

WASHINGTON STATE HOUSING FINANCE COMMISSION

COMMISSION MEETING MINUTES

February 23, 2023

The Commission meeting was called to order by Chair Bill Rumpf at 1:00 p.m. in the 28th Floor Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington 98104, and via Zoom teleconference. Those Commissioners present via Zoom were: Albert Tripp, Corina Grigoras, Lowel Krueger, Wendy Lawrence, Alishia Topper, Pedro Espinoza, Mike Pellicciotti, Ken Larsen, Nicole Bascomb-Green and Bill Rumpf.

Approval of the Minutes

The January 26, 2023 Commission Meeting minutes were approved as distributed.

**Public Hearing:
Copper Way, OID
21-122A**

The Chair opened a public hearing for Copper Way, OID #21-122A, at 1:04 p.m.

Mr. Jason Hennigan, Senior Bond and Housing Analyst of the Multifamily Housing and Community Facilities (“MHCF”) Division, described 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 256-unit multifamily housing facility located at 19423 Mountain Highway East, Spanaway, Washington, to be owned by Copper Way Apartments, LLC, a Washington limited liability company. 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.

Mr. Hennigan introduced Keith James from the developer, The Inland Group, who stated that Copper Way Apartments is similar to other branded properties Inland has developed over the past 15 years. It is located on a future bus transit line. Inland is partnering with the Metropolitan Development Council who will be leading their community engagement process. The building will have a dedicated space for them to provide services for the residents and community members at large.

There were no comments from members of the public and the hearing was closed at 1:08 p.m.

**Public Hearing:
Polaris at Totem
Lake, OID # 21-
42A**

The Chair opened a public hearing for Polaris at Totem Lake, OID #21-42A, at 1:08 p.m.

Mr. Jason Hennigan said this was a public hearing 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 260-unit multifamily housing facility located at 12335 120th Avenue NE, Kirkland, Washington, to be owned by Polaris at Totem Lake, LLC, a Washington limited liability company. 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 \$72,500,000.

Mr. Hennigan introduced Joey Launceford & John Fisher, both developers with The Inland Group. Keith James again presented on the project.

Mr. James described the range of residents being served in this combined 4%/9% project. Units in the 9% project will be between 30% and 50% AMI. There is another 142 additional workforce housing units. The project's community based organization is an established service provider on the east side, Hopelink, who have been integral to community outreach. They also will be the Service Provider for the 9% on the project's housing portion.

Lisa Vatske, Director of the MHCF, stated that both this project and the Copper Way project are using the Evergreen Impact Housing Fund (EIHF).

Mr. James responded that the EIHF has made these programs work despite the increase in construction costs and interest rates. The EIHF is an integral part of the financing structure.

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

**Public Hearing:
Fremont Village
and Crescent
Terrace, OID #
23-29A-B**

This item was pulled from the agenda.

**Action Item:
Request for
Approval of PRI
Application for
Clark County
DPA Program**

Lisa DeBrock, Director of the Homeownership Division, stated this is a resolution approving a Program Related Investment (PRI) request to create a Clark County downpayment assistance program (DPA) which Commissioner Topper helped bring forward.

The average home price in Clark County has now surpassed \$553,000 putting homeownership out of reach for many low- to moderate-income homebuyers. This proposal aims to help fill some of the gap. This DPA program includes specific

Commission directives to ensure that services and activities provided by the Commission will be designed and delivered in a manner sensitive to the needs of ethnic minorities and diverse populations and an emphasis on securing access, retention and culturally relevant services.

Ms. DeBrock then introduced Dietrich Schmitz, the WSHFC's DPA Administrator in the Home Ownership division.

Mr. Schmitz stated that he creates, maintains and administers the WSHFC's DPA programs that utilize PRI funds as well as programs that partner and combine funds with other jurisdictions in Washington State. These partnerships reach lower income borrowers and provide them with greater assistance than would be obtained through WSHFC's regular programs.

