

**WASHINGTON STATE
HOUSING FINANCE
COMMISSION**

**** AMENDED ****

BOARD MEETING PACKET

NOVEMBER 21, 2024



Public Engagement at Commission Meetings

Members of the public are welcome at all the meetings of the Housing Finance Commission board. These include monthly business meetings as well as work sessions, which typically take place quarterly.

Sharing Your Thoughts

We are committed to providing a fair, respectful and safe opportunity for all voices to be heard. Public comment is not part of Commission work sessions, but business meetings offer two opportunities:

- **Public hearings (specific topics):**
Most Commission meetings begin with public hearings on specific financing projects or other decisions that will come to the Commission for a decision in the near future. Please limit comments during this time to those directly related to the hearing topic.
- **Public comment period (any topic):**
During this period, which takes place at the end of the business meeting, the Commissioners listen to public concerns and comments on any topic related to the work of the Commission. Anyone who wishes to speak can take this opportunity. The starting time for the public comment period depends on the length of the Commission's other business. The Commissioners may not respond to your comment or question during the meeting, but staff may follow up with you with your consent.
- **Zoom Chat**
The chat feature is disabled in all Commission meetings and work sessions, as phone attendees cannot participate.

Raising Your Hand

The meeting chair will ask you to “raise your hand” or otherwise indicate that you would like to speak. If online, use the Zoom “raise hand” feature. Attendees on the telephone can press *9 to “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.

Community Standards

- Please keep your comments brief (2 minutes). The chair may ask you to bring your statement to a close after that time, especially if others are waiting to speak.
- Please keep your comments respectful. Any remarks or behavior that is rude, abusive, or otherwise disruptive will not be tolerated. This specifically includes slurs regarding protected classes as outlined by federal and state statute, such as race/ethnicity, disability, religion, sexual orientation, gender identity, etc. For complete list of state protected classes, visit hum.wa.gov.
- Those who do not follow these standards will be asked to leave or removed from the meeting.

**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 **Federal Reserve Vault Conference Room**, located on **Level A** at **1015 Second Avenue, Seattle, WA 98104**, on Thursday, November 21, 2024, at 1:00 p.m., to consider the items in the agenda below.

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 [Zoom Link](#), go to “Join” or “Join a Meeting” and enter:

**Webinar/Meeting ID: 857 0769 5835
Passcode: 367671**

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 one above for instructions.

- I. Chair: Approval of the Minutes from the October 24, 2024, Special Meeting. (5 min.)**
- II. Lisa Vatske/Brenton Clark, Senior Performance Auditor/Bryson Bristol, Senior Performance Auditor: SAO performance audit results on LIHTC – Eventual Tenant Ownership (20 min.)**
- III. Chair: Conduct a Public Hearing on the following:**

A. Westgate Terrace & Parkland Terrace, OID # 24-49A-B

Jason Hennigan: The proposed issuance of one or more series of tax-exempt and/or taxable revenue notes to provide a portion of the financing for the acquisition and rehabilitation of (i) a 101-unit multifamily housing facility known as Westgate Terrace and (ii) a 52-unit multifamily housing facility known as Parkland Terrace, each in Longview, WA 98632, to be owned by Reliant - Longview, LLC, a Delaware 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 project addresses and estimated maximum note amounts are below. (10 min.)

Project:	Westgate Terrace Apartments
Project Address:	2024 Tibbetts Drive Longview, WA 98632 101 Units
Total Estimated Project Cost:	\$28,350,463

Estimated Maximum Note Amount for this Project:	\$17,000,000
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Project:	Parkland Terrace Apartments
Project Address:	3133 Maryland Street Longview, WA 98632 52 Units
Total Estimated Project Cost:	\$14,757,889
Estimated Maximum Note Amount for this Project:	\$8,850,000
Total Aggregate Maximum Note Amount for the Projects:	\$25,850,000 (a portion of which may be taxable)

- B. Jacob Richardson:** Recommend and present Projects for Allocation of Low-Income Housing Tax Credits from the 2024 funding round. (10 min.)

TC #	Project Name	City	County	Annual Tax Credit Amount
24-10	Twisp Family Haven	Twisp	Okanogan	\$1,320,371
24-23	125 th & Aurora Senior Housing	Seattle	King	\$2,163,828

IV. Consider and Act on the Following Action Items:

- A. Resolution No. 24-130, for the 2024 Allocation of Credit for the Housing Tax Credit Program**

Lisa Vatske: A resolution authorizing the Executive Director to make reservations and/or allocations of 2024 Housing Tax Credits. (5 min.)

TC #	Project Name	City	County	Annual Tax Credit Amount
24-10	Twisp Family Haven	Twisp	Okanogan	\$1,320,371
24-23	125 th & Aurora Senior Housing	Seattle	King	\$2,163,828

- B. Resolution No. 24-131, Tax Credit Program Allocation, Fifth & Seneca, OID #23-08**

Lisa Vatske: A request to increase the 9% Low Income Housing Tax Credits (LIHTC) by \$216,829 from \$2,736,984 to \$2,953,813 for Fifth & Seneca using 2024 LIHTC Allocation, to be owned by Seneca Housing LLLP, a Washington limited liability limited partnership. The project is located at 1118 Fifth Ave Seattle, WA 98101. (5 min.)

C. Resolution No. 24-128, The Northwest School for the Arts, Humanities and Environment, OID # 24-116A

Lisa Vatske: A resolution approving the issuance of one or more series of tax exempt and/or taxable revenue bonds to provide a portion of the financing to refinance the acquisition and rehabilitation of existing school facilities located at 1415 Summit Avenue, 401 E. Pike Street, 1422 Bellevue Avenue, 1417 Bellevue Avenue and 1406 Bellevue Avenue, Seattle, WA 98122, owned and operated by The Northwest School of the Arts, Humanities and Environment, dba The Northwest School, a Washington nonprofit corporation and an organization described under section 501(c)(3). 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 \$12,500,000. The public hearing was held October 24, 2024. (5 min.)

D. Resolution No. 24-121, Wesley Homes Bradley Park, OID # 24-114A

Lisa Vatske: A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to finance a portion of the costs: (i) to refinance costs paid (a) for construction and equipping of a continuing care retirement community located in Puyallup, WA with independent living, assisted living and memory care units and community amenities (the “2016 Facilities”), (b) to fund a debt service reserve fund for the prior bonds, (c) to pay capitalized interest on the prior bonds, and (d) to pay all or a portion of the costs of issuing the prior bonds, and (ii) finance (a) the expansion and improvement of the 2016 Facilities through the addition of 67 independent living units, a 36-bed skilled nursing facility, and additional amenities, (b) the funding of a debt service reserve fund for the Bonds, (c) the payment of capitalized interest and working capital expenditures, and (d) the payment of all or a portion of the costs of issuing the Bonds. The facility is located at 707 39th Avenue SE, Puyallup, WA 98374, owned and to be owned by Wesley Homes Bradley Park, LLC, a Washington limited liability company, the sole member of which is Wesley Homes, a 501 (c)(3) nonprofit corporation. The total estimated bond amount is not expected to exceed \$157,000,000. The public hearing was held October 24, 2024. (5 min.)

E. Resolution No. 24-124, Bryant Manor Phase II, OID # 24-109A

Lisa Vatske: A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to provide a portion of the financing for the acquisition, construction and equipping of a 149-unit multifamily housing facility located at 110 – 18th Avenue S., Seattle, WA 98122, to be owned by Bryant Manor 2 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 \$50,000,000. The public hearing was held October 24, 2024. (5 min.)

F. Resolution No. 24-125, Four Corners Supplemental, OID # 19-112A

Lisa Vatske: A resolution approving the issuance of one or more series of tax-exempt revenue notes to provide a portion of the costs to (a) refinance a prior tax-exempt obligation issued to (i) provide a portion of the financing for the acquisition of land and the construction and equipping of a 430-unit multifamily housing facility in Everett, Washington, and (ii) pay a portion of the costs of issuing the prior note, and (b) to finance (i) additional costs of the Project and (ii) a portion of the costs of issuing and reissuing the Notes. The facility is located at 8102 Evergreen Way, Everett, WA 98203, owned and to be owned by Four Corners, LLC, a Washington limited liability company.

The total estimated note amount is not expected to exceed \$99,500,000. The public hearing was held October 17, 2024. (5 min.)

G. Resolution No. 24-126, Redondo Heights Phase 2 Supplemental, OID # 19-121-B

Lisa Vatske: A resolution approving the issuance of one or more series of revenue bonds to provide additional financing for the acquisition, construction and equipping of two projects with 202 units that are part of a combined 334-unit mixed-use development including newly constructed and rehabilitated components under separate ownership located in Federal Way, WA, owned by Redondo Heights TOD New Construction LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay a portion of the costs of issuing the Bonds. The project addresses and bond amounts are listed below and the public hearing was held November 1, 2024. (5 min.)

Project:	Redondo Heights TOD – Phase II (East)
Project Address: 130 units	27606 Pacific Highway S. Federal Way, WA 98003
Total Estimated Project Cost:	\$59,470,292
Estimated Maximum Bond Amount:	\$1,500,000

Project:	Redondo Heights TOD – Phase II (West)
Project Address: 72 units	27606 Pacific Highway S. Federal Way, WA 98003
Total Estimated Project Cost:	\$32,937,393
Estimated Maximum Bond Amount:	\$2,500,000

~~**H. Resolution No. 24-129, Spring District/120th ETOD, OID # 24-56A**~~

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue notes to provide a portion of the financing for the acquisition, construction and equipping of a 234-unit multifamily housing facility located at vacant parcels at approximately 1865 120th Avenue E., adjacent to the Sound Transit Operation & Maintenance Facility East, Bellevue, WA 98005, to be owned by NE 120th ETOD 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 \$75,000,000. The public hearing was held September 19, 2024. (5 min.)~~

I. Resolution No. 24-127, Village at Lake Stevens, OID # 23-42A

Lisa Vatske: A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue notes to provide a portion of the financing for the acquisition, construction and equipping of a 188-unit multifamily housing facility located at 9023 Soper Hill Road, Lake Stevens, WA 98258, to be owned by Village at Lake Stevens, 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 \$55,000,000. The public hearing was held October 24, 2024.
(5 min.)

J. Resolution No. 24-132, Freddie Mac Servicing

Lisa DeBrock: A resolution delegating the executive director the authority to complete and submit information regarding authorized employees to the Federal Home Loan Mortgage Corporation from time to time, and to take all actions necessary to establish and implement the internal servicing program. (10 min.)

V. Informational Report on Department of Commerce Activities. (10 min.)

VI. Executive Director's Report (10 min.)

VII. Commissioners' Report (10 min.)

VIII. Chair: Consent Agenda (5 min.)

A. Homeownership & Homebuyer Education Programs Monthly Activities Report

B. Multifamily Housing and Community Facilities Monthly Activities Report

C. Asset Management and Compliance Monthly Activities Report

D. Financial Statements as of October 31, 2024

IX. Chair: Miscellaneous Correspondence and Articles of Interest (5 min.)

A. Miscellaneous Correspondence and Articles of Interest

B. HFC Events Calendar

X. Chair: Public Comment

XI. Executive Session Regarding Litigation

XII. Adjourn

Nicole Bascomb-Green, Chair

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

October 24, 2024

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:02 p.m. in the 28th 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: Chair Bascomb-Green, Albert Tripp, Alishia Topper, Bill Rumpf, Ken Larsen, Lowel Krueger, and Mike Pellicciotti. Commissioner Pedro Espinoza was present in-person in the 28th Floor Board Room.

Approval of the Minutes

The September 19, 2024 Commission meeting minutes were approved as distributed.

Employee Recognition

Mr. Bob Peterson, Deputy Director, stated that every quarter, the Commission recognizes 1) staff tenure through Years of Service awards; 2) any individual/group Special Achievement awards; and 3) 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 members of the Employee Recognition Committee: Tera Ahlborn, Lanakay Lipp, Kat Komin, and Rahim Samatar.

Mr. Peterson mentioned that there were no staff years of service awards to be awarded this quarter.

Employee of the 3rd Quarter, 2024 – Randy Mentele:

Mr. Peterson then presented the Employee of the 3rd Quarter, 2024 award:

“This person consistently goes beyond the call of duty by providing outstanding customer service to our division and outside partners with a smile and willingness to help. What used to require multiple people is now efficiently handled by him alone, thanks to his skillful management and streamlining of tasks. He has also embraced new responsibilities and actively contributes to the division’s outreach efforts. This person has a ‘can do’ attitude, is diligent to make sure everything is perfect in our database and has been instrumental in testing new automated processes for our division.

As a multi-tasker, he processes Homebuyer Education Classes and follows up with our instructors which is no easy undertaking. He has spent endless hours testing and re-testing the new homebuyer Education Portal. He also organizes the public hearing for bonds, and the affidavits of publication on schedule. He coordinates monthly training, participates in the White Allyship meetings and graciously volunteers to give up his weekends to attend events including The Summer of Soul Freedom Fest!

It is for all these reasons that we nominate Randy Mentele for Employee of the 3rd Quarter!”

Chair Bascomb-Green congratulated Mr. Mentele for his Employee of the Quarter award.

**Public Hearing:
The Northwest
School of the Arts,
Humanities and
Environment, OID
24-116A**

The Chair opened a public hearing for The Northwest School of the Arts, Humanities, and Environment, OID # 24-116A, at 1:07 p.m.

Mr. Jason Hennigan, Manager, Multifamily Housing & Community Facilities (MHCF) Division, said this is a public hearing for the proposed issuance of one or more series of tax exempt and/or taxable revenue bonds to provide a portion of the financing to refinance the acquisition and rehabilitation of existing school

facilities located at 1415 Summit Avenue, 401 E. Pike Street, 1422 Bellevue Avenue, 1417 Bellevue Avenue, and 1406 Bellevue Avenue, Seattle, WA 98122, owned and operated by The Northwest School of the Arts, Humanities and Environment, dba The Northwest School, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code. 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 \$12,500,000.

Mr. Hennigan then introduced Ray Wilson, Head of School and Fernando Viana, Director of Finance & Operations from The Northwest School (the “School”).

Mr. Wilson stated that he has been Head of School for the past four years, and that the School was established in 1980 with initially 230 students, and currently has around 385 students in Grades 6 through 12. He added that this was the only school in Seattle with a boarding program. They have about 43 students from various parts of the world. He noted that since the School’s founding in 1980, the School has three main values: global perspectives, environmental sustainability, and commitment to social justice.

Mr. Wilson also noted that the original School building is historic, and they keep it in good shape. He added that they offer bus service to make the School accessible, with five different routes serving Seattle and the Eastside. The School has also partnered with another school to assist with their student transportation needs. The School plans to go carbon-neutral by 2030, which is led by student initiative.

Mr. Wilson concluded that 20% of their students utilize some form of financial assistance/financial aid. The School offers \$3.5 million in aid per year. Once students have applied and are approved for financial aid, no further payments are required for their tuition/fees.

Mr. Viana added that the School has received bond financing from the Commission in 2007 and 2012. Of note, the 2012 bond issue for \$10 million was

for the construction of their gymnasium, theater, dining facility, and the rooftop all-weather field. He mentioned that this bond issue is to refinance the previous bond issuance(s) and also for capital/infrastructure improvements for their campus. He concluded that this was the right time to refinance given interest rates are going down and the School's continued solid financial standing.

There was no written testimony or comments from members of the public, and the public hearing was closed at 1:15 p.m.

**Public Hearing:
Village at Lake
Stevens, OID #23-
42A**

The Chair opened a public hearing for Village at Lake Stevens, OID #23-42A at 1:15 p.m.

Mr. Hennigan stated that this is a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue notes to provide a portion of the financing for the acquisition, construction and equipping of a 188-unit multifamily housing facility located at 9023 Soper Hill Road, Lake Stevens, WA 98258, to be owned by Village at Lake Stevens, 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 \$55,000,000.

Mr. Hennigan then introduced Mr. Brian Terrance, Executive Director, Veteran's Village.

Mr. Terrance stated that the project in Lake Stevens will have 188 total units, targeted for both low-income veterans and seniors. He added that he led most of the community engagement for this project and partnering with the State's Department of Veterans' Affairs, along with local government officials and the city council.

He mentioned that there were five goals for this project: setting aside 10% of the total units for veterans, supporting local resources, having on-site supportive services for all residents, having a veteran's liaison, and having some commercial

space that the community at large can access. He concluded that this would be the first affordable housing project located in Lake Stevens, and that all units will serve persons making 60% or less of local median income, with a 25% rent differential.

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

**Public Hearing:
Wesley Homes
Bradley Park, OID
#24-114A**

The Chair opened a public hearing for Wesley Homes Bradley Park, OID #24-114A at 1:19 p.m.

Mr. Dan Schilling, Senior Finance Associate, MHCF Division, stated that this is a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to finance a portion of the costs: (i) to refinance costs paid: (a) for construction and equipping of a continuing care retirement community located in Puyallup, WA with independent living, assisted living and memory care units and community amenities (the “2016 Facilities”), (b) to fund a debt service reserve fund for the prior bonds, (c) to pay capitalized interest on the prior bonds, and (d) to pay all or a portion of the costs of issuing the prior bonds; and (ii) finance: (a) the expansion and improvement of the 2016 Facilities through the addition of 67 independent living units, a 36-bed skilled nursing facility, and additional amenities, (b) the funding of a debt service reserve fund for the bonds, (c) the payment of capitalized interest and working capital expenditures, and (d) the payment of all or a portion of the costs of issuing the bonds. The facility is located at 707 – 39th Avenue SE, Puyallup, WA 98374, and is owned and to be owned by Wesley Homes Bradley Park, LLC, a Washington limited liability company, the sole member of which is Wesley Homes, a 501(c)(3) nonprofit corporation. The total estimated bond amount is not expected to exceed \$157,000,000.

Mr. Schilling then introduced Mr. Jim Yamamoto, Vice President for Finance, Wesley Homes.

Mr. Yamamoto stated that Wesley Homes is a not-for-profit senior housing corporation established in 1945. Wesley Homes has four communities in South King County and Pierce County. He added that this bond issuance is to expand their existing 198-unit Wesley Homes Bradley Park community located in Puyallup, by constructing a 67-unit brownstone/condo-style building and 36-unit health center. This addition would also include a lap pool and an enhanced/expanded wellness center. He concluded that this project would incur about \$100 million in total construction costs.

There were no comments or written testimony from members of the public, and the public hearing was closed at 1:23 p.m.

**Public Hearing:
Bryant Manor
Phase II, OID #24-
109A**

The Chair opened a public hearing for Bryant Manor Phase II, OID #24-109A at 1:23 p.m.

Mr. Schilling stated that this is a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to provide a portion of the financing for the acquisition, construction and equipping of a 149-unit multifamily housing facility located at 110 – 18th Avenue S., Seattle, WA 98122, to be owned by Bryant Manor 2 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 \$50,000,000.

Mr. Schilling then introduced Mr. Earl Richardson, Interim Executive Director, First A.M.E. Housing; and Ms. Joanna Martin, Development Partner, Lotus Development Partners.

Mr. Richardson stated that First A.M.E. Housing was established in 1969 and is one of the oldest nonprofit organizations in Seattle's Central District. The goal is to provide low- and moderate-income housing to members of the church, the African American community, and other people of color. Between 1970 and 1984, First A.M.E. Housing acquired both the original Bryant Manor (58 units)

and two other smaller apartment communities with a total of 40 units. In 2014, First A.M.E. Housing expanded their mission, vision, and their affordable housing footprint.

Mr. Richardson stated further that Bryant Manor II is an expansion of the original Bryant Manor and will have a total of 251 units combined after the expansion. Also, the people that First A.M.E. Housing intends to reach are families that have either been displaced or are at risk of displacement from the community, and intergenerational families and households. He added that 104 units will be for persons making 50% or less of local AMI, and 44 units for those making 60% or less of local AMI. In addition, 10% of the total units will be reserved for persons with disabilities, and 20% of total units for large households.

He concluded that many funding sources besides the Commission will be utilized, funding from Raymond James and Citibank, and public funding from the State Housing Trust Fund, King County, and the Seattle Housing Authority. Also, the First A.M.E. Church will make a contribution to the project.

There were no comments or written testimony from members of the public, and the public hearing was closed at 1:30 p.m.

**Public Hearing:
Viridian Grove,
OID #23-40A**

The Chair opened a public hearing for Viridian Grove, OID #23-40A at 1:30 p.m.

Mr. Schilling stated that this is a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue notes to provide a portion of the financing for the acquisition, construction and equipping of a 98-unit multifamily housing facility located at 5228 S. Mason Avenue, Tacoma, WA 98409, to be owned by VBT Viridian Grove 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 \$35,000,000.

Mr. Schilling then introduced Mr. Zac Baker, Development Manager, Southport Financial Services.

Mr. Baker stated that Southport and Vaughn Bay Development have developed over 500 units of affordable housing in Tacoma, and over 3,000 units in Washington state. He added that Viridian Grove will be totally energy efficient, and will be located in South Tacoma, and will have 98 units consisting of 2, 3, and 4-bedroom units, with a focus on units for persons with disabilities and large households.

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

**Action Item:
Resolution No. 24-
118, 2024 Grata @
Totem Lake 4%
Supplemental, OID
#20-78B**

Ms. Lisa Vatske, MHCF Division Director, stated that this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to provide a portion of the financing for the new construction of a 125-unit multifamily housing facility located at 12410 NE Totem Lake Way, Kirkland, WA 98034, to be owned by Kirkland 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 \$12,500,000. The public hearing was held October 17, 2024.

Ms. Vatske stated that the bonds will be publicly sold, thus, no bond commitment letter will be issued. She reminded Commissioners that she had mentioned a few months before that there will be a number of supplemental bond issuance requests that will come before the board.

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

**Action Item:
Resolution No. 24-
120, Mercy Aviva
Crossing – 4%,
OID #24-50A**

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to provide a portion of the financing for the acquisition, construction and equipping of a 79-unit multifamily housing facility located at 1622 S. Mildred Street, Tacoma, WA 98465, to be owned by MHNW 25 Aviva 4 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 \$22,300,000. The public hearing was held September 19, 2024.

Ms. Vatske concluded that a bond purchase commitment letter was issued by JP Morgan Chase Bank for an amount not to exceed \$22 million.

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

**Action Item:
Resolution No. 24-
113, 2024 Midvale
Village
Supplemental, OID
#21-81A**

Ms. Vatske stated that this was a resolution approving the issuance of one or more series of tax-exempt revenue notes to provide a portion of the financing for the acquisition, construction and equipping of a 210-unit multifamily housing facility located at 1117 N. 183rd Street, Shoreline, WA 98133, to be owned by Midvale Village, 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 \$28,560,000. The public hearing was held October 17, 2024.

Ms. Vatske concluded that a note purchase commitment letter was issued by Citibank for an amount not to exceed \$28 million.

She noted that this is a restructuring of a project that previously used recycled bonds, and which at the time of placing in service, needed additional support. The result of this restructuring will be a net additional 126 affordable units.

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

**Action Item:
Resolution No. 24-
122, Tax Credit
Program
Allocation,
Clarkston Family
Housing, TC/OID
#24-95**

Ms. Vatske stated that this is request for approval to increase the 9% Low Income Housing Tax Credits (LIHTC) for Clarkston Family Housing by \$349,680 from \$1,926,069 to \$2,275,749 using 2024 LIHTC Allocations. The project is to be owned by Horizon Housing Clarkston LLC, a Washington limited liability company. The project is located at Port Drive, Clarkston, WA 99403.

She added that this is a permanent, supportive housing project that the Commission allocated credit to in 2023. Subsequently, there were permitting problems and zoning issues at the local level which delayed the timeline for a year. Therefore, the credit is being exchanged, and the borrower needs additional credit to bridge the funding gap due to construction cost increases as a result of these delays.

Mr. Rumpf asked if this is approaching the per-project credit limit. Ms. Vatske replied that a waiver was approved and issued for the credit per unit amount for this particular project, given the circumstances.

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

**Action Item:
Approval of 2025
Board Meeting
Dates**

Mr. Peterson stated that this was an annual request by Commission Staff to approve the following proposed dates for the monthly Commission board meetings in 2025:

January 23, February 27, March 27, April 24, May 19 & 20 (Budget & Planning Session), June 26, July 24, August 28, September 25, October 23, November 20, and December 11, 2025.

With the exception of the meetings in May (Budget & Planning Session), November (due to Thanksgiving), and December (due to the Christmas holiday season), all meetings will be held on the fourth Thursday of every month.

Mr. Pellicciotti stated for the record that he will respectfully vote no on this approval, as he does every year, only because one or more of the dates conflicts with the meeting date(s) of the State Investment Board, of which he is a board member as State Treasurer and is statutorily obligated to attend these meetings.

Ms. Topper asked Mr. Peterson if the dates/times of the Work Sessions for 2025 will also be announced. Mr. Peterson stated that those dates would be confirmed.

Ms. Topper moved to approve the meeting dates for 2025. Mr. Krueger seconded. The motion was approved by a vote of 7 to 1, with Mr. Pellicciotti voting nay, as noted above.

**Informational
Report on
Department of
Commerce
Activities**

The monthly Department of Commerce activities report was included in the board member packet.

**Executive
Director's Report**

Mr. Peterson announced that next month's monthly Commission Meeting on Thursday, November 21, 2024 at 1 p.m. will be held across the street from the Commission's offices in the Level A Federal Reserve Vault Conference Room, located in the former Federal Reserve Building at 1015 – 2nd Avenue, Seattle, 98104.

This change in venue is due to the Commission's move out of the 28th floor into its renovated offices and Board Room on the 27th floor. He added that December's board meeting location will be announced later.

Mr. Peterson then, on behalf of Mr. Steve Walker, Executive Director, mentioned a few items from the Executive Director's Report, which was included in the board packet, as follows:

First, breaking news from Lisa DeBrock, Homeownership Division Director: the Commission has been designated by Freddie Mac as an approved seller-servicer, with more details to come!

Multifamily & Community Facilities:

Excited to welcome Bianca Pyko, a senior bond analyst in the MHCFC Division. Bianca recently moved from Portland, where she was working for CREA, an equity syndicator for the past 8 years underwriting and closing tax credit investments. She received a law degree from Texas A&M, and spent a few years in the legal field, but pivoted to the investment side of affordable housing bringing expertise enthusiasm and immediate capacity to our team.

Staff have attended several grand openings in the past several weeks:

The Korean's Women's Association opening of Tahoma Place, in Tacoma, a new affordable housing project with a 9% tax credit allocation providing housing for seniors, where the State Treasurer spoke on behalf of the Commission.

The opening of Lotus Court, the second phase of a permanent supportive housing project, receiving 9% tax credits, in Olympia, developed by LIHI.

The opening of the Africatown Plaza, a collaborative effort between Community Roots and Africatown Community Land Trust, in the heart of the Central District, a symbol of resurgence in this historically black community, challenging the years of displacement and disenfranchisement and welcoming community members back.

Staff are gearing up for the receipt of 9% LIHTC applications due November 4th and are continuing to coordinate with the public funders on the fall funding round as well as on current operating issues.

