

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

January 24, 2019

The January 24, 2019 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Jason Richter, Lowel Krueger, Diane Klontz, and Alishia Topper.

Lisa Vatske gave an overview of the JLARC report: Analyzing Development Cost for Low-Income Housing.

Kim Herman presented an update on legislation of interest to the Commission.

Diane Klontz gave her Informational Report on Department of Commerce Activities.

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

January 24, 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 Jason Richter, Randy Robinson, Lowel Krueger, Diane Klontz, and Alishia Topper.

Approval of the Minutes

The minutes of the December 13, 2018 special meeting were approved as mailed.

Employee Recognition

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

Two Years of Service

Carla Vanderpool

Five Years of Service

Chrystal White

Twenty Years of Service

Lisa DeBrock

Paul Edwards

Employee of the Quarter – Rachel Hamlet

“When deadlines are looming, and you need some help...

When you need to track unique bond transaction details to implement an annoying new GASB...

When you need information about bonds and have nowhere else to turn... Who ya gonna call?

When you need an amazing cheesecake for a birthday celebration and even COSTCO has let you down...

When you need an uplifting dose of humor, including a pithy commentary on the latest Trumpism...

When you need a real dose of CAN-DO TEAM SPIRIT...Who ya gonna call?

Well, we call on RACHEL HAMLET!

The Commission has been fortunate to have Rachel on our team for almost four years. First, she was the Finance Division's Administrative Assistant 4 doing a myriad of tasks. For the past two years, she has been a bond analyst, handling primarily nonprofit bonds for both housing and facilities.

Throughout her time here, Rachel has proven to be all the things you want in a colleague. She is a responsive problem solver, committed to and helpful to members of the team, looks for and implements new ways of doing things. Plus, she's down-right hilarious.

That's why Rachel Hamlet is our employee of the 4th quarter!"

2018 Employee of the Year – Jenni Davidson

Visionary... Solution Driven... Proactive... Thorough... Rainmaker... Rock Star... Freaking Genius ...

"These are just a few of the ways co-workers describe the Housing Finance Commission's 2018 Employee of the Year. Since starting at the Commission in 2010 this employee's responsibilities have far outstretched the original job description of Program Compliance Administrator. This employee joined the

Homeownership Division shortly before the launch of the Home Advantage program and new partnership with Hilltop Securities. Within the first few years, several other changes happened, including a major change-up in master servicers and the eventual move to an entirely different loan management system (Emphasys). The Home Advantage program, as you know, took off quickly and has been an enormous success due in large part to our Employee of the Year. As with any rapidly growing, successful lending operation there will be ongoing data management challenges. Fortunately for the Commission, this employee anticipated many of our program needs and stepped beyond her role and started working on solutions. She saw the critical need to speed-up and increase the accuracy of data that flows between the Commission and its business partners. Numerous report formats also needed creation to accommodate requests now coming from two main servicers and across two databases (Mitas & Emphasys).

Who will setup our loan programs on the Emphasys system, and establish step by step user manuals for staff?

How are we going to accurately track rate lock extensions on a daily basis and communicate them to our servicers?

How can we make the loan purchase process error free to eliminate delays?

She tackled these and numerous other challenges by further mastering Excel and learning Visual Basic for Applications (VBA) – two things not many people would volunteer to do if it wasn't required of them. VBA is something that previously not a soul in Homeownership had used successfully. Taking classes on it and through many hours of online research of YouTube videos as well as pure trial and error, she has created scores of subroutines which do many things for the Commission. Actions which used to take hours and were prone to the inevitable errors associated with manual entry now take seconds. And with these automated processes now in place, unprecedented volumes of loan data can flow through without a hitch.

She doesn't just point out what is needed, she proactively finds solutions on her own initiative. The Homeownership program would not be where it is today without the visionary, solution driven, proactive, rock star-superwoman and 2018 Employee of the year, Jenni Davidson!"

**Public Hearing:
Sound Generations
Projects, OID # 18-
109A**

The Chair opened a public hearing on OID # 18-109A, Sound Generations Projects at 1:09 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 the construction and equipping of a nonprofit facility and to refinance the construction and equipping of a 25-unit multifamily housing facility for seniors located at 2208 2nd Avenue, Seattle, WA 98121, to be owned by Sound Generations, a Washington 501(c)(3) nonprofit corporation. 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 \$1,800,000 (a portion of the bonds may be taxable). Ms. Vatske introduced Mr. Jim Wigfall, CEO of Sound Generations.

