

**NOVEMBER 16, 2023**

**WASHINGTON STATE HOUSING FINANCE COMMISSION  
COMMISSION MEETING PACKET**

**WSHFC**



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

*Opening doors to a better life*



**WASHINGTON STATE HOUSING FINANCE COMMISSION  
COMMISSION WORK SESSION AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Work Session** in the **28<sup>th</sup> Floor Board Room**, located at **1000 Second Avenue, Seattle, WA 98104-3601**, on Thursday, November 16, 2023, at 10:00 a.m., to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourages public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

**To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to “Join a Meeting as attendee” or “Join” and**

**enter:**

**Webinar/Meeting ID: 841 9853 9922**

**Passcode: 090426**

**Participants who wish to participate telephonically in the United States, please dial either toll free number: 1 (888) 788-0099 or 1 (877) 853-5247**

**Participants wishing to provide public comments, please see public engagement opportunities on page two below for instructions.**

- A. Lisa DeBrock & HOTB Software:** Update on Washington Homeowner Assistance Fund (HAF) (30 min.)
- B. Lisa DeBrock & Civic Commons:** Update on BHI Initiative (30 min.)
- C. Lisa Vatske/Dan Rothman/Vanessa Thomas:** Newer initiatives and overview of our success in the Land Acquisition Program (LAP) (30 min.) **A**
- ~~**D. Corina Grigoras:** Informational Report on Department of Commerce Activities (if time allows)~~
- E. Steve Walker:** Executive Director’s Report (if time allows)

**Note: There will be a break after the conclusion of the Work Session. The Commission Meeting will reconvene at 1 p.m.**

## Public Engagement at Commission Meetings

All Board meetings of the Washington State Housing Finance Commission are open to the public. Our intention is to welcome all members of the public and to provide a clear and reasonable process through which they can share their thoughts with us.

### **Different ways to Join a Commission Meeting:**

1. Click [here](#) to go to the meeting directly
2. At [www.zoom.us](http://www.zoom.us), go to “Join a Meeting as attendee” or “Join” and enter:
  - Webinar/Meeting ID: **841 9853 9922**
  - Passcode: **090426**
3. To participate by phone, dial toll-free in the U.S. either: **1 (888) 788-0099 or 1 (877) 853-5247**
4. Members of the public can attend either or both the 10 a.m. Work Session and/or the 1 p.m. Special Meeting in-person in the 28<sup>th</sup> Floor Board Room, located at 1000 Second Avenue, Seattle, WA 98104-3601.

### **During Meetings:**

During Commission board work sessions and board meetings, attendees can see and hear all presentations and business taking place. Microphones will be turned off except to receive comment during public hearings and the public general comment period.

### **Public Hearings:**

Commission meetings often include public hearings for specific housing projects or other policy decisions. Please limit comments to those directly related to the public hearing topic.

### **Public Comment:**

- **Purpose of Public Comment**  
During this period, the Commissioners listen to public concerns and comments but do not generally engage in dialogue. Staff will follow up with commenters who request assistance or answers to questions, providing that contact information is shared. Anyone who wishes to speak during the public comment period can take this opportunity.
- **When to Comment**  
The public comment period takes place near the end of the afternoon Commission board meeting (not the morning work session). The starting time for the public comment period depends on the length of the Commission’s other business. Typically, the public comment period is reached after about an hour (2 p.m.) but may be sooner or later.
- **Raising Your Hand in Zoom or Through Phone Participation**  
To give us a sense of the number of people wishing to speak and help us call on you in an orderly fashion, the meeting Chair will ask you to use the Zoom “raise hand” feature to indicate you would like to speak. People participating on the telephone can press \*9 to virtually “raise a hand.” Whether or not you are able to virtually raise a hand, the chair will provide time and opportunity for all to share their comments before closing the public comment period.
- **Timing of Comments:**  
We ask that speakers keep their comments brief (2 to 3 minutes). The chair may ask you to begin bringing your statement to a close after that time, especially if others are waiting to speak. Our intention is not to impose a specific time limit unless it seems necessary to give a large number of speakers an equal chance to share their comments.

**WASHINGTON STATE HOUSING FINANCE COMMISSION  
COMMISSION MEETING AGENDA**

**YOU ARE HEREBY NOTIFIED** that the Washington State Housing Finance Commission will hold a **Special Meeting** in the **Commission’s Board Room**, located at **1000 Second Avenue, 28th Floor, Seattle, Washington 98104-3601**, on Thursday, November 16<sup>th</sup>, 2023, at 1:00 p.m. to consider the following:

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

**To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to “Join a Meeting as attendee” or “Join” and enter:**

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**Participants wishing to provide public comments, please see public engagement opportunities on page two above for instructions.**

- I. Chair: Approval of the Minutes from the October 26, 2023, Special Meeting. (5 min.)** **1**
  
- II. Chair: Conduct a Public Hearing on the following:**

  - A. Altaire at Jackson Park, OID # 21-115A** **2**  
**Dan Schilling:** The proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 207-unit multifamily housing facility located at 14343 15<sup>th</sup> Avenue NE, Seattle, WA 98125, to be owned by AltaireJackson, 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 maximum note amount is not expected to exceed \$52,000,000. (5 min.)
  
  - B. Anacortes WA Portfolio Application, OID # 23-43A-D** **3**  
**Dan Schilling:** The proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, rehabilitation and equipping of four multifamily housing facilities, with an aggregate total of 111 units, each to be owned by Anacortes Manor 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 aggregate maximum note amount is not expected to exceed \$13,800,000. The project addresses and maximum note amounts are listed below. (20 min.)

Project:	Anacortes Manor
Project Address:	1110 24th Street Anacortes, WA 98221

	35 Units
Total Estimated Project Cost:	\$9,415,839
Estimated Maximum Note Amount:	\$5,100,000

Project:	Centralia Manor
Project Address:	303 W. Pine Street Centralia, WA 98531
	25 Units
Total Estimated Project Cost:	\$4,578,937
Estimated Maximum Note Amount:	\$2,500,000

Project:	Lakeview Manor
Project Address:	423 S Beech Street Moses Lake, WA 98837
	26 Units
Total Estimated Project Cost:	\$5,548,803
Estimated Maximum Note Amount:	\$3,100,000

Project:	Pioneer Village
Project Address:	719 W. 3rd Avenue Toppenish, WA 98948
	25 Units
Total Estimated Project Cost:	\$4,728,322
Estimated Maximum Note Amount:	\$3,100,000

**C. Orchard Hills Apartments, OID # 23-92A**

**Jason Hennigan:** The proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition, rehabilitation and equipping of a 142-unit multifamily housing facility located at 1845 Leslie Road, Richland, WA 99352, to be owned by OHP Partners, LLLP, a Washington limited liability 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 \$21,000,000. (5 min.)

- D. Sagebrook Affordable Housing, OID # 23-91A** **5**  
**Jason Hennigan:** The proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition, rehabilitation and equipping of a 108-unit multifamily housing facility located at 15750 NE 15<sup>th</sup> Street, Bellevue, WA 98008, to be owned by Crossroads Apartments LLC, a Washington limited liability company. 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 \$15,000,000. (5 min.)
- III. Consider and Act on the Following Action Items:**
- A. Resolution No. 23-79, Ardea at Totem Lake, OID # 22-61A** **6**  
**Lisa Vatske:** 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, construction and equipping of a 170-unit multifamily housing facility for seniors located at 12700 116th Avenue NE, Kirkland, WA 98034, to be owned by Ardea TWG, LLLP, a Washington limited liability 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 \$38,000,000. The public hearing was held August 24, 2023. (5 min.)
- B. ~~Resolution No. 23-70, Kendrick Landing, OID # 22-96A~~** **7**  
~~**Lisa Vatske:** 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, construction and equipping of a 245-unit multifamily housing facility located at 11416 Kendrick Street SW, Lakewood, WA 98499, to be owned by Kendrick Landing, 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 \$55,000,000. The public hearing was held October 26, 2023. (5 min.)~~
- C. ~~Resolution No. 23-87, MLK Mixed Use and Early Learning Center, OID # 22-40A~~** **8**  
~~**Lisa Vatske:** 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, construction and equipping of a 148-unit multifamily housing facility located at 7544 Martin Luther King Jr. Way S. and 7529 Renton Avenue S., Seattle, WA 98118, to be owned by North MLK Development LLLP, a Washington limited liability limited partnership. 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 \$34,000,000. The public hearing was held September 28, 2023. (5 min.)~~
- D. Resolution No. 23-81, Vintage at Everett, OID # 23-44A** **9**  
**Lisa Vatske:** A resolution approving the issuance of one or more series of revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 259-unit multifamily housing facility for seniors located at 1001 East Marine View Drive, Everett, WA 98201, to be owned by Vintage at Everett 2, LP, a Washington 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 \$50,000,000. The public hearing was held August 24, 2023. (5 min.)

<b>IV. Informational Report on Department of Commerce Activities</b> (if necessary after work session) (10 min.)	<b>10</b>
<b>V. Executive Director's Report</b> (if necessary after work session) (10 min.)	<b>11</b>
<b>VI. Commissioners' Report (10 min.)</b>	
<b>VII. Chair: Consent Agenda (5 min.)</b>	
<b>A. Homeownership &amp; Homebuyer Education Programs Monthly Activities Report</b>	<b>12</b>
<b>B. <del>Multifamily Housing and Community Facilities Monthly Activities Report</del></b>	<b>13</b>
<b>C. Asset Management and Compliance Monthly Activities Report</b>	<b>14</b>
<b>D. Financial Statements as of October 31, 2023</b>	<b>15</b>
<b>VIII. Chair: Miscellaneous Correspondence and Articles of Interest (5 min.)</b>	
<b>A. Miscellaneous Correspondence and Articles of Interest</b>	<b>16</b>
<b>B. HFC Events Calendar</b>	<b>17</b>
<b>IX. Chair: Public Comment</b>	
<b>X. Executive Session (if necessary)</b>	
<b>XI. Adjourn</b>	

Nicole Bascomb-Green, Chair

Consent Agenda items will only be discussed at the request of a Commissioner.





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# WSHFC Land Acquisition Programs

**Lisa Vatske**  
Director, Multifamily Housing  
& Community Facilities

**Dan Rothman**  
Senior Development Analyst

**Vanessa Thomas**  
Senior Development Analyst





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# Land Acquisition Program (LAP)



# Land Acquisition Program



## Housing developers statewide acquire land now to develop later

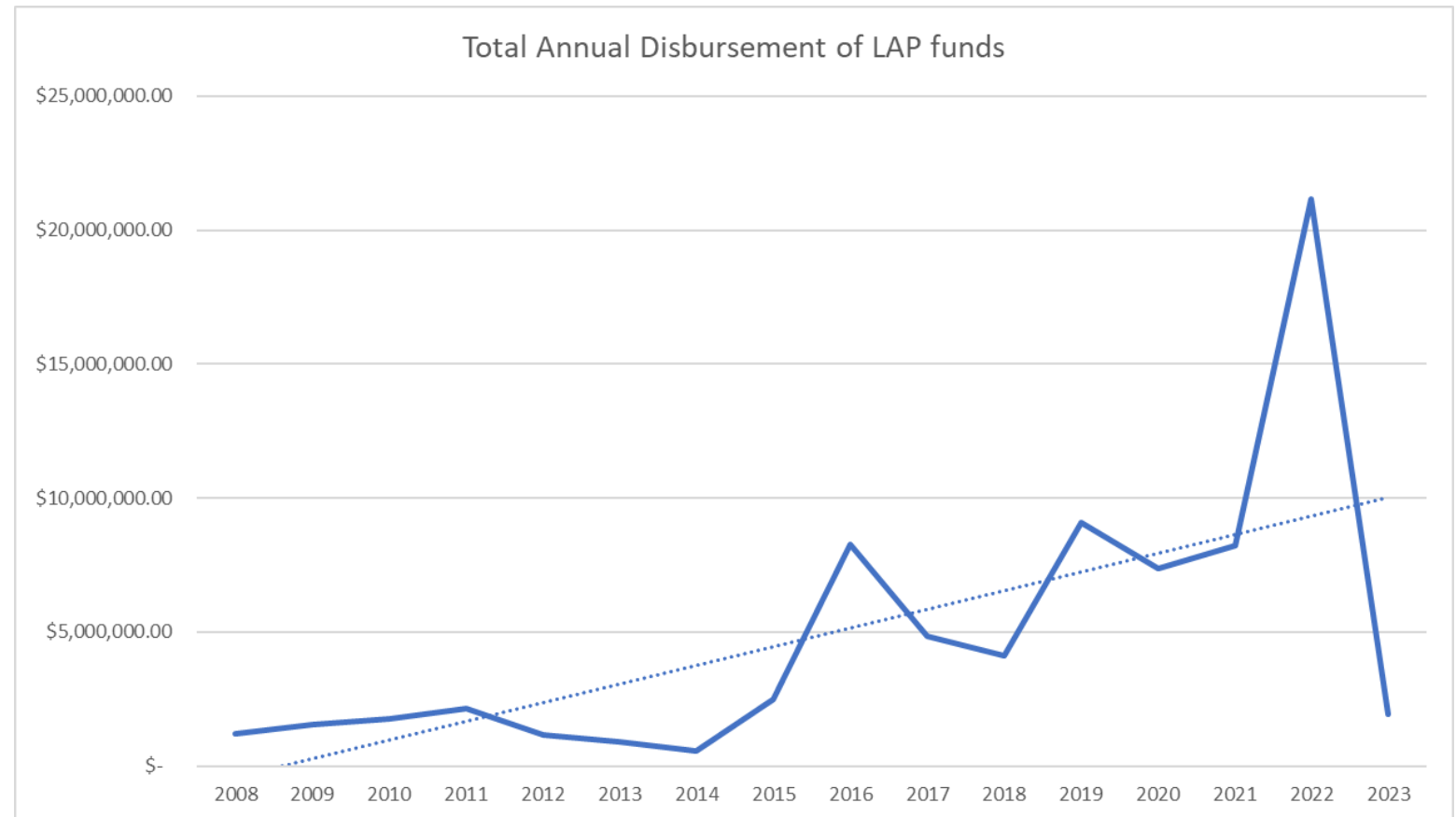
- WSHFC revolving loan fund since 2008
- \$76.8M invested so far –land preserved for ~5,200 units (Multifamily and Homeownership)
- Can fund future development of rental or ownership units, housing-related supportive service facility/commercial space.
- For non-profits, local governments, local housing authorities, and Native American Tribes
- Low-interest loan for a maximum term of 8 years
- Loan repayments revolve back into program

# Land Acquisition Program



## A key tool for developers –demand keeps increasing

- **Developers can quickly purchase land as it comes on the market, then put together financing for housing or housing-related facility**
- **Demand increasingly greater than available resources**
  - **New borrowers**
  - **Rising cost of land**



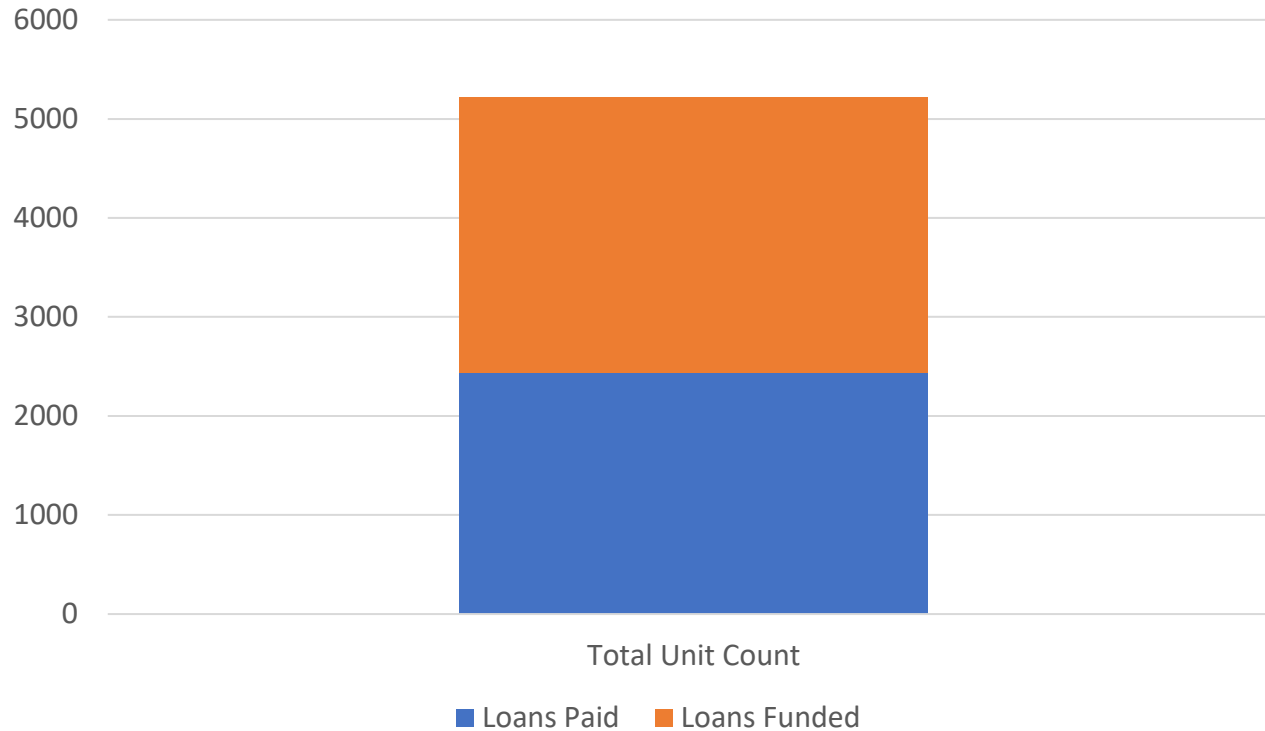
**\*\$17.3M in acquisition loans disbursed in 2023**

# Land Acquisition Program



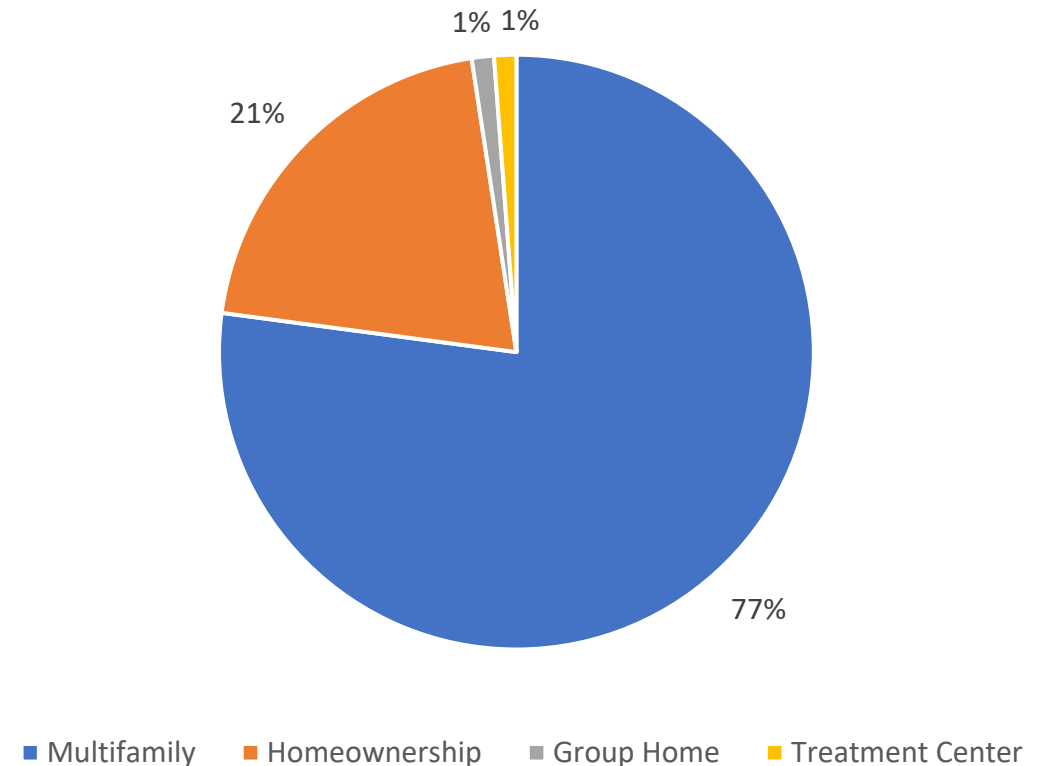
Over 5,200 low-income units supported across 83 projects

