

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

November 15, 2018

The November 15, 2018 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Jason Richter, Beth Baum, Steve Moss, Alishia Topper, Noe Castillo and Lowel Krueger.

Kim Herman and Rich Zwicker gave a briefing on the Commission's potential legislative agenda for 2019, including a discussion of the infrastructure bill and Commission support legislation.

Lisa Vatske gave an update on the Bond/4% round and bond cap usage.

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

November 15, 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 Jason Richter, Beth Baum, Steve Moss, Alishia Topper, Noe Castillo and Lowel Krueger.

Approval of the Minutes

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

Employee Recognition

The Chair congratulated Alishia Topper for being elected as the Clark County Treasurer in the last election.

The Chair acknowledged Kim Herman, the Commission’s executive director, for being inducted into the national Affordable Housing Hall of Fame.

The Chair also welcomed the new commissioner, Noe Castillo, who will be filling in the Labor representative position.

**Public Hearing:
Homage Senior Services Building,
OID # 18-98A**

The Chair opened a public hearing on OID # 18-98A, Homage Senior Services Building at 1:01 p.m.

Lisa Vatske, Director of Multifamily Housing and Community Facilities Division, said this is a public hearing regarding the proposed issuance of one or more series of tax-exempt revenue bonds to refinance existing debt used to acquire a 33,000 square foot office space (the “Facility”), finance the

rehabilitation and equipping of the Facility and pay all or a portion of the costs of issuing the bonds. The project is located at 5026 196th Street SW, Lynnwood, WA 98036, to be owned by Senior Services of Snohomish County dba Homage Senior Services, a Washington 501(c)(3) nonprofit corporation. The total estimated bond amount is not expected to exceed \$10,000,000. Ms. Vatske introduced Mr. Steve McGraw and Ms. Arin Ricchiuti, representing Homage Senior Services.

Mr. McGraw stated that the organization's primary purpose is to serve older adults of Snohomish County. He added that they are a multi-service organization that provides a variety of services such as social services, health and wellness services, transportation, home repair and modification, and nutrition services.

Mr. McGraw said that this project will enable them to provide efficient services as well as better management on their financial costs.

Mr. Richter asked what the previous facility was used for. Mr. McGraw said it was Wights Nursery.

There were no other comments from members of the public and the hearing was closed at 1:08 p.m.

**Public Hearing:
Jayne Auld Manor,
OID # 18-59A**

The Chair opened a public hearing on OID # 18-59A, Jayne Auld Manor at 1:09 p.m.

Ms. Vatske said this is a public hearing regarding the proposed issuance of a tax-exempt revenue bond to finance the costs for the new construction and equipping of a 48-unit low income multifamily housing facility located at 2830 E. Francis Avenue, Spokane, WA 99208, to be owned by J Auld Apts LLC, a Washington limited liability company. Proceeds of the bond may also be used to pay a portion of the costs of issuing the bond. The total estimated bond amount is not expected to exceed \$9,000,000. Ms. Vatske introduced Mr. Dave Roberts, Senior Developer of Spokane Housing Ventures.

Mr. Roberts said that this is a new construction of a 48-unit multifamily housing development. Ten percent of the units will be set aside for persons with disabilities and twenty percent of the units will be set aside for large households. He added that the location is close to different public amenities, transportation and shopping centers.

There were no other comments from members of the public and the hearing was closed at 1:12 p.m.

**Public Hearing:
Tax Credit
Program
Allocation,
Wenatchee
Supportive
Housing, OID # 19-
08**

The Chair opened a public hearing on OID # 19-08, Tax Credit Program Allocation Wenatchee Supportive Housing at 1:12 p.m.

Ms. Vatske said this is a public hearing regarding the request to increase 9% Low Income Housing Tax Credit (LIHTC) by \$59,339 from \$1,477,680 to \$1,537,019 using 2019 LIHTC Allocation, for Wenatchee Supportive Housing, to be owned by Wenatchee Housing LLLP, a Washington limited liability limited partnership. The project is located at 1545 South Mission Street, Wenatchee, WA 98801. The total estimated project cost is not expected to exceed \$16,927,074. Ms. Vatske introduced Mr. Bryan Ketcham, Executive Director of Catholic Charities Housing Services of Yakima, and Ms. Cindy Proctor, Development Director of Beacon Development.