Mr. Wigfall gave a brief history of their organization and an overview of the services they offer. He mentioned that in 2017, they served more than 65 thousand people: 73% were female, 31% were people of color, and 63% were low-income.

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

**Public Hearing:
Riverview
Apartments, OID #
17-192A**

The Chair opened a public hearing on OID # 17-192A, Riverview Apartments at 1:13 p.m.

Ms. Vatske said that this is a public hearing regarding the proposed issuance of one or more series of revenue notes to finance a portion of the costs for the acquisition of land and new construction and equipping of a 203-unit low income multifamily housing facility located at 1602 – 1626 East Marine View Drive,

Everett, WA 98201, to be owned by Riverview I, 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 \$58,000,000 (a portion of the notes may be taxable). Ms. Vatske introduced Mr. Jack Hunden, representing DevCo.

Mr. Hunden stated that this is a new construction of a 203-unit multifamily development in Everett, WA. One hundred percent of the units are affordable and will be leased to households earning no more than 60% of the Snohomish County area median income. Twenty percent of the units will be set aside for large households and twenty percent of the units are for persons with disabilities. Amenities include: onsite community garden, onsite fitness center, onsite business learning center, onsite media center, and onsite playground or fitness trail.

Mr. Hunden discussed the use of bioremediation to address petroleum contamination near the site.

In response to a question from Mr. Robinson, Mr. Hunden stated that there has been a drop of 90 percent in the amount of contamination in an eight month period.

There were no other comments from members of the public and the hearing was closed at 1:20 p.m.

**Public Hearing:
Traditions at
Federal Way, OID
18-117A**

The Chair opened a public hearing on OID # 18-117A, Traditions at Federal Way at 1:21 p.m.

Ms. Vatske said that this is a public hearing regarding the proposed issuance of one or more series of revenue notes to finance a portion of the costs for the acquisition of land and new construction and equipping of a 200-unit low income multifamily housing facility located at 31701 Pete von Reichbauer Way S., Federal Way, WA 98003, to be owned by Traditions at Federal Way, 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 \$35,000,000 (a portion of the notes may be taxable). Ms. Vatske introduced Mr. Keith James, Development Lead of Inland Group.

Mr. James gave a background of the project and added that this project will be restricted to households earning less than 60% of the King County area median income (AMI). He mentioned that the location is walking distance to many amenities.

Mr. Richter asked about the slight difference between the proposed rent range and the market rent range. Mr. James explained that this is due to income averaging and that the rent range on the proposed low income units only shows the 50% and 70% rent range. He added that five percent of the units are at 50% AMI, five percent of the units are at 70% AMI, and the remaining 90% of the units are at 60% AMI.

There were no other comments from members of the public and the hearing was closed at 1:26 p.m.

**Executive
Director's Report**

Mr. Herman introduced and congratulated the two new permanent Program Compliance Administrators, Makena Ogata and Carla Vanderpool. They had been working at the Commission as temporary employees for the past two plus years.

Mr. Herman reported that Lisa DeBrock attended the HFA Institute in Washington DC and participated on the "Exploring HFA Mortgage Document Standardization" panel in conjunction with Freddie Mac, Downpayment Resource, and Mountain West Bank.

In December, Home Advantage had over \$133 million in reservations assisting 497 families. House Key Opportunity had over \$10 million in reservations assisting 53 families totaling \$144 million and 550 families for the month.

Asset Management and Compliance Division closed out the calendar year with a final push to complete reviews and inspection reports on time – just in time to start the process of annual reviews all over again! The Compliance Division is currently receiving bond reports and tax credit reports for 2018.

Erik Giesen and Duane Bakke are headed to Vancouver to present compliance training. Val Pate and Chrystal White both attended the HFA institute in Washington DC where there was good discussion about preservation and other monitoring topics at the conference.

Chrystal White continues to represent the Commission in Eastern Washington – serving on the SLIHC (Spokane Low Income Housing Consortium) board, and Shawna continues to represent the Commission on the AHMA (Affordable Housing Management Association) board.

Lisa Vatske and Jacob Richardson of the Multifamily Housing and Community Facilities Division participated in the HFA institute in DC. Lisa participated on a panel speaking about state policies.

The 9% applications for the remainder of the 2019 allocation were due on January 23.

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 1:33 p.m.

Signature
