

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## WORK SESSION MINUTES

August 26, 2021

The August 26, 2021 work session was called to order at 11:00 a.m. by Bill Rumpf via Zoom and conference call. In attendance were Commissioners Brian Surratt, Diane Klontz, Mike Pellicciotti, Albert Tripp, Lowel Krueger, Pedro Espinoza, and Alishia Topper.

Lisa DeBrock & Lisa Vatske presented and introduced Mark Kantor, Hillary Aten and Kate Delavan to introduce three new Program Related Investments (PRI): (1) Farmland Protection & Affordability Investment (FarmPAI), which will provide a source of financing for the acquisition of land for affordable farmland and long-term conservation; (2) Land Acquisition Fund for Community Land Trusts (CLTs) which will provide land acquisition, infrastructure, and construction financing for CLTs throughout the state; and (3) Social Justice DPA Program which will develop a downpayment assistance program in conjunction with HomeSight for home buyers in under-served communities and communities of color

Lisa Vatske gave an update on the bond round. She mentioned they received 10 applications and will be allocating 7 projects that aligned with this round's long term values and outcomes that were discussed in earlier meetings.

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

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**August 26, 2021**

The Commission meeting was called to order by Chair Bill Rumpf at 1:00 p.m. via Zoom and conference call. Those Commissioners present were Brian Surratt, Diane Klontz, Mike Pellicciotti, Albert Tripp, Lowel Krueger, Pedro Espinoza, Wendy Lawrence and Alishia Topper.

**Approval of the Minutes**

The minutes of the July 22, 2021 special meeting were approved as mailed.

**Introduce New Commissioner**

Executive Director, Steve Walker introduced the newest Commissioner Brian Surratt, who has over 20 years of experience in the public sector and real estate. Most recently, he launched the Puget Sound office of the Local Initiatives Support Corporation (LISC) and leads it as executive director, working with Seattle and Tacoma communities to develop affordable housing and economic mobility strategies which he aligns with investments from LISC's private and public investors.

**Public Hearing:  
Columbia Gardens,  
OID # 19-71A**

The Chair opened a public hearing for Columbia Gardens, OID #19-71A, at 1:05 p.m.

Claire Petersky, Manager of Multifamily Housing and Community Facilities, said this public hearing is for the proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to finance a portion of the costs for the acquisition, constructing and equipping of a 124-unit multifamily housing facility located at 1421 NE 112th Avenue, Vancouver, WA 98684, to be owned by VBT Columbia Gardens 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 \$30,000,000. Ms.

Petersky introduced Zac Baker, Development Manager at Southport Financial Services.

Mr. Baker stated that 100% of this project will be affordable for households at or below 50% of the area median income (AMI). There will be a 20% unit set aside for large households, and a 20% set aside for persons with disabilities. Project amenities include a community garden, fitness center, business center, media room, onsite playground, private bike storage, and electric vehicle charging.

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

**Public Hearing:  
HopeSource III  
Rural Preservation  
Portfolio, OID # 19-  
122A-G**

The Chair opened a public hearing for HopeSource III Rural Preservation Portfolio, OID # 19-122A-G, at 1:09 p.m.

Ms. Petersky said this is a public hearing for the proposed 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 housing facilities, in Grant and Yakima counties, with an aggregate total of 190 housing units, to be owned by HopeSource III Rural Preservation Associates LLLP, a Washington limited liability limited partnership. The addresses and units are:

<b><u>Chestnut Grove Apartments</u></b> 610 South Chestnut Street Moses Lake, WA 98837 23 units \$2,300,000	\$3,800,000
<b><u>Edison Park Apartments</u></b> 2400 East Edison Avenue Sunnyside, WA 98944 28 units \$3,000,000	<b><u>Valley Commons 1 &amp; 2 Apartments</u></b> 700 - 725 McClain Drive Sunnyside, WA 98944 51 units \$5,400,000
<b><u>Paragon Apartments</u></b> 1320 South 11th Street Sunnyside, WA 98944 36 units	<b><u>Vineyard 1 &amp; 2 Apartments</u></b> 405 Nicka Road and 810 Grandridge Road Grandview, WA 98930 52 units \$5,500,000

Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated aggregate bond amount is not expected to exceed \$20,000,000. Ms. Petersky introduced Matt Chantry, Director of Asset Management at Shelter Resources.

