

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

September 23, 2021

The September 23, 2021 work session was called to order at 11:00 a.m. by Bill Rumpf via Zoom and conference call. In attendance were Commissioners Nicole Bascomb, Diane Klontz, Mike Pellicciotti, Albert Tripp, Lowel Krueger, Pedro Espinoza, Wendy Lawrence and Ken Larsen.

Cheryl Engstrom highlighted and gave an overview of the session and speakers at the 2021 Housing Washington Conference while going through the Conference's website and new platform.

Lisa Vatske gave a presentation regarding the proposed new total development cost (TDC) limit policy. Some adjustments she mentioned include but are not limited to adjusting limits for larger bedroom units and having Seattle separate from the King County pool and adjusting the balance of state for two-bedroom units. Ms. Vatske will bring her final proposal to the October Board Meeting.

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

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

September 23, 2021

The Commission meeting was called to order by Chair Bill Rumpf at 1:00 p.m. via Zoom and conference call. Those Commissioners present were Nicole Bascomb, Diane Klontz, Mike Pellicciotti, Albert Tripp, Lowel Krueger, Pedro Espinoza, Wendy Lawrence and Ken Larsen.

**Approval of the
Minutes**

The minutes of the August 26, 2021 special meeting were approved as mailed.

**Public Hearing:
Nesbit Family
Housing, OID # 21-
38A**

The Chair opened a public hearing for Nesbit Family Housing, OID # 21-38A, at 1:03 p.m.

Bob Peterson, Manager of Multifamily Housing and Community Facilities, said this is a proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to finance a portion of the costs for the acquisition, construction and equipping of a 104-unit multifamily facility located at 8700 Aurora Avenue N., Seattle, WA 98103, to be owned by Nesbit Development LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$21,000,000. Mr. Peterson introduced John Torrence, Director of Housing Development at the Low Income Housing Institute (LIHI).

Mr. Torrence stated that this project is in the Aurora/Greenlake neighborhood. Some of the funding for this project will be from the City of Seattle and the State of Washington.

There were no other comments from members of the public and the hearing was closed at 1:06 p.m.

**Public Hearing:
Overlake School,
OID # 21-88A**

The Chair opened a public hearing for Overlake School, OID # 21-88A, at 1:06 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt revenue bonds to refinance the existing debt for educational facilities located at 20301 NE 108th Street, Redmond, WA 98053, owned by The Overlake School, a Washington 501(c)(3) nonprofit corporation. 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 \$19,500,000. Mr. Peterson introduced Warren Gillies, Business Manager for The Overlake School.

Mr. Gillies stated that The Overlake School was founded in 1967. The Overlake School is an independent, nonsectarian, coeducational, college prep day school. Each Overlake community member is committed to the school's mission to inspire excellence, develop intellectual curiosity, teach responsibility, embrace diversity and foster a compassionate community.

The Overlake School is accredited by the Northwest Association of Independent Schools, the Washington Federation of Independent Schools, and the Northwest Accreditation Commission. The campus has over 17 buildings on campus, serving around 530 students from grades five through 12.

Overlake is committed to diversity and does not discriminate on the basis of race, religion, national or ethnic origin, socio-economic status, gender, sexual orientation or disability in the administration of its educational policies, financial aid or other school-administered programs. The Overlake School's student population is currently 66% racially diverse, while the 140 employees are currently 25% diverse.

There were no other comments from members of the public and the hearing was closed at 1:14 p.m.

**Action Item:
Resolution No. 21-
90, Columbia
Gardens, OID # 19-
71A**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division said this is a resolution approving the proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to finance a portion of the costs for the acquisition, constructing and equipping of a 124-unit multifamily housing facility located at 1421 NE 112th Avenue, Vancouver, WA 98684, to be owned by VBT Columbia Gardens LP, a Washington limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$30,000,000. The public hearing was held August 26, 2021.

Mr. Larsen moved to approve the request. Mr. Kreuger seconded the motion. The request was unanimously approved.

**Executive
Director's Report**

Mr. Walker stated that the Multifamily Housing and Community Facilities Division staff made inquiries regarding the prevailing wage issue discussed at the last board meeting during our public hearing:

The project sponsor and other public funders verified that none of the funding sources trigger a specific wage requirement. Describing the wage rate as “waived” was actually internal to the Catholic Housing Services process, as they had originally self-imposed that requirement, but given the cost increases and lack of bidders and since it wasn't a requirement of any of the fund sources, they decided not to include it at this time. In terms of the policy consideration and role the Commission can play further, conversations are taking place with Commissioner Espinoza and L & I to consider some protocols to be included in our financing conditions related to unfair labor practices.

The Sustainable Energy Trust closed two loans under our new partnership with Seattle City Light. The first, the Brighton Apartments, will bring 100kW of solar to an affordable senior property in Seattle's Rainier Valley neighborhood. Electricity savings from the solar array will free up resources previously spent on utilities to instead be spent on resident services. The second project, Homestead Community Land Trust's Village Gardens Townhomes, will bring 82kW of solar to 16 townhomes under construction in Seattle's Central District. Ten of these

units will be sold to residents of Seattle's Central District making 80% or less of AMI and who are facing displacement. Thanks to our partnership with Seattle City Light, the costs of the solar will not be passed onto the future homeowners, and the solar should offset roughly 100% of the energy consumed by these all-electric townhomes.

