



WASHINGTON STATE HOUSING FINANCE COMMISSION

**** AMENDED ****
BOARD MEETING PACKET
JANUARY 23, 2025



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 **27th Floor Board Room**, located at **1000 Second Avenue, Seattle, WA 98104-3601**, on Thursday, January 23, 2025, 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 Meeting](#), go to “Join” or “Join a Meeting” and enter:

**Webinar/Meeting ID: 864 5523 3711
Passcode: 974046**

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 December 12, 2024, Special Meeting (5 min.)**
- II. Steve Walker/Bob Peterson: Employee Recognition (10 mins)**
- III. Chair: Conduct a Public Hearing on the following:**
 - A. Westside School, OID # 24-143A**
Bianca Pyko: The proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to refund existing Commission obligations issued to finance and refinance the rehabilitation, conversion and expansion of nonprofit educational facilities, to finance the acquisition, rehabilitation, improvement and expansion and equipping of existing nonprofit facilities located at 10404 34th Avenue SW & 3210 SW 106th Street, Seattle, WA 98146, owned and to be owned and operated by The Westside 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 \$9,000,000. (5 min.)
 - B. Evergreen School, OID # 24-144A**
Dan Schilling: The proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to (i) finance costs of demolition of existing structures and the acquisition, construction and equipping of a new approximately 24,000 square foot Early Childhood Center on The Evergreen School’s South Campus, (ii) finance the costs of construction, rehabilitation, renovation, remodeling and equipping of approximately 7,500 square feet of existing educational facilities space on The

Evergreen School's North Campus, (iii) fund a debt service reserve fund for the Bonds, (iv) finance capitalized interest on the bonds, and (v) pay all or a portion of the costs of issuing the bonds. The project is located at 14817-15201 Meridian Avenue N., 2019 N. 150th Street and 14900-14912 Burke Avenue N., Shoreline, WA 98133, owned and to be owned and operated by The Evergreen School, a Washington nonprofit corporation and an organization described under section 501(c)(3). The total estimated bond amount is not expected to exceed \$39,000,000. (5 min.)

C. Rucker Avenue, OID # 21-53A

Dan Schilling: The proposed issuance of one or more series of tax-exempt and/or taxable revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 214-unit multifamily housing facility located at 3102-3132 Rucker Avenue & 1310 Pacific Avenue, Everett, WA 98201. 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 \$60,000,000. (5 min.)

IV. Consider and Act on the Following Action Items:

A. Resolution No. 25-19 - for Housing Counseling

Lisa DeBrock/Emily Northrup: A resolution memorializing the Commission's provision of housing counseling services with the US Department of Housing and Urban Development (HUD) - (10 mins.)

~~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. Asset Management and Compliance Monthly Activities Report

C. Financial Statements as of December 31, 2024

D. Quarterly Program Status Reports as of December 31, 2024

1. Homeownership Division

2. Multifamily and Community Facilities Division

3. Asset Management & Compliance

4. Administration & Human Resources

~~5. IT Division~~

6. Finance Division

- 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 (if necessary)**
- 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

December 12, 2024

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:01 p.m. in the Level A Federal Reserve Vault Conference Room, located at 1015 Second Avenue, Seattle, Washington 98104 and via Zoom. Those Commissioners present via Zoom were: Chair Bascomb-Green, Jason Richter, Ken Larsen, Lowel Krueger, Michone Preston, and Tedd Kelleher (joined the meeting at 1:05 p.m.). Commissioner Bill Rumpf was present in-person in the Level A Federal Reserve Vault Conference Room.

Approval of the Minutes

The November 21, 2024 Commission meeting minutes were approved as distributed.

Action Item: Resolution No. 24- 129, Spring District/120th ETOD, OID #24- 56A

Ms. Lisa Vatske, Director, Multifamily Housing & Community Facilities (MHCF) Division, stated that this is 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.

Ms. Vatske concluded that Chase Bank has issued a note commitment letter for an amount not to exceed \$70,000,000. She added that this was one of the projects

that is part of the WSHFC/Sound Transit MOU for transit-oriented developments of affordable housing.

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

**Action Item:
Resolution No. 24-
136, Viridian
Grove, OID #23-
40A**

Ms. Vatske stated that this is 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 98-unit multifamily housing facility located at 5228 South 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. The public hearing was held October 24, 2024.

Ms. Vatske stated that a note purchase commitment letter was issued by Anthem Insurance Companies for an amount not to exceed \$26,000,000.

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

**Action Item:
Resolution No. 24-
119, Westgate
Terrace &
Parkland Terrace,
OID #24-49A-B**

Ms. Vatske stated that this is 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 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 noted below:

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)

Ms. Vatske stated that two note purchase commitment letters were issued - the first from Citibank for an amount not to exceed \$18,500,000; and the second, a Series B subordinate loan from The Reliant Group, for an amount not to exceed \$4,500,000.

Ms. Vatske noted that the interest rates issued by Citibank were rather high, initially at 12%, but expected to lock on January 1, 2025 at around 6 to 7%.

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

**Action Item:
Resolution No. 24-
134, Carryover of
Private Activity
Bond Cap**

Ms. Vatske stated that this was an annual resolution to approve the carryforward of Private Activity Volume Bond Cap.

Ms. Vatske stated further that every year, at the end of the calendar year, the Commission receives any unused bond cap from the other categories of state bond issuers, for the Commission to utilize within three years. She anticipates the

Commission to receive an allocation of carryforward volume cap, and the exact amount will be known towards the end of December. Once known, the Executive Director will negotiate with the Department of Commerce the final amounts for the Single-Family and Multifamily categories. She concluded that this resolution authorizes the Executive Director to make these negotiations with Commerce.

Mr. Krueger asked if there was an initial estimate as to how much the Commission will receive in carryforward for 2025. Ms. Vatske replied that she didn't know the exact amount at this time, but that there is still approximately \$450 million from this year.

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

**Action Item:
Resolution No. 24-
133,
Reauthorization of
Funding for
Beginning
Farmer/Rancher
Program**

Ms. Vatske stated that this was an annual resolution for the Commission issuing bonds for the Beginning Farmer/Rancher (BFR) Program. She added that typically the request is for up to \$2 million each year. This past year, only one BFR transaction was done. Typically, there are 2 to 4 BFR transactions done a year, with a maximum yearly allocation limit of \$2 million. She concluded that this was a request for Commissioners to approve \$2 million in bonds to fund the BFR program for 2025.

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

**Action Item:
Approval of Single-
Family Programs
Investment
Banking &
Underwriting
Services
Recommendations**

Ms. Lisa DeBrock, Director, Homeownership Division, stated that this was a request for approval by Commissioners for the selection, through a Request for Proposals (RFP) process, of Single-Family Programs Investment Banking and Underwriting Services firms for the next two years.

Ms. DeBrock stated further that Single-Family Investment Bankers are active members of the Commission's Finance team and provide services related to the

issuance of the Commission's Single-Family programs bonds. Investment banking services include participation on the single-family finance team to develop and structure each bond issue. The underwriting firms are responsible for purchasing the Commission's bonds, providing wide distribution of the bonds, and maintaining a secondary market in the Commission's bonds.

Ms. DeBrock then mentioned that the RFP was released on October 11, 2024, with a pre-bid conference held on November 1, 2024, and proposals due on November 12, 2024. Eighteen responses were received, and the list of firms that submitted proposals was included in the board memo located in the board meeting packet.

Ms. DeBrock commented that members of the Homeownership and Finance Divisions reviewed the proposals as a panel, and, due to the Commission anticipating doing a relatively small amount of bond sales over the next two years along with consulting with legal counsel and the Executive Director, oral interviews were not conducted.

She added that the criteria for the proposals the panel reviewed were the following: cost and fee expenses, the cost effectiveness to the Commission, the proposers' capital adequacy, and the ability to underwrite bonds. Also, the panel looked at the firms' reputations for service, and each proposer's demonstrated commitment to diversity, equity, and inclusion. The panel also looked at the qualifications of the individuals to be assigned to serve the Commission and the accessibility of the underwriters' personnel to the Commission and its staff. The experience and record of the proposers in selling bonds nationally or regionally to institutional and/or retail investors were examined as well, along with successful prior participation.

Ms. DeBrock noted that this fiscal year, as in previous years, there is limited bond cap available, and that \$200 million has been issued last year to assist 469 homebuyers under the House Key program, and that the same amount or slightly less will be issued for this current fiscal year.

**Informational
Report on
Department of
Commerce
Activities**

She added that the House Key program mainly serves homebuyers at or below 80% of area median income (AMI). As prices continue to rise in Washington, the House Key program helps the Commission reach those underserved communities that are below market interest rates, and really does keep homeownership in reach for many of the participating homebuyers.

Ms. DeBrock concluded by stating that the Commission was very happy with the current team and recommends keeping RBC Capital Markets as Senior Manager, and the Co-Managing firms of both Wells Fargo Securities and Morgan Stanley.

Mr. Larsen moved to approve the recommended RFP selections as noted above by Ms. DeBrock. Mr. Krueger seconded the motion. The motion was unanimously approved.

Mr. Kelleher mentioned the following from the monthly informational Department of Commerce activities report that was included in the board packet:

Homeownership Unit, Housing Division:

The Homeownership Unit has concluded its review of submitted applications, and a proposed award list is being submitted to management for review and approval. Awards are expected to be announced mid-to-late December but may be pushed back if needed. Notification will be sent if the announcements are pushed past December.

Local Government Division:

Commerce recently announced \$3 million in grants for 16 cities and four counties across Washington to streamline local building permit review processes. The funding will help create digital permitting processes and consolidate permit reviews, reducing the time needed to process and approve residential building permits, which are moves that strengthen the state's pipeline of new housing production.

**Action Item:
Approval of
Proposed 2025
WSHFC Legislative
Agenda**

Mr. Steve Walker, Executive Director, stated that this is an annual request for approval by Commissioners to approve the Commission's Legislative Agenda for 2025.

Mr. Walker stated that there would be no agency lead support legislation by the Commission in 2025. He noted that the state is operating at a deficit of around \$10 billion, which will be a challenge this legislative session.

Mr. Walker then mentioned items in the Support Agenda (also listed in the memo provided in the board meeting packet):

Increase Rental Housing Supply:

- Fund the state Housing Trust Fund at a historically high level in the biennial capital budget.
- Seek a permanent source of funding for the Housing Trust Fund.
- Support transit-oriented development (TOD) to increase affordable housing supply in Washington State.
- Support condominium reform to encourage more construction of condominiums, through reforms to statutory warranties, construction defect litigation, inspection requirements, and other regulations.
- Support efforts to accelerate housing production and reduce the cost of building housing.
- Support a Housing Accountability Act to limit the ability of cities or counties to block affordable housing development.
- Support funding to establish a new Housing Research Center to provide timely analysis and data driven, state-specific research to formulate bold strategies and

policies in partnership with the Puget Sound Regional Council and the University of Washington.

Fund Other Housing Programs and Supportive Services:

- Support legislation to authorize an expanded Real Estate Excise Tax (REET) for affordable housing.
- Support investments in affordable homeownership to create new homes for buyers that include those eligible for the Covenant Homeownership Account (CHA) Program, among other programs.
- Support modifications of the Foreclosure Fairness Act (FFA) suggested through the FFA Working Group.
- Support investments in the Foreclosure Prevention Network (including the hotline, counseling, Commerce, and civil legal aid).
- Support efforts to ensure that any proposed cuts to the budget do not negatively impact affordable housing programs and related services.

Close Racial Gaps in Homeownership:

- Support new programs that expand homeownership opportunities for BIPOC households.
- Support the Washington Future Fund legislation initiated by the State Treasurer's Office creating a pathway to home ownership for low-income Washingtonians.
- Support legislation to amend lending and real-estate systems built on structural racism for tenant protection.
- Seek increased funding for statewide Right to Counsel programs to meet statutory requirements.

- Support efforts to establish well-calibrated rent stabilization, among other tenant protections, to increase resident stability while ensuring housing providers can sustainably operate affordable housing and create new housing.

Mr. Walker added that an internal team is getting ready to meet every Friday morning to track the legislative session and to look for those strategic opportunities to realize on the Commission's Mission. He added further that the Commission supports language regarding housing stabilization and preservation.

Mr. Rumpf asked if there was a report provided to the Commission regarding rent stabilization. Mr. Walker replied that there will be an update, but not a final report. Ms. Vatske added that there would be no further formal recommendations regarding rent stabilization. Mr. Rumpf suggested that this could be a topic for a presentation/discussion at the next Commission Work Session in February 2025.

Mr. Rumpf moved to approve the proposed Legislative Agenda for 2025. Mr. Larsen seconded. The motion was unanimously approved.

Executive Director's Report

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

Multifamily & Community Facilities (MHCF):

7 deals closed in 7 business days- special appreciation and shout out to the Pacifica Law Group team, especially to Jill Wagner, Lanna Do, and Rachel Giles-Klein. They are clearly the unsung heroes ensuring all the details and paperwork is in place. In addition, appreciation and shout out to the MHCF Bonds team, Jason Hennigan, Dan Schilling, Bianca Pyko closing her first project, Shukri Rodol, Yasna Osses, and Kate Held for all their efforts to facilitate and document the projects on the Commission's end. MHCF is gearing up for at least another 4 -6 more bond closings in the next few weeks and going into the new year.

Ongoing meetings and discussions continue regarding addressing the current portfolio stability issues and increasing requests and discussions around legislation.

Homeownership:

Covenant Homeownership Act (CHA): As of December 9, 2024, the Commission has 198 loans with CHA reservations in 20 counties with 142 confirmed loan closings. A formal report is also being developed by the Commission regarding CHA.

In November, for the Commission's other homeownership programs, there were \$153 million in new reservations, assisting a total of 401 households.

Asset Management & Compliance (AMC):

As of December 2024, AMC has successfully completed 100% of Bond reviews and on-site physical inspections. However, unlike in previous years, AMC will not achieve 100% completion of all tax credit annual report reviews by this date. This shortfall is due to several factors: a staffing shortage, considerable time dedicated to the implementation of HOTMA, increased time spent reviewing on-site inspection reports, and substantially more time spent issuing noncompliance notices because of inspection deficiencies. The latter is due to changes introduced by NSPIRE, the new policy requiring reviewing and reporting all inspection findings regardless of severity. The Commission is now operating under a modified goal to complete 100% of all federal compliance period Tax Credit reports by March 31, 2025 (which is all that is required according to federal statute), thereby meeting the business objective of reviewing within 12 months from the report receipt dates and issuing compliance status letters. Please refer to the AMC Activity Report, November 2024 for details.

Finance:

Tony Moore and Miyuki Rapp have begun a training course for Power Query, a functionality in Excel that will help automate and streamline processes and relieve the administrative burden. It is a 23-module course after which they will be awarded a certificate proving competency.

Last week the Governor issued Directive #24-19, setting a freeze on hiring, goods & equipment purchases, service contracts, and travel. Each of these creates a process for exemptions where appropriate. Finance Division staff have been working to update policies and procedures to incorporate this new directive for the agency.

Other information from Steve:

Staff joined Steve in Olympia last week for the State Auditor's Office (SAO) Audit presentation and Commission testimony on Eventual Tenant Ownership (ETO) to the Joint Legislative Audit Review Committee (JLARC).

The Commission continues to see press coverage on ETO, specifically regarding how it relates to ongoing disenrollment activities with the Nooksack Indian Tribe.

Steve gave an update that the three families that were served 14-day notices to vacate have voluntarily vacated their units. Three additional families remain. No families have been forcibly removed from their units. Finally, the remaining three families have court cases scheduled in the next couple days. In addition, the Commission is continuing to follow this closely and is working with the Governor's Office.

Steve added that in the coming year, the first ETO units in the 18 properties that participate in ETO will have homeownership opportunities offered to those residents that have qualified.

Finally, Steve attended the NCSHA Board Meeting and Executive Director's Forum in Washington, DC. He has heard from new administration insiders about

the focus of the incoming Trump administration and the 119th Congress with regards to housing.

Steve has heard that there will be a keen focus on federal homeownership policy next year. Priority issues will include the scope and role of the federal government – from FHA to Fannie Mae and Freddie Mac, to the Federal Home Loan Banks, new tools for starter home construction, and regulatory reforms that could impact all phases of the mortgage financing process.

While affordable rental housing advocates and industry participants face a complex and challenging environment going into 2025, key HUD and USDA programs face potentially serious cuts. On the other hand, the proposed tax bill may create opportunities to expand rental housing production tools, from components of Housing Credits and Housing Bonds to Opportunity Zones.

Mr. Rumpf asked if Governor-elect Ferguson has been briefed by the Commission and/or Commerce regarding their respective housing programs. Mr. Walker and Mr. Kelleher replied that reports are being made. Mr. Walker added that staff are developing a “white paper” as an introduction to the Commission and the functions/programs it offers.

Consent Agenda

The consent agenda was approved as distributed.

**Public Comment
Section**

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

Adjournment

The meeting was adjourned at 1:53 p.m.

Signature

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 "Bonds") to finance and refinance the acquisition and rehabilitation of existing nonprofit facilities owned and to be owned and operated by The Westside School, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds may be issued in one or more series 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, January 23, 2025. 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 27th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

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

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Passcode: 974046

The Bonds will be issued pursuant to Chapter 43.180 of the Revised Code of Washington for the purpose of financing an exempt facility under Section 145 of the Code.

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

Project:	Westside School
Project Address:	10404 34th Avenue SW & 3210 SW 106 th Street Seattle, WA 98146
Total Estimated Project Cost:	\$8,400,000
Estimated Maximum Bond Amount:	\$9,000,000

Proceeds of the Bonds may be used to refund existing Commission obligations issued to finance and refinance the rehabilitation, conversion and expansion of nonprofit educational facilities, to finance the acquisition, rehabilitation, improvement and expansion and equipping of existing nonprofit facilities, and to pay all or a portion of the costs of issuing the Bonds.

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 Bonds 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, January 22, 2025. 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 1-800-767-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.

Nonprofit Facilities Program

Project Name	The Westside School
Developer	The Westside School
Description	The bonds will be used to fund the refinance of the acquisition and rehabilitation of existing school facilities, to finance the acquisition of its currently leased preschool facility and making capital improvements to its campus.
Location	10404 34th Avenue SW 3210 SW 106 th Street Seattle, WA 98146
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing.
Project Type	Refinance of an existing debt, acquisition and rehabilitation of an existing nonprofit facility.
<i>Financial Information</i>	
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$8,400,000
Total Estimated Project Costs	\$9,000,000
Bond Structure	Private Placement
Lender	First Citizens Bank and Trust Company
Action	Public Hearing for OID # 24-143A
Anticipated Closing Date	March 2025

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 “Bonds”) to finance the construction, expansion, rehabilitation, improvement, renovation, remodeling, installation and/or equipping of nonprofit facilities owned and to be owned and operated by The Evergreen School, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Bonds 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, January 23, 2025. 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 27th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

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Passcode: 974046

The Bonds will be issued pursuant to Chapter 43.180 of the Revised Code of Washington for the purpose of financing an exempt facility under Section 145 of the Code.

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

Project:	The Evergreen School Project
Project Addresses:	15201 Meridian Avenue N. 2019 N. 150th Street 14912 Burke Avenue N. 14900 Burke Avenue N. 14829 Meridian Avenue N. 14817 Meridian Avenue N. Shoreline, WA 98133
Total Estimated Project Cost:	\$40,000,000
Estimated Maximum Bond Amount:	\$39,000,000

Proceeds of the Bonds may be used to (i) finance costs of demolition of existing structures and the construction and equipping of a new approximately 24,000 square foot Early Childhood Center on The Evergreen School’s South Campus, (ii) finance the costs of construction, rehabilitation, renovation, remodeling and equipping of approximately 7,500 square feet of existing educational facilities space on The Evergreen School’s North Campus, (iii) fund a debt service reserve fund for the Bonds, (iv) finance capitalized interest on the Bonds, and (v) pay all or a portion of the costs of issuing the Bonds.

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 Bonds may be mailed or faxed to the attention of Dan Schilling, 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, January 22, 2025. 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.

Nonprofit Facilities Program

Project Name	Evergreen School
Developer	The Evergreen School
Description	The Bonds will be used to fund the costs of demolition of existing structures and the construction and equipping of a new approximately 24,000 square foot Early Childhood Center on The Evergreen School's South Campus. The school also plans to finance the costs of construction, rehabilitation, renovation, remodeling and equipping of approximately 7,500 square feet of existing educational facilities space on The Evergreen School's North Campus.
Location	15201 Meridian Avenue N. 2019 N. 150th Street 14912 Burke Avenue N. 14900 Burke Avenue N. 14829 Meridian Avenue N. 14817 Meridian Avenue N. Shoreline, WA 98133
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	New construction, and rehabilitation of an existing nonprofit facility
<i>Financial Information</i>	
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$39,000,000
Total Estimated Project Costs	\$40,000,000
Bond Structure	Public Sale
Underwriter	Stifel
Action	Public Hearing for OID # 24-144A
Anticipated Closing Date	March 2025

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, construction and equipping of a multifamily housing facility in Everett, Washington, to be owned by Pacific Rucker, LLC, a Washington 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, January 23, 2025. 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 27th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this 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: 864 5523 3711
Passcode: 974046

The Bonds will be issued pursuant to Chapter 43.180 of the Revised Code of Washington for the purpose of financing an exempt facility under Section 145 of the Code.

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

Project:	Rucker Avenue
Project Address:	3102-3132 Rucker Avenue & 1310 Pacific Avenue, Everett, WA 98201
Total Estimated Project Cost:	\$107,489,830
Estimated Maximum Note Amount:	\$60,000,000

Proceeds of the Notes will be used to provide a portion of the financing for the acquisition, construction and equipping of a 214-unit multifamily housing facility in Everett, WA, and to pay all or a portion of the costs of issuing the Notes. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice 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 Dan Schilling, 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, January 22, 2025. 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 1-800-767-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	Rucker Avenue		
Developer	DevCo, LLC		
Description	<p>The construction of a multifamily housing facility located in Everett, Washington. Ten percent of the units will be set aside for disabled persons and ten percent for large households.</p> <p>DevCo will be partnering with Rise Up Academy. Rise Up Academy provides high quality early childhood education to children of Snohomish County without regard of their economic or behavioral status. All residents of Rucker Apartments will have access to the program.</p> <p>Rise Up Academy focuses on closing the achievement gap, access to technology, nutritious meals, interaction with positive role models from the community, all part of the early childhood holistic family approach.</p> <p>The project will also provide amenities to support residents including outdoor plazas, computer/business center, dog walk and outdoor recreation areas.</p>		
Location	3102 - 3132 Rucker Avenue 1310 Pacific Avenue, Everett, WA 98201		
Project Type	New Construction		
Units	One Bedroom	140	
	Two Bedroom	53	
	Three Bedroom	21	
	Total	214	
Housing Tax Credits	Yes		
Income Set-Aside	100% at 60%		
Regulatory Agreement Term	Minimum 40 years		
Evaluation Plan Scoring	Cost Efficient Development		2
	Systemic Barrier		6
	CBO Ownership		8

CBO Inclusion	5
Community Engagement Process	2
Application of Community Engagement	3
Donation in Support of Local Nonprofit Programs	2
Property Type	3
Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	10
Total Points	41

Estimated Tax-Exempt Note Amount (Not to exceed) \$60,000,000

Note Structure Private Placement

Lender Citi Community Capital

Development Budget

Acquisition Costs	\$4,900,000
Construction	\$74,485,572
Soft Costs	\$16,423,329
Financing Costs	\$9,414,039
Capitalized Reserves	\$1,068,000
Other Development Costs	\$1,628,435
Total Development Costs	\$107,919,375

Permanent Sources

Tax Exempt Bond	\$38,680,000
Soft Loan	\$15,720,000
Deferred Developer Fee	\$6,836,884
Income from Operations	\$2,358,066
Tax Credit Equity at \$0.844 per credit x 10 years	\$44,324,425
Total Permanent Sources	\$107,919,375

Total Development Cost Limit

Project's Total Development Cost Limit	\$97,587,763
Total Development Cost (minus land and reserves)	\$100,382,785
Waiver	Approved

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$1,850	\$1,451
Two Bedroom	\$2,450	\$1,739
Three Bedroom	\$3,100	\$1,995

Action

Public Hearing for OID # 21-53A

Anticipated Closing Date

April 2025

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 25-19

A RESOLUTION of the Washington State Housing Finance Commission
Memorializing the Commission’s Provision of Housing Counseling Services with
the U.S. Department of Housing and Urban Development (HUD).

WHEREAS, the Washington State Housing Finance Commission (the “Commission”) is
committed to promoting affordable and sustainable housing for the residents of Washington
State; and

WHEREAS, the Commission and the U.S. Department of Housing and Urban
Development (“HUD”) utilizes funding from HUD to administer housing counseling services
through a network of nonprofit agencies across Washington State in accordance with 24 CFR §
214.103(a); and

NOW THEREFORE, BE IT RESOLVED THAT, the Washington State Housing Finance
Commission is hereby authorized to act as an intermediary organization and administer housing
counseling services through its network of HUD-approved nonprofit agencies, ensuring that
these services are delivered by HUD-certified counseling staff in compliance with all applicable
HUD guidelines, policies, and procedures.

ADOPTED by the Washington State Housing Finance Commission this 23rd day of
January, 2025.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

By _____
Secretary

APPROVAL AS TO FORM:

By _____
General Counsel



Opening doors to a better life

MEMO

DATE: January 21, 2025
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 December 9, 2024 – January 21, 2025. Please contact Tera to set up a call with me or a division director should you have any questions.

Multifamily & Community Facilities:

- The fall public funding round announcements were made last week- See the 9% award list [here](#).
- Staff is still finalizing the King County invitation to apply list for the Bond program and that will be posted shortly The Balance of State Bond intents to apply came in and can be seen [here](#).
- Staff are currently in the process of interviewing proposed Community based organizations that have been identified as part of the intent to apply process.
- We are looking forward to finalizing the agreement with Sound Transit authorized by the Board about a year ago to start administering funds for a LAP program focused on sites close to Sound Transit stations.
- The final report on our efforts to stabilize rents was submitted- this can be found after this ED report in your packet. We will provide an overview of the report and our next steps at the Feb work session.
- The Commission loaned the Greater Peninsula Conservancy \$1,813,000 to purchase 141.61-acres that have actively been farmed since the 1890s primarily as a dairy and beef farm bordering the town of Silverdale in Kitsap County. The project site has historically been used as farmland and is well suited for long-term agricultural use, benefiting from intact water rights, prime soil for farming and a historic barn built in 1902 that will require renovation or replacement. The property was listed for sale and several known interested buyers have shared proposals including building two large “estate” houses, building a hay storage barn for international export, and developing the land to sell off three additional lots.

Homeownership:

Covenant Homeownership –

- Our first formal report is now in the Commission packet and will appear on a quarterly basis. Please note this report is based upon purchased loans. We will continue to report on closed loans for this program as part of the Executive Director's report. Loan purchase typically occurs 30-45 days after loan closing and is contingent upon the lender's ability to deliver the final loan package to our loan servicer.
- As of January 21, 2025, we have 248 loans with CHA reservations in 20 counties with 203 confirmed loan closings.

Homeownership Assistance Fund –

- As of January 15, 2025, 5,576 grants have been funded totaling approximately \$115 million dollars in grant assistance.
- The program continues to demonstrate excellent geographic distribution of funding. On January 6, 2025, additional statewide outreach began for the HAF Program, and it is expected to last until mid-February 2025. This outreach is to make sure we stay on schedule to expend all the funding by June 30, 2025, as anticipated.
- We continue our regular meetings with our counseling network to talk through program ideas, concerns, and best practices to make sure that the entire network is supported and working towards a common goal. They continue to report that the program is easy to use and our program administrator, HOTB, is of tremendous assistance to them and homeowners.
- We have begun preliminary planning and discussion regarding the best way to wind down the program as we reach the anticipated total expenditure of funds in June 2025.
- Finally, the Homeownership HAF Team and the Finance Division worked with the State's Auditor's Office and completed the HAF Program Single Audit for Fiscal Year 2024.

Other –

- In December, we had \$157 million in new reservations assisting 420 households.

Asset Management & Compliance:

Compliance Monitoring –

- January marks the start of the third quarter, during which we will focus on completing 100% of the required 2023 Tax Credit Annual Reports and finalizing the 2024 inspection reviews.
- AMC began the new year by releasing the Revised Tax Credit Compliance Procedures Manual, which includes Housing Opportunity Through Modernization Act (HOTMA) updates and a new appendix on Eventual Tenant Ownership procedures.
- We anticipate receiving the 2024 Tax Credit and Bond Annual Reports; revised instructions for submitting these reports are posted on our website as well. We have successfully updated 5 compliance forms that are now available on our website. Resident certification packages page has been revamped to reflect the new forms.

Community Engagement and Education –

- HOTMA Implementation effective 1/1/2025: Our dedicated team offered training and Q&A opportunities in November 2024 to help managers and owners prepare for the implementation of the HOTMA effective January 1, 2025.
- The inaugural HOTMA-focused session held on Friday, November 15th had a total of 480 registrants. The team worked hard to create and upload the first recorded HOTMA training online. We continue to see strong engagement as participants access the training video, which is posted on our website and being utilized by the intended audience. We have training in preparation for the upcoming changes. These changes, updates and training can be found on our WSHFC website. Post-training surveys continue to show excellent evaluation. Keep it up team!
- LIHTC Fundamentals Training for owners and Managers: FY25 schedule is posted on our website. The first Fundamentals Training in 2025 is online on February 11, 2025, and we have increased our attendance threshold to one hundred registrants.

We will also be working to create new content to add to a Learning Management System platform that will allow our training content to be available in an on-demand format for our external partners. We recently had a meeting with our partners at Totara to work on deliverables we would like to see on the platform to create new content to add to a Learning Management System platform that will allow our training content to be available in an on-demand format for our external

partners. Getting this system up and running within the next few years is a definite game changer.

- Forms and Language access: We were able to streamline the language access and forms update project to include the newly updated forms for HOTMA compliance and include ways to make the forms more accessible to all residents. We worked with language accessibility consultants and successfully updated 5 compliance forms that are now available on our website.
- Customer Call log – This month we are launching new and revamped Customer call log. The Customer Service Dashboard is a centralized tool designed to help staff efficiently track and manage community inquiries. This dashboard pulls data from the "Contact Us" form, as well as any manually logged interactions, displaying real-time information for easy access and assignment. By consolidating all contact data in one location, the dashboard ensures that Portfolio Analysts (PAs) and relevant staff can monitor "Ticket status," assign responsibility, and track progress toward resolution. Kudos to Renee for helping the team transition from the old fashioned excel tracking tool to a Smartsheet. Renne has also developed a user manual and policy documents.

Business Process updates –

- WBARS updates:

New Table 5 – Extended Vacancy/Rent-Ready Report: We have converted our extended vacancy report from an Excel spreadsheet to a new automated report in WBARS. Tying the report to our Tenant Activity report in WBARS means that significantly vacant units are automatically transferred to the new report, and all managers have to do is note the date the unit became rent-ready and/or a new tenancy started and tell us why the units were vacant for longer than normal. This new report will reduce work for property managers significantly and will make our extended vacancy data more accurate and more easily accessible for analysis and efficient portfolio monitoring.

Kudos to Melissa who worked hard with our WBARS vendor, Intellectyx, on this new addition and Lanakay and Erik who helped with testing.

Bond properties to report in WBARS: We are working on getting our Bond-only properties into WBARS to reduce the amount of time bond property managers spend on creating their annual tenant activity reports, and to ensure that it is easier to track qualified vacant units and proportionate unit lease up year over year. This will provide efficiencies for both internal staff as well as to staff at bond properties. This will also add efficiency for owners who have both tax credit and bond-only

properties, who are now able to annually report in one place for both types of projects. Thanks, Lanakay for championing this work!

Staffing:

- Staffing was our primary challenge in 2024. The AMC division has been consistently understaffed for most of the year due to retirements, extended medical leaves, and other turnover reasons. We are currently collaborating with HR to fill the critical vacant positions within the next few months.

Our search for an Operations Support Analyst (M.A.3) position is still ongoing and we are interviewing candidates. We hope to finalize this recruitment by the end of January.

