

WASHINGTON STATE HOUSING FINANCE COMMISSION

**** AMENDED ****

**BOARD MEETING PACKET
May 20 & 21, 2024**



Public Engagement at Commission Meetings

All Board meetings and Budget/Planning Sessions of the Washington State Housing Finance Commission are open to the public. Our intention is to welcome all members of the public and to provide a clear and reasonable process through which they can share their thoughts with us.

Different Ways to Join a Commission Meeting:

1. For **Monday, May 20, 2024 (day 1 of 2)** click [here](#) to go to the meeting directly.

For **Tuesday, May 21, 2024 (day 2 of 2)** click [here](#) to go to the meeting directly

2. At www.zoom.us, go to “Join” or “Join a Meeting,” and enter:

For Monday, May 20, 2024 (day 1 of 2):

- Webinar/Meeting ID: 825 2065 4727
- Passcode: 429465

For Tuesday, May 21, 2024 (day 2 of 2):

- Webinar/Meeting ID: 898 9244 2831
- Passcode: 385796

3. To participate by phone, dial toll-free either **1 (888) 788-0099** or **1 (877) 853-524**.
4. Members of the public can attend the meeting in-person on either or both days at the meeting room location at the Rialto – Meeting Room “C”, located at 3600 Suncadia Trail, Cle Elum, WA 98922.

During Meetings:

During Commission board meetings and budget/planning sessions, attendees in-person and virtually can see and hear all presentations and business taking place. Microphones will be turned off except to receive comment during the public general comment period (during the Commission business board meeting only on Monday, May 20th – day one).

Public Hearings:

Commission meetings often include public hearings for specific housing projects or other policy decisions. Please limit comments to those directly related to the public hearing topic.

Public Comment:

- **Purpose of Public Comment**

During this period, the Commissioners listen to public concerns and comments but do not generally engage in dialogue. Staff will follow up with commenters who request assistance or answers to questions, providing that contact information is shared. Anyone who wishes to speak during the public comment period can take this opportunity.

- **When to Comment**

The public comment period takes place near the end of the morning Commission business board meeting on day one only (and **not** at any time during the Budget/Planning Session). The starting time for the public comment

period depends on the length of the Commission's other business. Typically, the public comment period is reached after about 15-20 minutes (9:15-9:20 a.m.) but may be sooner or later.

- **Raising Your Hand in Zoom or Through Phone Participation**

To give us a sense of the number of people wishing to speak and help us call on you in an orderly fashion, the meeting Chair will ask you to use the Zoom "raise hand" feature to indicate you would like to speak. People participating on the telephone can press *9 to virtually "raise a hand." Whether or not you are able to virtually raise a hand, the Chair will provide time and opportunity for all to share their comments before closing the public comment period.

- **Timing of Comments:**

We ask that speakers keep their comments brief (2 to 3 minutes). The chair may ask you to begin bringing your statement to a close after that time, especially if others are waiting to speak. Our intention is not to impose a specific time limit unless it seems necessary to give a large number of speakers an equal chance to share their comments.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
COMMISSION MEETING AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Special Meeting & Budget and Planning Session (day 1 of 2)** in the **Rialto – Meeting Room “C”**, located at **3600 Suncadia Trail, Cle Elum, WA 98922**, on **Monday, May 20, 2024 at 9:00 a.m.**, to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

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Login information for Monday, May 20, 2024:

Webinar/Meeting ID: 825 2065 4727

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Participants wishing to provide public comments, please see public engagement opportunities on pages one and two above for instructions.

I. Chair: Approval of the Minutes from the April 25, 2024, Special Meeting. (5 min.)

II. Briefing - Lisa Vatske: Brief description and overview of projects for which public hearings were held and the potential for resolutions in June 2024. (5 mins)

III. Consider and Act on the Following Action Items:

A. Resolution No. 24-77, The Mill at First Hill, OID # 24-67A

Lisa Vatske: A resolution approving the proposed issuance of one or more series of tax-exempt revenue bonds to provide a portion of the financing for the acquisition and rehabilitation of a 358-unit multifamily housing facility located at 1000 8th Avenue and 801 Spring Street, Seattle, WA 98104, to be owned by SRMAHMill 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 \$15,000,000. The public hearing was held April 25, 2024. (5 mins)

B. Resolution No. 24-76, Crestview Terrace Apartments, OID # 24-47A

Lisa Vatske: A resolution approving the proposed issuance of one or more series of tax-exempt revenue notes to provide a portion of the financing for the acquisition and rehabilitation of a 168-unit multifamily housing facility located at

2000 & 2101 North Alder Street, Ellensburg, WA 98926, to be owned by Crestview Terrace Community Partners, LP, 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 \$38,000,000. The public hearing was held April 25, 2024. (5 min.)

C. Resolution No. 24-75, Camas Flats 4%, OID # 23-46A

Lisa Vatske: A resolution approving the proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, construction and equipping of an 82-unit multifamily housing facility, located on current vacant land extending southwest from the corner of NE 10th Avenue and NE Cordero Place to a western boundary of N. Oak Harbor Street, Oak Harbor, WA 98277, to be owned by Camas Flats Oak Harbor 1, 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 maximum note amount is not expected to exceed \$20,000,000 (a portion of which may be taxable). The public hearings were held February 22, 2024, and May 15, 2024. (5 min.)

D. Resolution No. 24-74, Parkshore Juanita Bay, OID # 24-66A

Lisa Vatske: A resolution approving the proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for (i) the construction and equipping of a continuing care retirement community with 50 independent living units known or to be known as Parkshore Juanita Bay, located in Kirkland, Washington, (ii) the funding of capitalized interest and working capital expenditures with respect to the Bonds, (iii) the funding of a debt service reserve fund, and (iv) the payment of costs of issuing the Bonds. The project is located at 11853 97th Avenue NE, 11925 97th Avenue NE and 9480 NE 120th Street, Kirkland, WA 98034, to be owned by German Retirement Home of the State of Washington, a Washington nonprofit corporation and organization described under section 501(c)(3). The total estimated bond amount is not expected to exceed \$65,000,000. The public hearing was held April 25, 2024. (5 min.)

E. Resolution No. 24-72, Aventine, OID # 24-25A

Lisa Vatske: A resolution approving the proposed issuance of one or more series of tax-exempt revenue bonds to finance the acquisition and rehabilitation of an existing 68-unit nonprofit housing facility, located at 211 - 112th Avenue NE, Bellevue, WA 98004, to be owned by LIHI Aventine LLC, a Washington limited liability company, the sole member of which is Low Income Housing Institute (LIHI), a Washington nonprofit corporation and organization described under section 501(c)(3). 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 \$14,000,000. The public hearing was held April 25, 2024. (5 min.)

IV. Chair: Miscellaneous Correspondence and Articles of Interest (5 min.)

A. Miscellaneous Correspondence and Articles of Interest

B. HFC Events Calendar

V. Chair: Public Comment

VI. Executive Session (if necessary)

VII. Adjourn Special Business Meeting

Nicole Bascomb-Green, Chair

The Budget/Planning Session will start five (5) minutes after the adjournment of the Special Commission Business Meeting, or at 9:45 a.m. (whichever comes later) in the Rialto Meeting Room – Room “C”.

Members of the public joining the Budget & Planning Session virtually will be muted, and there will be no in-person or virtual public comment periods.

Please see the next page for Day 1 Budget & Planning Session agenda.

****BUDGET PLANNING SESSION AGENDA - SUBJECT TO CHANGE****

Monday, May 20, 2024

BUSINESS MEETING:

- 9:00 am Call to Order: Special Commission Business Meeting to approve necessary bond resolutions and other action items (please see agenda on pages three through five above)
- 9:30 am Executive Session

****ADJOURN BUSINESS MEETING****
Suspend Executive Session until 9:00 am on Tuesday, May 21st

BUDGET AND PLANNING SESSION – DAY 1

- 10:30 am Chair: Call to Order – Commission Budget & Planning Session (day 1 of 2)
- Steve Walker, Executive Director: Housekeeping Items & Agenda Review
- 10:35 am Bob Peterson, Deputy Director, Margret Graham, Communications Director, and Nashika Stanbro, DEI Director: Mission Vision Values & Racial Equity Strategic Plan – Goals, Activities, Progress, Discussion (45 mins)

Division Reports; Successes; Meeting Challenges in FY 2025

Single Family: Market Updates and Division Reports - Successes; Meeting Challenges in FY2025

- 11:20 am Homeownership (45 mins)
- Mina Choo, Managing Director, RBC Capital Markets
 - Mike Awadis, Managing Director, Hilltop Securities Inc.

12:05-1:05 pm Lunch Break

- 1:05 pm Lisa DeBrock (Homeownership Director) (25 mins)

Multi Family: Market Update and Division Report - Successes; Meeting Challenges in FY2025

- 1:30 pm Multi Family Housing (30 mins)
- Mike Hemmens, Managing Director, Citi Community Capital
- Lisa Vatske, Multifamily Housing and Community Facilities (MHCF) Director (30 mins)

Remaining Division Reports - Successes; Meeting Challenges in FY2025

- 2:30 pm Wubet Biratu, Director, Asset Management and Compliance (15 mins)
Lucas Loranger, Senior Finance Director: Finance Division (10 mins)
Bob Woodard, IT Director: Information Technology (10 mins)
Bob Peterson: Administration/Executive Division (10 mins)

3:15-3:30 pm Break

Budget Topics

- 3:30 pm Lucas Loranger: Overview of Proposed FY2025 Budget (45 mins)
4:15 pm Steve Walker, Lucas Loranger, Directors: Program Related Investments – Status report and Proposed Investments for FY2025 (25 mins)

****ADJOURN****

Please see the next page for Day 2 Budget & Planning Session agenda.

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Budget and Planning Session (day 2 of 2)** in the **Rialto – Meeting Room “C”**, located at **3600 Suncadia Trail, Cle Elum, WA 98922**, on **Tuesday, May 21, 2024 at 9:00 a.m.**, to consider the items in the agenda below.

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Members of the public joining the Budget & Planning Session virtually will be muted, and there will be no in-person or virtual public comment periods.

BUDGET AND PLANNING SESSION – DAY 2:

- 9:00 am Executive Session: Executive Director’s Performance Evaluation (60 mins)
- 10:00 am 2024 Legislative Budget Proviso: Steve Walker (20 mins)
- 10:20 am Break for room checkout (25 min)
- 10:45 am DEI Activities Update: Nashika Stanbro (15 min)
- 11:00 am Communications Activities Update: Margret Graham (15 mins)
- 11:15 am Chair: Discussion of FY2025 Budget, reflections, and direction to staff.

****ADJOURN****

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

April 25, 2024

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:05 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. Those Commissioners present via Zoom were: Albert Tripp, Alishia Topper, Corina Grigoras, Ken Larsen, Lowel Krueger, and Mike Pellicciotti. Chair Bascomb-Green, Bill Rumpf, and Pedro Espinoza were present in-person in the 28th Floor Board Room.

Approval of the Minutes

The March 28, 2024 Commission meeting minutes were approved as distributed.

Employee Recognition

Mr. Steve Walker, Executive Director, stated that every quarter, the Commission does Employee Recognition to: 1) recognize staff tenure through Years of Service awards; 2) recognize any individual/group Special Achievement awards; and 3) recognize the recipient(s) of the Employee of the Quarter award, and yearly, the Employee of the Year award.

He reminded Commissioners that Employee Recognition is a 100% peer-driven program and thanked the following Commission staff members of the Employee Recognition Committee: Mike Gary, Patricia Williams, Kat Komin, Angel Galgana, and Tanya Scratchley.

Mr. Walker then presented Years of Service awards to the following Commission staff members:

2 years of service:

- Emily Northrup

20 years of service:

- Cindy Felker

Employee of the 1st Quarter, 2024 – Emily Northrup:

Mr. Walker then presented the Employee of the 1st Quarter, 2024 award:

“Our Employee of the 1st Quarter of 2024 has not only been an incredible asset to the Homeownership Division, but to the Commission as a whole. This person exhibits effective and honest communication skills, dedication, patience, and leadership, and has worked across all divisions as we work through the important work of DEI and our mission, vision, and values, and our strategic plan and our safe space principles.

She has shown that she can break down and dissect topics in a way that is easier to digest and easier to understand. This person is enthusiastic and passionate about equity, and this shines through in all areas of her work as the co-Chair of the Commission’s strategic planning committee. She's facilitated and managed the task of shepherding the mission vision and values process through to completion.

Despite challenges, she spent countless hours and tirelessly working to ensure all voices were heard. She has successfully and empathetically facilitated the difficult conversations and feelings that came up during these group discussions. Her powerful desire to achieve an equitable result for the mission, vision, and values statement showed important leadership qualities, including emotional intelligence, patience, and diplomacy.

Through her leadership the delivery of an unmanageable task was not just completed, but completed well, with the support of all. This person always gives 100% and has undertaken the most difficult and important work that the Commission has faced with grace and with commitment.

This is why we should all be proud to congratulate Emily Northrup for being our employee of the first quarter, 2024!”

Chair Bascomb-Green congratulated the years of service and Employee of the Quarter recipients.

**Public Hearing:
Covenant
Homeownership
Program (CHP)**

The Chair opened a public hearing for the Covenant Homeownership Program (CHP) at 1:11 p.m.

Ms. Lisa DeBrock, Director, Homeownership Division, gave a PowerPoint presentation, with slides provided in the board meeting packet on what the Covenant Homeownership Program (CHP) is and its initial program recommendations.

She mentioned that the CHP Study along with FAQs and a timeline, are all posted on the Commission’s website at: <https://wshfc.org/covenant/index.htm>.

Ms. DeBrock first thanked stakeholders from around the state, plus the Black Home Initiative (BHI), and finally, Homeownership Division staff for all of their input and work in this important work to help homeowners who have been harmed by racially restrictive covenants in Washington State.

She stated the CHP comes from bipartisan legislation approved by the Legislature through the Covenants Homeownership Act and signed into law by the Governor in Spring of 2023. This bipartisan legislation was enacted to address legacy housing discrimination in Washington State. The key components of this legislation are: 1) A new source of funding from real-estate recording fees; 2) a research study on discrimination, its impacts, and effective remedies; and 3) a new program to provide downpayment assistance to homebuyers. The legislation required the Commission to oversee the design and implementation of the CHA Program and to oversee the study. In addition, the Department of

Financial Institutions (DFI) will have an oversight committee established for the CHA Program.

Ms. DeBrock then stated that the 197-page CHA research study, created for the Commission by the National Fair Housing Alliance (NFHA) and posted on the Commission's website, highlighted a few items: 1) the history of housing discrimination by the state that kept families from owning a home and building wealth; 2) impacts that persist to this date in the form of lower homeownership rates; and 3) recommendations for program elements that can address disparities as part of a Special Purpose Credit Program (SPCP). She added that a SPCP is part of the Equal Credit Opportunity Act, which allows programs to consider economically disadvantaged groups based on race or ethnicity (race-conscious vs. race neutral) under certain narrow circumstances. The Covenant study establishes parameters to narrowly tailor the CHP as a SPCP.

She stated the following timeline: March 22, 2024 was the date the Covenant Study was released; a webinar on the Study's findings was held April 2; a program listening session was held on April 15; the public hearing being held now at this month's Commission Meeting; then sometime from May-June, the program will be finalized with lender/partner training and homebuyer outreach; and finally on July 1, the CHP is expected to official launch!

Ms. DeBrock highlighted the CHP's policy goals: making sure this program helps and not harms those that this program is meant to serve; complying with CHP/SPCP requirements by being as flexible as possible; ensuring that eligible households can afford to purchase a home of a decent quality; serving as many eligible households as feasible; providing homebuyers with a reasonable choice of homes; and allowing homebuyers to purchase homes in high-cost counties and also other parts of the state as well.

Ms. DeBrock then summarized the program parameters per the legislation: 1) downpayment assistance loan (not a grant) repaid upon sale or transfer; 2) for an owner-occupied home; and 3) for eligible individuals, such as being a Washington state resident with a Washington driver's license or state I.D. card;

having an income of 100% or less of the county's area median income (AMI); being a first-time homebuyer (which is unique to CHA); and being a Washington resident. or descendent of one, able to demonstrate they or their ancestor would have been excluded from homeownership in Washington by racially restrictive covenants on or before April of 1968.

Ms. DeBrock then mentioned that the CHP would work with the Commission's first-mortgage programs, House Key and Home Advantage. These loans will be reserved by trained Commission lenders (currently about 120 lending companies with hundreds of loan professionals trained) utilizing VA, Freddie Mac, Fannie Mae, Ginnie Mae, USDA, & FHA loans. For the main first mortgage, the lender could choose an interest rate that suits the borrower, including a Covenant loan rate that could be slightly lower, all with no credit overlays, and a property inspection required. Also, one & two-unit properties would be allowed, with the exception that two-unit properties would be done only through Home Advantage.