Units Supported by Loan Status



NCE

Project Types

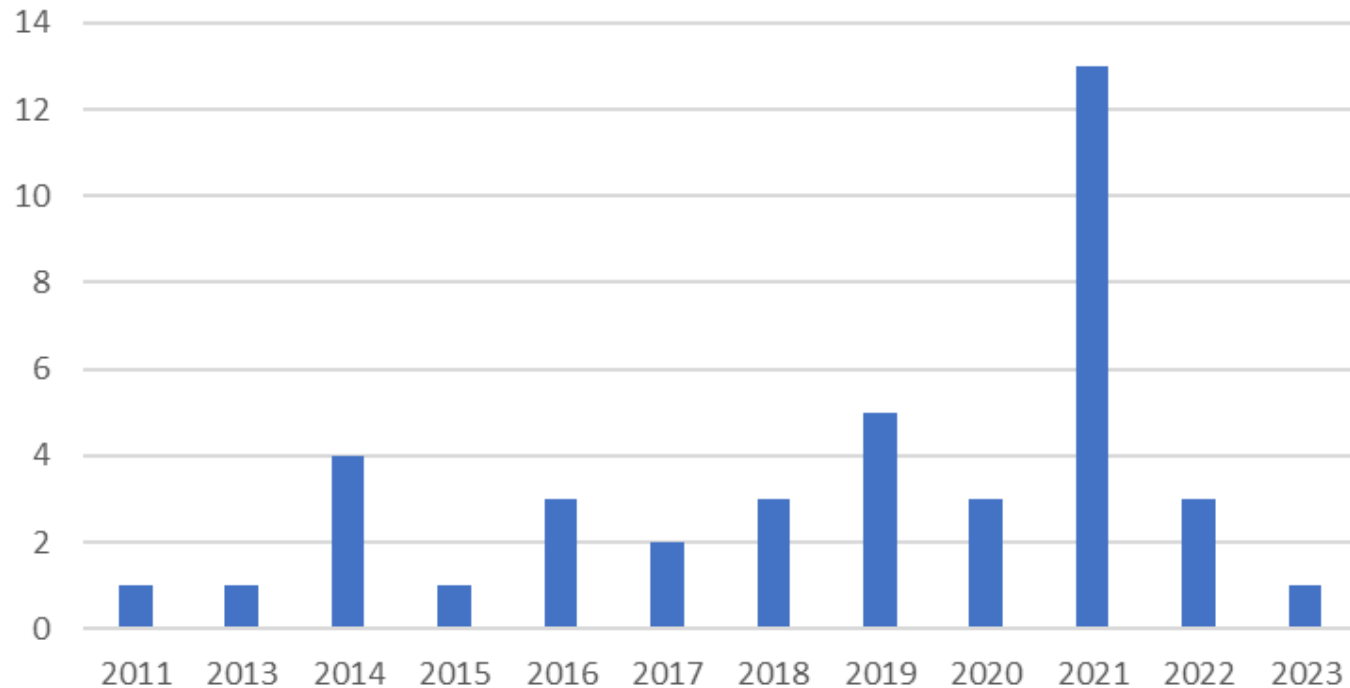


# Land Acquisition Program



Over 1/3 of our disbursed funds have been repaid (~4 years outstanding)

# of Paid Off Loans by Year



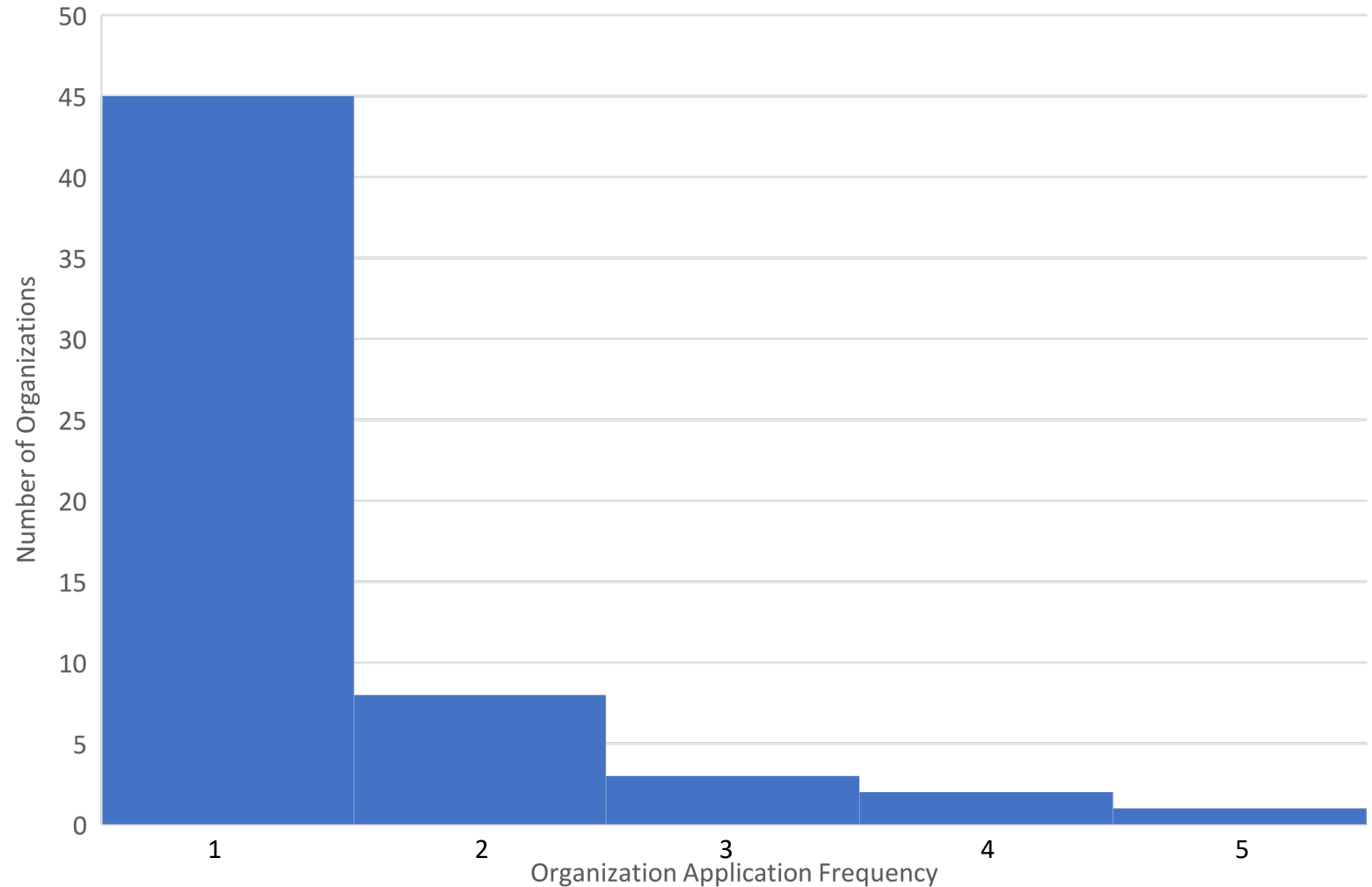
Year	Amount Paid Off
2011	\$ 23,000
2013	\$ 850,000
2014	\$ 2,282,175
2015	\$ 1,000,000
2016	\$ 1,795,039
2017	\$ 957,420
2018	\$ 1,250,360
2019	\$ 4,961,000
2020	\$ 1,609,000
2021	\$ 10,446,150
2022	\$ 1,871,250
2023	\$ 442,500
<b>Total</b>	<b>\$ 27,487,894</b>

# All LAP Program Customer Frequency



- 83 projects total
- 59 unique applicants across all LAPs
- Unique applicant numbers per year have been steadily increasing

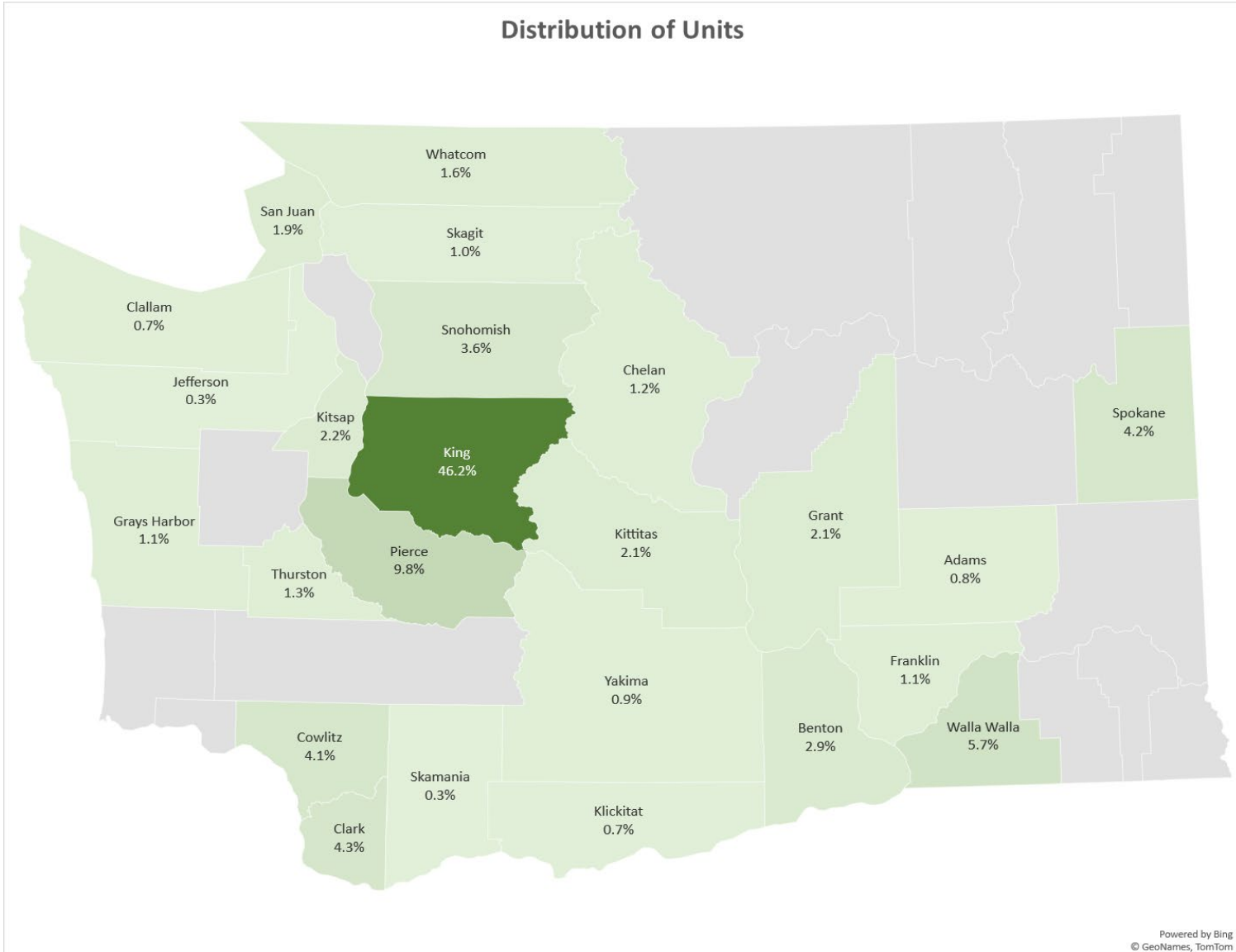
Frequency of Returning Applicants





# Land Acquisition Program

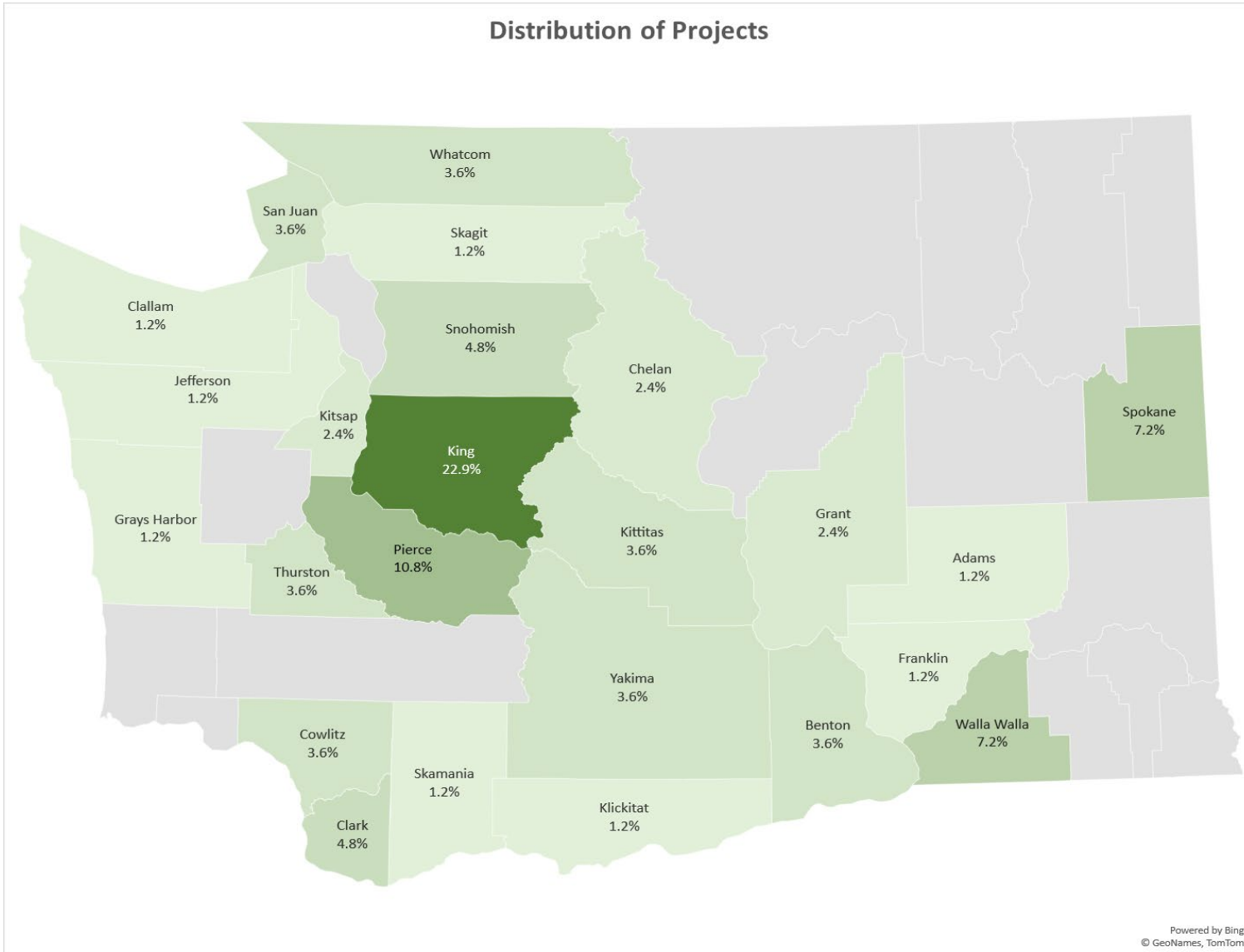
## Distribution of Units Statewide



County	Number of Units
Adams	40
Benton	150
Chelan	61
Clallam	37
Clark	223
Cowlitz	215
Franklin	59
Grant	110
Grays Harbor	60
Jefferson	15
King	3,881
Kitsap	113
Kittitas	111
Klickitat	36
Pierce	511
San Juan	101
Skagit	50
Skamania	16
Snohomish	186
Spokane	218
Thurston	67
Walla Walla	299
Whatcom	84
Yakima	47

# Land Acquisition Program

## Distribution of Projects Statewide



County	Number of Projects
Adams	1
Benton	3
Chelan	2
Clallam	1
Clark	4
Cowlitz	3
Franklin	1
Grant	2
Grays Harbor	1
Jefferson	1
King	25
Kitsap	2
Kittitas	3
Klickitat	1
Pierce	9
San Juan	3
Skagit	1
Skamania	1
Snohomish	4
Spokane	6
Thurston	3
Walla Walla	6
Whatcom	3
Yakima	3

# Habitat for Humanity of Kitsap County: Harris Court

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- \$443k LAP loan
- 32 lots in Port Orchard
- Developed 32 single family homes
- 80% AMI or below
- Solar for each home; average output 2.25kW per home
- Full repaid on a lot by lot basis





# Bellwether Housing: Aries at Bitterlake

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- \$1.5M LAP loan
- 1.78 acres off Aurora Ave N
- 200 units
- 60% AMI or below
- Financed with subordinate \$\$ through the Evergreen Impact Housing Fund
- Full repaid at construction loan closing; completion date est. November 2023.







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# Expanded Land Acquisition Program (ELAP)

# Expanded Land Acquisition Program



## Housing developers in Eastern King County acquire land now to develop later

- WSHFC and Microsoft partnership revolving loan fund since 2020
- \$66M invested so far –land preserved for 1,153 units
- Can create homeownership or rental housing
- For non- and for-profits, local governments, local housing authorities, and Native American Tribes
- Below market rate interest loan for a maximum term of 5 years
- Loan repayments revolve back into program





# Expanded Land Acquisition Program



## Funded Projects to Date

Project's Name	Application Year	City	Restricted Units	\$ Awarded
Watershed Renton	2020	Renton	136	\$2,400,000
Totem Lake Redevelopment	2021	Kirkland	442	\$19,076,900
DASH Affordable Development	2021	Bellevue	235	\$25,250,000
Ardea at Totem Lake	2021	Kenmore	165	\$3,765,000
Larus Senior Apartments	2023	Seattle	175	\$12,000,000

# Inland Group: Totem Lake Redevelopment

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- \$19M ELAP loan
- 3.93 acres near Totem Lake Transit Center
- Mixed-income development (under construction)
  - Polaris at Totem Lake – 260 units  
(Financed with Evergreen Impact Housing Fund)
  - Horizon Housing at Totem Lake – 40 units
  - Adara at Totem Lake – 142 units
- 30-120% AMI or below
- Full repaid on 6/9/2023



# GMD Development: Watershed Renton

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- \$2.4M ELAP loan
- 1.34 acres near Downtown Renton, planned South Renton Transit Center
- 145 unit below 60% AMI
- Financed with subordinate \$\$ through the Evergreen Impact Housing Fund
- Projected completion date: February 2024
- Fully repaid on 5/27/2022







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# Community Development Land Acquisition Program (CDLAP)



# Community Development Land Acquisition Program



## Housing developers throughout the state acquire land now to develop later

- WSHFC revolving loan fund since 2022
- Can purchase land for homeownership or rental housing
- For non- and for-profits who are anchored in or run by historically underserved, disenfranchised or socially disadvantaged communities
- Low-interest loan for a maximum term of 8 years
- Loan repayments go back into program

# Community Development Land Acquisition Program



## Urban League of Metropolitan Seattle's Empowerment Center

- Funded in September of 2023
- \$12M LAP Loan
- Six- to seven-story building offering a range of family-friendly unit sizes, including one-, two-, three-, and four-bedroom homes.
- Will also serve as the permanent headquarters for the Urban League, which is expanding its role to include the provision of low-income housing.







Questions?



WASHINGTON STATE  
HOUSING FINANCE  
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**Thank you!**

**Lisa Vatske**  
**Director, Multifamily Housing**  
**& Community Facilities**

***[lisa.vatske@wshfc.org](mailto:lisa.vatske@wshfc.org)***  
***(206) 287-4467***

**[wshfc.org](http://wshfc.org)**

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**October 26, 2023**

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:04 p.m. in the 28<sup>th</sup> Floor Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington 98104 and via Zoom. Those Commissioners present via Zoom were: Alishia Topper, Brian Surratt, and Corina Grigoras. Chair Bascomb-Green, Ken Larsen, and Mike Pellicciotti were present in-person in the 28<sup>th</sup> Floor Board Room.

**Approval of the  
Minutes**

The September 28, 2023 Commission meeting minutes were approved as distributed.

**Approval of the  
State Treasurer's  
ex-officio  
Commissioner  
Designees**

Chair Bascomb-Green stated that a memo was included in the board packet by WSHFC Commissioner/Board Secretary and Washington State Treasurer Mike Pellicciotti seeking approval by Commissioners of his Commissioner Designees, Mr. Jason Richter and Mr. James Rosenkoetter, for the duration of his term as ex-officio Commissioner, or until withdrawn or replaced; to serve when he is not be available to attend board meetings and/or sign documents.

Mr. Pellicciotti noted that he will not be in attendance at the November 16<sup>th</sup> Commission board meeting as he has a scheduling conflict, with his attendance at the State Investment Board's board meeting that day.

Mr. Larsen moved to approve the appointment of Messrs. Richter and Rosenkoetter as the Designees for the State Treasurer and ex-officio Commissioner, Mr. Pellicciotti. Mr. Surratt seconded.

The motion was approved unanimously.