Homeownership:

Covenant Homeownership (CHA):

As of 10/21/24, there are 115 loans with CHA reservations in Benton, Franklin, Grant, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, Skagit, Snohomish, Spokane, Thurston, Yakima, & Whatcom counties with 71 confirmed loan closings.

Asset Management & Compliance (AMC):

Compliance Monitoring –

Tax Credit Reviews: 86% of the required Tax Credit annual reports have been reviewed.

Bond Reviews: All Bond annual reports are closed out for this calendar year.

Eventual Tenant Ownership: Performance Audit of the program wrapped up and staff is working with the auditors on the final report that is due in November. The performance audit team will be presenting their final report during the November Board meeting.

Finance:

The Fiscal Year 2024 financial audit performed by Eide Bailly is coming to a close. All substantive work has been completed and draft reports provided, and staff expects to publish final reports by the end of this month. An exit conference will be scheduled with the audit committee to review the results once available.

After a long hiatus, work has resumed with CSG Advisors to take a deep dive into our financials and prepare a set of performance metrics to help us monitor the financial health of the Commission. This is essential as the Commission has grown substantially over the last decade and this analysis will help us get a better handle on what we are doing well and not so well and help inform decision-making.

Following a brief pause to focus on audit work, Finance staff have resumed meeting with vendors to view demonstrations of timesheet options to replace an outdated system that has been in place for over 20 years. This will bring much needed efficiencies to payroll processing and help alleviate staff frustration.

DEI:

We have hired Angela Smith, Community Outreach Specialist as part of our Communications team to provide support to the Homeownership division and the Covenant Homeownership program. Nashika Stanbro continues to work with Margret Graham on developing and leading our outreach and engagement strategy.

Like many organizations, we face challenges with hybrid work. Nashika continues collaborating closely with HR and the EMT to revise and implement our hybrid teleworking policy, set to take effect in January.

Nashika has also been collaborating closely with the Athena Group on organizational development initiatives aimed at enhancing the long-term well-being of our organization. Our focus is on refining decision-making processes and navigating change while fostering a culture that prioritizes an employee-centered approach. This approach not only acknowledges the immense value of our staff but also ensures our accountability to our mission and strategic plan.

Other information from Steve:

The Housing Washington Conference held in Spokane was a standout success, reaching full capacity (800-plus attendees) and selling out several weeks before the event. The sessions were again organized in five focused tracks covering homeownership, multifamily housing development, multifamily housing management, communications/advocacy, and general housing topics.

Commission staff were responsible for most of the session content, overseeing the panels and speakers within their areas of expertise. We heard very positive feedback about this content.

Along with a number of staff, Steve attended the NCSHA Annual Conference in Phoenix. The Board was also well represented by Commissioners Nicole, Pedro, and Lowel (elected NCSHB Chair!). While there, Steve attended the annual general membership and board of directors meeting and the executive director's forum among many other community meetups.

The Commission held its all Staff Planning Session on October 18th at Pac Tower in Seattle, and this was the first time in six years that we have held this event. We mixed in some fun team building activities with informative outside speakers discussing topics ranging from individual and organizational change management, to HR and retirement planning.

Commissioners' Reports

Ms. Topper attended a project groundbreaking with State Senator Cleveland in rural Clark County.

Mr. Tripp attended a Habitat for Humanity project grand opening with U.S. Senator Cantwell in Airway Heights today.

Mr. Pellicciotti attended a project groundbreaking in Tacoma for the Korean Women's Association (KWA).

Consent Agenda

The consent agenda was approved as distributed.

Public Comment Session

The Chair opened the public comment session. No members of the public commented.

Adjournment

The meeting was adjourned at 1:56 p.m.

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Signature

PERFORMANCE AUDIT



Office of the
Washington
State Auditor
Pat McCarthy

Housing Finance Commission: Tenant purchase options under the Low- Income Housing Tax Credit program

November 19, 2024

Report Number: [1035863](#)

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Executive Summary

State Auditor's Conclusions (page 28)

At the highest level, the findings of this performance audit are disappointing. An option for tenants in affordable housing projects to buy their homes has not yet been used, despite applying to 135 housing units in 2023.

This failure to deliver on the possibility of homeownership is not the result of state management, however. The state Housing Finance Commission has followed the rules for the tenant purchase option in the federal Low-Income Housing Tax Credit Program.

We found the tenant ownership option is little-known and largely misunderstood. It is not, as it has sometimes been called, a “rent-to-own” program. Though a property must be available to rent for 15 years to become eligible for the purchase option, tenants are not obliged to buy their homes, nor are they automatically transferred from rental agreements to purchase contracts. Indeed, the legal path from renting to purchasing these homes appears quite complex.

I'm particularly proud of our auditors' work to gain a ground-level understanding of the program by meeting with groups of property renters in tribal housing projects. We found that tenants had limited information about the purchase option and wanted to know more. Similarly, we found project developers would like more information about the option and its goals.

In my view, it is telling that auditors could find little information on the federal intent behind including a relatively small incentive for the ownership option in housing projects that otherwise focus on rental units. As our recommendations show, this tenant ownership option needs greater clarity – in communicating how it works, what tenants' options are, and the goals of policy makers in offering it.

A Primer on Tenant Purchase Options (page 6)

The federal Low-Income Housing Tax Credit (LIHTC) program encourages development of affordable rental housing. A few LIHTC projects offer options for tenants to buy their homes, referred to as tenant purchase options. Properties developed under this arrangement usually offer tenants the option to buy after the home has been available to rent for 15 years. Tenants are not obliged to buy, nor are they automatically transferred from a rental agreement to a purchase contract. Tenant purchase options are thus different from lease-purchase (sometimes called “rent-to-own”) programs.

Project owners are responsible for completing multiple steps before interested tenants can buy their homes. This includes removing the financial partner from the project, preparing tenants for homeownership, and resolving legal complexities for homes located on tribal lands, when applicable. This process can be complex, and so it may take significantly longer than the initial 15 years before tenants actually take ownership of their homes if they are interested in doing so.

Background (page 10)

The Housing Finance Commission manages the LIHTC program in Washington. LIHTC affordable housing projects offering tenant purchase options are rare. Only 18 of the state's nearly 1,300 LIHTC projects offer tenant purchase options; all but one are managed by tribal governments. Of the 18 projects, just six — with a combined total of 135 homes — had properties old enough to qualify for tenant purchase as of 2023.

Evictions at housing projects managed by the Nooksack Indian Tribe raised concerns about tenant purchase options and, more widely, the LIHTC program managed by the commission. This audit examined the commission's oversight of housing projects that offer tenant purchase options. It did not evaluate the Nooksack Housing Department's decision to evict disenrolled tribal members living in LIHTC housing.

The Housing Finance Commission met legal requirements, but improved oversight could better support homeownership (page 15)

The commission met legal requirements related to tenant purchase options. It awarded points for tenant purchase in project applications for most of the audit period in accordance with its policies. Although the commission temporarily suspended application points for tenant purchase options during the 2023-24 application cycle, no projects expressed interest in using the option during that time.

Although the commission met legal requirements, its monitoring activities were ineffective for ensuring project owners' progress toward tenant purchases. For example, the commission did not follow its own plan for monitoring project owners' progress in that area. However, commission staff said they have few options to respond to project noncompliance beyond reporting it to the IRS.

Finally, the commission did not develop sufficient guidance for project owners to implement tenant purchase options. Project owners said they would appreciate additional guidance that clarifies the commission's expectations.

Although the LIHTC program has not yet produced any homeowners, tenants have received other meaningful benefits (page 21)

Project owners have yet to sell and transfer the 135 eligible homes for sale to tenants. This appears inconsistent with formal agreements between the project owners and the commission, although the complex process to prepare for home sales means some delay before tenants can take ownership of their homes could be expected. Commission officials also pointed to limitations in their ability to compel project owners' actions. Project owners we spoke with described a variety of challenges they faced in preparing for tenant home purchases, including unclear requirements and limited guidance. Tenants we interviewed saw benefits to homeownership but also possible challenges. Their understanding of purchase options varied, and most wanted more information about how the program worked. Tenants who want to purchase their homes may face systemic financial barriers. Despite these barriers to homeownership, LIHTC projects provide affordable rental housing to disadvantaged communities, even if tenants do not buy eligible homes. These income-restricted housing options directly benefit communities through increased housing supply and below-market rents.

Recommendations (page 29)

We made recommendations to the commission to improve its monitoring of projects with tenant purchase options and to provide project owners clearer guidance. These recommendations seek to provide greater assurance that projects will fulfill the tenant purchase options they agreed to, and to improve communication about purchase options between the commission, project owners and tenants.

Next steps

Our performance audits of state programs and services are reviewed by the Joint Legislative Audit and Review Committee (JLARC) and/or by other legislative committees whose members wish to consider findings and recommendations on specific topics. Representatives of the Office of the State Auditor will review this audit with JLARC's Initiative 900 Subcommittee in Olympia. The public will have the opportunity to comment at this hearing. Please check the JLARC website for the exact date, time, and location (www.leg.wa.gov/JLARC). The Office conducts periodic follow-up evaluations to assess the status of recommendations and may conduct follow-up audits at its discretion. See **Appendix A**, which addresses the I-900 areas covered in the audit. **Appendix B** contains information about our methodology.

A Primer on Tenant Purchase Options

The federal Low-Income Housing Tax Credit program encourages development of affordable rental housing

Almost 40 years ago, the U.S. Congress recognized the country's fast-growing need for affordable housing was outpaced by the increasing costs of building it. Legislators saw that it was economically unfeasible to build homes that would rent for less than market rates without somehow making up the difference between the costs of constructing the property and the rental income it could generate to pay off construction costs. This gap would be present even if rental profit was not a consideration. As part of the Tax Reform Act of 1986, Congress hit upon a solution: to encourage development by leveraging private funding through the Low-Income Housing Tax Credit (LIHTC) program.

Under this program, federal tax credits are awarded to a **project owner** (typically a government housing authority or a nonprofit organization) to offset the cost of constructing or rehabilitating rental housing. In exchange, the owner agrees to reserve a portion of rent-restricted homes for low-income households. To obtain upfront construction financing, project owners sell the tax credits to a **financial partner** (typically a private investment firm or other financial institution) in exchange for financing. Once the property is open for tenants, the financial partners may claim the tax credits to reduce their federal taxes for 10 years. The LIHTC program is estimated to cost the federal government an average of \$13.5 billion annually in forgone tax revenue. Since its inception, the program has paid for 90% of the federally funded affordable housing in America, financing nearly 3.5 million homes, including thousands in Washington. Projects are typically apartments or other multifamily homes but can also include individual houses.

The federal government gives states authority to allocate tax credits, typically through a housing finance agency or similar state agency, which then allocate the tax credits to qualifying housing projects. These agencies must develop plans for how they will allocate the tax credits and have considerable flexibility to create plans based on the state's housing needs. State agencies typically develop an application process through which project owners may apply for tax credits to construct the housing development. States may use a process through which applications are scored using a points system to ensure the credits are awarded consistently and correctly according to program rules. Once a project has been selected, project owners agree to follow LIHTC program rules.

The IRS oversees the LIHTC program. This includes determining whether projects are following program rules to claim the tax credits during the 10-year time frame.

A few LIHTC projects offer options for tenants to buy their homes

Although primarily concerned with promoting and sustaining affordable rental accommodation, LIHTC rules allow states to allocate tax credits to projects that will allow tenants to buy their home after it has been available to rent for 15 years. Although the IRS refers to this practice as “eventual tenant ownership,” for the purposes of this report we use the term **tenant purchase option**. In Washington, applications for LIHTC tax credits that incorporate tenant purchase options must include a high-level plan of how the project owner will implement the purchases. The plan must describe how the project owner will determine the sale price and eligibility requirements for tenants to buy the homes.

Properties developed under this arrangement usually offer tenants the option to buy after the home has been available to rent for 15 years. (Unsold homes remain rental housing under tax credit program rules.) Tenants are not obliged to buy, nor are they automatically transferred from a rental agreement to a purchase contract. Tenant purchase options are thus different from lease-purchase (sometimes called “rent-to-own”) programs. In lease-purchase, a portion of the tenant’s rent payments is applied to the sale price, and the tenant is required to purchase the home after a specified period of time.

Homes with tenant purchase options are often single-family houses, townhouses or duplexes. Their clearer property lines – compared to condominiums or other multifamily housing – typically do not require a homeowners’ association or cooperative to manage common areas.

Project owners determine the sale price, as they do in conventional home sales. However, the price is typically lower than homes sold in the rest of the housing market because the program is intended to preserve affordable housing and can only be sold to people who meet LIHTC income eligibility rules. They may structure the purchase in multiple ways. For example, they can award tenants incentive points for meeting certain conditions, such as making timely rent payments, or apply a discount based on how long the tenant has lived there. In some cases, a project owner may decide to apply a portion of the tenant’s rent toward the sale price, similar to a rent-to-own program. **Exhibit 1** (on the following page) shows some of the most common differences between these two types of home purchases and the traditional home-buying process.

Exhibit 1 – The LIHTC tenant purchase process in Washington differs from both traditional homebuying and “lease-purchase” processes

Traditional homebuying process	Private lease-purchase option (also called rent-to-own)	Tenant purchase option
No rental period required before purchase	Rental period required before purchase	Home is a rental for 15 years before purchase option becomes available
Not typical for tenants to live in home before buying	Tenants have typically lived in the home for at least one year	Tenants have typically lived in the home for several years
Purchase price negotiated between buyer and seller	Purchase price set in lease-purchase contract	Purchase price set by project owner
Purchase price not based on income	Purchase price not based on income	Purchase price must be affordable to low-income households
Typically a competitive process with multiple potential buyers	Noncompetitive process once contract signed	Noncompetitive process
Buyers must obtain financing (down payment, mortgage pre-approval)	Buyers must obtain financing (down payment, mortgage pre-approval)	Buyers must obtain financing (down payment, mortgage preapproval)
Homeownership classes not required	Homeownership classes not required	Project owner may require buyers attend homeownership classes
Purchase typically includes both the home and land	Purchase typically includes both the home and land	Purchase of home may exclude the land in tribal developments
Typically no other parties beyond buyer and seller	Typically no other parties beyond buyer and seller	Other involved parties: development’s financial partner, Bureau of Indian Affairs

Source: Auditor prepared based on general information and Housing Finance Commission documents.

Project owners are responsible for completing multiple steps before interested tenants can buy their homes

Even after homes have been available to rent for 15 years, multiple steps remain before tenants can purchase them. This process to sell and transfer the homes must be initiated by the project owner. First, the project owner must remove the financial partner from the project so that the project owner – typically a nonprofit or similar tax-sheltered organization – is the only legal owner of the home. This step allows the project owner to transfer ownership to tenants without the additional taxes incurred by private home sales. This must happen before project owners can offer homes for sale to tenants.

Project owners must then provide tenants the option to purchase their homes, which includes preparing tenants for the financial obligations of homeownership. Project owners may have their own requirements for determining if tenants are eligible to buy their homes, which they must complete before offering homes for sale. Project owners may offer homeowner education classes, either optionally

or as a condition for purchase, covering topics that include home maintenance, budgeting and financing. Budgeting and finance information can help tenants understand how to save for a down payment and obtain a mortgage, either through a traditional bank or other lender.

Finally, homes located on tribal lands have legal complexities that must be resolved before the project owner can sell them. Because tribal developments are built on land held in trust for the tribe by the federal government, the land must be legally separated from the building before the house can be made available for sale. This step typically calls for the involvement of the Bureau of Indian Affairs – a layer of bureaucracy few other property sales incur.

In summary, the process to sell and transfer homes to tenants can be complex, and only starts when a project has been available to rent for 15 years. As a result, it may take significantly longer before tenants are able to actually take ownership of their homes if they are interested.

Background

The Housing Finance Commission manages the LIHTC program in Washington

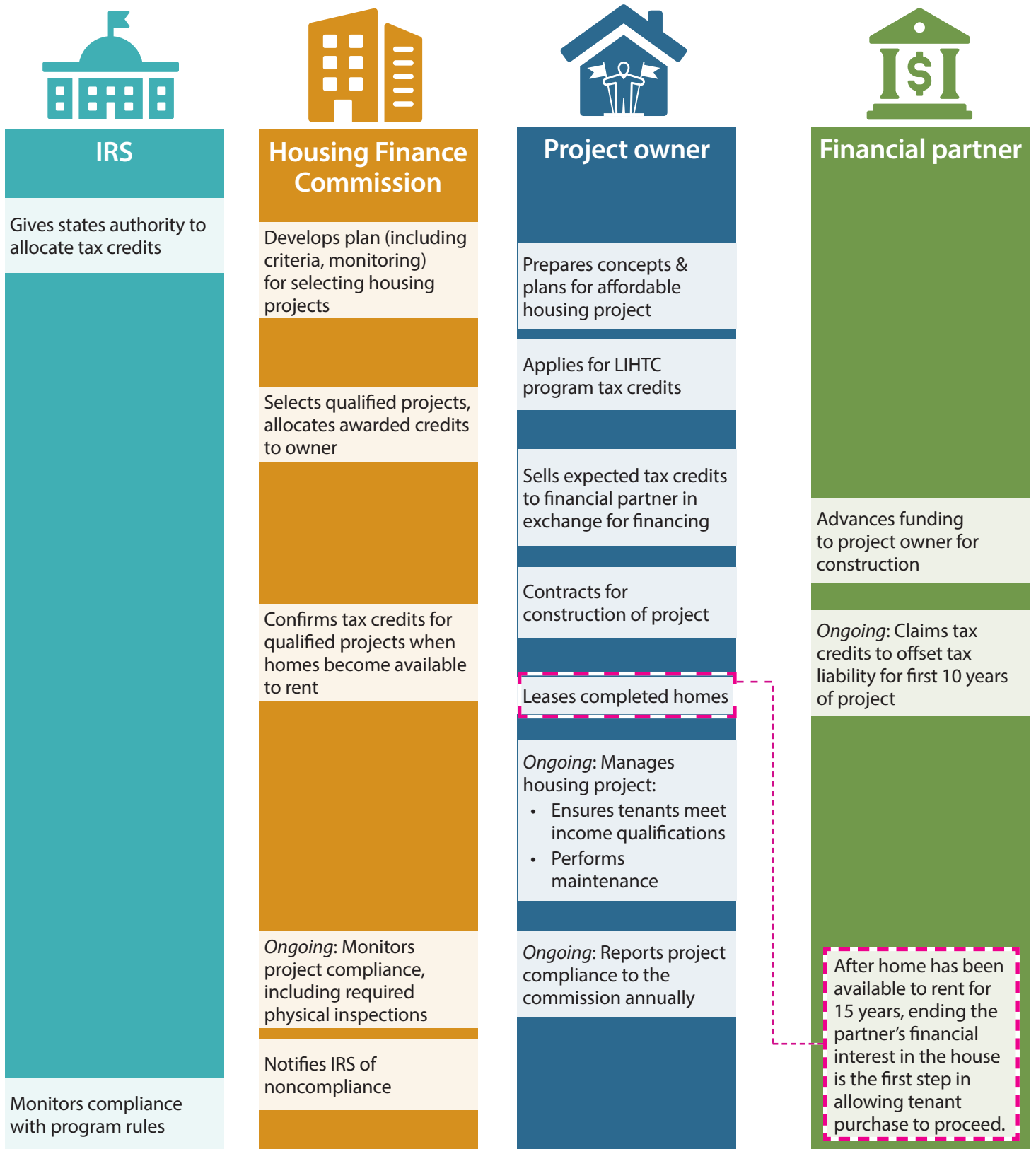
The Washington State Housing Finance Commission administers the state's LIHTC program. The agency is responsible for determining how to allocate tax credits to housing projects and ensuring that approved projects follow federal requirements.

Allocating tax credits. The commission uses an annual, competitive application process to allocate tax credits to proposed housing projects. Applicants self-score their applications and commission employees review them based on the state's priorities for housing development. For example, the commission gives preference to projects that serve the lowest income tenants, serve low-income tenants for the longest periods, and are located in certain census tracts. They also consider whether the development has set aside homes for people who are elderly, disabled or recently homeless. The commission allocated an average of \$21.1 million annually to about 12 new projects with 950 homes each year for the last four application cycles (2021-2024).

Ensuring compliance with federal rules. After awarding tax credits, the commission must ensure that project owners follow program rules that include verifying tenants remain eligible for low-income housing, charging the correct amounts for rent, and conducting home inspections. Commission staff verify tenants' eligibility and that rent payments are within LIHTC program limits annually; building inspections must take place at least once every three years.

Exhibit 2 (on the following page) illustrates the commission's role in overseeing the LIHTC program. See the primer on tenant purchase for more information on the roles of project owners, financial partners and the IRS.

Exhibit 2 – Low-Income Housing Tax Credit (LIHTC) program roles and relationships



Source: Auditor prepared based on information from the Housing Finance Commission and the Congressional Research Service

LIHTC affordable housing projects offering tenant purchase options are rare

Projects with tenant purchase options represent a very small share of all LIHTC projects in Washington. Only 18 of the state's nearly 1,300 LIHTC projects offer tenant purchase options; all but one are managed by tribal governments. Using tenant purchase options can help the tribes preserve affordable housing and increase the overall wealth of tribal members. These developments are usually single-family homes, which can increase homeownership among tribal members where there are otherwise limited opportunities to do so.

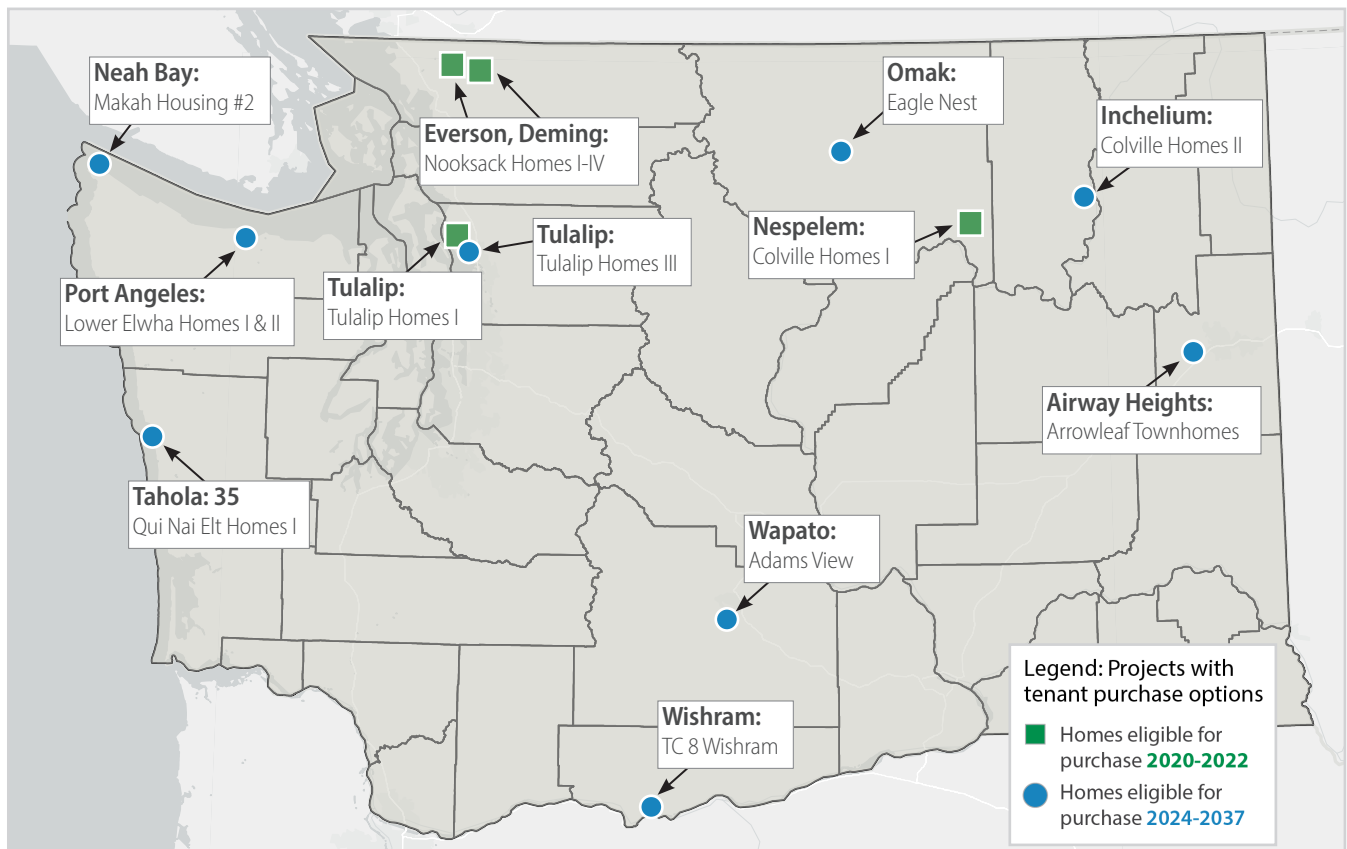
Of the 18 projects, just six — across three counties, with a combined total of 135 homes — had properties old enough to qualify for tenant purchase as of 2023. (See the sidebar for a note about project numbers.) The oldest buildings qualified for tenant purchase in 2020. By 2030, around 250 homes, from an additional seven housing projects in six counties, will become eligible for tenant purchase. The map in Exhibit 3 shows the locations of housing projects with tenant purchase options.

A note about total project numbers

Two of the 18 projects did not include tenant purchase options in their LIHTC applications, but asked the commission to incorporate their intentions several years after winning the tax credits. We included these two projects here to calculate the total number of homes available, but not in our review of the high-level plans developed by project owners.

Exhibit 3 – Map of projects with tenant purchase options

Homes eligible for purchase in ■ 2020-2022 and ● 2024-2037



Source: Housing Finance Commission data.

Evictions at the Nooksack Indian Tribe drew attention and concerns from lawmakers and others

Evictions at housing projects managed by the Nooksack Indian Tribe raised concerns about tenant purchase options and, more widely, the LIHTC program managed by the commission. Starting in 2013, the Nooksack Indian Tribe began the process of disenrolling a group of about 300 tribal members. In 2018, the tribe completed the disenrollment process, which meant these people were no longer eligible for tribally operated programs, including housing managed by the Nooksack Housing Department. Following the disenrollment, the tribe moved to evict some of the former members from homes built with LIHTC funding and that incorporated tenant purchase options.

Lawmakers and others expressed concern that disenrollment meant that tenants lost the option to buy homes that had reached the end of the required 15-year rental period between 2020 and 2022. Several lawsuits were filed to stop the evictions, but the Washington State Supreme Court and federal courts have declined to hear those cases, citing the sovereignty of tribal governments to determine who is eligible for tribal membership and programs, including housing.

This audit did not evaluate the decision to evict tenants who lived in housing managed by the Nooksack Housing Department for two reasons. First, tribal governments are sovereign entities, and their finances and programs (with limited exceptions around tribal schools) are outside the audit authority of the State Auditor's Office. Second, the evictions are the subject of ongoing lawsuits. Rather, we focused our audit on the Housing Finance Commission because it is the state agency that oversees housing projects with tenant purchase options.