Ms. DeBrock further noted the CHP can combine with other DPA programs with at least one borrower on the note/deed able to meet the eligibility documentation requirements, the DPA amount plus homebuyer's need will be individually customized, and finally, as with all of the Commission's single-family programs, a Commission-sponsored homebuyer education class will be required of the borrower(s) with a certificate issued on successful completion.

Ms. DeBrock briefly mentioned the legislative parameters of the definition of a first time homebuyer is someone who had no ownership interest in the past three years, a single parent who only owned a house while previously married, a displaced homemaker who only owned a house with a spouse on July 23, 2023 or subsequent date, a person who only has owned a principal residence not permanently affixed to a foundation, and a person who owned a property to be deemed uninhabitable by a licensed building inspector.

She then stated the recommendations the Commission has made per the study findings: 1) Eligible groups should be Black, Native American, Hispanic, Alaska Native, Native Hawaiian, Other Pacific Islander, Korean, or Asian Indian, with

the study basing its recommendations based on groups who have suffered both historic discrimination and current homeownership disparities; 2) rely on records to establish the person was a Washington resident prior to 1968 – either the homeowner themselves or a direct ancestor such as a grandparent or parent; and 3) to be flexible in accepting documentation, but relying on statutory descriptions of acceptable documents, thus, will create a review committee.

Further recommendations include allowing customized DPA loan amounts by recommending a model that sets DPA amounts in order to put decent homes within reach. The model will be tailored to account for varied home prices and inventory in different parts of the state, and a cap on the maximum DPA amount will be part of the final recommendations.

Also, customized DPA will be utilized to offer DPA amounts for homes at city/county levels. She added that Abt, the Commission’s research partner, is currently updating the numbers for 2024, and then every year thereafter, the numbers will be updated as well.

Ms. DeBrock concluded that the recommendations are to not require an asset test, which would not force households to use their assets for the purchase unless they choose to, and to require one-on-one counseling for all borrowers. These counselors can also help out homebuyer(s) with long term budgeting/planning as well as assisting with gathering required family documentation.

Chair Bascomb-Green then asked if there were comments from members of the public.

Mr. Darryl Smith, Executive Director, HomeSight, commended the Commission for the development and the implementation of the CHP and on behalf of HomeSight, is proud to be a partner with the Commission regarding CHP. He commented that the CHP needs to be strong and bold in its initial years and development so that additional steps can be taken, especially to address the fact that Washington is a very high-cost state regarding homeownership with very low inventory statewide.

Mr. Marty Kooistra, from Civic Commons and Black Home Initiative (BHI), which is a consortium of 93 organizations from public, private, and nonprofit sectors (the Commission is one of these organizations), commented that homeownership in Washington is a complex issue and a challenge. He added that BHI focuses on the supply and demand, plus the enabling environment, and that with the CHP this would help further bolster the efforts of the BHI and make good on the promise for those finally achieving their dream/goal for homeownership, especially in the outlying areas BHI is focusing on outside of Seattle. He concluded by stating that the Mortgage Bankers Association and their convergence study highlighted four key gaps for increasing Black homeownership – knowledge gap, trust gap, income gap, and a supply gap.

Mr. Kooistra concluded his remarks by stating that he agrees with the Commission's recommendations for no asset test and one-on-one homebuyer counseling.

Ms. Denise Rodriguez, Executive Director, Washington Homeownership Resource Center (WHRC) commented that the CHP is a very needed program, and that the housing counseling should be done with HUD-certified counselors. She added that this counseling should be done on the front end of the homebuying process and not towards the end or just simply as a last-minute formality. Also, there should be no asset test, and also no requirement for 100% of a person's/household's savings to be used for purchasing a home – instead, use those savings for an emergency repair or routine maintenance.

Ms. Rodriguez added that the Commission should choose a DPA cap that considers the cost of mid-level homes and prioritize giving as many choices as possible. She concluded that the WHRC is ready to partner with the Commission and is fully supportive of the CHP.

Mr. Ali Sheibani, Homeowner Service Director, Habitat for Humanity of Seattle-King, and Kittitas Counties, stated that Habitat was is full support of the CHP purchase program. Habitat strongly recommends a low barrier requirement that there be a minimum one-hour long counseling session that occurs at the very

beginning of the homeownership process, with the emphasis of the prospective homeowner(s) being able to ask all of the questions needed without feeling intimidated. Finally, Habitat fully supports not requiring an asset test, to allow homebuyers to keep their savings as a safety net, or for emergency renovations/maintenance.

Ms. Jessica Talton, Branch Leader & Loan Originator, Movement Mortgage, was in full support of the CHP program, and was in favor of DPA caps not to exceed \$500,000, especially to help new homebuyers in King and Pierce Counties. She was in favor of recommending housing counseling, but felt that it should not be required, as that could be another hurdle for new homeowners and foster further intimidation.

Mr. Mark Rowley, Banner Bank, commented that he was in full support of the CHP, and has done homebuyer education with the Commission for 35 years. He noted that the home prices are a challenge in Eastern Washington as well and that there is also very limited inventory in that area. He gave a personal example that he was able to find a house in the Tri-Cities area that was affordable, but it was a prefabricated house from the 1940s that was meant for temporary housing for workers on the Manhattan Project at Hanford. Mr. Rowley supported omitting an asset test and requiring counseling, with a focus on flexibility.

Ms. Patience Malaba, CEO, Housing Development Consortium (HDC), expressed HDC's full support of the CHP, as a partner with the BHI. She felt that the CHP helps fulfill the goal of the BHI of 1,500 Black homeowners in 5 years. She added that the CHP also addresses generations of housing discrimination. She concluded that HDC commends the work of Ms. DeBrock and the Homeownership Division especially regarding the custom DPA approach.

Chair Bascomb-Green asked if any Commissioners had any further questions or comments. Mr. Rumpf asked if the CHP will be city by city, or by county only. Ms. DeBrock replied that it would be city by city. He also asked if the funds would run out quickly. Ms. DeBrock stated that currently, there would only be a

few individuals who would qualify, but, if demands outstrip supply, policies can be enacted at a later date.

Mr. Tripp asked if there has been value in having counseling with the Commission's homeownership programs. Ms. DeBrock replied that there is, that homebuyer education is required before participation in any of the programs the Commission offers, and that specifically for Home Choice, that is the only homeownership program that required additional homebuyer counseling,

Mr. Espinoza concurred with the testimony given earlier by Mr. Kooistra in that the CHP addressed 3 out of 4 points from the BHI, and the challenge is the supply side with bolstering inventory. He added further that to address this, more individuals can be trained to be builders, and that not having a college degree should not be an impediment. He commented to Congressman Adam Smith that more programs should be developed on the Federal and State levels to develop more workers in the various skilled trades.

Chair Bascomb-Green commended Ms. DeBrock and her staff, and thanked the many partners, and looked forward to CHP being reality on July 1st.

After hearing no further board member questions/comments, or hearing any further comments or testimony from members of the public, Chair Bascomb-Green closed the public hearing at 1:58 p.m.

**Public Hearing:
Proposed updates
to the policies for
financing bonds &
to the Nonprofit
Bond Programs**

The Chair opened the public hearing at 1:58 p.m.

Ms. Claire Petersky, Manager, Multifamily Housing & Community Facilities (MHCF) Division stated that this was a public hearing regarding proposed updates to the policies for financing bonds and to the Nonprofit Bond Programs. The proposed updates were included in the board member packet and posted on the Commission's website.

Ms. Petersky commented that the General Bond Financing policy did have a substantive change, in that public sales will be allowed for all investment-grade bond instead of just bonds rated “A” or above. She added that this was presented and discussed at last month’s Work Session. She concluded that feedback was favorable from members of the Commission’s Finance Team and borrowers, and no written testimony was submitted.

After hearing no comments/testimony from the public, the public hearing was closed at 2:00 p.m.

**Public Hearing:
Aventine, OID #24-
25A**

The Chair opened the public hearing for Aventine, OID #24-25A at 2:00 p.m.

Mr. Dan Schilling, Senior Finance Analyst, MHCF Division, stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt revenue bonds to finance the acquisition and rehabilitation of an existing 68-unit nonprofit housing facility, located at 211 - 112th Avenue NE, Bellevue, WA 98004, to be owned by LIHI Aventine LLC, a Washington limited liability company, the sole member of which is Low Income Housing Institute (LIHI), a Washington nonprofit corporation and organization described under section 501(c)(3). 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 \$14,000,000.

Mr. Schilling then introduced Ms. Kalyssa Eversman, Development Associate, Low-Income Housing Institute (LIHI).

Ms. Eversman stated that Aventine is a five-story 68 unit apartment building in Downtown Bellevue, to be acquired sometime in May, and rehabilitated by LIHI. Besides the nonprofit housing bonds issued by the Commission, the City of Bellevue is contributing \$10 million for this project, along with \$6.8 million from the Amazon Equity Fund. She added that they will ask for a bridge loan from the City of Bellevue, but also apply for Housing Trust Fund and money from King County, to pay back the bridge loan.

Ms. Eversman stated further that of the 68 total units, 2 will be taken offline and converted into case management units. Also, the unit mix is 30, 50, 60 & 80% of AMI. She added that the building is currently occupied by workforce individuals making 80% of AMI and some units are market rate. Current tenants are not expected to be displaced, instead, once a tenant moves out, the set-aside units are established. In addition, LIHI has partnered with the King County Housing Authority for 32 project-based vouchers, for the 30% and 50% set-aside units, along with a partnership with the Bellevue School District for two, 2-bedroom units for families making 30% of AMI. She concluded that SeaMar has been contracted to provide on-site behavioral health services.

Mr. Rumpf asked how long it will take for the building to have all of its units be affordable and how long the turnover would occur. Ms. Eversman replied that they project about 16 units out of 68 turning over within a year and the remaining units, perpetually, for a period of approximately two years, until all the units are set-aside units.

There were no comments or written testimony from members of the public, and the public hearing was closed at 2:08 p.m.

**Public Hearing:
Parkshore Juanita
Bay, OID #24-66A**

The Chair opened the public hearing for Parkshore Juanita Bay, OID #24-66A at 2:08 p.m.

Mr. Dan Schilling, Senior Finance Analyst, MHCF Division, stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for (i) the construction and equipping of a continuing care retirement community with 50 independent living units known or to be known as Parkshore Juanita Bay, located in Kirkland, Washington, (ii) the funding of capitalized interest and working capital expenditures with respect to the Bonds, (iii) the funding of a debt service reserve fund, and (iv) the payment of costs of issuing the Bonds. The project is located at 11853 97th Avenue NE, 11925 97th Avenue NE and 9480 NE 120th Street,

Kirkland, WA 98034, to be owned by German Retirement Home of the State of Washington, a Washington nonprofit corporation and organization described under section 501(c)(3) of the Internal Revenue Code (the “Code”). The total estimated bond amount is not expected to exceed \$65,000,000.

Mr. Schilling then introduced Mr. Michael Connell, CFO & Treasurer of Transforming Age.

Mr. Connell stated that Parkshore Juanita Bay is a satellite CCRC community located in Kirkland with 50 independent units (45 of which are entry fee units, and the remainder rental units), and 10% of the units affordable at 50% of local AMI, consisting of 1, 2, and 2-bedroom with a den units. He added that there is a very strong market demand in that area as it’s located in Kirkland's historic Juanita Bay section, which is very walkable for seniors, whether down to Lake Washington or into the village. He concluded that already 85% of the market rate units have been pre-sold, and Transforming Age, the nonprofit parent company, has contributed \$1 million into the project as equity.

There were no comments or written testimony from members of the public, and the public hearing was closed at 2:14 p.m.

**Public Hearing:
Crestview Terrace
Apts., OID #24-47A**

The Chair opened the public hearing for Crestview Terrace Apartments, OID #24-47A at 2:14 p.m.

Mr. Dan Schilling, Senior Finance Analyst, MHCF Division, stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt revenue notes to provide a portion of the financing for the acquisition and rehabilitation of a 168-unit multifamily housing facility located at 2000 & 2101 North Alder Street, Ellensburg, WA 98926, to be owned by Crestview Terrace Community Partners, LP, 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 \$38,000,000.

Mr. Schilling then introduced Mr. Ryan Kucich, Senior Development Manager, Community Preservation Partners (CPP Housing).

Mr. Kucich stated that CPP Housing is based out of Irvine, California and has preserved over 15,000 total units across the country. He added that CPP's main mission is to preserve affordable housing. He stated further that Crestview Terrace was originally built in 1970-71 as two properties but were combined and renovated as one LIHTC property in 2008.

Mr. Kucich stated that Crestview Terrace's unit mix consists of 95 1-bedroom, 36 2-bedroom, 26 3-bedroom, and 11 4-bedroom units serving individuals making 40-50% of local AMI. Also, 163 of 168 units are Section 8 HAF, and at bond closing, this Section 8 HAF will be extended for 20 additional years. Also, there will be three separate set-aside units for large households, persons experiencing homelessness, and persons with disabilities.

He added that there will be work done in each unit with new fixtures and cabinets, plus replaced wiring and plumbing, along with new exterior windows and roofing. Also, the community building will have an upgraded leasing office and workout room, along with a new dog park and community garden.

There were no comments or written testimony from members of the public, and the public hearing was closed at 2:18 p.m.

**Public Hearing:
The Mill @ First
Hill, OID #24-67A**

The Chair opened the public hearing for The Mill at First Hill, OID #24-67A at 2:18 p.m.

Mr. Jason Hennigan, Acting Manager, MHCF Division, stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt revenue bonds to provide a portion of the financing for the acquisition and rehabilitation of a 358-unit multifamily housing facility located at 1000 8th Avenue and 801 Spring Street, Seattle, WA 98104, to be owned by SRMAHMill 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 \$15,000,000.

Mr. Hennigan added that The Mill at First Hill will be utilizing recycled bond cap and funding from the Amazon Equity Fund, with closing expected around June 12. He then introduced Mr. Conor Hansen, Managing Principal of Affordable Housing, SRM Development.

Mr. Hansen stated that The Mill at First Hill originally was built in 1949 in the heart of Seattle's First Hill neighborhood, and for a time, it was the largest apartment community west of the Mississippi River. He stated further that half of the total unit mix will be for persons making 60% of AMI, and the other half for persons making 80% of AMI. There are unit sizes ranging from studios to 2-bedroom units, located in two 14-story towers. He noted that SRM expects to purchase the property for \$8 million less than what it was sold at, back in 2015.

He concluded that the Amazon Equity Fund will contribute \$32 million, the recycled volume cap bond proceeds will provide \$10 million, and the remainder of the cost will use private equity. They anticipate it will take around 2 ½ to 3 years for full compliance with the AMI unit mix as they will use attrition; they will not evict anyone currently residing in their current units. Also, only about \$1.5 in modest renovations are needed, as the property was extensively renovated a few years ago by the previous owners.

There were no comments or written testimony from members of the public, and the public hearing was closed at 2:24 p.m.

**Public Hearing:
Project(s) for
Allocation of Low-
Income Housing
Tax Credits in the
2024 funding round**

The Chair opened a public hearing on the recommended allocation of 9% Low-income Housing Tax Credits ("LIHTC") for the following two projects at 2:24 p.m.:

TC #	Project Name	City	County	Annual Tax Credit Amount
24-01	Felida Park Senior Housing	Felida	Clark	\$1,403,366
24-08	WWHA Meadow Grove	Walla Walla	Walla Walla	\$1,321,183

Mr. Jacob Richardson, Manager, MHCF Division, stated that Felida Park and WWHA Meadow Grove are the first two (of 13 total) projects for consideration for an allocation of 2024 9% LIHTCs this year, with the remaining eleven LIHTC projects to be considered/approved by the end of the summer.

Felida Park Senior Housing

Mr. Richardson stated that Felida Park Senior Housing is being developed by Specialized Housing, Inc. It will have 65 units and will be located at 12314 NW 36th Avenue, in Felida (unincorporated Clark County), 98685. The project is in the Metro allocation pool.

Mr. Richardson then introduced Mr. Brian McCarl, Executive Director, & Ms. Karina Angulo, Real Estate Transaction Manager, both from Specialized Housing, Inc.