## **Employee Recognition**

Steve Walker, Executive Director, stated that every quarter, the Commission does Employee Recognition to: 1) recognize staff tenure through Years of Service awards; 2) recognize any individual/group Special Achievement awards; and 3) recognize the recipient(s) of the Employee of the Quarter award, and yearly, the Employee of the Year award.

He reminded Commissioners that Employee Recognition is a 100% peer-driven program and thanked the following Commission staff members of the Employee Recognition Committee: Ashley Shtikel, Duane Bakke, Shirleen Noonan, Makena Ogata, and Tanya Scratchley.

Mr. Walker then presented Years of Service awards to the following Commission staff members:

### **2 years of service:**

- Kat Komin

### **5 years of service:**

- Mary Lightle

- Miyuki Rapp

- Rona Monillas

- Russ Evenhuis

### **15 years of service:**

- Dan Schilling

- Lanakay Lipp

**Special/Outstanding Achievement Award – Multifamily Housing & Community Facilities (MHCF) Division:**

“The Special/Outstanding Achievement award goes to a team of MHCF staff for the development of the updates of the bond/tax credit policies. Here is a sample – not the complete list – of what each person brought:

Jackie [Moynihan]: warm, inclusive management of the team;

Sojung [Choi]: innovative management of the project;

Claire [Petersky]: translated ideas into clear written prose;

Keri [Williams]: continual improvement to how we encourage and support housing “by-and-for” the community;

Tara [Woodruff]: contributions in consistent alignment with her values;

Kate [DeCramer]: organized and thoughtful while working with the moving target of the state energy code;

Ben [Brown]: behind-the-scenes research;

Jason [Hennigan]: thorough analysis in both breadth and depth of our existing policies to make improvements;

Dan [Schilling]: applied expertise and insight to improve policies now, and into the future;

Yvonne [Williams]: timely support, and;

Lisa [Vatske]: steadfast, and at the same time receptive, visionary leadership.

This project was truly a team effort. It could not have advanced without each one of the staff members identified above uniquely contributing their special skills and talents to the process. Congratulations to the MHCF team for this!”

**Employee of the 3<sup>rd</sup> Quarter, 2023 – Sarah Bruington:**

Mr. Walker then presented the Employee of the 3<sup>rd</sup> Quarter, 2023 award:

“This employee has been with the Commission for approximately seven years and has shown herself to be a great team member with a high commitment to the success of the department in which she works.

She is highly detailed, and always goes the extra mile for our customers. Additionally, she is also readily available to the team when questions arise, or help is needed. She willingly contributes to our division discussions regarding strategic planning, DEI, and safe space principles. She provides suggestions on how we can better help reach people in our underserved communities to include the desire to become fluent in another language.

She is a member of several critical teams within the Homeownership division to include the Lender training instructor, Compliance review, Rate Setting, and lock desk team.

Recently she has also been very active in the Homeownership team's social media campaigns on TikTok and as an interviewer at Housing Washington this year.

She enjoys mystery shopping and providing feedback on the Commission’s homebuyer education classes to ensure they are covering our benchmark standards.

Congratulations Sarah Bruington, our Employee of the 3<sup>rd</sup> Quarter, 2023!”



**Public Hearing:  
Kendrick Landing,  
OID #22-96A**

The Chair opened a public hearing for Kendrick Landing, OID #22-96A at 1:13 p.m.

Mr. Dan Schilling, Senior Development Analyst, MHCF Division, stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 245-unit multifamily housing facility located at 11416 Kendrick Street SW, Lakewood, WA 98499, to be owned by Kendrick Landing, 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 \$55,000,000.

Mr. Schilling then introduced Mr. Dalton Arndt, Development Manager, DevCo; and Ms. Monique Patteson, Executive Director and Co-Founder, Next Chapter Housing.

Mr. Arndt thanked the Commission for its ongoing support and for the allocation for this particular project. He stated that this project will be located in Lakewood on Kendrick Street just across from the Lakewood Sound Transit Sounder Commuter Rail Station Park and Ride/Transit Center. The project will consist of new construction of three podium-style multi-story buildings with 245 total units consisting of a mix of one to four bedroom units, all affordable for residents making 60% or less of the area median income (AMI) for Lakewood/Pierce County. In addition, 10% of the units are reserved for residents with disabilities, and 20% of the units for large households, further enhancing DevCo's goal of inclusivity and diversity.

Mr. Arndt added that this community will have amenities to bolster healthy lifestyles, such as an exercise room, indoor basketball court, lounges, and outdoor play/recreational plazas. In addition, a computer lab/business center will be located on site along with a community room to host social gatherings and classes. He concluded that this thoughtfully designed community will enhance the neighborhood and economic activity for the City of Lakewood.

Ms. Patteson commented that Next Chapter Housing in Lakewood serves unsheltered families and helps them obtain affordable housing. Next Chapter was founded in 2018, and to date, has helped over 580 previously unhoused families find housing, along with obtaining bank account(s), driver's licenses/identification cards, and finding family-wage employment. She concluded that 55 of those families ended up starting their own businesses in Washington State!

Ms. Lisa Vatke, MHCF Director, stated that one letter of support was submitted by the City of Lakewood, and is included in the board packet.

Ms. Tiffany Speir, a Long-Range/Strategic Planning Planner for the City of Lakewood, commented that as mentioned in the City's support letter, this project is to be located in the City's 20-year targeted subarea near the Lakewood Sounder Station where affordable housing is planned. She added that 18% of the total planned growth for the City will be from this subarea alone. In addition, the City is sensitive to existing residents that have lower economic levels in many areas.

Ms. Patricia Williams, speaking as a member of the public, commented that she was happy to hear that this project will be developed in Lakewood. She then asked Mr. Arndt if there will be additional apartment communities like these developed by DevCo in the Lakewood area. Mr. Arndt replied that for the foreseeable future, these podium-style developments that are similar in size like Kendrick Landing, will be the norm for DevCo's developments. He added that DevCo is planning to add additional communities throughout Pierce County in the future.

There were no other comments from members of the public, and the public hearing was closed at 1:21 p.m.

**Public Hearing:  
Turin & Hanford,  
OID #23-90A-B**

This public hearing was pulled from the agenda.

**Public Hearing:  
Tax Credit  
Program Allocation  
– Pacific  
Apartments  
Rehabilitation,  
TC/OID #23-04**

The Chair opened a public hearing for Pacific Apartments Rehabilitation, TC/OID #23-04 at 1:21 p.m.

Mr. Jacob Richardson, Manager, MHCFC Division, stated that this was a request to increase the 9% Low Income Housing Tax Credits (LIHTC) allocation for the Pacific Apartments Rehabilitation by \$6,714 from \$1,235,483 to \$1,242,197, using 2023 LIHTC Allocations, to be owned by Pacific Apartments LLC, a Washington limited liability company. The project is located at 317 Marion Street, Seattle, WA 98104. He added that there are 89 total units for this development, which is part of the King County allocation pool.

Mr. Richardson noted that Pacific Apartments was approved and received an initial allocation of \$1,235,483 in August. This increase is needed to make a correction to the amount initially requested. At the time of allocation, the developer, Plymouth Housing, was unsure if they needed the full amount; but they now have determined that they need the additional amount of \$6,714 due to increasing project costs.

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

**Public Hearing:  
Project(s) for  
Allocation of Low-  
Income Housing  
Tax Credits in the  
2023 funding round**

The Chair opened a public hearing on the recommended allocation of 9% Low-income Housing Tax Credits (“LIHTC”) for the following project at 1:24 p.m.:

TC #	Project Name	City	County	Annual Tax Credit Amount
23-07	Rocky Point Housing Development	Othello	Adams	\$1,256,464

Mr. Richardson stated that Rocky Point Housing Development is the twelfth and final project for consideration for an allocation of 2023 9% Low-Income Housing



Tax Credits (LIHTCs) this year. Eleven out of twelve total projects have been previously approved.

### **Rocky Point Housing Development**

Mr. Richardson stated that Rocky Point Housing Development is being developed by the Othello Housing Authority. It will have 40 units and will be located at 632 Taylor Road, Othello, 99344. The project is in the Non-Metro allocation pool. He noted that this project was approved for a Total Development Cost (TDC) waiver for 19% over the TDC limits. The waiver was included in the board packet.

Mr. Richardson then introduced Mr. Charlie Hitchcock, Senior Housing Developer, Office of Rural & Farmworker Housing (ORFH); and Ms. Angie Gomez, Executive Director, Othello Housing Authority.

Mr. Hitchcock stated that Rocky Point is a 40-unit farmworker housing community to be located in Othello, with the Othello Housing Authority as the project's sponsor/operator. ORFH is the development consultant partner with the Authority. He added that this property is located on ten acres which were financed and acquired through the Commission's Land Acquisition Program (LAP). In August, 2021, this property was divided into three parcels, for three individual phases of development. This first phase of development will serve permanent farmworkers who make 30-50% of the Adams County AMI. He stated further that this phase of development will have five townhome style buildings to be constructed with unit mixes of 2 to 4-bedroom units, plus a community building and playground/green space. He concluded that closing and construction are to start sometime in the first half of 2024, with completion/placing-in-service at the end of 2025.

Ms. Gomez stated that the Othello Housing Authority currently manages an existing 40-unit farmworker housing community financed by the Commission in Othello, a heavily agriculture-influenced city, and that the current wait list for that property is over 3 years. She added that Rocky Point and its future phases

are very much needed, given many residents are currently living in substandard dwellings.

There were no comments or written testimony from members of the public, and the public hearing was closed at 1:29 p.m.

**Action Item:  
Resolution No. 23-85, 2023 Allocation of Credit for the Housing Tax Credit Program**

Ms. Lisa Vatske, MHCF Division Director, said this is a resolution authorizing the Executive Director to make reservations and/or allocations of 2023 LIHTCs for the following project:

TC #	Project Name	City	County	Annual Tax Credit Amount
23-07	Rocky Point Housing Development	Othello	Adams	\$1,256,464

Ms. Vatske stated that the public hearing for this project was just held prior to the consideration of this resolution.

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

**Action Item:  
Resolution No. 23-86, Tax Credit Program Allocation, Pacific Apartments Rehabilitation, TC/OID #23-04**

Ms. Vatske said this is a resolution to approve the increase of 9% Low Income Housing Tax Credits (LIHTC) by \$6,714 from \$1,235,483 to \$1,242,197 for Pacific Apartments Rehabilitation using 2023 LIHTC Allocations. The project is to be owned by Pacific Apartments LLC, a Washington limited liability company. The project is located at 317 Marion Street, Seattle, WA 98104, and the public hearing for this increased allocation amount was just held.

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

**Action Item:  
Resolution No. 23-89, Spokane United Methodist Homes, OID #21-103A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to refinance all or a portion of an existing taxable loan, proceeds of which defeased prior tax-exempt obligations of the Commission which financed and refinanced capital expenditures relating to

the projects and related expenses. The projects are owned by Spokane United Methodist Homes d/b/a Rockwood Retirement Communities, a Washington 501(c)(3) nonprofit corporation. The facility names and addresses are listed below, and the total estimated maximum bond amount is not expected to exceed \$70,000,000. The public hearing was held August 31, 2023.

<b>Project:</b>	Rockwood South Hill campus, including The Summit, The Ridge and Forest Estates
<b>Project Address:</b>	2903 E. 25th Avenue Spokane, WA 99223
<b>Total Estimated Project Cost:</b>	\$67,000,000
<b>Project:</b>	Rockwood at Whitworth Campus
<b>Project Address:</b>	101 E. Hawthorne Road Spokane, WA 99218
<b>Total Estimated Project Cost:</b>	\$4,000,000
<b>Estimated Maximum Bond Amount:</b>	\$70,000,000

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

**Action Item:**  
**Resolution No. 23-79, Ardea @ Totem Lake, OID # 22-61A**

This agenda item was pulled from the agenda.

**Action Item:**  
**Resolution No. 23-69, Blue Thistle Villa, OID # 23-66A**

Ms. Vatske stated 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, construction and equipping of a 32-unit multifamily housing facility located at 1104 Walnut Street, Kelso, WA 98626, to be owned by Blue Thistle Villa 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 \$12,000,000. The public hearing was held July 27, 2023, and a note purchase commitment letter issued by KeyBank in the amount of \$9,150,000.

She made note that in the financing resolution, the Kelso Housing Authority requested and was approved for a waiver of the Commission fee to 10 basis points, an amount equal to the fee charged for nonprofits, given the Kelso Housing Authority.

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

**Action Item:  
Resolution No. 23-  
87, MLK Mixed  
Use & Early  
Learning Center,  
OID # 22-40A**

This item was pulled from the agenda.

**Action Item:  
Resolution No. 23-  
80, Mercy Angle  
Lake Family  
Housing, OID # 23-  
37A**

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of revenue bonds to finance a portion of the costs for the acquisition, construction and equipping of a 130-unit multifamily housing facility located at 2650 S. 200th Street, SeaTac, WA 98198, to be owned by MHNW 21 Angle Lake Family LLLP, a Washington limited liability 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 \$42,000,000. The public hearing was held August 24, 2023, and a bond purchase commitment letter was issued by JPMorgan Chase Bank, N.A. for \$35,960,791. She noted that this is the first Sound Transit bond allocated project the Commission has done, with many more to come!

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

**Action Item:  
Resolution No. 23-  
88, Squire Park  
Plaza, OID # 23-  
72A**

This item was pulled from the agenda.

**Action Item:  
Approval of  
recommendation  
for prioritization  
for funds received  
in accordance with  
SB 5258**

Ms. Lisa DeBrock, Director, Homeownership Division, stated this is a request for consideration and approval by Commissioners regarding prioritization of funds received in accordance with Senate Bill (SB) 5258 for homebuyers who purchased a condominium or townhome.

SB 5258 created a downpayment assistance fund account held by the Washington State Treasurer's Office. The account is funded with real estate excise taxes (REET) collected at loan closing from the sale of condominiums or townhouses to persons using a downpayment assistance (DPA) 2nd mortgage program offered by the Commission.

She added that the REET tax paid by the seller equals approximately 1% of the sales price and a REET Affidavit is recorded with the local county which shows the amount of excise tax paid. The legislation requires the Commission to use the money in the account to pay down DPA loans for homebuyers who purchased a condominium or townhome for which the tax was collected. The legislation authorizes up to \$250,000 per year for the pay down of second mortgages. She added further that the majority of the Commission's second mortgages are at 4% of the loan amount and so these funds would pay down a portion of what the homebuyer owes typically when the borrower sells or refinances.

Ms. DeBrock mentioned that during the last fiscal year, the Commission assisted over 300 households purchasing a condo or townhome. Based upon our calculations, the Commission would only be able to pay down 100 DPA second mortgages per year. Because staff will need to prioritize which homebuyers will receive additional funds for paying down their second mortgages, she and the Homeownership staff are asking Commissioners to approve the prioritization plan.

Ms. DeBrock then presented the following prioritization recommendations for Commissioners consideration and approval:

Funds will be applied on an annual basis for loans closed within the year and subsequently purchased by the Commission. Funds will be awarded to the lowest income borrowers first based upon underwriting by the lender. If there is a tie for income, funds will be applied first to the largest family size. Although highly unlikely, if there is a still a tie, homes with the lowest sales price will then be given priority. Letters will be sent to the homeowners to notify them that funds have been applied to their second mortgage. Ms. DeBrock assured Commissioners that Homeownership staff will be working closely with the Commission's loan servicer to make sure everything is applied correctly.

She concluded that the Commission would only be able to further help a handful of homebuyers, but is excited about helping lower income families.

Chair Bascomb-Green asked Ms. DeBrock if geography is considered with these allocations. Ms. DeBrock replied no, that a majority of these condos are located in the tri-county area (King, Pierce, Snohomish), but the remaining are statewide.

Mr. Larsen motioned to approve the funding prioritization recommendations as described by Ms. DeBrock. Mr. Surratt seconded the motion. The motion was unanimously approved.

**Informational  
Report on  
Department of  
Commerce  
Activities**

Ms. Grigoras mentioned the following items from the monthly informational Department of Commerce activities report included in the board packet:

**Housing Division – Homeownership Unit:**

Homeownership Fall 2023 Capital Notice of Funding Availability:

Commerce received 48 applications representing 943 homeownership opportunities seeking \$94.4 million. Staff are meeting with public funders and

conducting applicant interviews. Awards are anticipated for end of December. \$38.8M available to award.

***Senate Bill 5198:***

On October 26, Brigid Henderson, manager of the Manufactured/Mobile Home Relocation Assistance Program, will update the House Housing Committee on the results of enacting Senate Bill 5198 “Concerning the sale or lease of manufactured/mobile home communities and the property on which they sit” (aka The Notice of the opportunity to compete to purchase). The intent of the law is to provide timely notification to tenants and organizations that may be interested in purchasing communities to preserve them as a source of affordable homeownership.

***Foreclosure Fairness Program:***

Staff are responding to inquiries from the OFM regarding the \$7.2 million operating budget request to support housing counselors, the Office of Civil Legal Aid, and the Homeownership Resource Center of Washington.

**Housing Division – Multifamily Unit:**

Multifamily Housing has 91 applications for state funding under review and will be making funding decisions by early January.

***Transit Oriented Development:***

The unit is conducting public comment on design of the program. This program is a partnership match and will allocate up to \$50M for TOD projects in first quarter of 2024.

**Housing Division – Housing Policy Unit:**

The Encampment Resolution Program (fka Rights of Way Safety Initiative): All the of the major encampment sites on the I-5 corridor in Thurston County have been addressed. The FY24 and FY25 NOFA for this program is currently out, with responses due October 25, 2023.



**Executive  
Director's Report**

**Local Government Division – Growth Management Services:**

Growth Management staff have been busy with the following: MFTE, Housing Element Implementation, Middle Housing Model Ordinance, \$10 million HUD grant to address barriers to housing development, WCRER is posting data for housing planning, and CHIP: which closes October 31 and will now include deferred loans, with awards to be made in January of 2024. Web links to all of the above are provided in the report in the board packet.

Mr. Steve Walker, Executive Director, mentioned items from the Executive Director's Report, which was included in the board packet, as follows:

**Multifamily Housing & Community Facilities (MHCF):**

MHCF staff have reviewed pre-application and waiver requests for the 9% program and are looking for applications to be submitted Nov 6. The bond/4% policies and application updates have been posted to the website this week.

Vanessa Thomas was offered and accepted the promotion to senior underwriter to help with the new LAP program dollars. Efforts will begin to fill the contract coordinator position that she is vacating.

Keri Williams, with the help of Tara Woodruff, is undertaking the community engagement strategy associated with outreach and input from Community based organizations regarding the Bond/4% polices. This will entail contracting with a third-party consultant and facilitator.

**Homeownership:**

Covenant Homeownership Program:

The National Fair Housing Alliance (NFHA) hosted a booth at Housing Washington.

Homeownership staff along with Steve Walker and Pacifica continue to meet with NFHA on a regular basis.

Homeownership staff continues to work closely with NFHA and HDC on communications.

Additional Community Forum listening sessions are scheduled in November and public comment is currently being solicited to reflect the lived experience of Washingtonians who were denied homeownership because of discrimination by Washington State.

**Homeownership Assistance Fund (HAF):**

The team at HOTB Software will be joining the November Commission Meeting Work Session on Thursday, November 16, to provide an update on the HAF program.

**Asset Management & Compliance (AMC):**

AMC Division's October Bond online training closed out successfully with 40 registrants in attendance, the largest class they have had.

November AMC Fundamentals/Advanced Training registration is now open, this will be an In-person training at the Renton Technical College Campus

**Finance:**

The State Auditor's Office has informed us that they have selected the Homeowner Assistance Fund (HAF) program for an audit.

The Commission's annual independent financial audit is also ongoing.

**Other information from Steve:**

Mission, Vision, and Values - Staff continue to discuss and refine our new Mission Vision and values and plans to bring them to the Board in November for your consent and endorsement.

On Tuesday Steve sent out an email to the board regarding the October 24, 2023 *Seattle Times* article about our oversight of tenant homeownership programs in

tribal LIHTC properties. As we have shared in the past, the Commission has worked diligently over the past two years to help the tribal housing authorities work towards the transfer of ownership to eligible residents. Included in his email to the board were responses to the questions the *Seattle Times* reporters asked and FAQs about the Nooksack's disenrollment and evictions. He added that he will reach out to Rep. Gerry Polett regarding his questions/concerns that he raised regarding the Nooksack situation.

Housing Washington - The Commission held the Housing Washington conference on October 3-5, 2023, in Tacoma, with streaming on the Whova platform. The turnout was great, with 840 in-person attendees as well as 376 people who attended only the virtual pre-conference sessions.

Commission staff were responsible for what were the best sessions yet of any Housing Washington. For the first time, the divisions took charge of the content in five subject-area tracks: Homeownership, Multifamily Development, Multifamily Management, Advocacy/Communications, and General. All the sessions will be available in the Housing Washington on-demand library at [HousingWA.org](https://HousingWA.org).

