

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

November 18, 2021

The November 18, 2021 work session was called to order at 11:00 a.m. by Chair Bill Rumpf via Zoom and conference call. In attendance were Commissioners Brian Surratt, Corina Grigoras, Ken Larsen, Jason Richter, Lowel Krueger, Pedro Espinoza, and Alishia Topper.

Steve Walker and the RJET Committee made a presentation updating the Board on ongoing social justice and racial equity efforts this year and a proposal to adopt Commission Racial Equity Values:

EQUITABLE & MEANINGFUL ENGAGEMENT

Ensure that all Black Indigenous People of Color (BIPOC) staff are given the opportunity to contribute to the Commission's decision-making process and that we are fully engaging our BIPOC community stakeholders.

ACCOUNTABILITY

For the Commission to move toward antiracism, each person must acknowledge and be held accountable for behavior and actions that do not embody RJET's Racial Equity Values.

CHALLENGING WHITE SUPREMACY

We must challenge white supremacy by naming it, understanding how it affects our work and biases, and reversing it through concrete and documented actions.

ACKNOWLEDGING AND ADDRESSING POWER AND PRIVILEGE

Acknowledge that the Commission’s established hierarchies and procedures contribute to structural racism and actively commit to repairing, addressing, and eliminating it.

HUMILITY

We demonstrate humility by acknowledging our blind spots, implicit and explicit biases, and thoughtfully working through conflict with colleagues and partners.

RESPECT

We respect that BIPOC and non-BIPOC individuals have different truths and cultural mannerisms; we commit to being patient and allowing space for all to learn, make mistakes and grow.

Lisa Vatske presented a proposed partnership with Sound Transit and a pilot bond cap set-aside. In coordination and through a memorandum of understanding (MOU), staff is proposing to “set-aside” up to \$200 million of bond cap allocation over a five-year period. Bond cap would be “reserved” as part of the request for proposal (RFP) process for each of the proposed sites and then accessed or utilized on a rolling basis later upon the financing closing. This would be managed similar to how the Housing Authority and PDA allocation is handled. Projects would be on a list and get an allocation based on readiness and ability to proceed to closing. No more than half of the allocation would be available in any one year. Although there are already two sites that have been solicited and developers determined, there is a schedule of upcoming solicitations in the next several years, that Commission staff would be included in. All projects will need to meet the threshold bond cap criteria.

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

November 18, 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 Wendy Lawrence, Brian Surratt, Corina Grigoras, Ken Larsen, Jason Richter, Lowel Krueger, Pedro Espinoza, and Alishia Topper.

**Approval of the
Minutes**

The minutes of the October 28, 2021 special meeting were approved as distributed.

**Public Hearing:
Madison at River's
Edge, OID # 21-
93A**

The Chair opened a public hearing for Madison at River's Edge, OID #21-93A, at 1:04 p.m.

Claire Petersky, Manager of Multifamily Housing and Community Facilities, said this public hearing is for the proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition of an existing 120-unit multifamily housing facility located at 1741 22nd Street NE, Auburn, WA 98002, to be owned by AOF/Pacific Affordable Corp., a California nonprofit public benefit 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 \$42,000,000. Ms. Petersky introduced Sara Fay, Senior Vice President - NW Division, AOF/Pacific Affordable Housing Corp.

Ms. Fey stated this a 120 residential building with units and amenities for individuals and families with qualifying household incomes. The project contains 24 one-bedroom/one-bathroom units, 84 two-bedroom/one-bathroom units and 12 three-bedroom/two-bathroom units, all located in 16 buildings on approximately 7.73 acres of land with amenities that include a kids play area and workout pool. The units will be 75% at 60% area median income (AMI) the remaining 25% will be market rate.

There were no other comments from members of the public and the hearing was closed at 1:09 p.m.

**Public Hearing:
Elizabeth Thomas
Homes, OID # 21-
80A**

The Chair opened a public hearing for Elizabeth Thomas Homes, OID #21-80A, at 1:09 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 new construction of a 119-unit multifamily housing facility located at 4524 S. Henderson Street, Seattle, WA 98118, to be owned by Elizabeth Thomas Homes LLC, a Washington limited liability company. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$27,000,000. Ms. Petersky introduced Jeanne LeDuc, Director of Housing at Catholic Housing Services.

