

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

April 23, 2020

The Commission meeting was called to order by Vice Chair Lowel Krueger, at the request of the Chair, at 1:00 p.m. via teleconference. Those Commissioners present on the line were Richard Nafziger, Diane Klontz, Karen Miller, Wendy Lawrence, Jason Richter, Randy Robinson, Albert Tripp, Ken Larsen and Alishia Topper.

Approval of the Minutes

The minutes of the March 26, 2020 special meeting were approved as mailed.

Employee Recognition

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

Five Years

Rachel Hamlet

Joe Jen

Fifteen Years

Angel Galgana

Twenty Years

Amelia Quiba

Special Recognition – IT Team (Bob Woodard, Alex Yim, Hilina Bereded, Matt Vickery)

“Beginning in early March as the fate of the Coronavirus began to set in, IT was asked to assess what months earlier seemed unimaginable. What would it take for

100% of the staff to telecommute 100% of the time? The collective IT team kicked into gear and without hesitation, embraced the circumstance as a challenge; a challenge they were ready for. Without their can-do attitude we all would have been...well, we all would have been in a world of hurt. As an organization we have been running remotely for 6 weeks and counting, we have the hardware we need, we have mastered the Zoom meeting including our first remote Board meeting, MS Teams is commonplace, DocuSign and e-notary are becoming the new norm. Each of these activities have required flexibility, communication and collaboration among a lot of staff. But without exception, IT support has been the common denominator for each of these successes. From the word go in early March and going strong today, our IT team has proven their adept skills and laudable patience. Ya'll are awesome, we all thank you!"

Employee of the First Quarter - Mike Gary

“This person has repeatedly demonstrated professionalism and a positive attitude. He is always friendly and helpful to all staff and visitors. He takes the initiative when there is an obvious absence of another person and happily assists with just about anything. His kindness is noted by temporary staff, too. He happily jumps in and takes care of all kinds of details for all divisions on short notice. This includes taking the mail to the lobby, training new temporary receptionists, letting us know when the traffic will be crazy from sports mania or demonstrations downtown!

This person is Mike Gary. Mike is someone who will gladly do anything that is asked of him in his kind demeanor. Mike's courteous intentions are of great value to the Commission as a whole.

Mike has been very positive during the pandemic while we have instructions to work from home. Mike has been willing to come into the office a few times a week to process the Commission's mail, as well as be available at the office for our first ever virtual Commission meeting just in case someone showed up in person! This shows great commitment and caring about what we do!

Mike always takes time to be kind to everyone. He takes the role of checking in on our partners who might be holding meetings in one of the Commission's conference rooms seriously and assists whenever he can.

Mike is a great support for Commission board meeting days from gathering information for the monthly board packets and emailing the digital packets in a timely manner, to staying on top of the Commission lunch needs. He is invaluable after every Commission meeting to put everything in order afterward. He keeps the monthly board meeting days running smoothly!

Even during these crazy times and the fact that Mike has been going through a great deal of personal family struggles, he continues to find time to help others in need and be of great help personally and professionally.

Mike is the epitome of what a team player should be, and he is committed to the Commission's mission. This is evident in everything he does.

He is a valued, reliable, polite team member- what would the Commission do without Mike? Congratulations to a great Employee of the First Quarter – Mike Gary!”

**Public Hearing:
Quinn by Vintage,
OID # 19-131A**

The Vice Chair opened a public hearing on OID # 19-131A, Quinn by Vintage, at 1:13 p.m.

Claire Petersky, Manager of Multifamily Housing and Community Facilities Division, said this hearing is for the 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 the construction and equipping of a 227-unit multifamily housing facility located at 20022 15th Avenue NE & 20057 Ballinger Way, Shoreline, WA 98155, to be owned by Quinn by Vintage, 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 \$60,000,000, a portion of which may be taxable. Ms. Petersky introduced Ryan Patterson, President of Vintage Housing.