We also celebrated our 40th anniversary at Housing Washington, both during the opening reception (happily attended by Kim Herman), and throughout the conference thanks to the efforts of our staff committee.

Friend of Housing Awards - At Housing Washington, the Commission also honored eight Friend of Housing awardees in various categories at an evening awards ceremony.

Thank you to Commissioners: Nicole, Bill, Lowel, and Corina for presenting the awards; thanks also to the staff who participated in selecting the awardees and producing the event.

In addition to the in-person ceremony, we again gave awardees a more relaxed spotlight in two post-conference virtual “coffee talks” on Zoom. These were recorded and will be posted at: [HousingWA.org/Friend-of-Housing-Awards](https://HousingWA.org/Friend-of-Housing-Awards).

Many staff and Commissioners attended the NCSHA Annual Conference in Boston. The Commission received an NCSHA Legislative award for the Covenant Homeownership Program!

Mr. Surratt thanked Mr. Walker for sending the email regarding the Nooksack situation along with the FAQs and responses to the reporters’ questions to all Commissioners. In addition, he thanked Mr. Walker in advance in working with the State Auditor regarding an audit of the eventual tenant homeownership category. He added that he personally will follow this issue closely. Besides the Commission fulfilling its obligations, he is also concerned about the personal ramifications to the displaced tenants; and encouraged the Commission to look for creative/holistic remedies. Mr. Walker replied that he would most definitely keep Commissioners apprised with updates.

Congratulations are in order for Commissioner Lowel Krueger, who was elected First Vice President of the National Council of State Housing Authority Boards (NCSHB).

Also, Mr. Walker announced that he was elected to NCSHA’s Board of Directors. These were both announced at NCSHA’s Annual Conference in Boston.

He concluded by mentioning that the Commission is in the final stages of renewing its office space lease at the 1000 Second Avenue Building in Downtown Seattle. Commission staff are getting ready in the coming months to completely vacate the 27<sup>th</sup> floor and to consolidate/downsize all operations from two floors, down to one floor, and temporarily housing all operations on the 28<sup>th</sup> Floor for approximately a four-month construction period while the 27<sup>th</sup> Floor is



renovated. Once the renovations are done, the Commission will then move into its consolidated office space on the 27<sup>th</sup> Floor, and will completely vacate the 28<sup>th</sup> Floor.

**Commissioners' Reports**

Ms. Topper mentioned that she hosted two Homeowner Assistance Fund (HAF) forums/meetings with fund/grant administrators, plus county treasurers, to discuss some of the small barriers the program was encountering. She concluded that these meetings were successful, and that she was excited about this program and the outcomes.

Chair Bascomb-Green seconded Mr. Walker, and commended and thanked staff and conference organizers for a very successful Housing Washington Conference and Friends of Housing Awards ceremony. She is looking forward to the 2024 Housing Washington Conference in September, 2024 to be held in Spokane!

**Consent Agenda**

The consent agenda was approved as distributed.

**Adjournment**

The meeting was adjourned at 2:10 p.m.

**Signature**

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## NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the "Commission") will hold an open public hearing with respect to a proposed plan of financing for the issuance by the Commission of one or more series of tax-exempt revenue obligations (the "Notes") to finance a portion of the costs for the acquisition, construction and equipping of a multifamily housing facility in Seattle, Washington, to be owned by AltaireJackson, LLC, a Washington limited liability company. The Notes may be issued as one or more series issued from time to time and may include one or more series of refunding obligations. The public hearing will be held starting at 1:00 p.m., Thursday, November 16, 2023. Participants wishing to join telephonically in the United States, please dial either toll free number: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

Pursuant to RCW 42.30.030(2), which encourages public agencies to provide for public access to meetings, this public hearing can also be viewed via Zoom or joined telephonically.

**To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to "Join a Meeting," and enter:**

**Webinar/Meeting ID: 841 9853 9922  
Passcode: 090426**

The Notes will be issued pursuant to Chapter 43.180 Revised Code of Washington for the purpose of financing a qualified residential rental facility under Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code").

The proceeds of the Notes will be used to provide financing for the following project:

Project:	Altaire at Jackson Park
Project Address:	14343 15th Avenue NE Seattle, WA 98125
Total Estimated Project Cost:	\$98,638,403
Estimated Maximum Note Amount:	\$52,000,000

Proceeds of the Notes will be used to provide a portion of the financing for the acquisition, construction and equipping of a 207-unit multifamily housing facility in Seattle, WA, and to pay all or a portion of the costs of issuing the Notes. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the proposed project and the proposed plan of financing with respect to the Notes may be mailed or faxed to the attention of Dan Schilling, WSHFC, MHCFC Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587-5113, for receipt no later than 5:00 p.m. on Wednesday, November 15, 2023. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from tax-exempt and/or taxable obligations. Testimony and written comments regarding land use, zoning and environmental regulation

should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the MHCF division at (206) 464-7139 or 800-767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

# Multifamily Housing Program

<b>Project Name</b>	Altaire at Jackson Park										
<b>Developer</b>	SRMAH, LLC										
<b>Description</b>	<p>SRM and Urban League have partnered to develop a project in NE Seattle that offers an opportunity to convert an underutilized commercial property into a large-scale, family-focused, Transit Oriented Development (TOD) as a gateway to the Pinehurst and Shoreline neighborhoods. It is east of the future Shoreline South/148th Light rail Station, planned to open in 2024, on the SR 522/NE 145th Bus Rapid Transit (BRT) line targeted to start service in 2026, and many other bus lines.</p> <p>This project will include approximately 207 affordable units serving people who earn up to 60% of the Area Median Income near transit services, community amenities and employment opportunities that can help working individuals and families live near jobs and opportunities. The proposed development will be comprised of 8 floors of residences over one sub-grade parking level with 32 parking spaces. It will feature 49 studios, 115 1-bedrooms, 1 2-bedroom, and 42 3-bedroom units. The apartment building will include on-site dedicated amenities for a robust residential living environment. The building is designed with a central courtyard, landscaped community garden and naturalistic play area.</p>										
<b>Location</b>	14343 15th Avenue NE Seattle, WA 98125										
<b>Project Type</b>	New Construction										
<b>Units</b>	<table><tr><td>Studio</td><td>49</td></tr><tr><td>One Bedroom</td><td>115</td></tr><tr><td>Two Bedroom</td><td>1</td></tr><tr><td>Three Bedroom</td><td>42</td></tr><tr><td><b>Total</b></td><td><b>207</b></td></tr></table>	Studio	49	One Bedroom	115	Two Bedroom	1	Three Bedroom	42	<b>Total</b>	<b>207</b>
Studio	49										
One Bedroom	115										
Two Bedroom	1										
Three Bedroom	42										
<b>Total</b>	<b>207</b>										
<b>Housing Tax Credits</b>	Yes										



<b>Income Set-Aside</b>	30% at 50% AMI 70% at 60% AMI	
<b>Regulatory Agreement Term</b>	Minimum 40 years	
<b>Evaluation Plan Scoring</b>	Cost Efficient Development	5
	Additional Low-Income Housing Commitments	2
	Commitments for Priority Populations	2
	Systemic Barrier	6
	CBO Ownership	8
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	3
	Donation in Support of Local Nonprofit Programs	2
	Property Type	3
	Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	10
	<b>Total Points</b>	<b>48</b>

**Estimated Tax-Exempt Note Amount (Not to exceed)** \$52,000,000

**Note Structure** Private Placement

**Lender** Citi Community Capital

<b>Development Budget</b>	
Acquisition Costs	\$6,910,000
Construction	\$67,444,061
Soft Costs	\$11,430,564
Financing Costs	\$7,621,054
Capitalized Reserves	\$1,111,615
Other Development Costs	\$4,121,109
<b>Total Development Costs</b>	<b>\$98,638,403</b>

<b>Permanent Sources</b>	
Perm Loan	\$21,966,000
Deferred Developer Fee	\$5,812,760
Seattle Office of Housing	\$30,724,562
Tax Credit Equity at \$0.8700 per credit x 10 years	\$40,135,081
<b>Total Permanent Sources</b>	<b>\$98,638,403</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$99,499,725
Total Development Cost (minus land and reserves)	\$90,701,788
Waiver	Not required

**Project Operations**

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
Studio	\$1,475	\$1,097 – 1,324
One Bedroom	\$1,750	\$1,163
Three Bedroom	\$2,900	\$1,582 – 1,919

**Action** Public Hearing for OID # 21-115A

**Anticipated Closing Date** December 2023

## NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the "Commission") will hold an open public hearing with respect to a proposed plan of financing for the issuance by the Commission of one or more series of tax-exempt revenue obligations (the "Notes") to finance a portion of the costs for the acquisition, rehabilitation and equipping of four multifamily housing facilities in Anacortes, Centralia, Moses Lake, and Toppenish, Washington, as further described below, each to be owned by Anacortes Manor LLC, a Washington limited liability company. The Notes may be issued as one or more series issued from time to time and may include one or more series of refunding obligations. The public hearing will be held starting at 1:00 p.m., Thursday, November 16, 2023. Participants wishing to join telephonically in the United States, please dial either toll free number: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

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To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to "Join a Meeting," and enter:

**Webinar/Meeting ID: 841 9853 9922**  
**Passcode: 090426**

The Notes will be issued pursuant to Chapter 43.180 Revised Code of Washington for the purpose of financing a qualified residential rental facility under Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code").

The proceeds of the Notes will be used to provide financing for the following projects:

Project:	Anacortes Manor
Project Address:	1110 24th Street Anacortes, WA 98221  35 Units
Total Estimated Project Cost:	\$9,415,839
Estimated Maximum Note Amount:	\$5,100,000

Project:	Centralia Manor
Project Address:	303 W. Pine Street Centralia, WA 98531  25 Units
Total Estimated Project Cost:	\$4,578,937
Estimated Maximum Note Amount:	\$2,500,000

Project:	Lakeview Manor
Project Address:	423 S Beech Street Moses Lake, WA 98837  26 Units
Total Estimated Project Cost:	\$5,548,803
Estimated Maximum Note Amount:	\$3,100,000

Project:	Pioneer Village
Project Address:	719 W. 3rd Avenue Toppenish, WA 98948  25 Units
Total Estimated Project Cost:	\$4,728,322
Estimated Maximum Note Amount:	\$3,100,000

Total Aggregate Estimated Project Cost:	\$24,271,901
Estimated Aggregate Maximum Note Amount:	<b>\$13,800,000</b>

Proceeds of the Notes will be used to provide a portion of the financing for the acquisition, rehabilitation and equipping of four multifamily housing facilities located in Yakima, Skagit, Lewis and Grant Counties, with an aggregate total of 111 units, and to pay a portion of the costs of issuing the Notes. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the proposed projects and the proposed plan of financing for the Notes may be mailed or faxed to the attention of Dan Schilling, WSHFC, MHCF Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587-5113, for receipt no later than 5:00 p.m. on Wednesday, November 15, 2023. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the projects will receive funding from tax-exempt and/or taxable obligations. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the MHCF division at (206) 464-7139 or 800-767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.



# Multifamily Housing Program

**Project Name** Anacortes WA Portfolio Application

**Developer** Evergreen Development Solutions

**Description** The Anacortes Manor Washington Portfolio entails the acquisition and rehabilitation of four existing HUD-assisted developments located throughout rural Washington. The properties were constructed between 1976 and 1977 and contain a total of 111 units, 109 of which will receive project-based rental assistance, with renewed Section 8 HAP contracts.

**Location** Anacortes Manor  
1110 24th Street  
Anacortes, WA 98221

Centralia Manor  
303 W. Pine Street  
Centralia, WA 98531

Lakeview Manor  
423 S Beech Street  
Moses Lake, WA 98837

Pioneer Village  
719 W. 3rd Avenue  
Toppenish, WA 98948

**Project Type** Acquisition/Rehabilitation

<b>Units</b>	One Bedroom	111
	<b>Total</b>	<b>111</b>

**Housing Tax Credits** Yes

**Income Set-Aside** 100% at 60% AMI

**Regulatory Agreement Term** Minimum 40 years

<b>Evaluation Plan Scoring</b>	Cost Efficient Development	10
	Commitments for Priority Populations	2

Donation in Support of Local Nonprofit Programs	2
Energy Efficiency, Healthy Living, & Renewable Energy – Rehab	14
Rehab of Major Systems	30
<b>Total Points</b>	<b>58</b>

**Estimated Tax-Exempt Note Amount (Not to exceed)** \$13,800,000

**Note Structure** Private Placement

**Lender** Citi Community Capital

**Development Budget**

Acquisition Costs	\$10,517,000
Construction	\$5,972,204
Soft Costs	\$4,069,987
Financing Costs	\$2,381,712
Capitalized Reserves	\$575,000
Other Development Costs	\$756,000
<b>Total Development Costs</b>	<b>\$24,271,903</b>

**Permanent Sources**

Citi Long-term Taxable and Tax-Exempt Notes	\$13,290,000
Cash Flow Prior to conversion	\$1,465,032
MM Initial Equity Contribution	\$600
Deferred Developer Fee	\$1,692,181
Tax Credit Equity at \$0.8799 per credit x 10 years	\$7,824,090
<b>Total Permanent Sources</b>	<b>\$24,271,903</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$39,482,145
Total Development Cost (minus land and reserves)	\$21,758,068
Waiver	Not required

**Project Operations**

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$1,520	\$740

**Action** Public Hearing for OID # 23-43A-D

**Anticipated Closing Date** December 2023

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing with respect to a proposed plan of financing for the issuance by the Commission of one or more series of tax-exempt revenue bonds (the “Bonds”) to finance a portion of the costs for the acquisition, rehabilitation and equipping of a multifamily housing facility in Richland, Washington, to be owned by OHP Partners, LLLP, a Washington limited liability limited partnership. The Bonds may be issued as one or more series issued from time to time and may include one or more series of refunding obligations. The public hearing will be held starting at 1:00 p.m., Thursday, November 16, 2023. Participants wishing to join telephonically in the United States, please dial either toll free number: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission’s offices located at 1000 Second Avenue, Seattle, Washington 98104–3601.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this public hearing can also be viewed via Zoom or joined telephonically.

**To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to “Join a Meeting,” and enter:**

**Webinar/Meeting ID: 841 9853 9922**

**Passcode: 090426**

The Bonds will be issued pursuant to Chapter 43.180 Revised Code of Washington for the purpose of financing a qualified residential rental facility under Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”).

The proceeds of the Bonds will be used to provide financing for the following project:

Project:	Orchard Hills Apartments
Project Address:	1845 Leslie Road Richland, WA 99352
Total Estimated Project Cost:	\$26,009,328
Estimated Maximum Bond Amount:	\$21,000,000

Proceeds of the Bonds will be used to provide a portion of the financing for the acquisition, rehabilitation and equipping of a 142-unit multifamily housing facility in Richland, Washington, and to pay all or a portion of the costs of issuing the Bonds. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice and the provision of toll-free telephone access are intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the Project and the proposed plan of financing for the Bonds may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Multifamily Housing and Community Facilities Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587–5113, for receipt no later than 5 p.m. on Wednesday, November 15, 2023. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from tax–exempt bonds. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at (206) 464-7139 or (800) 767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

# Multifamily Housing Program

<b>Project Name</b>	Orchard Hills Apartments
<b>Developer</b>	Aberdeen Capital, LLC
<b>Description</b>	The acquisition and rehabilitation of a 142-unit existing 9% tax-credit property with an expiring regulatory agreement in Richland, to be funded using Recycled Bond Volume Cap. The development will preserve important 3 and 4-bedroom affordable housing units. Rehabilitation work will include an energy retrofit, including lighting improvements, heat pump water heaters, and HVAC enhancement. Additionally, there are plans for general unit repairs, landscaping and drainage improvements, water conserving fixtures, and improvements to on-site amenities. The developer is working with the local Housing Authority to access project-based vouchers to continue existing affordability.
<b>Location</b>	1845 Leslie Road Richland, WA 99352
<b>Project Type</b>	Acquisition/Rehabilitation
<b>Housing Tax Credits</b>	No
<b>Income Set-Aside</b>	75% at 60% AMI, 25% at 35% AMI
<b>Estimated Tax-Exempt Bond Amount (Not to exceed)</b>	\$21,000,000
<b>Bond Structure</b>	Private Placement
<b>Lender</b>	Newpoint Real Estate Capital
<b>Action</b>	Public Hearing for OID # 23-92A
<b>Anticipated Closing Date</b>	December 2023



NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing with respect to a proposed plan of financing for the issuance by the Commission of one or more series of tax-exempt revenue bonds (the “Bonds”) to finance a portion of the costs for the acquisition, rehabilitation and equipping of a multifamily housing facility in Bellevue, Washington, to be owned by Crossroads Apartments LLC, a Washington limited liability company. The Bonds may be issued as one or more series issued from time to time and may include one or more series of refunding obligations. The public hearing will be held starting at 1:00 p.m., Thursday, November 16, 2023. Participants wishing to join telephonically in the United States, please dial either toll free number: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission’s offices located at 1000 Second Avenue, Seattle, Washington 98104–3601.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this public hearing can also be viewed via Zoom or joined telephonically.

**To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to “Join a Meeting,” and enter:**

**Webinar/Meeting ID: 841 9853 9922  
Passcode: 090426**

The Bonds will be issued pursuant to Chapter 43.180 Revised Code of Washington for the purpose of financing a qualified residential rental facility under Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”).

The proceeds of the Bonds will be used to provide financing for the following project:

Project:	Sagebrook Affordable Housing
Project Address:	15750 NE 15th Street Bellevue, WA 98008
Total Estimated Project Cost:	\$26,021,234
Estimated Maximum Bond Amount:	\$15,000,000

Proceeds of the Bonds will be used to provide a portion of the financing for the acquisition, rehabilitation and equipping of a 108-unit multifamily housing facility in Bellevue, Washington, and to pay all or a portion of the costs of issuing the Bonds. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice and the provision of toll-free telephone access are intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the Project and the proposed plan of financing for the Bonds may be mailed or faxed to the attention of Jason Hennigan, WSHFC, Multifamily Housing and Community Facilities Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587–5113, for receipt no later than 5 p.m. on Wednesday, November 15, 2023. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from tax-exempt bonds. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at (206) 464-7139 or (800) 767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

# Multifamily Housing Program

<b>Project Name</b>	Sagebrook Affordable Housing
<b>Developer</b>	Great Expectations LLC
<b>Description</b>	<p>The acquisition and rehabilitation of an unoccupied former assisted living property in the Crossroads neighborhood of Bellevue, to be funded using Recycled Bond Volume Cap and funds from the Amazon Housing Equity Fund. Seventy-five percent of units will be set-aside at 60% area median income, with the remaining 25% of the units set-aside at 80% area median income.</p> <p>There are 2 buildings currently on the site. The first building is a 1990s-vintage single garden style apartment, with 33 units. The development team plans minor unit upgrades, adding a framed wall in 12 units, turning those studio's into 1br's.</p> <p>The second building is a 1970s vintage, 2 story “u” shaped structure, with 77 units. The units do not currently have cooking facilities, so the development team plans to add kitchenettes to each unit. The total scope includes new vinyl flooring, repaint, cabinets/countertops/appliances for the kitchenettes and a vent hood to exhaust cooking fumes. New unit electrical panels will also be required in each unit per City of Bellevue.</p>
<b>Location</b>	15750 NE 15th Street Bellevue, WA 98008
<b>Project Type</b>	Acquisition/Rehabilitation
<b>Housing Tax Credits</b>	No
<b>Income Set-Aside</b>	75% at 60% AMI, 25% at 80% AMI
<b>Estimated Tax-Exempt Bond Amount (Not to exceed)</b>	\$14,000,000
<b>Bond Structure</b>	Private Placement
<b>Lender</b>	Sterns Bank

**Action**

Public Hearing for OID # 23-91A

**Anticipated Closing Date**

December 2023

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

RESOLUTION NO. 23-79

A RESOLUTION of the Washington State Housing Finance Commission making findings and determinations with respect to housing needs within Washington; approving a program to finance multifamily housing; authorizing the issuance of not to exceed \$38,000,000 of multifamily tax-exempt bonds in one or more series to finance all or a portion of the acquisition, construction and equipping of a 170-unit multifamily housing facility for seniors in Kirkland, Washington, to be owned by Ardea TWG, LLLP; approving the initial sale of the bonds to KeyBanc Capital Markets Inc.; delegating to the Executive Director of the Commission the authority to execute a final form of bond purchase agreement with KeyBanc Capital Markets Inc.; approving the form of a trust indenture, a loan agreement, a tax certificate and a regulatory agreement; and authorizing the officers and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON NOVEMBER 16, 2023

PREPARED BY:

PACIFICA LAW GROUP LLP  
1191 Second Avenue, Suite 2000  
Seattle, Washington 98101



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\* This table of contents is not part of the resolution; it is included for the convenience of the reader only.

