

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

May 23, 2022

The Commission meeting was called to order by Chair Bill Rumpf at 9:00 a.m. in the Baker Room at 804 10th Street, Bellingham, Washington 98225 and via Zoom and conference call. Those Commissioners present were Nicole Bascomb, Pedro Espinoza, Diane Klontz, Lowel Krueger, Ken Larsen, Wendy Lawrence, Mike Pellicciotti and Alishia Topper.

Approval of the Minutes

The minutes of the April 28, 2022 special meeting were approved as distributed.

Commission Briefing on Evergreen Ridge Apartments, OID # 22-46A

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, briefed the Commissioners on the Evergreen Ridge Apartments, OID #22-46A and said the Commission is considering the issuance of tax-exempt revenue bonds to finance the acquisition and rehabilitation of an existing facility that has approximately 145 units, located at 3451 Woburn Street, Bellingham, WA 98226, to be owned by Mercy Housing Northwest, a Washington nonprofit 501(c)(3) corporation. The total estimated bond amount is not expected to exceed \$2,520,000. Ms. Vatske stated she is briefing the Commission now due to it having a bond resolution scheduled for the June Commission Meeting. The TEFRA public hearing will be held on May 26, 2022.

**Action Item:
Resolution No. 22-30, Grand Street Commons, OID # 20-95A**

This item was pulled from the agenda.

**Action Item:
Resolution No. 22-31, Watershed Renton, OID # 20-94A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable notes to finance a portion of the costs for the acquisition, construction and equipping of a 145-unit multifamily housing facility located at 615 and 617 Williams Avenue S., Renton, WA 98055, to be owned by

GMD Renton 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 \$48,000,000. The public hearing was held January 27, 2022.

Mr. Krueger moved to approve the resolution. Mr. Larsen seconded the motion. The resolution was unanimously approved with one abstention from Ms. Bascomb due to a conflict of interest because her employer is the bond trustee.

The business meeting was adjourned at 9:11 a.m. on May 23, 2022 for a Budget and Planning Session, then reconvened on May 24, 2022 at 11:55 a.m. to continue the business meeting.

**Action Item:
Revolve Home
Advantage
Downpayment
Assistance
Repayments**

Lisa DeBrock, Director of Homeownership Division stated that the Commission's Downpayment Assistance (DPA) programs were originally funded with Program Related Investments. When the Commission started the Home Advantage program, the DPA loans in that program were funded with the "premium" on the Home Advantage loans. As the Commission began receiving Home Advantage DPA repayments, it deposited those amounts into PRI. Today, there is currently \$131 million held at the Commission within the PRI representing Home Advantage DPA loan repayments.

On December 14, 2017, in response to the success of the Home Advantage Program and recognizing that the Commission was beginning to see repayments of Home Advantage DPA loans, the Commission approved the reinvestment of 1% of Home Advantage DPA repayments to help reduce the interest rates offered in the Home Advantage program.

The market has now changed and the Commission is no longer able to generate the premium needed to fully fund the Home Advantage DPA loans. In response to the market changes, staff is now asking for approval to revolve Home Advantage DPA repayments above that 1% threshold. The repayments would be

used to fund all or a portion of the Home Advantage DPA loans by buying down the premium on the Home Advantage loans.

However, because much of the \$131 million within PRI representing Home Advantage DPA repayments will be needed to provide the Commission with the liquidity reserves required to establish itself as a seller-servicer, staff proposes that the balance of Home Advantage DPA repayments in the PRI not be permitted to fall below \$80 million.

Ms. Topper moved to approve the request to authorize the Executive Director to reallocate Home Advantage DPA repayments in excess of \$80 million to revolving Commission Down Payment Assistance Programs. Mr. Kreuger seconded the motion. The request was unanimously approved.

Adjournment

The meeting was adjourned at 12:01 p.m.

Signature
