

A string of glowing light bulbs is the central focus, set against a dark background with abstract, colorful light trails in shades of blue, purple, and yellow. The bulbs are illuminated, casting a warm, golden glow. One bulb in the foreground is particularly sharp, showing its filament and the white ceramic base. The overall mood is one of hope and progress.

2017 Impact Report | 1983-2017

34 Years of Brighter Futures

Washington State Housing Finance Commission



We welcome the opportunity to tell you more about our programs and how they work to make your community stronger. Please contact us at **206-464-7139**, or visit our website at wshfc.org

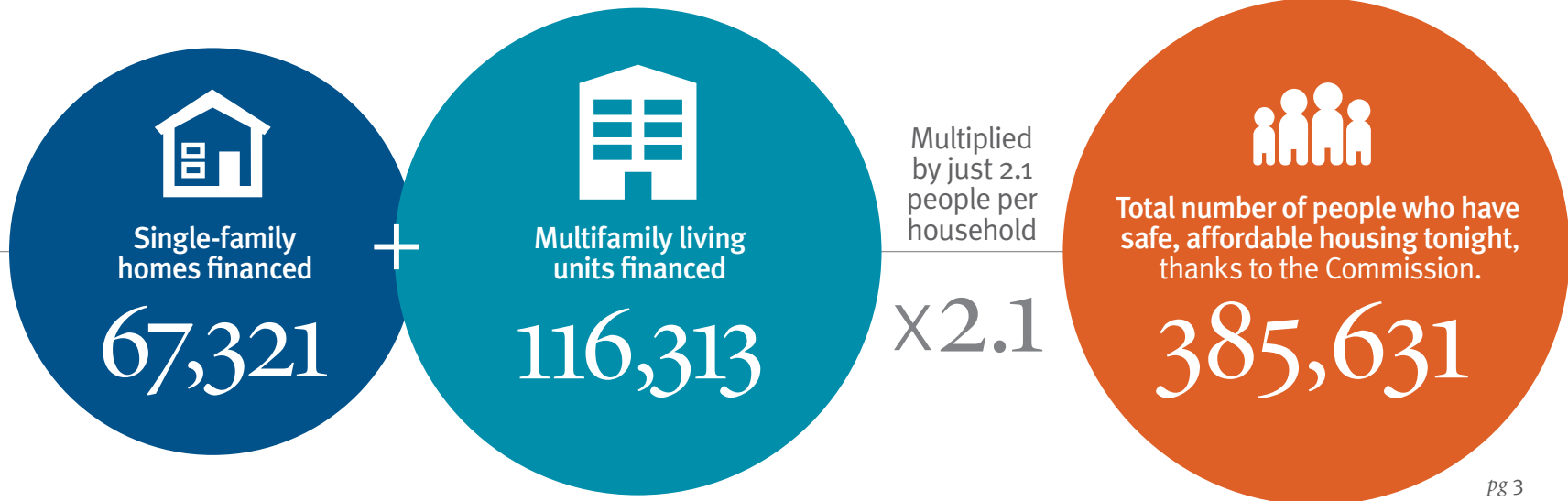
34 Years of Statewide Impact

Our state’s people and communities are as diverse as its landscape. From urban to rural, homeless to homebuyer, we face an incredible variety of needs and economic situations.

Our financing tools help local families buy homes, local developers build apartments, and local nonprofits open senior centers and playgrounds—all while creating local jobs.

Programs and services offered by the Commission support:

- Affordable housing
- Community facilities
- Farms and ranches
- Energy projects
- Job creation
- State economy
- And thousands of families

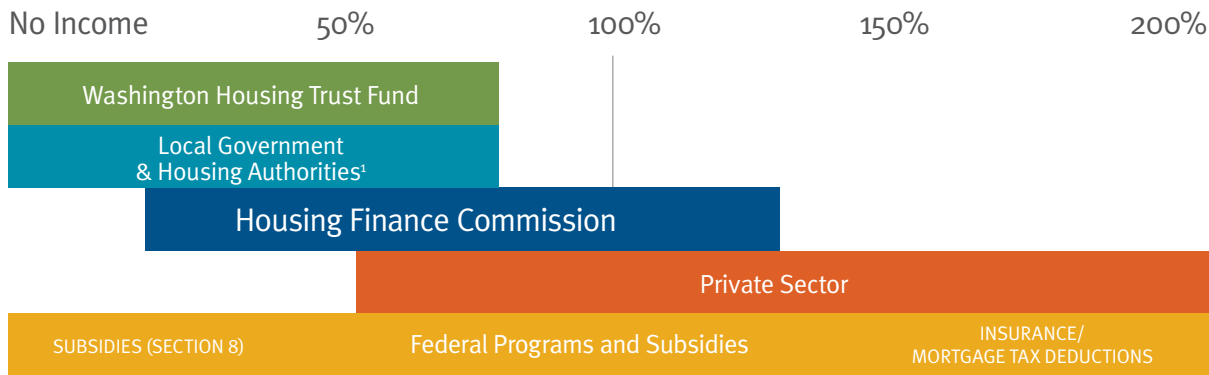


The People We Serve

The Commission’s financing mechanisms for affordable housing are “shallow subsidies” in comparison to other public resources—serving those with low to moderate incomes. The majority of people we serve earn less than the area median incomes, which ranged in 2017 from \$44,600 in Ferry County to \$96,000 in King County.