This audit examined the Housing Finance Commission's oversight of housing projects that offer tenant purchase options

Legislators asked the State Auditor to look into whether projects with a tenant purchase option did actually deliver on the promise of giving tenants the opportunity to buy eligible homes. They have also raised questions about the commission's compliance with federal and state laws and regulations, and whether it provides sufficient oversight of housing projects that include tenant purchase options.

The audit answered the following questions:

1. Has the Housing Finance Commission followed applicable federal and state laws related to financing and overseeing housing projects that offer tenant purchase options?
2. What benefits have tenants in projects with a tenant purchase option received related to affordable housing and homeownership?
3. How could the Housing Finance Commission improve tenant outcomes for projects with tenant purchase options?

Audit Results

The Housing Finance Commission met legal requirements, but improved oversight could better support homeownership

Results in brief

The commission met legal requirements related to tenant purchase options. It awarded points for tenant purchase in project applications for most of the audit period in accordance with its policies. Although the commission temporarily suspended application points for tenant purchase options during the 2023-24 application cycle, no projects expressed interest in using the option during that time.

Although the commission met legal requirements, its monitoring activities were ineffective for ensuring project owners' progress toward tenant purchases. For example, the commission did not follow its own plan for monitoring project owners' progress in that area. However, commission staff said they have few options to respond to project noncompliance beyond reporting it to the IRS.

Finally, the commission did not develop sufficient guidance for project owners to implement tenant purchase options. Project owners said they would appreciate additional guidance that clarifies the commission's expectations.

The Housing Finance Commission met legal requirements related to tenant purchase options

Federal and state laws place few requirements on the commission's oversight of housing projects with tenant purchase options. **Exhibit 4** (on the following page) lists the criteria under federal law that state housing finance agencies are expected to follow; they must include tenant purchase options as part of their application criteria.

Exhibit 4 – Tenant purchase options are just one element federal law requires state agencies to consider

- Project location
- Housing needs characteristics
- Project characteristics, including whether the project uses existing housing as part of a community revitalization plan
- Tenant populations with special housing needs
- Sponsor characteristics
- Public housing waiting lists
- Tenant populations of individuals with children
- Projects intended for eventual tenant ownership
- Energy efficiency of the project
- Historic nature of the project

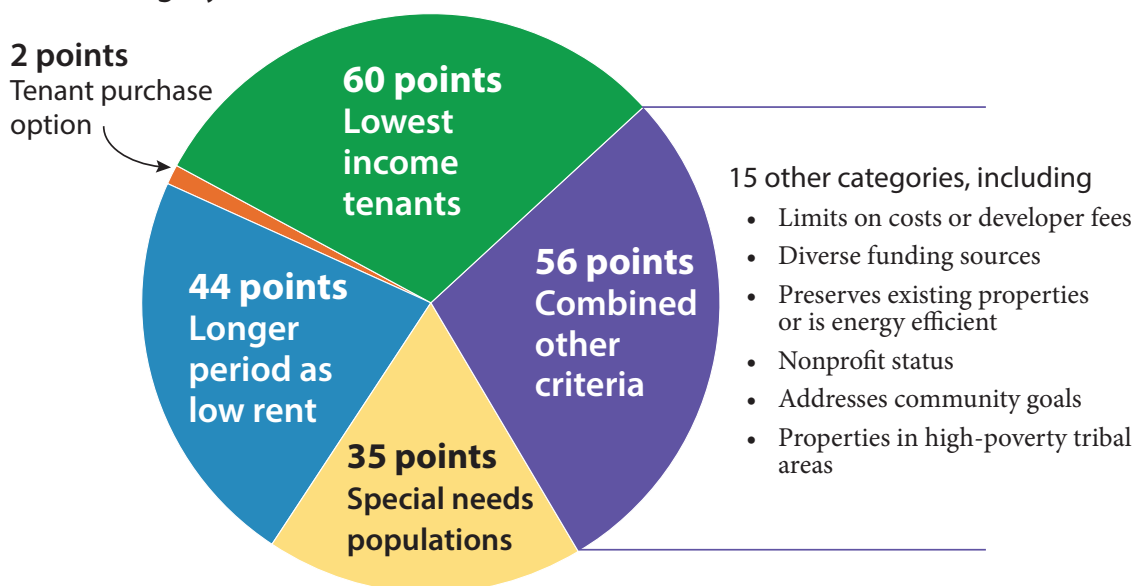
Source: 26 USC 1.42 (Internal Revenue Code, “low-income housing credit” section).

State regulation uses similar language. These laws do not specify how the commission should implement and oversee such options beyond what is required for all Low-Income Housing Tax Credit (LIHTC) projects, which include annual income verifications and building inspections every three years.

The commission awarded points for tenant purchase in project applications in accordance with its policies

The commission included the tenant purchase option as part of its application process and awarded points for such projects. Federal and state laws do not specify how states should prioritize or weight the criteria; commission policies use application points to incentivize projects that meet these criteria. Exhibit 5 shows a breakdown of how Washington allocates about 200 total points; the exact amount of points depends upon the location of the project.

Exhibit 5 – Maximum application points the Housing Finance Commission awards for each category



Source: Housing Finance Commission policies.

About half of the total points are allocated for serving the lowest income tenants (60 points) and serving low-income tenants for the longest periods (44 points). Most of the remaining points are awarded based on how the project addresses other community needs, such as serving those who are disabled, or government priorities such as limiting developer fees. The commission allocates two points for tenant purchase options.

Commission staff said they have received 24 applications that proposed tenant purchase options. We reviewed five of those applications: all received two points, consistent with state regulation and the commission's policies.

Although the commission temporarily suspended application points for tenant purchase options, no projects expressed interest in using the option

The commission decided to suspend points for tenant purchase options for the 2023-24 application cycle. Applicants could still include a tenant purchase option if they chose. However, commission staff said that no one proposed new housing projects with the option, either formally through an application or informally through discussions. Commission employees said they paused the application points while they finished developing new processes and guidelines for applicants. The commission developed new policies and procedures for new projects and reinstated application points for tenant purchase options for the 2024-25 application period.

Although the commission met legal requirements, its monitoring activities were ineffective

IRS oversight of the LIHTC program offers state agencies only minimal guidance for managing the program generally or tenant purchase options specifically. Federal audits conducted by the Government Accountability Office and the Treasury Inspector General of Tax Administration identified lack of oversight to states as an ongoing issue. Commission staff also said they lack federal guidance or best practices for projects with tenant purchase options. Nevertheless, the commission is responsible for providing effective program oversight in Washington.

We reviewed leading practices from the federal government, such as the Government Accountability Office and the U.S. Department of Housing and Urban Development to identify how the commission could improve its project monitoring.

The commission did not follow its own plan for monitoring project owners' progress toward tenant purchases

Although the commission included a monitoring schedule in its formal agreements with project owners, it did not take steps to execute it. The agreements required project owners to submit an update on their progress toward fulfilling tenant

purchase options no less than once every five years, and at the commission's request. However, our review showed that none did so, and the commission did not request updates until 2022, which meant the commission was unaware of project owners' progress throughout the required 15-year rental period.

The commission did not ensure it received project updates for four main reasons:

- **No policies or procedures.** The commission lacked policies and procedures related to monitoring tenant purchase options. Employees did not have clear expectations about what project owners should include in their progress updates, how to request updates or what their review of these updates should examine.
- **Timing issues.** The timing of the proposed monitoring schedule (every five years) did not align with the commission's other existing monitoring processes for verifying tenant eligibility and conducting building inspections. This off-cycle schedule was difficult for employees to administer, especially without clear procedures to follow.
- **Other program priorities.** Although one employee raised the lack of progress updates as an issue in 2016, commission managers said their focus during the first 15 years is on compliance with tax program rules that take priority, such as ensuring tenants meet income eligibility requirements and that project owners comply with health and safety standards.
- **COVID-19 pandemic.** The first properties to reach eligibility for tenant purchases did so during the public health emergency, which disrupted business across all LIHTC properties. Commission managers said that during this time, federal agencies issued several compliance waivers to prioritize the health and safety of residents and staff, which added complexity to administering the program.

Housing commission officials said they took a hands-off approach for the first 15 years that tenant purchase options were part of the LIHTC application. The commission focused on compliance requirements that applied to all LIHTC projects and not specifically on tenant purchase outcomes, which affect relatively few projects. For example, managers said they prioritized making sure all homes were being rented and that all tenants met the program's income requirements. They reasoned that even if tenants could not or did not buy a home, tenants would remain in affordable rental housing. They saw this as a positive outcome consistent with the program's main purpose. We discuss the topic of other positive outcomes in Chapter 2.

The commission revised its policies and procedures to better incorporate tenant purchase options into its existing monitoring process during the audit. It has incorporated new requirements concerning project updates and monitoring into its policies and project application, and created a guide for project owners and tenants. Project owners will be required to provide regular updates on their progress toward achieving their tenant purchase plans. They must submit an annual certification

confirming compliance during the project's first 12 years, a more detailed update in year 13 (such as how many tenants intend to buy their homes) and home inspections in year 14 and complete any needed home repairs before sales can proceed. Project owners will also be required to include information about tenant purchase options in its lease agreements. The commission is implementing these changes for the 2024-25 application cycle. The commission had already implemented some of these changes with existing projects in 2022.

Commission staff said they have few options to respond to project noncompliance

The LIHTC program has few enforcement options for state housing finance agencies when project owners are not following program rules, according to commission staff. The primary tool available is to report noncompliance to the IRS. Commission staff said the IRS is more likely to act during the first 15 years, before the financial partner exits the project, because it can require the financial partner to pay back the tax credits. Staff also said that after the first 15 years, the IRS can no longer apply this penalty and is therefore less likely to follow up.

Commission staff reported two projects to the IRS during the audit period because the owners did not provide updated information as requested. According to commission staff, one project did provide updated information, but the other had not. The commission did not receive any direct response from the IRS and is unaware of any actions the IRS may have taken.

The commission did not develop sufficient guidance for project owners to implement tenant purchase options

In their project applications, project owners were required to include a high-level plan of how they will fulfill tenant purchase options. The 16 projects that included the option in their initial applications complied with this basic requirement. Most incorporated general information about their timelines and processes for tenant purchase, including tenant eligibility requirements and legal steps that the project owner and tenant must take. However, the plans lacked specific information in part because the commission's applications did not require them to do so. None set out how tenants would indicate their interest in buying a home, when the process begins or how long it was likely to take. Lacking such information, tenants could find it difficult to decide whether they should exercise the purchase option or how to start the process. By ensuring applicants make their plans specific and clear at the outset, and explaining clearly how they will communicate the plans to their tenants one day, the entire process would become more transparent for tenants.

The commission's application policy set out only general requirements for the information tenant purchase plans should include but did not specify details; neither did the guidance made available to project owners. Project owners were encouraged to contact the commission during the application process if they wanted to include tenant purchase options.

Project owners would appreciate additional guidance that clarifies the commission's expectations

Only three of the nine project owners with tenant purchase options had homes that had been available to rent for 15 years during the audit period, making them eligible for sale. We spoke with three project owners to learn what information they shared with tenants, and their views on guidance or instructions they received from the commission. Two said they had given tenants some general information about the option but not specific details. The third owner had not given tenants any information because the homes had only recently been available to rent, and the COVID-19 public health emergency had affected their normal move-in processes. In addition, two of them said they would appreciate more guidance from the commission, such as training or a sample tenant transfer plan, because tenant purchase was a relatively new process for them. Even though some project owners have managed other federally funded homeownership programs, none had completed the process as part of the LIHTC program.

During the audit, commission staff updated project owner guidance materials to provide clearer expectations around tenant purchases while also giving them flexibility in developing their plans. Staff also said they were working with project owners with existing projects to fully develop their tenant purchase plans.

Although the LIHTC program has not yet produced any homeowners, tenants have received other meaningful benefits

Results in brief

Project owners have yet to sell and transfer the 135 eligible homes to tenants. This appears inconsistent with formal agreements between the project owners and the commission, although the complex process to prepare for home sales means some delay before tenants can take ownership of their homes could be expected. Commission officials also pointed to limitations in their ability to compel project owners' actions.

Project owners we spoke with described a variety of challenges they faced in preparing for tenant home purchases, including unclear requirements and limited guidance.

Tenants we interviewed saw benefits to homeownership but also possible challenges. Their understanding of purchase options varied, and most wanted more information about how the program worked. Tenants who want to purchase their homes may face systemic financial barriers. Despite these barriers to homeownership, LIHTC projects provide affordable rental housing to disadvantaged communities, even if tenants do not buy eligible homes. These income-restricted housing options directly benefit communities through increased housing supply and below-market rents.

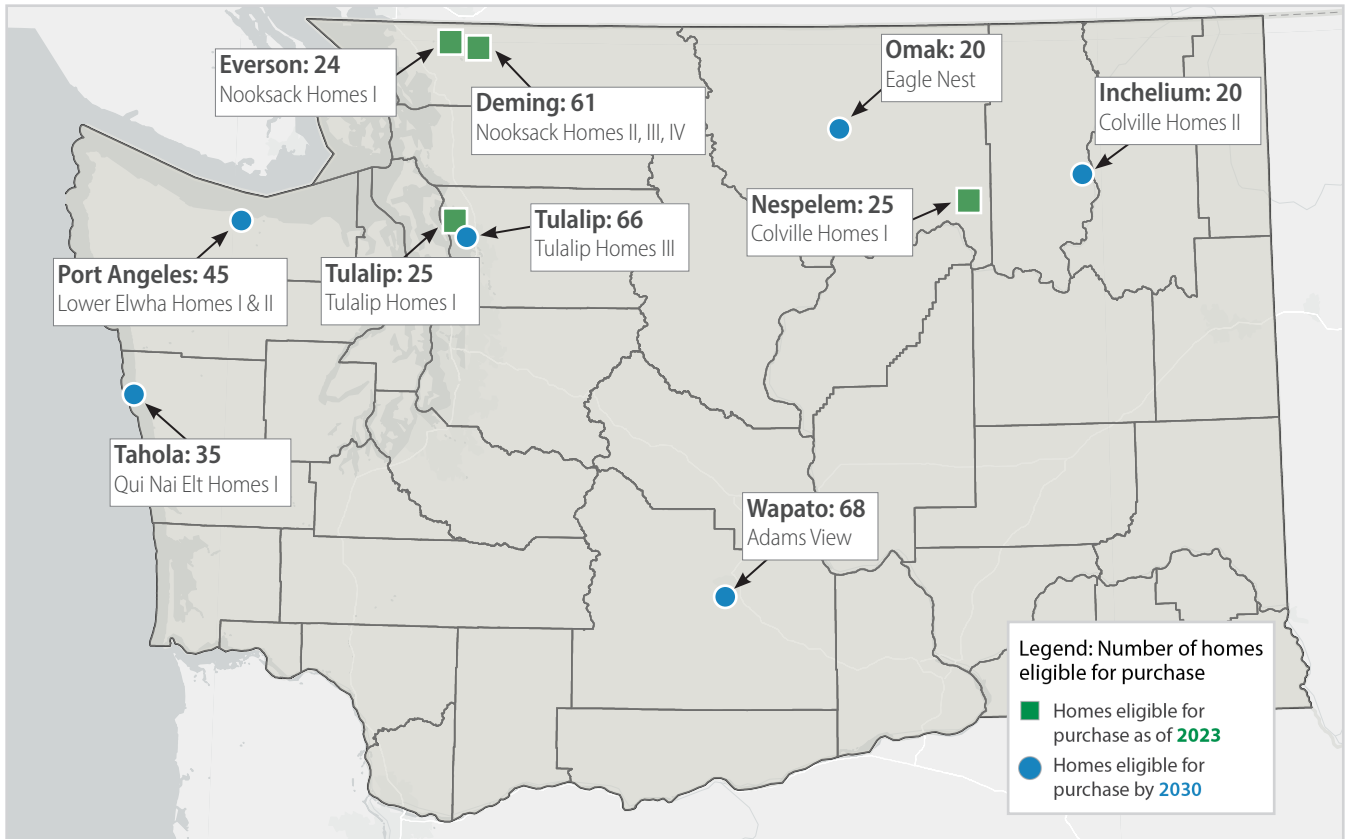
Project owners have yet to sell and transfer the 135 eligible homes to tenants

As of 2023, 135 homes – across six developments in three counties (Okanogan, Snohomish, Whatcom) – qualified for sale, meaning they had been available to rent for 15 years under the LIHTC program. However, commission staff confirmed that no project owners had sold and transferred eligible homes to their tenants yet.

An additional 254 homes will become eligible by 2030. Between those already eligible and those entering availability by 2030, 389 homes will be eligible for tenant purchase in 2030. The map in **Exhibit 6** (on the following page) shows their locations and the number of eligible homes.

Exhibit 6 – Number of homes eligible for tenant purchase options

Homes eligible for purchase ■ as of 2023 and ● by 2030



Source: Housing Finance Commission data.

Although the lack of home sales so far has not violated any laws or regulations, it appears inconsistent with the formal agreements between the commission and project owners. The agreements stated that project owners would transfer all homes to “tenant ownership” after they had been available to rent for 15 years.

There are some extenuating circumstances that help explain this apparent inconsistency. First, as described in the Primer, the process of tenant ownership itself is complex, and can only commence after the first 15 years of a project has been completed. Some delay before tenants can take ownership of their homes could therefore be expected. Second, commission officials said they have limited ability to compel the project owners’ actions beyond reporting them to the IRS. However, as discussed earlier in the report, the commission did not monitor project owners’ progress toward preparing the homes for sale, which could also have contributed to this delay.

Project owners described challenges in preparing their projects for tenant purchases

In interviews, two project owners described a variety of challenges they faced in preparing for tenant home purchases including unclear requirements and limited guidance. One did not start preparing for tenant purchases until homes they managed became eligible for sale, because other aspects of the project took attention away from the tenant purchase option. A second, whose homes were not yet eligible for sale, was taking time to prepare tenants thoroughly, due to past problems experienced with a different homeownership program. Although we reached out to another project owner that had reached the purchase eligibility date, we did not receive a response.

More generally, commission officials said that processing individual home sales to tenants created a meaningful administrative burden for project owners. They also said that although few other states had achieved any tenant purchases, two important factors that could improve the likelihood of success were clear communication about the option from project inception and ongoing coaching support for owners.

Tenants we interviewed saw benefits to homeownership but also possible challenges

We held two small focus groups with nine or fewer tenants to gain their perspectives on the tenant purchase option. One group met in eastern Washington, with people living in homes managed by the Yakama Nation Housing Authority, the other in western Washington with people living in two projects managed by the Lower Elwha Housing Authority. We discussed topics including their awareness of the tenant purchase option, how realistic buying their home felt, and what additional information or support they would want to help them make decisions around homeownership. We offered participants reasonable compensation for their time and contributions to the conversation. See Appendix B for more information about the focus groups.

Interested in homeownership, but with some concerns about feasibility

Several tenants in both groups said they were interested in owning their home, with some more committed to the idea than others. Some were explicit about their intent to buy a home, and even shared plans for future renovations. Others seemed cautiously interested, saying they needed more information about the purchase process and price.



Quotes appearing in *italics* in this section of the report are drawn from conversations held during the two focus group sessions.



However, the two groups had significantly different opinions about the feasibility of owning their own homes. Most in the western Washington group felt that ownership was a realistic goal; those in eastern Washington were more doubtful for a variety of reasons. People in the former group were five or less years away from home purchase eligibility and had already experienced some homeowner preparation training, which helped them feel more confident that homeownership was within reach. People in eastern Washington lived in homes only a few years old, and had not received any homeowner training. Participants at both locations expressed frustration about the long timeline to ownership: up to 15 years of rental payments to make until the home became eligible, plus taking on a mortgage. They were also uncertain about their future circumstances.

“Half of us here are over 50. This is our first opportunity to even rent-to-own. We don’t see us living that long.”

Their understanding of purchase options varied, and most wanted more information about how the program worked

The two focus groups displayed very different understandings of the tenant purchase option. Most people in the western Washington group said they had received information about the option to buy a home, but many of those in eastern Washington were much less clear about the option to buy their homes and how to participate. For example, two believed their homes were rentals only, saying nothing had been said to them about buying a home. Three other people knew that ownership was possible but had limited and varied understandings of how the process worked.

“I thought it was Section 8 and we would just be renters.”

“I thought I’d just be renting. I never heard anything about rent to own, or eventually have the option to own.”

Information tenants felt would make them more confident as potential buyers

Aside from the general information they may have received from their project’s owner, tenants wanted answers to specific issues to better determine if they wanted to purchase their homes. And most tenants wanted the answers in a written format they could review and consider without pressure. The following are examples of the types of questions they raised:

- **Financing.** How are house prices determined? How much will my house cost? How much would I need for a downpayment, if any? How would I obtain a mortgage, and would changes in my income affect mortgage payments? Would property insurance be included in my mortgage?

- **Title for the home.** How does being located on tribal land affect homeownership? How are property lines set and adjusted? Could my family members or relatives inherit the house after my death?
- **Actual purchase process.** When and how will I be notified that homes are eligible to buy? What steps would be involved in purchasing, and how long would it likely take?
- **Homeownership education.** Where can we learn more about budgeting to help save for buying our home? What should we know about ongoing maintenance activities and costs currently handled by the project owner?

“Financials is a big piece for me. I’m a single income parent of two. Making sure cost is affordable, not needing to work multiple jobs to pay for the mortgage.”

“I have a daughter, grandson and granddaughter that would like to own my house if I die, but I’m not sure who will get it.”

Project owners are responsible for providing the information and support tenants need to understand their purchase option. But our interviews with project owners showed that they would welcome additional guidance because tenant purchase was a relatively new process for them. The previous chapter suggests ways the commission can help by providing guidance for more detailed and transparent tenant transfer plans.

Even tenants who want to purchase their homes may face systemic financial barriers

Even if they were eager to buy a LIHTC home, low-income tenants served by these housing projects are likely to face barriers to homeownership. Additional costs paired with the long timeline to purchasing, as listed below, could reduce the incentive for tenants to buy their home.

- **Higher monthly costs.** Most project owners in Washington plan to offer homes for sale so that mortgage payments are no more than 20% higher than tenants’ monthly rent. Tenants on fixed incomes may not be able to afford home maintenance costs, previously covered by the project owner, on top of the higher cost of a mortgage.
- **Modest incentives to buy.** There may be less incentive for tenants to purchase depending on how project owners determine the purchase price. For example, 10 of the 12 tenant purchase plans we reviewed offered incentives based on the number of years a person has rented – a limited benefit for newer renters moving into a home that is just a few years away from eligibility. A 30-year mortgage after a lengthy rental period may also limit the incentive to purchase, especially for older tenants.

- **Difficulty saving for a down payment.** Tenant households generally earn less than half of the median income for households in their area, limiting their disposable income. These households may therefore have difficulty saving up for even a small down payment.
- **Lack of financial experience.** Tenants may have limited experience with homeownership and financial processes. For example, one focus group participant said they did not have a credit history because they had only recently obtained a credit card. Another said they had good credit but did not know where to start the process of securing a home loan. Lack of financial experience may make it difficult for tenants to obtain mortgages or affordable mortgage rates.

Finally, some tenants may simply not want to become homeowners. In fact, the project owners we interviewed said they expected as much. Even though homeownership for tenants is a goal of these projects, project owners do not necessarily screen for tenants who will want to become homeowners. It is therefore reasonable to expect that some homes that are eligible for purchase would remain as rentals.

LIHTC projects provide affordable rental housing to disadvantaged communities, even if tenants do not buy eligible homes

Income-restricted housing options directly benefit communities through increased housing supply and below-market rents

As of 2023, about 500 tenants lived in the six housing developments mentioned at the start of this chapter. We estimated another 1,000 people live in the additional 250 homes that will become eligible by 2030. These 1,500 people may or may not be able to take advantage of the tenant purchase option when it arises, but Washington LIHTC projects approved through the commission provide other benefits to their tenants.

Disadvantaged communities benefit when project owners build quality, income-restricted homes in their neighborhoods. Households in these projects earned less than half the area median income, on average, so income-restricted housing may be the only feasible option for them. In addition, people who are disabled or were recently homeless occupy about 40% of the homes in these projects: the commission encourages project owners to designate housing that serves these populations. Finally, these projects can provide safe, quality housing in areas with few alternatives. For example, one project owner said the project was adding housing to a location where most other homes were aging and dilapidated.

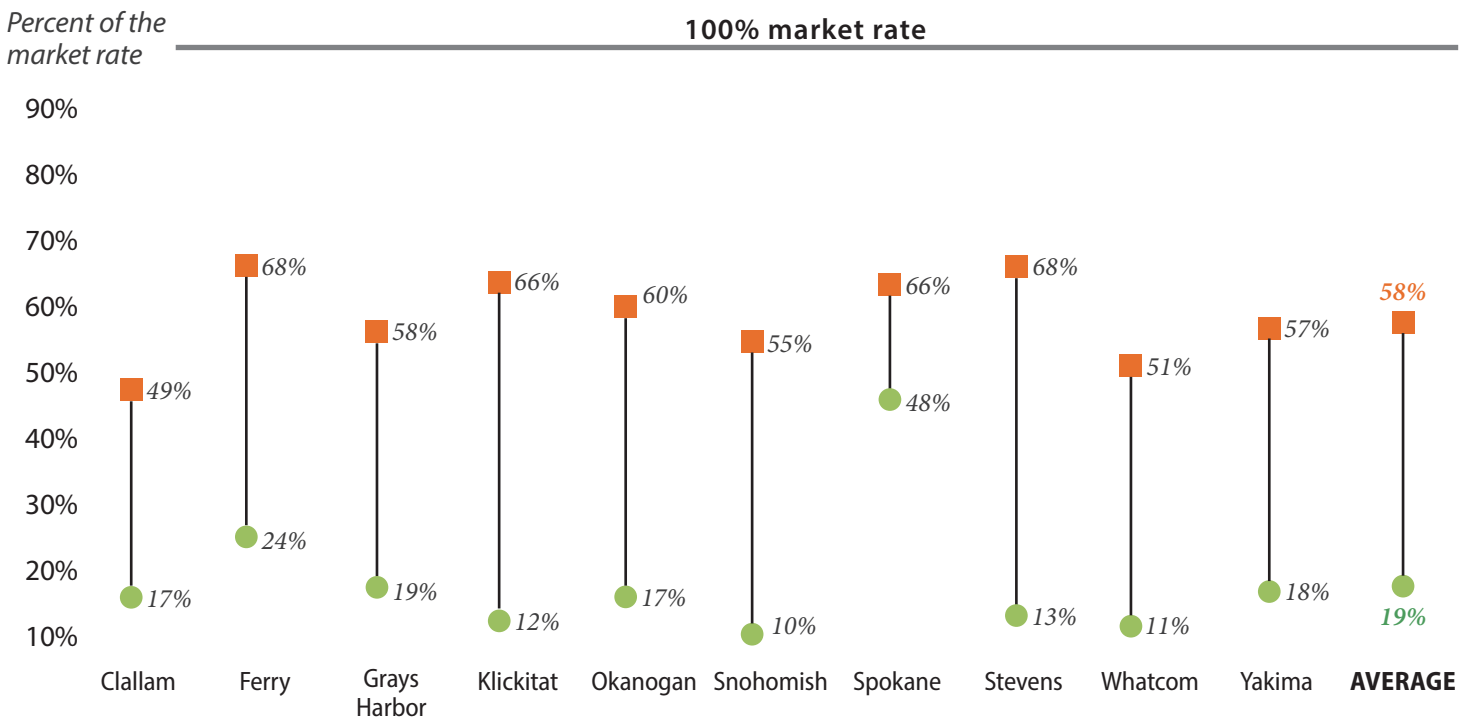
“I will say the roofing on these is very high quality on these houses. I was amazed. They’re great houses to get into. It doesn’t look like anyone skimped on materials when they built. There’s just typical new house stuff. There’s no way we could afford to go out in the world on the incomes we have.”