By the end of January, two Portfolio Analyst positions will be posted for recruitment.

Finance:

- Preliminary work for the Fiscal Year 2024 state accountability audit has commenced, with data on the year's financial activities provided to the State Auditor's Office. We expect fieldwork to take place in earnest over the next couple of months, with a final audit report issued before June 2025.
- Finance staff are gearing up for the 2026 budget process to take place over the next several months in preparation for a draft budget to be discussed at the May Budget and Planning session. In the coming weeks, staff will be working with all divisions to reexamine base assumptions to reflect organizational goals in line with state policies and directives.
- Finance recently posted a recruitment for our vacant Fiscal Analyst 4, Accounts Receivable position. Applications are due by January 31st, and we hope to have made an offer by the end of February. We are excited for the opportunity to welcome a new member to our team.

Diversity, Equity, and Inclusion:

- Key Projects: Several projects in progress: Inclusive hiring toolkit (in partnership with HR), community engagement support (in partnership with Community Engagement)

- Achievements: Beginning to engage staff in testing the strategic plan accountability tool over the next few months and developing a report for Commissioners. Every division will be represented.
- Goals for Next Month: Developing training offerings with our consultant The Athena Group to support employee engagement and foster a sense of belonging.

Steve Walker:

- Last week, Bob P. and I had the opportunity to meet with Commissioner Michone Preston to provide an orientation to the Commission.
- With the start of the legislative session, we have begun our internal process. We convene every Friday with many staff from across all divisions helping to track bills. Thanks to Kari we hit this session with a sophisticated tracking tool to monitor and track bills across the entire process - introduction, public hearing, executive action etc.
- There is a capital budget presentation scheduled at the same time as the Board meeting this week- which is why Lisa is not here - as she is presenting in person.
- We met with financial consultants who are in town supporting and exploring two local efforts to enhance affordable housing production – one with King County and one with the City of Seattle.
- We are exploring preservation strategies utilizing our NCSHA network. The Commission may be best positioned to lead on this large and mounting reality impacting the affordable portfolio we helped to create.
- I am maintaining a close watch, primarily through NCSHA on early activity by the new federal administration and new Congress. A “Ways and Means Committee” document listing dozens of measures Congress could potentially pass to offset some of the cost of extending the 2017 tax cuts scheduled to expire at the end of this year is circulating. Among the measures on the 50-page list is one to “eliminate the exclusion of interest earned on private activity bonds, Build America bonds, and other non-municipal bonds.” This is a staff-driven menu of options, akin to the annual reports produced by the Congressional Budget Office, which [most recently included](#) repealing the Low Income Housing Tax Credit as well as PABs.

According to NCSHA, who has daily contacts with the congressional tax committee staffers and members who will write the tax bill, “we have not detected any support

for repealing or curtailing bonds (or credits), and we have specifically asked about the prospect.” Of course, the process to draft the bill is only beginning and, as we saw in 2016, an idea like PAB repeal can come “out of nowhere” into reality at any time. Again, through NCSHA, we will remain laser-focused at this point on increasing bonds and credits for housing, we will remain vigilant for any potential threats to them as well.

- Our [NCSHA legislative Conference](#) is scheduled for March 10-12. Given our travel restrictions, we are considering sending a limited staff contingent, led by Lisa Vatske. I plan to attend but will be prepared to cancel if warranted by State legislative session activities. Please reach out to Tera if you would like more information.

Other Events and Meetings:

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

Weekly CSG Meetings; BHI Network Policy Group Meeting; King County Regional Workforce Housing Initiative and NCSHA General Membership Meeting.

2025 Session Dates: January 13th through April 27th

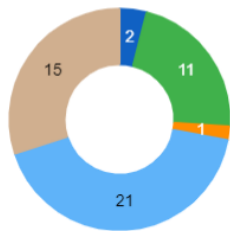
Today Is: 01/22/25

Session Day: 10



Bills Being Tracked

Tracked Bills



- Admin Tracking
- Follow Closely
- Further Discussion
- Low Priority
- Uncategorized

50
Tracked Bills

11
Following Closely

1
Further Discussion

3
Fiscal Notes Sent



WASHINGTON STATE
HOUSING FINANCE
COMMISSION



Washington State
Department of
Commerce



The **Athena** Group

Stabilizing rents for tenants in state-funded affordable housing

Final report authorized by the 2023-2025 operating budget sections 129 (70) and 194.

December 1, 2024

Report to the Legislature

Commerce Director Mike Fong

Commission Executive Director Steve Walker

WASHINGTON STATE HOUSING TRUST FUND
AND
WASHINGTON STATE HOUSING FINANCE COMMISSION

Acknowledgments

Washington State Department of Commerce

Shawn Slape, Managing Director, Multifamily
Housing Unit

Sarah Dunn, Compliance Asset Manager,
Multifamily Housing Unit

Analilia Núñez, Equity Policy Manager, Multifamily
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Camille Gix, Policy Coordinator, Housing Policy Unit

Washington State Housing Finance Commission

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Tara Woodruff, Data Consultant

Renee Dillard, Community Engagement Specialist

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For people with disabilities, this report is available on
request in other formats. To submit a request, please
call 7-1-1 and ask to be connected to 360-725-4000.

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Executive summary

Statutory authority

During the 2023 legislative session, the Washington State Legislature included provisos in the 2023-2025 operating budget for both the Washington State Housing Finance Commission (the Commission) and the Department of Commerce (Commerce) to report on rent stabilization efforts for affordable housing units financed by these agencies.

The Legislature directed Commerce to do the following:

NEW SECTION 129 (70) Within existing resources, the department must submit an interim and a final report to the appropriate committees of the legislature on efforts taken by the department to stabilize rents for tenants of affordable housing units financed through the housing assistance program created under RCW 43.185.015 including, but not limited to, efforts to limit or mitigate the impacts of rent increases for tenants of qualifying units. The department must submit the interim report by December 1, 2023, and the final report by December 1, 2024.

The Legislature directed the Commission to do the following:

NEW SECTION 914. (1) The Washington State Housing Finance Commission must submit an interim and a final report to the appropriate committees of the legislature on efforts taken by the commission to stabilize rents for tenants of affordable housing units financed through federal low-income housing tax credits allocated by the commission, and other housing finance programs administered by the commission as applicable. Rent stabilization efforts may include, but are not limited to, limiting or mitigating the impacts of rent increases for tenants of qualifying units. The commission must submit the interim report by December 1, 2023, and the final report by December 1, 2024.

(2) This section expires June 30, 2025.

Overview

Interim report

In December 2023, the Commission and Commerce released a joint [interim report](#). The report highlighted the efforts to date, the challenges faced by property owners and residents, and opportunities for further investigation to mitigate rent burden¹ in state-funded affordable housing. Following the completion of the interim report, Commerce and the Commission developed a list of potential strategies to mitigate rent burden faced by residents in state-funded affordable housing.

Final report

This is the final report required by the provisos and includes the potential strategies developed after the interim report, updates on efforts to date, expanded background and context and a more extensive portfolio analysis. Commerce and the Commission collaborated to develop this report, which included contracting with the Athena Group to support data collection and drafting of the portions of the report.

Next steps: Ongoing community engagement

This report also includes an outline of the voluntary community engagement Commerce and the Commission, in partnership with contractor the Athena Group, are undertaking with interested parties across Washington, including residents of affordable housing, resident advocacy groups, property owners and managers, housing

¹ Rent burden is commonly defined as households spending more than 30% of their income on housing costs. [Rental Burdens: Rethinking Affordability Measures](#). U.S. Department of Housing and Urban Development's Office of Policy Development and Research.

authorities, and public funders. The goals are to gain insight into the effects of current policies, assess the significance of proposed strategies and to identify new strategies that could help stabilize rents and/or minimize the effects of rent increases on affordable housing residents. The results of this engagement work will be made publicly available.

Key findings:

- **43% of Commerce's Housing Trust Fund (HTF)-funded units are occupied by households with no rental assistance**
 - Of those households with no rental assistance in HTF-funded units, 43% experienced rent burden in 2023
 - Among HTF-funded properties, residents in rural and frontier counties² were more likely to experience rent burden in 2023, compared to those in urban counties
- **56% of Commission-funded units are occupied by households with no rental assistance**
 - Of those households with no rental assistance in Commission-funded properties, 65% experienced rent burden in 2023

² RCW 43.330.010(6): "Frontier county" means a county with a population density of fewer than 50 persons per square mile as determined by the Office of Financial Management.

Introduction

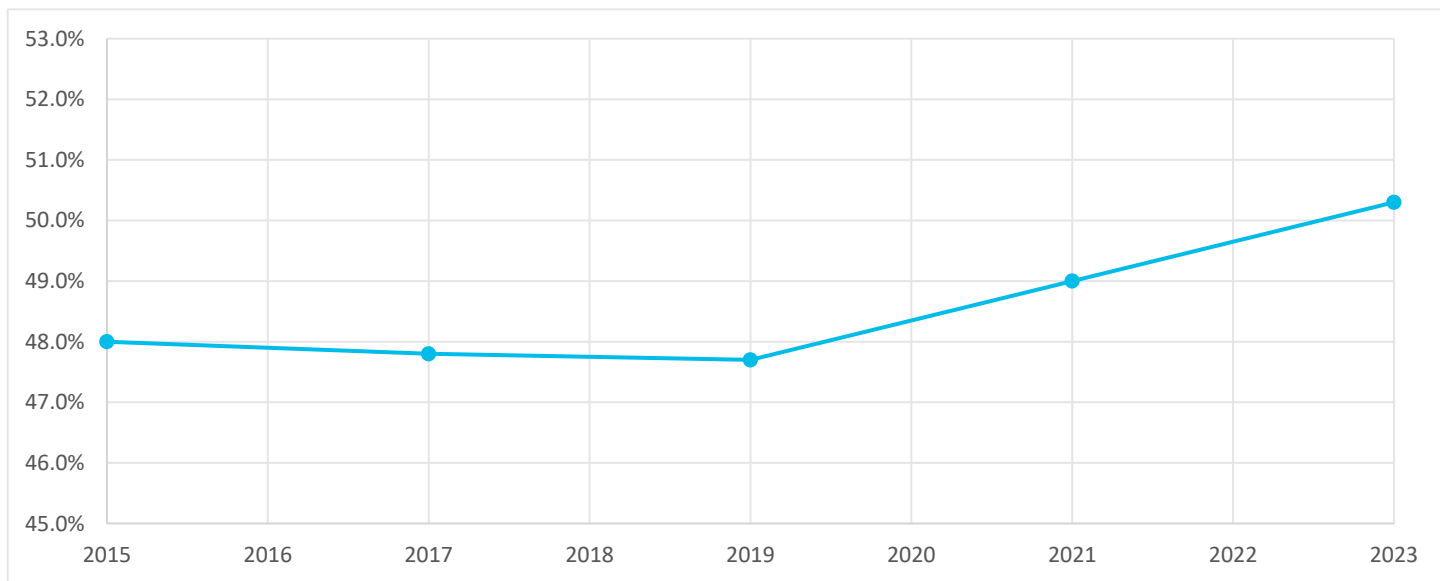
Background

In 2023, Commerce and the Commission collaborated on the required interim report. The interim report included efforts to date to stabilize rents for tenants of state-funded affordable housing. In summary, the report identified some potential mitigations for the rent burden experienced by affordable housing residents and determined that more research and community engagement were necessary to determine a path forward.

Affordability in Washington

Housing in Washington has become increasingly unaffordable for residents. Over the last five years, the percentage of renters paying more than 30% of their income towards rent (considered rent-burdened) increased by 2.6% (see Figure 1). On top of this, Washington now faces a significant housing shortfall across the income spectrum, especially in units available and affordable for households earning between 0% and 50% of the Area Median Income (AMI).

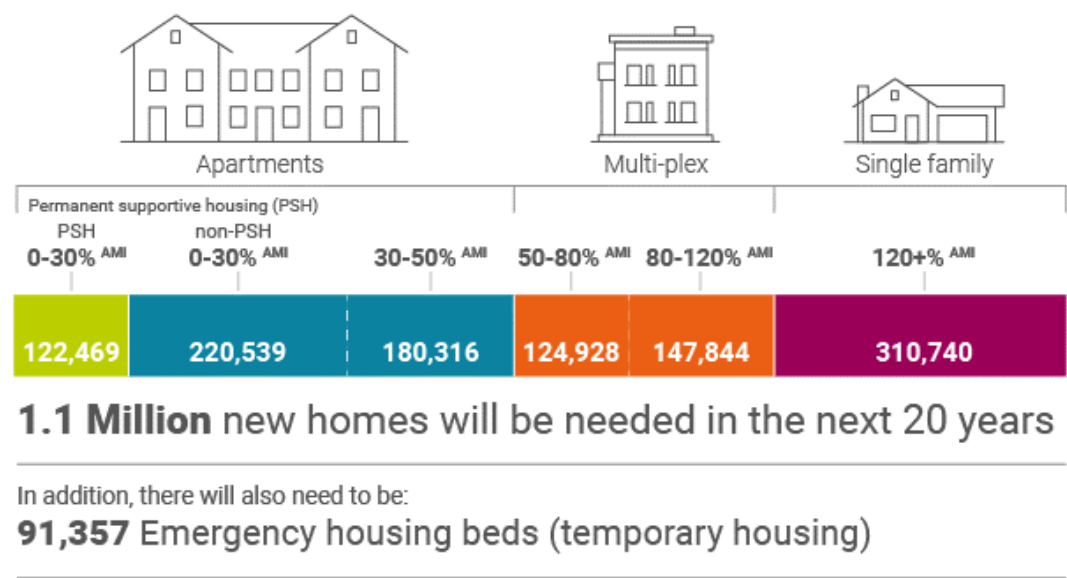
Figure 1: Percent of all Washington renters experiencing rent burden 2015-2023



Source: U.S. Census Bureau American Community Survey

In 2023, Commerce estimated the state needs approximately 1.1 million new homes built in the next 20 years to meet future housing needs of Washingtonians. Of that amount, over 400,000 must be affordable for 0-50% AMI households, and 122,000 must be permanent supportive housing (see Figure 2).

Figure 2: Future housing needs broken down by AMI groups



Source: [Washington State Department of Commerce](#)

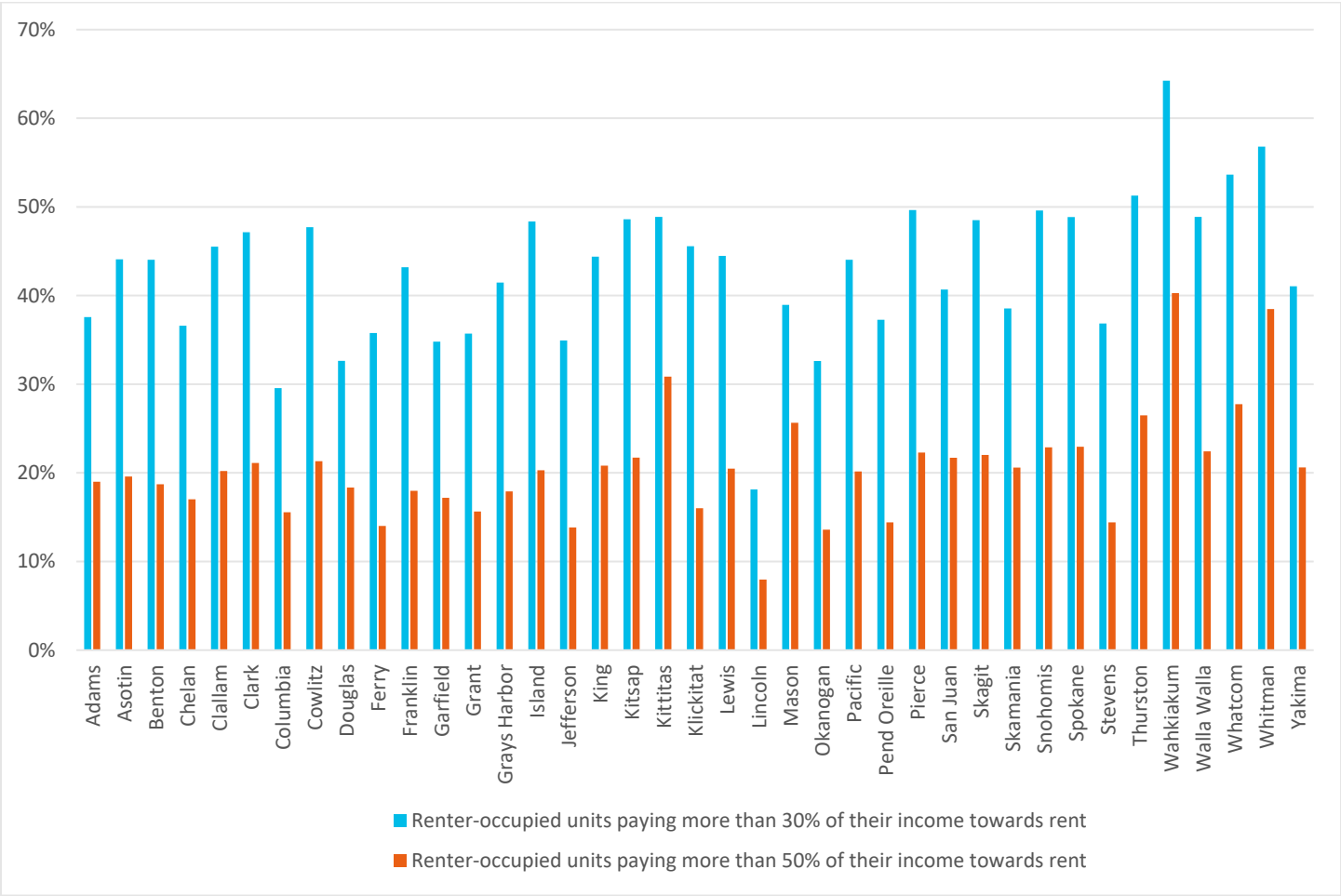
Geographic disparities in rent burden exist for 16 counties with rent-burden rates near or above 50%. While there are disproportionate rates of rent burden severity in certain counties, every county, but one (rural Lincoln), has more than 10% of renter-occupied units severely rent burdened – defined as paying at least half of one's income towards rent. A majority of counties have rates close to or exceeding 20% (see Figure 3). It is estimated that 227,866 households across the state are severely rent burdened.

Rent prices that increase to the point of creating rent burden or resident displacement are effectively a "supply-demand mismatch," meaning there are not enough affordable rental units to meet the demand in the local area. Understanding the different types of rent burden that exists in local markets help explain differences in affordability and need. There are high earners who can choose to pay more than 30% of their income on rent in order to access certain amenities or lifestyles,³ while moderate earners can become geographically burdened when their local housing market becomes more expensive. In an unstable housing market, low-income households are unlikely to find affordable rental options anywhere without assistance.⁴

Affordable housing can occur naturally when new housing supply ages to the point that the price of rent decreases, due to lowering quality or demand. However, limited housing supplies and other factors put upward pressures on housing prices, even for older housing with lower quality. The backdrop of the current national housing crisis includes the national housing shortage following the 2008 financial crisis,⁵ high rates of inflation during and following the Covid-19 pandemic restrictions, and inadequate growth in renter wages.

³ Unprecedented demand from high-income households in Seattle have caused rents to rise rapidly for existing rental housing. Cities facing similar challenges include Washington, DC; Boston, MA; San Francisco, CA; San Jose, CA. [Case Studies: Seattle](#). National Multifamily Housing Council. [The Housing Affordability Toolkit](#).
⁴ Bruen, C. [A Closer Look at Cost-Burdened Renters](#). National Multifamily Housing Council Research Notes. June 28, 2022.
⁵ Dougherty, C. ["What Kalamazoo \(Yes, Kalamazoo\) Reveals About the Nation's Housing Crisis."](#) New York Times. Aug. 2024.

Figure 3: Rates of cost burden and severe cost burden by county in Washington



Source: PolicyMap, 2022 ACS county-level 5-year estimates

Affordability in designated affordable units

A mix of federal, state, and local subsidies are typically needed to fund rental properties that offer affordable units that are not otherwise provided by the market. These units follow specific income limits and eligibility rules designed to make housing accessible to low-income households.

As of 2023, there were 155,214 affordable housing units designated for low-to-moderate-income households across Washington.⁶ Affordable housing units are both income-restricted (how much a household's income may be to qualify for a unit) and rent-restricted (how much rent may be charged). Though these units have reduced the burden for many households, their tenants are not immune to the struggle of rent burden.

Affordable units do not guarantee rent will remain manageable for all eligible tenants. This is because rent prices and increases are tied to income limits set by regulatory frameworks, which may not match with the actual incomes of all households. As a result, even though a unit may be labelled “affordable,” it can still become a financial burden for some low-income families.

⁶ [AHAB Housing Advisory Plan 2023-2028 Final.pdf](#) | Powered by Box

Additionally, the US Department of Housing and Urban Development (HUD) sets AMI limits, accounting for a percentage of inflation each year based on a national cap. When the rate of inflation is higher than the rate of income growth in an area, the AMI calculation will be higher than the actual area median income⁷ and may require policy interventions to address housing cost, access or equity concerns. HUD changed its national cap calculation in 2022 and 2023 to limit rent increases to no more than 6% for any given area.⁸ In 2024, the cap percentage increased to 10%.

Affordable housing providers cannot charge more than 30% of the maximum allowable income for a rent-restricted unit based on contractually restricted AMI levels. Because providers must charge enough to pay for operations, maintenance and debt-service, this often results in tenants who earn less than the maximum allowable income paying more than 30% of their income towards rent. This report will provide more detail on this challenge in the later section titled "Affordable housing portfolio analysis."

The Washington State Department of Commerce

The Washington State Department of Commerce (Commerce) administers various Affordable Housing Programs authorized in [Chapter 43.185A RCW](#), which are primarily known as the Housing Trust Fund (HTF), the federal HOME and National Housing Trust Fund programs. These programs provide grants and low-interest loans to nonprofits, housing authorities and federally recognized tribes for the development or preservation of low-income affordable housing.

As of 2024, Commerce administered funding and support to 1,356 projects with 41,946 units. The vast majority of these units were rent-restricted, with a small minority of units being market-rate.

The Washington State Housing Finance Commission

The Washington State Housing Finance Commission (the Commission) administers the federal Low-Income Housing Tax Credit (LIHTC) program, which finances the construction and preservation of affordable multifamily housing units through federal tax incentives. The Commission awards housing credits in the higher-subsidy 9% Program through an annual competitive process in which it evaluates and scores projects according to established criteria. The lower-subsidy 4% Program combines tax-credit equity with tax-exempt bonds, which developers receive through a competitive process. The Internal Revenue Service (IRS) governs these programs and determines annual state allocations by a per capita formula.

As of 2024, the Commission administers a portfolio of 1,201 projects with 117,061 units across Washington, of which, 92% of all units within the Commission's purview are rent and/or income-restricted, almost all financed with LIHTCs. The remaining 7% are units financed by 80/20 Bonds, Non-profit housing bonds and/or market rate with 1% as common area units.

⁷ Teles, D., Su, Y., Oneto, A. [Calculating AMI. How Calculation of Area Median Income Affects Housing Policy](#). Urban Institute Metropolitan Housing and Communities Policy Center. September 2023.

⁸ [Is it Time for HUD to Settle on a Consistent Method to Determine the Income Limits Cap?](#) Novogradac New Markets Tax Credit Resource Center. July 5, 2023.

Additional context

Interagency collaboration

Commerce and the Commission collaborate to administer investments that build and maintain the state's affordable housing stock. While each agency administers a separate portfolio, properties subject to oversight by both agencies comprise up to half of the state's total projects from year to year.⁹

As of August 2024, approximately 42% of Commerce's portfolio and 45% of the Commission's portfolio were under dual regulatory agreements.¹⁰ These properties are also subject to requirements and policies prescribed under the HTF and LIHTC programs, except for a smaller subset of 82 properties that receive HUD formula funds in addition to LIHTC credits.

All properties funded by Commerce, the Commission or both are subject to specific requirements related to household income, rent limits and ongoing compliance. This includes annual reporting via regulatory agreements, land covenants and contracts with specified term-lengths, usually of 40-50 years. Amendments to these requirements happen on a very limited basis, reducing opportunities for changes in practice.

How rents are set

Commerce and the Commission collaborate on strategies and goals to streamline administrative efforts when possible, including when HTF and LIHTC programs rules or requirements differ.

The Commission

Commission-financed LIHTC properties use rent and income limits set by HUD, as required by the Internal Revenue Service (IRS). The Commission's Asset Management and Compliance Division publishes these limits on [its website](#) to assist owners and property managers in developing and managing their housing projects. While other state finance agencies have policies that restrict rents to a level below the maximum allowable dictated by HUD, the Washington Commission does not have such a policy.

Commerce

Income and rent limits for properties funded by Commerce's Housing Trust Fund are also established using limits published by HUD. While HUD publishes extremely low-income limits using "increases for poverty guidelines," Commerce did not adopt this adjustment when setting rent limits. This results in lower maximum allowable rent limits for individuals occupying extremely low-income units. Projects funded by the HOME and National Housing Trust Fund are set directly by HUD.

Commerce's Compliance Asset Management team within the Multifamily Housing Unit annually calculates and publishes income and rent limits on [its website](#). Based on HUD regulations, Commerce must review and approve the rent schedule for all HOME and National Housing Trust Fund (NHTF) units in a project on an annual basis. Owners may not implement rent increases on units funded by HOME or NHTF without Commerce's approval.

⁹ [Stabilizing rents for tenants in state-funded affordable housing. Interim Report to the Legislature](#). Washington State Department of Commerce. December 1, 2023. Commerce's affordable housing portfolio includes 1,356 properties comprising 46,856 units primarily serving extremely low-income households at or below 30% area median income. The Commission's portfolio includes 1,260 properties comprising 106,964 units primarily serving very-to low-income households with incomes at 50 to 60% area median income.

¹⁰ A comprehensive list of Commerce and the Commission's jointly administered properties was provided to The Athena Group as of August 19, 2024.

National regulations and updates

HUD bases its rent-limit methodology on median income data from the Census Bureau's American Census Survey (ACS). ACS data lags three years behind the year limits become effective, so HUD has historically used a Consumer Price Index (CPI) factor to adapt.

Since 2010, HUD has used a cap on rents calculated as the "greater of 5% or double the change in national median income." Changes in median income are unpredictable, which results in varied rent limit changes year over year and variances across counties. To calculate the 2023 income and rent limits, HUD would have used the 2020 ACS data; however, the impacts of the COVID pandemic prevented the data from meeting the Census Bureau's data quality standards. Therefore, HUD used the change from 2019 to 2021 ACS data without applying a CPI factor. The 2023 limits, published on May 15, 2023, capped rent increases at just under 6%.¹¹

As of 2024, HUD has updated its methodology to incorporate a new 10% cap on year over year income increases.¹² Since limits on rent are calculated as a percentage of these income limits, the rent limits published will also be capped at a 10% annual change. This new cap provides additional restriction on the allowable rents providers can charge. This does not mean a resident might not receive a rent increase of 10% or higher, if their rent is far below the maximum rent limit.

¹¹ Novogradac, "[Is it Time for HUD to Settle on a Consistent Method to Determine the Income Limits Cap?](#)" (July 5, 2023),

¹²Novogradac, "[HUD's Change in Formula for Income Limits Cap Means Lower Maximums for 2024](#)" (March 5, 2024),

Existing protections and supports

Affordable housing policies used by Commerce and the Commission

Commerce and the Commission monitor properties for compliance with program requirements.

Commerce monitors HTF properties for compliance. This includes reviewing annual reports, examining audited financial information and tracking loan payments.¹³ HTF contractors must verify all low-income unit residents meet income eligibility requirements. They are also expected to utilize vacancy and occupancy rates when setting performance standards for their projects.

Commerce reviews project compliance annually using the following questions:

- Are properties offering the required number of low-income household units?
- Do tenants meet AMI requirements?
- Are rent limits on income-restricted units being observed?
- Are the required target populations being served?
- Are unit vacancy periods brief?
- Is each building in the project suitable for occupancy taking into account local and federal health, safety, building codes and physical conditions standards?

The Commission monitors compliance with LIHTC program requirements and regulatory agreement commitments, which includes reviewing annual reports to confirm household income eligibility, population served, that rents charged are within LIHTC limits and other factors. In addition to publishing income and rent limits, tax credit procedures and bond compliance manuals and related FAQs, the Commission offers numerous workshops, trainings and staff portfolio analysts to support LIHTC property owners and managers to fulfill tax compliance requirements.¹⁴ The Commission also conducts physical conditions inspections of all LIHTC-funded properties once every three years and reports deficiencies and provides guidance on how to prepare for and address issues that arise during inspections.

When properties fall into non-compliance, Commerce and the Commission have various enforcement and assistance options. Actions taken to enforce compliance might include technical assistance, a workout strategy, for the Commission non-compliance reporting to HUD and/or IRS for LIHTC properties, contract termination or even foreclosure proceedings. If approved, HTF contractors may defer loan payments without defaulting on contract terms or receiving financial penalties.¹⁵ Changes in loan terms are also allowed under certain circumstances to reduce financial burden, including:¹⁶

- Substantial change in market conditions
- Changes in the target population
- Decrease in available subsidies
- Higher than expected vacancy rates, turnover costs or unanticipated expenses related to natural disasters not covered by insurance

¹³ [Stabilizing rents for tenants in state-funded affordable housing. Interim Report to the Legislature.](#)

¹⁴ [Tax Credit Compliance Procedures Manual.](#) Washington State Housing Finance Commission.

¹⁵ [FAQ 2022 Loan Deferral Policy.](#) Washington State Department of Commerce.

¹⁶ [Washington State Housing Trust Fund Handbook.](#) Washington State Department of Commerce. March 4, 2021.

Affordable housing residents frequently reach out to Commerce and the Commission for help with a range of issues, including concerns about property conditions, rent increases, and the risk of eviction.¹⁷ Recognizing the importance of addressing these challenges, Commerce and the Commission are collaborating with The Athena Group to develop new strategies that focus on resident engagement and outreach efforts with property developers, owners and operators.

These strategies aim to foster more effective communication with residents and property managers, ensuring residents' voices are heard and needs are addressed. By building stronger relationships and responsive engagement channels, Commerce and the Commission hope to create a proactive support system, one that will inform strategies to mitigate areas of concern for both residents and property owners.

Other entities that assist tenants to investigate and enforce fair housing practices include the Washington State Human Rights Commission, the Office of Attorney General's Wing Luke Civil Rights Unit, and the Tacoma Human Rights and Human Services Department, which are certified as Fair Housing Assistance Programs. Additionally, HUD designated the Fair Housing Center of Washington (based in Tacoma) and the Northwest Fair Housing Alliance (based in Spokane) as Qualified Fair Housing Organizations to provide education, outreach and enforcement.

As of 2019, fair housing agencies in the state were reported to be underfunded and understaffed with large backlogs of complaints and cases. In addition, during a housing crisis when affordable housing is limited, tenants might report acts of discrimination less often due to a heightened fear of property owner retaliation.¹⁸

State-level affordable housing policy across the country

There is a wealth of rent stabilization policies within local jurisdictions across the country. In 2019, Oregon enacted the first statewide rent stabilization law, quickly followed by California in the same year. Both laws allow rent increases at a set percentage of existing rent and a measure of annual inflation, prescribe new property owner penalties, and exempt newly constructed rental units for either a fixed or short-term period of time.¹⁹

Neither of these rent stabilization laws address enforcement of rent caps or vacancy rules. The intent of California's law is to enact temporary restrictions that prevent rent gouging during the housing crisis, and it is set to expire on January 1, 2030. Similarly, lawmakers in Oregon described their new policy as an anti-rent gouging measure that does not address the underlying issue of low housing supply.²⁰

Oregon

Oregon's law, [Oregon Revised Statute 90.323](#) (revised by Senate Bill 608), limits how much property owners can raise rent to 7% per year, plus the annual change in inflation. Properties less than 15 years old or that receive reduced rent through a subsidy are exempt. The law also provides "just cause" eviction requirements, which means landlords must provide a valid reason (just cause) to evict tenants who have lived on a property

¹⁷ [Stabilizing rents for tenants in state-funded affordable housing. Interim Report to the Legislature.](#)

¹⁸ [Analysis of Impediments to Fair Housing Choice.](#) Washington State Department of Commerce.