Percent of Area Median Income



¹ Federal, State, and Local Funds



Multifamily Bonds and Housing Credits by County

County	Amount Financed			Units Financed		County	Amount Financed			Units Financed	
	Housing Credits	Bonds	Credits & Bonds	Bonds Only	Non Profit Bonds		Housing Credits	Bonds	Credits & Bonds	Bonds Only	Non Profit Bonds
Adams	\$ 18,688,608	-	212	-	30	Lewis	\$ 51,478,594	\$ 11,145,000	706	-	40
Asotin	\$ 4,867,162	-	80	-	-	Lincoln	\$ 413,411	-	15	-	-
Benton	\$ 80,715,114	\$ 57,000,000	2,093	427	-	Mason	\$ 2,856,114	\$ 1,266,243	58	24	-
Chelan	\$ 14,467,669	\$ 7,390,000	307	146	132	Okanogan	\$ 28,693,338	-	389	-	-
Clallam	\$ 55,577,656	\$ 17,876,395	857	87	52	Pacific	\$ 1,068,983	-	139	-	40
Clark	\$ 181,665,222	\$ 169,045,158	4,478	1,165	-	Pend Oreille	\$ 283,295	-	31	-	-
Columbia	\$ 1,947,125	-	25	-	-	Pierce	\$ 350,924,359	\$ 202,277,000	6,904	2,501	1,255
Cowlitz	\$ 33,292,229	\$ 4,818,000	677	214	-	San Juan	\$ 3,269,044	-	156	48	-
Douglas	\$ 12,998,489	-	207	-	-	Skagit	\$ 71,854,595	\$ 60,214,401	1,666	-	130
Ferry	\$ 2,928,556	-	33	-	-	Skamania	\$ 2,526,412	-	20	-	72
Franklin	\$ 25,723,697	\$ 19,250,000	687	-	-	Snohomish	\$ 540,758,947	\$ 841,402,696	11,980	1,923	682
Garfield	-	-	-	-	-	Spokane	\$ 299,873,196	\$ 173,965,000	5,522	1,157	1,539
Grant	\$ 79,174,072	\$ 9,600,000	1,023	24	64	Stevens	\$ 11,237,536	-	155	-	-
Grays Harbor	\$ 13,786,360	-	288	-	13	Thurston	\$ 106,607,696	\$ 123,478,923	2,710	1,059	1,225
Island	\$ 13,116,848	\$ 8,603,089	561	-	42	Wahkiakum	-	-	-	-	-
Jefferson	\$ 8,517,508	\$ 2,280,914	263	159	-	Walla Walla	\$ 47,334,648	-	566	210	383
King	\$ 2,092,842,932	\$ 1,406,097,312	36,116	5,463	7,009	Whatcom	\$ 154,495,462	\$ 71,635,000	2,639	92	266
Kitsap	\$ 95,412,388	\$ 59,673,274	2,284	851	256	Whitman	\$ 12,048,366	\$ 2,770,000	202	264	28
Kittitas	\$ 16,168,823	-	464	-	-	Yakima	\$ 187,865,808	\$ 2,336,125	2,376	56	179
Klickitat	\$ 2,969,156	-	48	-	-						

