

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

December 9, 2021

The December 9, 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 Ken Larsen, Nicole Bascomb, Diane Klontz, Brian Surratt, Mike Pellicciotti, Albert Tripp, Lowel Krueger, Pedro Espinoza, Wendy Lawrence and Alishia Topper.

Faith Pettis, Peter Orser and Patience Malaba gave a presentation on Sound Communities, which they are representing. The presentation outlined the group's Mission and Vision which states, "to promote the development of complete, walkable, equitable and inclusive neighborhoods at scale across the Puget Sound region in concert with the region's historic investment in transit." They also mentioned their funding, work to date, their path forward and the Commission's possible involvement.

Lisa DeBrock gave a presentation on the Homeowner Assistance Fund (HAF). The American Rescue Plan Act (ARPA) passed by Congress in March 2021 provided Washington \$173 million to prevent mortgage delinquencies and defaults, foreclosures and displacement of homeowners experiencing hardships due to Covid-19. The Commission is currently working with Commerce to implement the HAF pilot and larger plan for this.

Diane Klontz gave her Informational Report on Department of Commerce activities.

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

December 9, 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 Ken Larsen, Nicole Bascomb, Diane Klontz, Brian Surratt, Mike Pellicciotti, Albert Tripp, Lowel Krueger, Pedro Espinoza, Wendy Lawrence and Alishia Topper.

**Approval of the
Minutes**

The minutes of the November 18, 2021 special meeting were approved as distributed.

**Public Hearing:
Redondo Heights
Senior Living, OID
19-159A**

The Chair opened a public hearing for Redondo Heights Senior Living, OID #19-159A, at 1:03 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 and/or taxable revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 212-unit multifamily housing facility located at 27400 Pacific Highway S., Federal Way, WA, 98003, to be owned by Redondo Heights Senior Living Associates Limited Partnership, a Washington limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$55,000,000. Ms. Petersky introduced Bryan Park President of Sustainable Housing for Ageless Generations (SHAG).

Mr. Park stated that Redondo Heights Senior Living will be a 212-unit development with twenty percent of units income targeted to households with incomes below 50% area median income. The property will offer a dedicated transit van and a dedicated electric vehicle for use by residents, as well as electric vehicle charging stations. Each of the three buildings will have roof decks with

walking paths, seating, landscaping, pea-patch planters for resident use, social media rooms and a pet exercise area.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division (MHFC) stated that this project is using expiring recycled bond cap.

There were no other comments from members of the public and the hearing was closed at 1:20 p.m.

**Action Item:
Resolution No. 21-107,
Reauthorization of
funding for the
Beginning
Farmer/Rancher
Program**

Ms. Vatske gave a brief explanation of the Beginning Farmer/Rancher Loan program and said this is the annual resolution approving the issuance of up to \$2,000,000 in bonds to fund the Beginning Farmer/Rancher Loan Program.

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

**Action Item:
Resolution No. 21-
112, Madison at
River's Edge, OID
21-93A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of 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) of the Code. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$42,000,000. The public hearing was held November 18, 2021.

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

**Action Item:
Resolution No, 21-
95, 192 Shoreline,
OID # 21-33A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 250-unit multifamily housing facility located at 19022 Aurora Avenue N., Shoreline, WA 98133, to be owned by Shoreline TWG 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 \$72,000,000. The public hearing was held July 22, 2021.

Mr. Krueger moved to approve the resolution. Ms. Lawrence seconded the motion. The resolution was unanimously approved with one abstention from Ms. Bascomb due to a conflict of interest because she works for the lender.

**Action Item:
Resolution No. 21-
100, HopeSource
III Rural
Preservation
Portfolio, OID # 19-
122A-G**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition and rehabilitation of seven multifamily housing facilities in Grant and Yakima counties, with an aggregate total of 190 housing units, to be owned by HopeSource III Rural Preservation Associates LLLP, a Washington limited liability limited partnership. The addresses and units are listed below. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated aggregate bond amount is not expected to exceed \$20,000,000. The public hearing was held August 26, 2021.

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

**Action Item:
Resolution No. 21-
105, Linden, OID #
21-36A**

Ms. Vatske said this is a resolution approving the 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. The public hearing was held November 18, 2021.

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

**Action Item:
Resolution No. 21-
106, Midvale
Village, OID # 21-
81A**

Ms. Vatske said this is a resolution approving the 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. The public hearing was held November 18, 2021.

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

**Action Item:
Resolution No. 21-
110, Elizabeth
Thomas Homes,
OID # 21-80A**

Ms. Vatske said this is a resolution approving the 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 \$32,000,000. Public hearings were held November 18, 2021 and December 7, 2021.