¹⁹ [Options and Tradeoffs: Rent Stabilization Policies.](#) US Department of Housing and Urban Development. Office of Policy and Research. June 28, 2022.

²⁰ Dake, Lauren. [Rent Control Is Now The Law In Oregon.](#) OPB. Feb. 28, 2019.

for at least one year. Violations might result in property owners paying up to three months' rent or damages to tenants. Property owners must also provide notice of any rent increases 90 days in advance.²¹

Oregon Housing and Community Services, which the Oregon Housing Stability Council oversees, administers affordable housing policies.²²

California

California's law, [Assembly Bill \(AB\) 1482, Tenant Protection Act of 2019](#), also limits how much property owners can raise rent. The maximum is 5% plus inflation or 10%, whichever is lower, and this law is set to expire on January 1, 2030. Properties less than 15 years old or that receive rental subsidies are exempt, as are certain dormitories and most single-family homes and condominiums. Property owners must inform tenants whether their unit is covered by or exempted from AB 1482. The law requires that property owners provide a valid reason (just cause) to evict tenants who have lived on a property for at least one year. Property owners are also required to pay relocation fees or waive up to one month of rent for no-fault evictions.

The Department of Housing and Community Development and the Tax Credit Allocation Committee administer California's affordable housing policies. An existing law, the Costa Hawkins Act, allows landlords to increase rents for new tenants when prior tenants move out.²³

Rent control boards in certain cities, including Los Angeles, San Francisco, San Jose, Berkeley, Richmond and East Palo Alto, also regulate local rental markets.²⁴ The statewide law does not remove nor replace local regulations already in place. Tenants can file reports of excessive rent increases under the Tenant Protection Act with local rent boards.²⁵ Comparatively, Washington prohibited cities from implementing rent control policies in 1981.²⁶

The effects of rent stabilization policies are best understood in the context of specific housing markets. For example, in the Bay Area, rent stabilization policies have reduced the likelihood of very-low income households moving out of neighborhoods and increased the likelihood of downward moves to poorer neighborhoods for extremely-low income households.²⁷

Washington

In recent years, the Legislature enacted several significant statewide policies to address the state housing supply shortage. [Chapter 254, Laws of 2021 \(E2SHB 1220\)](#) amended the Growth Management Act to require local governments to plan for and accommodate development of affordable housing for all income levels. Commerce publishes future projections of housing needs for every county by income bracket.²⁸

[Chapter 332, Laws of 2023 \(HB 1110\)](#) and [Chapter 334, Laws of 2023 \(EHB 1337\)](#) require local governments to revise regulations to allow for more density and types of housing in areas traditionally zoned as single-family.

²¹ [Enrolled Senate Bill 608](#). Oregon State Legislature. 2019 Regular Session.

²² [About the Oregon Housing Stability Council](#). Oregon Housing and Community Services.

²³ Chiland, E., Chandler, J. [Costa Hawkins: the California law renters want repealed, explained](#). Curbed Los Angeles. April 29, 2020.

²⁴ [A.G. File No. 2022-008](#). The California Legislature's Nonpartisan Fiscal and Policy Advisor. Legislative Analyst's Office. Feb 10, 2023.

²⁵ [The California Tenant Protection Act of 2019 \(AB 1482\)](#). SF.GOV. August 1, 2024.

²⁶ [Controls on rent for residential structures - Prohibited-Exceptions](#). RCW 35.21.830. Washington State Legislature.

²⁷ Hwang, J. [Who Benefits? Lessons from the Bay Area](#). Stanford University. May 4, 2022. Second session of a four-part webinar on Understanding the Rental-Market Impacts of Rent Stabilization Policy Choices. Federal Reserve Bank of Minneapolis. May 4, 2022. Video time: 35: 50-37:10.

²⁸ [Updating GMA Housing Elements](#). Washington State Department of Commerce.

The intent of these laws is to address the need for middle housing. Middle housing types mentioned in the law include multiplexes (2-6 units), townhouses, stacked flats, courtyard apartments and cottage housing.²⁹

Also in 2021, the Legislature amended Washington's landlord-tenant law. Property owners must now provide at least a 14-day notice before initiating an eviction proceeding, and the notice form must include the total alleged financial obligation.³⁰

The Washington Low Income Housing Alliance identifies the following rent stabilization policy needs:³¹

- Keep rent increases reasonable and predictable so tenants can plan and budget
- Stop rent increases from being a tool to punish, displace or deny tenants' rights
- Provide tenants with more time to adjust to rent increases

²⁹ Butler, S. [Major Changes to Washington's Housing Laws](#). Municipal Research Services Center. July 19, 2023.

³⁰ [Landlord-Tenant 14 Day Notice Forms](#). Washington State Office of the Attorney General.

³¹ [Roadmap to Housing Justice](#). Washington Low Income Housing Alliance.

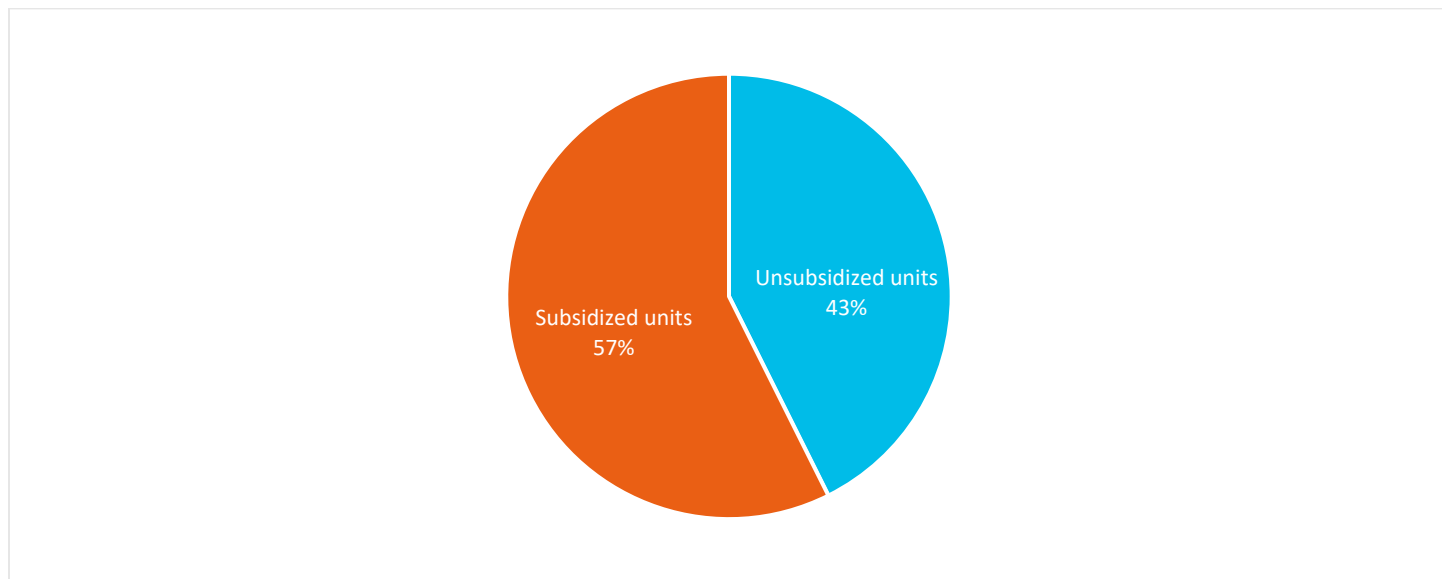
Affordable housing portfolio analysis

In creating this report, Commerce and the Commission simultaneously conducted analyses of their affordable housing portfolios. As noted earlier, approximately 40% of each agency's portfolio overlaps. This analysis considers a variety of factors related to the state's affordable housing. Both agencies include a breakdown of the number of subsidized versus unsubsidized units. Subsidized means a household receives a rental subsidy, such as [Section 8 Choice Vouchers](#) or a comparable long-term rental subsidy. Additionally, the analysis includes data demonstrating the challenge of rent burden among tenants living in unsubsidized units. Unsubsidized means that a household is not reported as receiving a long-term rental subsidy, such as Section 8. This data analysis only includes LIHTC, HOME and HTF units within the Commission and Commerce's portfolio who did not receive rental assistance in 2023. Bond-only (80/20 Bonds and Non-profit housing bonds) and market-rate units were not included in this analysis.

Commerce

Within the affordable housing portfolio Commerce administers through various funding programs mentioned in the previous section, 57% of households living in rent-restricted units receive rental subsidies, while the remaining 43% do not (see Figure 3). Commerce projects include 390 units of market-rate housing, which this data does not include. The following rent burden analysis is based on the 43% of Commerce-funded units without rental subsidies.

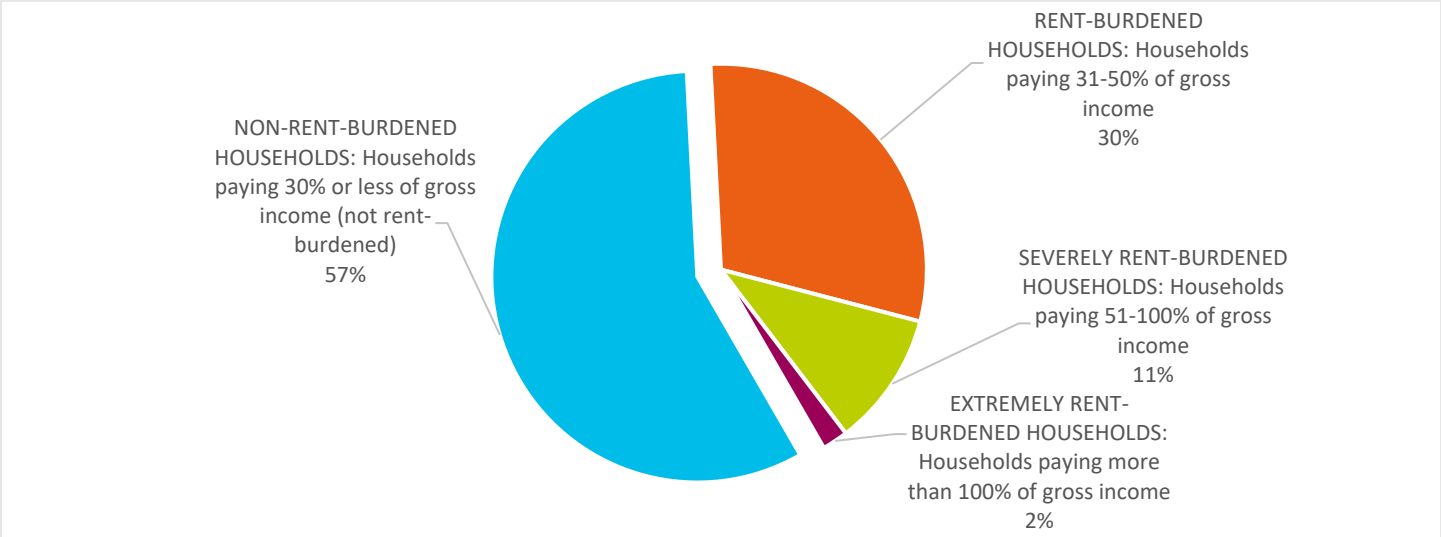
Figure 3: Subsidized vs. unsubsidized units in Commerce's portfolio



Source: Washington State Department of Commerce

Within the unsubsidized units in the Commerce portfolio, 43% of tenants were experiencing rent burden as of 2023. Of the tenants experiencing rent burden, 70% paid between 31-50% of their gross income towards rent. The remaining 30% of tenants paid 51% or more of their income towards rent, falling within the categories of "severely rent burdened" or "extremely severely rent burdened" (see Figure 4).

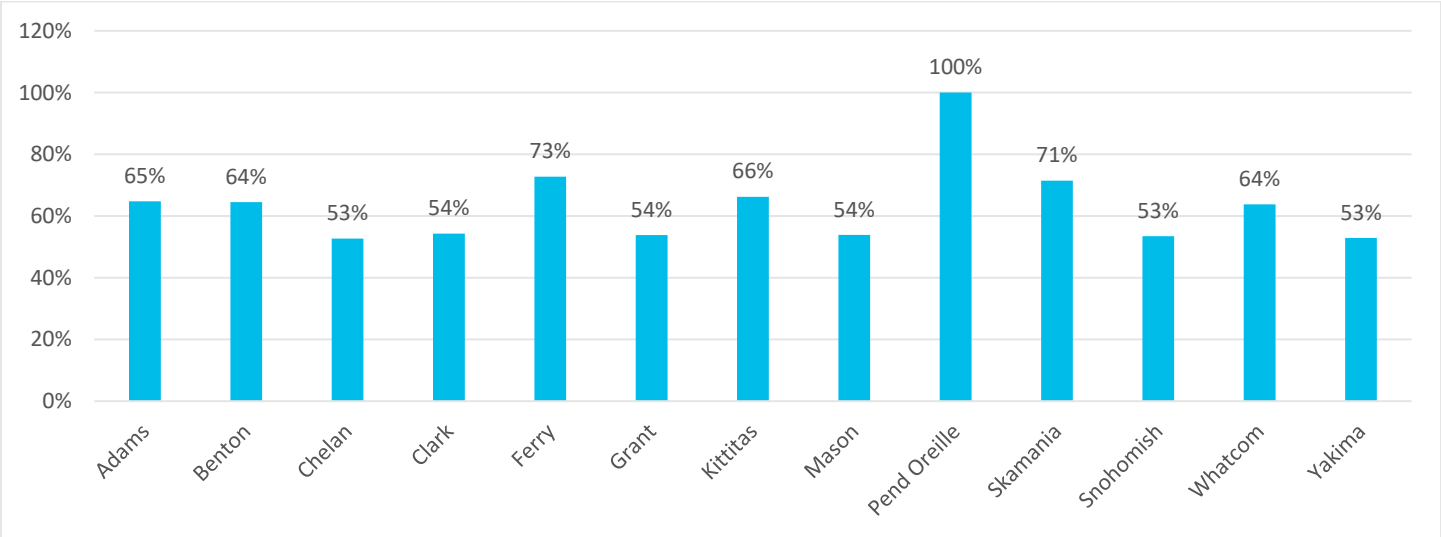
Figure 4: Proportions of households by severity of rent burden in unsubsidized Commerce units



Source: Washington State Department of Commerce

Across the state, there is a geographic disparity in rent burden experiences among the households living in Commerce-funded housing units. Rent burden more heavily affects 13 counties: Adams, Benton, Chelan, Clark, Ferry, Grant, Kittitas, Mason, Pend Oreille, Skamania, Snohomish, Whatcom and Yakima. In these counties, which represent portions of the state's suburban, rural and frontier communities, more than 50% of tenants living in Commerce-funded housing without additional subsidies were experiencing rent burden as of 2023 (see Figure 5). In the state's most urban counties: King, Pierce and Spokane, less than 50% of unsubsidized tenants in the Commerce portfolio experienced rent burden in 2023, with the proportion of King County tenants falling as low as 39%.

Figure 5: Counties with more than 50% of Commerce-funded units experiencing rent burden

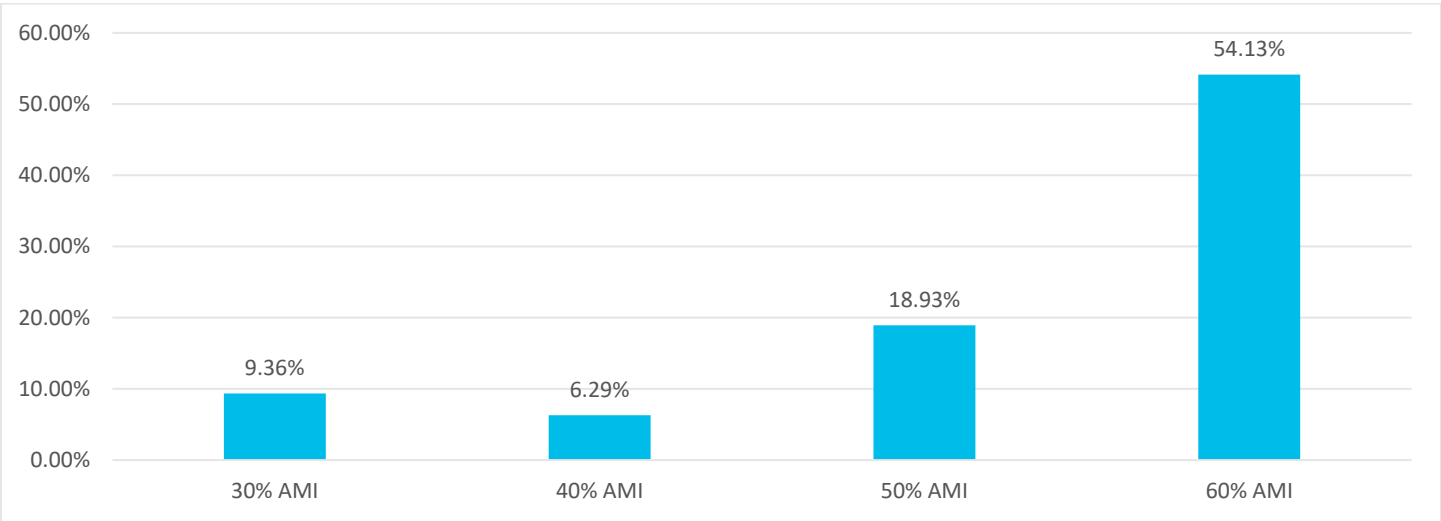


Source: Washington State Department of Commerce

The Commission

As discussed above, the Commission administers housing units through a variety of financing tools, primarily through the LIHTC bond/4%, and 9% programs. Across the Commission's LIHTC portfolio, the majority of financed units (more than 50%) are allocated to households at the 60% AMI level, while the remaining less than half are allocated to income levels below 50% AMI (see Figure 6). This is because the LIHTC bond/4% projects (which typically serve a higher income range and carry debt financing) make up a majority of the Commission's portfolio. The Commission's portfolio also includes 8,996 bond funded units that are income restricted but not rent restricted, which this data does not include.

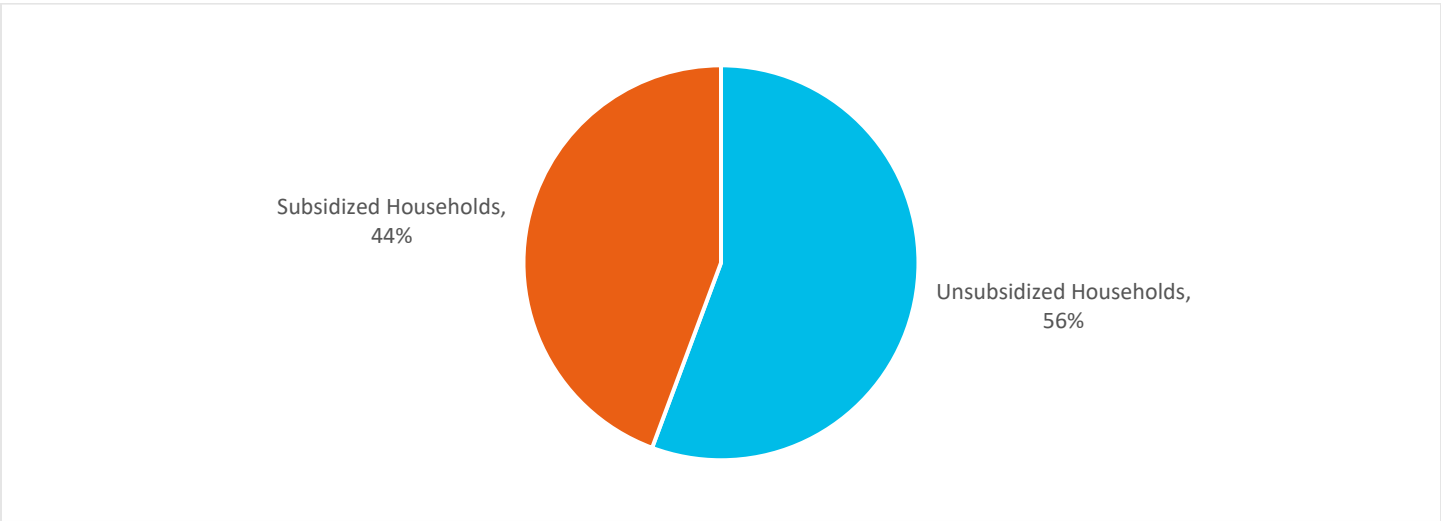
The Figure 6: Commission portfolio unit AMI spread



Source: Washington State Housing Finance Commission as of 2024

As in the analysis of Commerce's portfolio, the rent burden analysis for the Commission portfolio also takes into consideration only the units occupied by households reported as not receiving additional rental assistance. Within the Commission's portfolio, 56% of units are unsubsidized (see Figure 7).

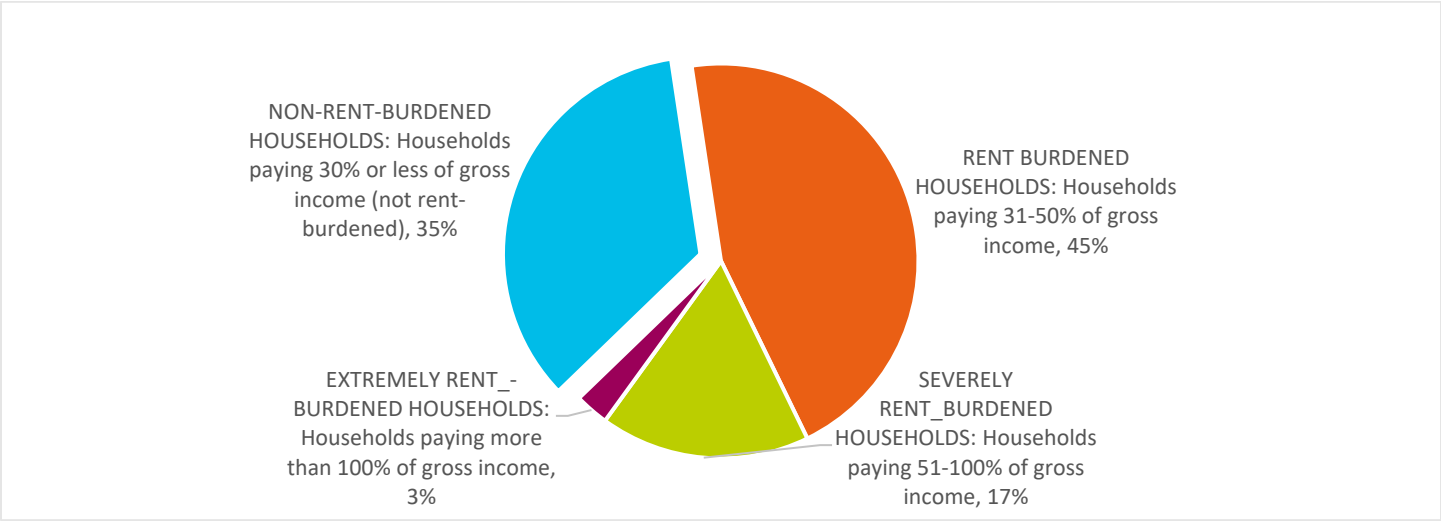
Figure 7: Subsidized vs. unsubsidized units in Commission's portfolio



Source: Washington State Housing Finance Commission

Approximately 65% of unsubsidized households in the Commission's portfolio were experiencing rent burden as of 2023. Currently, 45% of households in the Commission's portfolio pay between 31-50% of their gross income towards rent. 17% pay between 51-100% of their income, and 3% pay 100% of their gross income towards rent (see Figure 8).

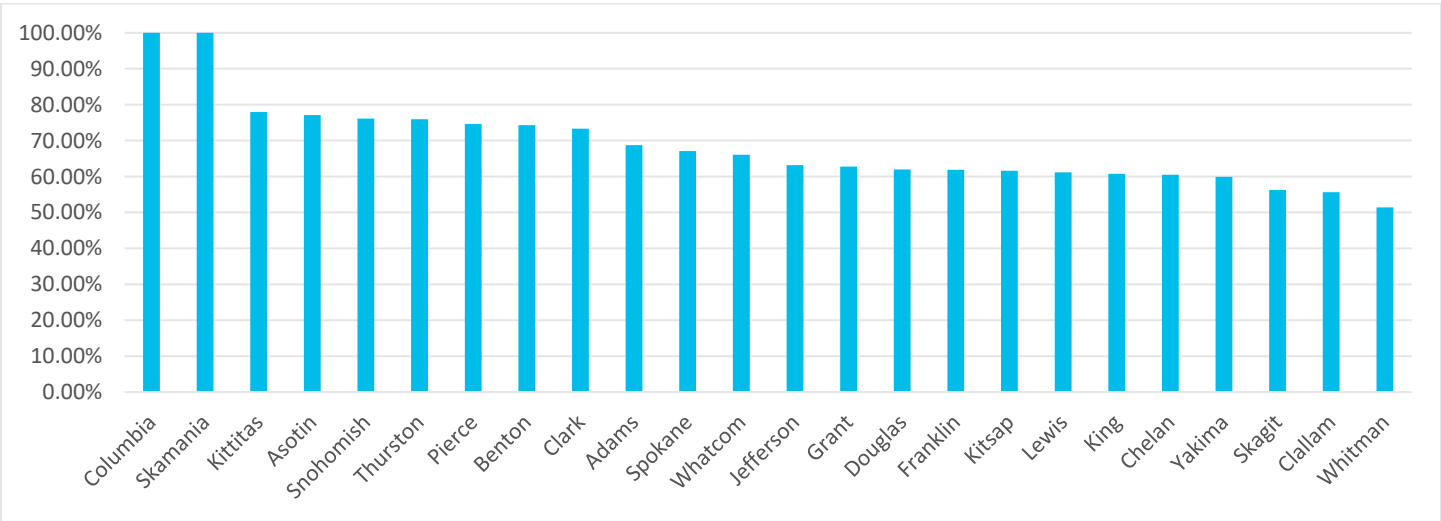
Figure 8: Proportions of households by severity of rent burden in unsubsidized Commission units



Source: Washington State Housing Finance Commission

Within the Commission's unsubsidized portfolio, 24 counties have greater than 50% of tenants experiencing rent burden (see Figure 9). In some counties, there is also a very high rate of severe and extremely severe rent burden (see Table 1). Unlike the rural and frontier disparity seen in the Commerce portfolio, high rates of rent burden are experienced across urban (including the three largest: King, Pierce and Spokane), suburban and rural counties in Commission-funded properties.

Figure 9: Burden in counties with more than 50% of Commission-funded units experiencing rent burden



Source: Washington State Housing Finance Commission

Table 1: Household rent burden by county (counties with 50% rent-burdened households)

County	Number of projects	30-50% of income paid towards rent	50-70% of income paid towards rent	70-100% of income paid towards rent	100% and up paid towards rent
Adams	5	62%	4%	2%	0%
Asotin	4	63%	10%	2%	2%
Benton	19	55%	14%	4%	1%
Chelan	9	37%	8%	10%	6%
Clallam	18	36%	16%	3%	1%
Clark	58	51%	15%	5%	2%
Columbia	1	38%	31%	19%	13%
Douglas	6	37%	20%	2%	3%
Franklin	9	48%	9%	4%	2%
Grant	34	48%	11%	4%	1%
Jefferson	8	49%	13%	1%	0%
King	405	42%	11%	4%	4%
Kitsap	35	39%	16%	5%	2%
Kittitas	7	54%	16%	5%	4%
Lewis	18	44%	15%	2%	1%
Pierce	66	52%	16%	5%	2%
Skagit	30	41%	10%	4%	1%
Skamania	1	50%	33%	0%	17%
Snohomish	95	51%	16%	5%	3%
Spokane	76	50%	11%	4%	2%
Thurston	28	54%	14%	5%	2%
Whatcom	41	42%	15%	6%	3%
Whitman	7	33%	10%	3%	6%
Yakima	50	44%	12%	3%	1%

Continued challenges

During the development of the interim report, affordable housing property owners and managers highlighted several key challenges which have contributed to the issues outlined in the portfolio analyses. These struggles as reported in the interim report are highlighted below, continue to worsen.

Operating costs increased:

- Insurance costs up 25% year over year, 80% over a three-year period
- Materials up 40% since 2020
- Repairs and staffing costs higher

Rent collections decreased:

- Collections range from 60-90% versus pre-2020 levels of 95-100%
- Short-term emergency vouchers are an issue as assistance ends

Safety and security:

- There is a need expressed for increased staffing for security
- 24-hour staffing costs approximately \$100k per property per month

Housing mismatch:

- There is no ability to move people into permanent supportive housing or other housing with services if needed

Guiding principles

Through the development of both the interim and final report, Commerce and the Commission used the following set of values to guide our exploration of rent stabilization strategies. We acknowledge these values are inherently in conflict and seek to find a balance promoting the long-term health and stability of both affordable-housing residents and the properties in which they live.

- **Housing stability is an essential foundation for people to thrive.** Everyone, regardless of income, race, ethnicity, gender identity and ability, deserves a healthy, safe and affordable place to live.
- **The financial health of rent-restricted housing properties is necessary to ensure the physical maintenance of buildings** as high-quality, healthy and safe places for residents to live.
- **Resources to fund the operations, maintenance and services associated with managing affordable housing properties are too limited,** creating significant challenges for affordable housing providers.
- **Low-income residents need predictable and manageable rent increases to maintain housing stability** and prevent displacement or falling into homelessness. This is particularly true for Black, Native American and other People of Color (BIPOC) residents, who are disproportionately harmed by our systems.

Efforts to date and strategy proposals

In the interim report, the Commission and Commerce described the limited efforts taken so far to mitigate rent burden for state-funded affordable housing residents. Since that report, our efforts have continued to evolve as we try to balance the needs of both residents and property owners, especially at a time when affordable housing providers are raising serious concerns about operating existing properties. The Commission and Commerce continue to collaborate on this effort and are engaging with interested parties and partners, including residents, public funders, housing authorities and resident advocacy groups. Additionally, we will engage key financial partners such as banks and investors that underwrite and provide financing for affordable housing for their feedback.

Taking into consideration the conflicting guiding principles outlined in the previous section, the collaborating agencies recognize the importance of an extended engagement process to inform and develop potential considerations moving forward.

Potential policy considerations

The following policy considerations are divided into three categories:

- 1. Lease-related strategies**
- 2. Incentives and Policies**
- 3. Supports**

Each strategy has various considerations that align with the guiding principles of both supporting rent stabilization for tenants and maintaining the financial health of affordable housing. Commerce and the Commission are in the beginning stages of soliciting input and feedback from interested parties about these policy considerations.

1: Lease-related strategies

1.1: Limit the frequency of rent increases

This proposal would limit rent increases to only once every 12 months, regardless of the lease term length. An owner may seek an exemption if the rent increases are part of a property's necessary financial repositioning. In order to mitigate rent burden on existing residents, exemptions would phase rent increases over a period.

1.2: Rent notice periods

Under this proposal, owners would be required to provide existing residents with at least 90 days' notice prior to implementing a rent increase. For subsidized units where the tenant portion of the rent does not change (Section 8, etc.), at least 30 days' notice would be required.

1.3: Standard lease terms

This proposal would require all households occupying a rent- and/or income-restricted unit to have a lease agreement with a defined term in place. The lease could not include language allowing rent increases within less than a 12-month period from the initial lease date.

2: Incentives and policies

2.1: Incentivize underwriting rents below AMI unit target percentage

This strategy proposes to provide an incentive for developers who commit to restrict rent to 5% below the maximum AMI set-aside on units not supported by project-based rental assistance. These properties would be eligible for additional points as part of the scoring criteria during the competitive financing application. For example, in units that are reserved for households earning up to 30% AMI, a project could commit to using rent limits based on the 25% AMI limit.

2.2: Adjust the unit set-aside matrix in the allocation process

This proposal includes the Commission's conducting an evaluation of the 9% Tax Credit Program's Additional Low-Income Set-Aside Menu, which provides a matrix of options that developers select as their ongoing affordability commitment for incentive points when applying for allocations of tax credits under this program. The matrix provides a menu of options, allowing developers to serve households across a prescribed mix of income levels. For example, one current option is to commit to 50% of the units serving households at 30% AMI, 25% of the units serving 40% AMI and 25% of the units serving 60%. The Commission will examine portfolio data for outcomes as it relates to rent burden and adjust matrix options as appropriate to address unintended consequences that have resulted in rent burden for residents. This could incorporate a policy for using the Average Income Test (AIT or income averaging) as an option in addition to adjustments to the current menu of options.