Clark County has set aside \$2,000,000 in American Rescue Plan Act funds which will help borrowers in Clark County making less than 90% of the area median income purchase a home.

Mr. Schmitz stated the county funds will be combined with our PRI request in the amount of \$667,000. Approval of this proposal will allow the Commission to provide \$15,000 per borrower. Clark County will provide \$45,000 per borrower. The total loan amount will not exceed \$60,000 in assistance at a 2% interest rate, with payments deferred for 30 years, and will help 44 households. This will lower mortgage payments and reduce or eliminate private mortgage insurance in some cases.

Half of program funds will be directed to homebuyers working with a non-profit housing agency and half will be open to first-time home buyers who are under the 90% AMI threshold. Borrowers will have to complete the standard Commission Home Buyer Education class and pre-purchase housing counseling to qualify.

The loan will be repaid when the borrower sells, refinances, no longer occupies the property, or pays off their first mortgage within 30 years.

With Commission approval, the program will be able to go live in spring 2023.

Chair Rumpf commented that partnering with a local agency will increase the program's impact.

Mr. Larsen moved to approve the resolution. Mr. Krueger seconded the motion. The motion was approved 8-0 with Ms. Topper abstaining since she is the Clark County contact.

**Action Item:
Resolution No. 23-
30, The
Boulevard, OID #
22-97A**

Ms. Lisa Vatske stated 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 to refinance all or a portion of existing taxable debt used to finance the acquisition of an existing 136-unit facility and finance a portion of the costs of the rehabilitation of the facility,

located in Kent, Washington, to be owned by The BLVD LLC, a Washington limited liability company, the sole member of which is Bellwether Housing, a Washington nonprofit corporation and organized under section 501(c)(3). 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 \$25,000,000. The public hearing was held on January 26, 2023.

Ms. Vatske stated that the Commission has a Bank Letter of commitment from Citibank in the amount of \$21,500,000.

Mr. Larsen moved to approve the motion and Ms. Lawrence seconded. The motion was approved unanimously 8-0 with Ms. Bascomb-Green abstaining as her employer is the fiscal agent.

**Action Item:
Resolution No. 23-
31, El Centro de
la Raza at
Columbia City,
OID # 22-
36A**

This item was pulled from the agenda.

**Action Item:
Resolution No. 23-
32, KWA 15th &
Tacoma, OID #
22-38A**

Ms. Vatske stated 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 an 88-unit senior housing facility located in Tacoma, Washington, to be owned by Korean Women's Association 15th & Tacoma 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 \$22,000,000. The public hearing was held on January 26, 2023.

Ms. Vatske stated that the Commission has a Bank Letter of commitment from Heritage Bank in the amount of \$22,000,000.

Mr. Tripp moved to approval. Ms. Topper seconded. The motion was approved unanimously 8-0 with Ms. Bascomb-Green abstaining because her employer is the fiscal agent.

Informational Report on Department of Commerce Activities

Ms. Grigoras gave the report on Department of Commerce (“Commerce”) activities as follows:

- Legislative Update: Commerce is following 159 bills and has completed 56 Fiscal Notes.
- Ms. Lisa Brown, the state Department of Commerce director, is stepping down as of March 4th

HOUSING DIVISION - MULTIFAMILY UNIT

HOME-American Rescue Plan Act (ARPA) seeking input on draft plan to allocate \$23M

A 15-day public comment period is open through March 2, to collect input on the draft HOME-ARP Allocation Plan. The draft HOME-ARP Allocation Plan describes needs and gaps in shelter, housing and services. It also sets the distribution plan for the \$23M in HOME Investment Partnership Program ARPA funds in non-entitlement communities for the state.