Mr. McCarl stated that without the allocation of \$14 million in LIHTCs, there would be 65 less units of senior housing and up to 400 seniors without comprehensive health care. He mentioned that based on a study done, there is currently a deficit of 3,000 affordable housing units in unincorporated Clark County, with continued demand for new senior housing 1 to 2-bedroom units serving very low-income seniors. In addition, 8% of people in unincorporated Clark County only make \$15,000 or less, with another 8% making \$25,000 or less.

Mr. McCarl added that Felida Park will have half of the total units for seniors making 30% or less of local AMI, and the other half making 50% or less of local

AMI. In addition, the other portion of this transaction deals with PACE, or all-inclusive comprehensive Medicare & Medicaid health and dental care with free transportation offered within a 45-mile radius, that has been offered for the past 50 years. The PACE program would be contracted and run by Providence ElderPlace.

Ms. Angulo thanked the Commission for their assistance in providing this much needed resource to help out seniors in the Vancouver and unincorporated Clark County area.

WWHA Meadow Grove

Mr. Richardson stated that WWHA Meadow Grove is being developed by the Walla Walla Housing Authority. It will have 50 units and will be located at a TBD address on Woodland Avenue, Walla Walla, 99362. The project is in the non-Metro allocation pool. Mr. Richardson noted that this project received a Land Acquisition Program (LAP) loan from the Commission back in early 2020.

Mr. Richardson then read a submitted written letter from Ms. Renee Rooker, Executive Director, Walla Walla Housing Authority, that was included in the board member packet:

“Meadow Grove will be a newly constructed affordable housing community with 5 two-story buildings on a 3.78 acres site in Walla Walla, WA. The site is nestled in an existing neighborhood. The Walla Walla Housing Authority (WWHA) is the developer, general partner, and property manager for Meadow Grove.

“The fifty (50) units will target 13 units to homeless, at or below 30% Area Median Income (AMI); 25 units at or below 40% AMI, and 12 units at or below 60% AMI. The 13 units at or below 30% AMI will be permanent supportive housing. The site will have a community building, recreation equipment and laundry facilities.

“The site was purchased with assistance from the Washington State Housing Finance Commission’s Land Acquisition Program (LAP) with the specific intent to develop affordable housing. We [WWHA] closed on the LAP loan March 2020 in the amount of \$502,500. This program was a vital component of taking advantage of the rare opportunity to purchase vacant land in Walla Walla. The development received an award from Washington State’s Housing Trust Fund in the amount of \$5,000,000 and also received an award from the State’s Connecting Housing to Infrastructure Program for \$883,320.

“We are excited to be considered for an award of 9% Low Income Housing Tax Credits from your organization. Like many communities in the State of Washington, Walla Walla has a shortage of affordable housing. The WWHA’s wait lists exceed 1,000 families in need of affordable housing. Meadow Grove is critical to our community to assist in addressing our affordable housing needs.

“My apologies for not being able to present Meadow Grove personally but hope you will consider this especially important development for an award of 9% Low Income Housing Tax Credit.”

There were no comments or written testimony from members of the public, and the public hearing was closed at 2:35 p.m.

**Action Item:
Resolution No. 24-69, 2024 Allocations of Credit for the Housing Tax Credit Program**

Ms. Lisa Vatske, MHCFC Division Director, said this is a resolution authorizing the Executive Director to make reservations and/or allocations of 2024 LIHTCs for the following two projects:

TC #	Project Name	City	County	Annual Tax Credit Amount
24-01	Felida Park Senior Housing	Felida	Clark	\$1,403,366
24-08	WWHA Meadow Grove	Walla Walla	Walla Walla	\$1,321,183

Ms. Vatske stated that the public hearing for these projects was just held prior to the consideration of this resolution.

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

**Action Item:
Resolution No. 24-
68, Calvary
Christian School,
OID #24-61A**

This action item was pulled from the agenda.

**Action Item:
Resolution No. 24-
60, Lansdale
Pointe, OID #23-
26A**

Ms. Vatske said this is a resolution approving the proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 162-unit multifamily housing facility located at 911 Burr Road SE, Olympia, WA 98501, to be owned by VBT Lansdale Pointe 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 maximum note amount is not expected to exceed \$32,000,000. The public hearing was held February 22, 2024.

Ms. Vatske stated that this bond issuance will be a public sale, thus, no bond/note purchase letter will be issued.

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

**Action Item:
Approval for
Interagency
Agreement with
Sound Transit for
up to \$20 million
for the LAP
Program**

Ms. Vatske stated that this was an authorization request presented the Commission board to authorize the Executive Director to negotiate and administer up to \$20 million of funds for the Land Acquisition Program (LAP).

She stated that as was presented at the Work Session last month, the Commission has been working with Sound Transit. Sound Transit was directed by the Legislature to place up to \$20 million into a fund to support land acquisition and predevelopment costs around Sound Transit areas where they do not own properties per se. She noted that after two years of looking at different structures and working with different partners, she feels the Commission is finally at a place where there is an agreement and a term sheet, and they will be going to their board (Sound Transit's) in May for approval.

Ms. Vatske then stated that Commission staff are seeking a motion for approval from the board, to authorize the Executive Director to negotiate and enter into that agreement with Sound Transit, so that the Commission can help administer those funds for them very similar to the Commission's Land Acquisition Program, with a few other criteria, mostly Sound Transit filled out areas.

Mr. Rumpf motioned to approve the request from Commission staff for the Executive Director to enter into an interagency agreement with Sound Transit for up to \$20 million of funds for the Land Acquisition Program (LAP). Mr. Krueger seconded the motion. The motion was unanimously approved.

**Action Item:
Approval for
Interagency
Agreement with
WA Department of
Commerce's State
Energy Office re:
participation in the
HEAR program**

Ms. Vatske stated that this was an authorization request presented the Commission board to authorize the Executive Director to negotiate and enter into an interagency agreement with the State Energy Office at the Washington Department of Commerce to participate in the Washington Home Electrification and Appliance Rebates (HEAR) program.

Ms. Vatske state this is an opportunity that the Commission has with the Department of Commerce and their Energy Office to actually invest money into three specific projects that have been identified as a first pilot to use some of

their climate action money that's specifically for appliance rebates, specifically for energy-efficient heat pumps. She added that one of those projects is at Crestview Terrace in Ellensburg, of which, the note issuance public hearing was held just earlier in this meeting.

She noted that heat pumps are especially needed in Eastern Washington to combat climate resiliency. She noted further that the final negotiations are being done, with the final dollar amount for around \$9 million.

Mr. Espinoza motioned to approve the request from Commission staff for the Executive Director to enter into an interagency agreement with the Washington Department of Commerce's State Energy Office to participate in their Washington HEAR (Home Electrification and Appliances Rebates) program. Mr. Rumpf seconded the motion. The motion was approved unanimously, with Ms. Grigoras abstaining, as her employer is the Washington Department of Commerce.

**Informational
Report on
Department of
Commerce
Activities**

Ms. Grigoras mentioned a few items from the monthly informational Department of Commerce activities report that was included in the board packet:

Housing Division – Homeownership Unit:

Manufactured Home Relocation Assistance Program:

We have our first Community closure notice since the legislative changes went into effect, expanding the closure period so that it requires two years of notice to residents.

We are applying for \$85 million of HUD Preservation and Reinvestment Initiative for Community Enhancement (PRICE) funding to assist with preserving manufactured housing communities.

Foreclosure Fairness Program:

We are averaging one referral to mediation a day in April. The partner agencies will work together and seek stakeholder input to modify the fee amount and the allocation percentages for each partner to better distribute funding where it is needed. Rep. Tina Orwall will be convening a stakeholder group in June.

Multifamily Unit funding for 2024-2025:

The Legislature awarded more funding for multifamily housing in the supplemental budget, creating a new Housing Repair Fund (\$5 million), a Multifamily Building Energy Efficiency Program (\$55 million) and a renewal of Rapid Capital Housing (\$20 million).

The plan for competitive funding rounds for 2024-25 has been presented to the public, and we are collecting public input. The total competitive funding available in the Traditional NOFA will be \$93 million, down from \$310 million last year. The second year of the biennium is routinely a reduction, and the Legislature provided \$17 million in traditional HTF funding, \$20 million for housing persons with Intellectual and Developmental Disabilities, and \$32 million for direct appropriations to a specific list of projects

Commerce is also releasing a grant application for nonprofits that have not received capital awards previously to receive predevelopment funding. The Capacity Building, Outreach and Support Initiative will offer resources to help By and For and rural serving organizations obtain capital funding. The initiative is jointly administered with the Community Capital Facilities unit in Commerce's Local Government Division and will also assist organizations with the development of community facilities in addition to housing.

Local Government Division – Growth Management Services:

Coordinating Low-Income Housing Planning Grants:

Growth Management is offering grants of up to \$50,000 for the following activities: For counties that have a HUD Consolidated Plan (five counties) - coordinate HUD Consolidated Plans and 5-year homelessness plans with Growth Management Act (GMA) comprehensive plans so they have consistent policies and data.

For Balance-of-State jurisdictions – coordinate the planning of 5-year homelessness plans with GMA comprehensive plans so they have consistent policies and data. Develop countywide planning policies that support planning for the lowest income housing needs and allocations of countywide housing needs to jurisdictions. Coordinate conversations and resource sharing between counties and cities on affordable housing and homelessness planning.

Other activities related to implementing grant objectives, as approved by Commerce - Five counties have been awarded grants, and four counties' applications are under review. For more information:

<https://www.commerce.wa.gov/serving-communities/growth-management/growthmanagement-grants>.

Executive Director's Report

Mr. Walker mentioned that at this month's board meeting alone, a LOT was accomplished: the board approving financing resolutions for just about 1,000 total units of affordable housing, plus units for CCRC's, seniors, large families, and persons with disabilities all serving those that make anywhere from 30 to 80% of local AMI. Also, approval of workforce housing utilizing recycled bond cap and/or Amazon Equity Fund monies, approval of 501 (c)(3) nonprofit bonds, plus allocations of the first two of 13 total LIHTC 9% projects for 2024. All those, plus the board's approvals of entering into interagency agreements with Sound Transit and Commerce regarding land acquisition for affordable housing near their transit stations and energy efficient appliances, respectively. Finally, having a public hearing with so much support from the Commission's partners and members of the public for the implementation of the Covenant Housing Program on July 1st, makes this month's meeting a great success!

He then mentioned a few items from the Executive Director's Report, which was included in the board packet, as follows:

Multifamily Housing & Community Facilities (MHCF):

Steve Walker and Dan Rothman attended the grand opening of GMD Development's Watershed project in Renton. In addition to utilizing the bond/tax credit program, Evergreen Impact Housing Fund provided \$10.8 million to partially finance 145 units of affordable housing near Renton City Hall. Speakers at the event were Renton's Mayor Armondo Pavone, Kris Hermanns, Fund Manager at Seattle Foundation; Jane Broom, Senior Director at Microsoft Philanthropies; and Steve Dymoke, Partner at GMD Development.

Homeownership:

Homeownership Assistance Fund (HAF): As of April 24, 2024, over 3,600 grants have been funded totaling approximately \$78 million dollars in grant assistance. The program continues to demonstrate excellent geographic distribution of funding and continues to show the success of our marketing in reaching underserved communities and communities of color. The program is on schedule to expend all the funding by June 30, 2025, as anticipated.

Earlier this month, the HAF team met with Treasury to discuss the progress of the Washington HAF Program and can report that Treasury continues to support Washington's efforts.

The State Auditor's Office recently completed its Single Audit of the HAF Program, and the Audit Committee participated in the exit interview. Although the auditors identified some areas that needed improvement, the overall audit, particularly regarding financial issues, was good. We are well into our efforts to address the issues identified in the audit and are confident we can correct them.

Asset Management & Compliance (AMC):

Content Management progress: AMC has successfully completed their archiving process thanks to Mary Lightle & Mizan Irwin. The Records Center in Olympia has scheduled to pick up the 250 boxes from the 28th floor on May 9th. Mizan is also integrating our Utility Allowances from paper format into HomeBase/Laserfiche.

Finance:

Finance oversaw a successful single-family bond pricing for \$100 million and the bonds being rated “AAA.” The bonds are anticipated to close sometime in May.

Finance held final interviews for our open Senior Controller position and expect to make an announcement in the coming weeks. There was a strong candidate pool.

Other information from Steve:

The Executive Management Team (EMT) has initiated a special project in collaboration with The Athena Group. This initiative is centered around equitable change management, organizational development and decision making, and enhancing division-level support. The goal is to cultivate new skills, promote continuous learning, and establish a shared language and understanding that paves the way for ongoing improvement throughout the Commission. In the coming weeks and months, staff will keep the board updated on the progress and explain how leadership plays an integral role in co-creating the Commission’s future.

Consent Agenda

The consent agenda was approved as distributed.

Adjournment

The meeting was adjourned at 2:55 p.m.

Signature

Nonprofit Facilities Program

Project Name	West Dock
Developer	PATH
Description	<p>PATH will lease approximately 52,000 square feet in the West Dock building and be responsible for financing the majority of the tenant improvements to the space. The leased space in the West Dock building, in the Fremont neighborhood in Seattle, will serve as PATH's sole facility in Washington state. It will include office space for 200+ staff as well as a BSL2 laboratory and product development shop.</p> <p>PATH will reuse as much of the existing build-out as possible but will complete significant tenant improvements so the space will meet its office, lab and shop requirements. In addition to the office, lab and shop functions, the remodeled space will include employee amenities such as bike storage and lockers, meditation, mothers' and multi-faith rooms.</p>
Location	437 N. 34th Street Seattle, WA 98103
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit organizations.
Project Type	Rehabilitation of an existing facility.
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$18,000,000
Bond Structure	Private Placement
Lender	JP Morgan Chase
Action	Public Hearing for OID # 24-71A
Anticipated Closing Date	July 2024

Nonprofit Housing Program

Project Name	Bayview Retirement Community
Developer	Bayview Manor Homes
Description	<p>Bayview is a 62+, non-profit Life Plan Community located in the lower Queen Anne neighborhood of Seattle. As a Life Plan Community, Bayview offers a full spectrum of health services to support changing needs throughout life, all on one convenient campus.</p> <p>Today, Bayview is home to 210 residents and a care resource for children in the daycare center. They are a Seattle retirement community that is proud to be an independent, not-for-profit organization, managed by a volunteer Board of Trustees. It maintains its affiliation with the Methodist Church, while embracing residents from all spiritual traditions.</p>
Location	11 W Aloha Street Seattle, WA 98119
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	Rehabilitation of an existing facility.
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$12,000,000
Bond Structure	Public Sale
Underwriter	Ziegler
Action	Public Hearing for OID # 24-73A
Anticipated Closing Date	July 2024

Multifamily Housing Program

Project Name	Broadway Urbaine								
Developer	TAP Collaborative								
Description	<p>Broadway Urbaine will utilize the Commission’s Recycled Bond program, along with \$4M from Seattle’s Office of Housing, and Fannie Mae long term debt. This project will not receive tax credits or current year bond cap.</p> <p>Broadway Urbaine represents an opportunity to redevelop two existing buildings to address the pressing need for affordable housing in the Capitol Hill neighborhood of Seattle. The site is located one block from the Capitol Hill Light Rail station, near Cal Anderson Park, Seattle Central College, Seattle University, and Dick’s Drive-In.</p> <p>The developer expects to be permit-ready by the end of this month. The property plans include: a roof-top deck, private club room, secure bicycle parking, yoga studio, community garden, on-site property management, and neighborhood retail along Broadway Ave East. Current tenants of the existing retail space have indicated interest in new the building’s retail space.</p>								
Location	229 Broadway Avenue E. Seattle, WA 98102								
Relation to Mission and Goals	To provide effective, low-cost financing for multifamily housing								
Project Type	New construction of a 96-unit multifamily housing facility								
Units	<table><tr><td>Studio</td><td>65</td></tr><tr><td>One Bedroom</td><td>30</td></tr><tr><td>Two Bedroom</td><td>1</td></tr><tr><td>Total</td><td>96</td></tr></table>	Studio	65	One Bedroom	30	Two Bedroom	1	Total	96
Studio	65								
One Bedroom	30								
Two Bedroom	1								
Total	96								
Income Set-Aside	40% of total units at or below 60% AMI								
Bond Structure	Public Sale								
Underwriter	Stifel								
Action	Commission briefing								
Anticipated Closing Date	July 2024								

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 24-77

A RESOLUTION of the Washington State Housing Finance Commission making findings and determinations with respect to housing needs within Washington; approving a program to finance multifamily housing; authorizing the issuance of not to exceed \$15,000,000 of multifamily tax-exempt bonds to finance all or a portion of the acquisition, rehabilitation and equipping of a 358-unit multifamily housing facility in Seattle, Washington, to be owned by SRMAHMILL, LLC; approving the sale of the bonds to Stifel, Nicolaus & Company, Incorporated; delegating to the Executive Director of the Commission the authority to execute a final form of bond purchase agreement with Stifel, Nicolaus & Company, Incorporated; approving the form of a trust indenture, a financing agreement, a tax certificate and a regulatory agreement; and authorizing the officers and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON MAY 20, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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* This table of contents is not part of the resolution; it is included for the convenience of the reader only.