Mr. Chantry stated that this is a rehabilitation of seven multifamily housing facilities located in Yakima and Grant Counties, with an aggregate total of 190 units. Twenty-two units are set aside for Seniors, 163 for very low-income individuals and families (50% AMI), and there are 5 common area units for onsite managers and maintenance staff. Each property was funded through the USDA Rural Development 515 program, built in the 70s, 80s, or 90s. Renovations include, but aren't limited to, siding, roofing, heating and cooling, insulation, and unit interior upgrades. Additionally, Paragon Apartments will receive ductless heat pumps. Residents will be temporarily relocated while renovations happen based on individual household needs.

There were no other comments from members of the public and the hearing was closed at 1:16 p.m.

**Public Hearing:  
Tax Credit  
Program  
Allocation, Skagit  
County Permanent  
Supportive  
Housing, OID # 21-  
69**

The Chair opened a public hearing for a Tax Credit Program Allocation, Skagit County Permanent Supportive Housing, OID # 21-69, at 1:17 p.m.

Bob Peterson, Manager of Multifamily Housing and Community Facilities, said this is a request to increase the 9% Low Income Housing Tax Credit (LIHTC) allocation by \$125,000 from \$1,702,458 to \$1,827,458 for Skagit County Permanent Supportive Housing LLC, a project to be owned by Skagit County Permanent Supportive Housing LLC, a Washington limited liability limited partnership. The project is located at 1925 E. College Way, Mt. Vernon, WA 98273. The total estimated project cost is not expected to exceed \$22,571,744. Mr. Peterson introduced Joshua Janet, Housing and Community Developer Catholic Housing Services at Western Washington.

Mr. Janet stated that this project will be the first permanent supportive housing project in Skagit County with a 70-unit apartment building for individuals and couples experiencing homelessness. The site is located within Mt Vernon's urban core, making it accessible to nearby services and public transit. Catholic Housing Services of Western Washington (CHS) will develop and operate the building while Catholic Community Services of Western Washington (CCS) will provide supportive services. Working with Walsh Construction they have been trying to make this project as economical as possible. Last summer Walsh informed them that the construction budget would need to be increased and one of the decisions made was to eliminate prevailing wages.

Mr. Espinoza raised a concern and questioned eliminating prevailing wages and discussion ensued regarding the applicability and triggering of certain wage rates. Staff explained that there are no specific wage requirements in code that the Commission applies to projects, as the funding source is private capital and not direct federal funds. Typically, other local or state funds may trigger certain wages rates, but that depends on the circumstances and structure of these investments.

There were no other comments from members of the public and the hearing was closed at 1:37 p.m.

**Action Item:  
Resolution No. 21-  
83, Tax Credit  
Program  
Allocation, Skagit  
County Permanent  
Supportive  
Housing, OID # 21-  
69**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division (MHFC) requested approval to increase the 9% Low Income Housing Tax Credit (LIHTC) allocation by \$125,000 from \$1,702,458 to \$1,827,458 for Skagit County Permanent Supportive Housing LLC, a project to be owned by Skagit County Permanent Supportive Housing, a Washington limited liability limited partnership. The project is located at 1925 E. College Way, Mt. Vernon, WA 98273. The total estimated project cost is not expected to exceed \$22,571,744.

Mr. Pellicciotti moved to approve the resolution with the amendment that the Commission staff must confirm that the various funding sources have signed off on the prevailing wage rates applicable to the project. Mr. Kreuger seconded the motion. The resolution as amended, was unanimously approved.

**Action Item:  
Resolution No. 21-  
84, eliseo, OID #  
21-74A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt bonds to finance the construction of an expansion to, and the refinance of existing debt for, a nonprofit housing facility, located at 1301 N. Highlands Parkway, 1303 N. Highlands Parkway, 1305 N. Highlands Parkway and 1707 N. Vassault Street, Tacoma, WA 98406 to be owned by eliseo, a Washington 501(c)(3) nonprofit corporation. 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 \$100,000,000. The public hearing was held July 22, 2021.

Mr. Kreuger moved to approve the request. Mr. Espinoza seconded the motion. The request was unanimously approved.