2.3: Rent cap policy

This proposal is still under development with the consideration of key questions. One question includes whether limits on rent increases are feasible for housing properties designated for seniors that must comply with the federal Fair Housing Act (generally residents 55 and older). Theoretically, it would require these properties (and possibly others) to cap rent increases below the HUD limit (which currently caps the increase of rent limits at 10%). This strategy option requires further analysis of the current portfolio's operations and the impact on both property and agency feasibility to implement. Implementation of any rent cap policy would only apply to new projects after an effective date or projects that receive additional resources to preserve the project's affordability.

3: Supports

3.1: Resident-centered best practices toolkit and technical assistance

This strategy would develop a resident-centered toolkit of best practices for owners and property managers. It would provide tools to evaluate and mitigate rent burden for households, as well as guidance for clearly communicating information to residents. Demonstrated use of the toolkit could be incentivized once in place.

3.2: Increase the availability of rental subsidy or operating and maintenance funds

This plan includes submitting an \$88 million budget request for the state's 2025-2027 biennial operating budget to expand funding for operations and maintenance, rental assistance and/or operating, maintenance and services (OMS) subsidy programs. This would directly address both rent burden and property needs by subsidizing rent revenue.

Next steps: Community engagement

Commerce and the Commission are committed to ensuring that housing projects funded with state investments are affordable to the target populations these projects are intended to serve beyond the requirements of the provisos directing the production of this report. To ensure the efforts that result from rent stabilization efforts are successful, Commerce and the Commission contracted with the Athena Group to lead a focused engagement initiative to strengthen relationships with groups of key interested parties. These groups include residents (with a focus on seniors and rural communities), resident advocacy groups, property managers and operators, and developers (both non-profit and for-profit). The results of this engagement work will be made publicly available.

Guiding approach: Community Connectivity Analysis

Central to this engagement effort is the use of Community Connectivity Analysis (CCA) mapping, which enables a more structured and strategic approach. CCA mapping ensures that we listen to affected people's experiences and perspectives, honor what they share, and integrate it into policy recommendations.

Benefits of a Community Connectivity Analysis (CCA):

1. **Identifying trusted messengers:** By utilizing CCA, Commerce and the Commission identify key community connectors who can enhance the spread of information and increase participation in listening sessions. These relationships play a crucial role in extending the reach of engagement efforts and ensuring diverse voices are heard from both urban and rural areas.
2. **Strengthening long-term relationships:** Beyond the immediate listening sessions, CCA provides lasting value by mapping the social networks within each interested party group. This allows Commerce and the Commission to foster deeper, more resilient partnerships meant to continue and evolve alongside community needs.
3. **Generating actionable insights from local knowledge:** Through these engagements, Commerce and the Commission access local knowledge that might otherwise go unnoticed. By using CCA to identify patterns and trends in community concerns, the initiative reveals context-specific solutions that align with interested parties' experiences, leading to more informed and actionable policies.
4. **Improving outreach and ensuring inclusive participation:** Insights from the CCA enhance targeted outreach efforts to include underrepresented groups, especially in rural and isolated communities. The CCA identifies key figures within these groups who can champion participation and disseminate critical information about rent stabilization and housing policy initiatives.

Engagement efforts

Athena Group-led engagement efforts

The engagement efforts led by the Athena Group will consist of two in-person listening sessions with residents and three virtual sessions (with resident advocacy groups, property managers and operators, and developers). A fourth virtual session may be held based on what emerges in the currently planned sessions.

Residents of state-funded affordable housing

The first in-person listening session with residents was held in late October at a senior affordable housing community in Tacoma, and the second is planned to take place in Tieton to hear from rural and farmworker residents. The insights from the CCA help boost engagement through identified trusted messengers, as described above.

Senior and rural communities

CCA will guide targeted outreach to these groups, addressing their unique needs, such as accessibility, affordability and proximity to community resources. Listening sessions prioritize hearing their experiences with housing stability, rent increases and the critical role of local community support structures.

Resident advocacy groups

The sessions focus on surfacing systemic challenges, particularly around tenant rights, rent caps and long-term housing stability. By using CCA insights, Commerce and the Commission identify key advocates who can further distribute information, gather feedback and bring these issues to the forefront of policy discussions.

Property management and operator groups

Virtual sessions focus on how rent policies affect their property management operations and what tools they need to ensure compliance while supporting housing affordability. CCA mapping reveals existing relationships and potential network gaps, ensuring outreach efforts are comprehensive.

Nonprofit and for-profit developers

Engagement highlights the challenges faced by developers to maintain affordability within the constraints of rent stabilization policies. CCA assists in identifying developers who have a history of community-focused development, ensuring their input informs sustainable housing solutions.

Commerce- and Commission-led engagement efforts

Public funders

On September 18, in collaboration with the Commission, Commerce staff distributed a 10-question Public Investors Survey to over 50 recipients. This survey is part of our joint initiative to explore rent stabilization strategies for state-funded affordable housing. It includes questions on potential policy changes, rent stabilization strategies and feedback from public funders.

Housing authorities

Commerce and the Commission started engaging with the Association of Washington Housing Authorities (AWHA) in late 2023 to determine the best path for engaging this large group. Housing authorities are uniquely positioned as they operate under a more regulated environment with access to resources that typically non-profit and for-profit organizations do not have. AWHA identified a sub-committee of five housing authorities interested and available to discuss the topic at a deeper level. Initial feedback and engagement from this smaller group has already revealed the variances of different housing authorities' day-to-day policies and the challenges they face due to additional requirements and administrative burdens. They also highlight the fundamental differences in the regulation and management of subsidized versus unsubsidized units or buildings.

Commerce and the Commission will continue engagement efforts with the committee and broaden the circle to include the rest of the housing authorities as strategies are refined. The goal is to uncover proven and best practices to inform our approach. Efforts are ongoing as we discuss potential strategies to support residents.

Financial partners

Commerce and the Commission will also conduct outreach and engagement with key financial partners such as banks and investors who play a critical role in financing affordable housing. The goal is to ensure that strategies developed do not create unintended consequences or barriers to attracting and retaining private investment in the state's affordable housing portfolio.

Final thoughts

By using Community Connectivity Analysis mapping in combination with in-person sessions and virtual engagement, Commerce and the Commission will ensure comprehensive and effective efforts to engage interested parties. This approach not only leads to deeper relationships with key groups of interested parties, but also helps us access local knowledge and use it to develop long-term housing policy. The insights gained from this initiative will lay the foundation for sustainable housing strategies that reflect the needs and experiences of all interested parties across Washington.



Community and Stability

**Key Insights from Rent Stabilization Listening
Sessions to Shape Equitable Housing**

December 2024

Development

This *Insights Report* represents a collaborative effort between The Athena Group, the Washington State Department of Commerce (Commerce), and the Washington State Housing Finance Commission (WSHFC). Building on the impactful commitments made by Commerce and the WSHFC, this work reflects their unwavering dedication to ensuring that Washingtonians have the systems (policies, programs, and supports) needed to achieve housing stability.

The listening sessions documented in this report were designed to center the voices and lived experiences of careholders, with the goal of informing equitable and effective housing policies. This endeavor builds on Washington State's commitment to advancing housing justice, addressing systemic inequities, and promoting long-term solutions to the housing crisis.

We are grateful for the core team whose efforts ensured that these listening sessions were conducted in an equitable, ethical, and action-oriented manner. This partnership stands as a testament to the collective commitment of Commerce, the WSHFC, and The Athena Group to making Washington a place where housing stability is a reality for all.



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Executive Summary

Purpose

The listening sessions were conducted as part of a collaborative initiative by The Athena Group, the Washington State Department of Commerce, and the Washington State Housing Finance Commission (WSHFC) to engage careholders in discussions about sustainable housing in Washington State. These sessions aimed to amplify the voices of tenants, property managers, advocacy groups, and housing developers, creating actionable insights to address housing instability and rent challenges. By centering the experiences of historically underrepresented populations, the sessions sought to inform equitable housing policies that align with the lived realities of careholders while fostering trust and long-term engagement.

Key Findings

Cross-Session Themes

- **Affordability and Income-Based Models:** Participants across sessions emphasized the necessity of capping rent at 30% of income to ensure affordability. Fixed-income tenants and voucher holders highlighted the inequities in Area Median Income (AMI)-based models, which fail to reflect financial realities in high-cost regions.
- **Support Systems:** The need for robust wraparound services, including independent case management and tenant advocacy, emerged as critical for preventing evictions and supporting tenant stability.
- **Operational and Administrative Burdens:** Property managers cited challenges from inconsistent municipal policies, rising costs, and prolonged eviction processes. These issues are experienced as hindering their ability to provide stable, affordable housing.
- **Predictability in Housing:** Both tenants and property managers underscored the importance of predictable rent increases and consistent lease terms for fostering stability and trust.

Patterns and Differences

- **Tenant Challenges:** Senior residents expressed struggles with sacrificing essentials like food and utilities to pay rent, while rural tenants highlighted limited access to community resources and support. Advocacy groups raised concerns about systemic inequities such as discriminatory fees and inadequate protections for voucher holders.
- **Management Perspectives:** Developers and property managers detailed operational strains caused by escalating costs, restrictive policies, and safety concerns, emphasizing the need for balanced approaches that consider financial realities.

Emotional and Relational Insights

- Participants reported significant anxiety and frustration due to housing instability, compounded by distrust in landlords and inconsistent management practices. However, examples of community resilience, resource-sharing, and collective advocacy illustrated the potential for collaborative solutions to enhance housing stability.

Implications for Next Steps

- **Enhancing Engagement Strategies**
 - Ongoing relationship building with trusted organizations like Mercy Housing and Catholic Charities Housing Services has proven effective in fostering participation. Sustaining these partnerships and expanding to other community allies will deepen trust and inclusivity.
 - Tailored engagement strategies, such as culturally responsive facilitation and participant support (e.g., stipends and childcare), can remove barriers and strengthen relational connections with careholders.
- **Targeted Follow-Up Sessions**
 - Focused discussions with vulnerable groups, including fixed-income seniors and rural residents, are essential to explore their unique challenges further.
 - Regional customization of sessions will address the nuanced needs of urban, suburban, and rural communities, enhancing the relevance and applicability of insights.
 - Engaging developers and property managers in ongoing dialogue about policy implementation can identify operational bottlenecks and co-create solutions.
- **Communication and Transparency**
 - Embedding feedback loops is critical for fostering trust and a sense of ownership among careholders. Regular updates, storytelling, and visible progress tracking will keep participants informed and invested.
 - Treating careholders as co-creators in policy development ensures that their lived experiences shape meaningful, equity-driven actions.

The most impactful element to leverage for this work going forward is the unwavering poise, professionalism, and deep care for housing stability demonstrated by the staff of the Washington State Department of Commerce, the Washington State Housing Finance Commission (WSHFC), and their dedicated community partners across the state. Their collective expertise, commitment, and compassion create a solid foundation for meaningful action and equitable policy advancement. By channeling these qualities into ongoing engagement and collaboration, this initiative has the potential to profoundly transform housing stability in Washington State, ensuring that every voice contributes to a shared vision of safe, affordable, and sustainable housing for all.

Approach/Methods

The approach for the listening sessions arose from the intersection of lived experiences and the professional expertise of The Athena Group, the Washington State Department of Commerce, and the Washington State Housing Finance Commission (WSHFC). This collaborative effort prioritized creating safe, trusting spaces where participants could share their candid perceptions, hopes, and needs regarding sustainable housing in Washington State. The methodology combined thoughtful design with culturally responsive facilitation to honor the diverse experiences and needs of careholders. Insights were analyzed with care and rigor, ensuring that the findings respect the complexity of housing challenges across the state while addressing the project's overarching goals. This intentional and equity-centered approach lays the foundation for actionable recommendations that advance housing stability and reflect the voices of Washingtonians.

Session Design

The listening sessions were structured as participatory engagements designed to encourage open dialogue and foster meaningful insights. This design flowed directly from the collaborative energies cultivated during the Community Connection Analysis (CCA) in an earlier project phase, where shared values, priorities, and goals began to crystallize. The intentional alignment between the CCA and the listening sessions ensured continuity in purpose and fostered trust among participants.

To meet the unique needs of each group, the protocol for the listening sessions¹ underwent several rounds of revisions. These iterative adjustments were informed by feedback from Commerce, WSHFC, and community partners, ensuring the sessions were tailored to the specific contexts and experiences of those in attendance. This customization was critical in creating an environment where participants felt heard, valued, and safe to share their perspectives candidly.

Participant Selection

Flowing from the insights generated during the CCA, participants were selected to represent a diverse range of careholders, encompassing tenants from urban, rural, and senior housing communities, alongside developers, property managers, and advocacy groups. This selection aimed to ensure a broad spectrum of perspectives on rent stabilization and housing stability. Special efforts were made to include voices from historically underrepresented communities, rural renters and senior housing residents, which are disproportionately impacted by housing instability.

To capture these diverse perspectives, five 90-minute listening sessions were held: three virtual and two in-person. The virtual sessions were targeted to specific groups with strategic importance—Resident Advocacy Groups, Property Management Groups, and Affordable Housing Developers and Managers Groups. These groups were selected to address critical intersections of advocacy, development, management, and housing provision, enabling

¹ The questions asked for each group are in the Appendices (A-E).

discussions about operational, financial, and lived experiences that influence rent stabilization efforts.

The two in-person sessions focused on Senior Housing Residents and Rural Housing Residents. These groups were prioritized due to their historically low representation in discussions on housing policy and rent stabilization, a disparity that has been noted in both academic and policy-based research². Additionally, these populations are often underrepresented in digital engagement methods, such as online surveys, due to barriers like limited access to technology or lower rates of digital literacy³. Conducting in-person sessions ensured that their voices were not only included but also centered in the insights gathered during this phase.

This mixed-format design underscores the project’s commitment to equity and inclusivity, ensuring that insights reflect the diverse realities of careholders across Washington State, with a particular focus on those who are often excluded from policy conversations due to systemic barriers.

The Athena Group consultants collaborated closely with Commerce staff to ensure that all eligible in-person session participants were compensated for their time in accordance with the Washington State Office of Equity’s Community Compensation Guidelines⁴. This practice not only honored participants’ contributions but also reflected the project’s commitment to equitable engagement and recognition of the lived expertise shared during these sessions.

Data Collection & Co-Creation

The listening sessions were facilitated using structured and tailored protocols designed to support participants in expressing the full breadth of their experiences, needs, and aspirations for the rental housing system. This approach encouraged open dialogue and allowed participants to share candidly about their current realities while also envisioning ways the system could be improved in the future. The facilitation process was rooted in creating a safe and inclusive environment, where all voices were valued and heard.

Each session was facilitated by two of The Athena Group’s most experienced and successful facilitators, Paul Horton and Tevin Medley. Their expertise ensured that participants felt supported and empowered to engage deeply in the conversation. To further enhance the facilitation process, a dedicated notetaker was present at every session. This consistent presence enabled the facilitators to focus fully on holding the space for participants while the notetaker captured both verbal and non-verbal expressions. This dual approach ensured that the richness of the discussion was documented accurately and comprehensively.

² Desmond, M. (2016). *Evicted: Poverty and profit in the American city*. Crown Publishers.

³ Ellison, N. B., Lampe, C., Roberts, J., & Vitak, J. (2021). *Digital inequalities and why they matter*. In M. Graham & W. H. Dutton (Eds.), *Society and the Internet: How networks of information and communication are changing our lives* (2nd ed., pp. 386–405).

⁴ <https://equity.wa.gov/resources/community-compensation-guidelines>

The facilitators embraced co-creation throughout the sessions, employing two proven methodologies: Appreciative Inquiry⁵ and Collaborative Sensemaking⁶. Appreciative Inquiry allowed the facilitators to frame discussions positively, focusing on strengths and opportunities within the current system, while Collaborative Sensemaking supported iterative clarity and mutual understanding. Facilitators regularly sought confirmation from participants by summarizing and reflecting back their contributions, ensuring that each idea was accurately represented. This approach not only built trust but also empowered participants by validating their lived experiences and perspectives.

By integrating these co-creative methodologies and leveraging the expertise of seasoned facilitators, the data collection process was intentionally designed to prioritize accuracy, inclusivity, and the authenticity of participant voices. This ensured that the insights gathered were both robust and actionable, aligning with the broader goals of equity and systemic improvement.

Analysis Approach

The qualitative analysis for this project phase was conducted by Dr. Anthony Campbell, a trained qualitative social scientist with The Athena Group. The primary goals of the analysis were to identify and surface recurring themes, patterns, and outliers within the data collected and co-created during the listening sessions. Moreover, the analytical process was designed not only to generate meaningful insights but also to provide actionable pathways for Commerce and WSHFC to deepen relationships with the groups engaged during the listening sessions and to develop connections with additional groups whose voices were not yet represented.

Thematic analysis was employed as the primary analytical framework to identify and interpret key themes emerging from participant contributions. This approach involved coding and categorizing data from the interactions during the sessions, allowing for the identification of patterns that spoke to common experiences, concerns, and aspirations across different participant groups. Themes were deliberately framed to generate action-oriented insights, providing Commerce and WSHFC with practical recommendations for enhancing housing stability and addressing systemic barriers.

The analysis process was conducted at a medium-depth level, as determined during project design (further elaborated in the following section, *Limitations*), to accommodate a project schedule and scope that evolved to prioritize actionable outcomes within the available timeline. While resource and time constraints shaped the depth of analysis, deliberate care was taken to authentically represent participant voices. This approach ensured that the insights derived were robust enough to serve as a meaningful foundation for future engagement, policy development, and collaborative work with careholders, laying the groundwork for continued progress in addressing housing stability and equity.

⁵ Cooperrider, D. L., & Whitney, D. (2005). *Appreciative Inquiry: A Positive Revolution in Change*. Berrett-Koehler Publishers.

⁶ Weick, K. E. (1995). *Sensemaking in Organizations*. Sage Publications.

By centering participant experiences and prioritizing action-oriented outcomes, the analytical outputs—detailed in the subsequent sections (*Individual Session Insights*, *Overall Insights*, and *Recommendations for Next Stages of Careholder Engagement*)—align with the overarching goals of this project and the broader work of Commerce and the WSHFC. These goals include advancing equitable housing policies and fostering meaningful, sustained engagement with careholders across Washington State. This deliberate focus ensures that the insights generated not only reflect diverse perspectives but also pave the way for impactful, equity-driven action.

Limitations

This report provides valuable insights into the perspectives and experiences of five key careholder groups engaged during the listening sessions. However, several limitations should be acknowledged to ensure a balanced understanding of the insights and their applicability.

One primary limitation was the volume of engagement that could occur with community members within the project’s scope. The decision to prioritize five careholder groups (Resident Advocacy, Property Management, Affordable Housing Developers and Managers, Senior Housing Residents, and Rural Housing Residents) allowed for targeted and meaningful dialogue but inherently limited the breadth of engagement. As a result, caution should be exercised in generalizing these insights beyond the specific groups engaged and the current timeframe of their experiences.

Additionally, adjustments to the approach and analytical depth were made in response to a shifting project schedule. The analysis was conducted at an agreed-upon medium-depth level, reflecting the intentional design of this work as an insights report rather than a comprehensive report. This distinction was made to align with the project’s evolving timeline and to complement the work completed earlier in the project, which was included in the report submitted to the Washington Legislature.

While these limitations require mindfulness in interpreting the findings, they also signal the exciting potential for this effort to evolve. This insights report represents just one stage in a longer-term initiative by Commerce and the WSHFC to advance equitable housing policies and deepen engagement with careholders across Washington State. The insights herein provide a critical foundation for continued work and more expansive engagement in the future.

Individual Session Insights

Session Summaries

Listening Session #1: Resident Advocacy Group (virtual) (10.15.2024) (5 participants)

General Sentiment: Participants expressed significant frustration with the current housing and rent stabilization systems. Their contributions reflected a collective desire for systemic reforms to establish equitable, sustainable housing solutions that prioritize tenant well-being.

Session Summary

The participants called for rent stabilization policies that better align with the financial realities of low-income and fixed-income households, arguing that rent should not exceed 30-40% of income. A recurring concern was the reliance on Area Median Income (AMI) as a determinant for rent, which many felt did not adequately reflect tenants' financial capacities, particularly for seniors and disabled individuals. Unregulated fees, such as "pest-control" charges and other add-ons, were cited as contributing to housing instability, as was the burden placed on nonprofit landlords under the current funding model. Participants highlighted a "broken system" that over-relies on rent payments from low-income tenants while offering insufficient public financing.

Participants emphasized the necessity of robust wraparound services, including independent case management and tenant advocacy, to prevent evictions and ensure long-term housing stability. They also called for stricter oversight and enforcement mechanisms to hold landlords accountable for fair practices. Their insights revealed both systemic inequities and actionable opportunities for policy reforms, offering valuable direction for future efforts to stabilize rents and support tenants across Washington State.

Representative Quotes:

- "It's time to stop expecting tenants to shoulder 60-80% of their income on rent while landlords just cross their fingers."
- "The AMI model doesn't work for fixed-income households—it needs to be income-based."
- "We need case managers who are independent of landlords and aligned with housing preservation, not eviction quotas."
- "Public housing can't keep evicting people and sending them back onto the streets; it's an upside-down model."

Key Themes:

- **Need for Comprehensive Rent Stabilization Policies**
 - Participants emphasized the necessity of policies like a Rent Stabilization Bill that caps rent increases at a fair percentage and accounts for income disparities. Concerns were raised about nonprofit housing providers being exempt and the unfair burden placed on tenants through unregulated fees and minor rent payment discrepancies.

- **Equity in Rent Determination and Subsidies**
 - The limitations of relying on Area Median Income (AMI) for rent calculations were highlighted, with participants advocating for income-based rent determinations to address the specific needs of fixed-income and low-income tenants.
- **Supportive Services for Tenant Stability**
 - Participants stressed the importance of case management and tenant advocacy to prevent evictions. They noted the need for more robust eviction prevention systems, including flexible payment plans and better tenant representation.

Session-Specific Recommendations:

- **Adopt Localized Rent Stabilization Policies**
 - Implement rent stabilization caps at the local level, following federal guidance, to cap rent increases at 10% or less and extend protections to NGO landlords.
- **Tie Rent to Income, Not AMI**
 - Shift from AMI-based rent calculations to an income-based model, ensuring tenants pay no more than 30% of their income.
- **Increase Tenant Advocacy and Support**
 - Expand funding for tenant support services such as advocacy programs and payment plan options to prevent evictions for minor rent discrepancies.

Listening Session #2: Property Management Group (virtual) (10.17.2024) (9 participants)

General Sentiment: Participants expressed significant concern over the financial and operational challenges facing property management, emphasizing the increasing costs of maintaining properties and managing residents while complying with diverse housing policies. They stressed the need for better resources, streamlined policies, and enhanced support to stabilize operations and mitigate the impact on tenants.

Session Summary

During this session, property managers highlighted the complexities of evaluating and implementing rent increases. While some groups implemented gradual increases capped at \$100 annually, others noted steep adjustments to “catch up” after years of limited increases, especially during the COVID-19 period. The disparity in rent regulation policies across municipalities, with some cities requiring up to 180 days’ notice for rent increases, added substantial administrative burden. Participants emphasized that policies often failed to align across jurisdictions, creating inefficiencies and operational delays that hindered their ability to maintain financial stability.

Attendees also discussed systemic challenges, including rising costs for insurance, staffing, and building maintenance, which have driven the need for rent increases. Managers expressed frustration over prolonged eviction processes, which were described as costly and time-consuming, exacerbating financial strain. Participants pointed to the need for policies that balance tenant protections with the operational realities of property management. Suggestions included education programs for tenants to improve understanding of lease terms and community rules, alongside streamlined administrative requirements to reduce compliance complexities. This session revealed key operational challenges in property management and

underscored the necessity of designing policies that support both tenant stability and the financial health of housing providers.

Representative Quotes:

- “The length of time it takes to get into courts is destroying us—by the time we reach a resolution, we’ve lost over a year of rent.”
- “We’re not just housing managers anymore; we’re expected to do much more for tenants without adequate funding for staffing or operational costs.”
- “Rent increases aren’t implemented fast enough to meet operational needs, yet we’re criticized for raising rents in the first place.”
- “We need alignment across jurisdictions—managing rent policies city by city creates an unsustainable administrative burden.”

Key Themes:

- **Administrative Burden of Rent Policies**
 - Property managers detailed the operational strain caused by inconsistent city-level rent regulations and extended notice periods, which increase administrative costs and delay operational decisions.
- **Challenges of Rising Operating Costs**
 - Managers noted that escalating insurance, repair, and inflation costs, coupled with inadequate rent increases, are destabilizing affordable housing operations. These challenges have discouraged new affordable housing development.
- **Need for Resident Education**
 - Participants recommended mandatory education programs for tenants to improve understanding of lease agreements and financial responsibilities, fostering more sustainable housing arrangements.

Session-Specific Recommendations:

- **Standardize Rent Increase Policies Across Cities**
 - Advocate for statewide rent increase notice periods to reduce administrative burdens caused by inconsistent city-level requirements.
- **Tenant Education Programs**
 - Develop and implement “Resident 101” courses to educate tenants about rights, responsibilities, and the implications of tax credit programs.
- **Subsidize Insurance Costs for Affordable Housing**
 - Work with state and local governments to regulate or subsidize property insurance costs, which significantly affect operational budgets.

Listening Session #3: Affordable Housing Developers and Managers Group (virtual) (10.18.2024) (21 participants)

General Sentiment: The session highlighted significant frustration with the policy and operational challenges facing affordable housing developers and managers. Participants emphasized the urgent need for systemic policy adjustments, increased financial support, and streamlined processes to address rising operational costs, tenant behaviors, and barriers to sustainable development.

Session Summary

During this virtual session, participants voiced concerns about the impact of housing policies, including rent caps, extended noticing periods, and operational cost burdens, on the feasibility of affordable housing development. Many noted that rent stabilization policies often fail to account for the rising costs of property maintenance, staffing, and insurance, forcing developers and property managers into financial deficits. They shared examples of unsustainable conditions, such as tenants with significant rent arrears (\$20,000–\$30,000), rising insurance premiums (up 300%), and safety challenges stemming from behavioral issues. Participants stressed that policies prioritizing tenant protections without addressing operational realities have led to deteriorating outcomes for both tenants and housing providers.

The group also identified critical strategies for stabilizing operations, including financial relief programs, state interventions in insurance costs, and support for mental health services to address tenant needs beyond housing. Participants called for a reassessment of housing policies that disproportionately shift risk to nonprofits and affordable housing providers while eliminating tools for effective property management. One participant highlighted the need for government re-engagement in areas like mental health facilities, emphasizing the necessity of a more supportive infrastructure to address root causes of tenant instability. This session underscored the critical need for balanced policies that support operational sustainability while addressing the systemic challenges faced by tenants. Participants emphasized that sustainable solutions must align tenant protections with realistic financial and operational frameworks.

Representative Quotes:

- “We need help now. Waiting for funding to materialize next year doesn’t address the urgent operational deficits we’re facing today.”
- “Policies are shifting risk to nonprofits while eliminating the tools we need to manage basic operations.”
- “Rising costs, from insurance to staffing, make it nearly impossible to sustain affordable housing under the current policies.”
- “Seattle has gone overboard in offering tenant protections, creating an environment where development and management are no longer viable.”

Key Themes:

- **Impact of Housing Policies on Development Feasibility**
 - Participants highlighted concerns that housing policies, such as rent caps and extended notice periods, could undermine the feasibility of affordable housing development by exacerbating financial and operational challenges. They emphasized the importance of balanced approaches that align tenant protections with sustainable frameworks to support both housing providers and tenants.
- **Safety and Operational Sustainability**
 - Developers expressed concerns about tenant behaviors affecting safety and maintenance costs, calling for policy adjustments to restore operational balance and incentivize compliance.

- **Financial Pressure on Management**
 - Rising insurance costs and inadequate operational funding were cited as critical issues, with participants urging for state-backed financial relief to stabilize the industry.

Session-Specific Recommendations:

- **Provide Immediate Financial Relief for Operational Deficits**
 - Establish emergency state funding to cover short-term losses in affordable housing projects, particularly in cases of delinquent tenant payments.
- **Proactively Evaluate the Impact of Rent Stabilization Efforts on Low-Income Housing Tax Credit (LIHTC) Projects**
 - Ensure that any rent stabilization efforts are carefully evaluated for their impact on the financial viability of LIHTC properties, balancing the need to support affordability goals with the sustainability of these developments.
- **Support Mental Health and Behavioral Services**
 - Fund mental health counselors and services for tenants with high support needs to alleviate the burden on property managers and maintain safety.

Listening Session #4: Senior Housing Community Residents (in-person) (10.23.2024) (15 participants)

General Sentiment: The session reflected deep concerns over rising rent costs and their impact on seniors' ability to maintain housing stability. Participants emphasized the importance of affordable, predictable rent as a cornerstone of security and well-being; while also highlighting the sacrifices they must make to meet housing costs.

Session Summary

This in-person session brought together seniors who shared personal and heartfelt experiences about their struggles to afford housing. Housing stability, as defined by participants, was intrinsically linked to affordability, with many noting that predictable and reasonable rents provided the foundation for peace of mind and opportunities to improve other aspects of their lives. They highlighted the challenge of balancing rent with other necessities, such as food, utilities, and medical care, often requiring them to make difficult sacrifices like cutting back on food, giving up cable, or forgoing essential items. Several participants noted that affordable housing vouchers provided critical support but called for more availability to meet growing demand.

Participants also discussed the challenges of navigating rental agreements and housing policies, expressing frustration with frequent rent increases, high management turnover, and complex lease terms. They emphasized the need for better communication about rent increases, enforcement of building rules, and the inclusion of translation services for non-English speakers. Many participants advocated for rent to be capped at 30% of income to create a more manageable and equitable standard, while others expressed concern about the erosion of single-family housing in favor of more compact neighborhoods, which they felt diminished the sense of community.

Representative Quotes:

- “Affordable housing gives you peace of mind. When you know you can pay the rent, everything else feels easier.”
- “I had to give up cable, handwash my clothes, and even skip meals to make sure I could pay my rent.”
- “We need better management and stability in our buildings. It’s hard when there’s constant turnover and no one enforces the rules.”
- “Housing should be affordable and predictable. Rent that is 30% of income would make life so much easier.”

Key Themes:

- **Affordable Rent as a Foundation for Stability**
 - Senior residents expressed a need for affordable housing that aligns with their fixed incomes, linking stable rent payments to overall well-being and financial security.
- **Sacrifices to Maintain Housing**
 - Participants shared stories of sacrificing essentials like food, medical care, and utilities to afford rent, emphasizing the need for additional vouchers and subsidies for senior housing.
- **High Turnover and Management Instability**
 - Frequent management changes in senior housing were identified as a destabilizing factor, with residents advocating for better enforcement of housing rules and improved property management practices.

Session-Specific Recommendations:

- **Expand Voucher Programs for Seniors**
 - Increase funding for rental voucher programs tailored to fixed-income senior residents to ensure affordability and housing stability.
- **Enforce Management Stability**
 - Implement oversight and support for property management practices to reduce high turnover rates that destabilize senior housing communities.
- **Improve Transparency and Notice of Rent Increases**
 - Mandate 90- to 120-day notices for rent increases and lease changes, ensuring adequate preparation for senior tenants.

Listening Session #5: Rural Housing Community Residents (in-person) (11.25.2024) **(11 participants)**

General Sentiment: Participants emphasized the need for stability and fairness in rent practices, expressing deep concern about rising costs and the sacrifices they make to remain housed. The session highlighted the unique challenges faced by rural residents, including limited access to community support and a strong desire for safe, affordable housing that aligns with their income levels.

Session Summary

This in-person session provided a platform for rural residents to share their perspectives on housing stability and affordability. Participants defined stability as predictable and fair rent

payments, with several advocating for rent to be capped at 30% of income to ensure affordability. Concerns about rising rents and associated fees, such as late payment charges, were central to the discussion, with attendees expressing frustration over the lack of flexibility in rent deadlines and inadequate advance notice for rent increases or evictions. Participants noted that extending grace periods and relaxing restrictions on the number of family members in a home could be particularly beneficial for certain cultures and first- and second-generation immigrant families, helping to offset costs and meet household needs.