RESOLUTION NO. 24-77

A RESOLUTION of the Washington State Housing Finance Commission making findings and determinations with respect to housing needs within Washington; approving a program to finance multifamily housing; approving a program to finance multifamily housing; authorizing the issuance of not to exceed \$15,000,000 of multifamily tax-exempt bonds to finance all or a portion of the acquisition, rehabilitation and equipping of a 358-unit multifamily housing facility in Seattle, Washington, to be owned by SRMAHMILL, LLC; approving the sale of the bonds to Stifel, Nicolaus & Company, Incorporated; delegating to the Executive Director of the Commission the authority to execute a final form of bond purchase agreement with Stifel, Nicolaus & Company, Incorporated; approving the form of a trust indenture, a financing agreement, a tax certificate and a regulatory agreement; and authorizing the officers and Executive Director of the Commission to amend and execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the “Commission”) has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, now codified at RCW 43.180 et seq. (the “Act”); and

WHEREAS, the legislature of the State of Washington (the “State”) has declared it to be a public policy of the State and a recognized governmental function to assist in making affordable and decent housing available throughout the state; and

WHEREAS, the Commission has previously found and determined that many persons and households in the state continue to be unable to rent safe and sanitary housing in the areas in which they reside at an affordable cost to them; and

WHEREAS, the Act authorizes the Commission to participate fully in federal and governmental programs to secure for itself and the people of the State the benefits of such programs; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), grants an exemption from federal income tax for interest paid on obligations where the proceeds thereof are used to finance multifamily housing facilities meeting the requirements of the Code; and

WHEREAS, the Commission adopted a Housing Finance Plan (the “Plan”) on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, JLL Real Estate Capital, LLC (the “Mortgage Lender”), has offered to make a mortgage loan (the “Mortgage Loan”) in the principal amount of not to exceed \$15,000,000 to SRMAHMILL, LLC, a Washington limited liability company (the “Owner”), to finance a portion of the acquisition, rehabilitation and equipping of a 358-unit housing facility in Seattle, Washington (the “Project”) to be owned and operated by the Owner and to pay costs of issuing the Bonds (as hereinafter defined); and

WHEREAS, the Owner has requested that the Commission issue its Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEMS) (Mill at First Hill Apartments Project), Series 2024 (the “Bonds”), in the aggregate principal amount of not to exceed \$15,000,000, and use the proceeds thereof to acquire one or more mortgage-backed securities guaranteed as to timely payment of principal and interest by the Federal National Mortgage Association and backed by the Mortgage Loan; and

WHEREAS, the Commission has given preliminary approval to the Project by Official Intent Declaration No. 24-67A, the Commission held a public hearing with respect to the Project

on April 25, 2024, and the Governor has, or by the closing on the Bonds will have, approved the Project and the Bonds; and

WHEREAS, the Commission has received a form of bond purchase agreement (the “Bond Purchase Agreement”) from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to purchase the Bonds in whole; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Indenture of Trust (the “Indenture”) between the Commission and U.S. Bank Trust Company, National Association (the “Trustee”); the Financing Agreement (the “Financing Agreement”) among the Commission, the Owner, and the Trustee; a Regulatory Agreement (the “Regulatory Agreement”) between the Commission and the Owner; the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the form of Bond Purchase Agreement among the Commission, the Owner and the Underwriter.

Section 2. Findings. The Commission hereby ratifies its prior findings that there are a substantial number of persons and households in the state who are unable to rent apartments in various parts of the state or the rents required are substantially in excess of the available income of such persons or households. As a result, many persons and households are unable to rent safe and sanitary housing at a reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and households is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The provision of lower interest rate loans will encourage developers to acquire, construct and

rehabilitate projects which will make additional units available to persons and households at affordable cost and will act as a significant stimulant to the economy of the State.

Section 3. Multifamily Program. The Commission hereby ratifies, affirms and adopts its program to finance the acquisition of multifamily mortgage loans on eligible multifamily projects through the issuance of nonrecourse multifamily mortgage revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Bonds are in furtherance of the Act and the Plan.

Section 4. Governmental Program. The Commission hereby ratifies and affirms its authority to participate fully in federal and other governmental programs in order to secure for itself and the people of the State the benefits of such programs. The Commission hereby finds and determines that the proposed financing and issuance of the Bonds are in furtherance of the Act and the Plan.

Section 5. Authorization of Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEMS) (Mill at First Hill Apartments Project), Series 2024” with appropriate series designation, and in an aggregate principal amount of not to exceed \$15,000,000, pursuant to and in accordance with the provisions of the Act, the Code, and the Indenture.

Section 6. Approval of Documents. It is hereby found and determined that the Indenture, the Financing Agreement, the Regulatory Agreement and the Tax Certificate conform to the requirements of the Act and the Code and provide for the maximum available security for the Bonds consistent with the Act and the Code.

The Indenture, Financing Agreement, Regulatory Agreement, and Tax Certificate are hereby approved in substantially the forms filed with the Commission. The Chair, Vice Chair,

Secretary or the Secretary's designee, Executive Director or the Treasurer of the Commission are each authorized to execute such documents, the documents contemplated therein, and any other necessary documents or certificates on its behalf including the final offering document, and to do all things necessary on its behalf to proceed with the issuance, sale and delivery of the Bonds as authorized herein. Only one signature is required to bind the Commission. Such officers, the Executive Director or the Secretary's designee are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are in furtherance of the Program and which do not materially increase the obligations of the Commission as described in such documents on file with the Commission. The Executive Director is hereby authorized to execute documents and certificates on behalf of the Commission as are required for the issuance, sale and delivery of the Bonds including, but not limited to, certificates required by the securities laws of various states and the United States of America. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 7. Fee Waiver. The Commission has determined that the pilot use of recycled private activity bond volume cap for this project qualifies it for a waiver from its fee policy and hereby approves an annual fee of 0.10% per annum of the outstanding principal amount of the Bond.

Section 8. Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Agreement. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Agreement on behalf of the

Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed \$15,000,000; (b) the initial interest rate on the Bonds does not exceed 7.00%; (c) the Bond Purchase Agreement is executed prior to July 31, 2024; and (d) the final terms of the Bond Purchase Agreement are otherwise in furtherance of the Act and the Plan.

Section 9. Executive Director. The Deputy Director or an alternate designee is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

[Remainder of this page intentionally blank.]

Section 9. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 20th day of May, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

Multifamily Housing Program

Project Name	The Mill at First Hill								
Developer	SRM Development								
Description	<p>The Mill at First Hill will utilize the Commission’s Recycled Bond program, along with Amazon Housing Equity Fund and Agency debt. The current model is contemplating either Fannie Mae or Freddie Mac long term debt. This project will not receive tax credits or current year bond cap.</p> <p>The Mill at First Hill represents an opportunity to convert existing market rate units to address the pressing need for affordable housing in the First Hill neighborhood of Seattle. The primary objective is to provide affordable housing options for individuals and families earning 60% and 80% of the Area Median Income (AMI). The plan involves repurposing The Mill into 358 affordable housing units, recognizing the urgent demand for such accommodations in Seattle's vibrant First Hill neighborhood.</p> <p>The property already includes amenities that promote health, wellness, and social interaction. With a swimming pool and fitness center, they are providing residents opportunities for recreation and exercise right at their doorstep. This property also includes 142 on-site parking spaces for residents and guests to safely park in an urban neighborhood with little street parking.</p>								
Location	1000 8th Avenue and 801 Spring Street Seattle, WA 98104								
Relation to Mission and Goals	To provide effective, low-cost financing for multifamily housing								
Project Type	Acquisition of a 358-unit multifamily housing facility.								
Units	<table><tr><td>Studios</td><td>54</td></tr><tr><td>Two Bedroom</td><td>212</td></tr><tr><td>Three Bedroom</td><td>92</td></tr><tr><td>Total</td><td>358</td></tr></table>	Studios	54	Two Bedroom	212	Three Bedroom	92	Total	358
Studios	54								
Two Bedroom	212								
Three Bedroom	92								
Total	358								

Income Set-Aside	40% of total units at or below 60% AMI
Bond Structure	Public Sale
Underwriter	Stifel
Action	Approval of Resolution No. 24-77
Anticipated Closing Date	June 2024

WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 24-76

A RESOLUTION of the Washington State Housing Finance Commission authorizing a plan of finance relating to the issuance of its tax-exempt nonrecourse revenue note in a principal amount of not to exceed \$38,000,000, to finance the acquisition, rehabilitation and equipping of a multifamily housing facility in Ellensburg, Washington, to be owned by Crestview Terrace Community Partners, LP; approving the issuance and delivery of the note to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON MAY 20, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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RESOLUTION NO. 24-76

A RESOLUTION of the Washington State Housing Finance Commission authorizing a plan of finance relating to the issuance of its tax-exempt nonrecourse revenue note in a principal amount of not to exceed \$38,000,000, to finance the acquisition, rehabilitation and equipping of a multifamily housing facility in Ellensburg, Washington, to be owned by Crestview Terrace Community Partners, LP; approving the issuance and delivery of the note to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act"); and

WHEREAS, the Act authorizes the Commission to issue its bonds and other evidences of indebtedness for the purpose of acquiring mortgage loans used to finance multifamily housing facilities in Washington; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), grants an exemption from federal income tax for interest paid on obligations where the proceeds thereof are used to finance multifamily housing facilities meeting the requirements of the Code; and

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, Citibank, N.A. (the "Bank") has offered to make a loan in a principal amount of not to exceed \$38,000,000 to the Commission (the "Funding Loan") to provide funds

for the acquisition, rehabilitation and equipping of a 168-unit multifamily residential rental facility located in Ellensburg, Washington (the “Project”), to be owned by Crestview Terrace Community Partners, LP, a Washington limited partnership (the “Borrower”); and

WHEREAS, the Commission will use the proceeds of the Funding Loan to acquire a loan originated by a mortgage lender to the Borrower (the “Borrower Loan”) for the Project; and

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt financing of the Project through: (1) the incurrence of the Funding Loan, as evidenced by its Multifamily Revenue Note (Crestview Terrace Apartments Project), Series 2024 (the “Note”) in the principal amount of not to exceed \$38,000,000; and (2) its acquisition of the Borrower Loan with proceeds of the Note; and

WHEREAS, the Note is unrated and privately placed and will be issued with terms consistent with and in furtherance of the Commission’s policy for unrated obligations; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 24-47A, the Commission held a public hearing as required by federal tax law on April 25, 2024, and the Governor has, or by the closing on the Note will have, approved the Project, the plan of finance and the Note; and

WHEREAS, the Commission has received an offer to make the Funding Loan evidenced by the Note (the “Loan Commitment”) from the Bank to provide financing for the Project; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Executive Director of the Commission: the Funding Loan Agreement (the “Funding Loan

Agreement”), among the Bank, the Commission and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”); the Borrower Loan Agreement (the “Borrower Loan Agreement”), among the Commission, the Fiscal Agent, the Bank, acting as mortgage lender, and the Borrower; the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the Regulatory Agreement (the “Regulatory Agreement”) between the Borrower and the Commission.

Section 2. Findings. The Commission hereby ratifies its prior findings that there are a substantial number of persons and families in the state of Washington who are unable to rent apartments in various parts of the state or the rents required are substantially in excess of the available income of such persons or families. As a result, many persons and families are unable to rent safe and sanitary housing at reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and families is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The provision of lower interest rate loans will encourage developers to acquire, construct and rehabilitate projects which will make additional units available to persons and households at affordable cost and will act as a significant stimulant to the economy of the State.

Section 3. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing of eligible housing facilities under the Act through the issuance of privately placed nonrecourse revenue obligations (the “Program”). The Commission hereby finds and determines that the Program and the Note are in furtherance of the Act and the Plan.

Section 4. Authorization of the Note. The Commission hereby authorizes a plan of finance relating to the issuance and delivery of its Note to be designated “Multifamily Revenue

Note (Crestview Terrace Apartments Project), Series 2024” in a principal amount of not to exceed \$38,000,000, pursuant to and in accordance with the provisions of the Act, the Code and the Funding Loan Agreement.

Section 5. Approval of Documents. It is hereby found and determined that the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate conform to the requirements of the Act and the Code and provide appropriate security for the Note consistent with the Act and the Code.

The Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary’s designee, to execute such documents, the documents contemplated therein, and any other necessary documents or certificates on its behalf, and to do all things necessary on its behalf to proceed with the Program and the issuance and delivery of the Note as authorized herein. Such officers, the Executive Director and the Secretary’s designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and which do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 6. Issuance and Delivery of the Note. The Commission hereby authorizes and approves the issuance and delivery of the Note to the Bank to evidence the Funding Loan, in

accordance with the terms and conditions set forth in the Loan Commitment, attached hereto as Exhibit A.

Section 7. Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 8. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

[Remainder of page intentionally left blank]

ADOPTED at a special meeting duly noticed and called this 20th day of May, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

EXHIBIT A
Loan Commitment

May 14, 2024

The Commissioners
c/o Steve Walker, Executive Director
Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, WA 98104-1046

Re: Washington State Housing Finance Commission Multifamily Revenue Note (Crestview Terrace Apartments Project), Series 2024

Dear Honorable Commissioners:

Citibank, N.A. ("Funding Lender") is pleased to offer to make a loan (the "Funding Loan") to the Washington State Housing Finance Commission (the "Commission") to be evidenced by the above-referenced Multifamily Revenue Note (the "Note") in principal amount not to exceed \$32,500,000, which may include up to \$5,000,000 of recycled volume cap, with the understanding that the proceeds of the Funding Loan will be used by the Commission to purchase a loan being originated by Citibank, N.A. ("Mortgage Lender") to Crestview Terrace Community Partners, LP, a Washington limited partnership ("Borrower") for purposes of financing the acquisition, rehabilitation and equipping of a multifamily rental housing development, all pursuant to the provisions of the Funding Loan Agreement, dated as of May 1, 2024 (the "Funding Loan Agreement"), among the Funding Lender, the Commission and U.S. Bank Trust Company, National Association ("Fiscal Agent"), and a Borrower Loan Agreement, dated as of May 1, 2024 (the "Borrower Loan Agreement"), among the Commission, the Borrower, the Mortgage Lender and the Fiscal Agent.

The Note will be dated the date of closing, which is anticipated to be May 30, 2024. The Note is expected to mature on June 1, 2044, with an outside Conversion Date of June 1, 2027. Principal on the Note will accrue interest at a fixed rate to be locked just prior to closing not expected to exceed 12%. Interest only payments will be made on the Funding Loan from the Closing Date through the date when the taxable construction to permanent loan from Funding Lender to Borrower is paid in full, and thereafter principal and interest are to be paid in monthly installments amortized over a period currently estimated to be approximately 27 years, which period will be determined on the Conversion Date by taking a weighted average of (i) the lesser of (a) the then-remaining term of Funding Loan or (b) the Housing Assistance Payments contract covering the Project, applied to the portion of the Note supported by a Housing Assistance Payments overhang, and (ii) 40 year amortization for the portion of the Note supported by market rents.

Our offer is subject to a legal opinion from Pacifica Law Group LLP of Seattle, Washington, acceptable to the Funding Lender, and to other conditions set forth in the Funding Loan Agreement, Borrower Loan Agreement, Construction Funding Agreement, and in the Borrower Loan application, all of which have been reviewed and approved by Borrower.

Very truly yours,

CITIBANK, N.A.