**Action Item:  
Resolution No. 21-  
77, Ethiopian  
Village, OID # 20-  
70A**

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 acquisition of land and the construction and equipping of a 90-unit low-income multifamily housing facility located at 8313 Rainier Avenue S., Seattle, WA 98118, to be owned by Ethiopian Village LLLP, a Washington limited liability 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 \$22,236,000, a portion of which may be taxable. The public hearing was held May 24, 2021.

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

**Action Item:  
Resolution No. 21-  
85, Solera  
Apartments, OID #  
20-48A**

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 new construction and equipping of a 275-unit multifamily housing facility located West of NE Sunset Blvd between NE 10th Street and Kirkland Avenue NE, Renton, WA 98056, to be owned by Solera Affordable, 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 bonds. The total estimated note amount is not expected to exceed \$70,000,000. The public hearing was held July 22, 2021. Ms. Vatske noted that this issuance is an important milestone because it is the first financing with the Evergreen Impact Housing Fund, a social impact investment fund.

Mr. Kreuger moved to approve the request. Mr. Espinoza seconded the motion. The resolution was unanimously approved with one abstention from Ms. Lawrence due to a conflict of interest because she is employed by Opportunity Council, a partner in the transaction with DevCo., the developer.

**Action Item:  
Program-Related  
Investment Policy  
Updates**

Steve Walker, Executive Director stated that the Commission's Program-Related Investment designated reserve was established as part of a Reserves Policy in 1989. At the May Budget and Planning Session we provided a revised copy of the Program-Related Investment policy. Staff made some additional revisions as included in your board packets for your consideration. Bob Cook, Senior Finance Director, stated that the changes include additional emphasis on programs targeting assistance to marginalized populations, including Black, Indigenous, and other People of Color (BIPOC) communities in the guiding principles and criteria for investments, allowing an investment term of up to 15 years (previously 10 years), adding sections related to the budgeted investment target, adding transfer of reserves and reporting along with a general timeline of these activities and removing procedures that are developed and administered by the Executive Management Team and Executive Director.

Additionally, the Commission reviews the projected net earnings and new investment opportunities anticipated in the upcoming fiscal year when considering the upcoming fiscal year's budget and determines the expected

general operating fund reserve. Prior to the end of the fiscal year, the Commission, by formal action, transfers excess general operating reserves to Program-Related Investments, as well as any other reserve designation that the Commission may deem necessary and appropriate. Subsequently, Commission staff proposes designation of resources within Program-Related Investments to existing or newly proposed programs.

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

**Action Item:  
Program-Related  
Investments  
Proposal –  
Farmland  
Protection and  
Affordability  
Investment**

Ms. Vatske stated that according to the most recent USDA Agriculture Census in 2017, Washington State lost nearly 640,000 acres of farmland between 2002 and 2017, equivalent to a land area slightly less than the state of Rhode Island. Land costs in many areas exceed a beginning farmer's ability to secure land and to farm. In addition, Washington's farmers are aging, with more than five times as many producers over 65 than under 35 years old. More than 70% of retiring farmers in Washington have not named a successor, placing more potential land at risk.

RCW 43.180.290, which created the Commission's Beginning Farmer and Rancher Program, advises the Commission to "Participate fully in federal and other governmental programs and take such actions as are necessary and consistent with this chapter to secure to itself and the people of the state the benefits of those programs for beginning farmers."

The purpose of the Program is to provide a source of financing for the acquisition of land for affordable farmland access and long-term conservation. FarmPAI will work with nonprofit land trusts and conservation districts to acquire farmland with the ultimate purpose of lowering costs and reselling the land to a farmer or rancher who can keep it in production through conservation easements.

FarmPAI will serve as a bridge, enabling the prompt purchase of land while providing the conservation entities time to get their conservation easement funding in place, preserve the land, and sell it to ranchers and farmers, many of

whom will be eligible for the Commission's Beginning Farmer and Rancher Program.

Additionally, Commission will prioritize applications which will provide affordable farmland access to historically underserved farmer and ranchers as defined by USDA. Amounts and terms include a total investment of \$7,000,000, with loans up to 3 years for the acquisition of transfer of development rights credits (TDRs) and up to 8 years for farmland acquisition.