Many attendees highlighted the sacrifices they make to afford rent, including cutting back on food, utilities, and healthcare. Despite these challenges, participants praised their neighborhoods for being clean, safe, and close to essential resources like schools, jobs, and medical facilities. However, they expressed a need for additional support to manage rent payments, including assistance from family, community organizations, or social security benefits. The session underscored the importance of ensuring housing policies are equitable and tailored to the unique needs of rural communities, where access to resources and support systems may be limited. This session highlighted the need for equitable rent policies and enhanced community supports to ensure rural residents can achieve and maintain housing stability without sacrificing essential needs.

Representative Quotes:

- “Stable rent and a permanent place to live mean everything—it’s about peace of mind.”
- “I’ve had to give up food, electricity, and even going to the doctor to pay rent.”
- “We need more time to pay rent and fewer penalties for late payments. It’s already hard enough.”
- “This neighborhood feels safe, and it’s close to schools and jobs. That’s why I stay.”

Key Themes:

- **Flexibility and Transparency in Rent Payments**
 - Rural residents called for extended grace periods, reduced penalties for late payments, and clearer communication around rent increases and eviction notices to enhance housing stability.
- **Community and Safety as Retention Factors**
 - Participants highlighted the importance of community familiarity, safety, and proximity to essential services as critical reasons for staying in their neighborhoods.
- **Challenges of Limited Resources**
 - Rural residents shared stories of reliance on family support, community organizations, and personal sacrifices to meet rent obligations, underscoring the need for broader systemic support.

Session-Specific Recommendations:

- **Introduce Flexible Payment Terms**
 - Allow for longer grace periods, flexible payment deadlines, and reduced late fees to accommodate residents’ financial constraints.
- **Invest in Rural Housing Infrastructure**

- Develop additional parking spaces and expand housing capacity to meet the needs of rural communities.
- **Expand Access to Rent Assistance Programs**
 - Increase funding and eligibility for community rent assistance programs, ensuring accessibility for rural residents regardless of immigration or employment status.

Overall Insights

Cross-Session Themes

- **Affordability and Income-Based Models**
 - Across sessions, participants consistently emphasized the need for affordability to align with tenant income, particularly advocating for a 30% cap on rent relative to income. This demand was most pronounced among the Resident Advocacy Group and Rural Housing Community participants, who highlighted the challenges of AMI-based models that fail to account for individuals on fixed or variable incomes. Research supports these concerns, showing that AMI-linked rents often disproportionately burden low-income tenants, especially in high-cost regions where AMI reflects affluent areas' incomes⁷.
- **Support Systems**
 - Tenant groups, including Senior Housing Community residents, expressed a dire need for case management, advocacy services, and comprehensive wrap-around care, particularly in navigating mental health challenges and eviction prevention. Meanwhile, property managers reported feeling overwhelmed by their dual roles as landlords and de facto social service providers. Studies have underscored the importance of housing-related support services in promoting tenant stability and reducing evictions, with evidence from supportive housing initiatives showing improved long-term outcomes for tenants⁸.
- **Administrative and Operational Challenges**
 - Property Management Groups voiced concerns about navigating inconsistent municipal policies, such as varied notice periods and rent increase caps, which compound operational inefficiencies. Simultaneously, Rural Housing Community participants highlighted issues with limited flexibility around late fees and payment deadlines. Administrative inefficiencies and the lack of standardized enforcement are well-documented drivers of housing instability⁹.
- **Need for Predictability**
 - Across all groups, participants stressed the need for predictability in housing arrangements. All tenants were especially concerned with abrupt rent increases, while seniors prioritized stability through consistent lease terms. Property

⁷ Urban Institute. (2017). *The uneven geography of housing affordability*. Retrieved from <https://www.urban.org>

⁸ National Low Income Housing Coalition. (2020). *The gap: A shortage of affordable homes*. Retrieved from <https://nlihc.org>

⁹ Brookings Institution. (2019). *The rent burden: A look at causes and solutions*. Retrieved from <https://www.brookings.edu>

managers cited frustration with unpredictable government regulations that hinder operational planning. The benefits of predictable housing policies in reducing tenant displacement and improving landlord-tenant relations are well supported in research¹⁰.

Patterns and Differences

- **Demographic-Specific Challenges:**
 - Seniors prioritized stability and affordability, where participants shared stories of sacrificing essentials like medical care and utilities to pay rent.
 - Advocacy Group members emphasized systemic inequities, such as discriminatory fees and landlords' reluctance to rent to voucher holders. These challenges echo findings on barriers to housing for marginalized groups, including racial and income discrimination¹¹.
 - Property managers focused on the financial and operational challenges of managing delinquent tenants, the rising costs of insurance, and maintaining safe environments, reflecting broader national trends in affordable housing management¹².
- **Expectations and Understanding**
 - Senior tenants appeared more aware of tenant rights, citing protections like eviction moratoriums, while rural tenants expressed confusion about their legal protections, often relying on anecdotal knowledge. Bridging this gap with targeted education programs could address discrepancies in tenant empowerment.

Challenges

- **Disconnection Between Policies and Realities**
 - The Advocacy Group and Affordable Housing Management Group emphasized the misalignment between AMI-based rents and tenant realities, particularly for low-income and fixed-income households. For property managers, these policies compounded financial strains, echoing research that highlights how cost burdens are amplified when public funding fails to fill gaps in operational revenue¹³.
- **Resource Deficits**
 - Across all sessions, tenants and property managers noted insufficient advocacy services and wrap-around care. The Senior Housing Community and Advocacy Group shared stories of tenants struggling without adequate mental health or legal support, reflecting systemic underinvestment in tenant-focused services.

¹⁰ Harvard Joint Center for Housing Studies. (2022). *America's rental housing: Evolving markets and needs*. Retrieved from <https://www.jchs.harvard.edu>

¹¹ U.S. Department of Housing and Urban Development (HUD). (2019). *Barriers to housing for marginalized populations*. Retrieved from <https://www.hud.gov>

¹² National Housing Law Project. (2021). *Eviction protections and challenges in affordable housing*. Retrieved from <https://www.nhlp.org>

¹³ Center on Budget and Policy Priorities (CBPP). (2018). *The impact of AMI on housing affordability*. Retrieved from <https://www.cbpp.org>

- **Market Dynamics**
 - Developers in the Affordable Housing Management Group session highlighted how restrictive policies, such as rent stabilization and AMI limits, deter affordable housing investments. Their concerns align with studies showing that such policies, when poorly designed, exacerbate supply shortages¹⁴.

Opportunities

- **Enhanced Tenant Education**
 - Participants across sessions, particularly seniors and rural tenants, emphasized the need for clearer communication about housing rights and expectations. Initiatives like “Resident 101” courses can empower tenants and foster better landlord-tenant relationships¹⁵.
- **Policy Harmonization**
 - Property managers suggested aligning municipal policies to reduce administrative burdens. Research supports that standardizing regulations can enhance operational efficiency and improve tenant satisfaction¹⁶.
- **Investment in Support Services**
 - Providing funding for mental health professionals and tenant advocates, as suggested by the Advocacy Group, could mitigate eviction rates and reduce property management burdens. Evidence from Housing First models supports the efficacy of integrated care approaches in maintaining tenant stability¹⁷.
- **Flexible Rent Structures**
 - Advocacy for income-based rent caps, voiced in the Senior Housing and Rural Community sessions, reflects a growing consensus on the need to reform rental models. Policies that cap rent at 30% of income have demonstrated effectiveness in stabilizing housing for low-income families¹⁸.

Emotional and Relational Insights

- **Tenant Anxiety and Frustration**
 - Participants in all sessions reported high levels of stress related to housing insecurity. Seniors shared stories of sacrificing basic needs, while rural tenants expressed frustration with landlords who prioritized profits over tenant well-being. These emotions are consistent with research linking housing instability to negative mental health outcomes¹⁹.

¹⁴ National Multifamily Housing Council. (2020). *The consequences of rent control policies*. Retrieved from <https://www.nmhc.org>

¹⁵ Enterprise Community Partners. (2021). *Tenant education programs: Building stronger communities*. Retrieved from <https://www.enterprisecommunity.org>

¹⁶ National Association of Housing and Redevelopment Officials (NAHRO). (2019). *Streamlining housing regulations: Opportunities and challenges*. Retrieved from <https://www.nahro.org>

¹⁷ Urban Institute. (2019). *Housing first: Effectiveness of integrated care models*. Retrieved from <https://www.urban.org>

¹⁸ National Housing Trust. (2020). *Income-based rent caps and housing stability*.

¹⁹ American Psychological Association (APA). (2021). *The psychological impact of housing insecurity*. Retrieved from <https://www.apa.org>

- **Trust and Relational Strain**
 - Tenant distrust of landlords was a recurring theme, particularly in sessions involving senior and rural communities. High turnover in property management exacerbated feelings of instability, with participants expressing a desire for greater accountability and consistent communication.
- **Community Resilience**
 - Despite challenges, participants demonstrated resilience through resource-sharing and community support. Examples included families pooling resources to cover rent and leveraging local organizations for assistance, highlighting the potential for community-based solutions to enhance housing stability.

Recommendations for Next Stages of Careholder Engagement

Enhancing Engagement Strategies

- **Prioritize Ongoing Relationship Building**
 - Sustaining meaningful relationships with careholders goes beyond individual listening sessions. A commitment to consistent, trust-based engagement ensures that careholders feel valued and integral to the decision-making process. Building on established relationships with trusted organizations like Mercy Housing and Catholic Charities Housing Services has proven highly effective in fostering participation. These groups bring credibility and familiarity, enabling a smoother entry point to engage careholders who may otherwise feel hesitant or marginalized. Future efforts should emphasize cultivating these partnerships while identifying new community allies to deepen reach and impact.
- **Refine Session Structure for Inclusivity and Depth**
 - Interactive session designs that emphasize mutual respect and co-creation—such as small breakout groups or participatory activities—strengthen relational ties. Vulnerable groups benefit significantly from personalized, supportive environments that prioritize their voices. Leveraging existing trust with organizations like Catholic Charities can facilitate these structured engagements in a way that aligns with careholders’ lived experiences.
- **Tailor Outreach Methods for Relationship-Centric Engagement**
 - Effective outreach strategies are essential to expanding participation. Partnering with established networks and organizations already embedded in communities reinforces relational connections. These trusted intermediaries, including cultural liaisons and advocacy groups, should play a role in framing discussions and disseminating session outcomes. In addition, culturally appropriate materials and outreach methods—such as translated materials, digital campaigns, and in-person connections—can deepen relational trust and build bridges for future collaboration.
- **Provide Participant Support to Remove Barriers**
 - A relationship-centered approach also recognizes the practical needs of careholders. Removing barriers to participation, such as providing stipends for transportation, offering childcare, or ensuring digital access, conveys respect and support for careholders’ time and circumstances. These investments help strengthen the sense of partnership and foster a more inclusive process.

Targeted Follow-Up Sessions

- **Focused Discussions for Vulnerable Populations**
 - Targeted follow-ups with vulnerable groups like seniors, fixed-income renters, and voucher holders will provide a platform to explore their specific challenges in depth. The established relationships with Mercy Housing and Catholic Charities Housing Services can serve as an entry point to ensure these sessions are well-attended and focused on actionable solutions.

- **Deepening Insights on Policy and Implementation**
 - Building on past collaborations, follow-up sessions with property management stakeholders can explore how rent stabilization policies, tenant protections, and voucher programs are implemented in practice. These sessions can identify operational bottlenecks while reinforcing trust and mutual understanding between landlords, tenants, and advocacy groups.
- **Regional Customization of Engagement**
 - Region-specific follow-up sessions are critical for identifying the nuances of housing challenges across rural, suburban, and urban areas. Mercy Housing's presence in both urban and rural settings offers a valuable lens for tailoring policy and programmatic responses to the needs of different communities.

Communication and Transparency

- **Embed Feedback Loops in All Engagements**
 - Feedback loops—structured opportunities for careholders to see how their contributions shape decisions—are indispensable for maintaining long-term trust and connection. When careholders witness their feedback leading to tangible outcomes, they develop a deeper sense of ownership and investment in the process. By closing the loop after each engagement—whether through newsletters, public dashboards, or direct updates—organizations create a culture of accountability and inclusivity. As the adage goes, “people support that which they help build.”
- **Share Stories of Impact to Foster Connection**
 - Personalizing the feedback process through storytelling amplifies its impact. Highlighting stories of careholders whose input directly shaped policies or practices humanizes the engagement process and reinforces relational ties. Stories from Mercy Housing or Catholic Charities Housing Services tenants, for example, could illustrate the success of a rent adjustment policy or tenant support program.
- **Promote Ongoing Dialogue Through Regular Updates**
 - Transparency in action can be demonstrated through clear, consistent communication channels. Periodic town halls, quarterly email updates, and a dedicated website section for tracking progress ensure careholders remain informed and engaged. Maintaining ongoing dialogue also signals that the organization values their partnership beyond a single engagement.
- **Empower Careholders as Co-Creators**
 - Treating careholders as co-creators in shaping housing policies fosters a sense of shared purpose. This can be achieved by involving them in policy discussions, advisory panels, and collaborative problem-solving sessions. Encouraging careholders to play an active role ensures that policies and practices reflect their lived realities, strengthening both trust and effectiveness.

Appendices

Appendix A: Listening Session Prompts & Questions – Resident Advocacy Group

Asked During Session

1. What actions or policies do you believe are necessary to keep rents affordable?
2. What do you see as the key factors driving rent increases for the people you serve?
3. What supportive services or resources should accompany housing policies related to rent?
4. What additional protections are necessary to support renters without a housing subsidy?
5. How should housing policies related to rent be enforced to ensure they are fair and followed by everyone?

Not Asked due to Time Constraints

- What role do you see community organizations playing to support resident and property stability?
- What existing Housing/Rent policies, if any, can be improved to increase equity and help to prevent discrimination?
- What data or information do you use to guide your work on rent affordability?

Appendix B: Listening Session Prompts & Questions – Property Management Group

Asked During Session

1. What is your process for evaluating and then implementing rent increases? (Consideration rent burden for households, support for relocation assistance, longer-term notices, legal support, etc.)
2. Can you describe how current housing policies related to rent influence/ impact your work?
3. What strategies would be helpful or what support would you need to help stabilize operations while also minimizing rent increases on your residents?
4. What do you see as key factors driving rent increases in the properties you manage?
5. Have you used any existing resources to mitigate operational cost increases or provide support to residents? (State Landlord Mitigation Fund, CHIP grants, local partnerships/programs)
6. How can policies be designed to minimize administrative burdens?

Not Asked due to Time Constraints

- *All core questions were asked.*

Appendix C: Listening Session Prompts & Questions – Affordable Housing Developers and Management Group

Asked During Session

1. How do housing policies related to rent affect the cost and feasibility of new developments?
2. What impact do you think housing policies related to rent, particularly caps on rents, increased noticing periods, limiting number of rent increases within a 12-month period, etc. will have on the overall housing market?
3. What strategies would be helpful or what supports would you need to help stabilize operations while also minimizing rent increases on your residents?
4. Have you noticed any change in eviction or turnover rates?

Not Asked due to Time Constraints

- How can policies be designed to minimize administrative burdens?

Appendix D: Listening Session Prompts & Questions – Residents in Senior Housing Community Group

Asked During Session

1. What does housing stability mean to you?
2. Have you had to give up anything to pay rent? (For example, less food, skipping medicine, or cutting back on utilities.)
3. How familiar are you with the current rules governing rents in your area?
4. What makes you want to stay in your safe neighborhood?
5. Do you use community support in paying rent or managing increases? (Friends, family, organizations?)
6. What housing rules, lease agreement terms, or supports would make you feel more stable in your housing?
7. What amount of your monthly income would be manageable to spend on rent?

Not Asked due to Time Constraints

- *All core questions were asked.*

Appendix E: Listening Session Prompts & Questions – Residents in Rural Community Group

Asked During Session

1. What does housing stability mean to you?
2. What housing rules, lease agreement terms, or supports would make you feel more stable in your housing?
3. What makes you want to stay in your current neighborhood?
4. Have you had to give up anything to pay rent? (For example, less food, skipping medicine, or cutting back on utilities.)
5. Do you use community support in paying rent or managing increases? (Friends, family, organizations?)
6. How familiar are you with the current rules governing rents in your area?
7. What amount of your monthly income would be manageable to spend on rent?

Not Asked due to Time Constraints

- *All core questions were asked.*

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

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

Percentage of Goal reached YTD -

51.4%

HOME ADVANTAGE

	Loans	\$ Volume	% Households of Color
Conventional FNMA	90	\$ 37,289,217	37.8%
Conventional FHLMC	335	\$ 136,524,366	30.7%
Government	1717	\$ 694,862,171	37.6%
Energy Spark	0	\$ -	0.0%
Covenant Homeownership	127	\$ 48,533,746	100.0%
Total	2269	\$ 917,209,500	40.1%

HOUSE KEY OPPORTUNITY

	Loans	\$ Volume	% Households of Color
Conventional FNMA	142	\$ 37,126,840	38.7%
Conventional FHLMC	32	\$ 8,934,560	43.7%
Government	124	\$ 36,102,229	31.5%
Total	298	\$ 82,163,629	36.3%

DOWNPAYMENT ASSISTANCE

	Loans	\$ Volume	% Households of Color
Home Adv 0%	2045	\$ 32,842,291	36.8%
Home Adv Needs Based 1%	3	\$ 29,900	33.3%
Opportunity	269	\$ 3,815,284	36.8%
HomeChoice	13	\$ 183,650	15.4%
Bellingham	2	\$ 80,000	0.0%
East King County	1	\$ 20,000	0.0%
Pierce County	0	\$ -	0.0%
Seattle	0	\$ -	0.0%
Tacoma	0	\$ -	0.0%
University of WA	3	\$ 181,590	66.7%
Veterans	2	\$ 20,000	50.0%
Clark County DPA	0	\$ -	0.0%
Social Justice DPA (Non-Commission)	10	\$ 100,000	100.0%
Covenant (Non-Commission)	139	\$ 15,206,455	100.0%
Total	2487	\$ 52,479,170	40.5%

Washington State Housing Finance Commission/Homeownership Division
Counseling & Grants:
Default Counseling, Pre-Purchase and Other Homeowner Assistance
Report for December 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;	\$1,100,000 FY2025	\$645,000	\$455,000	12/31/2025
Foreclosure Fairness Act Default Housing Counseling and Mediation. Service Area: Statewide	Department of Commerce	WHRC; AFS; NJP; Parkview; RRCA; SNAP; ULMS;	\$2,100,000 FY2025	\$141,600	\$1,958,400	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	\$302,700	\$797,300	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

HOMEOWNERSHIP PROGRAMS**HOMEBUYER EDUCATION PRODUCTION and HOME LOAN TRAINING**

July 1, 2024 - December 31, 2024

HOMEBUYER CLASS

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

Percentage of goal reached YTD: 84.5%

	Classes	Participants
Virtual:	332	2,053
In-Person:	222	1,564
Online Classes:	3,147	3,147
Total:	3,701	6,764

Classes not yet reporting participation: 135

Data lags 3 months due to data collection process

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

Classes:	47,295
Participants	251,388

PROGRAM TRAINING ATTENDEES

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

Percentage of goal reached YTD: 60%

Month	Classes	Attendees
July	1	35
August	1	45
September	1	38
October	1	38
November	1	40
December	1	41
January		
February		
March		
April		
May		
June		
Total:	6	237

ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

REPORTING MONTH: December 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 required compliance annual reports within 12 months from report receipt dates and issue compliance status letters.

Within the 12-month period, staff will:

- Review required Owner's Annual Certification and other reporting materials.
- review resident certification packages for 5% - 20% (depending on type of review year) of the units for required reviews.
- notify the Internal Revenue Service of any noncompliance discovered in tax credit 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	16	16	19	16	16	16	19	20	20	20	22	201	250	80%

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	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: December 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	0	0	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:
February 11-12, 2025 – TC Fundamentals (virtual)

The next Bond Compliance Workshop is scheduled for:
TBD



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

January 22, 2025

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 December 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

December 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
December 31, 2024
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 6,359,741	\$ 7,429,817	\$ (1,070,076)	(1) -14%
Money Market Accounts	94,899,198	137,984,327	(43,085,129)	(1) -31%
Investment Securities	14,798,406	13,579,190	1,219,216	(1) 9%
Interest Receivable	1,018,391	981,341	37,050	4%
Fees Receivables	14,725,344	14,843,318	(117,974)	-1%
Prepaid Expenses & Other Receivable	3,190,843	2,528,094	662,749	(2) 26%
Furniture and Fixtures (net of depreciation)	534,949	308,303	226,646	(3) 74%
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	137,421,404	180,184,817	(42,763,413)	-24%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	4,490,914	5,479,906	(988,992)	-18%
Total Assets and Deferred Outflows	\$ 141,912,318	\$ 185,664,723	\$ (43,752,405)	-24%
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 6,373,780	\$ 7,748,516	\$ (1,374,736)	(5) -18%
Unearned Fee Income	75,560,087	117,063,973	(41,503,886)	(6) -35%
Accrued Payroll Payable	2,073,545	1,830,688	242,857	(7) 13%
Lease Liability*	-	719,844	(719,844)	(4) -100%
Net Pension Liability *	3,454,593	3,584,711	(130,118)	-4%
Total Liabilities	87,462,005	130,947,732	(43,485,727)	-33%
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	534,949	308,304	226,645	(3) 74%
Committed - Housing Washington *	122,628	350,886	(228,258)	-65%
Unrestricted	48,857,195	47,150,587	1,706,608	4%
Total Net Position	49,514,772	47,809,777	1,704,995	4%
Total Liabilities, Deferred Inflows and Net Position	\$ 141,912,318	\$ 185,664,723	\$ (43,752,405)	-24%

- (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 purchase of new office furniture, computers and network equipment, 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 decrease in accounts payable and other liabilities is primarily due to lower payables related to interest earned on HAF program funds, while slightly offset by greater accruals associated with the Idaho Master Servicing Agreement.
- (6) The overall 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, plus a relatively smaller increase due to Covenant Homeownership grant funds.
- (7) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, and 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: December 31, 2024
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 4,803,925	\$ 22,007,728	\$ 20,141,994	\$ 1,865,734	9%
Interest Earned & Realized Gain	1,252,448	8,081,226	7,425,058	656,168	9%
Other	11,079	116,332	109,419	6,913	6%
<i>Total Unadjusted Revenues</i>	<u>6,067,452</u>	<u>30,205,286</u>	<u>27,676,472</u>	<u>2,528,814</u>	<u>9%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,126,257	6,493,854	5,831,503	662,351 (1)	11%
Travel & Conferences	18,727	210,832	160,659	50,173 (2)	31%
Professional Fees	182,526	1,334,727	1,499,407	(164,680) (3)	-11%
Office Expense	276,361	1,541,448	1,332,703	208,745 (4)	16%
<i>Total Expenses</i>	<u>1,603,871</u>	<u>9,580,861</u>	<u>8,824,273</u>	<u>756,588</u>	<u>9%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	(213,928)	771,313	1,510,445	(739,132)	-49%
Grant Revenue	7,031,621	31,094,327	35,238,162	(4,143,835)	-12%
<i>Expenses:</i>					
Grant Pass-Through	7,031,621	31,094,327	35,238,162	(4,143,835)	-12%
<i>Total Adjustments</i>	<u>(213,928)</u>	<u>771,313</u>	<u>1,510,445</u>	<u>(739,132)</u>	<u>-49%</u>
Excess of Revenues over Expenses	<u>4,249,653</u>	<u>21,395,738</u>	<u>20,362,644</u>	<u>1,033,094</u>	<u>5%</u>
<i>Net Position</i>					
Total net position, beginning of period	45,265,119	28,119,034	27,447,133	671,901	2%
Current Increase (Decrease) - to Net position	<u>4,249,653</u>	<u>21,395,738</u>	<u>20,362,644</u>	<u>1,033,094</u>	<u>5%</u>
Total net position, end of year	<u>\$ 49,514,772</u>	<u>\$ 49,514,772</u>	<u>\$ 47,809,777</u>	<u>\$ 1,704,995</u>	<u>4%</u>

(1) The increase in salary and benefits expenses reflects a 3% cost of living wage increase for all staff on July 1, 2024, as well as regular annual increases, plus an approximately 7% increase in staff headcount compared to the prior year.

(2) 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 held in Spokane. In the prior year, the conference was held in Tacoma.

(3) 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.

(4) The increase in office expenses is due to the sponsorship of Housing Washington conference program and events held in September 2024, along with greater other office expenses from the 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: December 31, 2024
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Actual	%
<i>Revenues:</i>							
Program Fees	21.7%	\$ 2,731,578	\$ 12,579,924	\$ 15,311,502	\$ 14,229,080	\$ 1,082,422	7.6%
Issuance, Application, and Servicing Fees	-11.4%	(865,843)	7,562,069	6,696,226	3,269,879	3,426,347	104.8%
Interest Earned & Realized Gain	8.8%	656,168	7,425,058	8,081,226	7,073,265	1,007,961	14.3%
Other Income	6.3%	6,913	109,419	116,332	448,118	(331,786)	-74.0%
<i>Total Unadjusted Revenues</i>	<u>9.1%</u>	<u>2,528,816</u>	<u>27,676,471</u>	<u>30,205,285</u>	<u>25,020,342</u>	<u>5,184,944</u>	<u>20.7%</u>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	11.6%	525,648	4,538,108	5,063,756	5,933,685	(869,929)	-14.7%
Employee Benefits - Staff	10.6%	136,704	1,293,395	1,430,099	1,651,195	(221,096)	-13.4%
Conference, Education & Training	3.0%	1,913	63,571	65,484	137,647	(72,163)	-52.4%
Travel out of state - Staff	-12.0%	(8,230)	68,814	60,584	139,838	(79,254)	-56.7%
Travel in state - Staff	199.8%	56,489	28,275	84,764	109,252	(24,488)	-22.4%
Accounting Fees	0.0%	(40)	103,000	102,960	121,580	(18,620)	-15.3%
Legal Fees	-0.3%	(891)	306,759	305,868	400,500	(94,632)	-23.6%
Financial Advisor Fees	5.5%	9,000	165,000	174,000	181,600	(7,600)	-4.2%
Investment Management Fees	11.4%	9,980	87,488	97,468	109,000	(11,532)	-10.6%
Office Rent/Conf. Room Rentals	-21.3%	(58,501)	274,266	215,765	305,574	(89,809)	-29.4%
Furniture & Equipment Rental	-62.9%	(8,721)	13,865	5,144	13,538	(8,394)	-62.0%
Advertising	6.1%	3,266	53,940	57,206	160,068	(102,862)	-64.3%
Publications/ Subscriptions/ Dues	-9.9%	(4,988)	50,435	45,447	66,030	(20,583)	-31.2%
Deliveries	101.5%	486	479	965	2,560	(1,595)	-62.3%
Insurance	18.4%	5,882	31,941	37,823	33,075	4,748	14.4%
Meeting Expense	286.8%	83,586	29,143	112,729	138,375	(25,646)	-18.5%
Equipment & Building Maintenance	324.4%	18,600	5,733	24,333	53,510	(29,177)	-54.5%
Software Maint. Support & Other Info Svcs	17.2%	118,938	693,467	812,405	923,928	(111,523)	-12.1%
Non-capitalized Equipment/Supplies	13.1%	5,898	45,121	51,019	122,044	(71,025)	-58.2%
Postage	-9.4%	(36)	384	348	2,590	(2,242)	-86.6%
Printing	1.6%	90	5,793	5,883	6,985	(1,102)	-15.8%
State Services	58.3%	948	1,627	2,575	3,485	(910)	-26.1%
Supplies	162.1%	27,085	16,711	43,796	24,050	19,746	82.1%
Telephone	13.3%	5,021	37,642	42,663	28,698	13,965	48.7%
Contract Services	-21.8%	(182,727)	837,159	654,432	862,658	(208,226)	-24.1%
Depreciation	15.5%	11,190	72,157	83,347	107,151	(23,804)	-22.2%
<i>Total Expenses</i>	<u>8.6%</u>	<u>756,590</u>	<u>8,824,276</u>	<u>9,580,863</u>	<u>11,638,616</u>	<u>(2,057,753)</u>	<u>-17.7%</u>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-48.9%	(739,132)	1,510,445	771,313	-	771,313	NA
Grant Revenue	-11.8%	(4,143,835)	35,238,162	31,094,327	30,476,321	618,006	2.0%
<i>Expenses:</i>							
Grant Pass-Through	-11.8%	(4,143,835)	35,238,162	31,094,327	30,476,321	618,006	2.0%
	-48.9%	(739,132)	1,510,445	771,313	-	771,313	NA
<i>Excess of Revenues over Expenses- adjusted</i>	<u>5.1%</u>	<u>1,033,094</u>	<u>20,362,640</u>	<u>21,395,735</u>	<u>13,381,726</u>	<u>8,014,010</u>	<u>59.9%</u>
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
<i>Excess of Revenues over Expenses (Net of Transfers)</i>	<u>5.1%</u>	<u>\$ 1,033,095</u>	<u>\$ 20,362,640</u>	<u>\$ 21,395,735</u>	<u>\$ 13,381,726</u>	<u>\$ 8,014,010</u>	<u>59.9%</u>



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

December 11, 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 November 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: Sharon Hu
Sharon Hu
Senior Controller

WASHINGTON STATE
HOUSING FINANCE COMMISSION
GENERAL OPERATING FUND

November 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
November 30, 2024
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 7,195,493	\$ 7,937,721	\$ (742,228)	(1) -9%
Money Market Accounts	111,331,382	145,350,389	(34,019,007)	(1) -23%
Investment Securities	7,625,730	9,446,961	(1,821,231)	(1) -19%
Interest Receivable	953,239	954,685	(1,446)	0%
Fees Receivables	14,601,864	13,819,355	782,509	6%
Prepaid Expenses & Other Receivable	3,316,500	1,209,025	2,107,475	(2) 174%
Furniture and Fixtures (net of depreciation)	469,769	289,303	180,466	(3) 62%
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	147,388,509	181,537,866	(34,149,357)	-19%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	4,490,914	5,479,906	(988,992)	-18%
Total Assets and Deferred Outflows	\$ 151,879,423	\$ 187,017,772	\$ (35,138,349)	-19%
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 8,256,804	\$ 8,340,364	\$ (83,560)	-1%
Unearned Fee Income	87,917,562	124,189,436	(36,271,874)	(5) -29%
Accrued Payroll Payable	2,049,802	1,771,146	278,656	(6) 16%
Lease Liability*	-	719,844	(719,844)	(4) -100%
Net Pension Liability *	3,454,593	3,584,711	(130,118)	-4%
Total Liabilities	101,678,761	138,605,501	(36,926,740)	-27%
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	469,769	289,304	180,465	(3) 62%
Committed - Housing Washington *	122,628	350,886	(228,258)	-65%
Unrestricted	44,672,724	40,864,867	3,807,857	9%
Total Net Position	45,265,121	41,505,057	3,760,064	9%
Total Liabilities, Deferred Inflows and Net Position	\$ 151,879,423	\$ 187,017,772	\$ (35,138,349)	-19%