By: 

Name: Matt Knipprath

Title: Authorized Signatory

Multifamily Housing Program

Project Name	Crestview Terrace Apartments
Developer	Community Preservation Partners (CPP)
Description	<p>Crestview Terrace is a 168-unit property located in Ellensburg, WA. The property is in a QCT & DDA and consists of 75 buildings (74 residential and 1 community building) on two neighboring parcels. The target population is Large Family, Persons with Disabilities, and Homeless. This property has a community room, playgrounds, fitness center, laundry facilities, and various community services provided by the owner.</p> <p>Rehabilitation efforts will address all significant deferred maintenance items. The renovation plans include replacement of windows, flooring, cabinets, countertops, appliances, and lighting. Upgrades to ADA units and ADA path of travel as required by local jurisdictions will be included. Additional community amenities and energy saving measures are also contemplated to ensure compliance with the 4% application and ESDS requirements.</p> <p>The Crestview Terrace Apartments project serves low-income families and homeless households in Ellensburg, Washington. HopeSource has provided support services at the property since 2008, and CPP's partnering with them as the CBO was the best solution for providing continuity of quality services to residents onsite. HopeSource will provide outreach to residents throughout the conversion process and beyond, as well as offer direct voluntary support services, including case management, landlord mediation, life skills training, housing stability planning, and connections to community providers.</p>
Location	2000 & 2101 North Alder Street Ellensburg, WA 98926
Project Type	Acquisition/Rehabilitation
Units	One Bedroom 95 Two Bedroom 36 Three Bedroom 26

Four Bedroom	11
Total	168

Housing Tax Credits Yes

Income Set-Aside 100% at 60% AMI

Regulatory Agreement Term Minimum 40 years

Evaluation Plan Scoring	Cost Efficient Development	10
	Commitments for Priority Populations	2
	CBO Ownership	8
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	3
	Donation in Support of Local Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable Energy – Rehab	3
	Rehab of Major Systems	30
	Total Points/Weighted Average	65

Estimated Tax-Exempt Note Amount (Not to exceed) \$38,000,000

Note Structure Private Placement

Lender CitiBank

Development Budget

Acquisition Costs	\$18,675,000
Construction	\$19,343,016
Soft Costs	\$8,653,904
Financing Costs	\$6,331,623
Capitalized Reserves	\$1,753,000
Other Development Costs	\$1,060,000
Total Development Costs	\$55,816,543

Permanent Sources

Citibank Tax Exempt Loan	\$27,500,000
Citibank Taxable Loan	\$5,500,000
Deferred Developer Fee	\$2,255,618

Tax Credit Equity at \$0.8699 per credit x 10 years	\$20,560,925
Total Permanent Sources	\$55,816,543

Total Development Cost Limit

Project's Total Development Cost Limit	\$65,710,195
Total Development Cost (minus land and reserves)	\$52,863,543
Waiver	Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$ 1215	\$598
Two Bedroom	\$ 1325	\$727 - \$927
Three Bedroom	\$ 1605	\$824 - \$1062
Four Bedroom	\$ 2075	\$922 - \$1223

Action Approval of Resolution No. 24-76

Anticipated Closing Date May 2024

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 24-75

A RESOLUTION of the Washington State Housing Finance Commission making findings and determinations with respect to housing needs within Washington; approving a program to finance multifamily housing; authorizing the issuance of not to exceed \$20,000,000 of multifamily tax-exempt bonds in two or more series to finance all or a portion of the construction and equipping of an 82-unit multifamily housing facility in Oak Harbor, Washington, to be owned by Camas Flats Oak Harbor 1, LLLP; approving the sale of the bonds to Stifel, Nicolaus & Company, Incorporated; delegating to the Executive Director of the Commission the authority to execute a final form of bond purchase agreement with Stifel, Nicolaus & Company, Incorporated; approving the form of a trust indenture, a financing agreement, a tax certificate and a regulatory agreement; and authorizing the officers and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON MAY 20, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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* This table of contents is not part of the resolution; it is included for the convenience of the reader only.

RESOLUTION NO. 24-75

A RESOLUTION of the Washington State Housing Finance Commission making findings and determinations with respect to housing needs within Washington; approving a program to finance multifamily housing; authorizing the issuance of not to exceed \$20,000,000 of multifamily tax-exempt bonds in two or more series to finance all or a portion of the construction and equipping of an 82-unit multifamily housing facility in Oak Harbor, Washington, to be owned by Camas Flats Oak Harbor 1, LLLP; approving the sale of the bonds to Stifel, Nicolaus & Company, Incorporated; delegating to the Executive Director of the Commission the authority to execute a final form of bond purchase agreement with Stifel, Nicolaus & Company, Incorporated; approving the form of a trust indenture, a financing agreement, a tax certificate and a regulatory agreement; and authorizing the officers and Executive Director of the Commission to amend and execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the “Commission”) has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, now codified at RCW 43.180 et seq. (the “Act”); and

WHEREAS, the legislature of the State of Washington (the “State”) has declared it to be a public policy of the State and a recognized governmental function to assist in making affordable and decent housing available throughout the state; and

WHEREAS, the Commission has previously found and determined that many persons and households in the state continue to be unable to rent safe and sanitary housing in the areas in which they reside at an affordable cost to them; and

WHEREAS, the Act authorizes the Commission to participate fully in federal and governmental programs to secure for itself and the people of the State the benefits of such programs; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), grants an exemption from federal income tax for interest paid on obligations where the proceeds thereof are used to finance multifamily housing facilities meeting the requirements of the Code; and

WHEREAS, the Commission adopted a Housing Finance Plan (the “Plan”) on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, KeyBank National Association (the “Bond Lender”), offered to originate two qualified loans in the aggregate principal amount of not to exceed \$20,000,000 (together, the “Bond Loan”) to Camas Flats Oak Harbor 1, LLLP, a Washington limited liability limited partnership (the “Owner”), to finance a portion of the construction and equipping of an 82-unit housing facility in Oak Harbor, Washington (the “Project”) to be owned and operated by the Owner and to pay costs of issuing the Bonds (as hereinafter defined), and to assign the Bond Loan to U.S. Bank Trust Company, National Association (the “Trustee”) on behalf of the Commission; and

WHEREAS, the Owner has requested that the Commission issue its Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEMS) (Camas Flats Apartments Project), Series 2024A (FN), and its Multifamily Housing Revenue Bonds (Camas Flats Apartments Project), Series 2024B (together, the “Bonds”), in two or more series and in the aggregate principal amount of not to exceed \$20,000,000, and use the proceeds thereof to finance a portion of the construction and equipping of the Project; and

WHEREAS, the Bonds will be publicly sold and are expected to be rated “Aaa” and “Aaa/VMIG 1,” respectively, by Moody’s Investors Service, Inc., and will be secured by (a) initially, cash-funded collateral accounts held by the Trustee, funded from time to time with a portion of the proceeds of two mortgage loans from KeyBank National Association, and other

available, bankruptcy-remote funds as permitted by the Indenture (as defined below), and (b) upon the occurrence of certain conditions, one or more mortgage-backed securities guaranteed as to timely payment of principal and interest by the Federal National Mortgage Association, which mortgage-backed securities will be acquired by the Trustee with the amounts then on deposit as collateral for the Bonds; and

WHEREAS, the Commission has given preliminary approval to the Project by Official Intent Declaration No. 23-46A, the Commission held public hearings with respect to the Project on February 22, 2024 and May 15, 2024, and the Governor has, or by the closing on the Bonds will have, approved the Project and the Bonds; and

WHEREAS, the Commission has received a form of bond purchase agreement (the “Bond Purchase Agreement”) from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to purchase the Bonds in whole; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Indenture of Trust between the Commission and the Trustee (the “Indenture”); the Financing Agreement among the Commission, the Owner, the Bond Lender and the Trustee (the “Financing Agreement”); a Regulatory Agreement between the Commission and the Owner (the “Regulatory Agreement”); the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the form of Bond Purchase Agreement among the Commission, the Owner and the Underwriter.

Section 2. Findings. The Commission hereby ratifies its prior findings that there are a substantial number of persons and households in the state who are unable to rent apartments in various parts of the state or the rents required are substantially in excess of the available income of such persons or households. As a result, many persons and households are unable to rent safe and sanitary housing at a reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and households is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The provision of lower interest rate loans will encourage developers to acquire, construct and rehabilitate projects which will make additional units available to persons and households at affordable cost and will act as a significant stimulant to the economy of the State.

Section 3. Multifamily Program. The Commission hereby ratifies, affirms and adopts its program to finance the acquisition of multifamily mortgage loans on eligible multifamily projects through the issuance of nonrecourse multifamily mortgage revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Bonds are in furtherance of the Act and the Plan.

Section 4. Governmental Program. The Commission hereby ratifies and affirms its authority to participate fully in federal and other governmental programs in order to secure for itself and the people of the State the benefits of such programs. The Commission hereby finds and determines that the proposed financing and issuance of the Bonds are in furtherance of the Act and the Plan.

Section 5. Authorization of Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEMS) (Camas Flats Apartments Project), Series 2024A (FN)” and “Multifamily Housing

Revenue Bonds (Camas Flats Apartments Project), Series 2024B” in two or more series, with appropriate series designation, and in an aggregate principal amount of not to exceed \$20,000,000, pursuant to and in accordance with the provisions of the Act, the Code, and the Indenture.

Section 6. Approval of Documents. It is hereby found and determined that the Indenture, the Financing Agreement, the Regulatory Agreement and the Tax Certificate conform to the requirements of the Act and the Code and provide for the maximum available security for the Bonds consistent with the Act and the Code.

The Indenture, Financing Agreement, Regulatory Agreement, and Tax Certificate are hereby approved in substantially the forms filed with the Commission. The Chair, Vice Chair, Secretary or the Secretary’s designee, Executive Director or the Treasurer of the Commission are each authorized to execute such documents, the documents contemplated therein, and any other necessary documents or certificates on its behalf including the final offering document, and to do all things necessary on its behalf to proceed with the issuance, sale and delivery of the Bonds as authorized herein. Only one signature is required to bind the Commission. Such officers, the Executive Director or the Secretary’s designee are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are in furtherance of the Program and which do not materially increase the obligations of the Commission as described in such documents on file with the Commission. The Executive Director is hereby authorized to execute documents and certificates on behalf of the Commission as are required for the issuance, sale and delivery of the Bonds including, but not limited to, certificates required by the securities laws of various states and the United States of America. The designee of the

Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 7. Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Agreement. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Agreement on behalf of the Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed \$20,000,000; (b) the initial interest rate on the Bonds does not exceed 7.00%; (c) the Bond Purchase Agreement is executed prior to July 31, 2024; and (d) the final terms of the Bond Purchase Agreement are otherwise in furtherance of the Act and the Plan.

Section 8. Executive Director. The Deputy Director or an alternate designee is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

[Remainder of this page intentionally blank.]

Section 9. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 20th day of May, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

Multifamily Housing Program

Project Name Camas Flats 4%

Developer Shelter Resources, Inc.

Description Camas Flats is a newly constructed multibuilding apartment community featuring ten residential buildings and a multifunctional community building. The residential buildings are two-stories each, consisting of one, two, and three- bedroom units, and the multifunctional community building will include a manager’s unit for a total of 82 units.

Island County selected Shelter Resources as the developer and Opportunity Council is the Community Based Organization working with them. The County provided an Option Agreement to Shelter Resources, Inc. for a nominal price for the acquisition of the land subject to obtaining the necessary public and private funding.

Opportunity Council is a 0.15% owner in the GP. They will engage potential tenant groups (low income residents of Island County) for input in the development process and provide services to residents throughout the life of the project, including: wrap around services for 8 units set aside for persons experiencing homelessness, on-site case management services, connection to all of Opportunity Council’s service offerings such as energy assistance, VASH, HEN, financial and employment coaching and support, rental assistance.

Opportunity Council will have the option to purchase the project at Year 15 and will receive 15% of the developer fee.

Location Currently vacant land extending southwest from the corner of NE 10th Avenue and NE Cordero Place to a western boundary of N. Oak Harbor Street
Oak Harbor, WA 98277

Project Type New Construction

Units	One Bedroom	16
	Two Bedroom	49
	Three Bedroom	17
	Total	82

Housing Tax Credits	Yes	
Income Set-Aside	Income Averaging - allows units to serve households earning as much as 80% of the AMI as long as the average income/rent limit in the property is 60% or less of AMI.	
Regulatory Agreement Term	Minimum 40 years	
Evaluation Plan Scoring	Cost Efficient Development	10
	Commitments for Priority Populations	2
	CBO Ownership	8
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	2
	Donation in Support of Local Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	10
	Total Points	41
Estimated Tax-Exempt Note Amount (Not to exceed)	\$20,000,00	
Note Structure	Public Sale	
Construction Lender	KeyBank Community Development Lending	
Permanent Lender	Fannie Mae	
Development Budget		
Acquisition Costs		\$127,200
Construction		\$25,319,398
Soft Costs		\$6,458,526
Financing Costs		\$5,437,378
Capitalized Reserves		\$584,780
Other Development Costs		\$1,417,464
Total Development Costs		\$39,344,746
Permanent Sources		
Permanent Loan		\$7,800,000
Island County ARPA		\$3,900,000
Housing Trust Fund Apple Health and Home CHIP		\$5,000,000
Investment Income		\$2,000,000
Deferred Developer Fee		\$1,780,530
Tax Credit Equity at \$0.94 per credit x 10 years		\$1,485,564
Total Permanent Sources		\$17,378,652

Total Development Cost Limit

Project's Total Development Cost Limit	\$37,682,844
Total Development Cost (minus land and reserves)	\$38,759,966

Waiver Required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$ 1,360	\$ 507 – 1,464
Two Bedroom	\$ 1,675	\$ 1,060 – 1,749
Three Bedroom	\$ 2,361	\$ 1,220 – 2,016

Action Approval of Resolution No. 24-75

Anticipated Closing Date May 2024

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 24-74

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of nonrecourse nonprofit revenue bonds in an aggregate principal amount of not to exceed \$65,000,000 to finance the construction of an independent living facility owned and operated by German Retirement Home of the State of Washington dba Parkshore Juanita Bay, and to pay certain costs of issuing the bonds; approving the sale of the bonds to B.C. Ziegler and Company; approving the form of a bond trust indenture, loan origination and financing agreement, and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON MAY 20, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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RESOLUTION NO. 24-74

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of nonrecourse nonprofit revenue bonds in an aggregate principal amount of not to exceed \$65,000,000 to finance the construction of an independent living facility owned and operated by German Retirement Home of the State of Washington dba Parkshore Juanita Bay, and to pay certain costs of issuing the bonds; approving the sale of the bonds to B.C. Ziegler and Company; approving the form of a bond trust indenture, loan origination and financing agreement, and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act"); and

WHEREAS, the Act authorizes the Commission to finance and refinance eligible facilities owned and operated by nonprofit organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Code grants an exemption from federal income tax for interest paid on bonds where the proceeds thereof are used to finance projects owned and operated by 501(c)(3) organizations; and

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019 following a public notice and hearings as required by the Act; and

WHEREAS, the German Retirement Home of the State of Washington dba Parkshore Juanita Bay, a Washington nonprofit corporation and an organization described in Section

501(c)(3) of the Code (the “Borrower”) has requested that the Commission issue bonds to assist it with financing (i) the construction and equipping of a 50-unit independent living facility, (ii) the funding of a debt service reserve fund, (iii) the payment of capitalized interest, and (iv) the payment of costs of issuing the Bonds (collectively, the “Project”); and

WHEREAS, it is desirable for the Commission to assist the Borrower through the issuance of its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Parkshore Juanita Bay Project), Series 2024A, its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Parkshore Juanita Bay Project), Series 2024B-1, and its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Parkshore Juanita Bay Project), Series 2024B-2 (collectively, the “Bonds”); and

WHEREAS, the Bonds will be secured by the Parkshore Juanita Bay Obligated Group Direct Note Obligation No. 1 and Direct Note Obligation No. 2, each to be issued pursuant to a Master Trust Indenture, as amended by a First Supplemental Master Trust Indenture (collectively, the “Master Indenture”) between Borrower, in its capacities as the initial sole member of the Obligated Group and as the Obligated Group Representative, and U.S. Bank Trust Company, National Association, as the Master Trustee; and

WHEREAS, the Bonds are expected to be rated and will be sold with terms consistent with and in furtherance of the Commission’s policy for rated bonds; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 24-66A, the Commission held a public hearing with respect to the Project on April 25, 2024, and the Governor has or will have approved the Project and the Bonds; and

WHEREAS, the Commission has received a preliminary offer to purchase the Bonds from B.C. Ziegler and Company (the “Purchaser”).

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Indenture of Trust between the Commission and U.S. Bank Trust Company, National Association, as Bond Trustee (the “Indenture”); the Loan Origination and Financing Agreement among the Commission, the Borrower and U.S. Bank Trust Company, National Association in its capacities as Loan Originator and as Bond Trustee (the “Loan Agreement”); the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”) and the form of Bond Purchase Contract among the Commission, the Borrower, and the Purchaser.

Section 2. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing and refinancing of eligible nonprofit housing facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Bonds are in furtherance of the Act and the Plan.