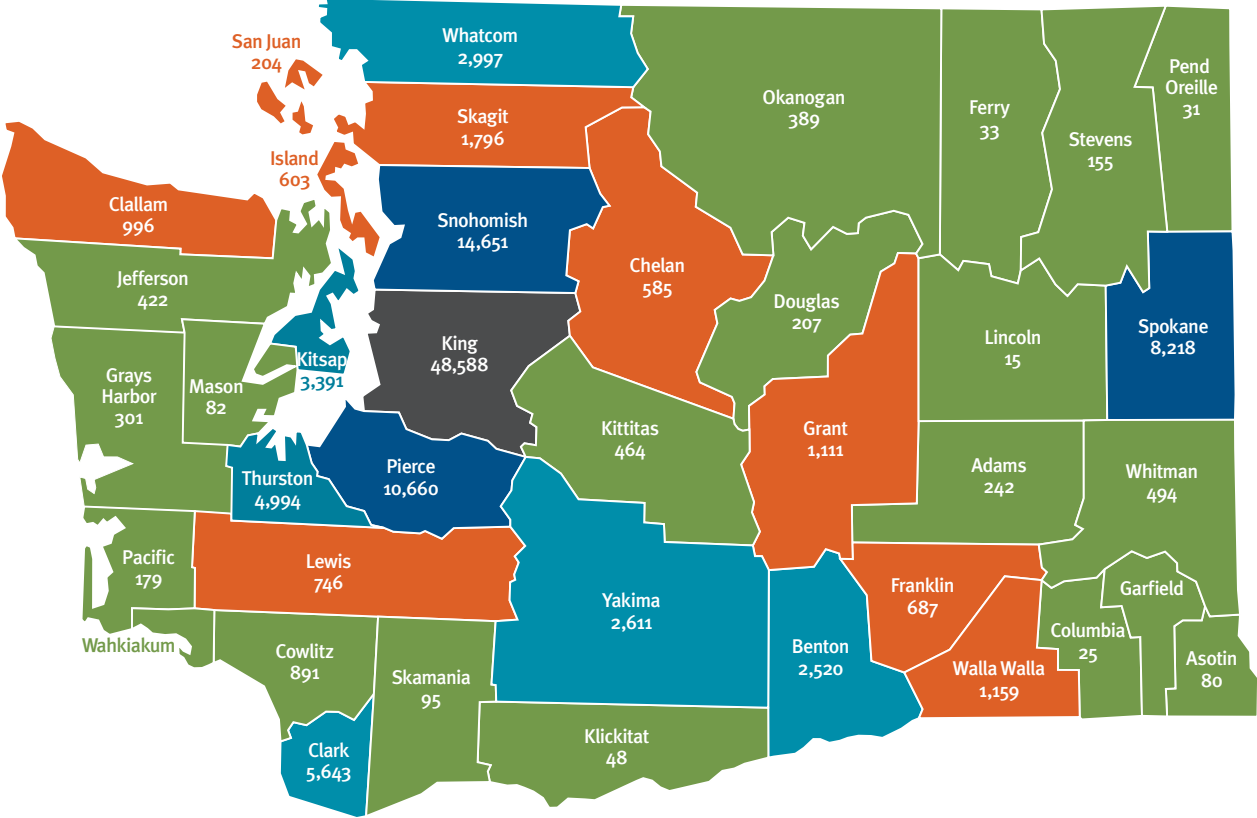
Through the allocation of federal housing credits and the issuance of bonds, we help finance a spectrum of affordable multifamily housing statewide, with projects in nearly every county.

Cumulative Totals

By County from
7/1/1983–12/31/2017

Housing Credits	Bonds	Credits & Bonds	Bonds Only	Non Profit Bonds
\$4,628,449,448	\$3,252,124,530	86,940	15,936	13,437

Multifamily Housing Units by County



Impact Measurement



116,313

Total Housing Units

\$9.04B

Total Amount Invested

Senior Housing Units

(Included in Total Unit Count)

-  5,306 Assisted-living Units
-  22,799 Independent-living Units
-  3,186 Nursing Beds

31,291 Total Number

Multifamily Housing: Total Investments 1983-2017

Since 1983, our financing has created or rehabilitated more than 108,000 rental homes, of which over 31,000 serve the elderly. The Commission's two most important financing tools for multifamily development are issuing bonds and allocating housing tax credits. Both are purchased by investors on the private market; the proceeds of bond sales are loaned to the developer through a bank, while tax credits are converted into equity in the project.

Different financing tools are used for different populations and geographic areas throughout the state. Multifamily bond financing, for example, is most feasible in urban areas, where projects are large enough and rents are high enough to enable developers to repay their bond debt. Projects financed with housing credits alone serve people with lower incomes and greater needs, in rural and urban communities alike.

The Commission monitors and inspects multifamily properties to ensure they remain in compliance with program requirements and thus remain eligible for the tax benefits that helped to finance them.

Housing Credit Programs Provide Financing Options

Housing Credits (1986-2017)

\$4.6 billion allocated – 1,140 properties, 86,940 total units

9% Housing Credit Program

Housing credits in the 9% program (in which the credit provides up to 70% of the project's equity) are allocated through an annual competitive process in which projects are evaluated and scored according to the Commission's established criteria.

4% Housing Credit Plus Bonds Program

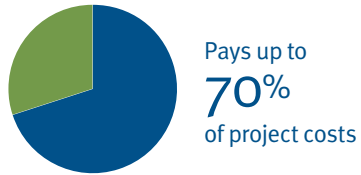
The 4% housing credit program (in which the credit provides up to 30% of the project's equity) combines tax-credit equity with tax-exempt bonds, which become loans (debt). This program is often used by private developers for affordable multifamily housing.



The Low Income Housing Tax Credit allows developers to build and renovate affordable apartments, which must remain safe, decent, and affordable for at least 40 years.

Housing Credit Programs, continued

Credits Only (9%) (equity)

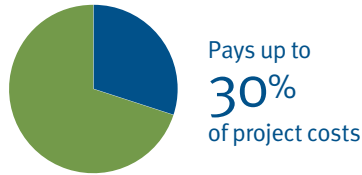


Serves lower incomes and special needs

32,356 units

722 properties

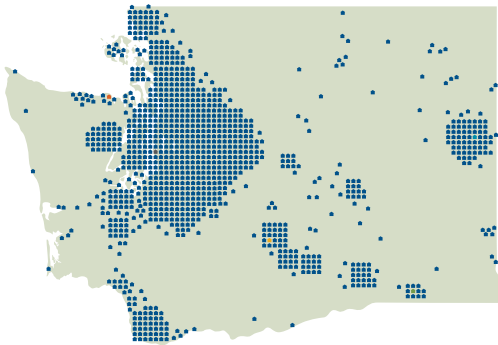
Credits Plus Bonds (4%) (equity + debt)



