

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

September 24, 2020

The September 24, 2020 work session was called to order at 11:00 a.m. by Bill Rumpf. In attendance were Commissioners Albert Tripp, Corina Grigoras (Department of Commerce Designee), Jason Richter, Lowel Krueger, Rich Nafziger, Wendy Lawrence and Ken Larsen.

Lisa Vatske gave an overview of the 2021 Bond /Tax Credit Program recommended Policy changes, Bond Cap history and scoring observations.

Margret Graham introduced Cheryl Engstrom and she gave a preview of Housing Washington 2020 Virtual Conference that will be held on October 6, 2020

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

September 24, 2020

The Commission meeting was called to order by Chair Bill Rumpf at 1:00 p.m. via conference call. Those Commissioners present on the call were Diane Klontz, Albert Tripp, Jason Richter, Lowel Krueger, Rich Nafziger, Wendy Lawrence, Ken Larsen and Alishia Topper.

Approval of the Minutes

The minutes of the August 27, 2020 special meeting were approved as mailed.

**Public Hearing:
Auburn Court
Apartments, OID #
19-155A**

The Chair opened a public hearing on OID # 19-155A Auburn Court Apartments, at 1:02 p.m.

Claire Petersky, Manager of Multifamily Housing and Community Facilities Division (MHCF), said this is a proposed issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 296-unit senior housing facility located at 102 10th Street NE, 104 10th Street NE and 106 10th Street NE, Auburn, WA 98002, to be owned by Fairfield Auburn Court LP, a Washington limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$39,000,000. Ms. Petersky introduced Paul Kudirka, Senior Vice President of Acquisitions at Fairfield Residential.

Mr. Kudirka stated that occupancy will be restricted to households earning up to 50% of King County Area Median Income (AMI). All units will be set aside for seniors, and twenty percent of the units will be set aside for persons with disabilities. Building features and rehabilitation will include internal and external upgrades, a community garden, a media room, a fitness trail, a covered secured bicycle storage, and electric vehicle charging stations.

In response to questions from Ms. Klontz and Mr. Rumpf, Mr. Kudirka stated that current residents will be temporarily relocated to a previously rehabbed unit while their units is being renovated, with proper Covid-19 cleaning practices every evening so they can reenter their unit during the evening. He also mentioned that this acquisition will include a deeper affordability, but the current residents will be grandfathered.

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

**Public Hearing:
Meridian Court
Apartments, OID #
19-158A**

The Chair opened a public hearing on OID # 19-158A Meridian Court Apartments, at 1:19 p.m.

Ms. Petersky said this is a proposed issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 200-unit senior housing facility located at 31420 & 31510 23rd Avenue South, Federal Way, WA 98003, to be owned by Fairfield Meridian Court LP, a Washington limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$30,166,500. Ms. Petersky introduced Paul Kudirka, Senior Vice President of Acquisitions at Fairfield Residential.

Mr. Kudirka stated that this project is similar to the Auburn Court Apartment project. The occupancy will be restricted to households earning 50% of King County Area Median Income. All units will be set aside for seniors, and twenty percent of the units will be set aside for persons with disabilities. Building features will include a community garden, a media room, a fitness trail, an electric vehicle charging stations, and a covered secured bicycle storage.

This project and the earlier project also have moisture damage and will be getting interior and exterior rehabilitation.

Brian Lloyd from Beacon Development Group made a public statement that in the future the Commission and stakeholders will should have a discussion on leverage, short term financing and related initiatives.

There were no other comments from members of the public and the hearing was closed at 1:27 p.m.

**Public Hearing:
The Maddux, OID
18-139A**

The Chair opened a public hearing on OID # 18-139A The Maddux, at 1:28 p.m.

Ms. Petersky said this is a proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition of land and the construction and equipping of a 203-unit low income multifamily housing facility located at 2802 S McClellan Street and 2800 Martin Luther King Jr. Way South, Seattle, WA 98144, to be owned by Maddux MBH LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$50,000,000. Ms. Petersky introduced Barry Baker, Senior Housing Developer, Mt. Baker Housing.

Mr. Baker stated that all the units will target households earning at or below 60% AMI with half of the units at or below 50% AMI of the King County. Twenty percent of the units will be set aside for persons with disabilities and ten percent for large households. Amenities will include a business center, media room, playground or fitness trail, covered and secured bicycle storage, and electric vehicle charging station.

The land was previously a gas station and dry cleaner so there is environmental contamination which is a reason for the higher development cost.

In response to Mr. Richter, Mr. Baker stated that to satisfy the bioretention requirements, the project includes planting on the roof that will help with storm water drainage, and solar power.

There were no other comments from members of the public and the hearing was closed at 1:39 p.m.

**Public Hearing:
Tax Credit
Program
Allocation, River
View Apartments,
OID # 18-15**

The Chair opened a public hearing on OID # 18-15 Tax Credit Program Allocation, River View Apartments, at 1:40 p.m.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said this a request to increase the 9% Low Income Housing Tax Credits (LIHTC) by \$ 47,296 from \$1,129,822 to \$1,177,118 for River View Apartments using the 2020 LIHTC Allocation, to be owned by River View Apartments, LLC, a limited liability company. The project is located at 1101 Southeast Bypass Drive, Pullman, WA 99163. The total estimated project cost is not expected to exceed \$12,463,179.