Tenants paid significantly less rent than they would for private housing

Even if tenants do not buy homes in the projects we looked at, they have nonetheless benefited from below-market rent. Not only do LIHTC regulations cap rents based on area median incomes, tribal tenants may also receive housing subsidies from other programs that reduce their out-of-pocket rent payments. Through a combination of these sources, tenants paid on average less than 20% of market-rate, with Snohomish County tenants paying only 10%. Even tenants living in the only non-tribal project with a tenant purchase option, in Spokane County, paid just under half the market-rate rent. Exhibit 7 illustrates the difference between what tenants paid out of pocket and the maximum project owners could theoretically charge for rent. Although we could not determine how much each factor – rent regulations and outside subsidies – individually contributed to reducing rent due to data limitations, both helped tenants pay less than market rates.

Exhibit 7 – Tenant rent as a percentage of local market-rate rents

Range shows ■ maximum allowable rent charged compared to ● typical rent paid out of pocket by tenants



Source: Auditor prepared using data from the Housing Finance Commission.

State Auditor's Conclusions

At the highest level, the findings of this performance audit are disappointing. An option for tenants in affordable housing projects to buy their homes has not yet been used, despite applying to 135 housing units in 2023.

This failure to deliver on the possibility of homeownership is not the result of state management, however. The state Housing Finance Commission has followed the rules for the tenant purchase option in the federal Low-Income Housing Tax Credit Program.

We found the tenant ownership option is little-known and largely misunderstood. It is not, as it has sometimes been called, a “rent-to-own” program. Though a property must be available to rent for 15 years to become eligible for the purchase option, tenants are not obliged to buy their homes, nor are they automatically transferred from rental agreements to purchase contracts. Indeed, the legal path from renting to purchasing these homes appears quite complex.

I'm particularly proud of our auditors' work to gain a ground-level understanding of the program by meeting with groups of property renters in tribal housing projects. We found that tenants had limited information about the purchase option and wanted to know more. Similarly, we found project developers would like more information about the option and its goals.

In my view, it is telling that auditors could find little information on the federal intent behind including a relatively small incentive for the ownership option in housing projects that otherwise focus on rental units. As our recommendations show, this tenant ownership option needs greater clarity – in communicating how it works, what tenants' options are, and the goals of policy makers in offering it.

Recommendations

For the Housing Finance Commission

To help ensure that project owners make progress toward fulfilling the tenant purchase options they agreed to in their applications, as described on pages 17-19, we recommend the Housing Finance Commission:

1. Continue to improve the current process for monitoring project owners' progress toward fulfilling their tenant purchase plans. The process should include:
 - a. Establishing a process for project owners to provide progress reports on their plan implementation
 - b. Setting a reporting frequency for progress reports that ensures changes are reported in a timely manner and that aligns with other existing monitoring processes
 - c. Documenting the reporting process and frequency in written policies and procedures

To address the need for clearer guidance around project plans for tenant purchase options so project owners can more effectively meet program goals, as described on pages 19-20:

2. Develop guidance to provide clearer expectations to project owners on how to develop and implement their tenant purchase plans. Guidance materials can include printed documents and templates as well as training. This guidance should identify information to incorporate into the tenant purchase plans. Elements that could be included:
 - A timeline for when the project owner will provide tenant education and when homes will be available to buy
 - The method for calculating the selling price of eligible units
 - Expected tenant communication, including:
 - The timeline and necessary steps for the homebuying process
 - Information about the purchase price and any other financial obligations tenants should anticipate
 - The content and timing of homeownership education classes provided by the project owner
 - Other terms and conditions of homeownership, such as whether the buyer could transfer their homes to family members and details about land ownership on tribal trust lands

Agency Response



Opening doors to a better life

Nicole Bascomb-Green
Chair

Steve Walker
Executive Director

November 12, 2024

Honorable Pat McCarthy
Washington State Auditor
P.O. Box 40021
Olympia, WA 98504-0021

Dear Auditor McCarthy:

Thank you for the opportunity to review and respond to the State Auditor's Office (SAO) performance audit on tenant purchase options under the Low-Income Housing Tax Credit (LIHTC) program.

We agree that it is unfortunate that no units have yet been sold and that improvements to our process and compliance oversight were needed to better prepare owners to offer units for sale to tenants after year 15. Over the past two years, since realizing this need, we have worked as closely as possible with the owners of LIHTC properties with the eventual tenant ownership option (referred to as tenant purchase option in the report) to support owners' progress towards fulfilling this commitment.

As the result of a two-year effort, we have also implemented a comprehensive new framework to support implementation, with policies and procedures that align with the auditors' recommendations.

In January 2023, our staff embarked on a process to research and analyze the LIHTC eventual tenant ownership option, soliciting guidance from other states and project consultants as well as feedback from project owners. An internal report completed in November 2023 outlined recommendations to improve implementation, and a staff work group was formed to turn those recommendations into policies and procedures for LIHTC applicants, project owners, and our own compliance staff.

This ongoing work was completed in 2024, while the performance audit was being conducted, and the new policies and procedures were fully implemented this fall. We expect to update them further in the coming year, as eligible projects begin to sell and convert rental units to homeownership.

We greatly appreciate your team's work on this audit. We are committed to ongoing evaluation and continuous improvement to achieve affordable housing outcomes for residents.

If you have any questions or concerns, please contact Jackie Moynahan at Jackie.moynahan@wshfc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "S Walker".

Steve Walker
Executive Director
Washington State Housing Finance Commission

Official Response to Performance Audit Housing Finance Commission: Tenant purchase options under the Low-Income Housing Tax Credit Program – November 12, 2024

The Washington State Housing Finance Commission provides this management response to the State Auditor’s Office (SAO) performance audit report received on October 14, 2024.

SAO Performance Audit Objectives

The SAO’s performance audit addressed three questions:

1. Has the Housing Finance Commission followed applicable federal and state laws related to financing and overseeing housing projects that offer tenant purchase options?
 2. What benefits have tenants in projects with a tenant purchase option received related to affordable housing and homeownership?
 3. How could the Housing Finance Commission improve tenant outcomes for projects with tenant purchase options?
-

Recommendations to the Commission in brief:

SAO Recommendation 1: Continue to improve the current process for monitoring project owners’ progress toward fulfilling their tenant purchase plans. The process should include:

- a. Establishing a process for project owners to provide progress reports on their plan implementation
- b. Setting a reporting frequency for progress reports that ensures changes are reported in a timely manner and that aligns with other existing monitoring processes
- c. Documenting the reporting process and frequency in written policies and procedures

STAFF RESPONSE:

We appreciate and agree with the recommendation to improve our monitoring processes to support project owners’ progress towards fulfilling their commitments to make units available for sale to residents beginning at the end of the 15-year compliance period. Our 2024 policy updates include a defined process and procedure for owners to submit progress reports throughout the compliance period. This process is aligned with existing monitoring processes to streamline the additional reporting requirements. Included below are the specific actions we have already taken that address Recommendation 1 a-c.

Action Steps and Time Frame

We have completed improvements to our monitoring and reporting requirements for projects that elect the tenant purchase option (referred to below as eventual tenant ownership) in the following ways:

- **Recommendation 1 a & b:** As part of the owner’s annual report submission each January 31, the owner is now required to confirm in the Owner Annual Certification their compliance with the project’s Eventual Tenant Ownership Conversion Plan. Starting when the project reaches year 13, the owner must submit a report describing progress towards implementing the Conversion Plan, including, but not limited to, the number of eligible tenants who have received homebuyer, budget, and financial education and counseling. *Completed*

- **Recommendations 1c:** These updated requirements are documented in several places:
- Section 6.20 of the 2025 9% Tax Credit Program policies, and posted on our website here [9% Competitive Housing tax credit policies \(wshfc.org\)](https://www.wshfc.org/9%CompetitiveHousingTaxCreditPolicies). *Completed. Effective August 2024*
 - Section 4.24 of the regulatory agreement for any new projects. *Completed. Effective August 2024*
 - In a new 9% Housing Credit Program Eventual Tenant Ownership Guide which is publicly available on our website here: [3_ETO Guide v1.0.pdf \(wshfc.org\)](https://www.wshfc.org/3-ETO-Guide-v1.0.pdf). *Completed. Effective August 2024*
 - A new section in the Tax Credit Compliance Procedures Manual has been completed and will be posted on the Commission's website by November 30, 2024.
 - An updated LIHTC Owner's Annual Certification form has been completed and will be posted on the Commission's website by December 2024. Owners will start using this immediately.
 - An updated Lease Rider Form is completed and will be on the Commission website by November 30, 2024. It will be effective on 1/1/25 for new residents and at recertification for existing residents.

SAO Recommendation 2: Develop guidance to provide clearer expectations to project owners on how to develop and implement their tenant purchase plans. Guidance materials can include printed documents and templates as well as training. This guidance should identify information to incorporate into the tenant purchase plans. Elements that could be included:

- A timeline for when the project owner will provide tenant education and when homes will be available to buy
- The method for calculating the selling price of eligible units
- Expected tenant communication, including:
 - The timeline and necessary steps for the homebuying process
 - Information about the purchase price and any other financial obligations tenants should anticipate
 - The content and timing of homeownership education classes provided by the project owner
 - Other terms and conditions of homeownership, such as whether the buyer could transfer their homes to family members and details about land ownership on tribal trust lands

STAFF RESPONSE:

We also appreciate and agree with this recommendation that both guidance and clear expectations are needed to support both project owners and residents. As part of our policy updates, we created a suite of new materials, including a new guide (also referenced in Recommendation 1), an application template, and updated requirements for the Lease Rider and Lease Addendum. The specific actions we have taken that collectively address Recommendation 2 are outlined below, with key components highlighted in bold.

Action Steps and Time Frame

The suite of materials that are completed and now available include:

- A new 9% Housing Credit Program Eventual Tenant Ownership Guide which is publicly available on our website here: [3_ETO Guide v1.0.pdf \(wshfc.org\)](#). *Effective August 2024.*
 - The Developer/Property Owner Guidance Section, Conversion Plan Requirements beginning on page 5 outlines the requirements and provides guidance on: Resident Eligibility, **Purchase Price, Homebuyer Education Courses, Budgeting and Financial Counseling**, Maintenance and Inspections and Investor Exit Strategy and Encumbrances.
 - The Pre-Conversion Requirements Years 1- 15: Required Resident Forms section on page 8 includes a newly required ETO Lease Addendum **to provide clear written communication to residents about the tenant purchase option, including but not limited to the property's specific resident eligibility and purchase requirements, the purchase price and/or purchase price methodology, and any other terms and conditions.**
 - The Resident/Potential Homeowner Guide section, starting on page 11, informs residents of **required documentation regarding the tenant purchase option when a lease is signed and provides information on homeowner education, budgeting and financial counseling resources.**

- Developers interested in electing the eventual tenant ownership option (tenant purchase option) for any new project are also now **required to attend a Pre-Application Meeting to discuss their project and plans with Commission staff.** In addition, **we created a new application template to support project owners in submitting their conversion plan.** A copy of the application template can be found on page 14 of the 9% Housing Credit Program Eventual Tenant Ownership Guide. *Effective August 2024 for projects applying this year.*

- In addition, we have **outlined the process for converting units from rental to homeownership.** This is included in the Conversion Requirements section of the 9% Housing Credit Program Eventual Tenant Ownership Guide starting on page 9, and will also be reflected in the Tax Credit Compliance Procedures Manual. The outline includes **the timeline for readying units for sale, the process the property owner must take to sell and convey the units, and the requirement to gain approval from the Bureau of Indian Affairs for projects located on tribal trust land.** *Effective August 2024.*

Appendix A: Initiative 900 and Auditing Standards

Initiative 900 requirements

Initiative 900, approved by Washington voters in 2005 and enacted into state law in 2006, authorized the State Auditor’s Office to conduct independent, comprehensive performance audits of state and local governments.

Specifically, the law directs the Auditor’s Office to “review and analyze the economy, efficiency, and effectiveness of the policies, management, fiscal affairs, and operations of state and local governments, agencies, programs, and accounts.” Performance audits are to be conducted according to U.S. Government Accountability Office government auditing standards.

In addition, the law identifies nine elements that are to be considered within the scope of each performance audit. The State Auditor’s Office evaluates the relevance of all nine elements to each audit. The table below indicates which elements are addressed in the audit. Specific issues are discussed in the Results and Recommendations sections of this report.

I-900 element	Addressed in the audit
1. Identify cost savings	No.
2. Identify services that can be reduced or eliminated	No.
3. Identify programs or services that can be transferred to the private sector	No.
4. Analyze gaps or overlaps in programs or services and provide recommendations to correct them	No.
5. Assess feasibility of pooling information technology systems within the department	No.

I-900 element	Addressed in the audit
6. Analyze departmental roles and functions, and provide recommendations to change or eliminate them	No.
7. Provide recommendations for statutory or regulatory changes that may be necessary for the department to properly carry out its functions	No.
8. Analyze departmental performance data, performance measures and self-assessment systems	No.
9. Identify relevant best practices	Yes. The audit identified leading practices for the Washington State Housing Finance Commission to strengthen its monitoring and guidance for housing projects with tenant purchase options.

Compliance with generally accepted government auditing standards

We conducted this performance audit under the authority of state law (RCW 43.09.470), approved as Initiative 900 by Washington voters in 2005, and in accordance with generally accepted government auditing standards as published in *Government Auditing Standards* (July 2018 revision) issued by the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The mission of the Office of the Washington State Auditor

To provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective. The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic [subscription service](#). We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program. For more information about the State Auditor's Office, visit www.sao.wa.gov.

Appendix B: Objectives, Scope and Methodology

Objectives

The purpose of this performance audit was to examine the Washington State Housing Finance Commission's oversight of Low-Income Housing Tax Credit (LIHTC) housing projects that offer tenant purchase options. The audit addressed the following objectives:

1. Has the Housing Finance Commission followed applicable federal and state laws related to financing and overseeing housing projects that offer tenant purchase options?
2. What benefits have tenants in projects with a tenant purchase option received related to affordable housing and homeownership?
3. How could the Housing Finance Commission improve tenant outcomes for projects with tenant purchase options?

For reporting purposes, the audit results have been organized into key findings. The messages relate to the original objectives as follows:

- The Housing Finance Commission met legal requirements but could do more to oversee housing projects that include tenant purchase options (pages 15-20) – This finding addresses Objectives 1 and 3.
- No tenants have become homeowners through the program, but they have received other meaningful benefits (pages 21-27) – This finding addresses Objectives 2 and 3.

Scope

This audit examined the commission's policies and practices, reviewed information for projects that included a tenant purchase option, and assessed benefits to tenants for LIHTC projects that offer tenant purchase options. It also evaluated the commission's compliance with relevant laws and regulations and identified ways to improve the agency's oversight of these projects to help achieve positive tenant outcomes. Our primary audit period was January 2019 through December 2023. However, because the homes included in this audit are available to rent for at least 15 years before they can be purchased, some information from before this period was also included in our reviews.

The audit did not examine the lease agreements between tenants and the project owners, including tribal housing authorities. We also did not evaluate the decision by the Nooksack Indian Tribe Housing Department to evict tenants who lived in housing the Housing Department managed.

Methodology

We obtained the evidence used to support the findings, conclusions and recommendations in this audit report during our fieldwork period (March 2024 to June 2024), with some additional follow-up work afterward. We have summarized the work we performed to address each of the audit objectives in the following sections.

Objective 1: Has the Housing Finance Commission followed applicable federal and state laws related to financing and overseeing housing projects that offer tenant purchase options?

Reviewed laws and regulations

We reviewed federal and state laws and regulations for the LIHTC program, identifying which requirements were relevant to tenant ownership.

Interviewed commission managers and staff

We interviewed managers and staff to understand the commission's processes to oversee the state's LIHTC projects to ensure compliance with relevant legal requirements.

Reviewed LIHTC applications

We reviewed a judgmental selection of five LIHTC project applications that included tenant purchase options, including four current projects and one waitlisted project. Commission staff said that they had received 24 applications that proposed tenant purchase options, but we did not review all applications to confirm this. We reviewed each project's application and scoring materials to ensure the application indicated election of the tenant purchase option, included a tenant purchase plan and was awarded points appropriately. Because we did not use a statistically representative sample of project applications, the results cannot be extrapolated to all projects overseen by the commission.

Objective 2: What benefits have tenants in projects with a tenant purchase option received related to affordable housing and homeownership?

Data reliability testing

The commission provided data from two separate systems. One is an internal database used by the commission to track various aspects of LIHTC housing projects at the project level, such as compliance monitoring, billing, and project details and history. The other is a public-facing system that project owners and their management agents use to enter compliance and financial information at the individual tenant level, including tenant income, household size and special needs designations. This public-facing system is jointly owned by the commission and the Department of Commerce.

We obtained project details for all LIHTC projects from the internal system for 2023. We also received five years (2019-2023) of data from the public-facing system containing tenant-level information for LIHTC projects with tenant ownership options. We determined the data from both systems was reliable for our audit purposes. Data reliability work included tests for inappropriate duplicates, blank fields and

illogical values, and comparing key fields between our datasets for the two systems. We could not trace data from the public-facing system to supporting documentation submitted by project owners because the commission does not retain copies due to tenant privacy concerns. However, the commission's annual review process helped provide assurance over the reliability of this data.

Data analysis: Timeline and count of homes available for tenant purchase

We calculated the number of homes that qualified for tenant purchase as of 2023, and by 2030, using each project's first credit year. (See sidebar.) We also identified the number of tenants living in homes eligible for purchase. The actual number of tenants in homes currently eligible for purchase in 2023 was available in our dataset.

"First credit year" is the year the project owner made a project's homes available to rent.

We used two methods to estimate the number of future tenants. First, we used the actual number of tenants in these projects as of 2023. Second, we used the average number of tenants by home size from 2019 through 2023. These two methods gave us an estimated range of tenants who would be living in homes eligible for purchase between 2024 and 2030. We used the midpoint of this range to estimate the number of tenants who might be living in homes reaching eligibility for purchase by 2030.

We found that homes within a single project may become eligible for tenant purchase in different years. We used the project's first credit year as the starting point for calculating eligibility for all homes under a specific project. However, project owners may postpone the first credit year by one year for some or all of the homes in their project. Thus, it is possible the actual number of eligible homes in a given year could differ since we calculated eligibility for all homes based on the project's first credit year. Because we analyzed this data based on date ranges rather than individual years, the effect on our analysis should be minimal.

Two projects managed by the Spokane Indian Housing Authority added tenant purchase options in 2023, several years after the projects were started. Since these projects only recently added the tenant purchase option, we excluded Spokane figures from this analysis.

Data analysis: Analyzing tenant income, special needs and rent

Income: We compared average tenant incomes from 2023 to average incomes in their area. We calculated average income for tenants in all projects with purchase options, stratified by the number of bedrooms in each home. We also calculated the overall average household income as a percentage of area median income for all homes with tenant purchase options using the commission's calculations at the individual household level.

Special needs populations: We calculated the number of households with disabled or previously homeless people using tenant data from 2023 for all LIHTC projects with tenant purchase options.

Rent charged: We compared the amount project owners charged tenants for rent in 2023 to market-rate rents for similar sized homes in their area. We calculated average rent charged, stratified by location and the number of bedrooms in each home. However, we could not determine the actual rent charged by project owners due to incomplete housing subsidy data necessary to calculate rent charged. Subsidy data was incomplete because tenants residing on tribal land may receive housing subsidies from other grant programs their tribes manage, and project owners are not required to include these subsidies in their annual reports to the commission. We instead used the maximum allowable rent housing authorities could charge under the LIHTC program, compared to market-rate rent figures from the

U.S. Department of Housing and Urban Development (HUD). We used HUD data for one-to-four-bedroom homes and estimated rent for five-bedroom homes using a simple linear regression model.

Rent paid: We compared the amount tenants paid out of pocket for rent in 2023 to market rates for similar sized homes in their area. Actual tenant rent payment data was available in our dataset. Like the rent charged methodology above, we compared the average rent payment by home size to market-rate rents figures.

Objective 3: How could the Housing Finance Commission improve tenant outcomes for projects with tenant purchase options?

Researched practices in other states

We reviewed qualified allocation plans or related documentation about tenant purchase options for the following states with federally recognized tribes: Arizona, California, Idaho, Minnesota, Montana, New Mexico and Oklahoma. We also identified other relevant criteria from other rent-to-own programs, including in the private sector.

Reviewed project's tenant purchase plans

We reviewed each project's tenant purchase plan to better understand the options proposed by the project owners. This included the mechanisms for purchasing homes, the timeline and process, and any homeownership education classes offered. We then compared these plans to practices in other states.

Interviewed project owners

We interviewed employees from three project owners that manage six housing projects with tenant purchase options to understand their plans to implement tenant purchase and identify recommendations for the commission.

Tenant focus groups

We conducted focus groups with tenants at two housing projects with tenant purchase options to understand what information had been shared with them about homeownership and identify recommendations for the commission. In eastern Washington, the group was composed of nine people living in projects managed by the Yakama Nation Housing Authority; in western Washington, of eight people living in projects managed by the Lower Elwha Housing Authority. We reached out to several project owners across the state to arrange focus groups with their tenants when selecting housing projects for our focus groups. Only two project owners were available to do so. We discussed topics including tenants' awareness of the tenant purchase option, how realistic buying their home felt, and what additional information and support they wanted to help make decisions around homeownership. To compensate focus group members for their time and input, we gave each participant a \$50 gift card to a major retail store.

Reviewed practices for project monitoring and oversight

We researched practices related to project monitoring, accountability and compliance. Research also focused on communication and collaboration. We compared these practices to the commission's processes for overseeing tenant purchase options.

Interviewed commission employees

We interviewed managers and staff to understand the commission's processes for overseeing the LIHTC program generally and tenant purchase options specifically, as well as its planned changes to its monitoring structure.

Work on internal controls

Objective 1 – We assessed internal controls relevant to legal requirements for tenant purchase options. This work included reviewing the qualified allocation plan and related policies, along with a selection of LIHTC project applications.

The design of internal controls appeared to be generally effective for the qualified allocation plan and selection criteria for housing projects. We determined the commission met legal requirements for project selection criteria and that related internal controls were operating effectively.

The design of controls for compliance monitoring did not appear to be effective as it relates to this objective because there are no requirements specific to tenant purchase.

Objective 3 – We assessed internal controls relevant to monitoring tenant purchase options. This included reviewing the agreements between the commission and project owners, as well as the tenant purchase plans submitted by project owners as part of their LIHTC project applications.

We identified opportunities for the commission to improve its controls for monitoring tenant purchase plans through strengthening the design of internal controls in this area and communicated this through our recommendations. We did not evaluate the implementation of controls or assess their effectiveness.



“Our vision is to increase **trust** in government. We are the public’s window into how tax money is spent.”

– Pat McCarthy, State Auditor

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Office of the Washington State Auditor
Pat McCarthy

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 and/or taxable revenue obligations (the "Notes") to finance a portion of the costs for the acquisition and rehabilitation of two multifamily housing facilities in Longview, Washington, to be owned by Reliant - Longview, LLC, a Delaware limited liability company. The Notes may be issued as one or more series issued from time to time and may include series of refunding obligations. The public hearing will be held in person and by telephone starting at 1:00 p.m., Thursday November 21, 2024. 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 Federal Reserve Vault Conference Room, located on Level A at 1015 Second Avenue, Seattle, WA 98104.

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.

To join virtually, please go to www.zoom.us, go to “Join a Meeting” or “Join,” and enter:

Webinar/Meeting ID: 857 0769 5835

Passcode: 367671

The Notes will be issued pursuant to Chapter 43.180 of the Revised Code of Washington for the purpose of financing qualified residential rental facilities 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:	Westgate Terrace Apartments
Project Address:	2024 Tibbetts Drive Longview, WA 98632 101 Units
Total Estimated Project Cost:	\$28,350,463
Estimated Maximum Note Amount for this Project:	\$17,000,000

Project:	Parkland Terrace Apartments
Project Address:	3133 Maryland Street Longview, WA 98632 52 Units
Total Estimated Project Cost:	\$14,757,889

Estimated Maximum Note Amount for this Project:	\$8,850,000
Total Aggregate Maximum Note Amount for the Projects:	\$25,850,000 (a portion of which may be taxable)

Proceeds of the Notes will be used to provide a portion of the financing for the acquisition and rehabilitation of (i) a 101-unit multifamily housing facility known as Westgate Terrace and (ii) a 52-unit multifamily housing facility known as Parkland Terrace, each in Longview, 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 in each facility will be set aside for persons or households with low incomes.

This notice and the provision of toll-free telephone access to the hearing 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 with respect to the Notes may be mailed or faxed to the attention of Bianca Pyko, 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 5:00 p.m. on Wednesday, November 20, 2024. Public testimony will be heard from all interested members of the public attending the hearing in person or via the telephone or internet. 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 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

Project Name

Westgate Terrace & Parkland Terrace

Developer

Reliant Group

Description

The Westgate Terrace Senior Apartments (“Westgate”) and Parkland Terrace Senior Apartments (“Parkland”) entails the acquisition and rehabilitation of two existing 55+ senior communities located across the street from one another in Longview, WA totaling 153 units. All of the units at Westgate and Parkland are covered by a Section 8 Housing Assistance Payment ("HAP") contract.

Parkland is located at 3133 Maryland Street and was originally constructed in 1970. Parkland consists of eight two-story garden-style buildings that contain a community center and is comprised of 52 one-bedroom one-bath units.

Westgate is located at 2024 Tibbetts Drive and was originally constructed in 1978. Westgate is a three-story elevator serviced building that contains a leasing office and community center. It is comprised of 101 total units of which 100 are one-bedroom one-bath units and one is a two-bedroom one-bath unit.

Rainbow Housing has been providing services to residents and will continue to do so post rehabilitation. In addition, the project will be partnering with Longview Senior Center, which is located 1.5 miles away. The Longview Senior Center is a vibrant and welcoming community center that provides a relaxing and comfortable space for seniors to gather and participate in various activities. Their services include events, games, meals, and other community activities that promote socialization and wellbeing. The Center’s partnership in this project will grow its membership and bring these activities and community building to the residents of the building.