Serves working families

54,584 units

418 properties



1,140 Total Properties Statewide

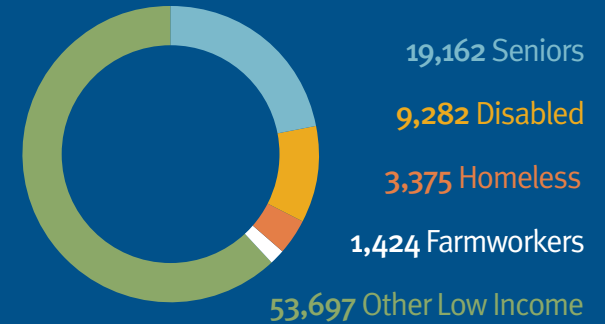
316 Rehabilitation

824 New construction



People Served by Housing Credit

Almost 37% of current units are set aside for a specific population.



Total Housing Units **86,940**



Multifamily Housing 1983-2017, continued

Nonprofit Housing Bonds

143 projects – 13,437 units

Tax-exempt 501(c)(3) bonds help nonprofit providers of housing (and housing with services) to finance or refinance independent-living apartments, group homes, assisted-living facilities, nursing homes, retirement communities, and student dormitories.

- \$1.96 billion in tax-exempt bonds helped finance 13,437 units of rental housing.
- Tax-exempt nonprofit bonds were refinanced for 44 projects.
- \$53 million in taxable bonds were issued to finance associated project costs.

Bonds Only

15,936 units

In this rarely used program, tax-exempt multifamily bonds are used by nonprofit or for-profit housing developers to create affordable apartments, often as part of housing for independent seniors.

Land Acquisition Program

26 projects, \$15 million

A revolving loan program to assist eligible organizations to purchase land suited for the eventual development of affordable housing for homeowners and rental apartments.



