

WASHINGTON STATE HOUSING FINANCE COMMISSION

COMMISSION MEETING MINUTES

March 23, 2023

The Commission meeting was called to order by Chair Bill Rumpf at 1:01 p.m. in the 28th Floor Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington, and via Zoom teleconference. Those Commissioners present in person were Bill Rumpf, Alishia Topper and Mike Pellicciotti. Those attending via Zoom were Albert Tripp, Corina Grigoras, Wendy Lawrence, Pedro Espinoza, Brian Surratt, Nicole Bascomb-Green, and Lowell Krueger.

Approval of the Minutes

The February 2023 Commission Meeting minutes were approved as distributed.

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

Mr. Jacob Richardson, Multifamily Housing and Community Facilities (MHCF) Manager, Tax Credits, stated 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 an 87-unit multifamily housing facility located at 3818 South Angeline Street, Seattle, Washington, to be owned by El Centro de la Raza at Columbia City 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 \$35,000,000. The public hearing was held January 26, 2023, and the Commission has a bond purchase letter in the amount of \$29,000,000 from Heritage Bank.

Mr. Richardson stated they are scheduled to close at the end of March.

Ms. Topper moved to approve the resolution. Mr. Espinoza seconded the motion. The motion was approved 8-0 with Ms. Bascomb-Green abstaining since her employer is the fiscal agent.

Action Item: Resolution No. 23-38

Ms. Lisa DeBrock, Director of the Homeownership Division, stated this is a resolution to amend Resolution No. 23-38 to expand the authorization for the Commission's single-family housing programs.

Ms. DeBrock further explained that this would increase the Homeownership Division's ability to help home buyers – issuing taxable bonds will enable more rates and choices. This resolution will give us the authority to issue taxable bonds in support of the Home Advantage program and includes the authority to issue taxable bonds to fund Home

**Informational
Report on
Department of
Commerce
Activities**

Advantage downpayment assistance loans. It does set a few parameters around the interest rates offered to provide maximum flexibility.

Upon approval, this will allow issuance of both tax-exempt and taxable bonds in May for both the House Key and Home Advantage programs.

Mr. Espinoza moved to approve the motion and Ms. Bascomb-Green seconded. The motion was approved unanimously 9-0.

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

BUDGET UPDATE

While the House Capital Budget has not been released yet, the Senate budget was released earlier on the 23rd and Ms. Grigoras believes that this budget proposes nearly \$1,000,000,000 that would be dedicated to housing work and activities in the state.

- Senate capital budget sums up to about \$550,000,000 in investments towards housing with \$400,000,000 of this invested in the Housing Trust Fund and approximately \$40,000,000 set aside for home ownership.
- \$67,000,000 appropriation for the Housing Finance Commission’s land acquisition program
- \$50,000,000 for transit-oriented housing development partnership
- \$5,000,000 for the landlord mitigation account
- \$20,000,000 for connecting housing to infrastructure. Ms. Grigoras elaborated that this is a program that was started approximately 3 years ago to help offset these infrastructure costs at the local government level.

OTHER COMMERCE NEWS

Rapid Capital Acquisition Program

On March 22, the 2022 Rapid Capital Housing Acquisition program announced the last round of awards for \$51,000,000 to 13 projects across the state. Of this, \$30,000,000 will be made available to wait-list Housing Trust Fund (HTF) projects. That leaves a good amount of money still uncommitted. Discussions have been occurring in the community with stakeholders as well as the policy advisory team about potentially redirecting response to projects in the pipeline and in the wait list in the regular HTF.

Home Ownership Programs

Commerce is about to release awards for their home ownership program which is part of the HTF. Commerce received nearly \$60,000,000 in requests, but only has about

\$24,000,000 to award and is hopeful to see those awards released the week of March 27th.

Homelessness Assistance Unit

Commerce has submitted a plan for HOME ARPA (American Rescue Plan Act) funds for tenant-based rental assistance and supportive services in non-entitlement areas.