Loans will be limited to up to 50% of the available loan funds, to any one land trust. Exceptions can be made based on the capacity of the land trust or extenuating circumstances to up to 75% with Director approval. The program is not intended to cover 100% of site acquisition costs. Applying conservation entities will need to provide a minimum of 10% of the acquisition cost through a cash down payment.

Program loans would carry a 1% interest rate, a 1% loan fee, and a maximum term of 8 years. The loan fee is due at the loan closing. Principal and interest payments will be deferred until the end of the loan term. The payoff amounts will be returned to FarmPAI to be used for future loans. A perpetual agricultural conservation easement on the financed land must be recorded by or at the time of sale of the property to the private entity. For TDR transactions, a permanent conservation easement that allows for continued agricultural production will be required. There is no prepayment penalty for partial or full repayment of loans.

For short term loans, the conservation entity will purchase and hold a high priority agricultural property on a short-term basis to secure the property while the farmer lines up traditional financing. These loans will be limited to 10% of the program, or Beginning Farmer and Rancher Loan Program limits, whichever is greater. These short-term loans will have a 1-year term, 0% loan fee and 0% interest. This portion of the program will be particularly helpful for Socially Disadvantaged farmers who, through systemically racist policies, cannot access private or federal programs funds to purchase the land.

Mr. Kreuger moved to approve the request to create the Farmland Protection & Affordability Investment (FarmPAI). Ms. Lawrence seconded the motion. The request was unanimously approved.

**Action Item:  
Program-Related  
Investments  
Proposal – Land  
Acquisition Fund  
for Community  
Land Trusts**

Lisa DeBrock, Director of Homeownership, stated that in discussions with Legislators and the Community Land Trust Community, there are several financing gaps that have been identified. The Commission will provide land acquisition, infrastructure, and construction financing for Community Land Trusts (CLT) throughout the state. CLT's have historically had issues accessing capital and this model provides affordability for homeownership and maintains the land as separately held and affordable in perpetuity. In working with the CLT community, it has been difficult for CLT's to find financing for these activities and low-cost capital helps maintain affordability. In addition to direct lending, a loan loss reserve/guarantee model will be explored with lender partners to provide leverage and encourage local access to capital. The loan amount and term will be \$7,000,000 up to 10 year terms.

Part of the goal is to structure this program to help unlock private /bank capital at the local level. Loans will be limited to up to 50% of the total fund available and will be dependent on scale, scope, and capacity of the CLT. Exceptions can be made with Director approval of up to 75% depending on pipeline for the resources and capacity of the CLT.

Terms will be dependent on the activity, if land acquisition, these will be structured like the LAP program, 1% interest deferred until permanent take-out, likely 8 years. For construction financing up to 2% for 2 years, take out based on sale of the home. For the loan loss reserve, a flat fee upfront with interest from holding the reserves.

Specific products will be developed based on gaps and needs throughout the state and will build on the capacity and ability for local land trusts to leverage bank and community foundation investments.

Mr. Espinoza moved to approve the request to create a new Program-Related Investment of \$7 million to provide land acquisition, infrastructure, and construction financing for Community Land Trusts throughout the state. Mr. Kreuger seconded the motion. The request was unanimously approved.

**Action Item:  
Program-Related  
Investments  
Proposal – Social  
Justice  
Downpayment  
Assistance Program**

Ms. DeBrock stated that the Commission will work with HomeSight, a local non-profit lender, to distribute funds statewide for a Social Justice downpayment assistance program. The down payment assistance will be up to \$15,000 to a home buyer in under-served communities and communities of color. Our goal is to utilize these funds to increase home ownership rates among BIPOC communities through a third position down payment assistance loan at 0% interest. The loan will permit the purchase of a primary residence in conjunction with a Home Advantage or House Key first and second mortgage.

As part of the home purchase process, the buyers will receive pre-purchase counselling from HomeSight and/or their partners to ensure they are truly prepared for home ownership, in addition to the home buyer education class. As a CDFI, HomeSight is authorized to target these funds to the intended recipients. These funds will help to further the goals outlined in the Commission’s enabling legislation which directs “the use of financing assistance for economically depressed areas, areas of minority concentration, reservations, and in mortgage-deficient areas.” RCW 43.180.070(7).

Ms. Topper moved to approve the request to create a new Program-Related Investment of \$3 million to develop a downpayment assistance program in conjunction with HomeSight for home buyers in under-served communities and communities of color. Mr. Kreuger seconded the motion. The request was unanimously approved.

