

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

February 22, 2018

The February 22, 2018 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Corina Grigoras (Department of Commerce Designee), Jason Richter (Washington State Treasurer Designee), Lowel Krueger, Beth Baum and Steve Moss.

Rich Zwicker introduced to 2018-2019 Housing Finance Plan.

Lisa Vatske gave a status update and briefing on the 9% Low Income House Tax Credit program.

Corina Grigoras gave the Commerce Department 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**

February 22, 2018

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 Corina Grigoras (Department of Commerce Designee), Jason Richter (Washington State Treasurer Designee), Lowel Krueger, Beth Baum, Steve Moss and Ken Larsen.

**Approval of the
Minutes**

The minutes of the January 25, 2018 special meeting were approved as mailed.

**Employee
Recognition**

Executive Director Kim Herman stated that there are several types of Employee Recognition Awards: Special Recognitions; Length of Service; and the peer chosen Employee of the Quarter and Year.

Two Years of Service

Bob Woodard
Rahim Samatar
Juliana Williams

Five Years of Service

Margret Graham
Simona Alvarez

Ten Years

Ana Porkalob
Jason Hennigan

Twenty Years

Duane Bakke

Mike Gary

Employee of the Fourth Quarter – Kate Held

“The central axis on which a world spins, the fine point on which a top turns, the fulcrum on which everything is balanced, the glue that keeps the pieces from separating, the egg that binds the batter. Whether it be a group of threezies, fivezies, sevenzies or sixteenzies, there seems to be one that serves to balance the group, keeps it together, and keeps it moving, who meets the unspoken need, ensures the work gets done but realizes that we might be here to work but that work is not all we be.

Whenever there is a birthday or special occasion, she often bakes cakes to bring in for the celebration. She builds camaraderie and community in the division. And her commitment doesn't stop there, besides tracking the budget, travel, trainings, and generally everything that gets thrown her way, she also led the Commission's Combined Fund Drive (CFD) efforts this year. The events were engaging, brought in lots of participation, and the Aloha Inn, which is a national model of self-managed housing for homeless individuals striving toward sobriety and self-efficiency, was overwhelmed by the Commission staff's generosity. The donations brought by staff for the Aloha exceeded their expectations. Socks, blankets, towels, pillows. Amazon and Bed Bath and Beyond got tired of delivering.

But her strengths really shine through when she works towards the Commission's Mission. As the person who handles the project summary write-ups for MHCF's part of the Commission's monthly meeting agenda, enters agenda items and tracks the submission of material, she has proven to handle the details well. She takes responsibility and is not afraid to delicately crack the whip on the most taciturn Senior Analyst, distracted manager, or head-in-the-policy-clouds director to make sure the information gets in the packet. She handles it all with aplomb even though the past two years have been the busiest on record. She manages the project schedule for Multifamily and Nonprofit bond projects and is a diligent tracker of their statuses while also coordinating with Olympia to get Governor Approvals to the many bond issues in a timely manner. Kate Held definitely

handles the sixteenzies of the Multifamily Housing and Community Facilities well. She has also proven that she can help keep the seventy-onezies of the Commission on track to meet its charitable goals. The Commission's work has always been about sharing. Kate gets that. She does it."

Employee of the Year – Erik Giesen

"This nominee is a bright cheerful person with a quirky personality that he shares with everyone at the commission – hello 'Hump Day'".

Hired at the Commission in May of 2016, with minimal oversight Erik jumped in and started reviewing annual reports for properties in his portfolio. He quickly caught up the reviews, which were behind when he came on, and was able to complete all of the 2015 reports in his portfolio ahead of schedule. He did this while taking on other projects like updating sections of the Portfolio Analyst's Desk Manual to incorporate the processes now used in HomeBase, creating a new Asset Management Spreadsheet to help with ARRA Reviews, and updating checklists to make processes easier. In addition, Erik makes sure the Property Managers he works with understand our requirements and provides guidance on areas that need improvement. He even set up a private training with a management company that needed personal one-on-one assistance.

This year Erik spearheaded the monumental task of revamping the AMC Tax Credit Fundamentals Workshop. He totally reworked the PowerPoint presentation, giving it a fresh new look with material providing clearer guidance to property staff. We invited in a Focus Group last fall to preview the new presentation and the feedback was very positive! Erik made final changes based on Focus Group comments and we rolled out the new presentation at our November workshop to great success.