Mr. Ketcham gave an overview of the project and how they came up with the proposal of an additional credit.

Ms. Proctor said that they are in the final piece of the project. She added that although they absorbed three wage increases in that period of time, they finally have locked the wages with a signed contract.

Mr. Krueger asked if there was a soft close since the costs have now been locked in with the construction. Ms. Proctor said that the investors agreed to close without the funding for them to lock the contract in order to avoid the wage increase and other cost issues.

Mr. Moss commended their persistence and diligence on the project and added that their contribution is appreciated.

Ms. Topper said that this is an opportunity to add this issue to the legislative agenda to help support career and technical education programs.

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

**Action Item:
Resolution No. 18-
128, Tax Credit
Program
Allocation,
Wenatchee
Supportive
Housing, OID # 19-
08**

Ms. Vatske said this is a resolution approving an increase in 9% Low Income Housing Tax Credits (LIHTC) by \$59,339 from \$1,477,680 to \$1,537,019 using 2019 LIHTC Allocation, for Wenatchee Supportive Housing, to be owned by Wenatchee Housing LLLP, a Washington limited liability limited partnership. The project is located at 1545 South Mission Street, Wenatchee, WA 98801. The total estimated project cost is not expected to exceed \$16,927,074. The public hearing was held November 15, 2018.

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

**Action Item:
Resolution No. 18-
105, Mount Baker
Village
Preservation, OID
16-70A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of taxable 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, 2530A, 2540, 2540A, 2554, 2554A, 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 taxable note amount is not expected to exceed \$1,600,000. The original public hearing for the project was held November 17, 2016. This note issue is taxable and does not require a public hearing.

Mr. Richter asked why this project is taxable.

Ms. Vatske said that it is taxable to save bond cap and that the investor and borrower are fine with that.

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

**Action Item:
Resolution No. 18-122, Cedar Pointe Senior Apartments, OID # 17-226A**

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 for the acquisition of land and new construction and equipping of a 255-unit low income rental housing facility for seniors located at 3905 172nd Street NE, Arlington, WA 98223, to be owned by AMWA Cedar Pointe Fund, LP, a Washington limited partnership. Proceeds of the notes may also be used to pay a portion or all of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$45,000,000 (a portion of which may be taxable). The public hearing was held September 27, 2018.

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

**Action Item:
Resolution No. 18-102, Heatherstone Preservation, OID # 18-55A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition and rehabilitation of three multifamily housing facilities, which have been and will be operated as a single 455-unit multifamily facility. The facilities are located at 1114 W. 10th Avenue, 1136 W. 10th Avenue, and 1212 W. 10th Avenue, Kennewick, WA 99336, to be owned by Heatherstone Preservation LP, a Washington limited partnership. Proceeds of the notes may also 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 \$43,000,000 (a portion of which may be taxable). The public hearing was held July 26, 2018. An additional public hearing was held on November 9, 2018.

Ms. Vatske stated that the additional TEFRA hearing was for \$44,000,000 since there has been an increase in the amount that they are asking for. The final note amount will be \$43,000,000.

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

**Action Item:
Resolution No. 18-125, Cathedral Plaza, Inc., OID # 18-54A**

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 for the acquisition and rehabilitation of a 149-unit multifamily housing senior facility located at 1120 W. Sprague Avenue, Spokane, WA 99201, to be owned by New Cathedral Plaza LLC, a Washington limited liability company. Proceeds of the bonds may also be used to pay a portion or all of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$15,000,000. The public hearing was held September 27, 2018.

Mr. Krueger moved to approve the request. Ms. Topper seconded the motion. The resolution was unanimously approved.

**Action Item:
Resolution No. 18-126, The O'Malley, OID # 18-52A**

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 for the acquisition and rehabilitation of a 99-unit multifamily housing senior facility located at 707 E. Mission Avenue, Spokane, WA 99202, to be owned by New O'Malley LLC, a Washington limited liability company. 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 \$10,000,000. The public hearing was held September 27, 2018.