## RESOLUTION NO. 23-79

A RESOLUTION of the Washington State Housing Finance Commission making findings and determinations with respect to housing needs within Washington; approving a program to finance multifamily housing; authorizing the issuance of not to exceed \$38,000,000 of multifamily tax-exempt bonds in one or more series to finance all or a portion of the acquisition, construction and equipping of a 170-unit multifamily housing facility for seniors in Kirkland, Washington, to be owned by Ardea TWG, LLLP; approving the initial sale of the bonds to KeyBanc Capital Markets Inc.; delegating to the Executive Director of the Commission the authority to execute a final form of bond purchase agreement with KeyBanc Capital Markets Inc.; approving the form of a trust indenture, a loan agreement, a tax certificate and a regulatory agreement; and authorizing the officers and Executive Director of the Commission to amend and execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the “Commission”) has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, now codified at RCW 43.180 et seq. (the “Act”); and

WHEREAS, the legislature of the State of Washington (the “State”) has declared it to be a public policy of the State and a recognized governmental function to assist in making affordable and decent housing available throughout the state; and

WHEREAS, the Commission has previously found and determined that many persons and households in the state continue to be unable to rent safe and sanitary housing in the areas in which they reside at an affordable cost to them; and

WHEREAS, the Act authorizes the Commission to participate fully in federal and governmental programs to secure for itself and the people of the State the benefits of such programs; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), grants an exemption from federal income tax for interest paid on obligations where the proceeds thereof are used to finance multifamily housing facilities meeting the requirements of the Code; and

WHEREAS, the Commission adopted a Housing Finance Plan (the “Plan”) on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, U.S. Bank Trust Company, National Association (the “Loan Originator”), offered to originate a qualified loan in the principal amount of not to exceed \$38,000,000 (the “Bond Loan”) to Ardea TWG, LLLP, a Washington limited liability limited partnership (the “Owner”), to finance a portion of the acquisition, construction and equipping of a 170-unit multifamily housing facility for seniors in Kirkland, Washington (the “Project”) to be owned and operated by the Owner and to pay costs of issuing the Bonds (as hereinafter defined), and to assign the Bond Loan to U.S. Bank Trust Company, National Association, in its separate capacity as trustee for the Bonds (the “Trustee”), on behalf of the Commission; and

WHEREAS, the Owner has requested that the Commission issue its Multifamily Housing Revenue Bonds (Ardea at Totem Lake Apartments Project), Series 2023 (the “Bonds”), in one or more series and in the aggregate principal amount of not to exceed \$38,000,000, and use the proceeds thereof to finance a portion of the acquisition, construction and equipping of the Project; and

WHEREAS, the Bonds will be publicly sold and are expected to be rated “Aaa/VMIG” by Moody’s Investors Service, Inc., and will be secured by (a) initially, cash-funded collateral accounts held by the Trustee, funded from time to time with a portion of the proceeds of a taxable construction loan from Bank of America, N.A., and other available, bankruptcy-remote funds as permitted by the Indenture (as defined below), and (b) upon the occurrence of certain

conditions and following the mandatory tender, partial redemption and remarketing of the Bonds to Cedar Rapids Bank and Trust Company pursuant to a forward bond purchase agreement, by a deed of trust and related security; and

WHEREAS, the Commission has given preliminary approval to the Project by Official Intent Declaration No. 22-61A, the Commission held a public hearing with respect to the Project on August 24, 2023, and the Governor has or will have approved the Project and the Bonds prior to closing; and

WHEREAS, the Commission has received a form of bond purchase agreement (the “Bond Purchase Agreement”) from KeyBanc Capital Markets Inc. (the “Underwriter”) to purchase the Bonds in whole; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1.     Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Trust Indenture between the Commission and the Trustee (the “Indenture”); the Loan Origination and Financing Agreement among the Commission, the Owner, the Loan Originator and the Trustee (the “Loan Agreement”); a Regulatory Agreement between the Commission and the Owner (the “Regulatory Agreement”); the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the form of Bond Purchase Agreement among the Commission, the Owner and the Underwriter.

Section 2.     Findings. The Commission hereby ratifies its prior findings that there are a substantial number of persons and households in the state who are unable to rent apartments in various parts of the state or the rents required are substantially in excess of the available income

of such persons or households. As a result, many persons and households are unable to rent safe and sanitary housing at a reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and households is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The provision of lower interest rate loans will encourage developers to acquire, construct and rehabilitate projects which will make additional units available to persons and households at affordable cost and will act as a significant stimulant to the economy of the State.

Section 3. Multifamily Program. The Commission hereby ratifies, affirms and adopts its program to finance the acquisition of multifamily mortgage loans on eligible multifamily projects through the issuance of nonrecourse multifamily mortgage revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Bonds are in furtherance of the Act and the Plan.

Section 4. Authorization of Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Multifamily Housing Revenue Bonds (Ardea at Totem Lake Apartments Project), Series 2023” in one or more series, with appropriate series designation, and in an aggregate principal amount of not to exceed \$38,000,000, pursuant to and in accordance with the provisions of the Act, the Code, and the Indenture.

Section 5. Approval of Documents. It is hereby found and determined that the Indenture, the Loan Agreement, the Regulatory Agreement and the Tax Certificate conform to the requirements of the Act and the Code and provide for the maximum available security for the Bonds consistent with the Act and the Code.

The Indenture, Loan Agreement, Regulatory Agreement, and Tax Certificate are hereby approved in substantially the forms filed with the Commission. The Chair, Vice Chair, Secretary



or the Secretary's designee, Executive Director or the Treasurer of the Commission are each authorized to execute such documents, the documents contemplated therein, and any other necessary documents or certificates on its behalf including the final offering document, and to do all things necessary on its behalf to proceed with the issuance, sale and delivery of the Bonds as authorized herein. Only one signature is required to bind the Commission. Such officers, the Executive Director or the Secretary's designee are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are in furtherance of the Program and which do not materially increase the obligations of the Commission as described in such documents on file with the Commission. The Executive Director is hereby authorized to execute documents and certificates on behalf of the Commission as are required for the issuance, sale and delivery of the Bonds including, but not limited to, certificates required by the securities laws of various states and the United States of America. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 6.     Sale of the Bonds. The Commission hereby authorizes and approves the initial sale of the Bonds to the Underwriter, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Agreement. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Agreement on behalf of the Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed \$38,000,000; (b) the initial interest rate on the Bonds does not exceed 6.00%; (c) the Bond Purchase Agreement is

executed prior to February 29, 2024; and (d) the final terms of the Bond Purchase Agreement are otherwise in furtherance of the Act and the Plan.

Section 7.     Executive Director.     The Deputy Director or an alternate designee is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

*[Remainder of this page intentionally blank.]*

Section 8.     Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 16<sup>th</sup> day of November 2023.

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel

# Multifamily Housing Program

<b>Project Name</b>	Ardea at Totem Lake						
<b>Developer</b>	Imagine Housing & TWG Development LLC						
<b>Description</b>	<p>Ardea at Totem Lake is a Transit Oriented Development serving a senior population. Imagine Housing, as the Managing General Partner, will bring a well-established Senior Resident Services program and their network of community resources to the Ardea senior community.</p> <p>Imagine Housing has a long history of developing permanent affordable rental homes in East King County. This will be the sixteenth apartment community they own and manage.</p> <p>Imagine Housing offers on-site, individualized services to residents. Their Resident Support staff members meet regularly with residents starting the day they move in, building a sense of community at each of the properties through the events tailored to community needs, such as community meals, holiday parties, craft nights and classes.</p>						
<b>Location</b>	12700 116th Avenue NE Kirkland, WA 98034						
<b>Project Type</b>	New Construction						
<b>Units</b>	<table><tr><td>Studio</td><td>91</td></tr><tr><td>One Bedroom</td><td>79</td></tr><tr><td><b>Total</b></td><td><b>170</b></td></tr></table>	Studio	91	One Bedroom	79	<b>Total</b>	<b>170</b>
Studio	91						
One Bedroom	79						
<b>Total</b>	<b>170</b>						
<b>Housing Tax Credits</b>	Yes						
<b>Income Set-Aside</b>	70% at 50% AMI 30% at 60% AMI						
<b>Regulatory Agreement Term</b>	Minimum 40 years						
<b>Estimated Tax-Exempt Bond Amount (Not to exceed)</b>	\$35,000,000						
<b>Bond Structure</b>	Public Sale						

**Lender** Cedar Rapids Bank and Trust

**Underwriter** KeyBanc Capital Markets

**Development Budget**

Acquisition Costs	\$4,806,827
Construction	\$46,887,205
Soft Costs	\$7,332,211
Financing Costs	\$4,905,016
Capitalized Reserves	\$743,414
Other Development Costs	\$1,981,958
<b>Total Development Costs</b>	<b>\$66,656,631</b>

**Permanent Sources**

Perm Loan	\$16,250,000
Amazon	\$16,150,000
ARCH	\$1,400,000
King County - TOD	\$2,274,000
45L Federal Energy Tax Credit Equity - CREA	\$382,462
Deferred Developer Fee	\$1,164,360
Tax Credit Equity at \$0.9600 per credit x 10 years	\$29,035,809
<b>Total Permanent Sources</b>	<b>\$66,656,631</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$66,661,935
Total Development Cost (minus land and reserves)	\$60,760,684
Waiver	Not required

**Project Operations**

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
Studio	\$1,600	\$876 – 1,329
One Bedroom	\$1,800	\$934

**Action** Approval of Resolution No. 23-79

**Anticipated Closing Date** November 2023



WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 23-81

A RESOLUTION of the Washington State Housing Finance Commission authorizing a plan of finance relating to the issuance of one or more tax-exempt nonrecourse revenue notes in an aggregate principal amount of not to exceed \$62,000,000, to finance the acquisition, rehabilitation and equipping of a 259-unit multifamily housing facility in Everett, Washington, to be owned by Vintage at Everett 2, LP; approving the issuance and delivery of the notes to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, a regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON NOVEMBER 16, 2023

PREPARED BY:

PACIFICA LAW GROUP LLP  
1191 Second Avenue, Suite 2000  
Seattle, Washington 98101

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## RESOLUTION NO. 23-81

A RESOLUTION of the Washington State Housing Finance Commission authorizing a plan of finance relating to the issuance of one or more tax-exempt nonrecourse revenue notes in an aggregate principal amount of not to exceed \$62,000,000, to finance the acquisition, rehabilitation and equipping of a 259-unit multifamily housing facility in Everett, Washington, to be owned by Vintage at Everett 2, LP; approving the issuance and delivery of the notes to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, a regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act"); and

WHEREAS, the Act authorizes the Commission to issue its bonds and other evidences of indebtedness for the purpose of acquiring mortgage loans used to finance multifamily housing facilities in Washington; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), grants an exemption from federal income tax for interest paid on obligations where the proceeds thereof are used to finance multifamily housing facilities meeting the requirements of the Code; and

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, Citibank, N.A. ("Citi") has offered to make a loan in a principal amount of not to exceed \$62,000,000 to the Commission (the "Funding Loan") to provide funds for the

acquisition, rehabilitation and equipping of a multifamily residential rental facility with 259 housing units (the “Project”) located in Everett, Washington, to be owned by Vintage at Everett 2, LP, a Washington limited partnership (the “Borrower”); and

WHEREAS, the Commission will use the proceeds of the Funding Loan to acquire a loan originated by a mortgage lender to the Borrower (the “Borrower Loan”) for the Project; and

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt financing of the Project through: (1) the incurrence of the Funding Loan, as evidenced by its Multifamily Revenue Note (Vintage at Everett Apartments Project), Series 2023A and its Multifamily Revenue Note (Vintage at Everett Apartments Project), Series 2023B (together, the “Notes”) in the aggregate principal amount of not to exceed \$62,000,000; and (2) its acquisition of the Borrower Loan with proceeds of the Notes; and

WHEREAS, the Notes are unrated and privately placed and will be issued with terms consistent with and in furtherance of the Commission’s policy for unrated obligations; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 23-44A, the Commission held a public hearing on August 24, 2023 and will hold a second public hearing on November 22, 2023 as required by federal tax law, and the Governor has, or by the closing on the Notes will have, approved the Project, the plan of finance and the Notes; and

WHEREAS, the Commission has received an offer to make the Funding Loan evidenced by the Notes (the “Loan Commitment”) from Citi.

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1.     Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Executive Director of the Commission: the Funding Loan Agreement (the “Funding Loan Agreement”), among Citi, the Commission and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”); the Borrower Loan Agreement (the “Borrower Loan Agreement”), among the Commission, the Fiscal Agent, Citi, acting as mortgage lender, and the Borrower; the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the Regulatory Agreement (the “Regulatory Agreement”) between the Borrower and the Commission.

Section 2.     Findings. The Commission hereby ratifies its prior findings that there are a substantial number of persons and families in the state of Washington who are unable to rent apartments in various parts of the state or the rents required are substantially in excess of the available income of such persons or families. As a result, many persons and families are unable to rent safe and sanitary housing at reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and families is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The provision of lower interest rate loans will encourage developers to acquire, construct and rehabilitate projects which will make additional units available to persons and households at affordable cost and will act as a significant stimulant to the economy of the state.

Section 3.     Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing of eligible housing facilities under the Act through the issuance of privately placed nonrecourse revenue obligations (the “Program”). The

Commission hereby finds and determines that the Program and the Notes are in furtherance of the Act and the Plan.

Section 4.     Authorization of the Notes. The Commission hereby authorizes a plan of finance relating to the issuance and delivery of its Notes to be designated “Multifamily Revenue Note (Vintage at Everett Apartments Project), Series 2023A” and “Multifamily Revenue Note (Vintage at Everett Apartments Project), Series 2023B” in an aggregate principal amount of not to exceed \$62,000,000, pursuant to and in accordance with the provisions of the Act, the Code and the Funding Loan Agreement.

Section 5.     Approval of Documents. It is hereby found and determined that the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate conform to the requirements of the Act and the Code and provide appropriate security for the Notes consistent with the Act and the Code.

The Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary’s designee, to execute such documents, the documents contemplated therein, and any other necessary documents or certificates on its behalf, and to do all things necessary on its behalf to proceed with the Program and the issuance and delivery of the Notes as authorized herein. Such officers, the Executive Director and the Secretary’s designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and which do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute



documents on behalf of the Secretary and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 6.     Issuance and Delivery of the Notes. The Commission hereby authorizes and approves the issuance and delivery of the Notes to Citi to evidence the Funding Loan, in accordance with the terms and conditions set forth in the Loan Commitment, attached hereto as Exhibit A.

Section 7.     Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 8.     Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

*[Remainder of page intentionally left blank]*

ADOPTED at a special meeting duly noticed and called this 16<sup>th</sup> day of November, 2023.

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel

EXHIBIT A  
Loan Commitment

November 14, 2023

The Commissioners  
c/o Steve Walker, Executive Director  
Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, WA 98104-1046

Re: Washington State Housing Finance Commission Multifamily Revenue Notes (Vintage at Everett Apartments Project), Series 2023A and Series 2023B

Dear Honorable Commissioners:

Citibank, N.A. ("Funding Lender") is pleased to offer to make two loans (the "Funding Loans") to the Washington State Housing Finance Commission (the "Commission") to be evidenced by the above-referenced Multifamily Revenue Notes (the "Series 2023A Note" and the "Series 2023B Note" and together, the "Notes") in principal amounts not to exceed \$37,500,000 and \$7,752,000, respectively, with the understanding that the proceeds of the Funding Loans will be used by the Commission to purchase two loans being originated by Citibank, N.A. ("Mortgage Lender") to Vintage at Everett 2, LP, a Washington limited partnership ("Borrower") for purposes of financing the acquisition, rehabilitation and equipping of a multifamily rental housing development for seniors, located in the City of Everett, Snohomish County, Washington, known or to be known as Vintage at Everett, all pursuant to the provisions of the Funding Loan Agreement, dated as of November 1, 2023 (the "Funding Loan Agreement"), among the Funding Lender, the Commission and U.S. Bank Trust Company, National Association ("Fiscal Agent"), and a Borrower Loan Agreement, dated as of November 1, 2023 (the "Borrower Loan Agreement"), among the Commission, the Borrower, the Mortgage Lender and the Fiscal Agent.

Each of the Notes will be dated the date of closing, which is anticipated to be November 30, 2023. The Series 2023A Note is expected to mature on December 1, 2040 and accrue interest at a fixed rate equal to 6.56%. The Series 2023B Note is expected to mature on December 1, 2026 and bear a variable interest rate equal to one-month SOFR (subject to a floor of 0.50%) plus a margin equal to 2.00%. Interest only payments will be made on the Series 2023A Note from the closing date to the Conversion Date, and thereafter principal and interest are to be paid in monthly installments amortized over 40 years. Interest only payments will be made on the Series 2023B Note for its entire term.

Our offer is subject to a legal opinion from Pacifica Law Group LLP of Seattle, Washington, acceptable to the Funding Lender, and to other conditions set forth in the Funding Loan Agreement, Borrower Loan Agreement, Construction Funding Agreement, and in the Borrower Loan application, all of which have been reviewed and approved by Borrower.

Very truly yours,

CITIBANK, N.A.

By:   
Name: Jacob St. Onge  
Title: Authorized Signatory

# Multifamily Housing Program

**Project Name**

Vintage at Everett

**Developer**

Vintage Housing with Veterans Village

**Description**

Vintage at Everett will modernize and preserve an existing 7-story, elevator-served, 259-unit senior affordable housing development located in Everett. Seventy-seven units will be restricted to seniors with incomes at or below 50% of the area median income (AMI) and 182 will be restricted to seniors with incomes at or below 60% of AMI. The target populations are low-income seniors and senior veterans, including seniors with a physical or mental health disability. Veterans Village is partnering with Vintage Housing to complete this rehabilitation project. Veterans Village's mission is to provide affordable, high-quality housing and services to the veteran community.

Property improvements will include repairs to drainage systems, repairs to the parking lot asphalt and reapplication of the seal coat and striping, improvement of accessibility in parking areas through curb ramps and compliant paths of travel, replacement of the trash compactor, landscaping improvements, common area HVAC replacement, upgraded and replaced exterior and common area lighting, and improvements to the pool and spa systems. In addition, the site will receive Electric Vehicle charging stations in no less than 10% of parking spaces and a solar installation with an annual offset greater than or equal to 0.42 kWh/SF/year.

Building upgrades will include roof replacement, improvements to balconies/guardrails, replacement of vinyl siding and maintenance of the external facade, common area modernization through replacement of FF+E and flooring, elevator modernization and upgrades, replacement of central water boiler, replacement of the condenser and furnace/fan coil, replacement of fire alarm panels, and accessibility improvements to common space amenities.

Unit upgrades will include upgraded and modernized appliances (including washer/dryer, dishwasher, oven/range, microwave/vent), replacement of in-unit flooring, cabinets, and carpeting. HVAC systems will be replaced with energy efficient systems in each unit implementing ductless or

ducted heat pumps and upgrades will be made to the ventilation systems to include Wildfire Smoke Filters.

<b>Location</b>	1001 East Marine View Drive Everett, WA 98201	
<b>Project Type</b>	Acquisition/Rehabilitation	
<b>Units</b>	One Bedroom	123
	Two Bedroom	136
	<b>Total</b>	<b>259</b>
<b>Housing Tax Credits</b>	Yes	
<b>Income Set-Aside</b>	30% at 50% AMI, 70% at 60% AMI	
<b>Regulatory Agreement Term</b>	Minimum 40 years	
<b>Evaluation Plan Scoring</b>	Cost Efficient Development	9
	Additional Low-Income Housing Commitments	2
	Commitments for Priority Populations	2
	Systemic Barrier	6
	CBO Ownership	8
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	3
	Donation in Support of Local Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable	14
	Energy – Rehab	
	Rehab of Major Systems	20
	<b>Total Points</b>	<b>73</b>
<b>Estimated Tax-Exempt Note Amount (Not to exceed)</b>	\$50,000,000	
<b>Note Structure</b>	Private Placement	
<b>Permanent Lender</b>	Citi Community Capital	
<b>Construction Lender</b>	Bank of America	

**Development Budget**

Acquisition Costs	\$57,000,000
Construction	\$12,667,750
Soft Costs	\$11,289,065
Financing Costs	\$7,275,370
Capitalized Reserves	\$1,029,666
Other Development Costs	\$1,552,352
<b>Total Development Costs</b>	<b>\$90,814,203</b>

**Permanent Sources**

Tax-Exempt Debt	\$42,752,000
Seller Carry Back	\$4,000,000
Net Operating Income	\$4,611,689
Deferred Developer Fee	\$9,183,241
Tax Credit Equity at \$0.8999 per credit x 10 years	\$30,267,273
<b>Total Permanent Sources</b>	<b>\$90,814,203</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$109,543,135
Total Development Cost (minus land and reserves)	\$86,184,537
Waiver	Not Required

**Project Operations**

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$1,739	\$1,165 - \$1,408
Two Bedroom	\$2,044	\$1,390 - \$1,681

**Action** Approval of Resolution No. 23-81

**Anticipated Closing Date** November 2023





*Opening doors to a better life*

## **MEMO**

DATE: November 15, 2023  
TO: Board Commissioners  
FROM: Steve Walker  
RE: Executive Directors Report

---

This memo is a summary of activities for each division as well as highlights of some of my activities from October 25 – November 15, 2023. Please contact Tera to set up a call with me or a division director should you have any questions.