Section 3. Authorization of the Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Parkshore Juanita Bay Project), Series 2024A”, “Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Parkshore Juanita Bay Project), Series 2024B-1”, and “Washington State Housing Finance Commission

Nonprofit Housing Revenue Bonds (Parkshore Juanita Bay Project), Series 2024B-2”, in an aggregate principal amount not to exceed \$65,000,000 pursuant to and in accordance with the provisions of the Act and the Code. The Commission further authorizes the issuance of additional series of bonds and the adjustment of the names of the Bonds, as is necessary to facilitate the sale of the Bonds and the accomplishment of the Project; provided that any such additional series of bonds shall be issued pursuant to the terms of Section 5 of this resolution.

Section 4. Approval of Documents. It is hereby found and determined that the Indenture, Loan Agreement and Tax Certificate conform to the requirements of the Commission, the Act and the Code and provide appropriate security for the Bonds consistent with the Act and the Code.

The Indenture, Loan Agreement and Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary’s designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, including a preliminary official statement and final official statement, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bonds as authorized herein. Such officers, the Executive Director and the Secretary’s designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 5. Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to B.C. Ziegler and Company, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Contract. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Contract on behalf of the Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed \$65,000,000; (b) the interest rate on the Bonds does not exceed 7.00%; (c) the Bond Purchase Contract is executed prior to October 31, 2024; and (d) the final terms of the Bond Purchase Contract are otherwise in furtherance of the Act and the Plan.

Section 6. Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 7. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 20th day of May, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

Nonprofit Housing Program

Project Name	Parkshore Juanita Bay
Developer	Transforming Age
Description	<p>The German Retirement Home of the State of Washington, affiliated with Transforming Age in 2019. In 2023, Parkshore Juanita Bay unveiled plans to convert the German Retirement Home campus into Parkshore Juanita Bay, a satellite independent living community of Transforming Age. This community aims to cater to active seniors aged 62 and above who seek forward-looking care options. Offering 50 apartment (45 entry-fee units and 5 rental units) homes of varying sizes, from one-bedroom to two-bedroom with a den. Parkshore Juanita Bay is set to provide a rooftop deck, a movie theater, yoga studio, fitness center, and more. Located in Kirkland's historic Juanita Bay on Lake Washington, the location offers a walkable enclave with convenient access to nearby shops and restaurants. The vision for Parkshore Juanita Bay is to introduce a fresh concept in neighborhood living for active seniors, setting a new benchmark for senior living within the Seattle metro area. Notably, Parkshore Juanita Bay will be affiliated with the Transforming Age network, ensuring priority access to the continuum of care available at its sister communities, Parkshore and Skyline.</p>
Location	11853 97th Avenue NE Kirkland, WA 98034
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	New construction of a nonprofit housing facility
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$65,000,000
Bond Structure	Public Sale

Underwriter

Ziegler Capital Markets

Action

Approval of Resolution No. 24-74

Anticipated Closing Date

June 2024

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 24-72

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of tax-exempt and taxable nonrecourse nonprofit revenue bonds in one or more series and in an aggregate principal amount of not to exceed \$14,000,000 to finance the acquisition and rehabilitation of a nonprofit housing facility in the City of Bellevue, Washington, to be owned by LIHI Aventine LLC, a Washington limited liability company; approving the sale of the bonds through KeyBanc Capital Markets; approving the form of an indenture of trust, a loan origination and financing agreement, a regulatory agreement, a bond placement agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON MAY 20, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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RESOLUTION NO. 24-72

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of tax-exempt and taxable nonrecourse nonprofit revenue bonds in one or more series and in an aggregate principal amount of not to exceed \$14,000,000 to finance the acquisition and rehabilitation of a nonprofit housing facility in the City of Bellevue, Washington, to be owned by LIHI Aventine LLC, a Washington limited liability company; approving the sale of the bonds through KeyBanc Capital Markets; approving the form of an indenture of trust, a loan origination and financing agreement, a regulatory agreement, a bond placement agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act"); and

WHEREAS, the Act authorizes the Commission to finance eligible facilities owned and operated by nonprofit organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Code grants an exemption from federal income tax for interest paid on bonds where the proceeds thereof are used to finance projects owned and operated by 501(c)(3) organizations; and

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, LIHI Aventine LLC, a Washington limited liability company (the “Borrower”), the sole member and manager of which is the Low Income Housing Institute (LIHI), a Washington nonprofit corporation and organization described in Section 501(c)(3) of the Code, has requested that the Commission issue bonds to provide a portion of the funds to finance the acquisition and rehabilitation of a nonprofit housing facility to be owned by the Borrower and located in the City of Bellevue, Washington (the “Facilities”), and pay costs of issuing the bonds (collectively, the “Project”); and

WHEREAS, it is desirable for the Commission to assist the Borrower through the issuance of its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Aventine Apartments Project), Series 2024, with such additional series and subseries designations as may be authorized by the Executive Director, in the aggregate principal amount of not to exceed \$14,000,000 (the “Bonds”); and

WHEREAS, the Bonds are not expected to be rated and will be sold with terms consistent with and in furtherance of the Commission’s policy for unrated bonds; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 24-25A, the Commission held a public hearing with respect to the Project on April 25, 2024, and by the closing on the Bonds the Governor will have approved the Project and the Bonds; and

WHEREAS, the Commission has received a preliminary offer to place all of the Bonds from KeyBanc Capital Markets (the “Placement Agent”), which intends to privately place the Bonds with a single purchaser (the “Purchaser”).

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Indenture of Trust (the “Indenture”) between the Commission and U.S. Bank Trust Company, National Association (the “Trustee”); the Loan Origination and Financing Agreement among the Commission, the Borrower, a loan originator and the Trustee (the “Loan Agreement”); the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); the Regulatory Agreement between the Commission and the Borrower (the “Regulatory Agreement”); and the form of Bond Placement Agreement among the Commission, the Borrower, and the Placement Agent (the “Bond Placement Agreement”).

Section 2. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing and refinancing of eligible nonprofit housing facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program is in furtherance of the Act and the Plan.

Section 3. Authorization of the Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Aventine Apartments Project), Series 2024” in one or more series, in an original aggregate principal amount not to exceed \$14,000,000 pursuant to and in accordance with the provisions of the Act and the Code and Section 5 of this resolution. The Commission further authorizes the adjustment of the names of the Bonds, as is necessary to facilitate the sale of the Bonds and the accomplishment of the Project.

Section 4. Approval of Documents. It is hereby found and determined that the Indenture, Loan Agreement, Regulatory Agreement, Bond Placement Agreement and Tax Certificate conform to the requirements of the Commission, the Act and the Code and provide appropriate security for the Bonds consistent with the Act and the Code.

The Indenture, Loan Agreement, Regulatory Agreement, Bond Placement Agreement and Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary's designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bonds as authorized herein. Such officers, the Executive Director and the Secretary's designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 5. Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to KeyBanc Capital Markets, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Placement Agreement. The Commission hereby delegates to the Executive Director the authority to execute the Bond Placement Agreement on behalf of the Commission in substantially the form filed with the Commission, subject to the following

limitations: (a) the aggregate principal amount of the Bonds does not exceed \$14,000,000; (b) the interest rate on the Bonds does not exceed 8.50%; (c) the Bond Placement Agreement is executed prior to July 31, 2024; and (d) the final terms of the Bond Placement Agreement are otherwise in furtherance of the Act and the Plan.

Section 6. Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this Resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 7. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary’s designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 20th day of May, 2024.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

Nonprofit Housing Program

Project Name	Aventine
Developer	Low Income Housing Institute (LIHI)
Description	<p>The Aventine is a 5-story, 68-unit apartment building with 68 underground parking spaces in Bellevue’s downtown neighborhood. The building provides workforce housing with 51% of the apartments serving families and individuals at or below 80% AMI.</p> <p>LIHI intends to purchase the property to ensure the much-needed long-term preservation of affordable housing in downtown Bellevue. LIHI's plan is to finance the property with additional funds from the city of Bellevue, ARCH and Amazon Housing Equity Fund. They plan to operate the building to serve households at or below 30, 50, 60 and 80% AMI. The Aventine includes a mix of studios, one-bedroom and two-bedroom apartments. LIHI will preserve the building as affordable workforce housing with a set-aside of units for low income and formerly homeless families with children in the Bellevue School District, U.S. military veterans, and households living with disabilities.</p>
Location	211 112th Avenue NE Bellevue, WA 98004
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	Acquisition and Rehabilitation of an existing facility.
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$14,000,000
Bond Structure	Public Sale
Underwriter	KeyBanc Capital Markets Inc.
Action	Approval of Resolution No. 24-72
Anticipated Closing Date	May 2024

WA's new homeownership program must reach those it aims to help

May 7, 2024 at 4:17 pm

By [The Seattle Times editorial board](#)

The state Legislature did its part last year to help repair decades of racial discrimination in housing by passing the [Covenant Homeownership Act](#).

With the Covenant Homeownership Program set to launch this summer, potentially hundreds of families could realize the dream denied them, their parents or grandparents because of state-supported restrictive covenants. For decades before the passing of the 1968 Fair Housing Act, Washington had more than 55,000 properties that had restrictive deeds in hundreds of neighborhoods with discriminatory covenants that kept thousands of Black, Indigenous, Latino, Asian and other people from becoming homeowners.

Fast forward more than 50 years later, and the vestiges of such racism still loom, though the covenants are illegal. In 2022, white homeownership at 69% was more than double that of Black residents, the widest disparity among all racialized groups, according to [a University of Washington study](#).

So, now is the time to make sure eligible future first-time homeowners know about the program and can use it to help build generational wealth that has benefited others for centuries.

That will require outreach and marketing to designated populations. Real estate companies should learn about the program and its eligibility rules and parameters. The state should saturate organizations that serve Black, Latino, Indigenous and Asian communities with information about the opportunity and make it available in several languages.



Mark Weber / Op-Art

State Rep. Jamila Taylor, D-Federal Way, who shepherded the legislation through the Legislature, said that a formal marketing plan will include these things. She expects the state to reach out to groups such as [Habitat for Humanity](#) and [HomeSight](#).

“This is about reparative justice, not reparations,” said Taylor, who credited Rep. Frank Chopp, D-Seattle, and housing groups for championing the idea years ago. “This was definitely a group effort.”

The program is funded with a \$100 document fee added to real estate transactions. It will assist first-time homebuyers with down payments and other costs. To be eligible, buyers must have lived in Washington before the passing of the federal Fair Housing Act of 1968 or be the descendants of someone who lived in the state. They can have incomes at or below 100% of the median income in the area where they live. The fund is expected to generate at least \$75 million a year.

A recent study found that state institutions “played both active and passive roles in perpetuating housing discrimination against a range of marginalized groups.” It also found that impacts of that discrimination are still felt today in the lower homeownership rates and net worth of many of those groups.

The study concluded that “without specifically aiming to help the groups that were discriminated against, any other effort would be ineffective in remedying the disparities.”

Washington lawmakers should be commended for leading the nation in addressing past discrimination. Making sure it is actually used to its potential should be their next goal.

The Seattle Times editorial board members are editorial page editor Kate Riley, Frank A. Blethen, Melissa Davis, Josh Farley, Alex Fryer, Claudia Rowe, Carlton Winfrey and William K. Blethen (emeritus).

From: Sharon Lee <sharonl@lihi.org>
Sent: Thursday, May 2, 2024 8:35 AM
To: Steve Walker <steve.walker@wshfc.org>
Cc: Lisa Vatske <Lisa.Vatske@wshfc.org>; Aaron Long <aaron.long@lihi.org>
Subject: Invitation to speak: Grand Opening of Good Shepherd House May 29, 9:30am

Dear Steve,

We would be honored if you would join us on May 29, at 9:30am and say a few words at the grand opening celebration for Good Shepherd House, located in the Central Area at 1415 22nd Avenue, Seattle. This is LIHI's newly constructed 86-apartment building for formerly homeless people and veterans built in partnership with the Lutheran Church of the Good Shepherd. More information about the project is below my signature. Seattle Mayor Bruce Harrell and church leaders are confirmed for the event. You can reach me or Aaron Long for more info at aaron.long@lihi.org

Sincerely,

Sharon H. Lee

Executive Director
Low Income Housing Institute
1253 S Jackson Street, Suite A
Seattle, WA 98144

(206) 443-9935, ext. 1031
(206) 443-9851 fax

Celebrating 30 Years
Housing is a human right!
Need Affordable Housing? Available units posted weekly at:

<http://www.lihi.org>

The Low Income Housing Institute (LIHI) is pleased to announce the Grand Opening of Good Shepherd House, a partnership between Low Income Housing Institute (LIHI) and the Lutheran Church of the Good Shepherd, located at 1415 22nd Ave.

The seven-story, 86-unit building will have 84 studio apartments for formerly homeless people, one live-in staff unit, and a three-bedroom unit with a separate entrance on the ground level that will be owned and occupied by the church.

LIHI and Good Shepherd have a long working history. The development site for this project was the location of Seattle's first ever tiny house village which opened in 2015. The church owns the land is leasing it to LIHI to build Good Shepherd House.

The project received \$8.2 million in funding from the city of Seattle's Office of Housing. The project was made possible through an ordinance adopted in June 2021 that provides development bonuses for affordable housing on property owned by religious organizations. The ordinance allows additional height and floor area to create a greater number of homes if all housing created on the site is affordable to households earning up to 80% of area median income for at least 50 years.

Financing for Good Shepherd Housing includes: City of Seattle, Enterprise, Heritage Bank, State Housing Trust Fund, WSHFC, Federal Home Loan Bank, Wyncote Foundation NW.

Contractor: Walsh Construction
Architects: Runberg Architecture Group

Sharon H. Lee

Executive Director
Low Income Housing Institute
1253 S Jackson Street, Suite A
Seattle, WA 98144

(206) 443-9935, ext. 1031
(206) 443-9851 fax

Celebrating 30 Years
Housing is a human right!
Need Affordable Housing? Available units posted weekly at:

<http://www.lihi.org>

9% Competitive Housing Tax Credit Program

Project Name	Good Shepherd Housing	
Sponsor	Low Income Housing Institute (LIHI)	
Description	After serving individuals experiencing homelessness in the Tiny House Village hosted on the site for 5 years, the Lutheran Church of the Good Shepherd wanted to take the next step to utilize their excess land. Despite having been bombarded with proposals by private for-profit developers to buy their land and develop market rate housing, the Church has insisted on retaining Black ownership of their land in the Central Area to provide services to community members and combat the tide of gentrification and displacement. 75% of units will be designated for homeless clients.	
Location	1415-1419 22nd Ave Seattle, WA 98122	
Credit Pool	King County	
Project Type	New Construction without Federal Subsidies	
Low-Income Housing Units	Studio	85
	Total	85
Income Set-Asides	25% of units at 40% AMI 50% of units at 30% AMI	
Scoring	Additional Low-Income Housing Set-Aside	60
	Additional Low-Income Use Period (22 Years)	44
	Housing Commitments for Priority Populations	35
	Leveraging	10
	Public Funding	2
	Project-Based Rental Assistance (PBRA)	4
	Developer Fees	10
	Location Efficient Project	2
	Area Targeted by a Local Jurisdiction	2
	Community Revitalization Plan	1
	Transit Oriented Development	1
	Located in a High/Very High Opportunity Area	1

Nonprofit Sponsor	5
Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Cost Containment Incentive	6
Total Points	190

Credit Request **\$2,163,829**

Development Budget

Acquisition Costs	\$3,067,750
Construction	\$22,850,586
Soft Costs	\$2,858,002
Financing Costs	\$1,188,800
Capitalized Reserves	\$469,265
Other Development Costs	\$947,990
Total Development Costs	\$31,382,395

Permanent Sources

City of Seattle	\$8,347,145
State of WA HTF	\$1,878,023
Philanthropic Donation (Wyncote Foundation)	\$500,000
Sponsor Loan	\$750,000
Tax Credit Equity at \$0.9200 per credit x 10 years	\$19,907,227
Total Sources	\$31,382,395

Total Development Cost Limit

Project's Total Development Cost Limit	\$28,891,500
TDC less Land, Offsite Infrastructure, and Reserves	\$27,974,032
Waiver	Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
Studio	\$1,450	\$610 - \$1,049

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Please join us for the groundbreaking of

St. Luke's Affordable Housing

A BRIDGE Housing Community



Date & Time

Friday, May 17, 2024
10:00 - 11:00 a.m.

Location

2035 NW 58th St.
Seattle, WA 98107

RSVP

St. Luke's brings 84 affordable family apartments to Seattle's amenity-rich Ballard neighborhood. Developed in partnership with St. Luke's Episcopal Church, this new eight-story project is the result of a community-driven effort to bring affordable housing to a desirable and growing area.