Mr. Patterson stated that this project's occupancy will be restricted to households earning 60% of King County AMI (Area Median Income). Twenty percent of the units will be set aside for large households and another 20% for persons with disabilities. The project will include "strong" amenities such as a fitness center, business center, media room, playgroup, community garden, electric vehicle charging stations, covered secured bicycle storage, an early learning facility, lunch program, and supportive services coordinator.

There were no other comments from members of the public and the hearing was closed at 1:18 p.m.

**Public Hearing:
Pointe by Vintage,
OID # 19-132A**

The Vice Chair opened a public hearing on OID # 19-132A, Pointe by Vintage, at 1:18 p.m.

Ms. Petersky said this hearing is for the 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 the construction and equipping of a 161-unit multifamily housing facility located at 22837 Pacific Hwy S., Des Moines, WA 98198, to be owned by Pointe by Vintage, 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 \$40,000,000, a portion of which may be taxable. Ms. Petersky introduced Mr. Patterson from Vintage Housing.

Mr. Patterson stated that this project is very similar to the Quinn by Vintage, sits on 2 acres and has a 20% set aside for persons with disabilities. The amenities and set asides are basically the same.

In response to a question by Mr. Robinson, Mr. Patterson stated that there will be early learning services and meal assistance.

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

**Public Hearing:
Station by Vintage,
OID # 19-133A**

The Vice Chair opened a public hearing on OID # 19-133A, Station by Vintage, at 1:19 p.m.

Ms. Petersky said this hearing is for the 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 the construction and equipping of a 197-unit multifamily housing facility located at 16820 SE Wax Road & 28020 Covington Way, Covington, WA 98042, to be owned by Station by Vintage, 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 \$50,000,000, a portion of which may be taxable. Ms. Petersky introduced Mr. Patterson from Vintage Housing.

Mr. Patterson stated that this project sits on a 3.5-acre parcel and has a unique wrap design with the units on the outside surrounding a parking garage.

In response to a question from Mr. Nafziger, Mr. Patterson stated that Vintage Housing is a for-profit developer that partners with a local nonprofit for its projects.

There were no other comments from members of the public and the hearing was closed at 1:22 p.m.

**Public Hearing:
Fort Vancouver
Terrace, OID # 19-
49A**

The Vice Chair opened a public hearing on OID # 19-49A, Fort Vancouver Terrace at 1:23 p.m.

Ms. Petersky said that this hearing is for the 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 132-unit multifamily housing facility located at 4710 Plomondon Street, Vancouver, WA 98661, to be owned by Fort Vancouver Preservation, 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 \$27,000,000. Ms. Petersky introduced Mr. Patterson from Vintage Housing.

Mr. Patterson stated that this development will serve households as follows: 50% at 50% AMI and 50% at 60% AMI. Twenty percent of the units will be set aside for large households. The amenities include a community garden, business center, media center, and electric vehicle charging stations.

There were no other comments from members of the public and the hearing was closed at 1:32 p.m.

**Public Hearing:
Othello Park
Apartments, OID #
19-128A**

The Vice Chair opened a public hearing on OID # 19-128A, Othello Park Apartments, at 1:32 p.m.

Ms. Petersky said that this hearing is for the proposed issuance of one or more series of tax-exempt and taxable revenue bonds to finance a portion of the costs for the acquisition of land, the demolition of existing structures and the construction and equipping of a 106-unit multifamily housing facility located at 7349-7357 43rd Avenue S., Seattle, WA 98118, to be owned by Othello Park Development LLC, a Washington limited liability company. 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 \$23,000,000, a portion of which may be taxable. Ms. Petersky introduced Steven Strickland, Real Estate Project Manager at the Low-Income Housing Institute.

Mr. Strickland stated that this project will be located in the Southeast Seattle area next to the new link light rail station by the newly renovated Othello Park. This development is a partnership with Walsh Construction Company's pilot Cost Efficient Design and Construction Cost Containment Method Program. He also mentioned they will serve households at 50% and 60% AMI. Ten percent of the units will be set aside for large households and twenty percent of the units will be set aside for persons with disabilities.

There were no other comments from members of the public and the hearing was closed at 1:36 p.m.