Claire Petersky attended a ribbon cutting for the Wesley at Tehaleh project in Bonney Lake. The Commission issued \$98,700,000 in 501(c)(3) bonds for this project in July 2019. The project consists of 168 independent living units, 42 assisted living units, and 18 units providing memory care. That afternoon, she attended a ground-breaking for Pride Place, a bond/tax credit project on Seattle's Capitol Hill that will house the GenPride senior center, as well as other services for LBGT+ older adults, and create 118 units of independent affordable housing oriented to the LBGT+ senior population.

Bob Peterson attended the Next Step Housing Celebration of the retirement of their long time Executive Director John Mifsud and the opening of The Bicycle Apartments in Yakima. The project will provide 80 units of housing in Yakima, 30 for homeless families and another 10 for homeless individuals as well as for people living with special needs. All previously homeless residents will have on-site case management services provided by Next Step Housing. John Mifsud characterized this development as his swan song after many years of advocating for individuals dealing with substance abuse and homelessness. Board Member Lowel Krueger was also in attendance.

The Commission's Homeownership Division applied for and received \$1,399,552 from NeighborWorks America as part of the Housing Stability Counseling Program. These funds will further supplement our housing counseling network.

The Asset Management & Compliance Division's Portfolio analysts are conducting asset management reviews. Staff are preparing to remotely attend the NCSHA Annual HFA conference and Housing Washington, and support staff are

preparing for fall classes, updating forms and preparing new workflows in Laserfiche.

Steve Walker mentioned the Commission held several interviews for the AMC director position and announced that Wubet Biratu will join the Commission as the new Director of Asset Management and Compliance, starting October 1.

He stated “Wubet is a real estate development professional with a history of successfully managing affordable housing portfolios and currently a resident of Portland. Most recently she managed multiple properties at Home Forward, the public entity formerly known as the Housing Authority of Portland. Prior to that, she was a regional manager for Save the Children in Addis Ababa, Ethiopia. She holds a master’s in real-estate development from Portland State University, where she also earned her BSC in urban planning and community development. She is also trilingual in Amharic, French and English. Wubet is a delight to interact with and possesses a clear passion for our work. In her words, “Housing is a major interstation where people’s lives are impacted. I gravitate to toward racial equity and want to work in leadership where I can have a meaningful impact on policies and procedures.”

It has been a long recruitment process for this position, and I want to sincerely thank Melissa Donahue for her steady leadership of the AMC division over the past nine months.”

Regarding staff returning to office, we had indicated that to coincide with the Governor’s August 9th Proclamation 21-14 regarding mandatory vaccinations, we would be returning to working in the office, under a hybrid model, on October 18. However, the current surge in COVID-19 and its variants continues to impact setting a definite date to return to working in the office. Therefore, after discussions with the senior management team, we have decided to postpone a definitive return to working in the office date. When we can confirm a definite return date, we plan to provide a 30 day-notice to staff so they can plan accordingly.

Activities in the other Washington - Excerpt from last week's NCSHA Washington Report:

Ways and Means Committee Advances Legislation with Key NCSHA Tax Priorities - This week, the House Ways and Means Committee advanced infrastructure and community development sections of the Build Back Better Act in a near party-line vote of 24–19. As detailed in our blog earlier this week, the historic legislation includes a number of NCSHA's priorities, including a roughly 60 percent increase in Housing Credit authority, reduction of the tax-exempt bond financing threshold from 50 to 25 percent, and new Neighborhood Homes Investment Credit. House Ways and Means Committee Chairman Richard Neal (D-MA) and Housing Credit champions Suzan DelBene (D-WA) and Don Beyer (D-VA) expressed strong support for the Housing Credit during the four-day hearing. DelBene submitted for the record a letter from NCSHA and 22 other members of the ACTION Campaign Steering Committee. NCSHA also led a sign-on effort in support of provisions in the bill to address the qualified contract loophole and challenges to the nonprofit right of first refusal allowed under the tax code. The legislation, which will be combined with the reconciliation language reported by other House committees, will undergo consideration by the House and Senate as it advances toward potential enactment.

Debt Limit Increase – We have begun our preliminary discussions with Senate leadership regarding our need for legislative action to increase the Commission's current debt ceiling. We are working closely with our consultant, Nick Federici, to strategize conversations with key legislators and key committee members for introduction of our legislation.

Racial justice and equity activities: We are working with our AV Consulting team regarding content design for our ongoing facilitated dialogues with Commission staff, Commissioners, and our executive team. Conversations with commissioners will begin to be scheduled over the next 30 days. Additionally, The Racial Justice and Equity Team is pleased to share their first ever email newsletter (please refer to the additional materials email from Ashley). Each month they'll be sharing relevant news and information, as well as a list of learning opportunities.

Housing Washington e-newsletter launch – Watch for the first issue of our new Commission newsletter in the next week. As I’ve mentioned before, it will be published under the name “Housing Washington” as part of our effort to expand the concept of the annual conference into a year-round communication and convening about all things housing around the state.

Unfortunately, Alden Torch filed a notice of appeal to the Ninth Circuit Court of Appeals September 21, 2021. The appeal will seek to reverse the district court’s dismissal of the case. The Ninth Circuit has already set a briefing schedule that, absent delays, will play out between now and the balance of the calendar year.

**Commissioners’
Reports**

Commissioner Pellicciotti and Espinoza attended the groundbreaking of Twin Lake Landing II in Marysville.

Consent Agenda

The consent agenda was approved as mailed.

Adjournment

The meeting was adjourned at 1:31 p.m.

Signature
