located in Vancouver, Washington. Ms. Vatske introduced Roy Johnson, executive Director of the Vancouver Housing Authority. Mr. Johnson said Caples Terrace will provide 28 new units of permanent affordable housing and supportive services. The project will have 75% of the units for people experiencing homelessness, individuals and small families that face the highest barriers of access to safe and stable housing, as well as supportive services. Tenancy preference will be provided to youth aging from foster care and unaccompanied homeless youth. The Vancouver Housing Authority has partnered with service providers for children aging out of foster care, after-school recreational opportunities, and mental health support and alcohol dependency issues.

**Rhododendron Place**

1302 NE 88th Street  
Vancouver, WA 98661

Ms. Vatske said the next project is new construction called Rhododendron Place located in Vancouver Washington. Ms. Vatske introduced Leah Greenwood, Executive Director at Columbia Non-Profit Housing. Ms. Greenwood stated that Rhododendron Place will be a three-story 30-unit project providing permanent supportive housing for homeless individuals facing mental health challenges Clark County. Rhododendron Place will partner with Columbia River Mental Health to provide these services.

**22 North**

1022 N State Street  
Bellingham, WA 98225

Ms. Vatske said the next project is a new construction called 22 North located in Bellingham Washington with a letter of support from the City of Bellingham. The City of Bellingham has committed \$1,000,000 in local Levy and HOME funds to the development of this project, and an additional \$1,000,000 to supportive services. Ms. Vatske introduced Dave Foreman, CFO of the Opportunity Council. Mr. Foreman stated that 22 North is a collaboration between two experienced service providers, the Opportunity Council and Northwest Youth Services. It will have 40 studio apartments of permanent

supportive housing for twenty homeless 18-24 year old youth and twenty other homeless individuals. The set-asides for this project are 50% of the units at 50% AMI and the remaining 50% at 30% AMI and this project will have McKinney operating assistance on 100% of the units.

**Burien Haus**

430 SW 154th St  
Burien, WA 98166

Ms. Vatske stated that this project is a rehabilitation of a facility in Burien Washington. Ms. Vatske introduced Paul Fortino, representing Burien Haus. Mr. Fortino said this project will serve senior residents 55 or older and persons with disabilities. The set-asides for this project are 50% of the units at 50% AMI and the remaining 50% at 30% AMI.

**Hopeworks Station II**

3319 Broadway  
Everett, WA 98201

Ms. Vatske stated that HopeWorks Station II is a new construction with 65 units that will be located in the Everett Station District neighborhood near downtown Everett. Ms. Vatske introduced Ed Peterson, Chief Strategic Officer at Housing Hope. Mr. Peterson stated that this development will provide affordable housing for homeless and very low income households who are seeking employment training. The non-residential space in the development includes a Workforce Development Center with space devoted to a culinary food service program called Food Works, a retail training center with a food store and bakery, a youth career center and space for HopeWorks and other social enterprise partners. The affordable housing is aligned with the Workforce Development Center to provide pathways out of poverty and toward income progression. The set-asides for this project are 50% of the units at 50% AMI and the remaining 50% at 30% AMI.

**Compass Broadview**

13047 Greenwood Ave N  
Seattle, WA 98133

Ms. Vatske said the next project is Compass Broadview, which will be located on Greenwood Avenue in the Broadview neighborhood of northwest Seattle. The

Total Development Cost (TDC) for this project is \$2,283,493 over the WSHFC cost limits for King County which required a TDC Waiver which was included in the materials for this project. The cost drivers that cause this overage revolve mainly around City-required structured parking and storm water management as well as the cost premiums caused by the construction boom. Ms. Vatske introduced William Reddy, CCO of Compass Housing Alliance. Mr. Reddy said Compass Broadview will be a 59-unit, 3-story, building with 18 underground structured parking spaces and an elevator. It is being developed in coordination with Luther Memorial Church, redeveloping the church's parking lot into housing for families and individuals. 20% of the units will serve families who are exiting homelessness, and 20% of the units will serve people with disabilities. Compass Housing Alliance will provide services and case management on site for the homeless households and will also offer additional programs for both children and adults. The unit sizes will range from studios to 3-bedrooms. The site is one block from the Broadview Public Library and across the street from Broadview-Thompson K-8 School and Bitter Lake Park.