Homeownership: Single-Family Loans by County 1983-2017

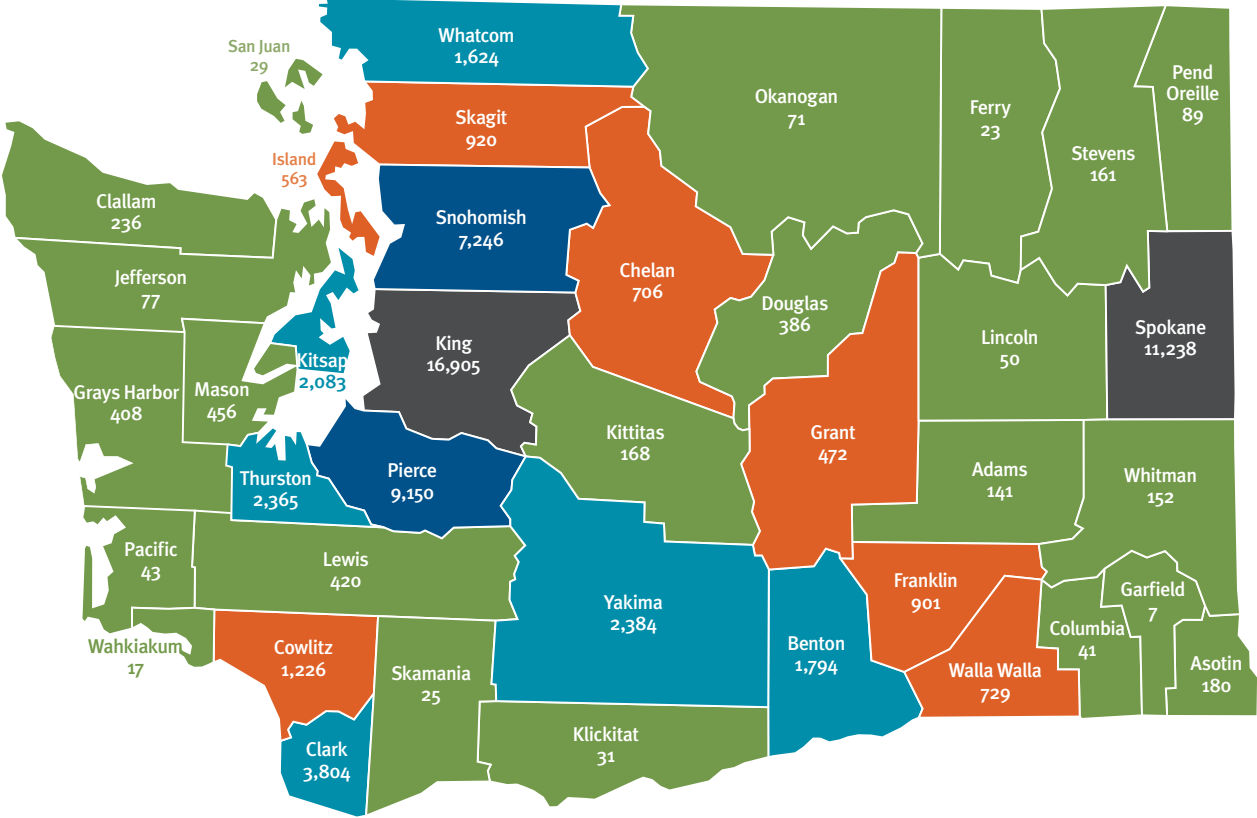
County	First Mortgage Loans		Downpayment Loans		County	First Mortgage Loans		Downpayment Loans	
	Amount	Number	Amount	Number		Amount	Number	Amount	Number
Adams	\$ 15,160,637	141	\$ 509,296	77	Lewis	\$ 51,315,774	420	\$ 1,896,815	291
Asotin	\$ 13,284,241	180	\$ 305,922	51	Lincoln	\$ 4,212,651	50	\$ 193,632	27
Benton	\$ 227,339,341	1,794	\$ 6,502,554	994	Mason	\$ 57,907,481	456	\$ 1,776,744	258
Chelan	\$ 65,035,328	706	\$ 1,083,437	156	Okanogan	\$ 6,351,683	71	\$ 151,689	27
Clallam	\$ 27,561,332	236	\$ 1,093,782	138	Pacific	\$ 4,693,106	43	\$ 203,019	31
Clark	\$ 532,444,934	3,804	\$ 13,993,203	1,778	Pend Oreille	\$ 8,916,670	89	\$ 192,916	32
Columbia	\$ 2,393,651	41	\$ 107,279	10	Pierce	\$ 1,416,734,968	9,150	\$ 42,822,242	5,250
Cowlitz	\$ 141,072,346	1,226	\$ 4,073,173	719	San Juan	\$ 4,976,144	29	\$ 183,548	18
Douglas	\$ 40,132,067	386	\$ 736,977	108	Skagit	\$ 142,881,387	920	\$ 3,756,014	514
Ferry	\$ 1,889,273	23	\$ 35,759	7	Skamania	\$ 4,701,600	25	\$ 159,586	19
Franklin	\$ 125,830,153	901	\$ 3,500,569	516	Snohomish	\$ 1,236,635,845	7,246	\$ 29,884,065	3,306
Garfield	\$ 621,660	7	\$ 16,603	3	Spokane	\$ 1,016,010,793	11,238	\$ 25,463,985	4,772
Grant	\$ 48,293,375	472	\$ 1,327,708	209	Stevens	\$ 17,671,214	161	\$ 640,897	99
Grays Harbor	\$ 41,000,734	408	\$ 1,211,351	198	Thurston	\$ 297,136,788	2,365	\$ 6,753,451	903
Island	\$ 80,217,916	563	\$ 1,575,161	196	Wahkiakum	\$ 2,129,775	17	\$ 58,847	10
Jefferson	\$ 12,583,163	77	\$ 406,971	52	Walla Walla	\$ 55,350,265	729	\$ 1,040,880	173
King	\$ 2,203,703,143	16,905	\$ 63,141,877	5,023	Whatcom	\$ 266,746,469	1,624	\$ 5,703,670	617
Kitsap	\$ 261,731,412	2,083	\$ 5,899,616	800	Whitman	\$ 15,401,098	152	\$ 475,148	64
Kittitas	\$ 24,591,291	168	\$ 736,737	93	Yakima	\$ 233,815,733	2,384	\$ 6,125,011	1,071
Klickitat	\$ 4,178,062	31	\$ 106,215	15					

Cumulative Totals

6/1/1983-6/30/2017

First Mortgage Loans		Downpayment Loans	
Amount	Number	Amount	Number
\$8,712,653,503	67,321	\$233,846,349	28,625

Home Loans by County



Impact Measurement



67,321 First Mortgage Loans
+
28,625 Downpayment Assistance

95,946 Total Homebuyer Loans
Households may receive both first mortgage loans and downpayment assistance loans.

\$8.71B Total Amount Invested

Homeownership: 34 Years of Impact by Program

Washington state residents in every county have achieved the dream of homeownership thanks to the Commission’s home loans and downpayment assistance.

First Mortgage Programs*

HOME ADVANTAGE (2013-present)

\$4.33 billion in loans **21,090** households served

In 2012, Home Advantage replaced House Key as the Commission’s primary first-mortgage program. It is funded by the proceeds from loans bought and sold on the open market. Key differences are simplified eligibility, no restriction to first-time homebuyers, no limit to funding (as with bonds), and universal eligibility for downpayment assistance.

HOUSE KEY STATE BOND (1983-present)

\$4.38 billion in loans **46,229** households served

These numbers include the following programs:

Open Door Second Mortgage Provided 74 loans in downpayment and closing-cost assistance for first-time homebuyers in the City of Tacoma or King County.

Community Reinvestment Act (CRA) Single-Family Home Ownership Provided 49 first-mortgage loans for families in rural areas.

Cash Window, Voyager, and Express Programs Provided 168 House Key loans that were sold directly to Fannie Mae and Ginnie Mae.

MORTGAGE CREDIT CERTIFICATE (2008-present)

8,966 households served

A tax-credit program used to offset a portion of personal federal tax liability so that buyers can more easily afford their mortgage payments.