GROWTH MANAGEMENT

Ms. Grigoras provided some additional detail on the activities of the Growth Management team's work on 2021's HB 1220 which provides guidelines for local governments on how to plan for increased housing supply. The anticipated need at this time is about 1 million units over the next 20 years that would accommodate the current population as well as anticipated population growth.

Mr. Espinoza clarified 1 million units over 20 years, and Mr. Grigoris stated there may be a little give and take in those numbers, but confirmed this includes anticipated growth.

Chair Rumpf asked what Ms. Grigoras is seeing as the role of Commerce or the Commission in responding to that need. He asked if, as jurisdictions try to look at increasing production, she anticipates more resources will be required over what historically has been done, including zoning and other kinds of actions.

Ms. Grigoras responded that the Local Government division has been working on this study and plan to provide technical assistance at the local level including technical assistance and planning grants. There are also discussions in the Governor's Office as well as the Legislature about what can be done about zoning. Mr. Grigoras also suggested inviting members of the Growth Management team to present at a future Board meeting about the work and their plans.

Mr. Steve Walker commented on this by stating that there has been discussion about this during the legislative session. Current legislation has highlighted the challenge to reach one million units without increasing density in zoning. This is also impacted by land supply and underbuilding that has occurred for the past 20-plus years. While there have been robust conversations this session and a few bills are still alive, the Commission will continue to monitor this as it ties into the Growth Management Act.

**Executive
Director's Report**

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

MULTIFAMILY & COMMUNITY FACILITIES

The Maddux, a project developed by Mt. Baker Housing held its grand opening and Chair Rumpf and Mr. Espinoza spoke on behalf of the Commission at the event.

HOMEOWNERSHIP

Mr. Walker touched on the Homeowner Assistance Fund (HAF) and plans to dig deeper into the program at the May budget meeting and work session. As data comes in via portal visits, applications, outreach efforts, including advertising, it will provide valuable information that the Commission can act upon. HOTB, the Commission's program administrator, participated in discussions with Treasury. The program was rolled out slowly and intentionally and that has worked well.

He called out the Clark County down payment assistance program which launches on April 3rd.

ASSET MANAGEMENT & COMPLIANCE

Mr. Walker spoke to the resumption of inspections on March 3rd, and also completion of the 3rd round of surveys that were administered.

He mentioned that several staff members will be attending and presenting at the Affordable Housing Conference in Tacoma in April which is being held in person for the first time in three years.

FINANCE

Mr. Walker spoke to all bullet points provided in the Board Meeting Packet while also highlighting that with the single family bond closing on May 18th, the Commission will be able to address that in the May budget planning meeting.

OTHER

Racial Restrictive Covenant Project Volunteer Activity

Mr. Walker asked Mr. Bob Peterson, Deputy Director of the Commission and Faith Pettis, Partner at Pacifica Law Group, to share regarding the volunteer event with the University of Washington's Racial Restrictive Covenant Project.

Mr. Peterson shared about the opportunity to review historical housing covenant documentation on microfilm and microfiche. He said that reviewing the historical

documents and seeing where several communities were discriminated against and not allowed to buy homes brought back memories of the stories he heard from his parents about housing discrimination. To this day, the effects of that can be seen and felt.

There was a large volume of documentation, and they were only able to get through a small piece of it, but it was difficult to see the level of discrimination that existed and the opportunities that weren't there for certain people and people groups and how that has continued to have an impact through the generations.

Mr. Peterson spoke of his own family who were told they had to move to a certain zip code. However, his parents didn't accept that and made sure that he lived in good neighborhoods, went to better schools and was involved in the community. This definitely impacted him positively. He believes that education and opportunity make a visible difference in people's lives.

He further elaborated that it's important that people are educated on what has happened in the past. It should not be removed but rather used as a learning opportunity to ensure past mistakes are not repeated and perpetuated but are changed moving forward.

Ms. Pettis added that about 25 people from the Commission and Pacifica participated in the event, meeting with Professor James Gregory who has headed the program for about 15 to 20 years. Dr. Gregory's team has been receiving old microfilm from county auditors and, along with employees and volunteers, review them document by document looking for language that restricts property from being sold or occupied by anyone other than white families. She added that it is startling to see the language that has been uncovered in print.