**Public Hearing:
Low Income
Housing Tax
Credits from the
2020 Round**

The Vice Chair opened a public hearing on the recommended allocation of Low-Income Housing Tax Credits at 1:36 p.m.

Bob Peterson, Manager of Multifamily Housing and Community Facilities Division said the that there will be six projects to consider today.

Skagit County Permanent Supportive Housing

Mr. Peterson introduced Joshua Janet, Housing and Community Developer at Catholic Housing Services of Western Washington (CHS). He stated that the Skagit County Permanent Supportive Housing development will be a newly constructed 70-unit apartment building for individuals and couples experiencing homelessness. This will be the first permanent supportive housing development for this population in Skagit County. The site is located within Mt. Vernon's urban core, making it accessible to nearby services and public transit - both critically important for this population. CHS will develop and operate the building while Catholic Community Services of Western Washington will provide supportive services. The building will be thoughtfully designed to meet the specific needs of individuals exiting homelessness while utilizing cost-effective design concepts to reduce the budget.

Horizon Housing at Together Center

Mr. Peterson introduced Patrick Tippy, Director of Housing Development at Horizon Housing Alliance. He stated that the Horizon Housing at Together Center will provide affordable housing for 80 families at 30% and 50% AM with 60 units set aside for homelessness households. The proposed project will consist of 5 buildings with residential units on floors two through five in both buildings. The ground floor of the buildings will provide affordable office space for human service nonprofit organizations.

Mountain View Housing Development

Mr. Peterson introduced Isabel Garcia, Housing Developer at the Office of Rural and Farmworker Housing. She stated that Mountainview Housing Development will consist of a mix of small, medium and large units to cater to predominately farmworker families of various sizes. The project will consist of 66 townhome style buildings and flat units of one, two, three and four-bedrooms and 150 parking spots. Within the development, there will be one ADA unit of each size for a total of 4 ADA units. One two-bedroom unit will be reserved as a site manager's unit. Eighty percent of the units will be set aside for farmworkers and the remaining 20% will be set aside for general low-income workers. This property will be managed by the Wenatchee Housing Authority.

Madison /Boylston Supportive Housing

Mr. Peterson introduced Tim Parham, Director of Real Estate Development at Plymouth Housing. He mentioned that more than 11,000 people are experiencing homelessness in King County. He stated that Madison/Boylston Supportive Housing will be composed of three condominiums. The 9% project represents one condominium and will set aside 115 units for formerly homeless seniors. The 9% project will be owned and operated by Plymouth Housing. The sponsor intends to fund a second condominium with bonds/4% tax credits and set aside 250 units for individuals and families earning at or below 60% of AMI. The 4% project will be owned and operated by Bellwether Housing. The development will also contain a retail space condominium owned by Plymouth Housing along Boylston Avenue and Madison Street.

12th & Spruce Supportive Housing

Mr. Parham stated that the 12th and Spruce project will have 100 units of affordable housing located in the Central District area in Seattle. Seventy-five of the units will be set aside for homeless housing. In addition to housing uses, the property will also contain commercial condominium space that will be owned and operated by St. Francis House.

Tieton Housing LLLP

Mr. Peterson introduced Holly Anderson, Housing Development Manager at Catholic Charities Housing Service. Ms. Anderson stated that the Tieton Housing project would consist of 53 newly constructed permanent housing units for farmworkers and their families in Tieton, WA. All of the units will be two-story townhomes except for the accessible units. She also mentioned that this project has strong local support from the community.

In a response to a question from Mr. Richter about the cost waiver, Robin Amadon, Housing Development Director at the Low-Income Housing Institute, said there will be a possible increase in development costs in the future due to the current crisis. Ms. Vatske stated that currently the Skagit County construction costs are as high as the Seattle Metro rates.

There were no other comments from members of the public and the hearing was closed at 2:05 p.m.

**Public Hearing:
Proposed changes
to the 4% Bond
Policies for the
2020 Round**

The Vice Chair opened a public hearing on the proposed changes to the 4% Bond Policies for the 2020 round, at 2:06 p.m.