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

**Action Item:
Resolution No. 21-
111, Grata at
Totem Lake 4%,
OID # 20-78A**

This item was pulled from the agenda.

**Action Item:
Resolution No. 21-
108, Carryforward
of Private Activity
Bond Cap**

Ms. Vatske said this is a resolution approving the carryforward of Private Activity Bond Cap. She also stated that the new carryforward bond cap will be designated to Multifamily and Community Facilities and Homeownership, with the specific amounts to be determined.

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

**Action Item: 2022
Legislative Agenda.**

After a brief explanation of the 2022 Legislative Agenda (included in the meeting packet) by the Executive Director, the Commissioners discussed generational wealth inequity issues and how those issues relate to key housing issues in the Commission's Legislative Agenda.

Ms. Bascomb moved to approve the 2022 Legislative Agenda. Mr. Tripp seconded the motion. The agenda was unanimously approved.

**Action Item:
2022 Commission
Meeting Calendar**

Mr. Walker requested approval of the 2022 Commission meeting calendar.

Ms. Krueger moved to approve the 2022 Commission meeting calendar. Ms. Lawrence seconded the motion. The agenda was unanimously approved with one no vote from Mr. Pellicciotti, due to conflicts with his other board schedules.

**Executive
Director's Report**

Mr. Walker stated that the 2022 9% Program allocations will be announced soon but will be coordinated with Housing Trust Fund (HTF) and released around December 15th. Timing and the number of resources that will be available are still pending based on whether the Build Back Better bill is passed, so we plan reach out directly to some of the projects on the list that may need to be waitlisted or conditioned on availability of additional resources.

The Multifamily and Community Facilities (MHCF) online application process is almost ready to go live around the first of the year. It will be pre-tested with applicants who have volunteered and who need to apply by year-end in order to lock in a changing designation to their property status.

Lisa Vatske was invited to speak at and attended the Novogradac Tax Credit Conference. Her panel discussed the competitiveness of private activity bonds. In addition, there was helpful information shared on the provisions included in the Build Back Better bill and some of the considerations and policy changes that will need to be made if these provisions are passed into legislation.

Staff kicked off the UW Student Consulting Lab, which is a collaboration between the Commission and a small team of students at the Evans School of Public Policy and Governance. The students are tasked with evaluating our Total Development Cost Limit policy and providing the Commission with a recommendation on the implementation of cost-efficiency measures that seek to maximize and further promote an equitable allocation of our scarce resources across the state.

In November, Homeownership had \$217 million in new reservations assisting 616 families.

Asset Management & Compliance's (AMC) Portfolio analysts completed reviewing 91% all tax credit annual reports despite the retirement of a Senior Portfolio Analyst. AMC is preparing for the submission of over 1,200 annual reports in January for all tax credit and bond properties.

AMC presented a well-received 4-day online tax credit compliance fundamentals workshop; There were 67 attendees.

Staff continue to upgrade website forms to be editable and signable online, manage online workshop activities, and process transfers.

Finance has begun recruiting for its vacant Fiscal Analyst 4 position.

Build Back Better Bill remains in a holding pattern. Staff is confident that the LIHTC provisions remain in the bill and are hoping for Senate action by December 24th.

Our recruiter, Broadview Talent, continues a nationwide targeted search for the Deputy Director and Senior Finance Director positions. We are currently accepting applications for both. For the Director of Finance position, we have scheduled a round of initial interviews this week and next.

Staff continues preliminary discussions with legislators regarding increasing the Commission's current debt limit. We have secured a commitment from Representative Strom Peterson, Chair of the Housing, Human Services and Veterans Committee and member of the Capital Budget Committee to serve as the prime sponsor and are in discussions with Senate leadership about sponsorship. We have also begun the process to "pre-file" the debt limit legislation.

Mr. Walker participated in the following events and discussions this month; Ongoing HAF discussions; WCRA Board of Directors meeting; Microsoft quarterly meeting and AHAB board meeting.

Commissioners' Reports

Ms. Bascomb stated that the inaugural awards gala for the Western Washington Realtists – the local chapter of the National Association of Real-Estate Brokers will be on December 11. She is the current President.

Mr. Surratt stated that Housing Equity Accelerator is a LISC partnership with Amazon, providing training and capital for developers of color.

Consent Agenda

The consent agenda was approved as mailed.

Adjournment

The meeting was adjourned at 2:17 p.m.

Signature

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Bill Rumpf
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