St. Luke's will consist of studio, one-, two-, and three-bedroom apartment homes, and will be affordable to households earning 60% AMI and below for the City of Seattle. Planned amenities include a community room, bike storage, resident services, shared laundries on each floor, and a rooftop deck and play area.

Developer: BRIDGE Housing

Architect: VIA Architects

General Contractor: Exxel Pacific

Financial Partners: Seattle Office of Housing, Seattle Housing Authority, Washington State Housing Finance Commission, National Affordable Housing Trust, and JPMorgan Chase



BRIDGE Housing | 600 California Street, Suite 900, San Francisco, CA 94108

[Unsubscribe_rsvp@bridgehousing.com](mailto:unsubscribe_rsvp@bridgehousing.com)

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SATURDAY CELEBRATION WILL MARK START OF CONSTRUCTION ON NEW AFFORDABLE HOUSING IN WHITE CENTER

May 14, 2024 | Community, Events, Featured, Featured Post, Featured Posts, Health & Wellness, Homelessness, News, Non-profit, Non-profit, Nonprofit, Things To Do, White Center | 0 ●



This Saturday, May 18, 2024, an ambitious community-driven project will break ground to address an urgent need for housing and human services in the White Center neighborhood.

A groundbreaking event will be held this Saturday from 11:30 a.m. – 2:30 p.m. ([RSVP here](#)).

The White Center Community HUB, named to reflect the project goals of “hope,” “unity,” and “belonging,” is an exercise in deep collaboration between resident-led nonprofit White Center Community Development Association (WCCDA), Community Roots Housing, Southwest Youth and Family Services (SWYFS), and King County.

Located at 10821 8th Ave. SW (map below) near schools and transit, the White Center Community HUB will comprise a large, shared campus featuring a residential building, a public plaza, and a three-story, 25,000-square-foot community and human services center.

The residential building will create 76 new homes ranging in size from one- to four-bedroom apartments, set to be affordable to households earning between 30% and 60% of the area median income.

The campus, adjacent to King County Dick Thurnau Park, will include native plant gardens, a children’s play area, and an outdoor plaza to promote community connection and outdoor activities.

Several nonprofit organizations will program the community center to create an inclusive space that promotes health, well-being, and social equity in White Center. The YES! Foundation of White Center will lead after-school programming for local youth, including a music studio and maker space.

HealthPoint will operate an on-site clinic, offering comprehensive medical and dental services to address community healthcare needs. SWYFS will operate educational programming for youth as well as a licensed behavioral health clinic. FEEST Seattle will focus on youth leadership development and community engagement, addressing critical issues related to food access and mental health awareness.

By prioritizing access for marginalized groups and offering culturally relevant services, the HUB aims to advance racial equity and foster a sense of belonging among residents.

“Reaching groundbreaking is a testament to the resilience and determination that define what it means to come up in White Center,” said Aaron Garcia, executive director of the White Center Community Development Association. “This project exemplifies what we can achieve when we lead with purpose and prioritize the voices of residents most deprived of justice and equity. By working together, we are building a stronger future and preserving the unique spirit of our neighborhood. The HUB will empower us to uplift community priorities, address displacement, and protect the cultural richness of White Center as we continue to lead the charge in this critical work.”

Extensive community engagement initiatives informed the design and programming of the HUB project. White Center is one of the most ethnically and income-diverse neighborhoods in Washington state, with a large immigrant and refugee population. Over 40% of households are bilingual, and the poverty rate is almost double the county average. The WCCDA holds annual community-wide summits, which typically attract over 500 residents. The concept for the White Center Community HUB originated from one of these summits, elevating the long-held aspirations of the White Center community to create a safe, welcoming, and inspiring space for gathering and accessing vital services.

“Partnership is a cornerstone of this project,” said Christopher Persons, CEO of Community Roots Housing. “The White Center Community HUB illustrates a model for development that leverages collaboration to meet critical neighborhood needs. In the midst of a protracted housing crisis that has disproportionately impacted marginalized populations, it is absolutely crucial that organizations like the WCCDA are empowered to realize their community’s vision, making tangible strides towards a more inclusive and equitable future.”

“Partnership is a cornerstone of this project,” said Christopher Persons, CEO of Community Roots Housing. “The White Center Community HUB illustrates a model for development that leverages collaboration to meet critical neighborhood needs. In the midst of a protracted housing crisis that has disproportionately impacted marginalized populations, it is absolutely crucial that organizations like the WCCDA are empowered to realize their community’s vision, making tangible strides towards a more inclusive and equitable future.”

The White Center Community HUB project utilizes a diverse portfolio of funding sources, including a mix of public grants, tax credit equity, and philanthropic contributions from the Rise Together capital campaign. The project is made possible by generous support and collaboration between the following organizations, stakeholders, and funding sources: King County, Washington State’s Department of Commerce, congressional funding championed by Congresswoman Pramila Jayapal and Senator Patty Murray, Enterprise, Capital One, Citibank, JPMorgan Chase, Hudson Housing Capital, Corporation for Supportive Housing, Local Initiatives Support Corporation, Craft3, and Ecotrust. Private support includes major gifts from the Bill and Melinda Gates Foundation, Microsoft, and the Norcliffe Foundation.

Marpac Construction will serve as the general contractor on the project; SKL Architects designed both the residential and commercial components of the shared campus. Construction is expected to last approximately 16 months with completion slated for September 2025.

“The White Center Community HUB is a testament to the power of partnerships,” said King County Executive Dow Constantine. “King County is honored to be part of the development of this space, investing more than 16 million dollars to create 76 units of affordable housing, community and education spaces, and integrated health services in the neighborhood. This hub signifies a place of “Hope, Unity, and Belonging,” for which the building will be named, and proves that community-driven development works. King County looks forward to seeing the full vision for the White Center Community HUB become a reality.”

For more information:

- <https://communityrootshousing.org/projects-partnerships/current-development-projects/>
- <https://risetogethernow.org/portfolio/white-center-community-hub/>



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

May 17, 2024

Commissioners
Washington State Housing Finance Commission
Seattle, Washington

We have compiled the UNAUDITED statement of Net Position of the Washington State Housing Finance Commission (the “Commission”) General Operating Fund as of April 30, 2024, and the related statement of Activities and Changes in Net Position for the month ended, in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Commission's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan
Shirleen Noonan
General Operations Manager

Approved by: Lucas Loranger
Lucas Loranger
Senior Finance Director

WASHINGTON STATE
HOUSING FINANCE COMMISSION
GENERAL OPERATING FUND

April 30, 2024

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(See Accountant's Compilation Report)

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Washington State Housing Finance Commission
Statement of Net Position
Fund: General Operating Fund
Division: All
April 30, 2024
(See Accountant's Compilation Report)

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>	
			<u>Amount</u>	<u>%</u>
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 4,144,335	\$ 6,397,942	\$ (2,253,607)	(1) -35%
Money Market Accounts	115,772,968	157,548,774	(41,775,806)	(1) -27%
Investment Securities	29,198,615	37,705,685	(8,507,070)	(1) -23%
Interest Receivable	938,851	857,994	80,857	9%
Fees Receivables	13,674,841	16,067,549	(2,392,708)	(2) -15%
Prepaid Expenses & Other Receivable	3,194,633	746,956	2,447,677	(3) 328%
Furniture and Fixtures (net of depreciation)	250,894	371,736	(120,842)	(4) -33%
Intangible Lease Asset (net of amortization)*	763,411	1,531,162	(767,751)	(5) -50%
Net Pension Asset*	1,767,016	5,925,840	(4,158,824)	-70%
<i>Total Assets</i>	<u>169,705,564</u>	<u>227,153,638</u>	<u>(57,448,074)</u>	<u>-25%</u>
Deferred Outflow of Resources (Pension & OPEB Contributions) *	5,479,906	1,960,676	3,519,230	179%
<i>Total Assets and Deferred Outflows</i>	<u>\$ 175,185,470</u>	<u>\$ 229,114,314</u>	<u>\$ (53,928,844)</u>	<u>-24%</u>
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 10,072,920	\$ 3,659,298	\$ 6,413,622	(6) 175%
Unearned Fee Income	94,661,909	161,957,519	(67,295,610)	(7) -42%
Accrued Payroll Payable	1,893,333	1,657,684	235,649	(8) 14%
Lease Liability*	719,844	1,424,129	(704,285)	(5) -49%
Net Pension Liability *	3,584,711	4,144,035	(559,324)	-13%
<i>Total Liabilities</i>	<u>110,932,717</u>	<u>172,842,665</u>	<u>(61,909,948)</u>	<u>-36%</u>
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	6,907,214	7,567,112	(659,898)	-9%
NET POSITION				
Invested in Capital Assets	250,893	371,736	(120,843)	(4) -33%
Committed - Housing Washington *	350,886	496,505	(145,619)	-29%
Unrestricted	56,743,760	47,836,296	8,907,464	19%
<i>Total Net Position</i>	<u>57,345,539</u>	<u>48,704,537</u>	<u>8,641,002</u>	<u>18%</u>
<i>Total Liabilities, Deferred Inflows and Net Position</i>	<u>\$ 175,185,470</u>	<u>\$ 229,114,314</u>	<u>\$ (53,928,844)</u>	<u>-24%</u>

- (1) Fluctuations in these accounts are considered in aggregate. The decrease is primarily due to the drawdown of funds for the Homeowner Assistance Fund (HAF) program.
 - (2) The decrease in receivables is primarily due to the reduction in receivables from the Dept of Commerce related to the Foreclosure Fairness Program.
 - (3) The increase in prepaids and other receivables balance is primarily due to receivables related to principal and interest advanced on GNMA securities serviced by IHFA, as well as prepaids for software application maintenance, cloud server hosting, and support services.
 - (4) The decrease in net capital assets reflects the continued depreciation of prior investments in assets.
 - (5) These accounts reflect the implementation of GASB 87 in which long-term, non-ownership-transferring leases are recorded as an intangible right-of-use asset and a lease liability. The decrease is primarily related to the amortization of the office rent lease asset and reduction in related lease liability.
 - (6) The overall increase in accounts payable and other liabilities is primarily due to the recording of payables related to the interest earned on HAF program funds.
 - (7) The decrease in unearned fee income is primarily due to the drawdown of funds from the HAF program, established in Section 3206 of the American Rescue Plan Act of 2021.
 - (8) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, plus effects of the 4% COLA and general increases at the beginning of the fiscal year.
- * These balances are adjusted only at year-end.

Washington State Housing Finance Commission
Statement of Activities and Changes in Net Position
Fund: General Operating Fund
Division: All
For The Year To Date Ending: April 30, 2024
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 1,652,568	\$ 30,458,410	\$ 25,637,914	\$ 4,820,496	(1) 19%
Interest Earned & Realized Gain	1,336,307	12,802,800	7,682,209	5,120,591	(2) 67%
Other	68,266	210,393	198,909	11,484	6%
Total Unadjusted Revenues	3,057,141	43,471,603	33,519,033	9,952,570	30%
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	972,075	9,721,950	8,561,800	1,160,150	(3) 14%
Travel & Conferences	2,674	203,541	170,033	33,508	(4) 20%
Professional Fees	208,991	1,959,260	1,514,178	445,082	(5) 29%
Office Expense	193,401	2,269,791	2,129,918	139,873	7%
Total Expenses	1,377,141	14,154,542	12,375,930	1,778,612	14%
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	(652,372)	581,345	872,374	(291,029)	-33%
Grant Revenue	6,556,220	60,793,721	27,850,701	32,943,020	118%
<i>Expenses:</i>					
Grant Pass-Through	6,556,220	60,793,721	27,850,701	32,943,020	118%
Total Adjustments	(652,372)	581,345	872,374	(291,029)	-33%
Excess of Revenues over Expenses	1,027,628	29,898,406	22,015,477	7,882,929	36%
Less transfer to Commission Fund *	-	-	(92,187)	92,187	-100%
Excess of Revenues over Expenses (Net of Transfers)	1,027,628	29,898,406	21,923,290	7,975,116	36%
Net Position					
Total net position, beginning of period	56,317,911	27,447,133	26,781,247	665,886	2%
Current Increase (Decrease) - to Net position	1,027,628	29,898,406	21,923,290	7,975,116	36%
Total net position, end of year	\$ 57,345,539	\$ 57,345,539	\$ 48,704,537	\$ 8,641,002	18%

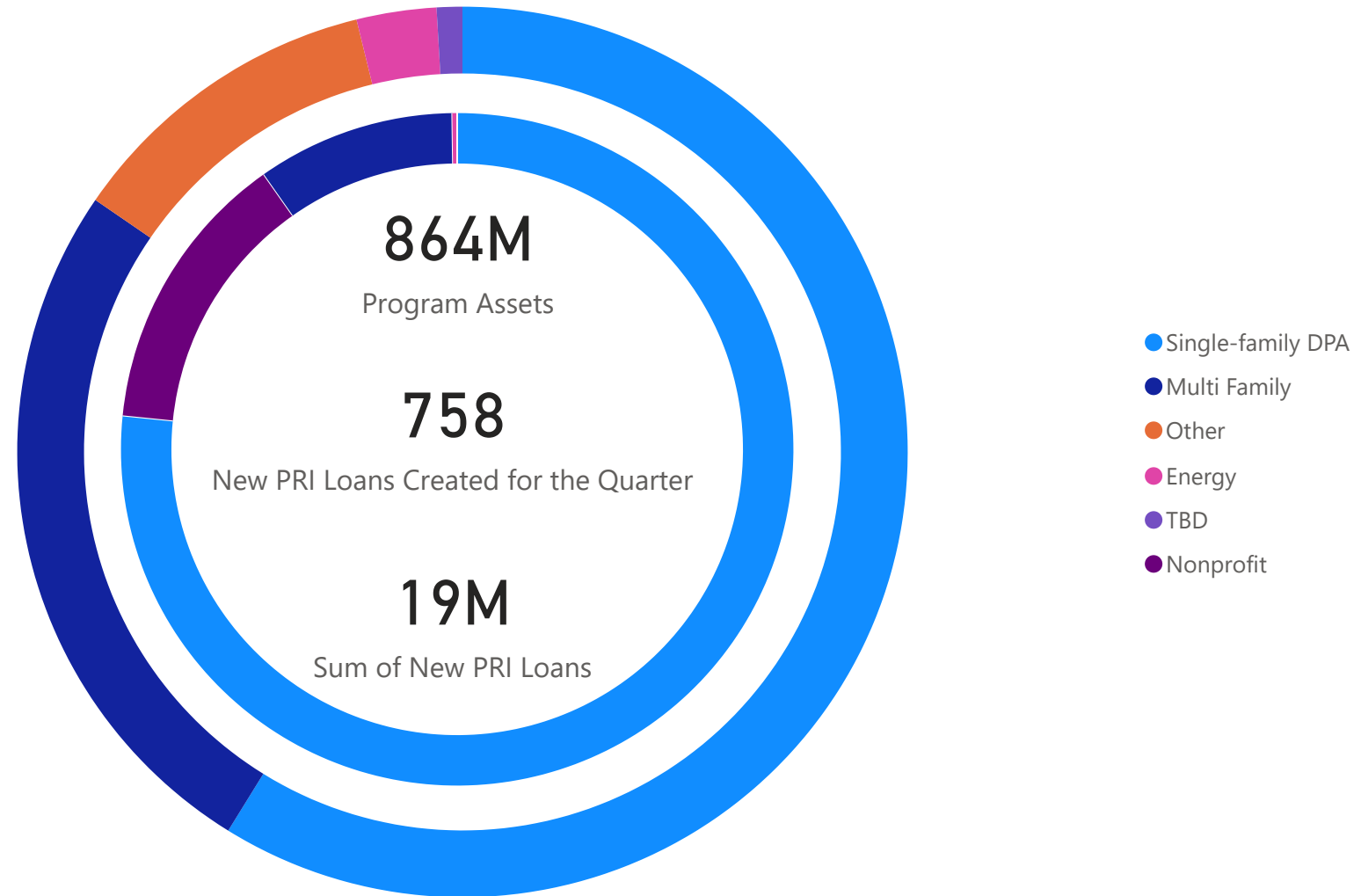
- (1) Increase in fee income is primarily due to increased revenue from the Homeownership division's Home Advantage program, coupled with an acceleration of income related to the Citi Securitization program.
- (2) The increase in interest income is primarily due to the increase in rates. For example, the LGIP rate has increased from 4.93% in the prior period to a rate of 5.40% in the current period.
- (3) Effective July 1st, all staff received a 4% cost of living wage increase and qualified staff received retention and covid vaccination bonuses, as well as an annual increase, resulting in greater salary and benefits expenses.
- (4) Increase in conference and travel expenses is primarily due to an increase in attendance of the NCSHA annual conference in the current year as well as a delay in recording HOWA registration fees in the prior year.
- (5) Professional fees increase is primarily due to greater property inspection related expenses in the Asset Management & Compliance Division and electronic content management consulting expenses for all divisions.
- * Effective 1/1/2013, 25% of the Home Advantage Program revenue was transferred to the Single-family bond program's Commission Fund to ensure future indenture and program flexibility. Due to an ease in the revenue generated from the Home Advantage program, the 25% allocation has been suspended indefinitely, effective 7/1/23, until it is determined be beneficial to the Commission Fund to resume allocation and transfers.