Ms. Vatske stated that since the inception of the competitive bond rounds in 2016, the Commission has held two bond application rounds per year for the Bond/4% program. Typically, staff only makes larger policy changes once a year. However, because competition has intensified, and because scores continues to increase to get an allocation, staff wants to be responsive and address any unintended consequences or trends that warrant a course adjustment. Given the uncertainty in the market, the economy and, the current pipeline backlog, staff are only recommending two policy modifications for June.

In addition to a thorough review of the outcomes of this past round with the Seattle/King County Housing Development Consortium Tax Credit affinity group in February and discussion of these changes, we recently held a Zoom meeting, on April 6th with 100 participants. Our stakeholder meeting included a discussion of these upcoming June changes, a mini application workshop to help inform applicants about key criteria for a successful application and a discussion

of the potential policy issues to tweak or address as part of the 2021 allocation round. Staff continue to have one on one discussions with stakeholders and will continue to flush out the details for 2021 changes to further engage stakeholders and the Commissioners in the coming months.

Ms. Vatske stated the June Policy modifications include:

- **Limit applications and allocations to no more than 2 per round**
Although we currently have a policy limiting the percentage of the private activity bond volume cap that any one applicant can receive in a round, we do not have a limit on applications per applicant. In this past round, we received 3 applications from one sponsor, all scoring competitively. We are recommending this change because the number of projects competing for bond cap has gone up, and we want to be able to spread the cap among additional sponsors and projects to create a broader mix. In addition, many stakeholders are in support of limiting the amount of cap for sponsors. Our current percentage cap is no more than 50% to any applicant, and this proposed change would be in addition to that. Historically, our most prolific sponsors average 2.5 applications per year. This limit is well within our averages among sponsors with a robust pipeline, allows for a broader mix of sponsors and keeps flexibility for those sponsors who may be partnering or have timing sensitivities.
- **Limit Building Features (formerly amenities) to no more than 5 points**
The amenities and services that have been added to this category over time and the amount of points relative to the rest of the scoring scale have generated concern. Staff plan a deeper review of this list of building features and services when we review policies for 2021. In our early analysis from the current round, many of the applicants took at least 7 points, and one of the more positive outcomes was the number of projects that included childcare, as it did highlight how in this competitive environment, the Commission can incentivize additional public benefits. The matrix of what types of projects can take which

features is complex, and to keep the points at a scale relative to other categories, staff is recommending that for the next round, we limit the points that can be taken in this category to be no more than 5 points. Also, changing the name to building features and services is a more accurate depiction of this category.

Ms. Vatske mentioned that the Commission will continue to be in an environment of unprecedented experiences, between our level of competitiveness and the current COVID-19 situation. Market changes are headed our way and we have a backlog of projects that have tentatively lined up for financing. The proposed modifications for the June round balance the need for slight course corrections with maintaining predictability in the process. Staff have begun the conversation with stakeholders regarding policy changes for 2021 and will be briefing the Commission regarding those discussions in the coming months.

Brian Lloyd Vice President of the Beacon Development Group, state that Ms. Vatske and her staff have done an excellent job with engagement regarding policy changes and hearing out stakeholders and acknowledged how complicated this process is every year.

In response to a concern from Mr. Richter about the first policy change, Ms. Vatske stated that she does not think limiting developers to two projects per round would hurt developers since historically developers put forward an average of 2.5 projects in the 4% round per year.

There were no other comments from members of the public and the hearing was closed at 2:22 p.m.

**Action Item:
Resolution No. 20-51, a Resolution for the 2020 Allocation of Credit for the Housing Tax Credit Program**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division (MHFC), said this was a resolution authorizing the Executive Director to make reservations and/or allocations of 2020 Housing Tax Credits to the following projects:

- Skagit County Permanent Supportive Housing
- Horizon Housing at Together Center

- Mountain View Housing Development
- Madison /Boylston Supportive Housing
- 12th & Spruce Supportive Housing
- Tieton Housing LLLP

Mr. Larsen moved to approve the resolution. Ms. Klontz seconded the motion. The resolution was unanimously approved.