Homeowner/Homebuyer Counseling (1998-present)

\$34.5 million allocated to nonprofit organizations **116k** households assisted

The Commission oversees one of the state’s largest housing counseling programs, including help for homeowners facing foreclosure. In addition to funding 20 nonprofit partners and 50-90 housing counselors statewide, these funds also support the state’s foreclosure counseling hotline.

Amount	Grant Source	Nonprofit Organizations Providing Counseling
\$807,788	Washington State Office of the Attorney General (McGraw Hill/Standard & Poor’s Settlement) (2015–present)	11
\$3.12 million*	Washington State Office of the Attorney General (National Settlement) (2012–2015)	13
\$193 million*	State of Washington 2011 Foreclosure Fairness Act (2011–2015)	18
\$385,250*	Housing and Urban Development Emergency Homeowners Loan Program (2011–2015)	8
\$2.66 million**	National Foreclosure Mitigation (2008–2014)	11
\$4.76 million*	Housing and Urban Development (1998–2015)	50
\$550,000	Washington State Office of the Attorney General (Wells Fargo Settlement) (2011–2012)	16
\$595,000	Washington State Office of the Attorney General (Countrywide Settlement) (2010–2011)	11
\$500,000	State of Washington 2010 Legislative Appropriation (2010–2011)	15
\$250,000	Housing and Urban Development Neighborhood Initiative (2009–2011)	22
\$990,000	State of Washington 2008 Legislative Appropriation (2008–2009)	25
\$571,355	Rural Housing and Economic Development (2000–2001, 2003–2004)	16

Homebuyer Education

(1991 – present)

207,912 potential homebuyers

Classes include the process of homebuying, real estate and finance terminology, and home maintenance and repair.

18,646 free homebuyer seminars coordinated statewide.

16,692 online seminars completed since 2014.

8,500 instructors trained to teach free homebuyer seminars, including lenders, real-estate professionals, and nonprofit partners.

Downpayment Assistance Programs

\$233.8 million in second-mortgage loans

28,625 households served

The Commission offers second mortgages to assist homebuyers with the downpayment and closing costs. Maximum loan amounts and interest rates vary by program. Many programs are sustained through the Commission's Program Investment Fund.

Downpayment assistance is only available to borrowers who use a Commission first mortgage and complete a homebuyer-education class.

Downpayment Assistance Programs

Program	Eligible Households	Borrowers Served	Total Loaned for Downpayment & Closing-Cost Assistance
ONGOING PROGRAMS			
Home Advantage DPA	Those who qualify for a Home Advantage first mortgage	17,679	\$ 142,363,754
HomeChoice	Individuals with disabilities	1,360	\$ 17,238,617
Tacoma DPA (New in 2015)	First-time homebuyers within the City of Tacoma earning 80% or less of area median income	45	\$ 834,583
House Key Plus Seattle (a partnership with the City of Seattle since 2004)	First-time homebuyers within the City of Seattle earning 80% or less of area median income	408	\$ 20,847,651
House Key Schools	Employees of community/technical colleges, K-12 public schools, and some private schools	195	\$ 1,477,698
House Key Plus CLT	Buying a home using community land trust (CLT) model	124	\$ 1,550,721
House Key Plus ARCH (A Regional Coalition for Housing)	Buying a home in east King County within an ARCH member city or surrounding unincorporated area	72	\$ 2,075,961
House Key Veterans	Military veterans buying their first home	60	\$ 406,178
PREVIOUS PROGRAMS			
Home Advantage Built New (formerly New Home for You, ended 2014)	Purchasing newly constructed, never-occupied homes	145	\$ 1,073,081
Home Advantage Rebound (funded by the state Consumer Remedy Fund, ended 2014)	Buying a home that has been foreclosed	359	\$ 3,162,673
House Key Plus (ended Jan. 2013, re-opened 2016)	Low- and moderate-income first-time homebuyers	6,985	\$ 32,220,229
House Key Real Estate Owned (ended 2012)	Buying a home that has been foreclosed	893	\$ 6,448,429
House Key Bremerton (ended 2012)	Buying a home in the City of Bremerton	5	\$ 36,916
House Key Rural (ended 2011)	Rural borrowers who earn up to 80% of area median income	193	\$ 1,760,117
House Key King County (ended 2010)	Buying a home in King County (outside the Seattle city limits and outside the ARCH King County area)	38	\$ 1,124,256
House Key Federal Way (ended 2010)	Buying a foreclosed, bank-owned, or abandoned home in Federal Way	11	\$ 314,213
House Key Extra (ended 2005)	Rural residents with disabilities or who have a dependent family member with a disability	27	\$ 165,075
Total		28,625	\$233,846,348

Enhancing Communities: Projects Support Growth, Efficiency 1983-2017

Nonprofit Facilities Program



170 facilities
\$991 million in bonds

The Commission issues tax-exempt 501(c)(3) bonds to finance capital facilities and equipment owned by nonprofit organizations.