### **Multifamily & Community Facilities:**

- We received a total of 24 - 9% applications requesting approximately \$37 million in annual tax credit allocations. We have approximately \$20 million to allocate.
- MHCF staff are continuing an in-depth engagement with Community Based Organizations about our Bond/4% Tax Credit Policy. These are substantive conversations about racial equity and incentivizing projects that are “by and for the community,” with the goal of refining our policies to accurately reflect the goals and concerns of small emerging developers. Because these meetings require skilled facilitation and meeting planning, the WSHFC is pleased to have taken advantage of an existing state “master contract” with the Athena Group, a strategic consulting firm with strong expertise in change management and public policy development. The first meeting that utilized this facilitated process was a tremendous success, with a great turnout of community-based organizations and good participation.
- Claire Petersky represented WSHFC at the Pride Place Grand Opening. WSHFC allocated tax credits and bond cap authority to Community Roots Housing, who worked in partnership with GenPride, to develop this first-in-the-state LGBTQIA-affirming affordable apartments for seniors in the Capitol Hill neighborhood. It features 118 apartments above an LGBTQIA-focused community and health services center for older adults.
- Claire also represented the Commission at the Housing Innovation Knowledge Exchange held by Spokane Regional Health District and Priority Spokane. The focus of this event was to explore what the greater Spokane area can do at the intersection of housing and health care. While this event was well-attended by staff from various governmental and community agencies from the Spokane area, no one else engaged in housing development or finance came to the event. As a result, Claire introduced highly needed information about state-wide resources and programs to the group, and brought examples of housing innovation in the state, and nationally, for consideration.

- Lisa was invited and participated in the AHF Live conference held earlier this week in Chicago and got to share on the Partnering with HFA panel innovations and considerations for developing affordable housing in WA.

### **Homeownership:**

- *Covenant Homeownership* - Homeownership staff along with Steve Walker and Pacifica continue to meet with NFHA regarding Covenant Homeownership on a regular basis.

Homeownership staff continues to work closely with NFHA and HDC on communications.

November 1<sup>st</sup> & 2<sup>nd</sup> the National Fair Housing Alliance, Faith Pettis, Lisa DeBrock, Steve Walker authors Richard & Leah Rothstein, attended meetings with Starbucks and Zillow to discuss covenant homeownership and consider partnership opportunities.

NFHA is working with Pacifica on the first draft of Chapter One of the study.

- *Homeownership Assistance Fund (HAF)* - An update will be given by HOTB at the morning work session.

### **Other:**

- In October, we had \$122 million in new reservations assisting 341 households.
- Homeownership staff attended an event entitled “An Afternoon with Richard & Leah Rothstein” in partnership with HDC to celebrate the Covenant Act on November 2<sup>nd</sup>.
- The Homeownership division continues to work weekly with our seller servicer consultant to develop internal policies and continue to work on Quality Control. We have developed and have begun to implement policies on vendor management, participating lender approvals, and prefunding QC.

### **Asset Management & Compliance:**

- Our November in person Fundamentals and Advanced Trainings were held at Renton Technical College this past week. Both training courses were well attended with Fundamentals holding at 41 attendees and Advanced with 34 attendees. Our instructors were Lanakay Lipp, Duane Bakke for Fundamentals and Shawna Higgins, and Michael Soper for Advanced. Big thanks to Patricia Williams who coordinated registration and logistics.

- We gave a warm official welcome to our new Portfolio Analyst, TyeRae Guined who started on November 1st. She comes to us with a full-fledged background as a Portfolio Manager. We are so glad to have you join the team!

**Finance:**

- Commission senior staff, the Audit Committee, and the State Auditor's Office are scheduled to have the Single Audit entrance conference regarding the Homeowner Assistance Fund (HAF) program on 11/17/23.
- The Commission is currently in the midst of charitable fundraisers as a part of its annual Combined Fund Drive Campaign. Thank you, Daniel Page, Angel Galgana, Miyuki Rapp, Claire Petersky, Kate Held, Chrystal White, Allie Delano, and Cindy Felker for leading the effort.

**Steve Walker:**

- *West Coast Exchange* – Bob P., Lisa V. and I attended a convening of western state HFAs that included WA, AK, OR, CA, NV, AZ. We rotated taking the lead on varying topics. WA spoke of our racial equity journey over the last three years. Other discussions provided valuable insights and learnings regarding our experience with oversubscribed bond cap resources as well as navigating the opportunities of IRA.
- As part of our ongoing leadership development commitment, Leadership Wubet Biratu and Corinna Obar attended a weeklong NCSHA - Leading in an Era of Complexity program at the Kelly School of Business executive education in Bloomington, Indiana. This program is coordinated by NCSHA and creates an annual opportunity for rising leaders among our HFA partners.

**Other Events and Meetings:**

I participated in the following events and meetings:

Microsoft monthly check-in meeting; Affordable Home Budget Proviso Stakeholder Group meeting; WA State Covenant Homeownership Act & Study meeting with Starbucks; BHI Policy Group Meeting.

Washington State Housing Finance Commission  
Homeownership Programs  
Fiscal Year Loan Production  
July 1, 2023 - October 31, 2023

*\*Fiscal Year Goal - 5,000 households purchase an affordable home using the Home Adv/HK programs.*

Percentage of Goal reached YTD - 24.8%

<b>HOME ADVANTAGE</b>			
	Loans	\$ Volume	% Households of Color
Conventional FNMA	63	\$ 23,558,899	39.7%
Conventional FHLMC	131	\$ 47,599,940	33.6%
Government	836	\$ 324,497,490	34.5%
Energy Spark	1	\$ 579,313	100.0%
Total	1031	\$ 396,235,642	34.7%

<b>HOUSE KEY OPPORTUNITY</b>			
	Loans	\$ Volume	% Households of Color
Conventional FNMA	72	\$ 15,883,198	30.6%
Conventional FHLMC	31	\$ 8,071,058	29.1%
Government	105	\$ 30,426,223	31.4%
Total	208	\$ 54,380,479	30.8%

<b>DOWNPAYMENT ASSISTANCE</b>			
	Loans	\$ Volume	% Households of Color
Home Adv 0%	978	\$ 14,540,139	35.1%
Home Adv Needs Based 1%	3	\$ 29,591	0.0%
Opportunity	176	\$ 2,449,007	30.7%
HomeChoice	15	\$ 225,000	0.0%
Bellingham	3	\$ 120,000	0.0%
East King County	0	\$ -	0.0%
Pierce County	0	\$ -	0.0%
Seattle	0	\$ -	0.0%
Tacoma	0	\$ -	0.0%
University of WA	1	\$ 82,500	0.0%
Veterans	3	\$ 21,700	33.3%
Clark County DPA	7	\$ 419,289	42.8%
Social Justice DPA	5	\$ 50,000	100.0%
Total	1191	\$ 17,937,226	34.1%

Washington State Housing Finance Commission/Homeownership Division  
Counseling & Grants:  
Default Counseling, Pre-Purchase and Other Homeowner Assistance  
**Report for October 2023**

Grant Name/ Description/Service Area	Granting Entity	Subgrantees/ Partners	Grant Amount/ Date	Amount Disbursed to Date	Balance Remaining	Grant Expiration
<b>HUD SuperNOFA 2021</b> Default and Pre-Purchase Counseling. Service Area: <b>Statewide</b>	Department of Housing and Urban Development	AFS; CVH; KCLT; OIC; OPAL; Parkview; RRCA; SNAP	\$200,000 2020/2022	\$171,496	\$28,504	9/30/2023 Closure Pending
<b>HAF Counseling Pay-Per- Service Grant FY 2024</b> Default Housing Counseling. Service Area: <b>Statewide</b>	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS; ECDLR	\$3,000,000 Jul 2023	\$416,750	\$2,583,250	6/30/2024
<b>Foreclosure Fairness Act</b> Default Housing Counseling and Mediation. Service Area: <b>Statewide</b>	Department of Commerce	WHRC; AFS; NJP; Parkview; RRCA; SNAP; ULMS; ECDLR	\$1,222,560	\$0.00	\$1,222,560	6/30/2024
<b>HAF/STATE Civil Legal Aid</b> Legal Representation for Low- Income Clients Service Area: <b>Statewide</b>	U.S. Department of the Treasury	NJP	\$5,635,311 Jan 2022	\$3,569,037	\$2,066,274	6/30/2024
<b>HAF Application Assistance</b> Post-HAF Application Assistance Service Area: <b>Statewide</b>	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS; ECDLR	\$2,000,000 Oct 2022	\$664,895	\$1,335,105	6/30/2024
<b>KC VSHSL</b> Counseling Navigator Service Area: <b>King County</b>	King County	AFS; Parkview; ULMS	\$212,000 Jan 2023	\$159,009	\$53,001	12/31/2023

AFS – American Financial Solutions  
CVH – Columbia Valley Affordable Homeownership  
ECDLR – El Centro de la Raza  
KCLT – Kulshan Community Land Trust  
NJP – Northwest Justice Project  
OPAL – Opal Community Land Trust

OIC – Opportunities Industrialization Center  
Parkview – Parkview Services  
RRCA – Rural Resources Community Action  
SNAP – Spokane Neighborhood Action Partners  
WHRC – Washington Homeownership Resource Center

**HOMEOWNERSHIP PROGRAMS**

HOMEBUYER EDUCATION PRODUCTION and HOME LOAN TRAINING

July 1, 2023 - October 31, 2023

**HOMEBUYER CLASS**

Fiscal year goal - 800 classes, 8,000 participants by June 30, 2024

Percentage of goal reached YTD: 32%

	<b>Classes</b>	<b>Participants</b>
<b>Virtual:</b>	94	394
<b>In-Person:</b>	91	529
<b>Online Classes:</b>	1,685	1,685
<b>Total:</b>	<b>1,870</b>	<b>2,608</b>

Classes not yet reporting participation: 655

Data lags 3 months due to data collection process

**In-Person and Virtual All-Time Totals 1992 to Present**

<b>Classes:</b>	35,482
<b>Participants</b>	225,907

**PROGRAM TRAINING ATTENDEES**

Fiscal year goal - 10 Instructor classes by June 30, 2024

Percentage of goal reached YTD: 30%

<b>Month</b>	<b>Classes</b>	<b>Attendees</b>
July	1	44
August	1	46
September	1	73
October	0	0
November		
December		
January		
February		
March		
April		
May		
June		
<b>Total:</b>	<b>3</b>	<b>163</b>

# Tab 13

There is no Multi Family and  
Community Facilities Consent Agenda  
for November

# ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

## REPORTING MONTH: October 2023

The Asset Management & Compliance Division is charged with ensuring the long-term viability of Commission financed or assisted projects. This is accomplished through project compliance monitoring efforts and training of program users.

**PROGRAM PURPOSE:** To ensure that the public benefits of all Commission housing programs are fulfilled.

**BUSINESS OBJECTIVE:** Review 100% of compliance annual reports within 12 months from report receipt dates and issue compliance status letters.

Within the 12-month period, staff will:

- review Owner's Annual Certification and other reporting materials for every project.
- review resident certification packages for 5% - 20% (depending on type of review year) of the units in each project.
- notify the Internal Revenue Service of any noncompliance discovered in tax credit assisted projects.
- notify the Multifamily Housing division of any significant noncompliance issues.

### Tax Credit Reports \*

Calendar Year 2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	2	2	16	84	207	143	44	68	73	92			731	1,055	69%

Calendar Year 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	1	1	16	134	130	134	74	97	75	131	140	102	1,035	1,010	102%

Tax credit reports are due January 31<sup>st</sup> of every year for the previous calendar year.

### Bond Reports \*\*

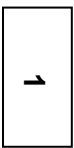
Calendar Year 2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	11	21	44	2	0	0	0	1	0	0			79	75	105%

Calendar Year 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	6	37	33	2	0	0	0	0	0	0	0	0	78	75	104%

Bond reports are due January 7<sup>th</sup> of every year for the previous calendar year.

**Notes:** \* Tax credit reporting bridges two fiscal program years.

\*\* Goal total for bonds indicates both bond property annual reports and initial reports for Acquisition-Rehab bonds and New Construction bonds quarterly reporting as needed. New properties with both bonds and tax credits are reviewed as bonds until placed in service, then converted to tax credits for annual reviews.





# ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

## REPORTING MONTH: October 2023

**BUSINESS OBJECTIVE:** *Complete on-site review of 33<sup>1/3</sup>% of all projects by December 31, 2023.*

Within the 12-month calendar year, the Commission will:

- conduct on-site inspections of 33<sup>1/3</sup>% of projects monitored according to HUD’s Uniform Physical Conditions Standards.
- inspect 20% of all low-income units for health and safety issues.
- notify the Internal Revenue Service of any project noncompliance discovered through the inspections.

### Project Inspections

Calendar Year 2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	4	2	45	54	52	56	52	54	55	1			375	375	100%

Calendar Year 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	0	1	10	7	44	67	36	35	36	36	44	9	325	325	100%

**NOTE:** Cumulative totals for all goals may be greater or lesser than goal totals as new projects are coming on-line throughout the year; placed in service dates for projects can move forward or be delayed, affecting the number of reports and/or inspections that need to be completed each year. Inspections are sometimes canceled due to delayed placed in service dates or for other reasons.

**COMPLIANCE TRAININGS:** The next Tax Credit Compliance Workshops are scheduled for:  
**November 7 and 8, 2023, Renton (In-Person)**

The next Bond Compliance Workshop is scheduled for:  
**TBA**



WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

Nicole Bascomb-Green  
*Chair*  
Steve Walker  
*Executive Director*

November 14, 2023

Commissioners  
Washington State Housing Finance Commission  
Seattle, Washington

We have compiled the UNAUDITED statement of Net Position of the Washington State Housing Finance Commission (the "Commission") General Operating Fund as of October 31, 2023, and the related statement of Activities and Changes in Net Position for the month ended, in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Commission's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan  
Shirleen Noonan  
General Operations Manager

Approved by: Lucas Loranger  
Lucas Loranger  
Senior Controller

WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
GENERAL OPERATING FUND

October 31, 2023

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(See Accountant's Compilation Report)

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**Washington State Housing Finance Commission**  
**Statement of Net Position**  
**Fund: General Operating Fund**  
**Division: All**  
**October 31, 2023**

(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Demand Deposits	\$ 6,092,106	\$ 6,742,526	\$ (650,420)	(1) -10%
Money Market Accounts	132,190,917	171,192,147	(39,001,230)	(1) -23%
Investment Securities	25,045,393	27,723,294	(2,677,901)	(1) -10%
Interest Receivable	926,803	359,933	566,870	(2) 157%
Fees Receivables	14,361,641	12,722,920	1,638,721	(3) 13%
Prepaid Expenses & Other Receivable	1,343,929	367,954	975,975	(4) 265%
Furniture and Fixtures (net of depreciation)	302,756	379,395	(76,639)	(5) -20%
Intangible Lease Asset (net of amortization)*	763,411	1,531,162	(767,751)	(6) -50%
Net Pension Asset*	1,767,016	5,925,840	(4,158,824)	-70%
<i>Total Assets</i>	<u>182,793,972</u>	<u>226,945,171</u>	<u>(44,151,199)</u>	<u>-19%</u>
Deferred Outflow of Resources (Pension & OPEB Contributions) *	5,479,906	1,960,676	3,519,230	179%
<i>Total Assets and Deferred Outflows</i>	<u>\$ 188,273,878</u>	<u>\$ 228,905,847</u>	<u>\$ (40,631,969)</u>	<u>-18%</u>
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ 8,119,221	\$ 2,858,059	\$ 5,261,162	(7) 184%
Unearned Fee Income	129,289,429	178,385,434	(49,096,005)	(8) -28%
Accrued Payroll Payable	1,767,786	1,592,156	175,630	(9) 11%
Lease Liability*	719,844	1,424,129	(704,285)	(6) -49%
Net Pension Liability *	3,584,711	4,144,035	(559,324)	-13%
<i>Total Liabilities</i>	<u>143,480,991</u>	<u>188,403,813</u>	<u>(44,922,822)</u>	<u>-24%</u>
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	6,907,214	7,567,112	(659,898)	-9%
<b>NET POSITION</b>				
Invested in Capital Assets	302,756	379,393	(76,637)	(5) -20%
Committed - Housing Washington *	350,886	496,505	(145,619)	-29%
Unrestricted	37,232,031	32,059,024	5,173,007	16%
<i>Total Net Position</i>	<u>37,885,673</u>	<u>32,934,922</u>	<u>4,950,751</u>	<u>15%</u>
<i>Total Liabilities, Deferred Inflows and Net Position</i>	<u>\$ 188,273,878</u>	<u>\$ 228,905,847</u>	<u>\$ (40,631,969)</u>	<u>-18%</u>

- (1) Fluctuations in these accounts are considered in aggregate. The decrease is primarily due to the drawdown of funds for the Homeowner Assistance Fund (HAF) program.
  - (2) Higher interest rates in the current year contributed to the increase in interest receivable. For example, the LGIP rate in the prior year was 3.03% as compared with 5.40% in the current year.
  - (3) The overall increase in fees receivable is primarily due to greater balances related to 2nd half tax credit fees for Commission issued 4% bonds, higher receivables related to the Citibank Securitization program and Commission fees outstanding, while partially offset by a decrease in receivables related to DPA loans in the Homeownership program.
  - (4) The increase in prepaids and other receivables balance is primarily due to receivables related to principal and interest advanced on GNMA securities serviced by IHFA, as well as prepaids for software application maintenance, cloud server hosting, and support services.
  - (5) The decrease in net capital assets reflects the continued depreciation of prior investments in assets.
  - (6) These accounts reflect the implementation of GASB 87 in which long-term, non-ownership-transferring leases are recorded as an intangible right-of-use asset and a lease liability. The decrease is primarily related to the amortization of the office rent lease asset and reduction in related lease liability.
  - (7) The overall increase in accounts payable and other liabilities is primarily due to the recording of payables related to the interest earned on HAF program funds.
  - (8) The decrease in unearned fee income is primarily due to the drawdown of funds from the HAF program, established in Section 3206 of the American Rescue Plan Act of 2021.
  - (9) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, plus effects of the 4% COLA and general increases at the beginning of the fiscal year.
- \* These balances are adjusted only at year-end.

**Washington State Housing Finance Commission**  
**Statement of Activities and Changes in Net Position**  
**Fund: General Operating Fund**  
**Division: All**  
**For The Year To Date Ending: October 31, 2023**  
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance	
				Amount	%
<i>Revenues:</i>					
Fee Income	\$ 2,775,788	\$ 11,898,129	\$ 9,775,666	\$ 2,122,463	(1) 22%
Interest Earned & Realized Gain	1,227,457	4,620,094	2,324,525	2,295,569	(2) 99%
Other	18,327	77,409	63,140	14,269	(3) 23%
<b>Total Unadjusted Revenues</b>	<b>4,021,572</b>	<b>16,595,632</b>	<b>12,163,332</b>	<b>4,432,300</b>	<b>36%</b>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	946,394	3,887,531	3,349,868	537,663	(4) 16%
Travel & Conferences	76,988	107,948	81,741	26,207	(5) 32%
Professional Fees	375,046	1,089,217	517,537	571,680	(6) 110%
Office Expense	280,409	881,091	862,698	18,393	2%
<b>Total Expenses</b>	<b>1,678,837</b>	<b>5,965,787</b>	<b>4,811,845</b>	<b>1,153,942</b>	<b>24%</b>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	(90,754)	(191,305)	(1,129,274)	937,969	-83%
Grant Revenue	7,305,594	23,984,496	6,347,483	17,637,013	278%
<i>Expenses:</i>					
Grant Pass-Through	7,305,594	23,984,496	6,347,483	17,637,013	278%
<b>Total Adjustments</b>	<b>(90,754)</b>	<b>(191,305)</b>	<b>(1,129,274)</b>	<b>937,969</b>	<b>-83%</b>
Excess of Revenues over Expenses	2,251,981	10,438,540	6,222,213	4,216,327	68%
Less transfer to Commission Fund *	-	-	(68,538)	68,538	-100%
Excess of Revenues over Expenses (Net of Transfers)	2,251,981	10,438,540	6,153,675	4,284,865	70%
<b>Net Position</b>					
Total net position, beginning of period	35,633,692	27,447,133	26,781,247	665,886	2%
Current Increase (Decrease) - to Net position	2,251,981	10,438,540	6,153,675	4,284,865	70%
<b>Total net position, end of year</b>	<b>\$ 37,885,673</b>	<b>\$ 37,885,673</b>	<b>\$ 32,934,922</b>	<b>\$ 4,950,751</b>	<b>15%</b>

- (1) Increase in fee income is primarily due to increased revenue from Homeownership division's Home Advantage program, coupled with increases related to tax credit allocations and an acceleration of income related to our Citi Securitization program.
- (2) The increase in interest income is primarily due to the increase in rates. For example, the LGIP rate has increased from 3.03% in the prior period to a rate of 5.40% in the current period.
- (3) The increase in other revenue is primarily due to increases in training and workshop sessions in the Asset Mgmt & Compliance and Homeownership divisions.
- (4) Effective July 1st, all staff received a 4% cost of living wage increase and qualified staff received retention and covid vaccination bonuses, as well as an annual increase, resulting in greater salary and benefits expenses.
- (5) Increase in conference and travel expenses is primarily due to an increase in attendance of the NCSHA annual conference in the current year as well as a delay in recording HOWA registration fees in the prior year.
- (6) Professional fees increase is primarily due to payment of the special purpose program fee with NFHA, plus greater property inspection related expenses in the Asset Management & Compliance Division.
- \* Effective 1/1/2013, 25% of the Home Advantage Program revenue was transferred to the Single-family bond program's Commission Fund to ensure future indenture and program flexibility. Due to an ease in the revenue generated from the Home Advantage program, the 25% allocation has been suspended indefinitely, effective 7/1/23, until it is determined be beneficial to the Commission Fund to resume allocation and transfers.