Ms. LeDuc stated that Elizabeth Thomas Homes is a proposed six (6) story, mixed-use residential building located in the Rainer Beach Station Overlay District. This affordable family project will target families earning up to 60% area median income (AMI). The building contains a mix of units that include 13 studios, 52 one-bedroom, 30 two-bedrooms, and 24 three-bedrooms. One half of the units will target families earning 50% AMI and one half of the units will be targeted to families earning 60% of the AMI. The building also includes 1,050 sf of commercial space located along Henderson Street, with connectivity to the Rainier Beach light rail station. The project's strategic location provides residents easy access to safe, affordable transportation. This project was named after Elizabeth Thomas, an early pioneer in the Seattle civil rights movement.

There were no other comments from members of the public and the hearing was closed at 1:13 p.m.

**Public Hearing:
Grata at Totem
Lake 4%, OID #
20-78A**

The Chair opened a public hearing for Grata at Totem Lake, OID #20-78A, at 1:13 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 new construction of a 125-unit multifamily housing facility located at 12410 NE Totem Lake Way, Kirkland, WA 98034, to be owned by Kirkland TWG LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$37,000,000. Ms. Petersky introduced Megan Adams, Development Director, TWG Development.

Ms. Adams stated that Grata at Totem Lake is a partnership with LifeWire, who will provide safety for victims of domestic violence including many children. LifeWire will provide domestic violence advocacy services including 1-1 advocacy sessions, emotional support, safety planning, systems-based advocacy, housing stability support, legal support, support groups, mental health services, and referrals to other services and supports as needed. Services are funded through the project operating budget. LifeWire services are provided under a trauma-informed advocacy model which provides stabilization for housing in conjunction with mental-health, safety planning and supportive services and driven by the choices and needs of survivors. All our services are free and voluntary. These models have been research-tested to promote housing stability for survivors of domestic violence. She also stated this land was purchased in 2018 at market rate.

There were no other comments from members of the public and the hearing was closed at 1:16 p.m.

**Public Hearing:
Linden, OID # 21-
36A**

The Chair opened a public hearing for Linden, OID #21-36A, at 1:16 p.m.

Ms. Petersky said this is a proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the new construction and equipping of a 200-unit multifamily housing facility located at 916 N. 143rd Street, Seattle, WA 98133, to be owned by Bellwether Linden 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 \$60,000,000. Ms. Petersky introduced Mindy Black, Senior Housing Developer, Bellwether Housing and Jovan Ludovice, Senior Housing Developer, Bellwether Housing.

Ms. Black stated that this project is located in Seattle's Bitter Lake Urban Village, Linden will include 200 apartments affordable to households earning up to 60% area median income. There are set asides for persons with disabilities and large households. The project features two exterior courtyards, resident community rooms, and will provide electric vehicle charging stations. Bellwether has also engaged NeighborCare Health in discussions of providing services in an on-site clinic. Mr. Ludovice stated that this project would not have been possible without a LAP loan for the land.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division (MHFC) stated that this and the last three projects that have been presented with public hearings today have also utilized the Evergreen Impact Housing Fund.

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

**Public Hearing:
Midvale Village,
OID # 21-81A**

The Chair opened a public hearing for Midvale Village, OID #21-81A, at 1:23 p.m.

Ms. Petersky said this is a 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 210-unit multifamily housing facility located at 1117 North 183rd Street, Shoreline, WA 98133, to be owned by Midvale Village, LP, a to-be-formed Washington limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$55,000,000. Ms. Petersky introduced Ryan Patterson, President of Vintage Housing.

Mr. Patterson stated Midvale Village, soon to be named Midvale at Vintage, will be income targeted to households with incomes below 50% and 80% of area median income. The property will give preference for 10% of the units to qualified income and age-eligible households in which one member is a Veteran. The site will include electric vehicle charging stations and will offset a portion of its energy consumption with a photovoltaic solar system. Provided services will include on-site social activities such as holiday parties and resident game nights and will be coordinated by an on-site coordinator. Additionally, there will be an on-site health clinic with a medical provider to provide basic care to residents. Financing will be largely accomplished via the use of recycled bond cap.

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

**Action Item:
Resolution No. 21-
100, HopeSource
III Rural
Preservation
Portfolio**

This item was pulled from the agenda.

**Action Item:
Resolution No. 21-
96, Nesbit Family
Housing**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to finance a portion of the costs 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. The public hearing was held September 23, 2021.

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

**Action Item:
Commission Racial
Equity Values**

Ms. Topper moved to adopt the Commission racial equity values discussed in the work session. Mr. Kreuger seconded the motion. The adoption of the racial equity values was unanimously approved.