**Action Item:  
Program-Related  
Investments –  
Request to allocate  
undesignated funds  
into existing  
programs**

Mr. Cook stated that at the end of the fiscal year, the Commission generally transfers available net revenue above that deemed necessary to maintain in the General Operating Fund to Program-Related Investments (PRI). There, they are used to compliment and extend the impact of the Commission’s programs that are not otherwise supported by regular funding sources, i.e., the sale of tax

exempt or taxable bonds, the issuance of Housing Tax Credits and certain Homeownership programs. Staff obtained Commission approval to transfer General Operating Reserves above \$30 million as of June 30, 2021 to PRI. While we have not yet completely closed the books on the fiscal year, we anticipate the amount of the transfer will be about \$36 million.

At the 2015 Commission Budget and Planning Session, the Commissioners provided guidance regarding how they wanted to move forward with Program-Related Investments in the near term. This guidance has been reviewed periodically since then and has remained consistent to this date:

- Staff should look to support the most widely used and significant PRI programs in cooperation with our partners.
- Staff should combine allocation categories whenever possible and provide consistent terms when feasible for better accounting and reporting purposes.
- Staff should limit the use of “one-off” allocations for specific organizations or purposes unless it is the only way to promote our mission and meet a significant need.
- Staff should avoid repetitive, small allocations within categories by being more flexible in our use of repayments. However, we should remain flexible in recognition of changing circumstances for the use of Program Related Investments to meet newly recognized needs that cannot be met with other resources.

Each year shortly after the new fiscal year begins, we have been requesting designations of PRI resources into ongoing, successful programs and retaining a relatively small amount of undesignated funds for additional allocation throughout the year.

Following the protocol previously described, staff has prepared the following requests for allocation from PRI Undesignated to the programs as listed

PRI Program	Current PRI Allocation*	Amount Requested
-------------	-------------------------	------------------

Critical Community Response	\$23.5 million	\$2 million
Land Acquisition Program	\$37.0 million	\$7 million
Manufactured Housing	\$18.5 million	\$2 million
Sustainable Energy Trust Program	\$16.5 million	\$2 million

Mr. Walker stated that as part of this year’s designation request, we are asking for you to designate a reserve for Racial and Social Equity Program within PRI. We have had a series of preliminary discussion regarding possible investments for this purpose, but do not have concrete proposals at this time. When we have developed a formal program for all or a portion of these funds, we would follow our existing application, management recommendation and Commission approval process.

With establishing the Racial and Social Equity Programs Reserve and these allocations to existing programs, we anticipate a remainder of about \$2 million remaining in undesignated PRI. Each quarter receipts in certain programs are recaptured and added to undesignated. If there was a future PRI designation request that exceeded the available undesignated PRI, staff would identify under deployed funds in existing programs and include a request to transfer designations as needed to fund the new request.

Mr. Walker stated he would like the Commissioners to consider and act on a motion to allocate Program-Related Investment undesignated funds to (1) establish a reserve of \$7 million for future Racial and Social Equity Programs and (2) allocated funds into existing programs as shown in the list above.

Mr. Kreuger moved to approve the request. Mr. Espinoza seconded the motion. The request was unanimously approved.

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

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

**Housing Finance Unit (HFU)**

***Rapid Capital Acquisition Program:***

The first application round closed with 14 proposals, totaling \$60 million. The HTF team is in the evaluation process.

***Traditional HTF Funding:***

Applications are due in September, with awards to be announced for up to \$138 million. These will include tax credit projects, homeownership and set asides for cottage communities and specialty populations.

***Addressing Gaps from Material Cost Increases:***

HTF is coordinating with other public funders to address capital gaps in previously awarded projects that are due to material and labor cost increases. HTF is committing up to \$15 million of the current biennial appropriation to address these gaps and keep projects moving.

***Housing Equity Panel Discussion:***

On Friday, August 27 at 11:30 a.m., Commerce will host a discussion among panelists representing various BIPOC communities and others who have helped develop, fund and manage affordable housing properties. They will describe their experience and perceptions of inequities within the investment activities of the state HTF program.