**Action Item:
Resolution No. 20-29, Imagine Children’s Museum, OID # 19-108A**

This item was pulled from the agenda.

**Action Item:
Resolution No. 20-52, Cedar Crossing, OID # 19-137A**

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 254-unit multifamily housing facility located at 6600 Roosevelt Way NE, Seattle, WA 98115, to be owned by 6600 Roosevelt LLLP, a Washington limited liability 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 \$65,000,000 (a portion of which may be taxable). The public hearing was held March 26, 2020.

Mr. Larsen moved to approve the resolution. Mr. Nafziger seconded the motion. The resolution was unanimously approved.

**Action Item:
Resolution No. 20-36, Holly Ridge Apartments, OID # 18-131A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue bonds to finance a portion of the costs for the acquisition of land and the construction and equipping of a 121-unit low income multifamily housing facility located at 127 112th Street SW, Everett, WA 98204, to be owned by Holly Ridge, LLC, a Washington limited liability company. 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

\$33,000,000, a portion of which may be taxable. The public hearing was held February 27, 2020.

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

**Action Item:
Resolution No. 20-53, Polaris at SeaTac, OID # 19-65A**

This item was pulled from the agenda.

**Action Item:
Resolution No. 20-40, The Orchard, OID # 19-45A**

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 of land and the construction and equipping of a 48-unit multifamily housing facility located at the SE corner of Road 24 SW and Patchee Drive, Mattawa, WA 99349, to be owned by TH Patchee LP, a Washington limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$6,500,000. The public hearing was held November 14, 2019.

Mr. Nafziger moved to approve the resolution. Mr. Tripp seconded the motion. The resolution was unanimously approved.

**Action Item:
Proposed SET policy recommendations/waivers**

Ms. Vatske stated that the Commission's Sustainable Energy Trust (the "SET") is a revolving loan fund that finances energy efficiency upgrades or the development of renewable energy on nonprofit facilities, single-family housing, or multifamily housing throughout Washington State. Current SET Program Related Investment (PRI) policies allow for per project loans up to \$1,000,000 (\$1,100,000 with ED approval) and term lengths no longer than 10-years. No single borrower can have more than \$2,500,000 (\$2,750,000 with ED approval) outstanding at any given time. To date, the SET has financed over thirty projects totaling more than \$13,000,000.

COVID-19 is presenting unique challenges for the SET that necessitate enhanced flexibility regarding existing PRI policies. Several of our loans are to nonprofits

or small businesses that are closed due to the statewide lockdown. These mandatory measures have severely impacted cash flow and our borrower's subsequent ability to repay debt. Additionally, market conditions are rapidly changing that will impact the SET's ability to originate loans moving forward. This memo will briefly outline COVID-19 identified shortcomings within the current SET PRI policies and provide recommendations for proposed changes.

The SET Loan Committee (Lisa Vatske, Lisa DeBrock, Val Pate, Bob Cook and Debra Stephenson) commends the following policy changes:

- Allow the Executive Director (the "ED") to waive the 10-year term limit to extend the maturity date of an existing loan being placed into temporary forbearance.
- Allow the SET to pause accruing interest while a loan is placed in temporary forbearance.
- Allow the Executive Management Team (the "EMT") to waive the \$1,100,000 per project limit on a case-by-case basis to accommodate extraordinary changes in market conditions.

The SET Loan Committee recently met to approve an emergency COVID-19 loan deferral policy. The resulting forbearance agreement allows SET borrowers that can demonstrate financial hardship caused by the pandemic to defer their principal and interest payments until December 31, 2020. The maturity date is subsequently extended by a period equal to the forbearance period. However, SET PRI policy does not allow a loan to exceed a term of 10 years without approval from the Commissioners. Currently, three loans have requested forbearance and one of those loans, with the corresponding maturity date extension, will exceed the ten-year term length limit. There are other SET loans that will need Commissioner approval if their maturity date is extended due to COVID-19 forbearance.