Locations

Westgate Terrace Senior Apartments
2024 Tibbetts Drive
Longview, WA 98632

Parkland Terrace Senior Apartments
 3133 Maryland Street
 Longview, WA 98632

Project Type	Acquisition/Rehabilitation	
Units	One Bedroom	152
	Two Bedroom	1
	Total	153
Housing Tax Credits	Yes	
Income Set-Aside	70% at 50% AMI 30% at 60% AMI	
Regulatory Agreement Term	Minimum 40 years	
Evaluation Plan Scoring	Cost Efficient Development	10
	Commitments for Priority Populations	2
	CBO Inclusion	5
	Donation in Support of Local Nonprofit Programs	2
	Rehab of Major Systems	30
	Total Points	49
Estimated Tax-Exempt Note Amount (a portion of which may be taxable)	\$25,850,000	
Note Structure	Private Placement	
Lender	Citi Community Capital	
Development Budget		
Acquisition Costs		\$14,450,000
Construction		\$17,839,167
Soft Costs		\$6,382,814
Financing Costs		\$3,350,548
Capitalized Reserves		\$592,408
Other Development Costs		\$827,958
Total Development Costs		\$43,442,895
Permanent Sources		
Senior Perm Loan - Tax Exempt - Citibank		\$16,360,624
Senior Perm Loan – Tax Exempt – Recycled Bonds - Citibank		\$2,139,376
Subordinate Loan – WSHFC Climate Loan		\$3,039,622
Subordinate Loan - Tax Exempt - CAP X		\$4,500,000

Cash Flow	\$1,726,325
Deferred Developer Fee	\$243,975
Tax Credit Equity at \$0.88 per credit x 10 years	\$15,432,973
Total Permanent Sources	\$43,442,895

Total Development Cost Limit

Project's Total Development Cost Limit	\$56,088,585
Total Development Cost (minus land and reserves)	\$41,290,487
Waiver	Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$1,100	\$900 - \$903
Two Bedroom	\$1,275	\$883

Action

Public Hearing for OID #24-49A-B

Anticipated Closing Date

January 2025



The Washington State
HOUSING FINANCE COMMISSION

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing for the purpose of considering the allocation by the Commission of federal low-income housing tax credits (the “Credits”) to sponsor multifamily residential projects. The projects to be considered for an allocation of Credit are:

TC #	Project Name	City	County	Annual Tax Credit Amount
24-10	Twisp Family Haven	Twisp	Okanogan	\$1,320,371
24-23	125 th & Aurora Senior Housing	Seattle	King	\$2,163,828

The public hearing will be held in person and by telephone starting at 1:00 p.m., Thursday, November 21, 2024. Participants wishing to attend in person may attend in the Federal Reserve Vault Conference Room, Level A, 1015 Second Avenue, Seattle, WA 98104.

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 [Zoom Link](#), go to “Join” or “Join a Meeting” and enter:

Webinar/Meeting ID: 857 0769 5835
Passcode: 367671

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

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 Credits will be allocated pursuant to the authority of the Commission under Chapter 43. 180 RCW as amended, Executive Order 94-05, dated April 2, 1994, and the Internal Revenue Code of 1986, as amended. As a condition of receiving an allocation of tax credits and under a competitive process, the developers commit to serving very low and extremely low income and special needs populations for up to 40 years.

Written comments with respect to the proposed projects and allocation of Credits may be emailed to lisa.vatske@wshfc.org, mailed or faxed to the Washington State Housing Finance Commission (Attention: Lisa Vatske, MHCF Division Director, 1000 Second Avenue, Suite 2700, Seattle, Washington, 98104-3601; fax number (206) 587-5113) for receipt no later than 5:00 p.m. on November 20, 2024. The 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 Credits; however, the Commission will not consider testimony and written comments regarding land use, zoning, and environmental regulation, which should be directed to the local jurisdictions that are authorized to consider these matters when issuing building permits for the project.

9% Competitive Housing Tax Credit Program

Project Name	Twisp Family Haven	
Sponsor	Catholic Housing Services of Eastern Washington	
Description	<p>The development is designed to meet the needs of families with children, with an established program within the school district, for homeless students and their families who may also be struggling with mental illness, chemical dependency, developmental disabilities, lack of job skills and chronic poverty. The project is near services and transportation and in the Methow Valley School district. There will be an on-site property manager and social services and amenities will include a playground, patio, bike storage and accessible spaces for classes, counseling and case management. All units will be below 60% AMI.</p>	
Location	412 E. Methow Valley Hwy Twisp, WA 98856	
Credit Pool	Non-Metro	
Project Type	New Construction without Federal Subsidies	
Low-Income Housing Units	Studio	
	One Bedroom	18
	Two Bedroom	24
	Three Bedroom	6
	Total	48
Income Set-Asides	50% of units at 30% AMI 10% of units at 40% AMI	
Scoring	Additional Low-Income Housing Set-Aside	60
	Additional Low-Income Use Period (22 Years)	44
	Housing Commitments for Priority Populations	25
	Leveraging	10
	Public Funding	2
	Developer Fees	10
	Location Efficient Project	2
	Nonprofit Sponsor	5

Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Cost Containment Incentive	8
Total Points	173

Credit Request **\$1,320,371**

Development Budget

Acquisition Costs	\$720,000
Construction	\$14,560,163
Soft Costs	\$2,439,075
Financing Costs	\$652,392
Capitalized Reserves	\$153,774
Other Development Costs	\$433,347
Total Development Costs	\$18,958,751

Permanent Sources

HTF	\$5,000,000
Deferred Developer Fee	\$1,253,069
CHIP	\$792,406
FHLB	\$426,048
Tax Credit Equity at \$0.8700 per credit x 10 years	\$11,487,228
Total Sources	\$18,958,751

Total Development Cost Limit

Project's Total Development Cost Limit	\$19,134,174
TDC less Land, Offsite Infrastructure, and Reserves	\$18,094,977
Waiver	Not required

Project Operations

Unit Size	Market Rents	Proposed Rent Range
One Bedroom	\$ 926	\$ 500 - 1,001
Two Bedroom	\$ 1,198	\$ 600 - 1,201
Three Bedroom	\$ 1,703	\$ 694 - 1,389

9% Competitive Housing Tax Credit Program

Project Name	125th & Aurora Senior Housing	
Sponsor	Low Income Housing Institute (LIHI)	
Description	<p>The Low Income Housing Institute (LIHI) seeks to create newly constructed affordable housing for low-income seniors in North Seattle.</p> <p>Located in the Bitter Lake neighborhood, 125th & Aurora Senior Housing will be a six-story 90-unit new construction project on the former Black Angus Motor Inn site. LIHI envisions the site as a multi-phase development of low-income housing for seniors and families, above an early learning facility.</p> <p>Seventy-five percent of units will be set aside for homeless seniors and the remaining 25% of units will be set aside for seniors earning less than 30% of Area Median Income. Funds through HUD’s 202 Program will provide rental subsidies for all residents.</p>	
Location	12245 Aurora Avenue N. Seattle, WA 98133	
Credit Pool	King County	
Project Type	New Construction without Federal Subsidies	
Low-Income Housing Units	Studio	66
	One Bedroom	24
	Total	90
Income Set-Asides	50% of units at 30% AMI 50% of units at 50% AMI	
Scoring	Additional Low-Income Housing Set-Aside	60
	Additional Low-Income Use Period (22 Years)	44
	Housing Commitments for Priority Populations	35
	Leveraging	10
	Public Funding	2
	Project-Based Rental Assistance (PBRA)	4

Developer Fees	10
Location Efficient Project	2
Community Revitalization Plan	1
Transit Oriented Development	1
Nonprofit Sponsor	5
Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Total Points	181

Credit Request **\$2,163,828**

Development Budget

Acquisition Costs	\$3,035,000
Construction	\$31,827,609
Soft Costs	\$2,381,612
Financing Costs	\$2,094,500
Capitalized Reserves	\$376,500
Other Development Costs	\$1,056,000
Total Development Costs	\$40,771,221

Permanent Sources

HUD 202	\$3,336,840
City of Seattle OH	\$9,019,190
State HTF	\$5,000,000
Owner Equity	\$1,010,000
Fed – Transportation, Housing, and Urban Dev.	\$3,000,000
HOME 2023	\$796,270
Tax Credit Equity at \$0.8600 per credit x 10 years	\$18,608,921
Total Sources	\$40,771,221

Total Development Cost Limit

Project's Total Development Cost Limit	\$38,276,795
TDC less Land, Offsite Infrastructure, and Reserves	\$37,419,721
Waiver	Not Required

Project Operations

Unit Size	Market Rents	Proposed Rent Range
Studio	\$1,400	\$684 - \$1,163
One Bedroom	\$1,750	\$735 - \$1,249

**WASHINGTON STATE HOUSING FINANCE COMMISSION
RESOLUTION NO. 24-130**

**A RESOLUTION of the Washington State Housing Finance Commission
authorizing the Executive Director to make reservations and/or
allocations of 2024 federal low-income housing tax credits.**

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), authorizes tax credits for the construction, acquisition or rehabilitation of residential rental projects meeting the requirements of the Code, including the set-aside of rental units for low-income tenants; and

WHEREAS, the Code authorizes the housing credit agency of a state to allocate the limited amount of federal low-income housing tax credits (the "Credit") available for projects within the state among such projects; and

WHEREAS, by Executive Order No. 94-05, the Governor of the State of Washington has designated the Washington State Housing Finance Commission (the "Commission") as the housing credit agency of Washington for the purposes of allocating Credit and has authorized the Commission to allocate such Credit in accordance with the terms and conditions of such Executive Order; and

WHEREAS, in order to provide decent, safe and affordable housing, the Commission is authorized pursuant to RCW 43.180.050(d) to participate fully in federal programs and to take such actions as are necessary and consistent with RCW 43.180.010 et seq. to secure to itself and the people of the State of Washington the benefits of those programs; and

WHEREAS, the Commission has approved a Qualified Allocation Plan (the "Allocation Plan") for the allocation of Credit, the Allocation Plan has been approved by the Governor in accordance with WAC 262-01-120; the Commission has approved rules (WAC 262-01-130) for the administration of the tax credit program (the "Rules"); and the Commission has issued policy statements advising the public about the Commission's current opinions, approaches, and likely courses of action in implementing the tax credit program (the "Policies"); and

WHEREAS, the Commission has received applications from developers of residential projects for consideration in the Commission's 2024 allocation program (the "Program"); and

WHEREAS, staff has reviewed the application(s) for the project(s) listed below in accordance with the Allocation Plan, the Rules and the Policies and has presented a recommendation to the Commission for the allocation of Credit to selected projects; and

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

Section 1. The Commission authorizes the Executive Director to reserve and/or allocate 2024 Credit in the anticipated amount, to the project or projects listed below, subject to the conditions set forth below. The Commission authorizes the Executive Director to take such actions as are necessary to make such reservations and/or allocations in accordance with the Code, the Allocation Plan, the Rules, and the Policies, including the criteria contained in Chapter Five of the

Policies (Project Ranking Policies”) and project feasibility and viability and other requirements as described in Chapters Two through Seven of the Policies.

Project(s):

TC #	Project Name	City	County	Annual Tax Credit Amount
24-10	Twisp Family Haven	Twisp	Okanogan	\$1,320,371
24-23	125 th & Aurora Senior Housing	Seattle	King	\$2,163,828

Section 2. All actions previously taken by the Commission or its staff or agents in furtherance of the Program are hereby ratified and confirmed.

ADOPTED by the Washington State Housing Finance Commission at a special meeting duly noticed and called this 21st day of November 2024.

WASHINGTON STATE
HOUSING FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

WASHINGTON STATE HOUSING FINANCE COMMISSION
9% Housing Tax Credit Program
2024 Allocation List
 Final Allocation amounts may change if new Federal resources are made available.

King County Pool (November 2023 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations					
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless	
24-13	Approved 6/27/2024	DESC Lake City	Downtown Emergency	Seattle	King	185	\$18,030	\$2,163,612	120	60	0	60	0	0	0	0	0	0	90
24-19	Approved 7/25/2024	Burien Family Housing	Mercy Housing North	Burien	King	182	\$34,350	\$1,545,743	45	23	0	22	0	0	0	0	0	0	34
24-23	Scheduled for 11/21/2024	125th & Aurora Senior Housing	Low Income Housing In	Seattle	King	181	\$24,313	\$2,163,828	89	45	0	44	0	0	0	0	0	0	67
24-11	Approved 8/22/2024	Sea Mar Community Health Centers	Sea Mar Community H	Seattle	King	167	\$27,902	\$2,148,440	77	39	0	38	0	0	0	0	0	0	0
24-62	Credit Exchange	DESC Woodland	Downtown Emergency	Seattle	King	100	\$22,774	\$2,163,612	95	48	0	47	0	0	0	0	0	0	72
24-108	Credit Exchange	Horizon Housing at Totem Lake	Horizon Housing Alliar	Kirkland	King	189	\$26,576	\$1,063,040	40					0	0	0	0	0	30
23-08	Additional Credit	Fifth & Seneca	YWCA Seattle King	Seattle	King	188		\$216,829	114	57	29	0	28	0	0	0	0	0	86
								King County Credit Allocated:	\$11,465,104	466	215	0	211	0	0	0	0	0	293
								King County Credit Available:	\$6,902,540										
								Balance:	(\$4,562,564)										

King County Pool Unranked (Noncompetitive or Awaiting Other Funding Commitments)

24-20	Application	Pandion at Star Lake	TWG Development	Kent	King	*	\$28,360	\$794,080	28	14	0	14	0	0	0	0	0	0	21
24-12	Application	Sea Mar Community Health Centers	Sea Mar Community H	Kent	King	*	\$28,060	\$869,859	31	16	0	15	0	0	14	0	0	0	0
								King County Unranked Balance:	\$1,663,939	59	30	0	29	0	14	0	0	0	21

Metro Pool (November 2023 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations					
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless	
24-04	Approved 6/27/2024	River Family Haven	Catholic Charities East	Spokane	Spokane	171	\$28,208	\$1,974,527	70	35	7	0	28	0	0	0	0	0	18
24-01	Approved 4/25/2024	Felida Park Senior Housing + PACE	Specialized Housing In	Incorporated Clark County	Clark	169	\$21,590	\$1,403,366	65	33	0	32	0	0	0	65	13	0	
24-05	Approved 9/19/2024	Mercy Aviva Crossing	Mercy Housing North	Tacoma	Pierce	166	\$34,000	\$1,700,000	50	25	0	25	0	10	0	0	10	0	
24-02	Approved 7/25/2024	Broadway Senior Housing	Spokane Neighborhood	Spokane Valley	Spokane	164	\$27,640	\$1,658,400	60	0	24	18	18	0	0	60	12	0	
24-03	Approved 6/27/2024	Bellis Fair Family Housing	Opportunity Council	Bellingham	Whatcom	160	\$28,609	\$1,802,385	63	32	0	19	12	0	0	0	13	13	
TBD	Credit Exchange	Scriber Place	Housing Hope	Lynnwood	Snohomish	158	\$28,803	\$1,497,756	52	26	0	26	0	0	0	0	0	26	
24-123	Credit Exchange	Shiloh Redevelopment	New Life Housing/Shiloh	Tacoma	Pierce	161	\$26,576	\$1,594,560	60	1	0	1	0	0	0	0	12	12	
24-63	Credit Exchange	Hifumi-en	Spokane Housing Auth	Spokane	Spokane	167	\$25,158	\$2,163,557	86	22	43	0	21	0	0	86	18	0	
								Total Metro Credit Allocated:	\$13,794,351	506	174	74	121	79	0	10	211	78	69
								Metro Credit Available:	\$10,465,131										
								Metro Balance (Total):	(\$3,329,420)										

Non-Metro Pool (November 2023 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations					
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless	
24-15	Approved 9/19/2024	CCHS Grant County Preservation	Catholic Charities Hou	Quincy	Grant	173	\$16,173	\$1,504,112	93	10	47	36	0	73	0	0	0	0	24
								Non-Metro Rehab Credit Allocated:	\$1,504,112	93	10	47	36	0	73	0	0	0	24
										Non-Metro New Production									
24-17	Approved 6/27/2024	CCHS Casa de la Mora	Catholic Charities Hou	Yakima	Yakima	175	\$24,187	\$1,741,480	72	18	36	0	18	0	0	0	0	0	18
24-08	Approved 4/25/2024	WWHA Meadow Grove	Walla Walla Housing A	Walla Walla	Walla Walla	174	\$26,424	\$1,321,183	50	13	25	0	12	0	0	0	0	13	
24-10	Scheduled for 11/21/2024	Twisp Family Haven	Catholic Housing Serv	Twisp	Okanogan	173	\$28,093	\$1,320,371	47	24	5	0	18	0	0	0	0	12	
24-107	Credit Exchange	Rocky Point Housing Development	Othello Housing Auth	Othello	Adams	184	\$27,521	\$1,256,464	40	4	20	16	0	30	0	0	0	0	
24-95	Credit Exchange	Clarkston Family Housing	Horizon Housing Alliar	Clarkston	Asotin	186	\$27,515	\$2,275,749	70	35	7	0	28	0	0	0	0	35	
								Non-Metro New Production and Preservation Credit Allocated:	\$9,419,359	372	65	113	36	48	73	0	0	0	102
								Non-Metro Credit Available:	\$9,280,688		45		52	30					
								Non-Metro Balance:	(\$138,671)		76		36	58					
										Non-Metro Unranked (Noncompetitive or Awaiting Other Funding Commitments)									
24-18	Application	Alderwood Apartments	Trillium Housing Serv	Yakima	Yakima	*	\$24,420	\$2,002,440	82	9	41	32	0	62	0	0	0	0	
24-07	Application	Catlin and Main	Lower Columbia Comm	Kelso	Cowlitz	*	\$27,640	\$1,105,600	40	20	4	0	16	0	0	0	0	10	
24-06	Application	Cottages at Pea Patch	OPAL Community Land	Eastsound	San Juan	*	\$41,460	\$829,200	20	10	0	10	0	0	0	0	0	5	
24-21	Application	Franz Anderson PSH	Low Income Housing In	Olympia	Thurston	*	\$27,640	\$1,934,800	70	35	0	35	0	0	0	0	0	18	
24-09	Application	Lewis, Spruce, and Sixth	The Housing Authority	Yakima	Yakima	*	\$27,640	\$1,382,000	50	25	5	0	20	0	0	0	0	13	
24-14	Application	Moore Wright Legacy Housing	The Moore Wright Gr	Aberdeen	Grays Harbor	*	\$27,639	\$1,879,432	68	59	0	9	0	0	0	0	0	17	
24-24	Application	Vince's Village	Bayside Housing & Ser	Port Townsend	Jefferson	*	\$36,085	\$829,972	23	23	9	0	0	0	0	0	0	6	
24-16	Application	VOA North	Volunteers of America	Burlington	Skagit	*	\$20,481	\$829,715	41	21	0	20	0	0	0	0	0	11	
24-22	Application	128 Olympia	Interfaith Works	Olympia	Thurston	*	\$27,637	\$1,879,343	68	34	0	34	0	0	0	0	0	17	
								Non-Metro Waiting List Balance:	\$12,682,502	462	236	50	140	36	62	0	0	0	97

Statewide Allocation Round Totals:	Total Project Applications: 24	Total Credit Requested:	\$50,529,567	1,865	720	237	537	163	135	24	211	78	582
	Total Projects Above Line: 12	Total Credit Available for 2024:	\$26,648,359	1,344	454	187	368	127	73	10	211	78	464
	Application Success Percentage: 50%	FWD Commitment of 2025 LIHTC:	\$9,534,767										
		Total LIHTC Allocation for 2024:	\$36,183,126										

Final Allocation amounts may change if new Federal resources are made available.
 *No scores displayed for projects that are not fully funded or are below the line for competitive scoring. These projects are ranked alphabetically by project name.

**WASHINGTON STATE HOUSING
FINANCE COMMISSION**

RESOLUTION NO. 24-131

**A RESOLUTION of the Washington State Housing Finance
Commission authorizing the Executive Director to make reservations
and/or allocations of 2024 federal low-income housing tax credits.**

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), authorizes tax credits for the construction, acquisition or rehabilitation of residential rental projects meeting the requirements of the Code, including the set-aside of rental units for low-income tenants; and

WHEREAS, the Code authorizes the housing credit agency of a state to allocate the limited amount of federal low-income housing tax credits (the "Credit") available for projects within the state among such projects; and

WHEREAS, by Executive Order No. 94-05, the Governor of the State of Washington has designated the Washington State Housing Finance Commission (the "Commission") as the housing credit agency of Washington for the purposes of allocating Credit and has authorized the Commission to allocate such Credit in accordance with the terms and conditions of such Executive Order; and

WHEREAS, in order to provide decent, safe and affordable housing, the Commission is authorized pursuant to RCW 43.180.050(d) to participate fully in federal programs and to take such actions as are necessary and consistent with RCW 43.180.010 et seq. to secure to itself and the people of the State of Washington the benefits of those programs; and

WHEREAS, the Commission has approved a Qualified Allocation Plan (the "Allocation Plan") for the allocation of Credit, the Allocation Plan has been approved by the Governor in accordance with WAC 262-01-120; the Commission has approved rules (WAC 262-01-130) for the administration of the tax credit program (the "Rules"); and the Commission has issued policy statements advising the public about the Commission's current opinions, approaches, and likely courses of action in implementing the tax credit program (the "Policies"); and

WHEREAS, the Commission has received applications from developers of residential projects for consideration in the Commission's 2024 allocation program (the "Program"); and

WHEREAS, staff has reviewed the application(s) for the project(s) listed below in accordance with the Allocation Plan, the Rules and the Policies and has presented a recommendation to the Commission for the allocation of Credit to selected projects; and

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

Section 1. The Commission authorizes the Executive Director to reserve and/or allocate 2024 Credit in the anticipated amount, to the project or projects listed below, subject to the conditions set forth below. The Commission authorizes the Executive Director to take such actions as are necessary to make such reservations and/or allocations in accordance with the Code, the Allocation Plan, the Rules, and the Policies, including the criteria contained in Chapter Five of the Policies (Project Ranking Policies) and

project feasibility and viability and other requirements as described in Chapters Two through Seven of the Policies.

Project:

TC #	Project Name	City	County	Additional credit requested	Annual Tax Credit Amount
23-08	Fifth & Seneca	Seattle	King	\$216,829	\$2,953,813

Section 2. All actions previously taken by the Commission or its staff or agents in furtherance of the Program are hereby ratified and confirmed.

ADOPTED by the Washington State Housing Finance Commission at a special meeting duly noticed and called this 21st day of November 2024.

WASHINGTON STATE
HOUSING FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 24-128

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of a nonrecourse nonprofit revenue and refunding revenue bond in a principal amount not to exceed \$12,500,000 to finance and refinance school facilities owned by The Northwest School of the Arts, Humanities, and Environment, a Washington nonprofit corporation; approving the sale of the bond to Wells Fargo Bank, National Association pursuant to its purchase offer; approving the form of a financing agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON NOVEMBER 21, 2024

PREPARED BY:

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

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RESOLUTION NO. 24-128

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of a nonrecourse nonprofit revenue and refunding revenue bond in a principal amount not to exceed \$12,500,000 to finance and refinance school facilities owned by The Northwest School of the Arts, Humanities, and Environment, a Washington nonprofit corporation; approving the sale of the bond to Wells Fargo Bank, National Association pursuant to its purchase offer; approving the form of a financing agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to 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 finance and refinance eligible facilities owned and operated by nonprofit organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Code grants an exemption from federal income tax for interest paid on bonds where the proceeds thereof are used to finance projects owned and operated by 501(c)(3) organizations; and

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

WHEREAS, Wells Fargo Bank, National Association (the “Bank”) has offered to originate a mortgage loan in the principal amount of not to exceed \$12,500,000 (the “Loan”) to The Northwest School of the Arts, Humanities, and Environment, a Washington nonprofit

corporation (the “Borrower”), to refund the Commission’s Washington State Housing Finance Commission Nonprofit Revenue and Refunding Revenue Bond (The Northwest School Project), Series 2012A (the “2012 Bond”), proceeds of which were used to finance and refinance the acquisition, construction and renovation of school facilities; to refinance an outstanding taxable loan used to purchase property; to finance costs of renovations and upgrades to school facilities; and to pay all or a portion of the costs of issuing the Bond (as defined herein) (collectively, the “Project”), and to sell the Loan to the Commission; and

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt financing for the Project through: (1) the issuance of its Washington State Housing Finance Commission Nonprofit Revenue and Refunding Revenue Bond (The Northwest School Project), Series 2024 in the principal amount of not to exceed \$12,500,000 (the “Bond”); and (2) its acquisition of the Loan with proceeds of the Bond; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 24-116A, the Commission held a public hearing on October 24, 2024, and the Governor has, or by the closing on the Bond will have, approved the Project and the Bond; and

WHEREAS, the Commission has received an offer to purchase the Bond (the “Purchase Offer”) from the Bank; 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 Executive Director of the Commission: the Financing Agreement among the Commission, U.S.

Bank Trust Company, National Association, as the fiscal agent, the Borrower and the Bank (the “Financing Agreement”) and the Non-Arbitrage Certificate executed by the Commission of even date with the Bond (the “Tax Certificate”).

Section 2. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing and refinancing of eligible nonprofit facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of privately placed nonrecourse revenue obligations (the “Program”). The Commission hereby finds and determines that the Program is in furtherance of the Act and the Plan.

Section 3. Authorization of the Bond; Refunding. The Commission hereby authorizes the issuance and sale of the Bond to be designated “Nonprofit Revenue and Refunding Revenue Bond (The Northwest School Project), Series 2024” in a principal amount not to exceed \$12,500,000 pursuant to and in accordance with the provisions of the Act and the Code; provided, that the Bond may be issued in one or more tax-exempt and taxable series, with appropriate series designation, as may be determined necessary.

The Commission hereby authorizes the refunding of its 2012 Bond with proceeds of the Bond and other funds available to the Borrower.

Section 4. Approval of Documents. It is hereby found and determined that the Financing Agreement and the Tax Certificate conform to the requirements of the Commission, the Act and the Code and provide appropriate security for the Bond consistent with the Act and the Code.

The Financing 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 his designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bond 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 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 5. Sale of the Bond. The Commission hereby authorizes and approves the sale of the Bond to the Bank, in accordance with the Purchase Offer attached hereto as Exhibit A.

Section 6. 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 7. 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 his designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

[Signature Page Follows.]