HOUSING DIVISION - APPLE HEALTH & HOMES/PERMANENT SUPPORTIVE HOUSING UNIT

Capital Program funding released

The first round of Apple Health & Homes (AHAH) Capital program funding was recently released. Projects that were partially funded or wait-listed from the Housing Trust Fund's 2022 Traditional program application were invited and encouraged to apply.

Commerce awarded the inaugural round of conditional capacity grants totaling over \$680,000 to 29 organizations across Washington. Funds will create a network to launch the AHAH initiative by building the knowledge to provide or expand the capacity to deliver community support services.

HUD 811

We are excited to begin supporting 15 new units in Franklin County and 12 new units in King County in the next couple of months, with additional units scheduled to receive 811 support in Yakima within the next year.

HOUSING DIVISION - HOMELESSNESS ASSISTANCE UNIT

The temporary federal rent assistance funds we've been administering since the beginning of the pandemic are coming to a close soon (contracts ending in June this year). We've learned many lessons throughout the last couple of years and look forward to reflecting on this more and sharing. Commerce programs have

assisted over 100,000 households, with the average funds distributed per HH at about \$6,000. We will have a full report later this year.

HOUSING DIVISION - LEGISLATIVE SESSION

Bill #	Abbrev. Title	Short Description	Status	Sponsor
HB 1149	Housing/capital expenditures	Reducing homelessness in Washington state through capital expenditures for programs that address housing insecurity.	H Cap Budget	Tharinger
SSB 5202	Housing/capital expenditures	Reducing homelessness in Washington state through capital expenditures for programs that address housing insecurity.	S Ways & Means	Trudeau
SHB 1406	Youth seeking housing assist	Concerning youth seeking housing assistance and other related services.	H APPDPS	Cortes
HB 1622	Students/homelessness	Supporting the needs of students experiencing homelessness.	H Rules R	Fey
SHB 1628	Real estate excise tax	Increasing the supply of affordable housing by modifying the state and local real estate excise tax.	H Finance	Chopp
HB 1709	Commerce housing programs	Concerning housing programs administered by the department of commerce.	H Exec Action	Tharinger
HB 1771	Relocation assistance	Concerning relocation assistance for tenants of closed or converted manufactured/mobile home parks.	H 2nd Reading	Donaghy
SSB 5386	Document recording fees	Reducing administrative complexity by increasing transparency of revenue flows for activities funded by document recording fees.	S Ways & Means	Robinson

LOCAL GOVERNMENT DIVISION - GROWTH MANAGEMENT SERVICES

Chapter 254, Laws of 2021 (HB 1220) update

Final future housing need numbers for every county in Washington will be available in the Housing for All Planning Tool at the end of February. Housing need numbers are divided up by income bracket (0-30% AMI, >30-50% AMI, >50-80% AMI, >80-100% AMI, >100-120% AMI, and >120% AMI) and include separate projected emergency housing/emergency shelter needs.

Housing need numbers are provided at the county level, consistent with how populations are projected from OFM. Commerce has developed draft guidance for counties to allocate the housing needs from the county level to cities, towns and unincorporated counties, as well as an allocation tool in the Housing for All Planning Tool.

State draft housing needs

State draft housing needs indicate that >50% of state housing needs will be below 50% AMI, and significant funding, planning and coordination will be needed to achieve these housing needs in the future. Fully planning cities and counties will be required to plan for sufficient land capacity at densities that may accommodate housing at the various income brackets and identify barriers and funding gaps to achieving these housing needs as part of their comprehensive plan periodic updates due starting in December 2024. Draft guidance on land capacity and identifying barriers to achieving housing needs will be available by January 2023. All guidance for this work, final housing need numbers, and a webinar should be complete by April 2023.

MFTE program

Commerce has produced a workbook for administrators, is in the throes of a legislative study, and hosts regular meetings to help administrators wherever they are in their program development.

ADUs

Updated policy recommendations for accessory dwelling units – just being developed as a draft to share with AHAB – as [RCW 36.70A.400](#) requires us to consult with AHAB in their development.