There were no other comments from members of the public and the hearing was closed at 1:43 p.m.

**Action Item:
Resolution No. 20-
81, Tax Credit
Program
Allocation, River
View Apartments,
OID # 18-15**

Ms. Vatske said this a request for approval to increase the LIHTC allocation by \$47,296 from \$1,129,822 to \$1,177,118 for River View Apartments using the 2020 LIHTC Allocation. The project will be owned by River View Apartments, LLC, a limited liability corporation. The project is located at 1101 Southeast Bypass Drive, Pullman, WA 99163. The total estimated project cost is not expected to exceed \$12,463,179.

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

**Action Item:
Resolution No. 20-
41, The Bush
School, OID # 20-
31**

Ms. Vatske said this was a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance: (i) the construction and equipping of an approximately 22,000 square foot educational facility; (ii) the rehabilitation of existing academic facilities; and (iii) the payment of all or a portion of the costs of issuing the bonds. The project is located at 3400 E. Harrison Street and 408 - 433 Lake Washington Blvd. E., Seattle, WA 98112, and is owned by The Bush School, a Washington 501(c)(3) nonprofit corporation. The total estimated

bond amount is not expected to exceed \$22,950,000. The public hearing was held March 26, 2020.

Mr. Krueger moved to approve the resolution. Mr. Larsen seconded the motion. The resolution was approved with one no vote from Mr. Nafziger.

**Action Item:
Resolution No. 20-79, Madison/Boylston 4%, OID # 19-141A**

Ms. Vatske said this was a resolution approving the issuance of one or more series of tax-exempt revenue notes to finance the acquisition of land and the construction and equipping of a 250-unit multifamily housing facility located at 1400 Madison Street, Seattle, WA 98104, to be owned by Madison Housing LLLP, a Washington limited liability limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$65,000,000. The public hearing was held August 27, 2020.

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

Informational Report on Department of Commerce Activities

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

Housing Finance Unit

Modular Housing Notice of Funding Availability

Commerce received four applications, requesting approximately \$7 million. Commerce will announce awards in October or November.

Preparation for the 2021 Legislative Session

The Housing Trust Fund (HTF) participated in legislative committee work sessions in preparation for the upcoming legislative session.

Upcoming Policy Advisory Team (PAT) Meeting

HTF is preparing for the PAT meeting, scheduled for Oct. 5, the day before the virtual 2020 Housing Washington Conference.

Community Development Block Grant (CDBG)

CDBG Coronavirus 3 (CDBG-CV3) Allocation

CDBG received its third CDBG Coronavirus (CDBG-CV3) allocation letter last week from HUD for \$7,399,546. Washington state's total CDBG-CV funding is \$38,217,218. For more information, visit the CDBG website:

<https://www.commerce.wa.gov/serving-communities/community-development-block-grants/cares-act-community-development-block-grant/>

Affordable Housing Advisory Board (AHAB)

- Big Water Consulting, our contractor for the Native American Housing Study, presented to the Senate Housing Stability and Affordability Committee on early study results.
- Federal housing recovery support function (RSF) was activated in response to wildfires.
- AHAB is meeting on Oct. 5 - the agenda includes a discussion of 2021 policy recommendations.

Executive Director's Report

Mr. Walker stated he wanted to highlight some bright spots in the Executive Director's Report that was included the Commissioners board meeting packets this month.

In August, we had over \$308 million in reservations assisting 975 families. These families assisted numbers are in line with our production from last summer.

Asset Management and Compliance (AMC) has redesigned and launched their new Zoom version of Compliance Training. The course was filled just 13 minutes after registration opened.

On October 5, our first intern through HDC's internship program will join us. I look forward to introducing UW student Osman Mahmud to all of you soon.

The Multifamily and Community Facilities Division is excited about a deal that will develop 136 units of housing in Renton, the first to be financed through our new Microsoft-funded Expanded Land Acquisition Program. Modeled after our existing statewide LAP program, this one focuses on east King County plus Renton. This is another step in our partnership with Microsoft to help the company get its money working to build affordable housing in its surrounding communities.

On September 2, an exit conference was held during which the Audit Committee and staff heard the report of the State Auditor's Office on their review of our fiscal year ended June 30, 2019. There were no findings, but there were a couple management letter items noted regarding their review of program activities.

Mr. Walker is a member of the Governor's Eviction Moratorium Workgroup, a group led by the Governor's Office policy staff considering existing moratorium and specific changes. Most of this work is intended to focus on a continuous transition from the current moratorium back towards 'normalcy'.

Administration continues conversations with our broker about the Commission lease that is up for renewal at the end of May 2021. We will be entering into negotiations in the very near term.

Commissioners' Reports

Ms. Topper said that NCSHAB is open to HFA board members and executive directors. You do not need to be registered for NCSHA's Annual Conference to participate in NCSHB's Annual Business Meeting. This meeting will be held via video conference. More details and materials, including the weblink to join the meeting, will be distributed in advance.

Ms. Topper also mentioned that Clark County is having a housing meeting for developing programs that will help persons of color with homeownership with help from the NAACP and Washington State Public Affairs.

Consent Agenda

The consent agenda was approved as mailed.

Adjournment

The meeting was adjourned at 2:11 p.m.

Signature
