

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

December 12, 2019

The December 12, 2019 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Beth Baum, Steve Moss, Lowel Krueger and Jason Richter.

Lisa Vatske gave an update on the use of Private Activity Bond Cap.

Tory Laughlin Taylor gave an overview of the Evergreen Impact Housing Fund, a fund sponsored by The Seattle Foundation designed to work with the Commission's 4% tax credit program.

Kim Herman presented on the proposed 2020 Legislative Agenda.

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

WASHINGTON STATE HOUSING FINANCE COMMISSION MINUTES

December 12, 2019

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 Beth Baum, Steve Moss, Randy Robinson, Lowel Krueger and Jason Richter.

Approval of the Minutes

The minutes of the November 14, 2019 special meeting were approved as mailed.

Action Item: No. 19-154: Approval of the 2020-2021 Housing Finance Plan

Rich Zwicker, Senior Policy Advisor, stated that RCW 43.180.070 requires that the Commission adopt a Housing Finance Plan that contains nine specific objectives.

These policy objectives include:

- (1) The use of funds for single-family and multifamily housing;
- (2) The use of funds for new construction, rehabilitation, including refinancing of existing debt, and home purchases;
- (3) The housing needs of low-income and moderate-income persons and families, and of elderly or mentally or physically handicapped persons;
- (4) The use of funds in coordination with federal, state, and local housing programs for low-income persons;
- (5) The use of funds in urban, rural, suburban, and special areas of the state;

- (6) The use of financing assistance to stabilize and upgrade declining urban neighborhoods;
- (7) The use of financing assistance for economically depressed areas, areas of minority concentration, reservations, and in mortgage-deficient areas;
- (8) The geographical distribution of bond proceeds so that the benefits of the housing programs provided under this chapter will be available to address demand on a fair basis throughout the state;
- (9) The use of financing assistance for implementation of cost-effective energy efficiency measures in dwellings.

Commissioner Richter said he believes that the HFC Plan should be revisited more often than every two years. Mr. Zwicker stated that he met with the former and current Executive Director Kim Herman and Steve Walker to discuss the future of the HFC Plan. He also pointed out that there is a placeholder in the report for the final volume cap numbers which will be filled in when received.

Mr. Moss moved to approve the HFC Plan. Ms. Klontz seconded the motion. The motion was unanimously approved.

**Action Item:
Resolution No. 19-
120, 2019 LARC @
Kent Supplemental
Loan, OID # 15-
143A**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said this is a resolution approving the issuance of one or more series of tax-exempt revenue notes for a 131-unit affordable housing facility for seniors located at 1001 1st Avenue N., Kent, WA 98032, owned by LARC @ Kent Station, LLC, a Washington limited liability company. Proceeds of the notes will be used to provide additional financing for the existing, previously financed housing facility and to pay all or a portion of the costs of issuing the notes. The

total estimated note amount is not expected to exceed to \$1,500,000. The public hearing was held November 12, 2019.

Mr. Krueger moved to approve the resolution. Mr. Moss seconded the motion.

The resolution was unanimously approved.

**Action Item:
Resolution No. 19-
124, Mirabeau
Commons LLC,
OID # 18-11**

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 the construction and equipping of a 120-unit multifamily housing facility located at 2906 North Cherry Lane, Spokane Valley, WA 99216, to be owned by Mirabeau Commons LLC, a Washington limited liability company. Proceeds of the notes may also be used to pay all or 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 14, 2019.

Ms. Baum moved to approve the resolution. Mr. Krueger seconded the motion.

The resolution was unanimously approved.

**Action Item:
Resolution No. 19-
119, Willow
Crossing, OID # 19-
72A**

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 of land and the construction and equipping of a 211-unit mixed use multifamily housing facility located at 6901 Martin Luther King Jr. Way South and 3823 South Willow Street, Seattle, WA 98118, to be owned by Willow Crossing LLLP, a Washington limited liability limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes.

The total estimated note amount is not expected to exceed \$48,000,000, a portion of which may be taxable. The public hearing was held October 24, 2019.

Mr. Moss moved to approve the resolution. Mr. Krueger seconded the motion.

The resolution was unanimously approved.

**Action Item:
Resolution No. 19-152,
Reauthorization of
Funding for the
Beginning
Farmer/Rancher
Program**

Ms. Vatske said this is the annual resolution approving the issuance of up to \$2,000,000 in bonds to fund the Beginning Farmer/Rancher Loan Program.

Ms. Vatske mentioned there were three Beginning Farmer/Rancher Loans this year.

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

**Action Item:
Resolution No. 19-153, Carryforward
of Private Activity
Bond Cap**

Mr. Herman said this is a resolution approving the carryforward of Private Activity Bond Cap. He also stated that the new carryforward funds will be designated to Multifamily and Community Facilities since Homeownership still has surplus funds.

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

**Action Item:
Approve Proposed
2020 Legislative
Agenda.**

After a brief explanation of the Legislative Agenda for 2020 by the Executive Director, Mr. Krueger moved to approve the 2020 Legislative Agenda. Mr. Moss seconded the motion. The motion was unanimously approved.