The SET Loan Committee believes delegating the extension of the term length limit to the Executive Director in cases of extraordinary circumstances will allow the Commission to act more quickly to better serve the needs of our nonprofit and small business partners. In that spirit, due to the immense financial strain

caused by the closure of Washington's economy, staff also believe SET loans placed in temporary forbearance should not accrue interest during the forbearance period. If the Commission does not waive the accrual, the loan will either be reamortized, further extending the maturity date, or the accrued interest will need to be repaid as a balloon payment at the end of the forbearance period. This could place additional financial strain on our borrowers during an already difficult time. Waiving this interest presents another way for the Commission to leverage the power of the state government to help Washingtonians weather the pandemic.

While the coming economic slowdown will likely decrease the demand for SET loans, the changing market conditions also present unique opportunities to push the envelope further for deep green affordable housing. In particular, the SET has received an application to take net-zero rowhouses in Seattle from market rate sales to affordable rentals (60% to 80% AMI). This loan will bring a new green affordable product to Washington and hopefully create a financing mechanism that can be replicated across the state with other lenders. However, the current per project maximum of \$1,000,000 (\$1,100,000 with ED approval) limits the ability of the SET to act quickly on these unique opportunities. While retaining our per borrower maximum of \$2,500,000 (\$2,750,000 with ED approval), the SET Loan Committee would like the Executive Management Team (EMT) to be given the authority to waive the per project limit on a case-by-case basis.

COVID-19 has presented the SET with both challenges and opportunities. By delegating certain SET PRI policy choices, to the Executive Director and the EMT, staff sincerely believe the SET can better meet its mission.

Therefore, Ms. Vatske recommends the Commissioners approve (1) allowing the Executive Director to waive the 10 year term limit for loans placed in forbearance, (2) allowing the Executive Director to waive interest on loans during the forbearance period, and (3) allowing the EMT to waive the per project maximum on a case-by-case basis while retaining the per borrower maximum.

In response to a question from Mr. Kruger, Ms. Vatske stated that she potentially sees other organizations asking for request like this.

In response to a question from Mr. Richter, Ms. Vatske stated that she will continue to follow these loans and believes the revolving loan impact can be weathered.

Ms. Lawrence moved to approve the recommendation. Mr. Larsen seconded the motion. The recommendation was unanimously approved.

**Action Item:
Proposed changes
to the 4% Bond
Policies for the
2020 Round**

Ms. Topper moved approval of the proposed changes to the 4% Bond Policies for the 2020 allocations. Ms. Klontz seconded the motion. The proposal was unanimously approved.

**Executive
Director's Report**

Mr. Walker stated that Homeownership closed the first University Housing Assistance Program (UHAP) loan on April 20th which is our Employee Assisted Housing Program with the University of Washington. HomeStreet Bank is the originating lender.

In March, for Home Advantage, Homeownership had over \$391 million in reservations assisting 1258 families. For House Key Opportunity, we had over \$17 million in reservations assisting 78 families, totaling \$408 million and 1336 families for the month. These totals represent by far the biggest reservation month in Commission history. As mentioned last month, in one day, we had over \$46 million in reservations for the day! This sudden surge in reservations is due to panic in the market from COVID-19. Rates have remained low which also makes our programs attractive to helping families qualify for a mortgage. Although April numbers are running strong, the Homeownership is back to more normal volumes as the buying season starts. Anecdotally, Homeownership has heard from lenders that buyers are still purchasing homes especially in the affordable space.

On the servicing side for Lakeview, 1,726 families have requested forbearance under the CARES Act which is approximately 12% of our portfolio. For Idaho Housing & Finance Agency, they have a total of 486 families in forbearance under the CARES Act representing approximately 4% of the portfolio.

On the federal front, the significant borrower relief plans were discussed at the meeting last month. Since then, Ginnie Mae released its promised Pass-Through Assistance Program related to COVID-19. Under the program, Ginnie Mae will provide pass-through payments to single-family issuers that request assistance to address temporary liquidity shortfalls directly attributable to the national emergency. This program can also be accessed by HFAs. FHFA announced that it would limit the time period Fannie Mae and Freddie Mac mortgage servicers must make monthly payments on home loans despite reduced or missed payments from borrowers. Under the policy, once a servicer has advanced four months of missed payments, it will have no further obligation to advance. All of this is good news for us and our loan servicers. There has been lots of talk regarding other types of stimulus. Staff will bring you more information as it becomes available.