This program needs volunteers and is open to anyone interested in volunteering. While there has been funding for the program, funding is now running low. Representative Chopp is trying to add funding to the budget so that the program can continue, but the project will have to close soon if more funding is not secured.

Ms. Topper commented that she noticed it was primarily Western Washington counties mentioned in the Executive Director's report and asked if this is a statewide effort.

Ms. Pettis replied that it is a statewide effort, but is dependent on the county auditors to send the records.

When the records are received, they are then digitized. The goal is to notify the different counties that the language exists and that eventually the homeowners will learn about it and take the opportunity to strike the restrictive language from the covenants.

Ms. Topper suggested a "volunteer day" for the Commissioners to assist with this project. Mr. Walker affirmed that idea and agreed to check with interested staff as well for a coordinated effort.

Homeowner Assistance Fund (HAF)

Mr. Walker stated that an email went out to Commissioners regarding HAF – some had incorrect addresses but that this was corrected and sent to all recipients.

LEGISLATION

LegCon is the week of March 27th and Mr. Walker, along with several staff and Commissioners, will be attending. Mr. Walker recognized the work of Anna Porkalob and Margret Graham in preparing communications materials as well as Tera Ahlborn for her work done in securing meetings with key stakeholders. Additionally, he mentioned he will be introducing Representative Del Bene.

SENATE FINANCE COMMITTEE TESTIMONY

Mr. Walker spoke about testifying to the Senate Finance Committee in Washington DC and the video of his initial testimony was shown. The positive take-aways from the hearing was that it was a well-attended testimony and panel comments were well-received due to the awareness on the part of lawmakers of the need for affordable housing supply. Mr. Walker believes that this support will arm the Commission to increase the 9% tax credit allocation program and reduce the 50% test in the Bond program effectively doubling the number of deals the Commission is able to do.

LEGISLATIVE SESSION

Mr. Walker gave a high-level update on the current legislative session which ends on April 23rd. He provided the remaining cutoff dates and an update on a few of the more high-profile bills the Commission has been monitoring.

- **2SHB 1474** Homeownership Covenant bill is strongly supported, and Mr. Walker is meeting weekly with stakeholders. He especially recognized Ms. Corrina Obar who testified four times in support of the bill.
- **HB 1389** that would have capped rent increases over time, progressed further than earlier versions but ultimately did not survive. The Commission will continue to investigate the Commission's policies on rent increases and where changes can be made to ensure renters aren't bearing unreasonable rent increases year-over-year and that the buildings are maintained.

- **SB5301 Clean Up Bill (Commerce)** – The Commission supports this bill, and several have testified in support at the hearings. The bill would help sustain the operations of the Dept. of Commerce as their portfolio grows.
- **Land Acquisition Program (LAP)** is in all budgets and adoption would secure land opportunities for future housing. Members of the Commission staff have testified on the bill’s behalf.
- **Governor’s Housing Referendum** – Governor Inslee has requested \$4,400,000,000 to front load housing construction over the next four years. The Commission is monitoring this and all budget discussions in efforts to advocate for capital dollars to be spent educating, building housing units as well as supporting wraparound services which also play a large part in stabilizing and serving families and children.

Chair Rumpf congratulated Mr. Walker on his appearance and representation of Washington State at the hearings in Washington, DC.

Commissioners’ Reports

Mr. Espinoza enthusiastically spoke about attending the Maddux grand opening. Chair Rumpf also attended and stated he was very impressed with the growth and improvement of that area.

Ms. Topper commended Dietrich Schmitz for going above and beyond for the Down Payment Assistance program in Clark County.

Mr. Krueger, who was attending virtually from Washington, DC, reported that he’d already had opportunities to talk to speak with Emily Cadik and Senator Cantwell who are both more positive regarding the prospect of lowering 50% tax to 25% or potentially even lower.

Consent Agenda

The consent agenda was approved as distributed.

Public Comment

Members of the public were present but chose not to publicly comment. Chair Rumpf encouraged them to stay after and talk with staff and Commissioners.

Adjournment

Chair Rumpf adjourned the meeting at 1:53 p.m.

Signature: _____