County	Facilities
Benton	5
Clark	1
Franklin	2
Grays Harbor	1
King	91
Kitsap	3
Pierce	13
Skagit	2
Snohomish	16
Spokane	11
Thurston	13
Walla Walla	1
Whatcom	6
Whitman	1
Yakima	4
Total	170

Beginning Farmer/Rancher Program



27 farms
2,222 acres
\$6.2 million in bonds

The Commission, in partnership with Northwest Farm Credit Services, issues bonds to enable beginning farmers and ranchers to purchase land and equipment. The Commission also offers a second loan to help borrowers for whom lack of a cash downpayment is an obstacle.

County	Acres	Bond Amt
Adams	60	\$ 165,000
Benton	20.8	\$ 187,000
Chelan	11	\$ 400,000
Clark	83.7	\$ 295,000
Ferry	226	\$ 200,000
Franklin	92	\$ 250,000
Grant	116	\$ 274,603
King	59.5	\$ 672,500
Kittitas	120	\$ 225,000
Lewis	106	\$ 415,000
Lincoln	270	\$ 242,000
Pierce	74	\$ 412,500
Spokane	40	\$ 72,000
Walla Walla	10.1	\$ 184,800
Whatcom	48	\$ 518,000
Whitman	740	\$ 670,000
Yakima	237.6	\$ 1,244,500
Total	2,222	\$6,177,903

Sustainable Energy Program



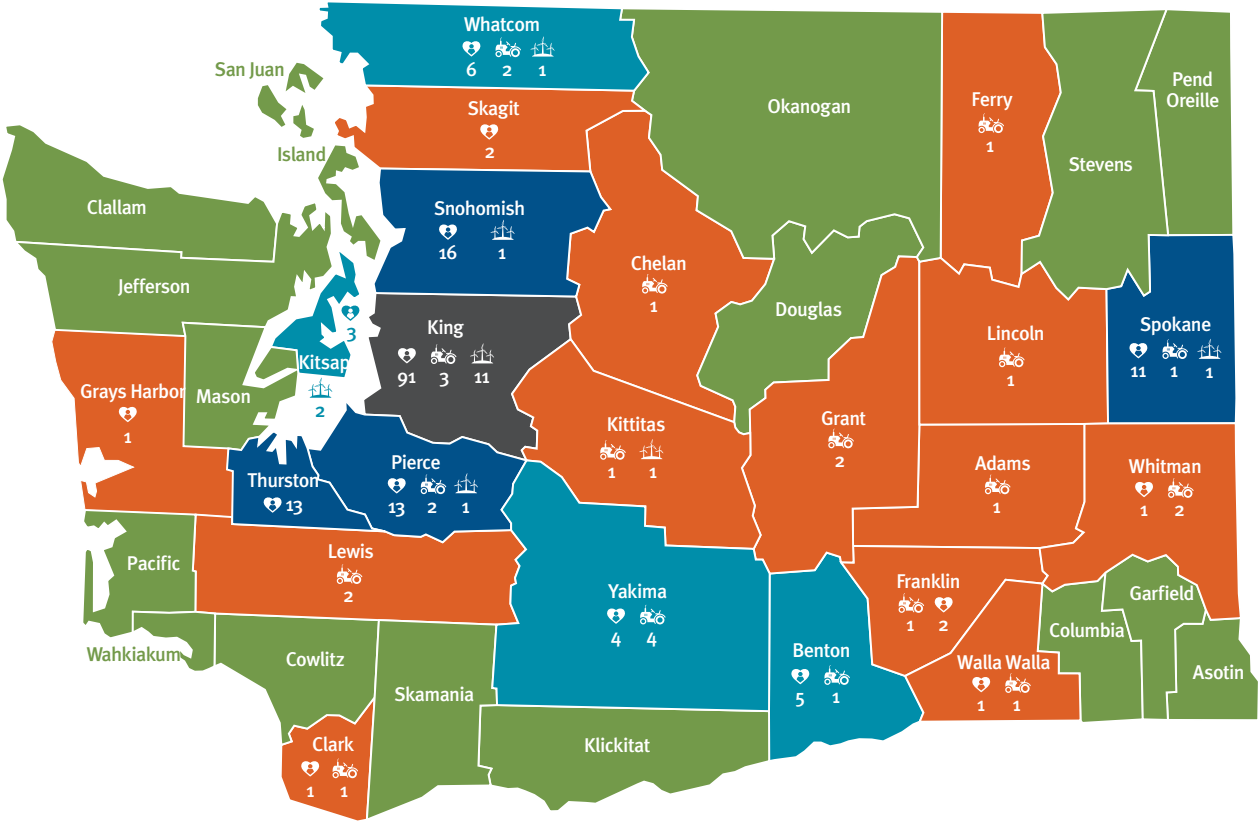
20 projects
\$23.6 million invested

In 2009, the state legislature gave the Commission the authority to develop financing programs for energy-efficiency and renewable-energy projects. Since 2012, the Commission has financed 20 projects by both private companies and nonprofits. They include:

- Energy-efficiency upgrades at Seattle-area and Bellingham YMCAs, nonprofits in Everett and Seattle, and a Bainbridge Island grocery store
- Community wind turbines that power local homes near Ellensburg
- Affordable and highly energy-efficient single-family homes in Seattle and Spokane

County	Amount
King	\$ 10,907,779
Kitsap	\$ 1,200,000
Kittitas	\$ 9,000,000
Pierce	\$ 800,000
Snohomish	\$ 500,000
Spokane	\$ 1,000,000
Whatcom	\$ 100,000
Statewide initiatives	\$ 100,000
Total	\$23,607,779

Projects by County



34 Years
217 Projects

- 20 Energy Projects
- 27 Farms
- 170 Nonprofit Facilities

- 2 Scientific Research
- 3 Economic Development
- 3 Animal Welfare
- 15 Cultural Facilities
- 17 Job Training
- 56 Education
- 74 Social Services & Athletic Facilities

\$1.02B Total Amount Invested



Keeping Housing Safe and Affordable 1983-2017



90,000⁺

units monitored
statewide

1,041⁺

properties monitored
each year

300-350

properties physically inspected
each year

Asset Management, Compliance and Finance

Once the construction or remodeling of multifamily affordable housing is finished, the work of the Asset Management and Compliance team begins. This division helps property owners and managers comply with the state statutes, the federal tax code, and the contractual commitments that come with bond and tax-credit financing. Our commitment to monitoring and technical assistance lasts for the term of the bonds and/or tax credits—up to 40 years.

Education and Training

- 20+ compliance workshops annually for more than 600 owners, property managers, public agencies, and other stakeholders.
- Classes for users of the web-based annual reporting system, WBARS.
- Specialized training sessions in conjunction with the Affordable Housing Management Association and the Council for Affordable and Rural Housing.

Partnerships

By working with other entities who fund housing, the Commission helps to maximize agency resources and minimize inspections and reporting requirements.

- Cities of Seattle, Spokane, Tacoma, and Bellingham
- King and Snohomish counties
- Wash. State Department of Commerce
- Wash. State USDA Rural Development
- U.S. Dept. of Housing and Urban Development

Web-Based Reporting System

The Washington State Web-Based Annual Reporting System, or WBARS, is a comprehensive and innovative system created by the Commission and the State Department of Commerce, and shared by several different public funders in Washington state. It manages detailed property and resident information on thousands of properties, allowing all our property managers and owners to easily meet reporting requirements, while giving funders a powerful oversight tool. WBARS is the only housing-finance-agency reporting system in the nation used by multiple public funder agencies.

Technical Assistance

- Daily guidance provided by phone and email.
- Periodic compliance workshops tailored to industry beginners as well as seasoned professionals.
- Award-winning website that provides:
 - Program manuals, report forms, FAQs, web training videos, and online workshop registration.
 - A calendar of regional housing and economic development activities.
 - Links to funding and compliance resources.
 - Monthly email updates to over 1,700 subscribers with timely information on compliance and asset management topics.

Financial Oversight

The Commission's Finance Division:

- Ensures the Commission's ongoing fiscal integrity.
- Monitors, records, and reports all financial transactions.
- Manages the Commission's outstanding debt, ensuring compliance with legal requirements of bonds.
- Oversees internal controls and safeguards assets.

Asset Management

- Monitored performance of trustees, servicers, and other outside contractors.
- Recorded transactions and created quarterly financial statements on outstanding bond issues.
- Supplied voluntary disclosure reports to bond investors.

General Operations

- Prepared monthly financial statements.
- Performed investment management oversight.
- Coordinated the annual budget and work-planning process.
- Coordinated annual audits by independent auditors and the state auditor.
- Administered and monitored the Program Investment Fund.
- Provided financial management and accounting services for affiliate agencies.

Affiliate Agencies

Tobacco Settlement Authority

The Finance Division manages the assets of the Tobacco Settlement Authority, a governor-appointed board established to oversee the issuance of bonds against state tobacco-settlement revenues in 2002. In 2013, bonds were refunded to save Washington taxpayers approximately \$90 million in interest over the next decade.

1 bond issue
\$209 million

of outstanding debt

Washington Higher Education Facilities Authority

The Finance Division manages the assets of the Washington Higher Education Facilities Authority, a governor-appointed board. WHEFA financing enables the state's nonprofit, private colleges and universities to build, equip, expand, and improve their facilities through tax-exempt bonds.

89 bond issues
\$2.1 billion

issued





WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Opening doors to a better life

www.WSHFC.org



The Washington State Housing Finance Commission is a publicly accountable, self-supporting team dedicated to increasing housing access and affordability and to expanding the availability of quality community services for the people of Washington. We work to increase housing people can afford statewide, and we issue below-market-rate, tax-exempt bonds, and federal housing credits to fund housing and nonprofit facilities across Washington. The bonds of the Washington State Housing Finance Commission are not obligations of Washington state and are not repaid with tax dollars. The Commission is financially self-sufficient. All operating expenses are paid from program revenues. No taxpayer dollars were used to produce this document. For more information about the Commission and its work, visit www.wshfc.org or call 206-464-7139 or 1-800-767-HOME (4663) in Washington state.

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