ADOPTED at a special meeting duly noticed and called this 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A
Purchase Offer

Nonprofit Facilities Program

Project Name	The Northwest School for the Arts, Humanities and Environment
Borrower	The Northwest School for the Arts, Humanities and Environment
Description	Refinance the acquisition and rehabilitation of existing school facilities, to finance a portion of the costs of the rehabilitation of the Project, and to pay all or a portion of the costs of issuing the Bonds.
Location	1415 Summit Avenue 401 East Pike Street 1422 Bellevue Avenue 1417 Bellevue Avenue 1406 Bellevue Avenue, Seattle, WA 98122
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit facilities
Project Type	Refinance of existing debt and a rehabilitation of an existing facility.
<i>Financial Information</i>	
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$12,500,000
Total Estimated Project Costs	\$11,100,883
Bond Structure	Private Placement
Lender	Wells Fargo Bank, N.A.
Action	Approval of Resolution No. 24-128
Anticipated Closing Date	December 2024

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 24-121

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance and reissuance of nonrecourse nonprofit revenue bonds in multiple series and in an aggregate principal amount of not to exceed \$157,000,000 to finance the construction, expansion and equipping of a senior housing facility owned by Wesley Homes Bradley Park LLC, a Washington limited liability company, the sole member of which is Wesley Homes, a Washington nonprofit corporation; approving the sale of the bonds to Odeon Capital Group LLC; approving the form of a supplemental bond trust indenture, mortgage loan origination and financing agreement, amendment to deed of trust, bond purchase agreement and tax certificates; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON NOVEMBER 21, 2024

PREPARED BY:

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

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RESOLUTION NO. 24-121

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance and reissuance of nonrecourse nonprofit revenue bonds in multiple series and in an aggregate principal amount of not to exceed \$157,000,000 to finance the construction, expansion and equipping of a senior housing facility owned by Wesley Homes Bradley Park LLC, a Washington limited liability company, the sole member of which is Wesley Homes, a Washington nonprofit corporation; approving the sale of the bonds to Odeon Capital Group LLC; approving the form of a supplemental bond trust indenture, mortgage loan origination and financing agreement, amendment to deed of trust, bond purchase agreement and tax certificates; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to 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 finance eligible facilities owned and operated by nonprofit organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Code grants an exemption from federal income tax for interest paid on bonds where the proceeds thereof are used to finance projects owned and operated by 501(c)(3) organizations; and

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

WHEREAS, Wesley Homes Bradley Park LLC, a Washington limited liability company (the “Borrower”) the sole member of which is Wesley Homes, a Washington nonprofit corporation and an organization described under Section 501(c)(3) of the Code, previously requested that the Commission issue bonds (the “Series 2016 Bonds”) to provide part of the funds to finance the construction and equipping of a new continuing care retirement community located in Puyallup, Washington (the “Facilities”) and owned by the Borrower, pay capitalized interest and working capital during construction of the Facilities, establish a debt service reserve fund and pay costs of issuing the Series 2016 Bonds (together, the “2016 Project”); and

WHEREAS, the Borrower has requested that the Commission issue additional bonds (the “Series 2024 Bonds” and, together with the Series 2016 Bonds, the “Bonds”) to provide part of the funds to finance a portion of the expansion of the Facilities through the construction and equipping of 67 independent living apartments; the construction and equipping of a skilled nursing facility which is expected to include 36 skilled nursing beds; and the construction and equipping of a new fitness center and swimming pool; the capitalization of interest on the Series 2024 Bonds, (iii) funding of a debt service reserve fund for the Series 2024 Bonds, (iv) funding of certain working capital costs of the Borrower related to the Project, and (v) payment of costs of issuance of the Series 2024 Bonds (together, the “Project”); and

WHEREAS, as a condition of the issuance of the Series 2024 Bonds, the Borrower and the holders of the Series 2016 Bonds are requesting certain amendments to the Series 2016 Bonds, which will result in the reissuance of the Series 2016 Bonds; and

WHEREAS, it is desirable for the Commission to assist the Borrower through the issuance of its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Wesley Homes at Bradley Park Projects), Series 2024, in the aggregate principal amount

of not to exceed \$95,000,000, with such additional series and subseries designations as may be authorized by the Executive Director, and the reissuance of its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Wesley Homes at Bradley Park Projects), Series 2016 in a principal amount of not to exceed \$62,000,000, and collectively in the aggregate principal amount of not to exceed \$157,000,000; and

WHEREAS, the Bonds are expected to be unrated and will be sold with terms consistent with and in furtherance of the Commission's policy for unrated bonds; and

WHEREAS, the Commission has previously given preliminary approval of the Series 2024 Project by Official Intent Declaration No. 24-114A, the Commission held a public hearing with respect to the Project on October 24, 2024, and by the closing on the Bonds the Governor will have approved the Project and the Bonds; and

WHEREAS, the Commission has received a preliminary offer to purchase all of the Series 2024 Bonds from Odeon Capital Group LLC (the "Purchaser"), which intends to sell all or a majority of the Series 2024 Bonds to clients of Hamlin Capital Management, LLC, which are also the holders of the Series 2016 Bonds.

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 Master Bond Trust Indenture (the "Master Indenture") between the Commission and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association, the "Trustee"); the Fourth Supplemental Bond Trust Indenture between the Commission and Trustee (the "Fourth Supplement," and, together with the Master

Indenture, the “Indenture”); the Mortgage Loan Origination and Financing Agreement among the Commission, the Borrower, a loan originator and the Trustee (the “Loan Agreement”); the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); Amendment No. 1 to the Deed of Trust, Assignment of Leases and Fixture Filing (together with the Deed of Trust, Assignment of Leases and Fixture Filing, as previously amended, the “Deed of Trust”); and the form of Bond Purchase Agreement among the Commission, the Borrower and the Purchaser (the “Bond Purchase Agreement”).

Section 2. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing and refinancing of eligible nonprofit housing facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program is in furtherance of the Act and the Plan.

Section 3. Authorization of the Series 2024 Bonds; Reissuance of the Series 2016 Bonds. The Commission hereby authorizes the issuance and sale of the Series 2024 Bonds as draw-down bonds, in multiple series and subseries, at fixed and adjustable rates, in an original aggregate principal amount not to exceed \$95,000,000 pursuant to and in accordance with the provisions of the Act and the Code and Section 5 of this resolution. The Commission further authorizes the adjustment of the names of the Bonds, as is necessary to facilitate the sale of the Bonds and the accomplishment of the Project.

The Commission further authorizes the reissuance and exchange of the Series 2016 Bonds in a principal amount of not to exceed \$62,000,000.

Section 4. Approval of Documents. It is hereby found and determined that the Indenture, Loan Agreement, Deed of Trust, Bond Purchase Agreement and Tax Certificate conform to the requirements of the Commission, the Act and the Code and provide appropriate security for the Bonds consistent with the Act and the Code.

The Indenture, Loan Agreement, Deed of Trust, Bond Purchase Agreement and 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 his designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bonds 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 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 5. Sale of the Series 2024 Bonds. The Commission hereby authorizes and approves the sale of the Series 2024 Bonds to Odeon Capital Group LLC, 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 Series 2024 Bonds

does not exceed \$95,000,000; (b) the interest rate on the Series 2024 Bonds does not exceed 8.00%; (c) the Bond Purchase Agreement is executed prior to February 28, 2025; and (d) the final terms of the Bond Purchase Agreement are otherwise in furtherance of the Act and the Plan.

Section 6. 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 7. 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 his 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 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

Nonprofit Housing Program

Project Name	Wesley Homes Bradley Park
Developer	Wesley Homes
Description	Wesley Home Bradley Park is a senior retirement community serving the Puyallup area. The project originally received 501(C)(3) bond financing in 2016 and consisted of the construction and equipping of a new continuing care retirement facility with 131 independent living units, 50 assisted living units, 17 memory care units and community amenities in Puyallup, WA. This phase of the project will add a 36-bed skilled nursing facility and 67 independent living apartments. This project will also add a swimming pool and rehabilitation center.
Location	707 39th Avenue SE Building A and C Puyallup, WA 98373
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	New Construction of a Nonprofit Housing facility
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$157,000,000
Bond Structure	Public Sale
Total Estimated Project Cost	\$162,000,000
Lender	Hamlin Capital Management
Underwriter	Odeon Capital Group
Action	Approval of Resolution No. 24-121
Anticipated Closing Date	November 2024

WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 24-124

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of a tax-exempt nonrecourse revenue note in a principal amount of not to exceed \$50,000,000, to finance the acquisition, construction and equipping of a multifamily housing facility in Seattle, Washington, to be owned by Bryant Manor 2 LLLP; approving the issuance and delivery of the note 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 21, 2024

PREPARED BY:

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

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RESOLUTION NO. 24-124

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of a tax-exempt nonrecourse revenue note in a principal amount of not to exceed \$50,000,000, to finance the acquisition, construction and equipping of a multifamily housing facility in Seattle, Washington, to be owned by Bryant Manor 2 LLLP; approving the issuance and delivery of the note 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 and instrumentality 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 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"), exempts from federal income tax the interest paid on bonds the proceeds of which 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 \$50,000,000 to the Commission (the "Funding Loan") to provide funds to finance the acquisition, construction and equipping of a 149-unit multifamily housing facility (the

“Project”) located in Seattle, Washington, to be owned by Bryant Manor 2 LLLP, a Washington limited liability 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 (Bryant Manor South Apartments Project), Series 2024 (the “Note”) in the principal amount of not to exceed \$50,000,000; and (2) its acquisition of the Borrower Loan with proceeds of the Note; and

WHEREAS, the Note is 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. 24-109A, the Commission held a public hearing on October 24, 2024, and the Governor has, or by the closing on the Note will have, approved the Project and the Note; and

WHEREAS, the Commission has received an offer to make the Funding Loan evidenced by the Note (the “Loan Commitment”) from Citi; 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 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 under the Act for the financing of eligible housing facilities through the issuance of privately placed nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Note are in furtherance of the Act and the Plan.

Section 4. Authorization of the Note. The Commission hereby authorizes the issuance and delivery of its Note to be designated “Multifamily Revenue Note (Bryant Manor South Apartments Project), Series 2024” in a principal amount of not to exceed \$50,000,000,

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 Note 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 on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, and to do all things necessary on its behalf to proceed with the Program and the issuance and delivery of the Note 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 Note. The Commission hereby authorizes and approves the issuance and delivery of the Note 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.

[Signature Page Follows]

ADOPTED at a special meeting duly noticed and called this 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A
Loan Commitment

November 18, 2024

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 Note (Bryant Manor South Apartments Project), Series 2024

Dear Honorable Commissioners:

Citibank, N.A. ("Funding Lender") is pleased to offer to make a loan (the "Funding Loan") to the Washington State Housing Finance Commission (the "Commission") to be evidenced by the above-referenced Multifamily Revenue Note (the "Note") in a principal amount not to exceed \$48,734,255, with the understanding that the proceeds of the Funding Loan will be used by the Commission to purchase a loan being originated by Citibank, N.A. ("Mortgage Lender") to Bryant Manor 2 LLLP, a Washington limited liability limited partnership ("Borrower") for purposes of financing the acquisition, construction, development and/or equipping of a 149-unit multifamily housing development located in the City of Seattle, Washington, known or to be known as Bryant Manor South, all pursuant to the provisions of the Funding Loan Agreement, dated as of November 1, 2024 (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, 2024 (the "Borrower Loan Agreement"), among the Commission, the Borrower, the Mortgage Lender and the Fiscal Agent.

The Note will be dated the date of closing, which is anticipated to be November 26, 2024. The Note is expected to mature on December 1, 2042. Principal on the Note will initially accrue interest at a variable rate equal to one-month Term SOFR (which shall have a floor of 0.50%) plus a spread of 2.00% until the Conversion Date, which can occur no later than June 1, 2028, and thereafter principal on the Note will accrue interest at a fixed rate to be locked just prior to closing not expected to exceed 12%. Interest only payments will be made from the closing date to the Conversion Date, and thereafter principal and interest are to be paid in monthly installments amortized over 40 years.

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	Bryant Manor Phase II								
Developer	First A.M.E. Housing Association								
Description	<p>Bryant Manor Phase II is the second phase of the redevelopment of The Bryant Manor Apartments. The original apartments were constructed in the early 1970s as part of a partnership between Boeing and HUD. First A.M.E. (FAME) Housing Association, a Community Based Organization founded in 1969, was selected through an RFP process to take over ownership of Bryant Manor. FAME Housing owned and operated Bryant Manor as family housing with a cultural orientation toward the Black Community for the following 50 years. The six-building complex was in need of significant capital investment to achieve another 50 year life and recent zoning changes offered FAME the opportunity to increase the families served at Bryant Manor from 58 to 250. In Phase I, FAME demolished three of the six original buildings and began construction of 101 new family units, an Early Learning Center and Office space for FAME. The last three original buildings will be demolished to make way for Phase II's construction of 149 units. The redevelopment is part of movement to bring back black families to the Central District and counter the effects of gentrification.</p>								
Location	110 - 18th Avenue S. Seattle, WA 98122								
Project Type	New Construction								
Units	<table><tr><td>One Bedroom</td><td>25</td></tr><tr><td>Two Bedroom</td><td>94</td></tr><tr><td>Three Bedroom</td><td>30</td></tr><tr><td>Total</td><td>149</td></tr></table>	One Bedroom	25	Two Bedroom	94	Three Bedroom	30	Total	149
One Bedroom	25								
Two Bedroom	94								
Three Bedroom	30								
Total	149								
Housing Tax Credits	Yes								
Income Set-Aside	70% at 50% AMI, 30% at 60% AMI								
Regulatory Agreement Term	Minimum 40 years								

Evaluation Plan Scoring	Cost Efficient Development	1
	Additional Low-Income Housing Commitments	6
	Commitments for Priority Populations	2
	Systemic Barrier	8
	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	5
	Energy – New Construction	
	Total Points	42

Estimated Tax-Exempt Note Amount \$50,000,000
(Not expected to exceed)

Note Structure Private Placement

Lender Citi Community Capital

Development Budget

Acquisition Costs	\$12,070,000
Construction	\$66,658,515
Soft Costs	\$8,997,895
Financing Costs	\$6,724,045
Capitalized Reserves	\$1,392,006
Other Development Costs	\$1,699,161
Total Development Costs	\$97,541,622

Permanent Sources

King County	\$1,000,000
Deferred Fee	\$2,500,000
SHA Buy up	\$2,300,000
Tax Exempt Note	\$18,254,451
Sponsor Loan	\$1,500,000
State Housing Trust Fund	\$5,000,000
Sponsor Loan - Reserves	\$300,000
City Of Seattle	\$21,283,912
Capital Contribution Land value	\$12,020,000
Tax Credit Equity at \$0.8350 per credit x 10 years	\$33,383,259
Total Permanent Sources	\$97,541,622

Total Development Cost Limit

Project's Total Development Cost Limit	\$83,796,883
Total Development Cost (minus land and reserves)	\$83,796,881
Waiver	Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$2,015	\$1,361
Two Bedroom	\$2,925	\$1,630 - \$1,969
Three Bedroom	\$3,530	\$1,859 - \$2,251

Action Approval of Resolution No. 24-124

Anticipated Closing Date November 2024

WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 24-125

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of an additional tax-exempt nonrecourse revenue note, in the principal amount of not to exceed \$10,100,000, to finance the acquisition and construction of a 430-unit multifamily housing facility in the City of Everett, Washington, owned by Four Corners, LLC; approving the issuance and delivery of the note to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, an amended regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON NOVEMBER 21, 2024

PREPARED BY:

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

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RESOLUTION NO. 24-125

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of an additional tax-exempt nonrecourse revenue note, in the principal amount of not to exceed \$10,100,000, to finance the acquisition and construction of a 430-unit multifamily housing facility in the City of Everett, Washington, owned by Four Corners, LLC; approving the issuance and delivery of the note to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, an amended regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his 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, the Commission previously issued its tax-exempt revenue note in 2020 to finance the acquisition, construction and equipping of a 430-unit multifamily housing facility

located in Everett, Washington (the “Project”), owned by Four Corners, LLC, a Washington limited liability company (the “Borrower”); and

WHEREAS, the Borrower has requested that the Commission issue an additional tax-exempt note to finance costs of acquisition, construction and equipping of the Project; and

WHEREAS, Citibank, N.A., in its capacity as Funding Lender (the “Funding Lender”) under a Funding Loan Agreement, has offered to make an additional loan in the principal amount of not to exceed \$10,100,000 to the Commission (the “2024 Funding Loan”) to provide additional funds for the Project; 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 “2024 Project 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 2024 Funding Loan, as evidenced by its Multifamily Revenue Note (Four Corners Apartments Project), Series 2024 (the “Note”) in the principal amount of not to exceed \$10,100,000, and (2) its acquisition of the 2024 Project Loan with proceeds of the Note;

WHEREAS, the Note is 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. 19-112A, the Commission held a public hearing on October 17, 2024, and the Governor has, or by the closing on the Note will have, approved the plan of financing for the Project and the Note; and

WHEREAS, the Commission has received an offer to make the Funding Loan evidenced by the Note (the “Loan Commitment”) from the Funding Lender; 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 Executive Director of the Commission: the Funding Loan Agreement (the “Funding Loan Agreement”), among the Funding Lender, the Commission and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”); the Borrower Loan Agreement (the “Project Loan Agreement”), among the Commission, the Fiscal Agent, the Funding Lender, acting as mortgage lender, and the Borrower; the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the Regulatory Agreement dated as of December 1, 2020, as amended by the First Amendment to Regulatory Agreement (as amended, 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 is in furtherance of the Act and the Plan.

Section 4. Authorization of the Note. The Commission hereby authorizes the issuance and delivery of the Note to be designated “Multifamily Revenue Note (Four Corners Apartments Project), Series 2024” in the principal amount of not to exceed \$10,100,000, pursuant to and in accordance with the provisions of the Act, the Code and the Funding Loan Agreement, as applicable.

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 Note 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 his 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 Note 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 Note. The Commission hereby authorizes and approves the issuance and delivery of the Note to the Initial Funding Lender 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 his 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 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A
Loan Commitment

November 19, 2024

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 Note (Four Corners Apartments Project), Series 2024

Dear Honorable Commissioners:

Citibank, N.A. ("Funding Lender") is pleased to offer to make a loan (the "Funding Loan") to the Washington State Housing Finance Commission (the "Commission") to be evidenced by the above-referenced Multifamily Revenue Note (the "Note") in a principal amount not to exceed \$9,600,000, with the understanding that the proceeds of the Funding Loan will be used by the Commission to purchase a loan being originated by Citibank, N.A. ("Mortgage Lender") to Four Corners, LLC, a Washington limited liability company ("Borrower") for purposes of providing additional financing for the acquisition, construction and equipping of a multifamily residential rental project located in the City of Everett, Snohomish County, Washington, all pursuant to the provisions of the Funding Loan Agreement, dated as of December 1, 2024 (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 December 1, 2024 (the "Borrower Loan Agreement"), among the Commission, the Borrower, the Mortgage Lender and the Fiscal Agent.

The Note will be dated the date of closing, which is anticipated to be December 4, 2024. The Note is expected to mature on January 1, 2026. Principal on the Note will accrue interest at a variable rate equal to one-month Term SOFR plus a margin equal to 2.36448%. Interest only payments will be made from the closing date to the Maturity Date.

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: Selina Mendoza
Title: Authorized Signatory

Multifamily Housing Program

Project Name Four Corners

Developer DevCo, Inc.

Description New construction of a 430-unit multifamily apartment community in Everett. One hundred percent of the units are affordable and will be occupied to households earning no more than 80% of the Snohomish County area median income (AMI) so the average income at the property will be 60% of AMI. Twenty percent of the units will be set aside for persons with disabilities and large households. Amenities will include community garden, fitness center, business center/learning center, media room, playground or fitness trail, and covered secured bicycle storage.

Location 8102 Evergreen Way
Everett, WA 98203

Project Type New Construction

Units

One Bedroom	150
Two Bedroom	115
Three Bedroom	80
Four Bedroom	85
Total	430

Housing Tax Credits Yes

Income Set-Aside 100% @ 60% AMI

Regulatory Agreement Term Minimum 40 years

Evaluation Plan Scoring

Additional Low-Income Use Period	15
Commitments for Priority Populations	20
Cost Efficient Development	10
Property Type	6
Location Efficient Projects	3
Area Targeted by Local Jurisdiction	2
Transit Development	1
Community Revitalization Plan	3
Nonprofit Sponsor	3
Donation in Support of Local Nonprofit	8
Development Amenities	5

Utility Allowance Option	2
Solar Options	5
Energy Efficient Building	6
Total Points	89

**Estimated Note Amount
(Not to exceed)** \$9,600,000

Note Structure Private Placement

Lender Citi Community Capital

Development Budget

Acquisition Costs	\$16,078,172
Construction	\$120,786,655
Soft Costs	\$23,664,785
Financing Costs	\$13,445,603
Capitalized Reserves	\$3,640,683
Other Development Costs	\$5,714,070
Total Development Costs	\$183,329,968

Permanent Sources

Citibank Permanent Debt	\$108,950,000
Deferred Developer Fee	\$17,249,309
Tax Credit Equity at \$0.76 per credit x 10 years	\$57,130,659
Total Permanent Sources	\$183,329,968

Total Development Cost Limit

Project's Total Development Cost Limit	\$205,667,680
Total Development Cost (minus land and reserves)	\$179,443,471
Waiver	Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$1,600	\$1,255
Two Bedroom	\$1,950	\$1,505
Three Bedroom	\$2,200	\$1,735
Four Bedroom	\$2,450	\$1,934

Action Approval of Resolution No. 24-125

Anticipated Closing Date December 2024

WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 24-126

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of an additional tax-exempt nonrecourse revenue note in the principal amount of not to exceed \$4,000,000, to finance the acquisition, construction and equipping of a 202-unit multifamily housing facility in the City of Federal Way, Washington, to be owned by Redondo Heights TOD New Construction LLLP; approving the issuance and delivery of the note to JPMorgan Chase Bank, N.A.; approving the form of a funding loan agreement, a project loan agreement, an amended regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON NOVEMBER 21, 2024

PREPARED BY:

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

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RESOLUTION NO. 24-126

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of an additional tax-exempt nonrecourse revenue note in the principal amount of not to exceed \$4,000,000, to finance the acquisition, construction and equipping of a 202-unit multifamily housing facility in the City of Federal Way, Washington, to be owned by Redondo Heights TOD New Construction LLLP; approving the issuance and delivery of the note to JPMorgan Chase Bank, N.A.; approving the form of a funding loan agreement, a project loan agreement, an amended regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his 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, the Commission previously issued its tax-exempt revenue note in 2022 to finance the acquisition, construction and equipping of a 202-unit multifamily housing facility

located in Federal Way, Washington (the “Project”), to be owned by Redondo Heights TOD New Construction LLLP, a Washington limited liability limited partnership (the “Borrower”); and

WHEREAS, the Borrower has requested that the Commission issue an additional tax-exempt note to finance costs of acquisition, construction and equipping of the Project; and

WHEREAS, JPMorgan Chase Bank, N.A., in its capacity as Initial Funding Lender (the “Initial Funding Lender”) under a Funding Loan Agreement, has offered to make an additional loan in the principal amount of not to exceed \$4,000,000 to the Commission (the “2024 Funding Loan”) to provide additional funds for the Project; 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 “2024 Project 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 2024 Funding Loan, as evidenced by its Multifamily Revenue Note (Redondo Heights Phase II Apartments Project), Series 2024 (the “Note”) in the principal amount of not to exceed \$4,000,000, and (2) its acquisition of the 2024 Project Loan with proceeds of the Note;

WHEREAS, the Note is 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 Nos. 19-121A and 19-121B, the Commission held a public hearing on November 1, 2024, and the Governor has, or by the closing on the Note will have, approved the Project and the Note; and

WHEREAS, the Commission has received an offer to make the Funding Loan evidenced by the Note (the “Loan Commitment”) from the Initial Funding Lender; 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 Executive Director of the Commission: the Funding Loan Agreement (the “Funding Loan Agreement”), among the Initial Funding Lender, the Commission and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”); the Project Loan Agreement (the “Project Loan Agreement”), among the Commission, the Fiscal Agent, the Initial Funding Lender, acting as mortgage lender, and the Borrower; the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the Regulatory Agreement dated as of December 1, 2022, as amended by the First Amendment to Regulatory Agreement (as amended, 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 is in furtherance of the Act and the Plan.

Section 4. Authorization of the Note. The Commission hereby authorizes the issuance and delivery of the Note to be designated “Multifamily Revenue Note (Redondo Heights Phase II Apartments Project), Series 2024” in the principal amount of not to exceed \$4,000,000, pursuant to and in accordance with the provisions of the Act, the Code and the Funding Loan Agreement, as applicable.

Section 5. Approval of Documents. It is hereby found and determined that the Funding Loan Agreement, the Project 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 Note consistent with the Act and the Code.

The Funding Loan Agreement, the Project 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 his 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 Note 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 Note. The Commission hereby authorizes and approves the issuance and delivery of the Note to the Initial Funding Lender 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 his 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 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A
Loan Commitment

Multifamily Housing Program

Project Name	2024 Supplemental Redondo Heights Phase 2
Developer	Shelter Resources, Inc.
Description	<p>This is a supplemental issuance of tax-exempt bonds to cover increased costs for the construction of Redondo Heights TOD Phase II East and West located in Federal Way. Redondo Phase II will consist of 202 new studio, one-bedroom, two-bedroom and three-bedroom units as well as a single-story community building.</p> <p>The project will set-aside units for large households and persons with disabilities. The project is located adjacent to the Redondo Park and Ride in Federal Way and within a half mile of the upcoming Star Lake Light Rail station. A solar array will be installed as well as EV charging stations.</p> <p>The development includes a satellite Food Bank operated by Multi-Service Center (MSC). The satellite food bank will provide accessible and inclusive services using an empowering grocery-style model in which individuals can shop and self-select culturally relevant and dietarily appropriate foods. MSC will also establish an onsite Kids Snack Pack program which will supplement children’s food resources, and they will support residents during the holiday season with holiday food during Thanksgiving and Christmas. MSC will not need funds from project operations to support the Food Bank.</p>
Location	27606 Pacific Highway S. Federal Way, WA 98003
Relation to Mission and Goals	To provide effective, low-cost financing for multifamily housing
Project Type	Supplemental Issuance

Units	Studio	6
	One Bedroom	47
	Two Bedroom	90
	Three Bedroom	59
	Total	202

Bond Structure Private Placement

Lender Chase

Action Approval of Resolution No. 24-126

Anticipated Closing Date December 2024

WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 24-127

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt and taxable nonrecourse revenue notes in an aggregate principal amount of not to exceed \$55,000,000, to finance the acquisition, construction and equipping of a multifamily housing facility in Lake Stevens, Washington, to be owned by Village at Lake Stevens, 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 21, 2024

PREPARED BY:

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

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RESOLUTION NO. 24-127

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt and taxable nonrecourse revenue notes in an aggregate principal amount of not to exceed \$55,000,000, to finance the acquisition, construction and equipping of a multifamily housing facility in Lake Stevens, Washington, to be owned by Village at Lake Stevens, 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 and instrumentality 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 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"), exempts from federal income tax the interest paid on bonds the proceeds of which 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 two loans in an aggregate principal amount of not to exceed \$55,000,000 to the Commission (together, the "Funding Loan") to provide funds to finance the acquisition, construction and equipping of a 188-unit

senior housing facility (the “Project”) located in Lake Stevens, Washington, to be owned by Village at Lake Stevens, LP, a Washington limited partnership (the “Borrower”); and

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

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt and taxable financing of the Project through: (1) the incurrence of the Funding Loan, as evidenced by its Multifamily Revenue Note (Village at Lake Stevens Project), Series 2024A and Taxable Multifamily Revenue Note (Village at Lake Stevens Project), Series 2024B (together, the “Notes”) in the aggregate principal amount of not to exceed \$55,000,000; 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. 23-42A, the Commission held a public hearing on October 24, 2024, and the Governor has, or by the closing on the Notes will have, approved the Project 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; 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

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 under the Act for the financing of eligible housing facilities through the issuance of privately placed nonrecourse revenue bonds (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 the issuance and delivery of its Notes to be designated “Multifamily Revenue Note (Village at Lake Stevens Project), Series 2024A” and “Taxable Multifamily Revenue Note (Village at Lake Stevens Project), Series 2024B” in an aggregate principal amount of not to exceed \$55,000,000, 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 on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, 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.