**Washington State Housing Finance Commission**  
**Detailed Statement of Activities**  
**Fund: General Operating Fund**  
**Division: All**  
**For The Year To Date Ending: October 31, 2023**  
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Actual	%
<i>Revenues:</i>							
Program Fees	16.8%	\$ 1,159,806	\$ 6,896,976	\$ 8,056,782	\$ 7,935,441	\$ 121,341	1.5%
Issuance, Application, and Servicing Fees	33.4%	962,658	2,878,689	3,841,347	1,204,971	2,636,376	218.8%
Interest Earned & Realized Gain	98.8%	2,295,569	2,324,525	4,620,094	3,546,600	1,073,494	30.3%
Other Income	22.6%	14,269	63,140	77,409	391,067	(313,658)	-80.2%
<b>Total Unadjusted Revenues</b>	<b>36.4%</b>	<b>4,432,302</b>	<b>12,163,331</b>	<b>16,595,631</b>	<b>13,078,079</b>	<b>3,517,553</b>	<b>26.9%</b>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	18.0%	461,835	2,564,452	3,026,287	3,503,092	(476,805)	-13.6%
Employee Benefits - Staff	9.7%	75,828	785,416	861,244	994,225	(132,981)	-13.4%
Conference, Education & Training	109.9%	24,622	22,406	47,028	39,233	7,795	19.9%
Travel out of state - Staff	17.9%	7,261	40,581	47,842	81,133	(33,291)	-41.0%
Travel in state - Staff	-30.3%	(5,675)	18,754	13,079	28,428	(15,349)	-54.0%
Accounting Fees	-23.4%	(18,278)	78,278	60,000	51,667	8,333	16.1%
Legal Fees	29.6%	46,822	158,206	205,028	233,667	(28,639)	-12.3%
Financial Advisor Fees	7.2%	7,500	104,000	111,500	118,933	(7,433)	-6.2%
Investment Management Fees	-1.5%	(879)	59,421	58,542	76,667	(18,125)	-23.6%
Office Rent/Conf. Room Rentals	-40.7%	(125,741)	308,849	183,108	314,228	(131,120)	-41.7%
Furniture & Equipment Rental	-0.6%	(47)	8,295	8,248	9,840	(1,592)	-16.2%
Advertising	53.9%	16,269	30,168	46,437	109,300	(62,863)	-57.5%
Publications/ Subscriptions/ Dues	31.6%	8,603	27,189	35,792	37,456	(1,664)	-4.4%
Deliveries	-7.5%	(39)	518	479	1,757	(1,278)	-72.7%
Insurance	8.4%	1,669	19,894	21,563	20,000	1,563	7.8%
Meeting Expense	1214.9%	25,828	2,126	27,954	37,417	(9,463)	-25.3%
Equipment & Building Maintenance	-100.0%	(4,159)	4,160	1	37,173	(37,172)	-100.0%
Software Maint. Support & Other Info Svcs	14.1%	54,080	384,806	438,886	536,383	(97,497)	-18.2%
Non-capitalized Equipment/Supplies	297.4%	19,571	6,580	26,151	40,879	(14,728)	-36.0%
Postage	-59.7%	(332)	556	224	1,210	(986)	-81.5%
Printing	305.3%	3,835	1,256	5,091	5,197	(106)	-2.0%
State Services	92.7%	508	548	1,056	5,623	(4,567)	-81.2%
Supplies	-23.9%	(3,715)	15,574	11,859	17,700	(5,841)	-33.0%
Telephone	110.8%	15,156	13,679	28,835	23,497	5,338	22.7%
Contract Services	456.1%	536,515	117,632	654,147	508,765	145,382	28.6%
Depreciation	25.5%	9,230	36,179	45,409	54,556	(9,147)	-16.8%
<b>Total Expenses</b>	<b>24.0%</b>	<b>1,153,945</b>	<b>4,811,848</b>	<b>5,965,790</b>	<b>6,888,026</b>	<b>(922,236)</b>	<b>-13.4%</b>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-83.1%	937,969	(1,129,274)	(191,305)	-	(191,305)	NA
Grant Revenue	277.9%	17,637,013	6,347,483	23,984,496	46,274,573	(22,290,077)	-48.2%
<i>Expenses:</i>							
Grant Pass-Through	277.9%	17,637,013	6,347,483	23,984,496	46,274,573	(22,290,077)	-48.2%
	-83.1%	937,969	(1,129,274)	(191,305)	-	(191,305)	NA
<b>Excess of Revenues over Expenses- adjusted</b>	<b>67.8%</b>	<b>4,216,326</b>	<b>6,222,209</b>	<b>10,438,536</b>	<b>6,190,053</b>	<b>4,248,484</b>	<b>68.6%</b>
Less transfer to Commission Fund	-100.0%	68,538	(68,538)	-	-	-	NA
<b>Excess of Revenues over Expenses (Net of Transfers)</b>	<b>69.6%</b>	<b>\$ 4,284,865</b>	<b>\$ 6,153,671</b>	<b>\$ 10,438,536</b>	<b>\$ 6,190,053</b>	<b>\$ 4,248,484</b>	<b>68.6%</b>



WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

Nicole Bascomb-Green  
*Chair*  
Steve Walker  
*Executive Director*

October 24, 2023

Commissioners  
Washington State Housing Finance Commission  
Seattle, Washington

We have compiled the UNAUDITED statement of Net Position of the Washington State Housing Finance Commission (the "Commission") General Operating Fund as of September 30, 2023, and the related statement of Activities and Changes in Net Position for the month ended, in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Commission's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan  
Shirleen Noonan  
General Operations Manager

Approved by: Lucas Loranger  
Lucas Loranger  
Senior Controller

WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
GENERAL OPERATING FUND

September 30, 2023

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(See Accountant's Compilation Report)

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**Washington State Housing Finance Commission**  
**Statement of Net Position**  
**Fund: General Operating Fund**  
**Division: All**  
**September 30, 2023**  
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance		
			Amount	%	
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Demand Deposits	\$ 7,093,854	\$ 7,877,073	\$ (783,219)	(1)	-10%
Money Market Accounts	140,615,908	190,697,523	(50,081,615)	(1)	-26%
Investment Securities	18,858,571	7,402,642	11,455,929	(1)	155%
Interest Receivable	839,744	338,421	501,323	(2)	148%
Fees Receivables	15,669,294	14,095,674	1,573,620	(3)	11%
Prepaid Expenses & Other Receivable	1,404,527	487,691	916,836	(4)	188%
Furniture and Fixtures (net of depreciation)	313,627	388,479	(74,852)	(5)	-19%
Intangible Lease Asset (net of amortization)*	763,411	1,531,162	(767,751)	(6)	-50%
Net Pension Asset*	1,767,016	5,925,840	(4,158,824)		-70%
<i>Total Assets</i>	<u>187,325,952</u>	<u>228,744,505</u>	<u>(41,418,553)</u>		<u>-18%</u>
Deferred Outflow of Resources (Pension & OPEB Contributions) *	5,479,906	1,960,676	3,519,230		179%
<i>Total Assets and Deferred Outflows</i>	<u>\$ 192,805,858</u>	<u>\$ 230,705,181</u>	<u>\$ (37,899,323)</u>		<u>-16%</u>
<b>LIABILITIES</b>					
Accounts Payable and Other Liabilities	\$ 7,334,078	\$ 2,212,442	\$ 5,121,636	(7)	231%
Unearned Fee Income	136,881,474	182,077,469	(45,195,995)	(8)	-25%
Accrued Payroll Payable	1,744,846	1,513,801	231,045	(9)	15%
Lease Liability*	719,844	1,424,129	(704,285)	(6)	-49%
Net Pension Liability *	3,584,711	4,144,035	(559,324)		-13%
<i>Total Liabilities</i>	<u>150,264,953</u>	<u>191,371,876</u>	<u>(41,106,923)</u>		<u>-21%</u>
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	6,907,214	7,567,112	(659,898)		-9%
<b>NET POSITION</b>					
Invested in Capital Assets	313,627	388,477	(74,850)	(5)	-19%
Committed - Housing Washington *	350,886	496,505	(145,619)		-29%
Unrestricted	34,969,178	30,881,211	4,087,967		13%
<i>Total Net Position</i>	<u>35,633,691</u>	<u>31,766,193</u>	<u>3,867,498</u>		<u>12%</u>
<i>Total Liabilities, Deferred Inflows and Net Position</i>	<u>\$ 192,805,858</u>	<u>\$ 230,705,181</u>	<u>\$ (37,899,323)</u>		<u>-16%</u>

- (1) Fluctuations in these accounts are considered in aggregate. The decrease is primarily due to the drawdown of funds for the Homeowner Assistance Fund (HAF) program.
  - (2) Higher interest rates in the current year contributed to the increase in interest receivable. For example, the LGIP rate in the prior year was 2.56% as compared with 5.39% in the current year.
  - (3) The overall increase in fees receivable is primarily due greater balances related to 2nd half tax credit fees for Commission issued 4% bonds, higher receivables related to the Citibank Securitization program and Commission fees outstanding, while partially offset by a decrease in receivables related to DPA loans in the Homeownership program.
  - (4) The increase in prepaids and other receivables balance is primarily due to receivables related to principal and interest advanced on GNMA securities serviced by IHFA, as well as prepaids for software application maintenance, cloud server hosting, and support services.
  - (5) The decrease in net capital assets reflects the continued depreciation of prior investments in assets.
  - (6) These accounts reflect the implementation of GASB 87 in which long-term, non-ownership-transferring leases are recorded as an intangible right-of-use asset and a lease liability. The decrease is primarily related to the amortization of the office rent lease asset and reduction in related lease liability.
  - (7) The overall increase in accounts payable and other liabilities is primarily due to the recording of payables related to the interest earned on HAF program funds.
  - (8) The decrease in unearned fee income is primarily due to the drawdown of funds from the HAF program, established in Section 3206 of the American Rescue Plan Act of 2021.
  - (9) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, plus effects of the 4% COLA and general increases at the beginning of the fiscal year.
- \* These balances are adjusted only at year-end.

**Washington State Housing Finance Commission**  
**Statement of Activities and Changes in Net Position**

**Fund: General Operating Fund**

**Division: All**

**For The Year To Date Ending: September 30, 2023**

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 4,501,429	\$ 9,122,342	\$ 7,696,456	\$ 1,425,886	(1) 19%
Interest Earned & Realized Gain	1,150,599	3,392,637	1,678,363	1,714,274	(2) 102%
Other	23,104	59,082	54,883	4,199	8%
<i>Total Unadjusted Revenues</i>	<u>5,675,132</u>	<u>12,574,061</u>	<u>9,429,703</u>	<u>3,144,358</u>	<u>33%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	933,305	2,941,137	2,446,521	494,616	(3) 20%
Travel & Conferences	14,581	30,960	25,127	5,833	(4) 23%
Professional Fees	310,380	714,172	327,900	386,272	(5) 118%
Office Expense	213,980	600,682	643,630	(42,948)	-7%
<i>Total Expenses</i>	<u>1,472,246</u>	<u>4,286,951</u>	<u>3,443,179</u>	<u>843,772</u>	<u>25%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	(302,370)	(100,552)	(1,005,862)	905,310	-90%
Grant Revenue	6,218,604	16,678,902	4,115,486	12,563,416	305%
<i>Expenses:</i>					
Grant Pass-Through	6,218,604	16,678,902	4,115,486	12,563,416	305%
<i>Total Adjustments</i>	<u>(302,370)</u>	<u>(100,552)</u>	<u>(1,005,862)</u>	<u>905,310</u>	<u>-90%</u>
Excess of Revenues over Expenses	3,900,516	8,186,558	4,980,662	3,205,896	64%
Less transfer to Commission Fund *	-	-	4,284	(4,284)	-100%
Excess of Revenues over Expenses (Net of Transfers)	<u>3,900,516</u>	<u>8,186,558</u>	<u>4,984,946</u>	<u>3,201,612</u>	<u>64%</u>
<i>Net Position</i>					
Total net position, beginning of period	31,733,175	27,447,133	26,781,247	665,886	2%
Current Increase (Decrease) - to Net position	<u>3,900,516</u>	<u>8,186,558</u>	<u>4,984,946</u>	<u>3,201,612</u>	<u>64%</u>
Total net position, end of year	<u>\$ 35,633,691</u>	<u>\$ 35,633,691</u>	<u>\$ 31,766,193</u>	<u>\$ 3,867,498</u>	<u>12%</u>

(1) The increase in fee income is primarily due to increased revenue from the Homeownership division's Home Advantage Program compare to the prior year.

(2) The increase in interest income is primarily due to the increase in rates. For example, the LGIP rate has increased from 2.56% in the prior period to a rate of 5.39% in the current period.

(3) Effective July 1st, all staff received a 4% cost of living wage increase and qualified staff received retention and covid vaccination bonuses, as well as an annual increase, resulting in greater salary and benefits expenses.

(4) Increase in conference and travel expenses is primarily due to an increase of in-state and out-of-state travel compared to the prior year.

(5) Professional fees increase is primarily due to payment of the special purpose program fee with NFHA, plus greater property inspection related expenses in the Asset Management & Compliance Division.

\* Effective 1/1/2013, 25% of the Home Advantage Program revenue was transferred to the Single-family bond program's Commission Fund to ensure future indenture and program flexibility. Due to an ease in the revenue generated from the Home Advantage program, the 25% allocation has been suspended indefinitely, effective 7/1/23, until it is determined be beneficial to the Commission Fund to resume allocation and transfers.

**Washington State Housing Finance Commission**  
**Detailed Statement of Activities**  
**Fund: General Operating Fund**  
**Division: All**  
**For The Year To Date Ending: September 30, 2023**  
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Amount	%
<i>Revenues:</i>							
Program Fees	4.2%	\$ 217,469	\$ 5,148,134	\$ 5,365,603	\$ 5,951,581	\$ (585,978)	-9.8%
Issuance, Application, and Servicing Fees	47.4%	1,208,416	2,548,322	3,756,738	903,728	2,853,010	315.7%
Interest Earned & Realized Gain	102.1%	1,714,274	1,678,363	3,392,637	2,659,950	732,687	27.5%
Other Income	7.7%	4,199	54,883	59,082	293,300	(234,218)	-79.9%
<b>Total Unadjusted Revenues</b>	<b>33.3%</b>	<b>3,144,358</b>	<b>9,429,703</b>	<b>12,574,059</b>	<b>9,808,559</b>	<b>2,765,501</b>	<b>28.2%</b>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	23.1%	429,571	1,861,688	2,291,259	2,627,319	(336,060)	-12.8%
Employee Benefits - Staff	11.1%	65,045	584,833	649,878	745,669	(95,791)	-12.8%
Conference, Education & Training	-19.1%	(2,374)	12,420	10,046	29,425	(19,379)	-65.9%
Travel out of state - Staff	18.7%	2,327	12,423	14,750	60,850	(46,100)	-75.8%
Travel in state - Staff	2070.8%	5,881	284	6,165	21,321	(15,156)	-71.1%
Accounting Fees	-100.0%	(18,278)	18,278	-	8,750	(8,750)	-100.0%
Legal Fees	52.8%	54,517	103,292	157,809	175,250	(17,441)	-10.0%
Financial Advisor Fees	12.9%	10,000	77,500	87,500	89,200	(1,700)	-1.9%
Investment Management Fees	-1.2%	(545)	44,475	43,930	57,500	(13,570)	-23.6%
Office Rent/Conf. Room Rentals	-40.6%	(94,133)	231,807	137,674	235,671	(97,997)	-41.6%
Furniture & Equipment Rental	1.2%	81	6,670	6,751	7,380	(629)	-8.5%
Advertising	366.0%	11,225	3,067	14,292	81,975	(67,683)	-82.6%
Publications/ Subscriptions/ Dues	41.7%	8,303	19,899	28,202	28,092	110	0.4%
Deliveries	-21.0%	(109)	518	409	1,317	(908)	-68.9%
Insurance	8.3%	1,252	15,122	16,374	15,000	1,374	9.2%
Meeting Expense	89.5%	1,395	1,559	2,954	28,063	(25,109)	-89.5%
Equipment & Building Maintenance	-100.0%	(2,274)	2,275	1	27,880	(27,879)	-100.0%
Software Maint. Support & Other Info Svcs	5.9%	17,535	298,841	316,376	402,287	(85,911)	-21.4%
Non-capitalized Equipment/Supplies	186.9%	11,074	5,925	16,999	30,659	(13,660)	-44.6%
Postage	-57.4%	(259)	451	192	908	(716)	-78.9%
Printing	310.9%	3,802	1,223	5,025	3,897	1,128	28.9%
State Services	83.7%	375	448	823	4,217	(3,394)	-80.5%
Supplies	-89.9%	(12,928)	14,386	1,458	13,275	(11,817)	-89.0%
Telephone	54.6%	6,539	11,983	18,522	17,622	900	5.1%
Contract Services	403.7%	340,578	84,355	424,933	381,574	43,359	11.4%
Depreciation	27.6%	7,498	27,133	34,631	40,917	(6,286)	-15.4%
<b>Total Expenses</b>	<b>24.5%</b>	<b>843,776</b>	<b>3,443,180</b>	<b>4,286,953</b>	<b>5,136,018</b>	<b>(849,065)</b>	<b>-16.5%</b>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-90.0%	905,310	(1,005,862)	(100,552)	-	(100,552)	NA
Grant Revenue	305.3%	12,563,416	4,115,486	16,678,902	34,705,930	(18,027,028)	-51.9%
<i>Expenses:</i>							
Grant Pass-Through	305.3%	12,563,416	4,115,486	16,678,902	34,705,930	(18,027,028)	-51.9%
	-90.0%	905,310	(1,005,862)	(100,552)	-	(100,552)	NA
<b>Excess of Revenues over Expenses- adjusted</b>	<b>64.4%</b>	<b>3,205,892</b>	<b>4,980,661</b>	<b>8,186,554</b>	<b>4,672,541</b>	<b>3,514,014</b>	<b>75.2%</b>
Less transfer to Commission Fund	-100.0%	(4,284)	4,284	-	-	-	NA
<b>Excess of Revenues over Expenses (Net of Transfers)</b>	<b>64.2%</b>	<b>\$ 3,201,609</b>	<b>\$ 4,984,945</b>	<b>\$ 8,186,554</b>	<b>\$ 4,672,541</b>	<b>\$ 3,514,014</b>	<b>75.2%</b>