Guidance to help communities adopt middle housing

Commerce has created a new middle housing web page and contracted with Opticos, who wrote the book on middle housing, to develop tools to help adopt ordinances. We will be populating this page with tools over the next few months.

2023 legislative session bill watch

- Middle housing: [HB 1110/SB 5192](#)
- Accessory Dwelling Units: [HB 1337](#) and [SB 5235/HB 1276](#)

- Transit-Oriented Development: [SB 5466/ HB 1517](#)

Chair Rumpf asked the status of the Governor’s proposal for a statewide initiative which Ms. Grigoras stated is still in process and are being watched closely. Ms. Vatske noted budget implications and level of discussion required.

Mr. Tripp asked regarding the Growth Management update and how communities are planning for various income group housing needs.

**Executive
Director’s Report**

Mr. Walker highlighted a number of points in the Executive Director’s report contained in the meeting packet.

MULTIFAMILY HOUSING & COMMUNITY FACILITIES (MHCF) (APPLE HEALTH AND HOMES)

- Corporation for Supportive Housing (CSH), Commerce, and the Commission worked directly with legislators to bring Apple Health and Home to fruition. The Commission is requesting capacity-building grants for Apple Health and Home to build on the momentum of the launch to focus on housing and service needs for vulnerable populations.
- Pre application processes to engage more directly with members and leadership of Community Based Organizations (CBO) interviews have been underway as part of our bond pre application process. These have been a great way to help establish relationships and support to identified CBO’s participating in a bond application. This will also educate the Commission.
- We have begun the process of reviewing the program’s first six months to better evaluate the trends, distribution and the effectiveness of our outreach and the overall HAF program geographically and demographically.
- On February 28th we are distributing the first draft of our Racial Equity Strategic Plan to staff and we’ll be gathering feedback.

LEGISLATIVE UPDATE – DAY 46

- Policy cutoff – 2/17
- Fiscal bill cutoff – 2/24
- Bills need to be voted out of house of origin – 3/8
- Budget conversations are mostly happening offline
- Tracking 80 bills

Key Bills

SB 5202/HB 1149 – Governor’s Budget Bill

Program and Housing Accelerated Program

HB 1474/SB 5496 – Covenant Homeownership

This bill would authorize the Commission to create a special purpose credit program for racial minority populations to correct past discrimination caused by the State. Moving forward. Mr. Walker expressed gratitude to Ms. Obar who has testified three times in support of these bills.

HB 1389 – Rent Stabilization Bill

This bill would cap rent increases over time. Ms. Vatske & Mr. Walker have had several conversations regarding this bill and it is scheduled for executive session on February 24th.

Chair Rumpf provided further comment on the Covenant Homeownership Bill (HB 1474) and thanked Ms. Bascomb-Green & Ms. Grigoras for testifying. Mr. Walker concurred that all the testimony was powerful and the legislation would be very impactful. He also thanked Ms. Vatske for all her help and testimony in support of numerous bills.

Commissioners’ Reports

Ms. Bascomb-Green spoke on testifying for the first time in Olympia. It was a positive experience and she was thankful to have the opportunity to testify in support of HB 1474.

Chair Rumpf reported out that the 360 Assessment process that was discussed in 2022 is moving forward. Gayle Johnson from the Racial Equity Consulting Team will lead the 360 Assessment. She will be using Checkpoint 360 as the primary tool, but will also be developing supplemental questions to get feedback, especially from staff, on racial equity work. This work will also be informative for the Executive Director & Board.

Upcoming Meetings

- 2023 meeting schedule is now posted on the Commission’s website which includes the quarterly meetings that include work sessions.
- Next work session will be at Budget/Planning session in May 2023. Location TBA.
- March Meeting: Staff will be in-person.

Consent Agenda

The consent agenda was approved as distributed.

Adjournment

Chair Rumpf adjourned the meeting at 1:57 p.m.

Signature: _____