Following up on Bob Cook's report last month about the state of the bond market, especially regarding our Single-family programs, we happy to report that the market has recovered nicely. Our Single-family variable rate bonds on which rates reset weekly have gone from a high of 6.0% back down to 0.8% below rates earlier in 2020. A number of Single-family bond transactions that were delayed and placed on a day-by-day basis for pricing have successfully priced.

The Commission budget process for fiscal year 2020-2021 is well under way. The first draft has been compiled and is under review. After that, we will be making additional updates and then compile a 2nd draft that will be presented to you next month.

Asset Management continues to do a great job of getting their work done remotely – Chrystal White and Erik Giesen have produced an online training seminar for our partners, covering our processes during the pandemic, as well as

a review of how to complete online forms. The training will take place next week, via Zoom. The plan is to increase the number of remote trainings available, both now and when things get back to normal, so that more of our partners can participate.

Income Limits were released by HUD earlier this month, and AMC is in the process of getting Rent and Income Limits published on our website. Although several counties have had increases this year, the Governor's proclamation restricts rent increases (as well as evictions for non-payment of rent) during the pandemic.

NCSHA has gotten clarity from IRS that in the absence of new guidance, states can rely on prior guidance issued under a disaster declaration to provide extensions and relief on specific tax credit deadlines. MHCF staff is working on putting together notification and will work to provide assurances to the investor community while documenting these extensions on a case by case basis.

Staff continue to monitor and track the discussions regarding bond cap as part of a stimulus package and many of the ideas that have been on our list for the last several years, such as fixing the 4% rate, lowering the 50% test, and allowing federal assisted properties to access 4% credit, continue to be surfaced as a way to increase available resources. In addition, staff is hearing of ideas similar to the last recession, of removing the cap altogether for a specified period of time.

MHCF staff coordinated with the Washington State Department of Labor and Industries to provide a standard letter and a list of construction projects that are "essential activities" under the governor's "Stay Home-Stay Healthy" executive order. These are mostly affordable housing projects financed with Commission bonds and tax credits, and projects in the CapitalPlus program. This coordination has helped to ensure that affordable housing projects are prioritized for inspections and continued construction work.

Staff held 3 stakeholder meetings in the past month- with record attendance through Zoom. In addition to the bond/4% workshop and discussion, that had 100

attendees, there was a 9% metro pool conversation with 64 participants and a non-metro pool conversation, with 50 participants.

The May Budget Planning meeting will be on May 18 and 19. The Alderbrook Resort is closed through May 22 so staff is planning to meet via Zoom on Monday for a few hours and then again on Tuesday for one to two hours.

Informational Report on Department of Commerce Activities

Ms. Klontz from the Department of Commerce (“Commerce”) gave a report as follows:

Housing Finance Unit

Upcoming Funding Rounds

The Housing Trust Fund (HTF) staff are preparing notices of funding availabilities (NOFAs) and application materials for several upcoming summer funding rounds. Funds are available from the 2020 supplemental capital budget and any remaining amounts from the 2019-21 biennial capital budget.

Summer 2020 Housing Finance Unit Funding Rounds

Funding Opportunity	Release of NOFA	Funding Available
Modular housing	May/June	\$10 million
2020 Traditional HTF Round	July	Approx. \$70 million
Expiring USDA/Low-Income Restricted Properties Round	June	\$10 million
Cottage Villages/Tiny Homes Round	June/July	\$5 million
Total	May - July	Approx. \$95 million

HTF Preservation Awards

Awards for the 2019 HTF preservation funding round are published. With the additional \$5 million appropriated to preserve HTF properties in the 2020 supplemental capital budget, 32 out of the 33 projects that applied were funded. A total of \$15.1 million will preserve 934 units in existing HTF properties and will extend their affordability periods for at least 5 years. Award letters are being drafted now and will be sent to applicants soon.