What did Erik take on next? A forms webinar to complement the new Fundamentals Workshop presentation. He presented this webinar in December. Hundreds of participants signed up eager to take advantage of this new training tool. Erik will be presenting an abbreviated version of this webinar with Shawna at the AHMA Conference coming up in April.

Erik, his ideas, and his strive to improve processes have been a great addition to the Asset Management and Compliance Division.”

**Public Hearing:
Allocation of 2019
9% Federal Low
Income Housing
Tax Credit
Program**

The Chair opened a Commission public hearing on Allocation of 2019 9% Federal Low Income Housing Tax Credit Program, at 1:10 p.m.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, gave a recommendation to consider allocating all or some portion of the 2019 9% Federal Low Income Housing Tax Credits in 2018. In the face of uncertainty over when the Capital budget would pass and when and at what level the Trust Fund would be funded as well as a continuing housing crisis throughout the state, the Commission chose to proceed with its 2018 allocation round. Projects have applied and are being processed. Now that the budget has passed, there is a back log of projects likely to receive Trust Fund grants that were unable to apply in 2018. To accommodate this unique situation, Ms. Vatske stated that she feels it to be prudent to move forward all or some the portion of the 2019 9% Federal Low Income Housing Tax Credits in 2018 now that the funding picture has become clearer. .

Ms. Vatske read a statement by Helen Stevenson, Vice President of the Commonwealth Agency Board which stated:

“Madam Chair, Commission members and staff, Commonwealth Agency strongly urges the Commission to require Commission staff to look at the 2019 ‘special round’ of tax credit applications as a full round rather than splitting the 2019 allocation in half and making it open to all applicants not just applicants with a commitment from the Housing Trust Fund. We fully understand that there are projects that would have to wait until 2020 to submit applications they are currently working on however, there are sufficient, fully funded projects that are ready to begin construction this year and it seems imprudent to not provide access to this limited resource at this time. There are two projects in Spokane County that are on the waiting list and we’ve been told by Lisa Vatske that they would not be considered in the ‘special round’ because she believes that the State’s lack of funding the Trust Fund in a timely manner has inadvertently hurt

worthwhile projects throughout the state that would have otherwise been included on the current allocation list and the Commission's focus is to cooperate with the State in that regard.

LIHTC's are a federal resource and not a 'state' resource like the trust fund. Applicants should be considered based on local priorities and even though Spokane County has stated their priority for this year is funding projects that meet the needs of the greater County and not just the city of Spokane, this priority position has been ignored.

We believe that there are sufficient policy discussions that need to take place sooner rather than later and forward committing all of the 2019 LIHTC's would allow the Commission, commission staff and stakeholders to concentrate on those issues during the 2019 calendar year so that a clear direction for a future LIHTC allocation plan and policies could be ready for 2020 and agencies would be back on even ground. Thank you for your time and consideration, Helen Stevenson, VP, Commonwealth Agency Board.”

In response to a question by Mr. Richter, Ms. Vatske stated that she hoped in a couple weeks to know the portion of the 2019 tax credits that would be worked in to the 2018 year.

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

**Action Item:
Allocation of 2019
9% Federal Low
Income Housing
Tax Credit
Program**

Ms. Vatske requested the approval on the recommendation to consider allocating all or some portion of the 2019 9% Federal Low Income Housing Tax Credits in 2018.

Mr. Krueger moved to approve the request. Mr. Moss seconded the motion. The request was unanimously approved. The request was unanimously approved.

**Action Item:
Resolution No. 18-
37, Vintage at
Vancouver 2, OID
17-199A**

Ms. Vatske stated that this is a resolution approving the 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 154-unit low income multifamily housing facility, located at 9001 NE 54th Street, Vancouver, WA 98662, to be owned by Vintage at Vancouver 2, LP, a Washington limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$18,000,000. The public hearing was held November 27, 2017.

In response to a question by Mr. Richter, Ms. Vatske stated that the lender was selected from a list of approved lenders. The Commission receives and approves applications for these lenders.

Mr. Moss moved to approve the request. Mr. Larsen seconded the motion. The request was unanimously approved. The request was unanimously approved.

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 1:20 p.m.

Signature