***Homeownership Disparities Workgroup (operating budget proviso):***

Staff are in the process of forming the committee, talking to our communities and stakeholders, and anticipate providing a list of member recommendations to Director Brown for formal appointments. The Commission’s Homeownership staff has been invited to participate. We have recently published an RFP to recruit a consultant who will assist the committee with meeting organization/facilitation, data research and analysis, and report writing. We anticipate convening the committee in September/October.

***Operations, Maintenance and Supportive Services Cost Study (operating budget proviso):***

The RFP process closed, and Corporation for Supportive Housing is our apparent successful bidder. We are in the process of finalizing the scope of work and executing the contract. We anticipate the work on this study to begin in the next month, which will include direct engagement with our communities and HTF recipients.

**Private Activity Bond Cap Allocation Program**

There will be an open invitation meeting of the Bond Cap Discussion Group on Tuesday, September 21, from 1 p.m. to 3 p.m.

**Housing Assistance Unit**

***Rent Assistance:***

Programs that provide rent assistance to preserve existing tenancies administered by counties continue to scale up. Providers increased the number of households served per month by 33% from June to July (over 4,300 households). However, the capacity to process applications still lags demand in even the highest-performing counties. Counties continue to add staff and other capacities to scale up to the need. Funding is not expected to be a limiting factor for at least the next year.

***Hotel and Motel Leasing:***

Commerce released \$40 million in formula awards to counties to pay for the leasing of hotels and motels and short-term rent assistance. The funding for this effort comes from the new \$100 recording fee as directed by the Legislature in the operating budget.

**Policy Alignment Initiatives**

***Outreach to Historically Marginalized Communities:***

Commerce received \$10 million to contract with one or more organizations to conduct outreach to historically marginalized communities to assist individuals with state and federal assistance applications like housing, food, cash, etc.

***Encampment Outreach Program:***

In coordination with local governments, Commerce is exploring the possibility of developing an encampment outreach program and a flexible fund.

**Executive  
Director's Report**

Mr. Walker stated that the Homeownership Division reported they have hired a Marketing Coordinator who will start September 1st and in July, Homeownership had \$248 million in new reservations assisting 705 families.

The Multifamily & Community Facilities Division reported that the Bond Cap allocations were announced for the July round, as discussed at the work session. We are allocating to 7 projects totaling close to \$235 million in bond cap authority, some of which will need to come from the 2022 allocation. The 9% application and timeline has been posted with preapprovals needing to be submitted by September 10 and applications due by November 10. Work continues revising and updating the Total Development Cost limits (TDC) and working with Sound Transit on a coordinated strategy for allocating bond cap to upcoming Sound Transit sites. The Division is working on a new proposal for the UW Student Lab focused on strategies and effectiveness of the cost efficiency points and our TDC limits

The Asset Management & Compliance Division reported that the Portfolio analysts continue reviewing all tax credit annual reports, staff are preparing their asset management reviews of our ARRA-funded projects and support staff worked on upgrading our website forms to be editable and signable online, keeping up with online workshop activities, and processing new online intake forms for various business workflows.

Steve Walker mentioned that staff received the news on Tuesday morning that the federal district court dismissed Alden Torch's claims against the

Commission. If you recall, Alden Torch sued the Commission challenging our transfer policy, which governs transfers of limited partner interests, and our “White Paper,” which we issued in 2019 describing the rise in post 15-year transfer disputes and our view that courts should resolve these in favor of preserving the affordable housing. The Court determined that Alden Torch’s challenge to the Commission’s transfer policy was unripe and that its challenge to our White Paper was insufficiently explained or argued. The court found that the challenge was “unripe” because Alden Torch never applied for an investor transfer and had its application denied in the way it alleges would be unlawful.

Our current return-to-work date for staff is currently October 18, which aligns with Jay Inslee’s mandate to be fully vaccinated. We are hopeful to have an in-person board meeting in October; however, we plan to update staff and the board by September 18, or thirty days in advance, if our return date gets pushed out.

**Commissioners’ Reports**

Ms. Topper reported that the Audit Committee met this morning. Moss Adams reviewed the pre-audit planning and approach for the upcoming audit this year. Additionally, they discussed the financial statements which were in the Boards packets.

**Consent Agenda**

The consent agenda was approved as mailed.

**Adjournment**

The meeting was adjourned at 2:40 p.m.

**Signature**

\_\_\_\_\_