**Informational
Report on
Department of
Commerce
Activities.**

Ms. Klontz stated that the Department of Commerce (“Commerce”) and the Governor’s office are soliciting applications to fill four upcoming vacancies on the AHAB:

1. Association of Washington Cities (West)
2. Residential Construction Industry Representative
3. Home Mortgage Lending Industry Representative
4. Current/Former Consumer of Low-Income Housing

Commerce awarded Berk Consulting the farmworker housing study contract. The study should be completed by the end of next year.

A Native American housing study RFP was released last month. Applications were due December 9.

The Public Hearing regarding the proposed rules for HB 1406 reporting requirements is scheduled for Wednesday, February 5.

Ms. Klotz mentioned that 81 Housing Trust Fund (HTF) Stage 2 applications are being currently reviewed. Awards will be announced mid-December. Thank you to the Commission and other public funders for coordinating during the review period.

HTF Housing Preservation NOFA is still open; no applications have been received yet; they are due by December 31.

**Executive
Director's Report**

Mr. Herman said that the Homeownership Division would like to welcome Heidi McMahon to the division. The Division hired Heidi as a Program Compliance Administrator where she will be underwriting Commission loans. Heidi comes with a strong loan processing background and even processed Commission loans for many years when working for Eagle Home Mortgage.

The Division would also like to welcome Sarah Lyons who they stole from the Administrative Division. Sarah will be an Administrative Assistant 2 and will be assisting with both program administration and the homebuyer education program.

Lisa DeBrock attended the I'm Home conference in Portland, Oregon on November 18th – 20th to learn more about issues facing mobile home parks and manufactured housing.

The Homeownership Division hosted an online training in conjunction with Essent Mortgage Insurance on the Freddie Edge to help its lenders learn more about our Freddie Mac product on November 22nd.

The Homeownership Division successfully closed the 2019 Series 2 Bonds in the amount of \$38,535,000 on November 26, 2019 for its House Key Opportunity program.

In November, for Home Advantage, there were over \$229 million in reservations assisting 785 families. For House Key Opportunity, the Homeownership division had over \$11 million in reservations assisting 53 families, totaling \$240 million and 838 families for the month. Although they didn't break any overall production records for the month, it was by far the largest November in program history.

The Asset Management and Compliance (AMC) Division continues to hold their regular compliance training sessions– in addition it also held a Bond Compliance class in November, which is done on a yearly basis. This class included a special

session for interested participants on how to review income and asset calculations.

AMC staff attended several board meetings and conferences, including the Affordable Housing Management Association, the Spokane Low Income Housing Consortium, as well as the Homeless Conference in Spokane.

AMC is anticipating an influx of tenant files, and electronic submissions next month, as projects submit their annual reports,

And finally, the staff of AMC would like to thank Kim Herman for his support and guidance throughout the years. “He will be missed. Good Luck Kim!!!”

Big kudos to the Multifamily and Community Facilities Division (MHCF) staff for handling the bond application round, there is a lot to handle with the amount of applications and staff are digging in and doing a great job of navigating through it all. MHCF Division is implementing a new application wizard, which is making a big difference in streamlining the intake of application data in the database.

Lisa Vatske attended the Housing Trust Fund (HTF) Policy Advisory Team meeting, which meets quarterly. This meeting focused on discussing options for HTF investment in rural Washington, and the barriers, capacity and opportunities for investing more HTF funds in rural parts of the state.

Lisa attended and presented on the allocator panel at the Novogradac tax credit conference last week in Las Vegas. Bond cap is becoming a more common topic

and folks were engaged about potential options for increasing bond cap and federal legislation.

Bob Peterson is currently attending the Federal Home Loan Bank Advisory Board meeting in Minneapolis.

Claire Petersky attended a meeting with the representatives from the Seattle Housing Authority, Seattle Public Schools, and nonprofits like the Mockingbird Society, and with Senator Patty Murray. The meeting was about Senator Murray's proposed Affordable Housing for Educational Achievement Demonstration (AHEAD) legislation. The legislation would encourage housing authorities, school districts, and community partners to work together to coordinate and improve educational and housing outcomes for children.

The Finance Division is looking forward to meeting with the State Auditors next week to discuss their plan for the audit of the fiscal year ended June 30, 2019. In addition, they will be reviewing the past 3 fiscal years for WHEFA & TSA.

Commissioners' Reports

Ms. Miller read a letter from the Governor of Washington Jay Inslee congratulating Kim Herman on his retirement.

Consent Agenda

The Consent Agenda was approved as mailed.

Public Comment

Kara Latchinian, a resident at the Chalet Apartments in Seattle which is owned by Imagine Housing and managed by Allied Residential, stated she has been having an issue with Allied. She has been unable to obtain information regarding her resident recertification process.

Commission staff said they will speak with her after the meeting to help facilitate the issues she is having with Allied Residential.

Adjournment

The meeting was adjourned at 1:44 p.m.

Signature