**Everett Safe Streets Supportive Housing**

6107 Berkshire Drive  
Everett, 98203

Ms. Vatske stated that Everett Safe Streets Supportive Housing is a new construction in Everett Washington. Ms. Vatske introduced Patrick Tippy, Senior Housing Developer at Catholic Housing Services of Western Washington. Mr. Tippy said Everett Safe Streets Supportive Housing will be a 65-unit, 4-story apartment building targeted to serve homeless individuals, including chronically homeless individuals, those diagnosed with chronic mental illness, and young adults aged 18-24. The set-asides for this project are 50% of the units at 50% AMI and the remaining 50% at 30% AMI. The project will be modeled as Permanent Supportive Housing and will utilize Housing First principles.

There were no comments from members of the public and the hearing was closed at 2:47 p.m.

**Action Item:  
Resolution No. 17-  
149, 2017  
Allocation of Credit  
for the Housing  
Tax Credit  
Program**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said this was a resolution authorizing the Executive Director to make reservations and/or allocations of 2017 Housing Tax Credits to the following project:

- Driftwood Point
- Caples Terrace
- Rhododendron Place
- 22 North
- Burien Haus
- Hopeworks Station II
- Compass Broadview
- Everett Safe Streets Supportive Housing

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

**Action Item:  
Resolution No. 17-  
148, The Walk,  
OID # 13-101A**

This item was pulled from the agenda.

**Action Item:  
Resolution No. 17-  
118, Homes First,  
OID # 16-155A**

This item was pulled from the agenda.

**Action Item:  
Resolution No. 17-  
152, K West  
Apartments, OID #  
17-106A**

This item was pulled from the agenda.

**Action Item:  
Resolution No. 17-  
150, Lake City  
Family Housing,  
OID # 17-105A**

Ms. Vatske 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 construct a 70-unit low-income multifamily housing facility located at 12705 30th Avenue NE, Seattle, WA 98125, to be owned by 30th NE Development LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may be used to pay a portion or all the costs of financing the bonds. The total estimated bond amount is not expected to exceed \$15,000,000. Approximately \$2,000,000 of taxable

bonds will be used to construct a preschool facility for 80 children on site. The public hearing was held April 27, 2017.

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

**Action Item:  
Resolution No. 17-  
122, Sea Mar  
Vancouver Family  
Housing, OID # 16-  
137A**

Ms. Vatske 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 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. The public hearing was held November 16, 2016.

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

**Action Item:  
Resolution No. 17-  
141, Tukwila  
Village Phase 1  
Senior Living, OID  
# 17-111A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance the construction of a 193-unit multifamily senior housing facility, located at 14400 Tukwila International Blvd and 4450 South 144th Street, Tukwila, WA 98168, to be owned by Tukwila Village Associates (1) Limited Partnership, a Washington limited partnership. Proceeds of the bonds may be used to provide a portion or all of the costs of financing the bonds. The total estimated aggregate bond amount is not expected to exceed \$48,000,000 (a portion of which may be taxable). The public hearing was held February 23, 2017.

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

**Action Item:  
Resolution No. 17-  
144, Single-Family  
Resolution**

Ms. DeBrock said this is a resolution authorizing the issuance and remarketing of Single Family Mortgage Revenue Bonds, Homeownership Program Bonds, and Single Family Special Program Bonds in one or more series, in a total amount

not to exceed \$500,000,000; authorizing the Home Advantage Program, payment agreements and the sale of certificates without the issuance of bonds, all to facilitate the financing of single-family housing.

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

**Action Item: Fiscal  
Year 2017 Operating  
Budget**

Bob Cook, Senior Director in the Finance Division, requested approval of the corrected General Operating Budget for the Commission's July 1, 2017 – June 30, 2018 fiscal year. Mr. Cook stated that the draft budget was reviewed at the Commission planning session in May. Mr. Cook stated that the Home Advantage, taxable single-family mortgage program continues to be successful and is projected to remain so in the upcoming year. For fiscal 2018, we are increasing the loan production as compared to the FY17 budget, however at a lower volume than actual, projected FY17 results. Revenue is budgeted with a tighter targeted earnings margin to reflect reduced servicing release premiums while continuing our commitment to offer favorable mortgage rates and down payment assistance options to the borrowers. The program is budgeted to provide \$5.1 million of the budgeted revenue for FYE 2018, net of the 25% allocated to the General Indenture's Commission Fund to support future programs. Since demand for bond volume cap has recovered and is increasing in multifamily programs, Homeownership has eliminated availability of MCCs to the current allocation, resulting in no related budgeted revenue, down from the prior year budget of \$521 thousand.