**Informational
Report on
Department of
Commerce
Activities.**

Corina Grigoras from the Department of Commerce (“Commerce”) gave a report as follows:

Housing Assistance Unit

- Rent assistance spending continues to increase, but not where we want it to be.
- Washington is better than average in rate of spending and is not at risk of having funds reclaimed. Washington is ranked 14th out of 50 states in the percentage of rent assistance funds spent.
- Commerce continues to add state employees to assist with local county rent assistance efforts.
- Commerce procured a vendor to help counties pay rent assistance.

Housing Finance Unit (HFC)

- Received Phase 2 applications for Rapid Capital Housing Acquisition: 14 Applicants requested \$102M. Commerce has \$54M to allocate between Federal and State resources.
- HFU is consulting with other public funders on the final phase of review for the 85 applicants in the traditional HTF funding. Commerce will be able to fund less than half of the \$283M requested. HFU plans to withhold funding to pair with the 4% LIHTC round held by the Commission.

Homeownership Disparities Work Group

The work group convened for the first time on October 25, to begin the disparities analysis and discussions for how to increase BIPOC homeownership

rates in Washington. The group includes 32 member representing the many perspective and backgrounds of the homeownership community.

Growth Management Services

Multi-family tax exemption

Commerce has issued an RFP for guidance and a legislative study on the MFTE program.

Countywide projections of housing need and planning to prevent displacement

Commerce has selected BERK consulting to implement HB 1220 (laws of 2021) to set housing targets for each county by income band and special housing. This work also includes recommendations to disaggregate the targets and guidance and examples for local governments to implement the rest of the bill, along with countywide profiles of housing needs using existing data. Work is kicking off this month and will continue through 2022, finishing in early 2023. GMS will be creating a project web page.

Connecting housing to infrastructure program (CHIP)

The CHIP program is now launched. This program funds water, sewer and stormwater connections between affordable housing and the main utility and waives portions of system development charges.

Executive Director's Report

Mr. Walker stated that the 9% Program received 23 applications totaling approximately \$35.5 million in credit requests to support 1,581 units. There is approximately \$15 million in credit available at this current time. Discussions have been underway with the state Housing Trust Fund (HTF) and other public funders as to the priorities and coordinating investments. Staff are undertaking review and analysis of the applications submitted. An allocation list is scheduled to be released in coordination with the HTF in mid-December.

In November, Multifamily and Community Facilities (MHCF) financed three Manufactured Housing Preservation Program loans. The communities were in the towns of Shelton, Moses Lake, and Royal City. These investments helped

preserve a total of 160 homes for a total loan amount, from the Commission, of \$2,955,649.

The Homeownership Division successfully priced \$79 million in bonds on November 4th for our House Key Opportunity program, extended the loan servicing contracts with Idaho Housing & Finance Association and Lakeview Loan Servicing for one more year, extended our quantitative services contract with cfx Incorporated for two more years and in October, had \$235 million in new reservations assisting 676 families.

Asset Management & Compliance's (AMC) portfolio analysts continue to review all tax credit annual reports, at 82% complete, they are on track to meet the annual goal and analyze asset management reports for our ARRA-funded projects.

Finance Division has welcomed Tony Moore, a new Fiscal analyst who started with the Commission on Tuesday. Tony graduated from Central Washington University with a degree in accounting.

Build Back Better Bill

After several weeks of concern regarding the lack of the LIHTC provisions being included in the bill, the LIHTC provisions have been added back into the bill, which is critical and good news! The provisions include:

- Lowering the bond-financing threshold from 50 percent to 25 percent for five years, from 2022 to 2026,
- Increasing the annual Housing Credit allocation at a rate of 10 percent per year plus inflation from 2022 to 2024, which amounts to a roughly 41 percent increase over current levels in 2024, followed by inflation adjustments after 2025,

- Providing a permanent 50 percent basis boost for properties serving extremely low-income (ELI) households, along with an 8 percent minimum set-aside for properties taking advantage of the ELI basis boost, as well as a limitation on the amount of allocation and volume cap that can be used for properties receiving the ELI boost, and
- Providing a permanent 30 percent basis boost for properties in tribal areas

Commissioners’ Reports

Ms. Topper gave the Audit Committee report and talked about the recent audit. She highlighted that there were no difficulties and discrepancies during the audit. She added that a copy of the final audit report and financial statement will be provided in the next meeting packet.

Consent Agenda

The consent agenda was approved as mailed.

Public Comment

The Chair opened the public comment period. Kateesha Atterberry and Cynthia Maccotan, representing Urban Black Development, expressed their frustrations with the Commission’s lack of engagement and inclusion with the community, its external involvement and transparency with the changes and processes that have been made at the Commission with their social justice and racial equity efforts.

Adjournment

The meeting was adjourned at 1:59 p.m.

Signature