- (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 equipment, 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 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, plus a relatively smaller increase due to Covenant Homeownership grant funds received.
- (6) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, and 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: November 30, 2024
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 4,476,415	\$ 17,203,803	\$ 14,685,003	\$ 2,518,800 (1)	17%
Interest Earned & Realized Gain	1,243,756	6,828,779	5,963,417	865,362 (2)	15%
Other	17,013	105,253	101,065	4,188	4%
<i>Total Unadjusted Revenues</i>	<u>5,737,184</u>	<u>24,137,835</u>	<u>20,749,486</u>	<u>3,388,349</u>	<u>16%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,063,930	5,367,597	4,830,679	536,918 (3)	11%
Travel & Conferences	17,775	192,104	118,322	73,782 (4)	62%
Professional Fees	229,525	1,152,201	1,316,958	(164,757) (5)	-13%
Office Expense	243,784	1,265,088	1,082,156	182,932 (6)	17%
<i>Total Expenses</i>	<u>1,555,014</u>	<u>7,976,990</u>	<u>7,348,116</u>	<u>628,874</u>	<u>9%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	151,335	985,241	656,554	328,687	50%
Grant Revenue	3,265,402	24,062,707	28,819,762	(4,757,055)	-17%
<i>Expenses:</i>					
Grant Pass-Through	3,265,402	24,062,707	28,819,762	(4,757,055)	-17%
<i>Total Adjustments</i>	<u>151,335</u>	<u>985,241</u>	<u>656,554</u>	<u>328,687</u>	<u>50%</u>
Excess of Revenues over Expenses	<u>4,333,505</u>	<u>17,146,086</u>	<u>14,057,924</u>	<u>3,088,162</u>	<u>22%</u>
<i>Net Position</i>					
Total net position, beginning of period	40,931,616	28,119,035	27,447,133	671,902	2%
Current Increase (Decrease) - to Net position	<u>4,333,505</u>	<u>17,146,086</u>	<u>14,057,924</u>	<u>3,088,162</u>	<u>22%</u>
Total net position, end of year	<u>\$ 45,265,121</u>	<u>\$ 45,265,121</u>	<u>\$ 41,505,057</u>	<u>\$ 3,760,064</u>	<u>9%</u>

- (1) The increase in interest income is due to a higher rate of return compared to the prior. In addition, the LGIP balance, not allocated to HAF, was moderately greater.
- (2) Increase in fee income is primarily due to increased revenue from the Homeownership division's Home Advantage program, coupled with an acceleration of income related to the Citi Securitization program.
- (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 an approximately 10% 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 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 the 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: November 30, 2024
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Actual	%
<i>Revenues:</i>							
Program Fees	22.1%	\$ 2,270,261	\$ 10,292,139	\$ 12,562,400	\$ 11,857,567	\$ 704,833	5.9%
Issuance, Application, and Servicing Fees	5.7%	248,539	4,392,864	4,641,403	2,724,899	1,916,504	70.3%
Interest Earned & Realized Gain	14.5%	865,362	5,963,417	6,828,779	5,894,387	934,392	15.9%
Other Income	4.1%	4,188	101,065	105,253	373,432	(268,179)	-71.8%
<i>Total Unadjusted Revenues</i>	<i>16.3%</i>	<i>3,388,350</i>	<i>20,749,486</i>	<i>24,137,834</i>	<i>20,850,285</i>	<i>3,287,550</i>	<i>15.8%</i>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	11.5%	430,546	3,753,217	4,183,763	4,944,737	(760,974)	-15.4%
Employee Benefits - Staff	9.9%	106,373	1,077,461	1,183,834	1,375,996	(192,162)	-14.0%
Conference, Education & Training	28.3%	13,286	47,028	60,314	125,982	(65,668)	-52.1%
Travel out of state - Staff	-11.0%	(6,247)	56,867	50,620	109,328	(58,708)	-53.7%
Travel in state - Staff	462.6%	66,744	14,427	81,171	101,449	(20,278)	-20.0%
Accounting Fees	4.0%	4,080	103,000	107,080	105,583	1,497	1.4%
Legal Fees	-2.2%	(5,612)	253,127	247,515	333,750	(86,235)	-25.8%
Financial Advisor Fees	5.7%	7,833	137,167	145,000	151,333	(6,333)	-4.2%
Investment Management Fees	8.8%	6,424	72,945	79,369	90,833	(11,464)	-12.6%
Office Rent/Conf. Room Rentals	-29.6%	(67,631)	228,490	160,859	254,645	(93,786)	-36.8%
Furniture & Equipment Rental	-75.9%	(7,949)	10,470	2,521	11,282	(8,761)	-77.7%
Advertising	7.3%	3,629	49,860	53,489	133,390	(79,901)	-59.9%
Publications/ Subscriptions/ Dues	-13.7%	(5,948)	43,309	37,361	55,025	(17,664)	-32.1%
Deliveries	77.9%	373	479	852	2,133	(1,281)	-60.1%
Insurance	16.7%	4,455	26,752	31,207	27,563	3,644	13.2%
Meeting Expense	293.8%	83,582	28,449	112,031	134,480	(22,449)	-16.7%
Equipment & Building Maintenance	1024.2%	12,413	1,212	13,625	44,592	(30,967)	-69.4%
Software Maint. Support & Other Info Svcs	22.4%	123,834	551,847	675,681	769,940	(94,259)	-12.2%
Non-capitalized Equipment/Supplies	14.8%	5,034	34,054	39,088	101,703	(62,615)	-61.6%
Postage	7.7%	21	274	295	2,158	(1,863)	-86.3%
Printing	-25.1%	(1,279)	5,091	3,812	5,821	(2,009)	-34.5%
State Services	99.5%	1,284	1,291	2,575	2,904	(329)	-11.3%
Supplies	145.7%	17,274	11,859	29,133	20,042	9,091	45.4%
Telephone	9.9%	2,966	29,937	32,903	23,915	8,988	37.6%
Contract Services	-23.6%	(177,482)	750,719	573,237	718,882	(145,645)	-20.3%
Depreciation	18.5%	10,872	58,783	69,655	89,292	(19,637)	-22.0%
<i>Total Expenses</i>	<i>8.6%</i>	<i>628,875</i>	<i>7,348,118</i>	<i>7,976,990</i>	<i>9,736,758</i>	<i>(1,759,768)</i>	<i>-18.1%</i>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	50.1%	328,687	656,554	985,241	-	985,241	NA
Grant Revenue	-16.5%	(4,757,055)	28,819,762	24,062,707	25,396,934	(1,334,227)	-5.3%
<i>Expenses:</i>							
Grant Pass-Through	-16.5%	(4,757,055)	28,819,762	24,062,707	25,396,934	(1,334,227)	-5.3%
	50.1%	328,687	656,554	985,241	-	985,241	NA
<i>Excess of Revenues over Expenses- adjusted</i>	<i>22.0%</i>	<i>3,088,162</i>	<i>14,057,922</i>	<i>17,146,085</i>	<i>11,113,527</i>	<i>6,032,559</i>	<i>54.3%</i>
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
<i>Excess of Revenues over Expenses (Net of Transfers)</i>	<i>22.0%</i>	<i>\$ 3,088,163</i>	<i>\$ 14,057,922</i>	<i>\$ 17,146,085</i>	<i>\$ 11,113,527</i>	<i>\$ 6,032,559</i>	<i>54.3%</i>

WASHINGTON STATE HOUSING FINANCE COMMISSION
HOMEOWNERSHIP PROGRAMS
COVENANT HOMEOWNERSHIP DPA LOAN PRODUCTION
July 1, 2024 - December 31, 2024

COUNTY	COVENANT DPA PURCHASED AMOUNT TOTAL	# PURCHASED COVENANT DPA LOANS	AVERAGE PURCHASED LOAN AMOUNT	AVERAGE PURCHASE PRICE	AVERAGE HOUSEHOLD INCOME	AVERAGE FAMILY SIZE	NUMBER COVENANT DPA LOANS "CLOSED"	AVERAGE "CLOSED" DPA LOAN AMOUNT
Adams								
Asotin								
Benton	\$ 156,067	2	\$ 78,034	\$ 352,500	\$ 70,408	2.0	3	\$ 77,119
Chelan								
Clallam								
Clark	\$ 85,500	1	\$ 85,500	\$ 385,000	\$ 90,000	2.0	1	\$ 85,500
Columbia								
Cowlitz							1	\$ 86,241
Douglas								
Ferry								
Franklin							2	\$ 92,472
Garfield								
Grant	\$ 80,800	1	\$ 80,800	\$ 329,000	\$ 64,172	6.0	1	\$ 80,800
Grays Harbor	\$ 55,000	1	\$ 55,000	\$ 224,900	\$ 60,132	2.0	1	\$ 55,000
Island								
Jefferson								
King	\$ 6,404,886	53	\$ 120,847	\$ 533,804	\$ 103,707	1.9	71	\$ 123,768
Kitsap	\$ 281,189	3	\$ 93,730	\$ 405,000	\$ 80,571	1.3	3	\$ 93,730
Kittitas	\$ 87,406	1	\$ 87,406	\$ 396,995	\$ 64,435	2.0	1	\$ 87,406
Klickitat								
Lewis	\$ 71,014	1	\$ 71,014	\$ 303,000	\$ 71,580	2.0	2	\$ 75,806
Lincoln								
Mason	\$ 334,075	4	\$ 83,519	\$ 370,250	\$ 81,735	2.0	4	\$ 83,519
Okanogan								
Pacific	\$ 84,000	1	\$ 84,000	\$ 420,000	\$ 79,694	6.0	1	\$ 84,000
Pend Oreille								
Pierce	\$ 5,997,948	55	\$ 109,054	\$ 474,416	\$ 85,727	2.4	71	\$ 109,929
San Juan								
Skagit	\$ 90,950	1	\$ 90,950	\$ 386,000	\$ 69,696	3.0	2	\$ 93,729
Skamania								
Snohomish	\$ 276,866	2	\$ 138,433	\$ 619,000	\$ 119,612	1.0	6	\$ 130,791
Spokane	\$ 385,700	5	\$ 77,140	\$ 337,980	\$ 74,687	2.0	8	\$ 78,208
Stevens								
Thurston	\$ 431,126	4	\$ 107,782	\$ 489,000	\$ 100,740	3.5	6	\$ 106,287
Wahkiakum								
Walla Walla							1	\$ 78,400
Whatcom	\$ 212,000	2	\$ 106,000	\$ 470,000	\$ 89,561	2.5	3	\$ 103,061
Whitman								
Yakima	\$ 171,928	2	,	\$ 367,500	\$ 71,508	1.5	2	\$ 85,964
TOTAL	\$ 15,206,455	139	\$ 109,399	\$ 480,499	\$ 91,787	2.2	190	\$ 110,788

WASHINGTON STATE HOUSING FINANCE COMMISSION
HOMEOWNERSHIP PROGRAMS
DOWNPAYMENT ASSISTANCE PRODUCTION (ACTIVE/INACTIVE)
July 1, 2024 - December 31, 2024

Active Programs - Current FY totals
Active Programs - Historical totals
Inactive Programs - Historical totals
Active/Inactive Combined totals

ACTIVE PROGRAMS						
		July 1, 2024 - December 31, 2024		Historical Totals - Active Programs		
DPA PROGRAM	Launch Date	Number of Loans	Dollars Lent	Number of Loans Total	Total Dollars Loaned	Average Loan Amount
Bellingham DPA	February 2016	2	\$ 80,000	45	\$ 1,674,887	\$ 37,220
Home Advantage DPA	July 2012	2045	\$ 32,842,291	54,879	\$ 610,778,202	\$ 11,130
Home Advantage Needs Based	July 2014	3	\$ 29,900	2,268	\$ 21,193,143	\$ 9,344
HomeChoice	June 1997	13	\$ 183,650	1,613	\$ 20,590,428	\$ 12,765
House Key Opportunity	August 2012	269	\$ 3,815,284	4,245	\$ 46,062,739	\$ 10,851
East King County (ARCH) DPA	September 2005	1	\$ 20,000	83	\$ 2,389,891	\$ 28,794
Community Land Trust DPA	September 2004	0	\$ -	124	\$ 1,550,721	\$ 12,506
Seattle DPA	June 2004	0	\$ -	424	\$ 21,715,651	\$ 51,216
Pierce County DPA	July 2015	0	\$ -	19	\$ 447,300	\$ 23,542
Tacoma DPA	June 2014	0	\$ -	68	\$ 1,332,601	\$ 19,597
Veterans DPA	December 2006	2	\$ 20,000	83	\$ 612,099	\$ 7,375
Univ of WA DPA (non-Commission funds)	May 2019	3	\$ 181,590	22	\$ 1,783,030	\$ 81,047
Clark County DPA	March 2023	0	\$ -	23	\$ 1,330,142	\$ 57,832
Total		2338	\$ 37,172,715	63,896	\$ 731,460,834	

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INACTIVE PROGRAMS						
DPA PROGRAM	Launch Date	Loans	Dollars	Average Loan Amount	End Date	Column1
House Key Plus	June 1999	6,301	\$ 26,735,036	\$ 4,243	June 2012	
House Key Extra	April 2000	27	\$ 165,075	\$ 6,114	July 2005	
House Key Rural	January 2001	193	\$ 1,760,117	\$ 9,120	December 2011	
House Key Schools	December 2006	195	\$ 1,477,698	\$ 7,578	March 2016	
House Key King County	September 2008	38	\$ 1,124,256	\$ 29,586	June 2010	
House Key Real Estate Owned	March 2009	893	\$ 6,448,429	\$ 7,221	July 2012	
House Key Federal Way	August 2009	11	\$ 314,213	\$ 28,565	December 2010	
New Home for You	February 2010	145	\$ 1,073,081	\$ 7,401	December 2014	
Home Advantage Rebound	January 2013	359	\$ 3,162,673	\$ 8,810	May 2014	
House Key Bremerton	July 2015	6	\$ 56,916	\$ 9,486	August 2016	
Total		8,168	\$ 42,317,494			

Active and Inactive DPA Totals	72,064	\$ 773,778,328
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WASHINGTON STATE HOUSING FINANCE COMMISSION
HOMEOWNERSHIP PROGRAMS
HOME ADVANTAGE LOAN PRODUCTION
July 1, 2024 - December 31, 2024

COUNTY	HOME ADV LOAN AMOUNT	NUMBER OF HA LOANS	AVERAGE LOAN AMOUNT	AVERAGE PURCHASE PRICE	AVERAGE HOUSEHOLD INCOME	AVERAGE FAMILY SIZE	PROGRAM MINORITY %	# HA DPA LOANS 0% INT RATE	HA DPA LOAN AMOUNT	AVERAGE HA DPA LOAN	# HA NEEDS BASED DPA 1% INT RATE	# HA NEEDS BASED LOAN AMOUNT	AVE NEEDS BASED DPA AMOUNT
Adams	\$ 2,929,252	10	\$ 292,925	\$ 299,490	\$ 86,962	2.3	60.0%	9	\$ 105,424	\$ 11,714			
Asotin	\$ 1,691,877	6	\$ 281,980	\$ 289,833	\$ 88,351	2.5	0.0%	5	\$ 51,283	\$ 10,257			
Benton	\$ 48,795,507	136	\$ 358,790	\$ 368,694	\$ 106,598	2.8	42.6%	132	\$ 1,876,495	\$ 14,216			
Chelan	\$ 8,224,463	20	\$ 411,223	\$ 427,108	\$ 114,622	2.5	35.0%	19	\$ 326,096	\$ 17,163			
Clallam	\$ 6,713,785	18	\$ 372,988	\$ 384,467	\$ 108,579	2.6	11.1%	17	\$ 243,080	\$ 14,299			
Clark	\$ 44,944,024	102	\$ 440,628	\$ 452,770	\$ 119,742	3.0	27.5%	98	\$ 1,719,510	\$ 17,546			
Columbia	\$ -	0		\$ -	\$ -				\$ -				
Cowlitz	\$ 27,750,798	77	\$ 360,400	\$ 367,995	\$ 102,910	2.7	9.1%	77	\$ 1,113,068	\$ 14,455			
Douglas	\$ 6,408,320	15	\$ 427,221	\$ 438,747	\$ 121,900	3.5	60.0%	15	\$ 250,267	\$ 16,684			
Ferry	\$ 407,483.00	1	\$ 407,483	\$ 415,000	\$ 126,609	4.0	0.0%	1	\$ 16,299	\$ 16,299			
Franklin	\$ 28,596,085	76	\$ 376,264	\$ 387,087	\$ 105,592	2.8	67.1%	72	\$ 1,062,626	\$ 14,759			
Garfield	\$ 255,290	1	\$ 255,290	\$ 260,000	\$ 73,127	1.0	0.0%	1	\$ 10,211	\$ 10,211			
Grant	\$ 17,717,378	58	\$ 305,472	\$ 311,805	\$ 97,030	2.4	50.0%	58	\$ 690,993	\$ 11,914			
Grays Harbor	\$ 15,069,573	47	\$ 320,629	\$ 331,033	\$ 101,249	2.5	23.4%	43	\$ 561,417	\$ 13,056			
Island	\$ 8,989,433	20	\$ 449,472	\$ 457,705	\$ 121,901	3.4	15.0%	20	\$ 340,765	\$ 17,038			
Jefferson	\$ 2,049,057	5	\$ 409,811	\$ 418,807	\$ 132,312	3.4	0.0%	5	\$ 84,616	\$ 16,923			
King	\$ 100,300,170	207	\$ 484,542	\$ 527,139	\$ 127,150	2.4	63.3%	150	\$ 3,000,086	\$ 20,001			
Kitsap	\$ 44,615,670	109	\$ 409,318	\$ 428,039	\$ 116,561	2.3	19.3%	99	\$ 1,602,080	\$ 16,183			
Kittitas	\$ 4,489,391	13	\$ 345,338	\$ 366,242	\$ 98,516	2.3	15.4%	11	\$ 152,202	\$ 13,837			
Klickitat	\$ 1,777,407	5	\$ 355,481	\$ 362,040	\$ 131,226	2.0	0.0%	5	\$ 69,917	\$ 13,983			
Lewis	\$ 11,764,617	33	\$ 356,504	\$ 365,812	\$ 103,430	2.2	9.1%	31	\$ 439,222	\$ 14,168			
Lincoln	\$ 1,794,814	6	\$ 299,136	\$ 309,083	\$ 113,491	4.7	0.0%	6	\$ 70,186	\$ 11,698			
Mason	\$ 20,591,555	60	\$ 343,193	\$ 355,276	\$ 99,698	2.2	25.0%	55	\$ 756,723	\$ 13,759			
Okanogan	\$ 4,421,726	16	\$ 276,358	\$ 290,006	\$ 93,954	2.8	43.7%	13	\$ 148,708	\$ 11,439	1	\$ 9,900	\$ 9,900
Pacific	\$ 2,504,741	7	\$ 357,820	\$ 375,536	\$ 104,385	2.9	14.3%	6	\$ 85,162	\$ 14,194			
Pend Oreille	\$ 1,147,980	4	\$ 286,995	\$ 293,500	\$ 90,711	2.0	0.0%	4	\$ 45,440	\$ 11,360			
Pierce	\$ 198,598,112	434	\$ 457,599	\$ 481,687	\$ 119,314	2.8	52.3%	366	\$ 6,817,991	\$ 18,628			
San Juan	\$ -			\$ -									
Skagit	\$ 21,312,979	47	\$ 453,468	\$ 468,679	\$ 120,727	2.6	44.7%	46	\$ 835,540	\$ 18,164			
Skamania	\$ 404,456	1	\$ 404,456	\$ 413,000	\$ 80,347	1.0	0.0%	1	\$ 16,178	\$ 16,178			
Snohomish	\$ 71,774,738	134	\$ 535,632	\$ 553,237	\$ 131,367	2.6	34.3%	129	\$ 2,736,880	\$ 21,216			
Spokane	\$ 80,714,730	244	\$ 330,798	\$ 342,308	\$ 101,073	2.6	18.4%	223	\$ 2,871,744	\$ 12,878	1	\$ 10,000	\$ 10,000
Stevens	\$ 2,596,106	8	\$ 324,513	\$ 330,500	\$ 93,454	2.5	0.0%	8	\$ 105,129	\$ 13,141			
Thurston	\$ 42,715,273	101	\$ 422,923	\$ 438,743	\$ 114,511	2.3	21.8%	90	\$ 1,524,654	\$ 16,941			
Wahkiakum	\$ 471,306	1	\$ 471,306	\$ 480,000	\$ 159,955	3.0	0.0%	1	\$ 18,852	\$ 18,852			
Walla Walla	\$ 7,842,651	22	\$ 356,484	\$ 363,593	\$ 103,308	2.5	45.5%	22	\$ 310,931	\$ 14,133			
Whatcom	\$ 17,756,044	43	\$ 412,931	\$ 440,179	\$ 110,009	2.2	20.1%	33	\$ 539,129	\$ 16,337			
Whitman	\$ 4,460,003	15	\$ 297,334	\$ 311,467	\$ 99,607	2.5	1513.3%	14	\$ 154,820	\$ 11,059			
Yakima	\$ 54,612,706	167	\$ 327,022	\$ 335,734	\$ 97,421	2.9	77.8%	160	\$ 2,088,567	\$ 13,054	1	\$ 10,000	\$ 10,000
TOTAL	\$ 917,209,500	2269	\$ 404,235	\$ 421,643	\$ 112,163	2.6	39.8%	2045	\$ 32,842,291	\$ 16,060	3	\$ 29,900	\$9,967

*Primary Mortgagor.

WASHINGTON STATE HOUSING FINANCE COMMISSION
HOMEOWNERSHIP PROGRAMS
HOUSE KEY OPPORTUNITY/CASH WINDOW/OPEN MARKET AND OPPORTUNITY DPA PRODUCTION
July 1, 2024 - December 31, 2024

COUNTY	HOUSE KEY LOAN AMOUNT	% OF TOTAL LOAN AMOUNT	NUMBER OF HK LOANS	AVERAGE LOAN AMOUNT	AVERAGE ACQUISITION COST	AVERAGE HOUSEHOLD INCOME	AVERAGE FAMILY SIZE	PROGRAM MINORITY %	GENERAL MINORITY POPULATION**	NUMBER OF OPPORTUNITY DPA LOANS	OPPORTUNITY DPA LOAN AMOUNT	AVERAGE OPPORTUNITY DPA LOAN	HUD AREA MEDIAN INCOME LIMIT
Adams	\$ 374,006	0.46%	2	\$ 187,003	\$ 192,500	\$ 50,497	1.5	0.0%	59.60%	2	\$ 26,914	\$ 13,457	\$ 47,900
Asotin									6.08%				\$ 60,100
Benton	\$ 2,299,490	2.80%	9	\$ 255,499	\$ 276,089	\$ 73,925	2.8	22.2%	23.70%	9	\$ 98,745	\$ 10,972	\$ 70,300
Chelan									30.33%				\$ 56,700
Clallam	\$ 279,300	0.34%	1	\$ 279,300	\$ 294,000	\$ 60,000	1.0	0.0%	15.02%	1	\$ 15,000	\$ 15,000	\$ 56,300
Clark	\$ 3,968,301	4.83%	14	\$ 283,450	\$ 342,998	\$ 70,472	2.4	42.8%	15.99%	11	\$ 164,500	\$ 14,955	\$ 73,900
Columbia									11.71%				\$ 60,000
Cowlitz	\$ 1,576,345	1.92%	6	\$ 262,724	\$ 275,667	\$ 65,761	3.0	16.7%	12.65%	5	\$ 73,736	\$ 14,747	\$ 58,100
Douglas	\$ 566,913	0.69%	2	\$ 283,457	\$ 292,500	\$ 66,194	2.5	50.0%	29.51%	2	\$ 29,492	\$ 14,746	\$ 56,700
Ferry									26.76%				\$ 43,600
Franklin	\$ 1,238,888	1.51%	4	\$ 309,722	\$ 320,000	\$ 80,838	3.8	50.0%	60.00%	4	\$ 60,000	\$ 15,000	\$ 70,300
Garfield									5.27%				\$ 69,700
Grant	\$ 1,108,900	1.35%	5	\$ 221,780	\$ 238,200	\$ 64,510	3.6	20.0%	43.18%	5	\$ 40,659	\$ 8,132	\$ 56,900
Grays Harbor	\$ 1,102,021	1.34%	5	\$ 220,404	\$ 229,080	\$ 55,767	2.0	20.0%	19.20%	5	\$ 67,255	\$ 13,451	\$ 56,800
Island									17.79%				\$ 74,200
Jefferson									10.32%				\$ 65,200
King	\$ 15,770,758	19.19%	53	\$ 297,561	\$ 376,111	\$ 88,194	2.5	69.8%	31.50%	50	\$ 735,580	\$ 14,712	\$ 89,600
Kitsap	\$ 4,213,669	5.13%	16	\$ 263,354	\$ 353,478	\$ 68,625	1.4	18.7%	20.33%	14	\$ 200,894	\$ 14,350	\$ 74,600
Kittitas	\$ 573,000	0.70%	3	\$ 191,000	\$ 345,000	\$ 53,211	3.7	33.3%	13.18%	3	\$ 45,000	\$ 15,000	\$ 65,800
Klickitat	\$ 814,266	0.99%	3	\$ 271,422	\$ 284,667	\$ 88,820	3.3	0.0%	17.83%	3	\$ 45,000	\$ 15,000	\$ 46,900
Lewis	\$ 2,180,357	2.65%	8	\$ 272,545	\$ 280,326	\$ 77,853	2.6	12.5%	12.39%	8	\$ 116,544	\$ 14,568	\$ 57,800
Lincoln	\$ 270,019	0.33%	1	\$ 270,019	\$ 275,000	\$ 56,717	2.0	0.0%	6.67%	1	\$ 15,000	\$ 15,000	\$ 60,300
Mason	\$ 1,633,590	1.99%	5	\$ 326,718	\$ 329,320	\$ 89,817	3.0	20.0%	15.82%	3	\$ 40,097	\$ 13,366	\$ 60,800
Okanogan	\$ 1,329,817	1.62%	7	\$ 189,974	\$ 207,071	\$ 68,387	2.7	14.3%	33.58%	6	\$ 74,380	\$ 12,397	\$ 51,900
Pacific	\$ 1,512,698	1.84%	6	\$ 252,116	\$ 266,321	\$ 65,641	2.3	0.0%	15.57%	6	\$ 80,786	\$ 13,464	\$ 53,500
Pend Oreille									10.46%				\$ 49,100
Pierce	\$ 12,088,989	14.71%	36	\$ 335,805	\$ 374,607	\$ 86,584	2.9	41.7%	27.50%	30	\$ 436,180	\$ 14,539	\$ 71,000
San Juan									6.62%				\$ 68,200
Skagit									22.10%				\$ 68,200
Skamania	\$ 319,113	0.39%	1	\$ 319,113	\$ 325,000	\$ 102,435	3.0	0.0%	10.34%	1	\$ 13,000	\$ 13,000	\$ 73,900
Snohomish	\$ 5,382,923	6.55%	14	\$ 384,495	\$ 401,492	\$ 93,748	2.6	35.7%	20.27%	13	\$ 195,000	\$ 15,000	\$ 89,600
Spokane	\$ 12,329,904	15.01%	52	\$ 237,114	\$ 274,173	\$ 61,600	2.7	19.3%	11.97%	45	\$ 643,715	\$ 14,305	\$ 64,500
Stevens	\$ 792,427	0.96%	4	\$ 198,107	\$ 210,400	\$ 58,356	2.0	0.0%	11.91%	4	\$ 54,593	\$ 13,648	\$ 54,700
Thurston	\$ 2,532,502	3.08%	8	\$ 316,563	\$ 330,875	\$ 81,259	2.4	0.0%	19.59%	6	\$ 90,000	\$ 15,000	\$ 71,500
Wahkiakum									8.14%				\$ 54,500
Walla Walla	\$ 551,738	0.67%	2	\$ 275,869	\$ 283,000	\$ 63,912	2.0	0.0%	26.91%	2	\$ 24,650	\$ 12,325	\$ 62,900
Whatcom	\$ 1,626,911	1.98%	8	\$ 203,364	\$ 256,817	\$ 61,895	2.0	12.5%	16.27%	7	\$ 102,513	\$ 14,645	\$ 67,600
Whitman	\$ 201,685	0.25%	1	\$ 201,685	\$ 209,000	\$ 55,244	1.0	0.0%	15.48%	1	\$ 14,222	\$ 14,222	\$ 67,600
Yakima	\$ 5,525,099	6.72%	22	\$ 251,141	\$ 261,363	\$ 65,691	3.2	86.4%	52.36%	22	\$ 311,829	\$ 14,174	\$ 53,200
TOTAL	\$ 82,163,629	100.00%	298	\$ 275,717	\$ 316,336	\$ 74,518	2.6	36.3%	25.19%	269	\$ 3,815,284	\$ 14,183	\$ 62,933

*Primary Mortgagor.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
QUARTERLY STATUS REPORT**

**Program Summary
Fiscal Year 2024 - 2025
Quarter Ending: December 31, 2024**

Program: Multifamily Housing Program

Division: MHCF

Commission Goal:

To provide equitable access and effective, low-cost financing for the new construction and preservation of multifamily housing for the homeless, farmworkers, other special needs populations and the general workforce at or below 60% of the area median income.

Problem/Need:

There is a lack of sufficient affordable rental housing throughout the State and the cost of housing exceeds the incomes of many households. Resources are insufficient to meet the affordable housing need.

Program Goal:

To create and preserve affordable rental housing and provide access to capital to underserved communities by removing barriers in program design.

Business Objectives (Outputs/Outcomes):

1. Program wide:

- a. Evaluate the impacts resulting from historic and systemic racism on Commission programs and processes, including the multifamily housing programs, change programs and develop new tools to mitigate the impact of such racism within the timeline and in alignment with the agency's racial equity strategic plan.

First Quarter: Continued technical assistance with applicants and ongoing engagement strategy with CBOs. Participated in several grand openings with organizations that completed projects under the new framework for allocating resources focused on CBO owned projects.

Second Quarter: Continued assessment and evaluation of CBO engagement and current policy framework.

- b. Evaluate opportunities for grant applications for all division programs and report quarterly to AMT and Administration. Ongoing through June 30, 2025.

First Quarter: No activity.

Second Quarter: No activity.

- c. Tax credit and housing bond policies reviewed annually, including total development costs limits to increase alignment with the Racial Equity Strategic Plan values. Ongoing through June 30, 2025.

First Quarter: The 9% Tax Credit Program 2025 policies were updated and approved by the Board in July and the Bond/4% Tax Credit Program 2025 policies were updated and approved by the Board in September.

Second Quarter: Fall allocation process and review of applications. Several workgroups were established to address current operating and financial issues with projects converting from construction to permanent financing.

- d. Continued process improvement and streamlining of application and placed in service functions by leveraging technologies such as Salesforce, Laserfiche, and more. Add additional programs as budget and timeline allows. Ongoing through June 30, 2025.

First Quarter: Made updates to the placed in service excel forms and reposted them to the Laserfiche form on our website.

Second Quarter: Assessment, documentation and development of a Laserfiche process to streamline the Subsidy Layering Review process.

- e. Perform analysis and assessment of current fee structure by December 31, 2024. Propose any modifications to fee schedule by May Budget planning process for implementation in new fiscal year.

First Quarter: No activity.

Second Quarter: No activity.

- f. Assess current staffing needs and objectives based on legislative, emerging program initiatives and automation by December 31, 2025. Provide internship opportunities, either through HDC program or other avenues, track and report progress by June 30, 2025.

First Quarter: Hired Bond Manager and completed recruitment and hiring for bond analyst vacancy created by promoting existing staff to the Manager position.

We coordinated with HDC on preparations for a new intern to start in the MHCF division in October.

Second Quarter: Continue to develop and train new staff and interns.

- g. Develop a preservation strategy to be piloted in 2025 grounded in an analysis of the portfolio's needs in coordination with AMC, which incorporates alignment of resources and program values to maintain quality affordable housing for the long term and foster healthy and sustainable homes in a changing climate. Ongoing through June 30, 2025.

First Quarter: Convening with public funder partners to understand the landscape of operating challenges in the portfolio and strategize on coordination efforts to share and develop data analyses to inform both near term and long-term policy and program strategy. Coordination efforts are currently active with the Department of Commerce and the King County public funders due to the issues raised by housing providers that are struggling to operate and maintain their properties, which is heightened in the Seattle-King County area. High level portfolio analysis of general characteristics and rent burden at the County level has been completed for a base line of the portfolio, additional analyses are underway.

Second Quarter: Continued organizing, facilitating and exploring strategies for the stabilization of the portfolio. Staff are participating in several workgroups to develop recommendations and strategies to address current project operating issues. All these efforts will help inform a larger preservation strategy.

2. Multi-family housing bonds:

- a. Finance 3,000 units of affordable rental housing or issue \$350,000,000 in tax-exempt bonds by June 30, 2025.