For the next year, the Commission expects twenty-eight financings by the Multifamily Housing and Community Facilities Division totaling \$431.1 million. Estimated fees directly related to the Multifamily Housing and Community Facilities Division represents \$5.7 million of the budgeted revenue for FYE 2018. This includes issuance fees of 25 basis points (bps) of the bond amount earned at closing, the annual fees currently ranging from 10 to 25 bps of the outstanding bond amount and tax credit application and reservation fees. Expenses (excluding pass through grants) for FYE 2018 are budgeted 8.7% greater than the prior year's budget. The increase is primarily due to the addition

of 2.0 permanent full time equivalent personnel, one in Multifamily and one in Finance, the provision for wage increases of up to five percent for staff, and an increase related to the initial costs of the content management project. The increase in expense coupled with an 8.3% increase in revenue (excluding pass through grants) results in a budgeted \$5.1 million net income, an increase of 6.2% from 2017 budgeted net income.

Mr. Spencer moved to approve the 2017-2018 budget. Ms. Tietz seconded the motion. The annual budget was approved.

**Action Item:  
Change the name of  
the PIF to Program  
Related  
Investments (PRI)**

Mr. Cook requested approval to rename the Program Investment Fund (PIF) to Program-Related Investments (PRI).

Mr. Spencer moved to approve the renaming of the Program Investment Fund (PIF) to Program-Related Investments (PRI). Ms. Tietz seconded the motion. The request was unanimously approved.

**Action Item:  
Transfer of  
Reserves to the  
Program Related  
Investments (PRI)**

Mr. Cook requested approval to transfer excess earnings in the general operating fund as of June 30, 2016, to the Program-Related Investments.

Mr. Cook requested the Commissioners to consider and act on a request to transfer reserves in excess of \$20 million in the General Operating Fund as of June 30, 2017 to the Program-Related Investments (PRI).

Ms. Tietz moved to approve the transfer of excess revenue into the Program-Related Investments. Mr. Moss seconded the motion. The motion was approved unanimously.

**Action Item:  
Bond/General/Tax  
Credit Counsel and  
Special Counsel**

Paul Edwards, Deputy Director, stated that Commission staff conducted a Request for Proposal (RFP) process in order to select General Counsel, Bond Counsel, Tax Credit Counsel and Special Counsel for the Commission's Energy Efficiency Loan Program. Mr. Herman noted that staff reviewed the responses

focusing on past experience, an experience of key staff, track record, customer service, and various other characteristics of the RFP responses.

On April 13, 2017 RFPs were e-mailed to a variety of legal firms; a legal notice appeared in the Bond Buyer, Seattle Times, and Daily Journal of Commerce newspapers; and posted on the Commission website.

The RFP responses were due on April 27, 2017 and staff received responses from 7 law firms requesting to be considered for various single family and multifamily legal services positions:

- Pacifica
- Foster Pepper
- Kutak Rock
- Stradling
- Hunton & Williams
- Dorsey & Whitney
- Victoria S. Byerly

On May 1, 2017, the Executive Management Team (EMT) met to review the RFP responses to determine which candidates to interview. Our discussion focused on past experience, experience of key staff, track record, customer service, and fees. Following this discussion, the EMT decided to recommend that we continue to use the current legal services provided as follows:

- Pacifica General and Tax Credit Counsel
- Kutak Rock Single Family Tax Counsel
- Foster Pepper Single Family Disclosure Counsel & alternate counsel
- Stradling Energy Efficiency Counsel

EMT also decided to conduct Bond Counsel interviews with Stradling and Pacifica which were held ON June 15, 2017. As a result of those interviews, the EMT discussion following these interviews focused on past experience of key staff, track record, customer service, and fees. EMT decided to recommend that we continue to use Pacifica as Bond Counsel and that Stradling would be added as a second alternate counsel in conflict of interest situations for Pacifica.

Ms. Tietz moved to approve the recommendations. Mr. Spencer seconded the motion. The motion was approved.

**Commissioners' Reports**

Commissioner Miller mentioned she attended the Housing Forum in Everett where Kim Herman was the keynote speaker.

Commissioner Tietz mentioned she attended the 9% stakeholder meeting in Spokane Washington that Ms. Vatske facilitated.

**Consent Agenda**

The Consent Agenda was approved as mailed.

**Adjournment**

The meeting was adjourned at 3:22 p.m.

**Signature**

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