Rural Workgroup

The Policy Advisory Team (PAT) subcommittee on rural policies, created at the March PAT meeting, met remotely for the first time on April 9 to continue the discussion on how to incentivize and fund more housing investments in rural communities. Members discussed the drafted strategies formulated from stakeholder suggestions and reviewed the current definitions of rural across varying housing funders. Emily Grossman facilitated the discussion and collected feedback from members. The subcommittee will present their findings to the PAT in June.

Funding Round Timeline Coordination

Commerce and Commission staff are discussing how to align the HTF and 9% tax credit application due dates, in hopes of coordinating awards more effectively for projects requesting both HTF and 9% Tax Credits.

COVID-19 Housing Resources

HTF staff released guidance to contractors managing HTF properties that have to keep up with ongoing compliance requirements, while also keeping their tenants and staff safe in the current environment. The guidance document:

- Addresses tenant applications and income certifications
- Notifies project staff of on-site inspections being postponed
- Details how contractors can request a waiver to use vacant units for individuals affected by the COVID-19 emergency
- Provides instructions for whom to contact if requesting loan deferrals

The resources document and emergency waiver forms are posted on the main HTF webpage.

Housing Assistance Unit

COVID-19 Emergency Response Grant for Tribal Governments In partnership with the Governor's Office of Indian Affairs, Commerce is making \$5 million available to Tribal Governments from the state Disaster to support COVID-19 emergency responses. Each of the 29 federally recognized tribes will receive a

base allocation of \$100,000, with the remaining \$2.1 million allocated by population. The following costs may be reimbursed with the grants:

- Costs to address public health needs in response to the COVID-19 outbreak and its impacts
- The creation and operation of isolation and quarantine housing
- Costs associated with the increased demand for social service programming, such as elder care services, food distribution or behavioral health services
- Costs associated with assisting people experiencing homelessness or housing instability needing physical distancing and other preventative measures
- Procurement of health care equipment, including telehealth equipment and licenses
- Unemployment match required under the CARES Act
- Procurement of personal protective equipment, cleaning and sanitation supplies
- Costs related to COVID-19 testing
- Other costs in agreement with the Department of Commerce

COVID-19 Information and Updates for Homeless Service Grantees

Commerce built a COVID-19 Information and Updates for Homeless Service Grantees webpage to provide an easy way to find information for grantees. Resources include:

- Links to Department of Health COVID-19 resources
- Guidance for homeless service, shelter and street outreach providers
- Grant opportunities for counties, Tribes, homelessness and housing providers responding to COVID-19
- Updated Housing Trust Fund Disaster Assistance guidance
- Landlord Mitigation Program and Tenancy Preservation program guidance

Implementation of Operating, Maintenance and Supportive Services 2.0

The supplemental budget provided \$15 million for state fiscal year 2021 to expand the current Operating, Maintenance and Supportive Services Program. This funding is to fill operating deficits in low-income multifamily housing projects funded with public capital dollars. Projects must contain units of permanent supportive housing to be eligible for assistance. The Housing Assistance Unit and the Housing Finance Unit will jointly administer the rollout of this new funding. A tentative date of July 1 is set for the release of the notice of funding availability and application materials for this effort.

Office of Homeless Youth

The Office of Homeless Youth announced two requests for qualifications for quotes on April 1, 2020:

- Transitional Living Program
- Ancillary Therapeutic Services

Applications for both programs are due May 4, 2020, before 5 p.m.

Manufactured Housing Communities Work Group Report

Commerce concluded the manufactured housing community's workgroup meetings and is now collecting stakeholder feedback on the initial draft of the legislative report. Staff expects to review the feedback and make any changes by the end of April for an anticipated publication date of June 30, 2020.

Commissioners' Reports

Ms. Topper reported that the Audit Committee met this morning. They reviewed the committee charter, swap policy, investment policy and the Moss Adams engagement letter.

Consent Agenda

The consent agenda was approved as mailed.

Adjournment

The meeting was adjourned at 3:16 p.m.

Signature