[Signature Page Follows]

ADOPTED at a special meeting duly noticed and called this 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A
Loan Commitment

November 19, 2024

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 Note (Village at Lake Stevens Project), Series 2024A and Taxable Multifamily Revenue Note (Village at Lake Stevens Project), Series 2024B

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 2024A Note" and the "Series 2024B Note" and together, the "Notes") in principal amounts not to exceed \$49,786,800 which may include up to \$11,286,800 of recycled volume cap, and \$2,000,000 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 Village at Lake Stevens LP, a Washington limited partnership ("Borrower") for purposes of financing the acquisition, construction and equipping of a multifamily rental housing development for seniors, located in the City of Lake Stevens, Snohomish County, Washington, known or to be known as Village at Lake Stevens, all pursuant to the provisions of the Funding Loan Agreement, dated as of December 1, 2024 (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 December 1, 2024 (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 December 5, 2024. The Series 2024A Note is expected to mature on January 1, 2043. Principal on the Series 2024A Note will initially accrue interest at a variable rate equal to one-month Term SOFR (with a floor of 0.50%) plus a spread of 1.75% until the Conversion Date, which can occur no later than January 1, 2029, and thereafter principal on the Series 2024A Note will accrue interest at a fixed rate to be locked just prior to closing not expected to exceed 12%. Interest only payments will be made on the Series 2024A 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. The Series 2024B Note is expected to mature on January 1, 2029. Principal on the Series 2024B Note will accrue interest at a variable rate equal to one-month Term SOFR (with a floor of 0.50%) plus a spread of 2.25%. Interest only payments will be made on the Series 2024B 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: Selina Mendoza
Title: Authorized Signatory

Multifamily Housing Program

Project Name

Village at Lake Stevens

Developer

Vintage Housing Development, Inc.

Description

Village at Lake Stevens will be located in Lake Stevens in Snohomish County, WA and is being co-developed with Veteran’s Village.

The development will consist of 133 one-bedroom one-bath and 55 two-bedroom one-bath independent living units in a four-story elevator-serviced building surrounded by parking and outdoor amenity spaces. Each unit will be designed to meet the needs of seniors and those with disabilities. In addition, each unit will include a washer and dryer.

Veteran’s Village and Vintage Housing Development will be incorporating feedback from an extensive community engagement process on the amenities and services to be provided at Village at Lake Stevens.

The co-developers will work together to provide an array of social services to residents. Services will include on-site social activities such as holiday parties and resident game nights organized by the on-site coordinator. Finally, Vintage and Veteran’s Village will enter into a service partnership with a provider that is selected by the community from the community engagement process.

The Village at Lake Stevens will be energy-efficient, and the development will incorporate many of the options under the Evergreen Sustainable Development Standards. The site will also contain a photovoltaic solar array to offset energy consumption and electric vehicle charging stations.

Location

9023 Soper Hill Road
Lake Stevens, WA 98258

Project Type

New Construction

Units	One Bedroom	133
	Two Bedroom	55
	Total	188
Housing Tax Credits	Yes	
Income Set-Aside	100% at 60% Area Median Income	
Regulatory Agreement Term	Minimum 40 years	
Evaluation Plan Scoring	Cost Efficient Development	8
	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 Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	10
	Total Points	46
Estimated Tax-Exempt Note Amount (a portion of which may be taxable)	\$55,000,000	
Note Structure	Private Placement	
Lender	Citi Community Capital	
Development Budget		
	Acquisition Costs	\$3,832,500
	Construction	\$42,556,750
	Soft Costs	\$11,163,881
	Financing Costs	\$7,242,167
	Capitalized Reserves	\$853,832
	Other Development Costs	\$7,014,578
	Total Development Costs	\$72,663,708
Permanent Sources		
	Tax-Exempt Debt	\$38,810,000
	Net Operating Income	\$2,353,857
	Deferred Developer Fee	\$4,056,821
	Tax Credit Equity at \$0.83 per credit x 10 years	\$27,443,030
	Total Permanent Sources	\$72,663,708

Total Development Cost Limit

Project's Total Development Cost Limit	\$78,453,115
Total Development Cost (minus land and reserves)	\$68,077,376
<hr/>	
Waiver	Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$2,050	\$1,646
Two Bedroom	\$2,560	\$1,968

Action Approval of Resolution No. 24-127

Anticipated Closing Date December 2024

RESOLUTION NO. 24-132

A RESOLUTION of the Washington State Housing Finance Commission delegating to the Executive Director the authority to complete and submit information regarding authorized employees to the Federal Home Loan Mortgage Corporation from time to time, and to take all actions necessary to establish and implement the internal servicing program.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic constituting an instrumentality 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 now codified at RCW 43.180 et seq., as amended (the "Act"); and

WHEREAS, the Commission applied to and was approved by the Federal Home Loan Mortgage Corporation ("Freddie Mac") to be a seller-servicer to service a portion of its own loans; and

WHEREAS, in connection with such approval, the Commission is now required to submit information to Freddie Mac, including a list of employees authorized to provide financial information to Freddie Mac, using forms which require board approval; and

WHEREAS, the Commission is authorized to delegate its powers pursuant to RCW 43.180.080(17), if such delegation is consistent with the purposes of the Act; and

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

Section 1. Delegation of Authority. The Commission hereby authorizes the Executive Director to determine and select the Commission employees who should have the authority and power to provide Freddie Mac with financial information and instructions on behalf of the Commission. The Executive Director is authorized to complete and submit the forms required by

Freddie Mac, attached hereto as Exhibit A, to establish such authority on behalf of the Board of the Commission, and is further authorized to updated and submit such forms or similar forms required by Freddie Mac from time to time as employees and positions change.

The Commission hereby authorizes the Executive Director to take all actions necessary and in the interests of the Commission, including any administrative actions required by Freddie Mac, to establish and implement an internal servicing program.

Section 2. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair of the Commission and attestation by the Secretary of the Commission, or his designee.

ADOPTED at a special meeting duly noticed and called this 21st day of November, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A

FORM OF RESOLUTION: EXHIBIT A

Resolution of the Board of Directors
(Board of Directors/Name of Governing Body)

of The Washington State Housing Finance Commission
(HFA'S Legal Name)

DATE: _____

WHEREAS, the Board of Directors of The Washington State Housing Finance Commission is adopting the following resolution to delegate authority to certain of its employees by title (or by name and title) to:

1. Provide instructions, and modifications to previously provided instructions, to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) to transfer funds (cash or securities) in connection with the sales of mortgages to and/or servicing of mortgages for Freddie Mac by wire transfer, ACH, or other funds transfer system expressly approved and designated by Freddie Mac (such instructions and modifications, “Wire Instructions”).
2. Act as Administrators authorized and empowered to grant access, including through Freddie Mac Access Manager, to Authorized Employees, including such employees they designate to have the External Seller Set Up Manager role in Loan Selling Advisor so that such Authorized Employees can submit Wire Instructions through Loan Selling Advisor.

NOW, THEREFORE, BE IT RESOLVED, that the employees with the titles or names and titles set forth below (each such person, an “Authorized Employee”) are duly authorized and empowered to provide, individually and singularly, Freddie Mac with Wire Instructions in connection with the sale of mortgages to and/or the servicing of mortgages for Freddie Mac.

Authorized Employees (by title or name and title):

Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:

NOW, THEREFORE, BE IT RESOLVED, that the employees identified below (“Administrators”) are authorized and empowered by the Board of Directors individually and singularly to grant access to Authorized Employees with the External Seller Set Up Manager role within Loan Selling Advisor.

Administrators (by title or name and title)

Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:

Name:	Title:
Name:	Title:

BE IT FURTHER RESOLVED, that, as used in this Resolution, (a) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) “Record” means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) “Electronic Record” means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) “Electronic Signature” means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) “Electronic Transaction” means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means.

BE IT FURTHER RESOLVED, that each Authorized Employee is duly authorized individually and singularly to: (a) execute any and all paper Records and Electronic Records required by Freddie Mac to effectuate the authority set forth in this Resolution by: (i) affixing their original written signature to Records, (ii) attaching their Electronic Signature to or logically associating their Electronic Signature with Electronic Records that contain or communicate instructions (or modified instructions) to transfer funds (cash or securities) by wire transfer, ACH or other funds transfer system expressly approved by and designated by Freddie Mac, and (b) deliver any and all executed paper Records and Electronic Records to Freddie Mac as required.

BE IT FURTHER RESOLVED, that the Authorized Employees are duly authorized and empowered to singularly and individually engage in and conduct Electronic Transactions with Freddie Mac and use electronic means, electronic systems, Electronic Records, and Electronic Signatures on behalf of The Washington State Housing Finance Commission to effectuate the authority set forth in this Resolution.

BE IT FURTHER RESOLVED, that any and all actions set forth herein taken by any Authorized Employee and/or Administrator on behalf of The Washington State Housing Finance Commission are hereby ratified, approved, and confirmed.

Instructions: Freddie Mac Model Form of Resolution for Housing Finance Authorities (HFAs)

Consult with legal counsel regarding this Resolution. To use a different form of Resolution or to make changes to comply with laws, regulations, or otherwise, send a copy of the proposal for review to Freddie Mac at counterparty_authorization@freddiemac.com. Please insert:

1. The name of the HFA’s governing body, such as Board of Directors
2. The HFA’s legal name (examples: ABC Housing Finance Agency or XYZ Housing Finance Agency)
3. The date the Resolution was adopted or passed by the HFA’s governing body
4. The Authorized Employees’ titles or names and titles in the blank lines provided

Add “Exhibit A” at the top of the certified copy of the Resolution that you deliver to Freddie Mac.

Department of Commerce updates for the Housing Finance Commission meeting

Housing Division

Multifamily Housing Unit

Contact: Shawn.Slape@commerce.wa.gov

Executed contracts and projects placed in service

- **Executed contracts:**
 - Seven project contracts with \$37,548,892 in Commerce funding were executed in September and October
 - Approximately 20 more project contracts will be executed by the end of the 2024 calendar year
- **Projects placed in service:** 9 projects with 552 units were placed in service in September and October

2024 state and federal funding cycle

Notice of Funding Availability (NOFA) MHU-2024-02 (state funding) and NOFA MHU 2024-03 (federal funding) were posted on June 20, and applications closed on September 18. Award announcements are expected by December 16.

- **Available funding:**
 - \$81,848,482 in total state funding
 - \$9,880,586 in federal funding is available
 - \$40,394,818 available for Apple Health and Homes permanent supportive housing projects
 - \$23,023,664 available for new construction, acquisition or rehabilitation
 - \$18,430,000 available for Intellectual or Developmental Disabilities projects
 - \$6,116,705 available for HOME program
 - \$3,763,881 available for NHTF program
- **Applications received:**
 - State funding received 76 total applications, totaling \$334,971,731 in requested funding
 - Federal funding received nine applications, totaling \$20,053,473. Eight of the nine federal applications were simultaneous federal and state funding applications

- 36 applications are Low Income Housing Tax Credit (LIHTC) projects with a total of \$689,695,371 in LIHTC investment
- Final reviews and coordination with WSHFC and other public funders continue to identify priority projects.

Housing Trust Fund Handbook updates

The HTF Handbook updates are currently under final review and approval. We expect a finalized version around the beginning of December.

Home Ownership Unit

Contact: Ann.Campbell@commerce.wa.gov

Capital:

- We are winding up the competitive capital funding reviews. The last interviews are being conducted this week. We are finalizing cross-collaboration with city, county, and other public funders. Award announcements are anticipated for the week of December 16.
- Recipients of \$71M in Community Reinvestment funds met on October 30th to network, review post-award steps and access funding protocols. The event was held at Tacoma’s Star Center.
 - Contract scopes of work are being finalized and prepped for execution.

Foreclosure

Foreclosure fairness partners convened at the invite of Representative Orwall on Thursday, November 14, to discuss:

- **Foreclosure Account revenues:** After several years under the new methodology, post-pandemic foreclosure moratoria, but still under federal assistance (e.g., HAF funding due to end Summer/Fall 2025), account funding is averaging approximately \$1 Million per year.
 - The foreclosure program's activities (housing counseling, hotline, legal aid, etc.) total approximately \$7.5M per year (or 14.7M per biennium)
 - Explored different potential sources of revenues (e.g., various recording fees, fees at purchase of foreclosed properties, etc.) – no decisions were made and discussions are ongoing
- **The number of households in the foreclosure process is artificially low due to HAF funding** (measured by calls to the hotline, in mediation, etc.). Anticipating an increase in households being foreclosed upon once HAF ends, especially with no decrease in interest rates.
- **We are engaged in ongoing discussions regarding HOA and condo-prompted foreclosures**

Manufactured Housing:

- **Commerce expects to see communities hitting the market this spring** after the two-year notification requirement before putting communities up for sale is reaching the end of the first two years after the law was enacted.

- **We are receiving many communications about the rising costs of space rents and ancillary costs' impacts on homeowners in privately owned communities** from individuals in communities, local governments and other concerned people. Commerce is collecting this information but has no resources to address it at this time.

Encampment Resolution Program

Contact: Tedd.Kelleher@commerce.wa.gov

The Encampment Resolution Program has outreach and housing capacity to address additional encampments on public land, including land owned by cities and counties. However, because WSDOT no longer has funding to clean up and improve sites, ERP will generally be unable to address any additional encampments on WSDOT land without an infusion of new funds for WSDOT responsibilities.

Office of Apple Health & Home & Permanent Supportive Housing

Contact: Melodie.Pazolt@commerce.wa.gov

- **Housing Trust Fund-Operations & Maintenance/Permanent Supportive Housing – Operating, Maintenance and Services (HTF-O&M/PSH-OMS):** We just closed the Notice of Funding Opportunity (NOFO) on our HTF-O&M/PSH-OMS program but do anticipate a new NOFO annually to add projects to the portfolio for these supplemental funds. These programs are funded by document recording fees (RCW 36.22.250 Sec. 5 i. and ii. RCW 36.22.250: Document recording surcharge).
<https://www.commerce.wa.gov/permanent-supportive-housing/oms-om/>
 - 46 PSH-OMS applications received
 - Six HTF-O&M applications received
- We anticipate a project-based NOFO for PSH units that will prioritize capital projects built with Apple Health and Homes funds. The NOFO will be released this winter.
- The HUD 811 project-based rent assistance NOFO will also be released this winter.
- We are available to provide technical assistance on PSH principles and best practices and work closely with HCA and DSHS, which also offer a range of technical assistance and training.



Opening doors to a better life

MEMO

DATE: November 20, 2024
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 22 – November 19, 2024. Please contact Tera to set up a call with me or a division director should you have any questions.

Multifamily & Community Facilities:

- Jackie represented the Commission by participating in an interview regarding initial outreach and a study being conducted by OFM through the Athena group regarding a new Governor’s Department of Housing
- Lisa, Jackie and Wubet participated in a session hosted by NCSHA on preservation strategies as it seems as if Robert Wood Johnson foundation is interested in lifting-up strategies to support affordable housing preservation.
- Ongoing work, meetings and thought leadership continues regarding the current operating and portfolio issues including meeting with Legislators to draft and propose solutions.
- The rent stabilization report required by both Commerce and Commission is in the final stages and will be submitted to the Legislature in December. Additional reports being completed include an annual cost study as well as reporting on our progress on LAP funding from the legislature.
- Staff are in project review and coordination for funding of projects for our 2025 9% Tax Credit allocations.

Homeownership:

Covenant Homeownership –

- As of November 18, 2024, we have 169 loans with CHA reservations in 16 counties with 114 confirmed loan closings.
- Lisa DeBrock shared program updates with the DFI Oversight Committee Quarterly Meeting on October 30th.

- We are working on a formal, standardized report for the Commission package starting in 2025.

Homeownership Assistance Fund –

- As of November 13, 2024, 5,140 grants have been funded totaling approximately \$106 million dollars in grant assistance.
- The program continues to demonstrate excellent geographic distribution of funding and continues to show the success of our marketing in reaching underserved communities and communities of color. The program is on schedule to expend all the funding by June 30, 2025, as anticipated.
- With assistance from HOTB, the required reporting for the 3rd Quarter of 2024 and the Fiscal Year 2024 Annual Report was successfully submitted prior to the reporting deadline.
- The Homeownership HAF Team is currently working with the Finance Division and the State’s Auditor’s Office to finalize its Single Audit for Fiscal Year 2024 and that is expected to be concluded in the next month.

Other –

- In October, we had \$209 million in new reservations assisting 537 households.
- Along with Representative Jamila Taylor, Lisa DeBrock, presented on homeownership programs at the National Association of Realtor Fair Housing Policy Committee Meeting in November.

Asset Management & Compliance:

Compliance Monitoring –

- The 2024 inspection year has concluded with physical inspections of 366 projects and 2,875 units. Portfolio Analysts are now reviewing the inspection results and communicating with property owners and managers. U.S. Housing Consultants conducted these inspections. This marks the first physical inspection since the Commission adopted HUD’s new NSPIRE protocol for our LIHTC property inspections.
- We have also launched a customer satisfaction and process review survey, targeting all 283 project owners and managers. Renee and our intern, Rino Hamanishi, are leading the survey administration and data analysis.

This inspection survey and data analysis assess the administrative workload resulting from our current inspection and noncompliance reporting business processes. The objective is to identify areas where inspection and noncompliance reporting policy and procedures need adjustment to improve efficiency and reduce the administrative burden on our team, property management staff, and residents, while ensuring we meet our regulatory obligations.

Community Engagement and Education –

- We successfully completed our Online TC Fundamentals Training November 13 - 14. Our instructors were Shawna Higgins, Lanakay Lipp, Allie Delano and TyeRae Guined as Technical Support. Big shout out to all the trainers! We increased our registration to one hundred and had **89** in attendance on both days.
- To help managers and owners prepare for the implementation of the Housing Opportunity Through Modernization Act (HOTMA) effective January 1, 2025, we offered training and Q&A opportunities. Our November Fundamentals training was followed by our first HOTMA-focused session on Friday, November 15. Our dedicated team worked hard to create and upload the first online, recorded HOTMA training, which was made available Friday morning. With 481 registrants signed up, we were excited to see such strong engagement as participants access the training video. This initiative is a crucial step in ensuring a smooth transition to the new guidelines.

Finance:

- The State Auditor's Office has reached out to start planning the FY 2024 accountability audit. These audits focus on the Commission's compliance and adherence to internal and State policies, laws, and regulations. The scope of the audit has yet to be determined, but based on prior experience expect fieldwork to be completed in the first quarter of 2025.
- Lucas attended the NCSHA Executive Leadership Training in Bloomington, Indiana where he learned about himself, new techniques for interacting with coworkers, ideas for innovation, and networked with his peers from other HFAs across the country.

DEI:

- The Director of Communications and the Director of Diversity, Equity, and Inclusion continue to strengthen their strategic partnership in support of community engagement.

- This month, Nashika invited Margret to lead a presentation on the Covenant Homeownership Program to the Statewide Diversity, Equity, and Inclusion Council. The presentation aimed to share essential information about the program with state workers who may have clients or communities that could benefit from it and to solicit input on publicly available document types that may assist applicants in demonstrating eligibility for the program.

Steve Walker:

- We have begun work on a “transition paper” for our Governor elect to introduce the Commission and frame our role in the State across our many lines of business, especially affordable multifamily and homeownership housing finance.
- Over that last 6 months I participated in a work group that culminated in the release of a housing report and action plan [Build, Baby Build: Unlocking 1.4 Million New Homes in Cascadia](#) and the two day, 7th Annual Cascadia Innovation Corridor Conference. Policymakers, developers, business leaders, advocates, and others on key topics like rezoning underutilized commercial corridors, fast-tracking permitting processes, and incentivizing housing production, and developing creative financing mechanisms to fund these investments. I participated in a finance innovations panel.

Other Events and Meetings:

I took part in the following events and meetings for November:

Performance Audit Exit Conference; BHI Network Policy Group Meeting; Beacon Pacific Village Ribbon Cutting; Impact Capital Board Meeting; Condominium Reform Bill Stakeholder Meeting & Housing Washington Debrief Meeting.

Washington State Housing Finance Commission
Homeownership Programs
Fiscal Year Loan Production
July 1, 2024 - October 31, 2024

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

Percentage of Goal reached YTD - 35.7%

HOME ADVANTAGE			
	Loans	\$ Volume	% Households of Color
Conventional FNMA	62	\$ 25,225,707	37.1%
Conventional FHLMC	220	\$ 89,837,870	28.2%
Government	1241	\$ 502,346,409	36.5%
Energy Spark	0	\$ -	0.0%
Covenant Homeownership	59	\$ 22,198,445	100.0%
Total	1582	\$ 639,608,431	37.7%

HOUSE KEY OPPORTUNITY			
	Loans	\$ Volume	% Households of Color
Conventional FNMA	93	\$ 24,485,223	35.5%
Conventional FHLMC	20	\$ 5,817,208	55.0%
Government	91	\$ 26,385,544	35.2%
Total	204	\$ 56,687,975	37.3%

DOWNPAYMENT ASSISTANCE			
	Loans	\$ Volume	% Households of Color
Home Adv 0%	1459	\$ 23,413,588	35.6%
Home Adv Needs Based 1%	3	\$ 29,900	33.3%
Opportunity	186	\$ 2,633,655	38.2%
HomeChoice	8	\$ 108,650	12.5%
Bellingham	1	\$ 40,000	0.0%
East King County	0	\$ -	0.0%
Pierce County	0	\$ -	0.0%
Seattle	0	\$ -	0.0%
Tacoma	0	\$ -	0.0%
University of WA	2	\$ 117,990	50.0%
Veterans	2	\$ 20,000	50.0%
Clark County DPA	0	\$ -	0.0%
Social Justice DPA (Non-Commission)	8	\$ 80,000	100.0%
Covenant (Non-Commission)	63	\$ 6,845,872	100.0%
Total	1732	\$ 33,289,655	38.3%

Washington State Housing Finance Commission/Homeownership Division
 Counseling & Grants:
 Default Counseling, Pre-Purchase and Other Homeowner Assistance
Report for October 2024

Grant Name/ Description/Service Area	Granting Entity	Subgrantees/ Partners	Grant Amount/ Date	Amount Disbursed to Date	Balance Remaining	Grant Expiration
HUD SuperNOFA 2023 Default and Pre-Purchase Counseling. Service Area: Statewide	Department of Housing and Urban Development	AFS; CVH; KCLT; OIC; OPAL; Parkview; RRCA; SNAP	\$271,690	0.00	\$271,690	3/31/2025
HAF Counseling Pay-Per-Service Grant FY 2025 Default Housing Counseling. Service Area: Statewide	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS;	\$1,197,000 FY2025	\$401,100	\$795,900	12/31/2025
Foreclosure Fairness Act Default Housing Counseling and Mediation. Service Area: Statewide	Department of Commerce	WHRC; AFS; NJP; Parkview; RRCA; SNAP; ULMS;	\$2,000,000 FY2025	\$93,350	\$1,911,650	6/30/2025 & None
HAF Application Assistance Post-HAF Application Assistance Service Area: Statewide	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS;	\$1,100,000 FY2025	\$183,425	\$916,575	12/31/2025

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
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HOMEOWNERSHIP PROGRAMS

HOMEBUYER EDUCATION PRODUCTION and HOME LOAN TRAINING

July 1, 2024 - October 31, 2024

HOMEBUYER CLASS

Fiscal year goal - 800 classes, 8,000 participants by June 30, 2025

Percentage of goal reached YTD: 57%

	Classes	Participants
Virtual:	215	1,301
In-Person:	145	1,005
Online Classes:	2,279	2,279
Total:	2,639	4,585

Classes not yet reporting participation: 113

Data lags 3 months due to data collection process

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

Classes:	46,233
Participants	249,209

PROGRAM TRAINING ATTENDEES

Fiscal year goal - 10 Instructor classes by June 30, 2025

Percentage of goal reached YTD: 40%

Month	Classes	Attendees
July	1	35
August	1	45
September	1	38
October	1	38
November		
December		
January		
February		
March		
April		
May		
June		
Total:	4	156



Washington State Housing Finance Commission
2024 Bond/Tax Credit Balance of State Allocation List

Development Name	Developer	Community-Based Organization	City	Tax-Exempt Bond Request	Taxable Bond Request	Geographic Target	Units	Points Awarded
Geographic Target: Publicly-Funded Balance of State								
Vancouver Waterfront Gateway Affordable Housing	Colas Development	Native American Youth and Family Center	Vancouver	\$23,000,000	\$ -	Publicly Funded - Balance of State	95	40
Mercy Aviva Crossing - 4%	Mercy Housing Northwest	Metropolitan Development Council	Tacoma	\$19,887,309	\$ -	Publicly Funded - Balance of State	79	38
			Subtotal	\$42,887,309	\$ -		174	
Geographic Target: Balance of State								
Crestview Terrace Apartments	Community Preservation Partners	Hopesource	Ellensburg	\$27,500,000	\$5,500,000	Balance of State	168	65
Westgate Terrace & Parkland Terrace	Reliant Group	Longview Senior Center	Longview	\$19,126,750	\$3,873,250	Balance of State	153	49
			Subtotal	\$46,626,750	\$9,373,250		321	
Geographic Target: Snohomish								
Rucker Avenue	Devco	Rise Up Academy	Everett	\$55,000,000	\$ -	Snohomish	214	41
Village at Lake Stevens	Vintage Housing Development	Veteran's Village	Lake Stevens	\$36,570,000	\$ -	Snohomish	191	46
			Subtotal	\$91,570,000	\$ -		405	
Waitlist								
Cedar Flats	MacDonald Ladd Development	Metropolitan Development Council	Puyallup	\$22,062,322	\$653,433	Balance of State	120	32
Cedar Crossing	MacDonald Ladd Development	Metropolitan Development Council	Puyallup	\$27,343,362	\$866,882	Balance of State	144	32
			Subtotal	\$49,405,684	\$1,520,315		264	
			TOTAL	\$230,489,743	\$10,893,565		1164	

ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

REPORTING MONTH: October 2024

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 2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	1	31	21	28	94	201	30	70	59	32			567	1,075	53%

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	122	205	1,058	1,055	100%

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

Bond Reports **

Calendar Year 2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	6	19	14	20	7	4	0	0	0	0			70	70	100%

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	0	0	79	75	105%

Bond reports are due January 7th of every year for the previous calendar year.