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

**Action Item:
Resolution No. 18-127, Sanford Hildebrandt Towers, OID # 17-158A**

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 for the acquisition and rehabilitations of a 372-unit low income multifamily housing facility located at 747 N. 135th Street, Seattle, WA 98133, to be owned by FFHS Housing Partners, LP, a Washington limited partnership. Proceeds of the bonds may also be used to pay a portion of the costs of issuing the bonds. The total estimated

bond amount is not expected to exceed \$20,000,000. The public hearing was held September 27, 2018.

Ms. Topper moved to approve the request. Mr. Krueger seconded the motion. The resolution was unanimously approved.

**Action Item:
Resolution No.
18-97, SAG
Preservation
Portfolio 1, OID #
18-60A-G**

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 for the acquisition and rehabilitation of seven multifamily and senior housing facilities, equaling 299 aggregate housing units. The addresses and units are listed below. The facilities will be owned by SAG Preservation Portfolio 1 LLLP, a Washington limited liability limited partnership. 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 \$24,600,000. The original public hearing was held July 26, 2018 and an additional public hearing was held September 26, 2018 for \$24,600,000.

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

**Executive
Director's Report**

Mr. Herman said that on November 5, the Finance Division was delighted to welcome Leora Tyau as Fiscal Analyst 4, a new position designed to assist in recording and analyzing all the information associated with the myriad program related investments and the work we do with our affiliates through general operations. Leora has a wealth of experience in financial reporting, grants management, budgeting and data analysis.

Mr. Herman reported that in October, the Homeownership Division's Home Advantage program had over \$192 million in reservations assisting 724 families which represents the second largest reservation month since program inception. House Key Opportunity had over \$23 million in reservations assisting 121 families totaling \$215 million and 845 families for the month.

Compliance Staff (along with several Homeownership Division staff) participated in a three day “training the trainer” session. It was very well-received by everyone involved and staff is currently using what they’ve learned to enhance the trainings we provide.

After an issue came up with our contracted inspection company, Melissa reached out to several other agencies to cover the gap. We have contracted with the Oregon HFA and CMS (Bremerton Housing Authority), who have both begun inspecting projects in Washington and we thank them for getting us back on track.

The Multifamily Housing and Community Facilities Division reports that Lisa Vatske attended the AHF Live Conference the past 3 days in Chicago. She was invited and participated on a panel of state HFA’s to talk about current issues and allocating policies. She also got to attend and video Kim’s induction into the Housing Hall of Fame.

Staff have been reviewing the applications and vetting the points in the current bond round and we hope to have a published list in the next week or so.

Eli Lieberman attended the Access Solar workshop in Seattle on November 8 and the Solar Plus All Hands Meeting on November 9 in Portland. Both meetings were dedicated to bridging the “green divide” between low- and high-income families’ access to solar. In addition to being able to connect with numerous individuals in the renewable energy space, Eli was able to share how the Sustainable Energy Trust can help with the advancement of clean energy technology across Washington.

Eli also attended the Clean Energy Alliance breakfast where the keynote speaker discussed how cross-laminated timber can be used to lower the cost of single family and multifamily housing across the state.

We had two LAP loan payoffs:

1. Habitat of East Jefferson County (12 lots); and

2. Affordable Community Environments (ACE) now known as REACH in Vancouver (Isabella project)

We closed our 12th Manufactured Housing loan with Resident Owned Communities (ROC) helping 711 households to purchase 12 communities. This, latest, Upper Lakeshore, is a 38-home community with all residents reporting incomes below 80% and some 31 of the households reporting incomes at 50% of median or below. It is our fourth Moses Lake community and is primarily Spanish speaking. The total loan amount was \$1.28 million. The Commission's share was \$510,000.

As of July 1, 2018, the Commission has financed more than 73,000 homeownership purchases and 128,000 affordable rental units.

Commissioners' Reports

Mr. Moss gave the Audit Committee report and talked about the recent audit report. He highlighted that there were no difficulties and discrepancies during audit. He added that a copy of the audit report and financial statement will be provided in the next meeting packet.

Mr. Moss thanked all the staff especially the Finance Division for its hard work and the success of the audit.

The Chair said the Ms. Lawrence and Mr. Larsen attended the grand opening of 22 North in Bellingham, Washington.

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 1:52 p.m.

Signature