# Washington State Housing Finance Commission

## PRI Program Summary

As of September 30, 2023

Program Name	Program Description	Category	Program Assets	Loans/ Investments outstanding	Net Available before Reserve	Portion Reserved for bad debt
HouseKey Plus - Commission investment only	First-time homebuyer downpayment assistance program	Single-family	\$ 36,782,121	\$ 26,230,761	\$ 11,544,603	\$ 993,243
Home Advantage & Home Advantage Rebound Loans	DPA Loans created through Daily Pricing Program	Single-family	431,693,220	283,871,971	159,742,545	11,921,296
(1) HouseKey Plus - Commission with partner investments	First-time homebuyer downpayment assistance program with partner investments and restrictions	Single-family	20,834,949	15,483,271	\$ 5,465,454	\$ 113,776
Home Choice	Downpayment assistance program for first-time homebuyers with disabilities	Single-family	11,232,289	6,930,865	\$ 4,559,335	\$ 257,911
Social Justice DPA	Downpayment assistance program in conjunction with Homesight for homebuyers of underserved communities and communities of color	Single-family	2,985,360	440,000	\$ 2,561,760	\$ 16,400
(4) Investment in Single-family program	Initial investment to fund the Single-family Open Indenture	Single-family	30,000,000	70,000,000	\$ (40,000,000)	\$ -
Habitat for Humanity	Participate in loaning funds allowing the recycling of Habitat for Humanity mortgages through purchase of privately placed bonds (National Habitat) or collateralized loans (State affiliate association).	Single-family	20,543,300	13,092,060	\$ 7,484,294	\$ 33,054
Other Single-family programs (WAFA, Open Door)	Other downpayment and farmworker single-family construction loan program	Single-family	598,198	-	\$ 598,198	\$ -
Community Land Trust (CLT) Program	Investment to assist in land acquisition, infrastructure, and construction financing for Community Land Trusts	Single-family	9,519,729	1,685,000	\$ 7,838,942	\$ 4,213
Investment in Impact Capital	Investment in Impact Capital fund for predevelopment loans	Housing	5,261,739	5,250,000	\$ 24,864	\$ 13,125
Construction Defect Insurance Program	Investment to assist Developers with Defect Insurance	Housing	159,448	39,862	\$ 120,184	\$ 598
Farm PAI and Beginning Farmers Assistance Loans	Investment to assist in access to first time farmers	Housing	14,794,072	3,671,710	\$ 11,134,666	\$ 12,304
(3) Sustainable Energy Programs	Projects for Energy Sustainability	Energy	24,873,841	5,970,759	\$ 18,612,921	\$ 9,839
(3)(5) Land Acquisition Program	Assist non profit developers in acquisition of land	Housing	72,604,944	66,519,160	\$ 6,207,570	\$ 121,786
(5) Community Development Land Acquisition Program	Assist community-based organizations or developers that serve or represent historically underserved or "socially disadvantaged" communities in acquisition of land and buildings for affordable housing	Housing	15,762,500	12,000,000	\$ 3,762,500	\$ -
Field Order 15 Fund	Investment into Pre-development and Technical Assistance fund for single family homeownership development	Housing	1,000,000	-	\$ 1,000,000	\$ -
(2) Rapid Response Program	Assist developers in acquisition of land, inception from Legislative Action	Housing	10,358,312	9,633,932	\$ 724,380	\$ -
(2) Non profit Equity Fund & Washington Works	Assist Nonprofits in housing development (created per legislative action)	Nonprofit	10,000,260	10,000,000	\$ 260	\$ -
Manufactured Housing	To encourage and enable preservation of affordable housing stock through ownership of manufactured housing	Multi Family	30,365,076	21,565,538	\$ 9,004,056	\$ 204,518
Critical Community Response	To enable preservation of affordable housing stock through ownership and rehabilitation of older LIHTC properties	Multi Family	37,497,652	13,593,208	\$ 23,938,427	\$ 33,983
Northwest Access Fund	Low-interest loans and matched savings accounts for assistive technology, business equipment or home modifications for persons with disabilities	Nonprofit	250,000	-	\$ 250,000	\$ -
Pacific Medical Towers	Assist in the rehabilitation of a property providing services to nonprofits and low-income households.	Nonprofit	-	-	\$ -	\$ -
Capital Plus (WCRA)	Partnership with WCRA to fund below-market financing to nonprofits with capital needs under \$750,000 (up to \$1,500,000 w/ ED approval)	Nonprofit	17,095,099	5,066,319	\$ 12,040,839	\$ 12,059
Racial and Social Equity Programs Reserve		TBD	8,000,000	-	\$ 8,000,000	\$ -
<i>Undesignated Funds</i>			2,447,552	-	2,447,552	-
<b>Totals</b>			<b>\$ 814,659,661</b>	<b>\$ 571,044,416</b>	<b>\$ 257,063,350</b>	<b>\$ 13,749,752</b>

(1) Program assets include partner investment of \$15,683,970

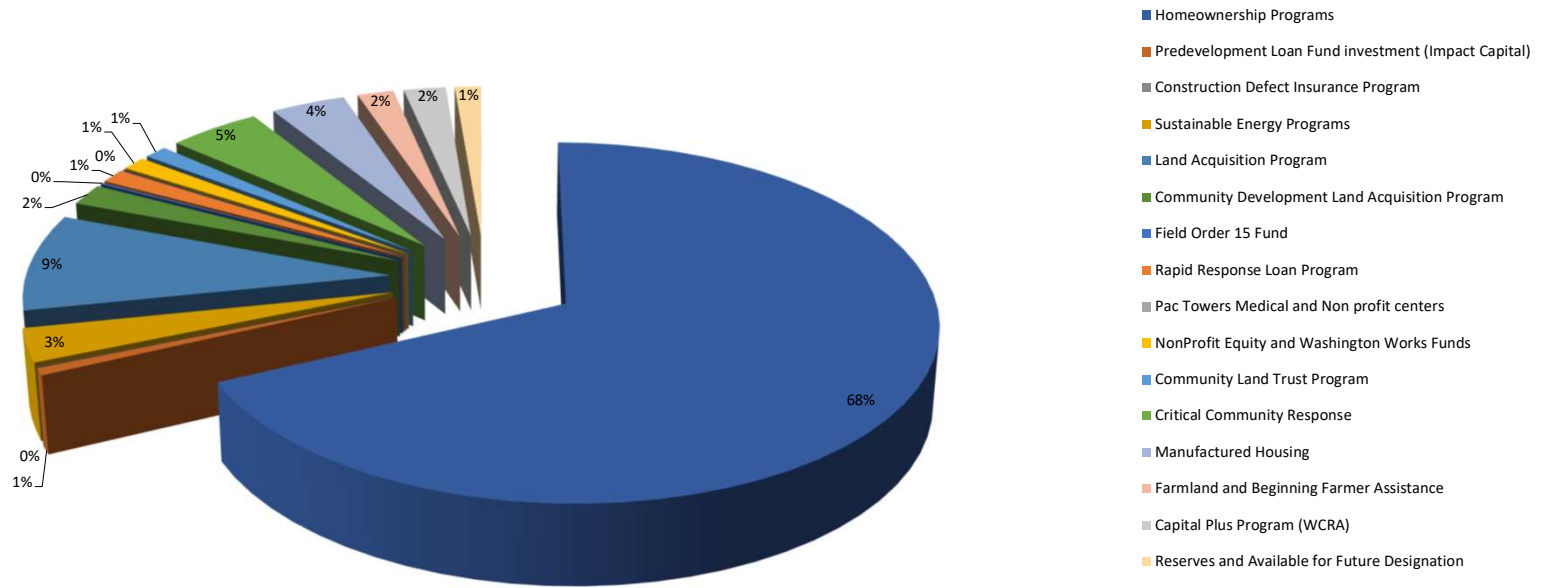
(2) Program Assets are due solely to state investment to date of \$19,474,368

(3) Program Assets include state investment of \$1,876,654

(4) Negative availability due to \$40 million of PRI resources loaned to Commission Fund to support single-family mortgage loan purchases

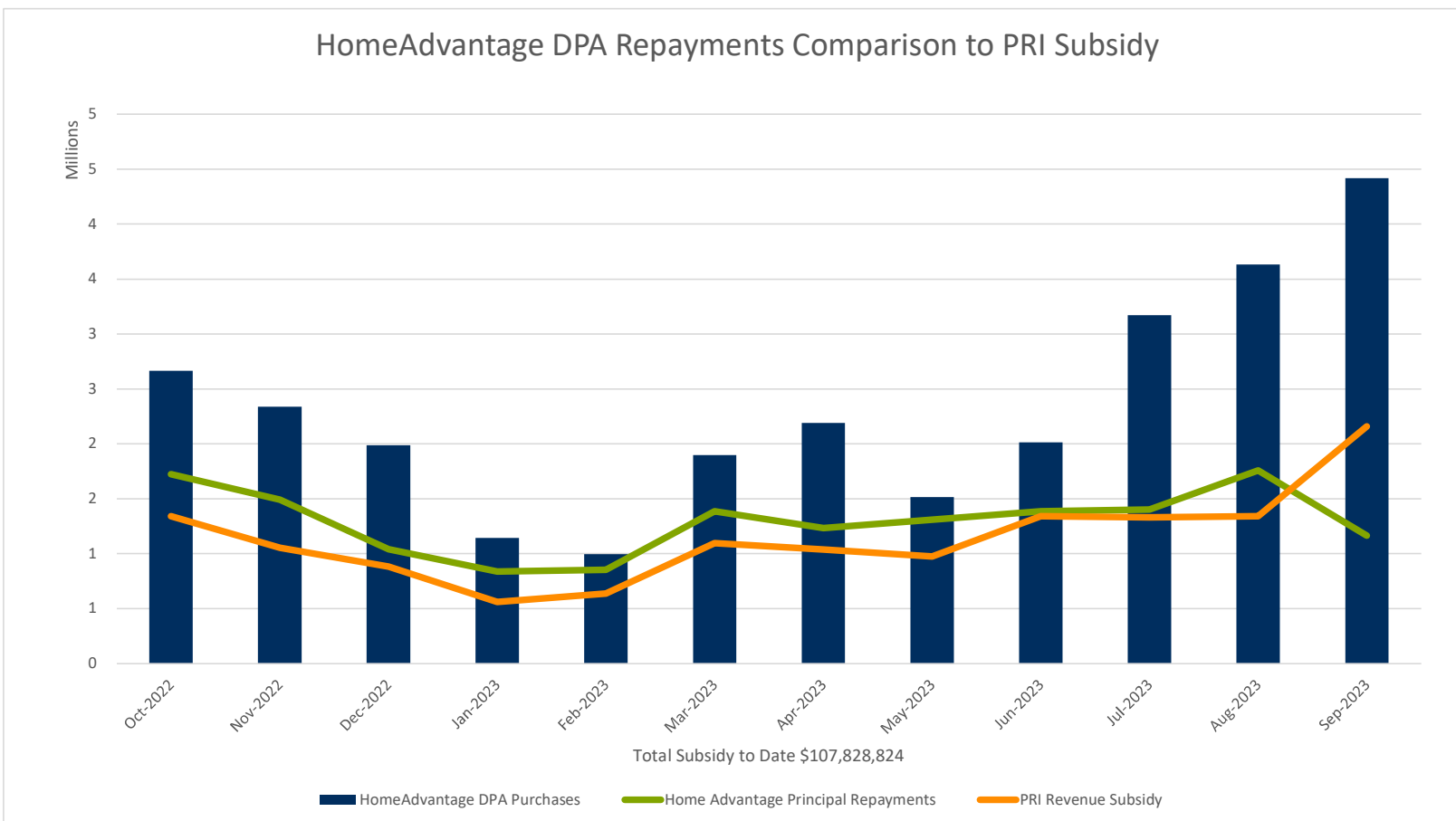
(5) Program Assets include Microsoft funding of \$28,587,500

### PRI Program Assets at September 30, 2023 By Program



Total Program Assets, including Partner Investment \$814,659,661

## HomeAdvantage DPA Repayments Comparison to PRI Subsidy



### Home Advantage Availability

Home Adv Available at 06/30/23	151,700,624
Quarterly Repayments Received	4,618,120
Quarterly Repayments Reinvested	(4,828,110)
Reinvested in Taxable Bond DPAs	(2,203,896)
Reallocated to other DPA programs	(1,509,879)
Misc Income/Expenses	44,390
Home Adv Available at 09/30/23	<u>147,821,249</u>

\*Misc Income/Expense encompasses other items that impact availability, such as income from loan fees and bad debt.

## Rent-to-own program should be one promise to tribes that WA keeps

Oct. 31, 2023 at 2:43 pm

By [The Seattle Times editorial board](#)

When it comes to breaking promises to America's Indigenous people, the state of Washington and the U.S. government, sadly, have had a lot of practice over the past 150 years. The latest incident comes from the Washington State Housing Finance Commission.

Under a federal and state program, hundreds of low-income people — mostly members of Washington's tribal communities — can rent homes for 15 years, after which the occupant of the home becomes the owner. During those years, the WSHFC was to make sure homeownership counseling was being offered to the tenants to keep them on track to become owners.

This was not done, and no deeds were conveyed to tenants, despite the fact that some have lived in their homes for 20 years and continue to pay rent. It's unimaginable that such a problem would occur if private dollars were at stake and the program participants were not people of color. There would also likely be a chorus of lawmakers publicly sounding the alarm, not just a handful.

This debacle goes far beyond a mere oversight.

There's much that needs to be done to rectify the mess, and the WSHFC should start with suspending rent payments for those who are eligible to own their homes, until things are sorted out.

Next, the state should apply more scrutiny to the WSHFC. Rep. Gerry Pollet, D-Seattle, and Rep. Chris Stearns, D-Auburn, have requested state Auditor Pat McCarthy conduct a performance audit and a compliance audit of WSHFC's Eventual Tenant Ownership program. This should be done expeditiously to determine if there has been wrongdoing; if money is owed any tenants; to hold people accountable; and to determine best management practices for the program moving forward.

The homes were built by a private developer with federal tax credits the commission allocated. At least 15 housing projects have been developed under the commission's stewardship. One of the goals of the program is to help produce generational wealth for those who, due to centuries of discrimination, have been denied a chance at homeownership.

Adding to the insult is that while the tenants' housing futures were being ignored, WSHFC was focused on building itself a new office on another floor in its building.

Commission officials acknowledged that they have work to do to rectify its compliance practices and its partnerships with tribes and developers.

"We have spent the last two years bringing the tribes into compliance with the commitments they made, and are making sure that eligible renters who wish to own their homes will still do so," Steve Walker, executive director of the commission, told The Times editorial board.

Considering past issues of discrimination and the lasting effects, the tenant ownership program should be one promise that Washington keeps.

***The Seattle Times editorial board*** members are editorial page editor Kate Riley, Frank A. Blethen, Melissa Davis, Josh Farley, Alex Fryer, Claudia Rowe, Carlton Winfrey and William K. Blethen (emeritus).

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# ‘Rent-to-own’ programs will be audited after WA lawmakers raise concerns

Nov. 10, 2023 at 12:33 pm

By [Daniel Beekman](#)  
*Seattle Times staff reporter*

The Washington State Auditor’s Office will audit certain rent-to-own housing programs supervised by the Washington State Housing Finance Commission in response to a request [last month](#) by lawmakers who said the commission was failing to follow up on promises to low-income tenants.

State Auditor Pat McCarthy’s office is developing the audit and expects to carry it out next year, a spokesperson said Thursday.

Reps. Gerry Pollet, D-Seattle, and Chris Stearns, D-Auburn, asked McCarthy to probe the housing finance commission’s oversight of tax-credit programs that are supposed to guarantee homeownership after 15 years and that have been used to develop low-income housing by a number of Native American tribes.

More than 200 homes that should have been transferred to tenants by now have not been, and hundreds of other tenants could be at risk, Pollet and Stearns said in their audit request. The commission disputed aspects of the request, saying the number of homes with past-due transfers is lower.



Some residents of homes built with federal tax credits, such as this one in Deming, are at risk of being evicted by the Nooksack Indian Tribe. The tribe has tried to expel certain families from the tribe and evict them from their homes, including homes developed with federal tax credits. (Daniel Kim / The Seattle Times)

McCarthy's office plans to review how the rent-to-own programs have affected eligible tenants, what the commission could do to improve outcomes for such tenants and whether the commission has followed applicable laws and requirements while overseeing the programs, a spokesperson said.

Last month, the commission said it had "already remedied our compliance oversight and worked diligently over the past two years to help the tribal housing authorities develop and implement" the ownership programs.

"We can show (the auditor's office) that we're taking every step in our power to ensure the best possible outcome for the tribes and tenants," commission spokesperson Margret Graham said in an email Friday.

Pollet and Stearns were alerted to the issue by Gabe Galanda, a Seattle Indigenous rights attorney who's spent years fighting attempts by the Nooksack Indian Tribe to expel certain families from the tribe [and evict](#) them from their homes, including homes developed with federal tax credits.

One of the housing finance commission's main roles is to allocate [federal tax credits](#) to developers of affordable housing projects, which it does through a competitive process, awarding application "points" based on various criteria, like whether a project has an "eventual tenant ownership" program.

Over the years, the commission allocated tax credits to at least 16 projects that received ownership-based points, mostly involving tribes.

More than 500 homes were scheduled to be transferred to tenants after 15 years as rentals. But some projects have passed their 15-year marks in recent years without transferring any homes. The commission was supposed to check every five years to make sure the transfers were on track.

The affected tenants include people facing eviction from homes developed by the Nooksack Tribe. The tribe says the tenants can no longer use the homes because their Nooksack memberships were revoked years ago, but the residents say they should by this point be the owners of the homes.

[In June](#), the commission announced it was suspending its use of ownership-based application points, pending an update of policies and procedures.

“The housing finance commission’s rent-to-own option is intended to increase homeownership, an important and timely issue,” McCarthy said in a written statement Thursday. “A core part of our performance audit work has been determining the effectiveness of this type of state-level program, and I believe a targeted review ... will offer valuable insights.”

In an interview, Pollet said he appreciated McCarthy moving quickly and said he was pleased to see an appropriate emphasis placed “on the tenants, the people the programs are supposed to serve ... what’s happening to the tenants who paid rent for years and are just totally screwed right now.”

Also in an interview, Galanda hailed the audit as a helpful way to “restart” the programs and get them “back on track” toward homeownership.

*This coverage is [partially underwritten](#) by Microsoft Philanthropies. The Seattle Times maintains editorial control over this and all its coverage.*

**Daniel Beekman:** 206-464-2164 or [dbeekman@seattletimes.com](mailto:dbeekman@seattletimes.com); on Twitter: [@dbeekman](#). Seattle Times staff reporter Daniel Beekman covers politics and communities.

# WA audit of failed rent-to-own program is a positive step

Nov. 12, 2023 at 12:01 pm Updated Nov. 12, 2023 at 12:01 pm

By [The Seattle Times editorial board](#)

Prompted by a request from two state lawmakers, the Washington State Auditor's Office will wade into why a state program designed to turn low-income renters into homeowners failed to do so. The audit will access the promises broken.

With the use of low-income housing tax credits, Washington State Housing Finance Commission's Eventual Tenant Ownership program was to offer hundreds of renters the chance to own their homes after 15 years of paying rent. During those years, the WSHFC was to make sure homeownership counseling was offered to tenants to keep them on track to become owners, but the agency did not. After 20 years, not one deed has been conveyed to tenants yet they continue to pay rent.

Most of the tenants are members of Washington's tribal communities, which drew the attention of Rep. Gerry Pollet, D-Seattle, who helps train law students to serve Indigenous people, and Rep. Chris Stearns, D-Auburn, a lawyer who is also Native American.

A [letter from Pollet and Stearns](#) and a [Seattle Times editorial](#) asked Auditor Pat McCarthy to look into what went wrong with the program, suggest what needs to be done to rectify any harm done to tenants and offer ways to prevent such a debacle from happening again.

In a statement Thursday, McCarthy's office said a performance audit would be conducted next year and preliminary areas it intends to review are how the rent-to-own option has affected housing and homeownership for tenants; what the commission could do to improve outcomes for rent-to-own tenants; and whether the commission followed laws and requirements pertaining to the program.

McCarthy's statement said: "A core part of our performance audit work has been determining the effectiveness of this type of state-level program, and I believe a targeted review of the rent-to-own tax incentive will offer valuable insights to legislators and others."

Since the audit will take months to complete, this editorial board reiterates its suggestion that the WSHFC should suspend rent payments for those who are currently eligible to own their homes.

One of the goals of the program is to help produce generational wealth for those who, due to centuries of discrimination, have been denied a chance at homeownership. A performance audit will help make this goal attainable for those who are eligible for deeds and those who are in the pipeline to become homeowners.

***The Seattle Times editorial board** members are editorial page editor Kate Riley, Frank A. Blethen, Melissa Davis, Josh Farley, Alex Fryer, Claudia Rowe, Carlton Winfrey and William K. Blethen (emeritus).*

# Events Calendar

<b>Date</b>	11/16/2023	<b>Length of Event</b>	10:00 AM - 4:00 PM
<b>Event</b>	Board Meeting & Work Session (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave-28th Flr. Board Room	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	12/7/2023	<b>Length of Event</b>	1:00 PM - 4:00 PM
<b>Event</b>	Board Meeting (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave-28th Flr. Board Room	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470