Notes: * Tax credit reporting bridges two fiscal program years. This fiscal year, only reporting on federal compliance period projects being inspected.

** 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 2024

BUSINESS OBJECTIVE: *Complete on-site review of 33^{1/3}% of all projects by December 31, 2024.*

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

- conduct on-site inspections of 33^{1/3}% of projects monitored according to HUD inspection 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 2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	1	2	30	45	58	48	65	67	40	10			366	366	100%

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	0	0	375	375	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:
TBD

The next Bond Compliance Workshop is scheduled for:
TBD



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

November 19, 2024

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, 2024, 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: Sharon Hu
Sharon Hu
Senior Controller

WASHINGTON STATE
HOUSING FINANCE COMMISSION
GENERAL OPERATING FUND

October 31, 2024

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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, 2024

(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 5,504,252	\$ 6,092,106	\$ (587,854)	(1) -10%
Money Market Accounts	81,322,232	132,190,917	(50,868,685)	(1) -38%
Investment Securities	23,142,226	25,045,393	(1,903,167)	(1) -8%
Interest Receivable	941,462	926,803	14,659	2%
Fees Receivables	14,405,045	14,361,641	43,404	0%
Prepaid Expenses & Other Receivable	3,426,113	1,343,928	2,082,185	(2) 155%
Furniture and Fixtures (net of depreciation)	470,385	302,757	167,628	(3) 55%
Intangible Lease Asset (net of amortization)*	-	763,411	(763,411)	(4) -100%
Net Pension Asset*	1,894,532	1,767,016	127,516	7%
Total Assets	131,106,247	182,793,972	(51,687,725)	-28%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	4,490,914	5,479,906	(988,992)	-18%
Total Assets and Deferred Outflows	\$ 135,597,161	\$ 188,273,878	\$ (52,676,717)	-28%
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 7,970,785	\$ 8,119,221	\$ (148,436)	-2%
Unearned Fee Income	76,211,761	129,289,429	(53,077,668)	(5) -41%
Accrued Payroll Payable	2,092,866	1,767,786	325,080	(6) 18%
Lease Liability*	-	719,844	(719,844)	(4) -100%
Net Pension Liability *	3,454,593	3,584,711	(130,118)	-4%
Total Liabilities	89,730,005	143,480,991	(53,750,986)	-37%
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	4,935,541	6,907,214	(1,971,673)	-29%
NET POSITION				
Invested in Capital Assets	470,384	302,756	167,628	(3) 55%
Committed - Housing Washington *	122,628	350,886	(228,258)	-65%
Unrestricted	40,338,603	37,232,031	3,106,572	8%
Total Net Position	40,931,615	37,885,673	3,045,942	8%
Total Liabilities, Deferred Inflows and Net Position	\$ 135,597,161	\$ 188,273,878	\$ (52,676,717)	-28%

- (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) The increase in prepaids and other receivables balance is primarily due to greater receivables related to principal and interest advanced on GNMA securities serviced by IHFA.
 - (3) The increase in net capital assets reflects the deposit made on the purchase of new office furniture and fixtures, offset by continued depreciation and amortization of capital assets.
 - (4) 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. Adjustments are made at year-end to record the amortization of the office rent lease asset and reduction in related lease liability.
 - (5) 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.
 - (6) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, plus effects of the 3% 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, 2024
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance	
				Amount	%
<i>Revenues:</i>					
Fee Income	\$ 3,282,724	\$ 12,727,388	\$ 11,898,129	\$ 829,259	7%
Interest Earned & Realized Gain	1,306,429	5,585,023	4,620,094	964,929 (1)	21%
Other	23,827	88,240	77,409	10,831 (2)	14%
Total Unadjusted Revenues	4,612,980	18,400,651	16,595,633	1,805,018	11%
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,105,302	4,303,667	3,887,531	416,136 (3)	11%
Travel & Conferences	30,353	174,329	107,948	66,381 (4)	61%
Professional Fees	191,940	922,676	1,089,217	(166,541) (5)	-15%
Office Expense	258,659	1,021,304	881,091	140,213 (6)	16%
Total Expenses	1,586,254	6,421,976	5,965,788	456,188	8%
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	(890,073)	833,905	(191,305)	1,025,210	536%
Grant Revenue	5,375,122	20,797,305	23,984,496	(3,187,191)	-13%
<i>Expenses:</i>					
Grant Pass-Through	5,375,122	20,797,305	23,984,496	(3,187,191)	-13%
Total Adjustments	(890,073)	833,905	(191,305)	1,025,210	536%
Excess of Revenues over Expenses	2,136,653	12,812,580	10,438,540	2,374,040	23%
Net Position					
Total net position, beginning of period	38,794,962	28,119,035	27,447,133	671,902	2%
Current Increase (Decrease) - to Net position	2,136,653	12,812,580	10,438,540	2,374,040	23%
Total net position, end of year	\$ 40,931,615	\$ 40,931,615	\$ 37,885,673	\$ 3,045,942	8%

(1) The increase in interest income is due to a higher rate of return in this quarter compared to the prior. In addition, the LGIP balance, not allocated to HAF, was moderately greater.

(2) The increase in other revenues is primarily due to greater revenue from property transfer fees in the Asset Management & Compliance (AMC) division.

(3) The increase in salary and benefits expenses is a reflection of a 3% cost of living wage increase for all staff on July 1, 2024, plus a 12% increase in staff headcount compared to the prior year.

(4) The increase in travel and conference fee expenses is primarily due to in-state travel expenses incurred for lodging and transportation related to the Housing Washington conference that was held in Spokane. In the prior year, the conference was held in Tacoma.

(5) The decrease in professional fees expenses is primarily due to reduced expenses related to the special purpose program fee with NFHA in the Homeownership Division, while slightly offset by an increase in property inspection related expenses in the Asset Management & Compliance Division.

(6) The increase in office expense is due to the sponsorship of Housing Washington conference program and events held in September 2024, along with greater other office expenses from migration to cloud computing.

* 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, 2024
(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	22.1%	\$ 1,778,788	\$ 8,056,782	\$ 9,835,570	\$ 9,486,053	\$ 349,517	3.7%
Issuance, Application, and Servicing Fees	-24.7%	(949,529)	3,841,347	2,891,818	2,179,919	711,899	32.7%
Interest Earned & Realized Gain	20.9%	964,929	4,620,094	5,585,023	4,715,510	869,513	18.4%
Other Income	14.0%	10,831	77,409	88,240	298,745	(210,505)	-70.5%
Total Unadjusted Revenues	10.9%	1,805,019	16,595,633	18,400,650	16,680,227	1,720,424	10.3%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	11.2%	339,301	3,026,287	3,365,588	3,955,790	(590,202)	-14.9%
Employee Benefits - Staff	8.9%	76,835	861,244	938,079	1,100,797	(162,718)	-14.8%
Conference, Education & Training	10.1%	4,757	47,028	51,785	114,317	(62,532)	-54.7%
Travel out of state - Staff	-7.2%	(3,426)	47,842	44,416	96,615	(52,199)	-54.0%
Travel in state - Staff	497.4%	65,049	13,079	78,128	93,645	(15,517)	-16.6%
Accounting Fees	23.6%	14,140	60,000	74,140	72,667	1,473	2.0%
Legal Fees	-8.6%	(17,674)	205,028	187,354	267,000	(79,646)	-29.8%
Financial Advisor Fees	4.0%	4,500	111,500	116,000	121,067	(5,067)	-4.2%
Investment Management Fees	4.9%	2,845	58,542	61,387	72,667	(11,280)	-15.5%
Office Rent/Conf. Room Rentals	-12.7%	(23,201)	183,108	159,907	203,716	(43,809)	-21.5%
Furniture & Equipment Rental	-79.4%	(6,546)	8,248	1,702	9,025	(7,323)	-81.1%
Advertising	-18.8%	(8,742)	46,437	37,695	106,712	(69,017)	-64.7%
Publications/ Subscriptions/ Dues	-17.2%	(6,160)	35,792	29,632	44,020	(14,388)	-32.7%
Deliveries	44.3%	212	479	691	1,707	(1,016)	-59.5%
Insurance	14.0%	3,027	21,563	24,590	22,050	2,540	11.5%
Meeting Expense	298.3%	83,396	27,954	111,350	130,584	(19,234)	-14.7%
Equipment & Building Maintenance	NA	1,719	-	1,719	35,673	(33,954)	-95.2%
Software Maint. Support & Other Info Svcs	22.3%	97,882	438,886	536,768	615,952	(79,184)	-12.9%
Non-capitalized Equipment/Supplies	-48.5%	(12,694)	26,151	13,457	81,362	(67,905)	-83.5%
Postage	19.2%	43	224	267	1,727	(1,460)	-84.5%
Printing	-25.1%	(1,279)	5,091	3,812	4,657	(845)	-18.1%
State Services	143.8%	1,519	1,056	2,575	2,323	252	10.8%
Supplies	82.2%	9,750	11,859	21,609	16,034	5,575	34.8%
Telephone	-32.1%	(9,262)	28,835	19,573	19,132	441	2.3%
Contract Services	-26.0%	(170,353)	654,147	483,794	575,105	(91,311)	-15.9%
Depreciation	23.2%	10,549	45,409	55,958	71,434	(15,476)	-21.7%
Total Expenses	7.6%	456,187	5,965,792	6,421,976	7,835,778	(1,413,802)	-18.0%
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	535.9%	1,025,210	(191,305)	833,905	-	833,905	NA
Grant Revenue	-13.3%	(3,187,191)	23,984,496	20,797,305	20,317,547	479,758	2.4%
<i>Expenses:</i>							
Grant Pass-Through	-13.3%	(3,187,191)	23,984,496	20,797,305	20,317,547	479,758	2.4%
	535.9%	1,025,210	(191,305)	833,905	-	833,905	NA
Excess of Revenues over Expenses- adjusted	22.7%	2,374,042	10,438,536	12,812,579	8,844,449	3,968,131	44.9%
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
Excess of Revenues over Expenses (Net of Transfers)	22.7%	\$ 2,374,043	\$ 10,438,536	\$ 12,812,579	\$ 8,844,449	\$ 3,968,131	44.9%



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

October 23, 2024

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, 2024, 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 Finance Director

WASHINGTON STATE
HOUSING FINANCE COMMISSION
GENERAL OPERATING FUND

September 30, 2024

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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, 2024
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance		
			Amount	%	
ASSETS					
Cash and Cash Equivalents:					
Demand Deposits	\$ 8,854,915	\$ 7,093,854	\$ 1,761,061	(1)	25%
Money Market Accounts	89,718,296	140,615,908	(50,897,612)	(1)	-36%
Investment Securities	18,224,134	18,858,571	(634,437)	(1)	-3%
Interest Receivable	894,722	839,744	54,978		7%
Fees Receivables	15,463,870	15,669,294	(205,424)		-1%
Prepaid Expenses & Other Receivable	3,547,077	1,404,526	2,142,551	(2)	153%
Furniture and Fixtures (net of depreciation)	434,969	313,628	121,341	(3)	39%
Intangible Lease Asset (net of amortization)*	-	763,411	(763,411)	(4)	-100%
Net Pension Asset*	1,894,532	1,767,016	127,516		7%
<i>Total Assets</i>	<u>139,032,515</u>	<u>187,325,952</u>	<u>(48,293,437)</u>		<u>-26%</u>
Deferred Outflow of Resources (Pension & OPEB Contributions) *	4,490,914	5,479,906	(988,992)		-18%
<i>Total Assets and Deferred Outflows</i>	<u>\$ 143,523,429</u>	<u>\$ 192,805,858</u>	<u>\$ (49,282,429)</u>		<u>-26%</u>
LIABILITIES					
Accounts Payable and Other Liabilities	\$ 8,864,157	\$ 7,334,078	\$ 1,530,079	(5)	21%
Unearned Fee Income	85,428,063	136,881,474	(51,453,411)	(6)	-38%
Accrued Payroll Payable	2,046,111	1,744,846	301,265	(7)	17%
Lease Liability*	-	719,844	(719,844)	(4)	-100%
Net Pension Liability *	3,454,593	3,584,711	(130,118)		-4%
<i>Total Liabilities</i>	<u>99,792,924</u>	<u>150,264,953</u>	<u>(50,472,029)</u>		<u>-34%</u>
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	4,935,541	6,907,214	(1,971,673)		-29%
NET POSITION					
Invested in Capital Assets	434,968	313,627	121,341	(3)	39%
Committed - Housing Washington *	122,628	350,886	(228,258)		-65%
Unrestricted	38,237,368	34,969,178	3,268,190		9%
<i>Total Net Position</i>	<u>38,794,964</u>	<u>35,633,691</u>	<u>3,161,273</u>		<u>9%</u>
<i>Total Liabilities, Deferred Inflows and Net Position</i>	<u>\$ 143,523,429</u>	<u>\$ 192,805,858</u>	<u>\$ (49,282,429)</u>		<u>-26%</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) The increase in prepaids and other receivables balance is primarily due to greater receivables related to principal and interest advanced on GNMA securities serviced by IHFA.
- (3) The increase in net capital assets reflects the deposit made on the purchase of new office furniture and fixtures, offset by continued depreciation and amortization of capital assets.
- (4) 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. Adjustments are made at year-end to record the amortization of the office rent lease asset and reduction in related lease liability.
- (5) The overall increase in accounts payable and other liabilities is primarily due to greater accruals associated with the Idaho Master Servicing Agreement, with an offset related to payables for interest earned on HAF program funds, following a payment made in June 2024.
- (6) 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.
- (7) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, plus effects of the 3% 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, 2024
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 2,920,344	\$ 9,444,664	\$ 9,122,342	\$ 322,322	4%
Interest Earned & Realized Gain	1,311,657	4,278,594	3,392,637	885,957 (1)	26%
Other	13,946	64,414	59,082	5,332	9%
<i>Total Unadjusted Revenues</i>	<u>4,245,947</u>	<u>13,787,672</u>	<u>12,574,062</u>	<u>1,213,610</u>	<u>10%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,091,383	3,198,365	2,941,137	257,228	9%
Travel & Conferences	120,063	143,976	30,960	113,016 (2)	365%
Professional Fees	254,304	730,735	714,172	16,563	2%
Office Expense	309,209	762,645	600,682	161,963 (3)	27%
<i>Total Expenses</i>	<u>1,774,959</u>	<u>4,835,721</u>	<u>4,286,952</u>	<u>548,769</u>	<u>13%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	450,957	1,723,978	(100,552)	1,824,530	-1815%
Grant Revenue	4,779,765	15,422,183	16,678,902	(1,256,719)	-8%
<i>Expenses:</i>					
Grant Pass-Through	<u>4,779,765</u>	<u>15,422,183</u>	<u>16,678,902</u>	<u>(1,256,719)</u>	<u>-8%</u>
<i>Total Adjustments</i>	<u>450,957</u>	<u>1,723,978</u>	<u>(100,552)</u>	<u>1,824,530</u>	<u>-1815%</u>
Excess of Revenues over Expenses	<u>2,921,945</u>	<u>10,675,929</u>	<u>8,186,558</u>	<u>2,489,371</u>	<u>30%</u>
<i>Net Position</i>					
Total net position, beginning of period	35,873,019	28,119,035	27,447,133	671,902	2%
Current Increase (Decrease) - to Net position	<u>2,921,945</u>	<u>10,675,929</u>	<u>8,186,558</u>	<u>2,489,371</u>	<u>30%</u>
Total net position, end of year	<u>\$ 38,794,964</u>	<u>\$ 38,794,964</u>	<u>\$ 35,633,691</u>	<u>\$ 3,161,273</u>	<u>9%</u>

(1) The increase in interest income is due to a higher rate of return in this quarter compared to the prior. In addition, the LGIP balance, not allocated to HAF, was moderately greater.

(2) The Housing Washington and NCSHA conferences were held in September 2024 compared to October in the prior year, reflecting greater conference and travel expenses.

(3) The increase in office expense is due to sponsorship of Housing Washington program and events held in September 2024, as well as, greater expense from migration to cloud computing.

* 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, 2024
(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	33.6%	\$ 1,800,406	\$ 5,365,603	\$ 7,166,009	\$ 7,114,540	\$ 51,469	0.7%
Issuance, Application, and Servicing Fees	-39.3%	(1,478,083)	3,756,738	2,278,655	1,634,939	643,716	39.4%
Interest Earned & Realized Gain	26.1%	885,957	3,392,637	4,278,594	3,536,632	741,962	21.0%
Other Income	9.0%	5,332	59,082	64,414	224,059	(159,645)	-71.3%
Total Unadjusted Revenues	9.7%	1,213,612	12,574,061	13,787,671	12,510,170	1,277,502	10.2%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	9.2%	210,172	2,291,259	2,501,431	2,966,842	(465,411)	-15.7%
Employee Benefits - Staff	7.2%	47,056	649,878	696,934	825,597	(128,663)	-15.6%
Conference, Education & Training	281.4%	28,273	10,046	38,319	102,652	(64,333)	-62.7%
Travel out of state - Staff	122.4%	18,059	14,750	32,809	55,935	(23,126)	-41.3%
Travel in state - Staff	1081.6%	66,683	6,165	72,848	70,234	2,614	3.7%
Accounting Fees	NA	30,000	-	30,000	39,750	(9,750)	-24.5%
Legal Fees	-8.5%	(13,382)	157,809	144,427	200,250	(55,823)	-27.9%
Financial Advisor Fees	-0.6%	(500)	87,500	87,000	90,800	(3,800)	-4.2%
Investment Management Fees	-1.6%	(708)	43,930	43,222	54,500	(11,278)	-20.7%
Office Rent/Conf. Room Rentals	-12.3%	(16,938)	137,674	120,736	152,787	(32,051)	-21.0%
Furniture & Equipment Rental	-81.5%	(5,499)	6,751	1,252	6,769	(5,517)	-81.5%
Advertising	63.3%	9,043	14,292	23,335	80,034	(56,699)	-70.8%
Publications/ Subscriptions/ Dues	-18.5%	(5,218)	28,202	22,984	33,015	(10,031)	-30.4%
Deliveries	68.9%	282	409	691	1,280	(589)	-46.0%
Insurance	9.8%	1,600	16,374	17,974	16,538	1,436	8.7%
Meeting Expense	3384.3%	99,971	2,954	102,925	115,438	(12,513)	-10.8%
Equipment & Building Maintenance	NA	1,719	-	1,719	26,755	(25,036)	-93.6%
Software Maint. Support & Other Info Svcs	17.5%	55,356	316,376	371,732	461,964	(90,232)	-19.5%
Non-capitalized Equipment/Supplies	-20.8%	(3,542)	16,999	13,457	61,022	(47,565)	-77.9%
Postage	-32.3%	(62)	192	130	1,295	(1,165)	-90.0%
Printing	-38.5%	(1,934)	5,025	3,091	3,493	(402)	-11.5%
State Services	89.2%	734	823	1,557	1,742	(185)	-10.6%
Supplies	1313.8%	19,155	1,458	20,613	12,025	8,588	71.4%
Telephone	-1.8%	(341)	18,522	18,181	14,349	3,832	26.7%
Contract Services	0.3%	1,153	424,933	426,086	431,329	(5,243)	-1.2%
Depreciation	22.1%	7,638	34,631	42,269	53,575	(11,306)	-21.1%
Total Expenses	12.8%	548,770	4,286,955	4,835,722	5,879,970	(1,044,248)	-17.8%
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-1814.5%	1,824,530	(100,552)	1,723,978	-	1,723,978	NA
Grant Revenue	-7.5%	(1,256,719)	16,678,902	15,422,183	15,238,160	184,023	1.2%
<i>Expenses:</i>							
Grant Pass-Through	-7.5%	(1,256,719)	16,678,902	15,422,183	15,238,160	184,023	1.2%
	-1814.5%	1,824,530	(100,552)	1,723,978	-	1,723,978	NA
Excess of Revenues over Expenses- adjusted	30.4%	2,489,372	8,186,554	10,675,927	6,630,200	4,045,728	61.0%
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
Excess of Revenues over Expenses (Net of Transfers)	30.4%	\$ 2,489,373	\$ 8,186,554	\$ 10,675,927	\$ 6,630,200	\$ 4,045,728	61.0%



November 14, 2024

Habitat for Humanity leader named to state Housing Finance Commission

SEATTLE, Wash.—Governor Jay Inslee has appointed Dr. Michone Preston, CEO of Habitat for Humanity Washington State, to the Washington State Housing Finance Commission.

Preston will immediately start her term on the Commission, joining her fellow Commissioners at their monthly meeting in Seattle on November 21.

“We are excited to welcome Michone to the Commission after many years of partnering with her and Habitat for Humanity for affordable homeownership,” said Nicole Bascomb-Green, chair of the Housing Finance Commission.

[Habitat for Humanity](#) is an international nonprofit organization founded on the “sweat equity” model of building homes using the labor of volunteers alongside Habitat homeowners, who purchase the homes with affordable mortgages.

As CEO of [Habitat for Humanity Washington State](#), a collaboration of 25 Habitat affiliates statewide, Preston oversees advocacy and helps members access training and financial resources, including a capital investment program in partnership with the Housing Finance Commission. Preston previously served as CEO of Habitat for Humanity in Spokane.

She has also served on countless housing and community committees including the Legislative Homeownership Disparities Workgroup and the Governor’s Affordable Housing Advisory Board, which she chaired.

She holds a BA from Gonzaga University as well as an MA and an EdD from St. Mary’s University of Minnesota, and is a Certified Fund Raising Executive. She resides and farms in rural south Spokane and Douglas counties.

As a Commissioner between now and the end of her term in June 2027, Preston will help to oversee programs that have assisted more than 100,000 people to become homeowners and financed more than 133,000 affordable apartments statewide.

“The Commission is paramount to Washington's success in resolving our housing and homelessness crisis while advancing racial equity,” said Preston. “I am honored to have been selected to serve and am dedicated to access to affordable housing for all Washingtonians.”

####

The [Washington State Housing Finance Commission](#) is a self-supporting state agency that works to provide equitable access to capital through strong partnerships and innovative financing to create and sustain affordable rental housing, homeownership, and community spaces across Washington State.



https://www.khq.com/news/homeless/airway-heights-expands-affordable-housing-to-support-struggling-families/article_119cef0e-a1fd-11ef-a08a-7ffa9e6f9b3a.html

Airway Heights expands affordable housing to support struggling families

Melinda Lee NonStop Local Multimedia Journalist/Reporter
Nov 13, 2024

AIRWAY HEIGHTS, Wash. – A new effort in Airway Heights aims to address the ongoing affordable housing crisis by providing much-needed shelter for local families.

The city is developing more affordable housing units to support families like Michael Gardner and his son, who were the first to move into Highland Village.

Gardner shared his relief upon moving into their new home.

"Oh man the feeling was just overwhelming," Gardner said. "It's hard to explain how it felt like a weight got dropped off my shoulders. I got a home where my son doesn't have to struggle."

Gardner's son, Owen, faced significant challenges from birth, weighing just one pound and spending 127 days in the NICU due to lung disease. Gardner himself was dealing with medical issues after being injured at work.

"I was going through multiple surgeries trying to recover and get back on my feet," Gardner said.

Unable to work, he and Owen's mother, Kristy, struggled to afford housing.

"We were living with friends and family and stuff like that to try to make ends meet," Gardner said.

That changed when they received a key to their affordable housing unit in Airway Heights.



...t person to move into Highland Village," he said, expressing relief that his son would no longer be ...o harmful environments.

Airway Heights City Manager Albert Tripp recently celebrated the completion of Phase Two of Highland Village, which includes 49 new units.

"The total number of units associated with this phase is 49, 21 of those are one-bedroom units, 17 are two-bedroom units and 11 are three-bedroom units," Tripp said.

Tripp is also collaborating with the Washington State Housing Finance Commission to bring more affordable housing to the community.

"If we compare it to market rate housing, affordable housing is very difficult to build," Tripp said.

The success of Highland Village is due to various partnerships.

"Affordable housing involves incredible partnerships," Tripp said, citing organizations like Habitat for Humanity, Community Frameworks and local legislators.

The community's joint efforts aim to help households at or below 60 percent of the area's median income find stable housing.

"(It's a) big, big deal, very big deal to have a place of our own to call our home," Gardner said.

Tripp said that upcoming public meetings will address the need for more affordable housing and resources, focusing on filling the 'middle housing' gaps.

Learn more about affordable housing efforts by visiting **Washington State Housing Finance Commission** and **Habitat for Humanity**.

[MORE INFORMATION](#)

Events Calendar

Date	11/21/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1015 2nd Ave-Level A Vault Conf. R	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	12/12/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	1/23/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	2/27/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	3/10/2025	Length of Event	TBA
Event	2025 NCSHA Legislative Conf. ("Leg Con")	Audience	Conf. Attendees
Address	Hilton Wash. DC Nat'l Mall The Wharf Hotel	Division	Administration
City	Washington, DC	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	3/11/2025	Length of Event	TBA
Event	2025 NCSHA Legislative Conf. ("Leg Con")	Audience	Conf. Attendees
Address	Hilton Wash. DC Nat'l Mall The Wharf Hotel	Division	Administration
City	Washington, DC	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	3/12/2025	Length of Event	TBA
Event	2025 NCSHA Legislative Conf. ("Leg Con")	Audience	Conf. Attendees
Address	Hilton Wash. DC Nat'l Mall The Wharf Hotel	Division	Administration
City	Washington, DC	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	3/27/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	4/24/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	5/19/2025	Length of Event	TBA
Event	Board Mtg. & Budget/Planning Session (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	TBA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	5/20/2025	Length of Event	TBA
Event	Budget/Planning Session (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	TBA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/24/2025	Length of Event	TBA
Event	2025 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Marriott Marquis Chicago Hotel	Division	Administration
City	Chicago, IL	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/25/2025	Length of Event	TBA
Event	2025 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Marriott Marquis Chicago Hotel	Division	Administration
City	Chicago, IL	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/26/2025	Length of Event	TBA
Event	2025 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Marriott Marquis Chicago Hotel	Division	Administration
City	Chicago, IL	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/26/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/27/2025	Length of Event	TBA
Event	2025 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Marriott Marquis Chicago Hotel	Division	Administration
City	Chicago, IL	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	7/24/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	8/28/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/25/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/4/2025	Length of Event	TBA
Event	2025 NCSHA Annual Conf. & Showplace	Audience	Conf. Attendees
Address	New Orleans Marriott Hotel	Division	Administration
City	New Orleans, LA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/5/2025	Length of Event	TBA
Event	2025 NCSHA Annual Conf. & Showplace	Audience	Conf. Attendees
Address	New Orleans Marriott Hotel	Division	Administration
City	New Orleans, LA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/6/2025	Length of Event	TBA
Event	2025 NCSHA Annual Conf. & Showplace	Audience	Conf. Attendees
Address	New Orleans Marriott Hotel	Division	Administration
City	New Orleans, LA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/7/2025	Length of Event	TBA
Event	2025 NCSHA Annual Conf. & Showplace	Audience	Conf. Attendees
Address	New Orleans Marriott Hotel	Division	Administration
City	New Orleans, LA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/23/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	11/20/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	12/11/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Meeting Location TBA	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470