First Quarter:

Project Name	Location	Tax-Exempt Bonds	Units
Camas Flats	Oak Harbor	\$19,572,000.00	82
Lansdale Pointe	Olympia	\$29,000,000.00	162
*Ovation at Meeker Apartments Supplemental	Kent	\$2,500,000.00	218
Total		\$51,072,000.00	462

**Units counted with a prior issuance of tax-exempt bonds.*

Second Quarter:

Project Name	Location	Tax-Exempt Bonds	Units
*Grata at Totem Lake Supplemental	Kirkland	\$12,000,000.00	125
*Midvale Village Supplemental	Shoreline	\$28,000,000.00	210
Bryant Manor Phase II	Seattle	\$48,734,255.00	149
*Four Corners Supplemental	Everett	\$9,600,000.00	430
Village at Lake Stevens	Lake Stevens	\$36,500,000.00	188
Mercy Aviva Crossing - 4%	Tacoma	\$21,597,628.00	79
*Redondo Heights TOD Phase II Supplemental	Federal Way	\$3,000,000.00	202
Spring District/120 th Station	Bellevue	\$68,800,000.00	234
Total		\$228,231,883.00	1,617

**Units counted with a prior issuance of tax-exempt bonds.*

- b. Monitor and control multifamily bond cap including transfers to other issuers to ensure maximum use of the state's resource, review quarterly through June 30, 2025.

First Quarter: No activity this quarter.

Second Quarter:

Project Name	Issuer	Location	Tax-Exempt Bonds	Units
VHA Portfolio	Vancouver Housing Authority	Vancouver	\$36,997,453.30	232
Bremerton Bright Start Properties	Bremerton Housing Authority	Bremerton	\$36,000,000.00	138
Cascara	Vancouver Housing Authority	Vancouver	\$15,496,181.50	98
Broadway Center for Youth (YC South Annex)	Community Roots Housing	Seattle	\$31,250,000.00	84
Total			\$119,743,634.80	552

- c. Pursue initiatives for increasing private activity bond cap, including recycling of bond cap, lowering of 50% test and other initiatives depending on federal and state framework with a report by June 30, 2025.

First Quarter: Ongoing discussions with Senator Cantwell's office and NCSHA regarding next steps and other issues that have surfaced with the credit.

Second Quarter: Monitoring current discussion regarding federal tax packages and new administration proposals.

- d. Seek additional and alternative methods of financing multifamily housing
 - i. Model additional financing structures with EIHF and continue to staff and evaluate additional options with the Seattle Foundation or other partners for furthering housing development by June 30, 2025.

First Quarter: Several presentations in Tacoma and Spokane to expand the investor and geographic base for EIHF.

Second Quarter: Continued discussions with potential investors and assessing alternative financing models.

- ii. Create Community Based Organization fund or capacity building initiatives aimed at addressing gaps in communities most impacted having access to capital by June 30, 2025.

First Quarter: Continue to coordinate with the LISC cohort and participate in capacity related discussions with Commerce, BHI, HUD.

Second Quarter: Ongoing discussion and alignment of current initiatives.

3. Housing Credits:

- a. Allocate credits to 860 or more units of affordable housing by December 31, 2024 issuing final allocations to 100% of the projects with all PIS requirements satisfied by January 15, 2025.

First Quarter: We have conducted public hearings for 11 of the 13 projects that are receiving 2024 tax credits from the 9% program. We anticipate conducting the public hearing for the final two projects in November and completing the execution of all Credit Reservation and Carryover Contracts (RACs) shortly thereafter.

Second Quarter: We held public hearings for the remaining projects receiving 2024 tax credits from the 9% program and signed all RACs by December 31, 2024. Our deadline for 2025 project applications for the 9% round was on November 4th. We received 17 applications and anticipate allocating tax credits to 11 of those projects.

- b. Assess and redefine 9% policies based on specific values and outcomes-based approach with initial scoping and stakeholder engagement by December 31, 2024 and final policy approach by June 30, 2025 for implementation for 2026 allocations.

First Quarter: We convened a discussion with interested parties in the 9% Metro credit pool in September to discuss each county's pipeline for the 2025 round. It was also mentioned during this meeting that, in 2025, we would likely meet to gauge how the process for the Metro pool has been working and whether we would continue the current course in which each county prioritizes one project per year for this pool.

Second Quarter: We're planning another Metro pool meeting this winter to discuss each county's existing pipeline.

- c. Review and process non-Commission bond/housing credit applications received within 30 days. Ongoing through June 30, 2025.

First Quarter: We received the Bremerton Housing Authority's Bremerton Bright Start Properties application. A draft Regulatory Agreement has been circulated for comments. Closing is expected on December 5, 2024.

Second Quarter: Closed on Bremerton Bright Start Properties, Broadway Center for Youth and Cascara Apartments.

Performance Measures:

1. Approximately 1,500 low and moderate-income households will have affordable rental housing as a result of bond and tax credit financing, and 50% of the 860 units to be financed with 9% tax credits will serve households earning less than 50% AMI or meet other program set-asides and 95% of carryover projects will perform within specified timelines. Estimated bonds for fiscal year - \$350,000,000.
2. Incorporate client recommendations into program revisions when appropriate.
3. Heightened awareness of race, equity, and social justice issues and how our policies either help or hinder enabling greater access amongst all of the division's program to communities of color. Aligned with training objective and staff evaluation in the agency racial equity plan, June 30, 2025.
4. Reports and Program initiatives are completed and or implemented by June 30, 2025.

Assumptions:

1. The financing tools available to the Commission provide a cost-effective and efficient benefit to eligible borrowers.
2. Changes to the tax code do not impede the issuance of bonds.
3. There is sufficient issuance authority under the debt ceiling.
4. One Tax Credit (TC) application round per year and housing credit of \$2.75
5. Commission policy requirements are not in irresolvable conflict with market requirements.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
QUARTERLY STATUS REPORT**

**Program Summary
Fiscal Year 2024-2025
Quarter Ending: December 31, 2024**

Program: Homeownership Programs

Division: Homeownership

Commission Goals:

To provide effective, low-cost financing for low to moderate income homebuyers.

Problem/Need:

Low and moderate-income households—especially underserved communities and communities of color—cannot afford a home at market rates and can be subject to predatory loans. Due to historical discrimination in the housing and housing finance markets, many members of underserved communities have not been able to benefit from the generational wealth created with homeownership; therefore, for this and other reasons, they are unable to access funding for downpayments and closing costs. These communities have also been historically denied access to credit due to historically biased lending practices and inflexible investor guidelines.

Program Goal:

To address historical inequities in homeownership for low and moderate-income homebuyers, the Homeownership Division seeks to provide safe and affordable financing options that include downpayment assistance at favorable rates and terms. The Homeownership Division also seeks to broaden the credit box through flexible underwriting guidelines for potential homebuyers as well as challenging traditional financing requirements that may be biased against underserved borrowers and communities of color.

Business Objectives (Outputs/Outcomes):

1. Consider the impacts resulting from historic and systemic racism on Commission programs and processes, including the homeownership programs, change programs, develop new tools to mitigate the impact of such racism and set baseline to measure impact in alignment with the agency racial equity strategic plan by June 30, 2025.

First Quarter:

- Covenant Homeownership Program Implemented
- Staff provided Covert Homeownership Program Lender Trainings

Second Quarter:

- Conducting preliminary research on Phase 2 of the Covenant Homeownership Program.
2. By June 30, 2025, continue to work on marketing and outreach to reach underserved communities and communities of color groups in our homeownership programs to include outreach to renters in our multifamily properties.

First Quarter:

- Developing a marketing kit in conjunction with finalizing one page brochure for multi-family property managers to distribute.

Second Quarter:

- Staff continues to attend and present our programs upon request at community events.
3. Purchase 4,000 Home Advantage loans and 300 House Key loans by June 30, 2025.

First Quarter:

1st Quarter	Number	Amount	% Minority Borrowers
House Key	144	\$ 40,164,504	32.64%
MCC	0	\$ -	
Home Advantage	1148	\$ 465,676,555	35.19%
Covenant DPA	28	\$ 2,953,681	100%
HK Opportunity DPA	129	\$ 1,819,134	33.33%
Home Advantage DPA	1074	\$ 17,295,856	34.26%
Home Advantage DPA Needs Based 1%	2	\$ 19,900	50.00%
Homechoice	7	\$ 93,650	14.29%
Clark County DPA	0	\$ -	
House Key Veterans	2	\$ 20,000	50.00%
House Key Seattle	0	\$ -	
Tacoma DPA	0	\$ -	
Bellingham DPA	1	\$ 40,000	0.00%
Pierce County	0	\$ -	
Bremerton DPA	0	\$ -	
HK+ Arch- East King County DPA	0	\$ -	
HK+ CLT	0	\$ -	
University of WA DPA (non-Commission funds)	0	\$ -	

Second Quarter:

2nd Quarter	Number	Amount	% Minority Borrowers
House Key	154	\$ 41,999,125	39.61%
MCC	0	\$ -	
Home Advantage	1121	\$ 451,532,945	44.51%
Covenant DPA	111	\$ 12,252,774	100%
HK Opportunity DPA	140	\$ 1,996,150	40.00%
Home Advantage DPA	971	\$ 15,546,435	39.75%
Home Advantage DPA Needs Based 1%	1	\$ 10,000	0.00%
Homechoice	6	\$ 90,000	16.67%
Clark County DPA	0	\$ -	
House Key Veterans	0	\$ -	
House Key Seattle	0	\$ -	
Tacoma DPA	0	\$ -	
Bellingham DPA	1	\$ 40,000	0.00%
Pierce County	0	\$ -	
Bremerton DPA	0	\$ -	
HK+ Arch- East King County DPA	1	\$ 20,000	0%
HK+ CLT	0	\$ -	
University of WA DPA (non-Commission funds)	3	\$ 181,590	66.67%

4. Conduct 10 lender Home Advantage training seminars; 10 real estate professional/lender presentations; 20 outreach activities with non-profits, lenders, real estate professionals and/or government entities, 5 partnerships, sponsorships, and/or attendance of BIPOC community-based partner events, and 4 HomeChoice down payment assistance training seminars by June 30, 2025.

Conduct 10 lender Home Advantage training seminars

First Quarter:

- Conducted 3 Home Advantage/House Key training seminars virtually via Zoom.

Total for Quarter: 03

Total for Fiscal Year: 03

Second Quarter:

- Conducted 3 Home Advantage/House Key training seminars virtually via Zoom.

Total for Quarter: 03

Total for Fiscal Year: 06

10 real estate professional/lender presentations

First Quarter:

- Corinna Obar and Dietrich Schmitz conducted training on the Covenant Homeownership program July 16, 18, 22, 23 and 29, 2024.
- Jenni Davidson held backoffice training with 29 attendees on July 17, 2024.
- Lisa DeBrock and Dietrich Schmitz hosted a Lunch and Learn with the Washington Homeownership Resource Center in conjunction with WMBA on July 25, 2024.
- Robin Denning held backoffice training on July 25, 2024.
- Lisa DeBrock presented on our programs in conjunction with Freddie Mac at the LGBTQ & Real Estate Alliance on August 8, 2024.
- Jenni Davidson and Krystina Gillen held backoffice training on August 13, 2024 with 39 attendees.
- Jenni Davidson and Robin Denning held backoffice training with 15 attendees on September 18, 2024.
- Lisa DeBrock presented on our programs at the Washington Realtors Conference in Tri-Cities on September 19, 2024.
- Lisa DeBrock presented at the WA Mortgage Bankers conference on the importance of partnerships on September 23, 2024.
- Lisa DeBrock presented on our programs as part of a panel entitled “Homeownership Advocacy & Products” in partnership with Africatown Land Trust on September 28, 2024.

Total for Quarter: 14

Total for Fiscal Year: 14

Second Quarter:

- Lisa DeBrock moderated a panel entitled "A Dialogue with Homeownership Partners" at the NCSHA Annual Conference in Phoenix on October 1, 2024.
- Lisa DeBrock presented our programs at Ensemble NW Realty on October 9, 2024.

- Jenni Davidson held backoffice training with 55 attendees on October 15, 2024.
- Lisa DeBrock presented our programs as part of a CRA roundtable on October 23, 2024.
- Jenni Davidson held backoffice training with 5 attendees on November 13, 2024.
- Lisa DeBrock presented our programs along with Jessica Talton at the WMBA Lunch & Learn on December 10, 2024.

Total for Quarter: 6

Total for Fiscal Year: 20

20 outreach activities with non-profits, lenders, real estate professionals and/or government entities

First Quarter:

- Carla Vanderpool and Jenni Davidson attend the WMBA golf tournament on July 10, 2024.
- Dietrich Schmitz presented on the CHA program at the NW African American Museum Event on July 20, 2024.
- Corinna Obar presented on our programs at the Urban League Resource Fair on August 18, 2024.
- Dietrich Schmitz presented on the CHA program at the City of Tukwila on September 5, 2024.
- Corinna Obar presented on the CHA program at Keller William Realty office in Seattle on September 10, 2024.
- Dietrich Schmitz participated in a focus group in conjunction with Thurston County on Energy Efficient home on September 18, 2024.
- Homeownership staff attended Housing WA Conference September 24-26, 2024.
- Homeownership staff attended NCSHA Annual Conference September 28-Oct 1, 2024.

Total for Quarter: 08

Total for Fiscal Year: 08

Second Quarter:

- Dietrich Schmitz presented our programs at the Whitman County Homeownership Resource Fair on October 5, 2024.
- Dietrich Schmitz participated on a CHA panel at the New Hope Baptist Church in conjunction with Urban League on November 16, 2024.
- Corinna Obar presented on the CHA program at the Spokane Realtors DEI Committee meeting on November 18, 2024.
- Dietrich Schmitz presented on the CHA program on November 23, 2024 at the Chief Seattle Club.

Total for Quarter: 04**Total for Fiscal Year: 12**

5 partnerships, sponsorships, and/or attendance of BIPOC community-based partner events

First Quarter:

- Dietrich Schmitz manned a table at the NW African American Museum event on July 20, 2024.
- Homeownership staff manned a booth at the Judkins Park Umoja Fest on August 3 & 4, 2024.

Total for Quarter: 03**Total for Fiscal Year: 03****Second Quarter:**

- Dietrich Schmitz manned a table at the WA African American Chamber of Commerce event on October 20, 2024.
- Dietrich Schmitz and Kat Komin manned a table at the NW African American event on December 5, 2024.

Total for Quarter: 02**Total for Fiscal Year: 05**

4 HomeChoice/Advanced down payment assistance training seminars

First Quarter:

- Conducted 2 Home Choice down payment assistance training seminars.

Total for Quarter: 02

Total for Fiscal Year: 02

Second Quarter:

- Conducted 3 Home Choice down payment assistance training seminars.

Total for Quarter: 03

Total for Fiscal Year: 05

Conduct an RFP to hire for Loan Servicer(s) or extend current contract(s) by 12/31/2024.

First Quarter:

- Will work on extension or RFP in 2nd quarter.

Second Quarter:

- Contract extended.

Conduct an RFP to hire for Single Family Investment Bankers by 12/31/2024.

First Quarter:

- Will work on extension or RFP in 2nd quarter.

Second Quarter:

- Contract awarded.

Continue to work with Seller Servicer Consultant on a Work Plan and timeline for application if applicable for certification of the Commission as a Ginnie Mae, Fannie Mae or Freddie Mac seller/servicer by June 30, 2025.

First Quarter:

- Waiting for approval from Freddie Mac agency.

Second Quarter:

- Received Freddie Mac Approval.
5. Continue implementation of one or more special purpose credit programs, evaluate program, and implement changes if needed by June 30, 2025.

First Quarter:

- Launched Covenant Homeownership special purpose credit program.

Second Quarter:

- Conducting preliminary research on Phase 2 of the Covenant Homeownership Program.
6. Work with the Department of Financial Institutions as part of oversight committee for the covenant homeownership program by June 30, 2025.

First Quarter:

- Met with Department of Financial Institutions oversight committee on Covenant Homeownership program to update initial launch of the program.

Second Quarter:

- Lisa DeBrock did a CHA update presentation for the CHP Oversight Committee on October 30, 2024.

Performance Measures:

4,300 low and moderate-income households purchase an affordable home using the House Key Program/Home Advantage by the Commission by June 30, 2025.

1. 90% of the loans are reviewed within 3 business days of receipt by June 30, 2025.
(We are unable to accurately determine this in the Emphasys system.)

First Quarter:

- Out of 1148 Home Advantage files, 1132 or 98.60% were reviewed within 3 business days of receipt, 16 or 1.40% were reviewed after 3 business days of receipt.

Second Quarter:

- Out of 1121 Home Advantage files, 1113 or 99.29% were reviewed within 3 business days of receipt, 9 or 0.71% were reviewed after 3 business days of receipt.
2. The Homeownership division receives an average score of 4 or better on the evaluation of division conducted training workshops.

First Quarter:

- Out of 3 trainings, 100% of the training received an average score of 4 or better.

Second Quarter:

- Out of 3 trainings, 100% of the training received an average score of 4 or better.

Assumptions:

1. Assumes the daily-priced MBS market is financially feasible during the FY.
2. Assumes sufficient down payment assistance funds.
3. Assumes there is a conventional offering under Home Advantage.
4. Assumes GSEs maintains their current downpayment assistance guidelines.
5. Assumes having the products requested by lending partners to meet customer needs.
6. Assumes competitive Home Advantage/House Key programs interest rate sufficient to maintain a \$25 million average per week reservation rate.
7. Assumes competitive rates are available in the daily-priced market and bond market.
8. Assumes we have Loan Servicers who review loans in a timely manner and have liquidity to purchase loans daily.
9. Assumes the Commission has liquidity to purchase loans.
10. Assumes we have positive arbitrage to use in FY 2024-25.
11. Assumes there is an inventory of affordable homes.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
QUARTERLY STATUS REPORT**

**Program Summary
Fiscal Year 2024-2025
Quarter Ending: December 31, 2024**

Program: Homebuyer Education and Counseling

Division: Homeownership

Commission Goal:

To actively support our potential homebuyers and existing homeowners through education and counseling services.

Problem/Need:

Many lower income and first-time homebuyers lack the community resources to learn how to buy a home and understand the responsibilities of homeownership, including what to do if they are having difficulty making their monthly mortgage payment.

Program Goal:

To provide the educational opportunity for potential homebuyers to learn how to buy, maintain and stay in their home.

Business Objectives (Outputs/Outcomes):

1. Consider the impacts resulting from historic and systemic racism on Commission programs and processes, including the homeownership programs, change programs and develop new tools to mitigate the impact of such racism. Ensure that any grant administration program complies with the Commission's efforts regarding racial and social justice initiatives.

First Quarter:

- Ongoing. We continue to advocate that any new counseling programs be mindful of racial and social justice goals. We continue to seek opportunities to modify our programs to be more racially and socially just and have obtained and distributed grants to encourage BIPOC homeownership.

Second Quarter:

- Ongoing. We continue to advocate that any new counseling programs be mindful of racial and social justice goals. We continue to seek opportunities to modify our programs to be more racially and socially just and have obtained and distributed grants to encourage BIPOC homeownership.

2. Conduct 800 homebuyer education seminars, with 8,000 participants, including on-line classes by June 30, 2025.

First Quarter:

• Classes:	268	Participants:	1,698
• Non-English:	1	Participants:	10
• Tri-County:	186	Participants:	1,167
• Rest of State:	82	Participants:	531
• eHomeAmerica Online	1,749	Participants:	1,749
Total:			4,499

Second Quarter:

• Classes:	554	Participants:	3,617
• Non-English:	9	Participants:	86
• Tri-County:	391	Participants:	2,531
• Rest of State:	163	Participants:	1,086
• eHomeAmerica Online	3,147	Participants:	3,147
Total:			6,764

3. For new grants or existing grants develop and/or implement the appropriate distribution program by June 30, 2025.

First Quarter:

- Proceeding appropriately and ongoing.

Second Quarter:

- Proceeding appropriately and ongoing.

4. For grants that may expire this fiscal year, ensure that counseling funds are distributed by the grant end dates, or seek extensions as appropriate by June 30, 2025.

First Quarter:

- Proceeding appropriately and ongoing.

Second Quarter:

- Proceeding appropriately and ongoing.

5. Cooperatively work with the Department of Commerce to assist in implementing any counseling funds that become available to comply with program goals that may be set by the Commission, Commerce, or the Washington State Legislature by June 30, 2025.

First Quarter:

- Proceeding appropriately and ongoing

Second Quarter:

- Proceeding appropriately and ongoing

6. Continue to implement the American Rescue Plan Act Homeownership Assistance Program to comply with program goals that may be set by the Commission, Treasury, or the Washington State Legislature through June 30, 2025.

First Quarter:

- Proceeding appropriately and ongoing

Second Quarter:

- Proceeding appropriately and ongoing

Performance Measures:

1. Ten percent (10%) of the Homebuyer Education class instructor's participants teach a class within twelve (12) months of taking the class.

First Quarter:

- Out of 211 trainees, 46 or 21.80% of Homebuyer Education class participants taught a class within 12 months of taking the class.

Second Quarter:

- Out of 406 trainees, 96 or 23.65% of Homebuyer Education class participants taught a class within 12 months of taking the class.

2. All required reporting associated with any counseling grant be completed by their respective deadlines.

First Quarter:

- All reporting has been completed by respective deadlines.

Second Quarter:

- All reporting has been completed by respective deadlines.

Assumptions:

1. Assumes current demand for SF programs during the FY.
2. Assumes loan officers, real estate professionals and nonprofits will cooperate to teach seminars with the enforcement of the one loan per year policy.
3. Assumes homebuyer education and counseling funding for a grant distribution program.
4. Assumes Department of Financial Institutions will continue to provide counseling workbooks at no charge to seminar instructors.
5. Assumes homebuyer education database upgrades are implemented and functioning.
6. Assumes sufficient partner network to provide services developed for housing counseling and other related support services.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
QUARTERLY STATUS REPORT**

**Program Summary
Fiscal Year 2024 - 2025
Quarter Ending: December 31, 2024**

Program: Nonprofit Financing Program

Division: MHCF

Commission Goal:

To provide effective, low-cost financing for nonprofit-owned housing and facilities. To administer programs in an equitable and inclusive way.

Problem/Need:

Nonprofit organizations, particularly community-based organizations serving BIPOC people and other underserved communities have difficulty accessing low-cost credit options due to irregular revenue streams, systemic racism in the finance industry and other considerations. However, developing capital facilities will improve cash flow and assist them in carrying out their missions. The Commission provides options for organizations allowing them to take advantage of multiple choices to develop financing for supportive housing, multifamily facilities and housing intended for special populations.

Program Goal:

Eliminating real and perceived barriers to the tax-exempt bond market for eligible borrowers, to lower the cost of debt. To foster partnerships and assist in educating borrowers and the lending community about bond-financing and Commission resources to develop housing including assisted living, congregate care, and nursing beds. To form authentic relationships with community-based organizations beyond transactions.

Business Objectives (Output/Outcomes):

1. Program Objectives: Nonprofit Financing

- a. Evaluate the impacts resulting from historic and systemic racism on Commission programs and processes, including the nonprofit facilities and nonprofit housing programs and develop a baseline to track and measure impact in alignment with and on the timeline established by the agency racial equity strategic plan.

First Quarter: Staff created a new framework for the CapitalPlus program, prioritizing organizations led by and primarily serving Black, Indigenous, and other people of color.

Second Quarter: Ongoing analysis and assessment of current CBO engagement process. A new work plan is being developed.

- b. Incorporate into the engagement plan specific outreach to organizations in communities of color and other underserved communities. Report to Division leadership events, outreach and activities on a quarterly basis through June 30, 2025.

First Quarter: Staff continue to seek forums for discussion with community groups and BIPOC led nonprofit entities.

Second Quarter: Staff participated in several outreach events.

- c. Create an engagement plan for interested party groups based on Interested Party Mapping completed in 2024, especially groups designated as Low Power, High Interest, in alignment with public engagement goals detailed in racial equity strategic plan. Report on progress toward creating the plan quarterly through June 2025.

First Quarter: In response to feedback from community groups, we are pivoting our engagement plan for the upcoming year, moving toward a more community-led model.

Second Quarter: Ongoing assessment and analysis of next steps with guidance from third party consultants and facilitators.

- d. As committed in the racial equity strategic plan, begin the process of conducting a Racial Equity Impact Assessment across multiple programs, including defining requirements for the scope, budget, timeline, consultant qualifications, and internal staff load. (Timing aligned with RESP). REIA will be substantially completed by June 30, 2025 with recommendations and implementation to follow.

First Quarter: Staff finalized the RFP to eventually contract with a consultant to provide the bulk of the work.

Second Quarter: Meeting and due diligence to align with State PEAR requirements and assessment of priorities and capacity to implement this currently.

- e. Seek out alternative financing structures and provide technical assistance to traditional non-profit housing developers to utilize more fully 501(c)3 bonds to develop affordable housing by June 30, 2025.

First Quarter: Continue to coordinate with Amazon on transactions and developing scope of work to expand EIHF.

Second Quarter: Continued dialog and assessment of alternative models for EIHf as well as ongoing discussions with other potential investors in alternative financing tools.

2. Nonprofit Financing Objectives:

- a. Issue \$80 million in bonds or finance 225 units/beds including facilities for senior housing by 6/30/2025

First Quarter:

Project Name	Location	Tax-Exempt Bonds	Units/Beds	Senior Housing
Parkshore Juanita Bay	Kirkland	\$65,000,000.00	50	Yes
Bayview Retirement Community	Seattle	\$13,285,000.00	178	Yes
Total		\$78,285,000.00	228	

Second Quarter:

Project Name	Location	Tax-Exempt Bonds	Units/Beds	Senior Housing
Wesley Homes Bradley Park LLC	Puyallup	\$152,885,000.00	198	Yes
Total		\$152,885,000.00	198	

- b. Coordinate and market green initiatives to nonprofit housing providers, with report on successes by 6/30/2024

First Quarter: Ongoing efforts to keep updated with IRA and Dept of Commerce efforts and to inform developers.

Second Quarter: Ongoing efforts to align and match IRA and Dept of Commerce initiatives with new or existing projects in the portfolio.

- c. Issue \$40 million in bonds for non-profit facilities by June 30, 2025

First Quarter:

Project Name	Location	Tax-Exempt Bonds	Nonprofit Type	Subtype
West Dock	Seattle	\$14,000,000.00	Public/Civic/Social Organization	Nonprofit Center
YMCA of Greater Seattle	Multiple*	\$42,362,000.00	Recreation Organization	Parks/Recreation Center
Total		\$56,362,000.00		

**12 facilities in King, San Juan, Lewis and Pierce counties*

Second Quarter:

Project Name	Location	Tax-Exempt Bonds	Nonprofit Type	Subtype
The Northwest School for the Arts, Humanities and Environment	Seattle	\$11,100,000.00	Education/Research Organization	K-12 School
Total		\$11,100,000.00		

Performance Outcome(s):

1. Eligible borrowers participate in our programs by developing housing and facilities with bond financing.
2. Portfolio of borrowers is expanded to include new organizations unaware of or unable to use the bond financing program in the past.
3. Nonprofits and banks consider the limitations imposed by 501(c)(3) bonds are not greater than the interest rate benefits.
4. Commission understands its broad range of interested party groups and integrates the needs and concerns of those groups into program design and implementation.
5. Commission marketing activities continue to generate client interest who use the Commission as issuer.
6. Incorporate client recommendations into the program design when appropriate.
7. Increased use of 501c3 financings for traditional non-profit housing developers.

Assumptions:

1. Tax-exempt bond financing provides more beneficial ways of developing nonprofit housing and facilities than other sources of financing for eligible borrowers.
2. Credit is available.
3. Changes to the tax code do not impede the issuance of bonds or do away with them altogether.
4. Commission policy requirements and market requirements are compatible.
5. Changes to health care reimbursement do not make the development of capital facilities providing childcare services, assisted living and/or nursing care infeasible.
6. The economy will support the services provided by eligible borrowers to the community and lenders will continue to underwrite nonprofits for the nonprofit-owned facilities.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
QUARTERLY STATUS REPORT**

**Program Summary
Fiscal Year 2024 - 2025
Quarter Ending: December 31, 2024**

Program: Special Focus Programs

Division: MHCF

Commission Goal:

To provide access to capital and address gaps in traditional financing for effective, low-cost financing for multifamily housing, manufactured housing communities, land acquisition, beginner farmer ranchers, energy efficiencies in housing and alternative energy technologies.

Problem/Need:

There is a lack of sufficient affordable rental housing throughout the State and the cost of housing exceeds the incomes of many households. Resources are insufficient to meet the affordable housing need. Beginning farmers and ranchers, have a lack of sufficient economic resources to purchase land and equipment. Additionally, there are current and historical barriers to accessing capital resources for BIPOC households and communities. In furtherance of State policy to reduce energy consumption, programs are necessary to increase energy efficiency in housing and facilities and to integrate renewable energy resources in these programs.

Program Goal:

To create and preserve affordable rental housing beyond the traditional financing sources. To provide financing for individuals seeking to begin a life in farming and ranching. To finance energy efficiency and renewable energy sources throughout all Commission programs.

Business Objectives (Outputs/Outcomes):

1. Program wide:

- a. Evaluate the impacts resulting from historic and systemic racism on Commission programs and processes, including the Commission's special focus programs, change programs and develop new tools to mitigate the impact of such racism within the timeline and in alignment with the agency racial equity strategic plan

First Quarter: Participated in BIPOC developer forum sponsored by HUD in Tacoma, providing information regarding our programs.

Second Quarter: Ongoing efforts to coordinate with LISC, BHI and other CBO's to be responsive in program gaps and needs.

- b. Evaluate opportunities for grant applications for all division programs and report quarterly to Director through June 30, 2025.

First Quarter: Working through interagency agreement with Sound Transit to invest in our LAP program.

Second Quarter: Continued administration of CDLAP program and assessing alignment with BHI, LISC, Field Order 15 and other capacity building programs

- c. Assess current staffing needs and objectives based on legislative or emerging program initiatives by December 31, 2024. Support ongoing internship opportunities within the Division through June 30, 2025.

First Quarter: Applied for and hired an intern under the HDC program.

Second Quarter: Continued participation in HDC internship program

2. Renewable and energy efficiency:

- a. Navigate, communicate, and track Inflation Reduction Act and state funding with relevant interested parties and potential partners through 6/30/2025. Assess potential impacts of additional funds and how we would support implementation.

First Quarter: Gave verbal commitment to assist the Department of Commerce in administering the \$156 million Solar for All grant awarded to Washington by the EPA. We expect to manage a sub-award of around \$10 million to fund projects that convey the benefits of solar to the LIHTC residents.

Second Quarter: Continued conversations with the State Energy Office about implementation of federal funding of Solar for All.

- b. Issue \$2 million from the SET and/or issue four SET loans. Look for opportunities to bridge or leverage federal and state resources through 6/30/2025.

First Quarter: No SET loans issued this quarter. Began discussing opportunities for SET to expand the reach of Commerce's clean energy grant program.

Second Quarter: Supported interested potential borrowers with technical assistance surrounding their energy upgrade projects and applications to SET.

- c. Continue to assess and develop strategic priorities for the SET that are responsive to community needs and gaps, including aligning the SET with our Racial Equity Strategic Plan and efforts.

First Quarter: No activity this quarter.

Second Quarter: No activity this quarter.

- d. Strengthen alignment with preservation efforts to foster healthy and sustainable homes in a changing climate. Ongoing through 6/30/2025.

First Quarter: Assessed the landscape of financial resources for energy efficiency and clean energy projects and the level of benefit they may offer to existing LIHTC properties.

Second Quarter: Continued conversations with owners of a bond/tax credit preservation applicant that may include SET funds to expand the scope of the energy work performed.

- e. Track and monitor multifamily point effectiveness and impact on energy efficiency and any potential changes by 6/30/2025.

First Quarter: Made minor updates to energy points for the 2025 Bond/4% application round.

Second Quarter: No activity this quarter.

Beginning farmers and ranchers:

- a. Issue \$1.5 million in tax-exempt bonds or close 3 projects by 06/30/25.

First Quarter: No activity.

Second Quarter: No activity.

- b. Monitor and track the Purchase Assistance Loan Program. Report quarterly on any potential loan activity.

First Quarter: No activity.

Second Quarter: No activity

- c. Continue to fund farmland conservation projects as Farm PAI funds become available. Report quarterly on progress to Division Director.

First Quarter: Closed two FarmPAI loans for \$2,904,379 conserving 270 acres of farmland in Grays Harbor and Island Counties.

Second Quarter: Contracted on one FarmPAI loan to close in early 3rd quarter.

3. Manufactured Housing Communities

- a. Finance 2 Manufactured Housing Communities, or 100 units, by 6/30/2025.

First Quarter: We financed the 115-site Tumwater Mobile Estates community in August.

Second Quarter: We financed the 48-site Olga Dor community in Tacoma in November.

- b. Track and monitor legislation and funding opportunities by 6/30/2025 and report quarterly on any progress or initiatives.

First Quarter: We are tracking the HUD PRICE Initiative grant awards that have been applied for by WA Department of Commerce and ROC USA. If awarded, some of the funds could be used for infrastructure improvements in communities that we have financed or for new resident-owned community acquisitions. We will also be tracking legislation during the upcoming session.

Second Quarter: The HUD PRICE Initiative grant awards were announced. ROC USA was awarded approximately \$38 million for infrastructure improvements throughout the U.S. We look forward to working with them to identify any communities in WA that could use the funds. We started to track pre-filed bills and are looking forward to tracking manufactured housing related legislation in this upcoming session.

4. Land Acquisition Program

- a. Implement, track and report any new initiatives developed either through private partnership or by the legislature by June 30, 2025.

First Quarter: Lots of activity with CD LAP and State LAP. Working with Sound Transit on finalizing documents for new TOD dollars towards LAP.

Second Quarter: Continued discussions and alignment with BHI, LISC, Field Order 15 funds. Continued discussion with Sound Transit on acquisition funds.

- b. Develop measures and report impacts of redefined outcomes by 6/30/2025.

First Quarter: Developed dashboard and need to keep updated balances to develop measures.

Second Quarter: Submitted required State LAP report.

Performance Measures:

1. Measure number of transaction and pipeline for each of the PRI programs.
2. Track reoccurring applicants, first time users and race/ethnicity of project sponsors as well as communities most impacted and tenant data, where applicable and available.

3. Create outcomes based approach for all the PRI programs, establishing baselines and key measures to track progress towards the outcomes.

Assumptions:

1. The financing tools available to the Commission provide a cost-effective and efficient benefit to eligible borrowers.
2. Changes to the tax code do not impede the issuance of bonds.
3. Funds are available for the SET, LAP, and other Commission PRI programs.
4. There is sufficient issuance authority under the debt ceiling.
5. Commission policy requirements are not in irresolvable conflict with market requirements.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
QUARTERLY STATUS REPORT**

**Fiscal Year 2024-2025
Quarter Ending: December 31, 2024**

Program: Compliance

Division: Asset Management & Compliance

Commission Goal:

To provide effective low-cost financing for housing and non-profit facilities in Washington state.

Problem/Need:

Ensure consistency in monitoring developments within the state of Washington.

Compliance requirements are extensive and complex; Owners may not understand or comply with program regulations, requirements, or commitments. Owners may need assistance maintaining affordable units for the duration of their Regulatory Agreement.

Program Goal:

To ensure Owner commitments and public benefits of multifamily properties financed with Commission Bonds and Tax Credits are satisfied. To ensure financed housing remains affordable and in good repair for the longest time possible.

Business Objectives:

1. Review all annual project compliance reports. Complete initial reviews within eleven months of report due dates. Issue compliance close-out letters within 14 months of report due dates.

First Quarter: 60% of required 2023 Tax Credit annual reports have been reviewed. All 2023 Bond annual reports are closed out for the calendar year.

Second Quarter: 80% of required 2023 Tax Credit annual reports have been reviewed.

Third Quarter:

Fourth Quarter:

2. Ensure completion of calendar year onsite inspections for 1/3 of all projects by December 31st.

First Quarter: 93% of all 2024 inspections have been completed. Remaining onsites will be completed by end of October.

Second Quarter: 100% of 2024 inspections have been completed and all inspection responses have been sent.

Third Quarter:

Fourth Quarter:

3. Community Engagement and Education:

- a. Provide diverse educational opportunities and resources to stakeholders through virtual, in-person, and hybrid workshops and training modules.
- b. Regularly distribute twelve electronic newsletters and online resources throughout the year.
- c. Develop a comprehensive Community Engagement Strategy and initiate partnership development by June 30th.
- d. Enhance LIHTC compliance-required forms by integrating new guidelines and optimizing existing ones through consolidation and removal of redundant elements. Tailor the language proficiency level used on all forms to match our target audience. This effort aims to prioritize essential information, ultimately enhancing accessibility for users.
- e. Continue to engage in the AHAH coordination

First Quarter: Provided in-person Tax Credit Compliance Fundamentals and Advanced trainings in Kennewick and in Spokane. ENews was sent to interested parties each month. Staff interviewed language accessibility consultants and awarded the contract to a finalist.

Second Quarter: Sent multiple compliance email and ENews updates to interested parties every month. Sent an inspection survey to all tax credit owners/managers and received feedback. Worked with language accessibility consultants and successfully updated 5 compliance forms that are now available on our website. Continue to participate in AHAH coordination meetings and provide relevant compliance guidance as needed. Updated and presented an online Tax Credit Fundamentals workshop and a brand-new HOTMA compliance on-demand video which is available on our website.

Third Quarter:

Fourth Quarter:

4. Policy and Procedure:

- a. Collaborate with the Senior Policy Advisor on Rent Stabilization Policy and procedures.
- b. Define preservation policy criteria for compliance with MHCF's Sr. Policy Advisor by June 30th.
- c. Establish Good Standing guidelines and policy in coordination with MHCF division.

First Quarter: AMC continues to contribute to the Rent Stabilization work. The work group is working towards finalizing the report to the legislature in December 2024. Preservation and Good Standing Policy: These two initiatives are carried out jointly by AMC and MHCF. This work will be folded into the public funders work group that is assessing the operating issues the affordable housing is currently dealing with. AMC will be hiring a new position that is focused on Asset Management to champion this initiative in 2025.

Second Quarter: The final rent stabilization report to legislators delivered in December. The team worked on the presentation co-delivered by Commerce and WSHFC leadership. In the process of identifying the next phase work third quarter to refine the top priority strategy recommendations (2-3) that are ripe for policy and identify level of community engagement for evaluating policy impact and harmonization.

Third Quarter:

Fourth Quarter:

5. Business Process Development and Reporting:
 - a. Integrate processes based on the Housing Opportunities and Modernization Act (HOTMA) and the National Standards for the Physical Inspection of Real Estate (NSPIRE) policy updates for seamless operations.
 - b. Develop a streamlined handover process to facilitate smooth transitions of projects from allocation to compliance.
 - c. Revise and Update the Portfolio Analyst Desk Manual to ensure accuracy and relevancy.
 - d. Develop and implement performance measurement tools and establish reporting mechanisms in alignment with RESP.

First Quarter: Assigned HOTMA tasks to staff – have started identifying forms to update or retire; have updated various Tax Credit Manual Chapters and have started updating Tax Credit FAQs. Staff have drafted HOTMA training for managers.

Second Quarter: HOTMA and NSPIRE standards have been implemented. Feedback has been obtained from owners regarding the 2024 inspection process and what can be improved. We have completed the evaluation of NSPIRE's impact on our monitoring process, workload, and on property management staff. Recommendations from this evaluation will be implemented to improve efficiency in the next inspection cycle. Compliance guidance, including our Manual, FAQs and several key forms, have been updated with HOTMA-compliant information. Staff continue to work with Multifamily to enhance our project handover process.

Third Quarter:

Fourth Quarter:

6. Staff Development:
 - a. Organize four team-building activities annually.
 - b. Set individual training and development goals for each staff member and foster a culture of growth.
 - c. Provide essential training opportunities to enhance staff effectiveness in their daily tasks.

First Quarter: Completed staff performance plans for FY25. Planned for team-building activity in January.

Second Quarter: Our in-person team-building activities are delayed due to the Governor's spending freeze. We continue to encourage staff to take advantage of online training opportunities and we are tracking staff's completion of the State's racial equity training modules.

Third Quarter:

Fourth Quarter:

Performance Measures:

1. 100% of owners and managers with noncompliance issues will experience resolution of noncompliance issues within stated periods (refers to Goals 1, 2 and 3).

First Quarter: Inspections and trainings are on track. Required annual report reviews are behind.

Second Quarter: Required annual report review completion is behind due to losing two new analysts and three analysts being out for the last quarter of the year on medical leave.

Third Quarter:

Fourth Quarter:

2. The average score for the division on post-training evaluations will be 4 or higher on a scale of 1 to 5.

First Quarter: The average score was 4.6.

Second Quarter: The average score was 4.6.

Third Quarter:

Fourth Quarter:

3. The average score for owner/manager satisfaction for compliance policy assistance and resolving noncompliance issues will be 4 or higher, on a scale of 1 to 5.

First Quarter: No activity yet.

Second Quarter: No activity yet.

Third Quarter:

Fourth Quarter:

Assumptions:

1. *Performance Measure #1: Success will be measured by meeting or exceeding stated timelines based on a query of database dates entered for reviewing projects and closing out noncompliance issues.*
2. *Performance Measure #2: All workshop participants will be asked to complete a post-training evaluation. Results will be tabulated each quarter for reporting to AMT.*
3. *Performance Measure #2: This assumes that training can be successfully translated to a combination of in-person and virtual formats.*

4. *Performance Measure #3: Stakeholders will be sent a customer satisfaction survey; results will be collected and reported by June 30th. Survey results will not be reported if we receive responses from less than 5% of the people who emailed the survey.*

TOTAL PROJECTS MONITORED AND UNITS SET ASIDE FOR LOW-INCOME RESIDENTS:

First Quarter:

Total Low Income Projects & Units Monitored			
Housing Programs	Projects	Total Low Income Units	Total Units
Bond	92	3,202	9,582
Tax Credit	1,102	103,214	106,558
RTC	1	68	193
TOTALS	1,195	107,679	116,333

Second Quarter:

Total Low Income Projects & Units Monitored			
Housing Programs	Projects	Total Low Income Units	Total Units
Bond	86	2,303	8,887
Tax Credit	1,124	106,701	109,899
RTC	1	68	193
TOTALS	1,211	109,072	118,979

Third Quarter:

Total Low Income Projects & Units Monitored			
Housing Programs	Projects	Total Low Income Units	Total Units
Bond			
Tax Credit			
RTC			
TOTALS			

Fourth Quarter:

Total Low Income Projects & Units Monitored			
Housing Programs	Projects	Total Low Income Units	Total Units
Bond			
Tax Credit			
RTC			
TOTALS			

WASHINGTON STATE HOUSING FINANCE COMMISSION QUARTERLY STATUS REPORT

Program Summary Fiscal Year 2024 - 2025 Quarter Ending: December 31, 2024

Program: Administration

Division: Executive Office

Commission Agency Wide Performance Measures:

1. Directly finance 350,000 affordable housing units by the end of fiscal year 2026.
2. Earn a minimum of \$380,000 per FTE in revenue each fiscal year.
3. Spend less than \$210,000 per FTE each fiscal year.
4. Develop benchmarking standards to assess progress toward increasing the accessibility of our resources for BIPOC residents and/or entities which are prioritizing the needs of BIPOC populations.
5. The Commission's employees will average a score of 4 or better on the "employee engagement" measures developed by DOP and supplemented with racial equity assessment questions when measured each fiscal year.

Business Objectives:

1. Evaluate the impact of historic and systemic racism on Commission programs and processes by June 30, 2025, and develop new tools to mitigate the impact of such racism.

First Quarter: This process is ongoing. Commissions staff have begun the state required DEI four-part module training. In early 2025, we aim to have the staff completion rate at 90% for all the state DEI trainings.

Second Quarter: This objective is ongoing. Commission staff continue to participate in the state required DEI four-part module training. We aimed to have all staff complete the modules in early 2025, so that we can use shared language and themes from the training to advance our internal work. Unfortunately, some of the modules were not open for registration during the last few months of 2024. Currently, the staff completion rate for the series of training courses is 76%.

2. Conduct new Commissioner Orientation within 90 days of new appointments; Prepare for and conduct 11 monthly Commission meetings, one planning session, and assist the Commissioners in the completion of their duties by June 30, 2025.

First Quarter: Conducted three Commission hybrid meetings during the quarter via Zoom and in the Board Room. Coordinated participation in other activities for Commissioners.

Second Quarter: Conducted three Commission hybrid meetings during the quarter via Zoom and in the Board Room. Coordinated participation in other activities for Commissioners. Welcomed new Board member Dr. Michone Preston.

3. Provide leadership in the development of statewide housing policy and obtain approval of a 2025 legislative agenda by December 30, 2024.

First Quarter: In the coming month we will begin to frame our agency legislative agenda to bring before the Board for consideration in November.

Second Quarter: Staff are regularly engaged with our partners on the upcoming Legislative Session. Staff developed and the Board Approved our 2025 Legislative agenda at its November meeting.

4. Produce and distribute the Annual Report and Cumulative Report by December 31, 2024.

First Quarter: We are gathering data for program year 2023-24.

Second Quarter: We are onboarding contractors to start this work.

5. Organize and conduct a statewide housing conference by October 30, 2024; prepare and present a final report by January 31, 2025.

First Quarter: The Commission held our Housing Washington conference September 24-26, 2024, offering an in-person conference in Spokane. The conference sold out for the first time in its history, with more than 800 people signed up by mid-September. By most accounts, it was a very successful conference, with positive feedback regarding the sessions, speakers, special events, and collaborations such as the collective effort to welcome new Black Home Initiative partners from the Spokane area.

Second Quarter: The conference was a success. We have closed out final invoices and started planning for the 2025 conference.

6. Lead the Friend of Housing Award selection process and produce the awards ceremony during Housing Washington in September 2024.

First Quarter: The Friend of Housing awards ceremony honored seven awardees in an elegant evening reception at the conference. This year's ceremony added new touches to make the event feel special for the awardees, such as live piano music and a professional emcee, in addition to our Commissioners playing their traditional roles as award presenters. As in previous years, the Communications team led the nomination and selection process, developed the event plan, script and visual elements, and worked closely with our contractors on the logistics.

Second Quarter: Complete.

7. Coordinate, schedule and complete the annual revisions to the Business Resumption Plan by June 30, 2025.

First Quarter: The plan will be postponed until next year until we redevelop a new plan with a consultant.

Second Quarter: This plan is still postponed.

8. In collaboration with the Deputy Director and EMT/AMT, plan and conduct a staff planning session by June 30, 2025.

First Quarter: The staff planning session is scheduled for Friday, October 18th.

Second Quarter: The staff planning session was held on October 18th at Pacific Tower. This goal is now complete.

9. Conduct monthly EMT Governance meetings and semi-monthly AMT meetings and record and report actions to Executive Director and staff within 5 days.

First Quarter: Conducted five EMT Governance meetings and three AMT meetings during the quarter.

Second Quarter: Conducted five EMT Governance meetings and one AMT meeting during the quarter. Two of the EMT meetings were held with the Athena Group.

10. Monitor the strategic direction of the Commission's IT program and research, report and receive approval to implement new initiatives by December 31, 2024.

First Quarter: Provided a monthly summary report to the ITG of all the network and end-user issues. Those issues were documented in a report generated in Fresh Service (our ServiceDesk software).

Second Quarter: This quarter, we moved our important computer equipment to the 27th floor. This included all the devices that help our network run smoothly and keep our data safe. The best part? We made this big move without any unexpected interruptions to our work.

11. Throughout 2024/2025 the Administration Division will continue to advance the Commission's commitment to racial equity and social justice by accomplishing the following objectives:

- Provide continued commitment and support for implementation of the Commission's Racial Equity Strategic Plan.

First Quarter: The Mission, Vision, Values (MVV) is on the website and the MVV will be a central focus of the all-staff meeting-retreat on Oct. 18. The Racial Equity Strategic plan work is moving forward with the development of an internal work group focused on developing a new accountability tracker and a training series for using the tool.

Second Quarter: Development and testing of the RESP accountability tracking tool continues with final launch date scheduled for next quarter. This tool will allow staff to generate progress reports for the Board.

- Consistent with our Racial Equity Strategic Plan, an internal team is

finalizing the plan for an inclusive review of the organization office procedures manual (OPMs) to mitigate opportunity for bias and to promote equity. The goal is to have the process outlined and shared with leadership by the end of 2024.

First Quarter: The OPM timeline has been extended, and the process will be shared by year end, 2024.

Second Quarter: The OPM Revision policy has been drafted and is currently undergoing revisions. It is expected to be included on the agenda for an upcoming EMT meeting this quarter for further discussion and finalization. The work to develop an inclusive process and timeline for reimagining and revising the Commission's Office Procedures Manual is underway.

- By June 30, 2025, update the Commission's Office Procedure Manual to ensure relevance to current business practices, as well as ensuring that they reflect the Commission's commitment to racial and social justice.

First Quarter: Once the process and plan (preceding goal) are developed and rolled out, there will be a timeline to review and revise policies, as needed in clusters, based on policies that are aligned or have dependencies and therefore need to be reviewed at the same time.

Second Quarter: After the process and plan for the preceding goal are created and launched, a schedule will be set to assess and update policies as necessary. Related policies or those with overlapping dependencies will be reviewed together to ensure consistency.

- Throughout 2024/2025 Employee Resource Groups (ERG) program will be developed to outline a process for employees to meaningfully participate in the work of the Racial Equity Strategic Plan.

First Quarter: Two groups have been formed and are still in the development phase.

Second Quarter: This goal has been paused to assess if the two employee groups can be united and aligned with state guidance on equity focused groups. A plan for such employee groups' future will be presented to EMT by the end of the third quarter 2025.

- By the fourth quarter of 2025, the Commission will provide leadership training for people managers to engage in conflict resolution and other high-stakes conversations as outlined in the Racial Equity Strategic Plan.

First Quarter: This action step is still pending.

Second Quarter: Leadership representing the DEI function is developing a train the trainer program to address this goal by the fourth quarter of 2025.

- By the fourth quarter of 2025, the Commission will evaluate and invest in professional training for staff leading community engagement efforts, as well as training for leadership supporting these efforts.

First Quarter: This action step is still pending.

Second Quarter: Leadership representing the DEI and Communication functions developed a plan to engage community engagement staff to develop an organizational approach to community engagement. Throughout 2025 the group will convene to co-create this approach and to develop best practices. The convening will include training. Research is underway to support this need for training with the goal of mitigating harm and building trust with the communities we serve.

WASHINGTON STATE HOUSING FINANCE COMMISSION QUARTERLY STATUS REPORT

Program Summary Fiscal Year 2024 - 2025 Quarter Ending: December 31st, 2024

Program: Bond Portfolio Management

Division: Finance

Business Objectives:

1. Review and record bond transactions, create quarterly financial statements and disclosure and management reports:
 - a. Review and record monthly transactions by the 20th of the following month.
First Quarter: All Single-family bond portfolio transactions for June were posted on 7/31/2024, and for July, transactions are all completed and ready for posting.
Second Quarter: All Single-family bond portfolio transactions for September and October are all completed and ready for posting.
 - b. **Quarterly outstanding bond list by program with balances by 10 days following quarter end, single-family and non-conduit multifamily bond disclosure reports posted to website and EMMA as required, financial statements (including parity) and PlainsCap Compliance reporting, dashboard of bonds outstanding and activity to management and Commissioners, and complete quarterly conduit bond negative confirmations distribution for 25% of outstanding conduit bonds by 35 days following quarter end.**
First Quarter: The quarterly Single-Family Disclosures were posted on 8/29/2024.
Second Quarter: The quarterly Single-Family Disclosures were all completed and ready for posting.
 - c. Semi-annual single-family indenture parity reports, liquidity compliance reports, and updates to cross call table, proceeds use report (WAC 262 01 080) by 45 days following quarters end.
First Quarter: There were no arbitrage payments due this quarter, and all reports were reviewed and confirmed.
Second Quarter: There were no arbitrage payments due this quarter, and all reports were reviewed and confirmed.
2. Reconcile Home Advantage TBA MBS sales within three days of each sale (generally three times per month with two servicers).
First Quarter: All Home Advantage MBS sales were reconciled within the given timeframe.
Second Quarter: All Home Advantage MBS sales were reconciled within the given timeframe.
3. Monitor arbitrage liabilities and assure timely calculation, reporting, recording and payment within the quarterly timelines above.

First Quarter: This quarter, there were no arbitrage payments due; reports were reviewed and confirmed

Second Quarter: There were no arbitrage payments due this quarter; reports were reviewed and confirmed.

4. Administer the bond cap recycling program, including quarterly reporting on available cap and related debt outstanding.

	Payments Received for Recycling		Recycled into New Project			
<u>Fiscal Qtr.</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Available Amount</u>	<u>Expired Unused</u>
Q1	4	\$22,125,400	0	\$0	\$31,266,100	\$8,413,700
Q2	3	\$20,054,900	0	0	\$36,239,700	\$9,690,200

5. Complete annual audit of financial statements and obtain an unqualified audit opinion by December 15, 2024. Publish audited financial statements within 30 days of Commission approval, no later than January 12, 2025.

First Quarter: Field work commenced September 3, 2024 and continued through the month of September. A final report is expected to be published by October 30, 2024.

Second Quarter: The final audit report was provided to the Commission on October 30th. The audit was issued with an unmodified or “clean” opinion. **Complete, no additional activity for the fiscal year.**

6. Periodically review and update program policies and procedures as needed.

First Quarter: No changes in the program policies & procedures noted this quarter.

Second Quarter: No changes in the program policies & procedures noted this quarter.

Performance Measures:

1. The Commission’s annual independent external audit will have an unqualified opinion with no reportable conditions.

First Quarter: Field work commenced September 3, 2024 and continued through the month of September. A final report is expected to be published by October 30, 2024.

Second Quarter:

2. All of the bond accounting financial reports, including the dashboard and disclosures, will be completed within the specified timeframes.

First Quarter: The bond accounting financial reports were completed in a timely manner.

Second Quarter: The bond accounting financial reports were completed in a timely manner.

3. Required Single Family Arbitrage information returns will be timely filed.

First Quarter: Although no single-family arbitrage reports were due during this period, we have contacted the quantitative analyst (cfX) to ensure that reports due early next quarter are ready so that returns can be filed on time if necessary.

Second Quarter: There were no arbitrage payments due this quarter; reports were reviewed and confirmed.

4. Home Advantage TBA MBS Sales will be reconciled within three days of receipt of funds and necessary distributions identified.

First Quarter: All Home Advantage MBS sales were reconciled, and distributions identified, within the given timeframe.

Second Quarter: All Home Advantage MBS sales were reconciled, and distributions identified, within the given timeframe.

WASHINGTON STATE HOUSING FINANCE COMMISSION QUARTERLY STATUS REPORT

Program Summary Fiscal Year 2024 - 2025 Quarter Ending: December 31st, 2024

Program: General Operations & PRI

Division: Finance

Business Objectives:

1. Deposit and record all receipts, process accounts payable and accounts receivable daily; close general ledger with all appropriate transactions completed by the 12th business day of next month.

First Quarter: All appropriate transactions were completed by the 16th business day for the month-end close of June 2024, by the 15th business day for July 2024, and by the 12th business day for the month-end close August 2024.

Second Quarter: All appropriate transactions were completed by the 17th business day for the month-end close of September 2024, by the 13th business day for October 2024, and by the 8th business day for the month-end close November 2024.

2. Provide accurate and timely management information to divisional directors, managers, and Commissioners by the 14th business day of next month.

First Quarter: Commission-wide and divisional financial reports to management and Commissioners were provided by the 16th business day for the month-end close of June 2024 and by the 12th business day for the month-end close of August 2024. Reports were not generated for the month-end close of July 2024.

Second Quarter: Commission-wide and divisional financial reports to management and Commissioners were provided by the 17th business day for the month-end close of September 2024, by the 14th business day for the month-end close of October 2024, and by the 8th business day for the month-end close of November 2024.

3. Invest the Commission's general operating reserves, monitor investment managers and report status by the end of the month following each quarter.

Summary of Activities and Results					Net Return			
<u>Fiscal Qtr.</u>	<u>Beginning Balance</u>	<u>Interest Earned</u>	<u>Mgmt. Fees</u>	<u>Realized Mkt Adj</u>	<u>Dollars</u>	<u>Percent</u>	<u>Unrealized Market Adj</u>	<u>Ending Balance</u>
Q1	\$62,824,841	\$516,211	\$(574)	\$58,697	\$574,334	3.66%	\$1,723,978	\$65,123,153
Q2	\$65,123,153	\$303,761	\$(2005)	\$(4,777)	\$296,979	1.82%	\$(952,666)	\$64,467,466

4. Lead the Commission's annual budgeting process for FY 25-26 with a proposed budget completed for presentation at the Commission May planning session and a final budget adopted at the Commission's June 2025 meeting.

First Quarter: No activity this quarter.

Second Quarter: No activity this quarter.

5. Complete quarterly grant reconciliation and required reporting by the 5th business day following receipt of program staff detail following quarters end.

First Quarter: The reconciliations through June 30, 2024 were completed by staff August 8, 2024.

Second Quarter: The reconciliations through June 30, 2024 were completed by staff October 30, 2024.

6. In the event of a state audit, facilitate the auditor's review and develop a plan of correction, if required, within 15 business days of the exit conference. Implement plan within 60 days of plan's approval by EMT.

First Quarter: The State Auditor's Office (SAO) commenced planning of the FY 2024 Statewide Single Audit (SWSA) related to the Homeowner Assistance Fund grant in June 2024. Fieldwork was performed throughout the quarter and is expected to conclude in October 2024, with an exit conference with the audit committee expected shortly thereafter.

Second Quarter: Fieldwork for the SWSA concluded in October 2024, and the exit conference with the audit committee took place December 16, 2024. The findings identified by the SAO were repeat findings from the FY 2023 audit and corrective action plans were developed and implemented in the prior fiscal year. Additionally, the SAO has begun initial data collection for the FY 2024 accountability audit. Fieldwork is expected to take place in the coming quarter once areas of focus are identified.

7. Maintain currency of knowledge in relevant SAAM and communicate relevant policies and procedures with appropriate levels of staff.

First Quarter: OFM DIRECTIVE 24A-05: Chapter 10 Travel – Updated meal percentage allocations and lodging and per diem reimbursement rates (effective October 1, 2024). Chapter 30 Capital Assets – Increased the capitalization threshold for capital assets from \$5,000 to \$10,000 for assets acquired on or after October 1, 2024. Chapter 50: Compliance with Federal Single Audit Act – Updated to reflect Single Audit threshold of \$1,000,000 for audits with periods beginning on or after October 1, 2024. Chapter 55: Audit Tracking - Removed the agency requirement to submit a Certification of Completion of Corrective Action, effective October 1, 2024, related to accountability or financial audit findings.

Second Quarter: No activity to report this quarter.

8. Review and update program policies and procedures as necessary.

First Quarter: No activity to report this quarter.

Second Quarter: No activity to report this quarter.

9. Continue to work with Seller Servicer Consultant on a work plan and timeline for application, if applicable, for certification of the Commission as a Ginnie Mae, Fannie Mae, or Freddie Mac seller/servicer by June 30, 2025.

First Quarter: Finance staff have been working with the seller servicer consultant on financial reporting needs for Freddie Mac.

Second Quarter: Finance staff continue to work with the seller servicer consultant on financial reporting needs for Freddie Mac. Additionally, Finance staff are working on developing a custodial agreement to incorporate our seller servicer number so that we can successfully deliver loans to Freddie Mac.

10. Meet the timeline and KPIs for the action item where Finance takes the leading role as set out in the racial equity strategic plan.

First Quarter: No activity this quarter.

Second Quarter: No activity this quarter.

Program-Related Investments

11. Provide maximum funds available, including those from the PRI and Bond funds and warehouse lines as necessary for the purchase of timely purchase of mortgage loan participations. Manage the process receiving funds and returning the loan participations, maintaining appropriate control. Reconcile all activity and ensure correct revenue is received.

First Quarter: All purchases of mortgage loan participations have been made timely and all funds received and returned reconciled and properly managed.

Second Quarter: All purchases of mortgage loan participations have been made timely and all funds received and returned reconciled and properly managed.

12. Provide Program Related Investment financial statements including available program balances by the end of the month following quarter end.

First Quarter: PRI financial statements for the 4th quarter of FY 2024 were distributed August 5th, 2024.

Second Quarter: PRI financial statements for the 1st quarter of FY 2025 were distributed November 1st, 2024

13. Acquire and implement loan servicing software to track and monitor PRI loans by June 30, 2025.

First Quarter: No activity this quarter.

Second Quarter: No activity this quarter.

14. Increase access to affordable housing financing for historically underserved and marginalized communities. This will be measured by tracking the number or dollar amount of affordable housing loans provided to BIPOC individuals and communities over time. Such info will be reported on an annual basis.

First Quarter: No activity this quarter.

Second Quarter: No activity this quarter.

Performance Measures:

1. The Commission's annual independent external audit will have an unqualified opinion with no reportable conditions.

First Quarter: Field work commenced September 3, 2024 and continued through the month of September. A final report is expected to be published by October 30, 2024.

Second Quarter: The final audit report was provided to the Commission on October 30th. The audit was issued with an unmodified or "clean" opinion. **Complete, no additional activity for the fiscal year.**

2. The Commission's annual state compliance audit will report no material instances of non-compliance with applicable statutes and WACs.

First Quarter: The State Auditor's Office commenced planning of the FY 2024 Statewide Single Audit (SWSA) related to the Homeowner Assistance Fund grant in June 2024. Fieldwork was performed throughout the quarter and is expected to conclude in October 2024, with an exit conference with the audit committee expected shortly thereafter.

Second Quarter: Fieldwork for the SWSA concluded in October 2024, and the exit conference with the audit committee took place December 16, 2024. The findings identified by the SAO were repeat findings from the FY 2023 audit and corrective action plans were developed and implemented in the prior fiscal year. Additionally, the SAO has begun initial data collection for the FY 2024 accountability audit. Fieldwork is expected to take place in the coming quarter once areas of focus are identified.

3. All of the general operations financial reports will be completed within the specified timeframes.

First Quarter: General operations financial reports were completed by the 16th business day of the following month for the month-end close of June 2024, by the 15th business day of the following month for July 2024, and by the 12th business day of the following month for the month-end close August 2024.

Second Quarter: General operations financial reports were completed by the 17th business day for the month-end close of September 2024, by the 13th business day for October 2024, and by the 8th business day for the month-end close November 2024.

4. Management will have the materially accurate financial information available monthly by the 20th day of the following month to guide effective decision making.

First Quarter: Commission-wide and divisional financial reports to management and Commissioners were provided by July 23rd for the month-end close of June 2024 and by September 18th for the month-end close of August 2024. Divisional reports were not generated for the month-end close of July 2024.

Second Quarter: Commission-wide and divisional financial reports to management and Commissioners were provided by October 23rd for the month-end close of September 2024, by November 20th for the month-end close of October 2024, and by December 11th for the month-end close of November 2024.

Events Calendar

Date	1/23/2025	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	2/27/2025	Length of Event	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	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/1000 2nd Ave, Ste. 2700 Board Roo	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/1000 2nd Ave, Ste. 2700 Board Roo	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 (Hy	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	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	Division	Administration
City	Seattle, 98104	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	6/27/2025	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/1000 2nd Ave, Ste. 2700 Board Roo	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/1000 2nd Ave, Ste. 2700 Board Roo	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/1000 2nd Ave, Ste. 2700 Board Roo	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/28/2025	Length of Event	TBA
Event	2025 Housing WA Conference	Audience	Conf. Attendees
Address	Hyatt Regency Bellevue Hotel	Division	Administration
City	Bellevue, WA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470
Date	9/29/2025	Length of Event	TBA
Event	2025 Housing WA Conference	Audience	Conf. Attendees
Address	Hyatt Regency Bellevue Hotel	Division	Administration
City	Bellevue, WA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470
Date	9/30/2025	Length of Event	TBA
Event	2025 Housing WA Conference	Audience	Conf. Attendees
Address	Hyatt Regency Bellevue Hotel	Division	Administration
City	Bellevue, WA	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	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	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/1000 2nd Ave, Ste. 2700 Board Roo	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/1000 2nd Ave, Ste. 2700 Board Roo	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470