Washington State Housing Finance Commission
Detailed Statement of Activities
Fund: General Operating Fund
Division: All
For The Year To Date Ending: April 30, 2024
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Actual	%
<i>Revenues:</i>							
Program Fees	21.2%	\$ 3,777,992	\$ 17,809,557	\$ 21,587,549	\$ 19,838,603	\$ 1,748,946	8.8%
Issuance, Application, and Servicing Fees	13.3%	1,042,505	7,828,357	8,870,862	3,012,428	5,858,434	194.5%
Interest Earned & Realized Gain	66.7%	5,120,591	7,682,209	12,802,800	8,866,501	3,936,299	44.4%
Other Income	5.8%	11,484	198,909	210,393	977,667	(767,274)	-78.5%
Total Unadjusted Revenues	29.7%	9,952,572	33,519,033	43,471,603	32,695,199	10,776,405	33.0%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	15.8%	1,030,350	6,533,635	7,563,985	8,757,731	(1,193,746)	-13.6%
Employee Benefits - Staff	6.4%	129,799	2,028,166	2,157,965	2,485,562	(327,597)	-13.2%
Conference, Education & Training	63.2%	31,760	50,218	81,978	98,083	(16,105)	-16.4%
Travel out of state - Staff	-6.3%	(6,025)	96,088	90,063	202,833	(112,770)	-55.6%
Travel in state - Staff	32.8%	7,773	23,727	31,500	71,071	(39,571)	-55.7%
Accounting Fees	-24.1%	(31,503)	130,725	99,222	132,127	(32,905)	-24.9%
Legal Fees	31.8%	153,411	483,092	636,503	584,167	52,336	9.0%
Financial Advisor Fees	-30.2%	(77,506)	256,500	178,994	297,334	(118,340)	-39.8%
Investment Management Fees	-1.8%	(2,595)	148,023	145,428	191,667	(46,239)	-24.1%
Office Rent/Conf. Room Rentals	-26.2%	(167,880)	641,774	473,894	785,570	(311,676)	-39.7%
Furniture & Equipment Rental	-18.7%	(4,035)	21,531	17,496	24,600	(7,104)	-28.9%
Advertising	44.1%	20,620	46,722	67,342	273,250	(205,908)	-75.4%
Publications/ Subscriptions/ Dues	7.1%	5,577	78,017	83,594	93,641	(10,047)	-10.7%
Deliveries	-3.9%	(58)	1,482	1,424	4,392	(2,968)	-67.6%
Insurance	8.6%	4,175	48,522	52,697	50,000	2,697	5.4%
Meeting Expense	-24.1%	(9,993)	41,548	31,555	93,542	(61,987)	-66.3%
Equipment & Building Maintenance	252.6%	22,190	8,783	30,973	92,933	(61,960)	-66.7%
Software Maint. Support & Other Info Svcs	29.9%	282,660	946,295	1,228,955	1,340,958	(112,003)	-8.4%
Non-capitalized Equipment/Supplies	-51.6%	(64,904)	125,790	60,886	102,198	(41,312)	-40.4%
Postage	-41.3%	(516)	1,250	734	3,025	(2,291)	-75.7%
Printing	316.7%	4,503	1,422	5,925	12,992	(7,067)	-54.4%
State Services	62.5%	954	1,526	2,480	14,058	(11,578)	-82.4%
Supplies	-16.2%	(3,865)	23,846	19,981	44,250	(24,269)	-54.8%
Telephone	50.0%	20,904	41,802	62,706	58,742	3,964	6.7%
Contract Services	81.3%	403,273	495,840	899,113	1,271,913	(372,800)	-29.3%
Depreciation	32.8%	31,862	97,288	129,150	136,389	(7,239)	-5.3%
Total Expenses	14.4%	1,778,609	12,375,937	14,154,543	17,223,028	(3,068,485)	-17.8%
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-33.4%	(291,029)	872,374	581,345	-	581,345	NA
Grant Revenue	118.3%	32,943,020	27,850,701	60,793,721	115,686,433	(54,892,712)	-47.4%
<i>Expenses:</i>							
Grant Pass-Through	118.3%	32,943,020	27,850,701	60,793,721	115,686,433	(54,892,712)	-47.4%
	-33.4%	(291,029)	872,374	581,345	-	581,345	NA
Excess of Revenues over Expenses- adjusted	35.8%	7,882,934	22,015,470	29,898,405	15,472,171	14,426,235	93.2%
Less transfer to Commission Fund	-100.0%	92,187	(92,187)	-	-	-	NA
Excess of Revenues over Expenses (Net of Transfers)	36.4%	\$ 7,975,122	\$ 21,923,283	\$ 29,898,405	\$ 15,472,171	\$ 14,426,235	93.2%

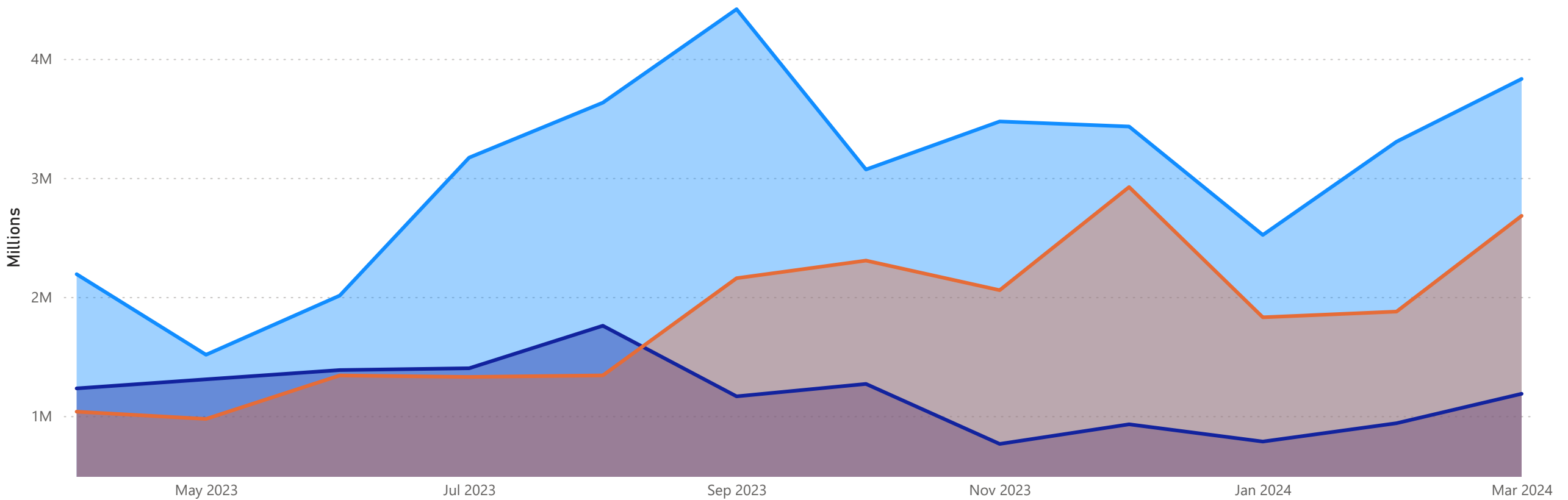


PRI Program Assets and Uses at Quarter End 3/31/2024

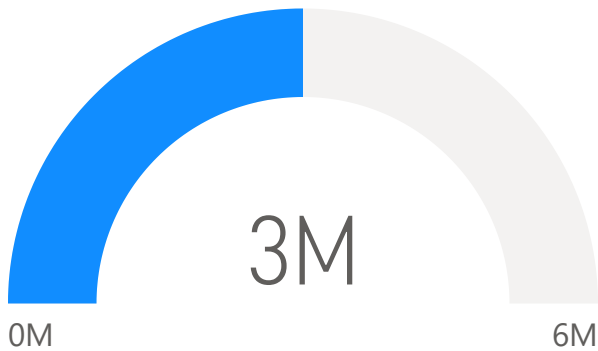


Quarterly HomeAdvantage DPA Repayments Comparison to PRI Subsidy

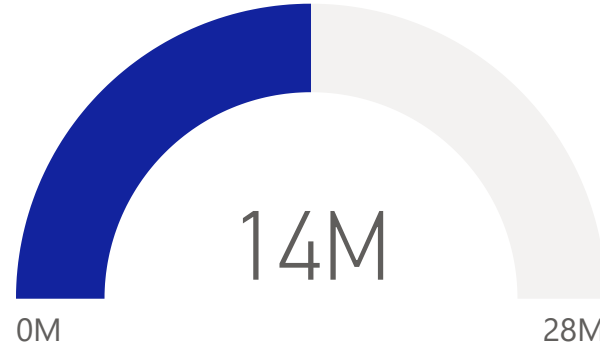
● HomeAdvantage DPA Purchases ● Home Advantage Principal Repayments ● PRI Revenue Subsidy



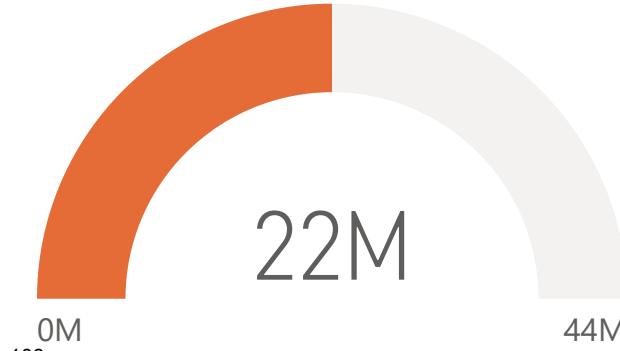
12 Month Average of HomeAdvantage DPA Purchases



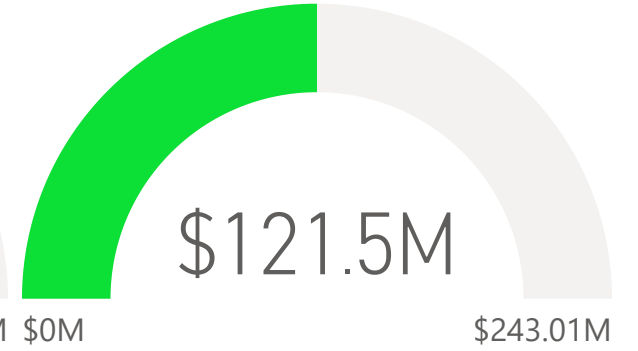
Home Advantage Principal Repayments



PRI Revenue Subsidy



Total Subsidy to Date



Quarterly Home Advantage Availability

60.88M

Sum of Home Adv Available at 12/31/23

3.07M

Quarterly Repayments Received

6.39M

Quarterly Repayments Reinvested

1.51M

Reinvested in Taxable Bond DPAs

714.41K

Reallocated to other DPA programs

435.91K

Misc Income/Expenses*

55.77M

Sum of Home Adv Available at 03/31/24

*Misc Income/Expense encompasses other items that impact availability, such as income from loan fees and bad debt.

Events Calendar

Date	5/20/2024	Length of Event	9:00 AM - 4:45 PM
Event	Board Mtg./Budget Plng. Session (Hybrid)	Audience	General Public
Address	Zoom/3600 Suncadia Trail	Division	Administration
City	Cle Elum, 98922	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	5/21/2024	Length of Event	9:00 AM - 12 PM
Event	Budget Plng. Session (Hybrid)	Audience	General Public
Address	Zoom/3600 Suncadia Trail	Division	Administration
City	Cle Elum, 98922	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/10/2024	Length of Event	All day
Event	2024 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Atlanta Marriott Marquis Hotel	Division	Administration
City	Atlanta, GA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/11/2024	Length of Event	All day
Event	2024 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Atlanta Marriott Marquis Hotel	Division	Administration
City	Atlanta, GA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/12/2024	Length of Event	All day
Event	2024 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Atlanta Marriott Marquis Hotel	Division	Administration
City	Atlanta, GA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/13/2024	Length of Event	AM only
Event	2024 NCSHA Housing Credit Connect Conf.	Audience	Conf. Attendees
Address	Atlanta Marriott Marquis Hotel	Division	Administration
City	Atlanta, GA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/27/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-28th Flr. Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	7/25/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	8/22/2024	Length of Event	10:00 AM - 4:00 PM
Event	Work Session & Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/Location TBD	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/19/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/24/2024	Length of Event	TBD
Event	Housing Washington 2024 Conf.	Audience	Conf. Attendees
Address	Spokane Convention Ctr.	Division	Administration
City	Spokane	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/25/2024	Length of Event	TBD
Event	Housing Washington 2024 Conf.	Audience	Conf. Attendees
Address	Spokane Convention Ctr.	Division	Administration
City	Spokane	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/26/2024	Length of Event	TBD
Event	Housing Washington 2024 Conf.	Audience	Conf. Attendees
Address	Spokane Convention Ctr.	Division	Administration
City	Spokane	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/28/2024	Length of Event	TBD
Event	2024 NCSHA Ann'l. Conf. & Showplace	Audience	NCSHA Members
Address	Sheraton Phoenix Downtown Hotel	Division	Administration
City	Phoenix, AZ	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/29/2024	Length of Event	TBD
Event	2024 NCSHA Ann'l. Conf. & Showplace	Audience	NCSHA Members
Address	Sheraton Phoenix Downtown Hotel	Division	Administration
City	Phoenix, AZ	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/30/2024	Length of Event	TBD
Event	2024 NCSHA Ann'l. Conf. & Showplace	Audience	NCSHA Members
Address	Sheraton Phoenix Downtown Hotel	Division	Administration
City	Phoenix, AZ	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/1/2024	Length of Event	TBD
Event	2024 NCSHA Ann'l. Conf. & Showplace	Audience	NCSHA Members
Address	Sheraton Phoenix Downtown Hotel	Division	Administration
City	Phoenix, AZ	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/24/2024	Length of Event	10:00 AM - 4:00 PM
Event	Work Session & Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	11/21/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	12/12/2024	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470



WSHFC 2024 Budget & Planning Session

May 20-21, 2024



Day 1 Agenda

9:00

Business Meeting

9:30

Executive Session

10:30

Call to Order/Stage-Setting

Steve Walker, Executive Director

10:35

**Racial Equity Strategic Plan
Mission, Vision & Values**

Bob Peterson, Deputy Director

Nashika Stanbro, DEI Director

Margret Graham, Communications Director



Day 1 Agenda (p.2)

11:20

Homeownership Market Update & Discussion

Lisa DeBrock, Homeownership Director

Mike Awadis, Hilltop Securities

Mina Choo, RBC Capital Markets

12:05

Lunch Break

1:05

Homeownership Successes & Meeting Challenges in FY2025

Lisa DeBrock, Homeownership Director

1:30

Multifamily Housing Division Report

- Market Update & Discussion: *Lisa Vatske & Mike Hemmens, Citi Community Capital*

- Successes & Meeting Challenges in PY2025: *Lisa Vatske, MHCF Director*



Day 1 Agenda (p.3)

2:30

Division Successes & Meeting Challenges in FY 2025

- **Asset Management & Compliance**

Wubet Biratu, AMC Director

- **Finance**

Lucas Loranger, Senior Finance Director

- **Information Technology**

Bob Woodard, IT Director

- **Administration:**

Bob Peterson, Deputy Director

3:15

Break

3:30

Overview of Proposed Budget

Lucas Loranger



Day 1 Agenda (p.4)

4:15

Program Related Investments:
Status Report & Proposed Investments for FY2025
Steve Walker, Lucas Loranger, Directors

****ADJOURN DAY 1****





Racial Equity Strategic Plan

Bob Peterson, Nashika
Stanbro & Margret
Graham



A Brief History

**Year One:
2022-2023**

- Formed RE Strategic Planning Committee
- Safe Space Principles/Community Agreements developed
- All-staff planning sessions
- Developed guiding principles
- Divisions use the Racial Equity Assessment tool to develop action steps under the four goals (1-3 action steps per division)
- Carmen finalizes plan and delivers to staff



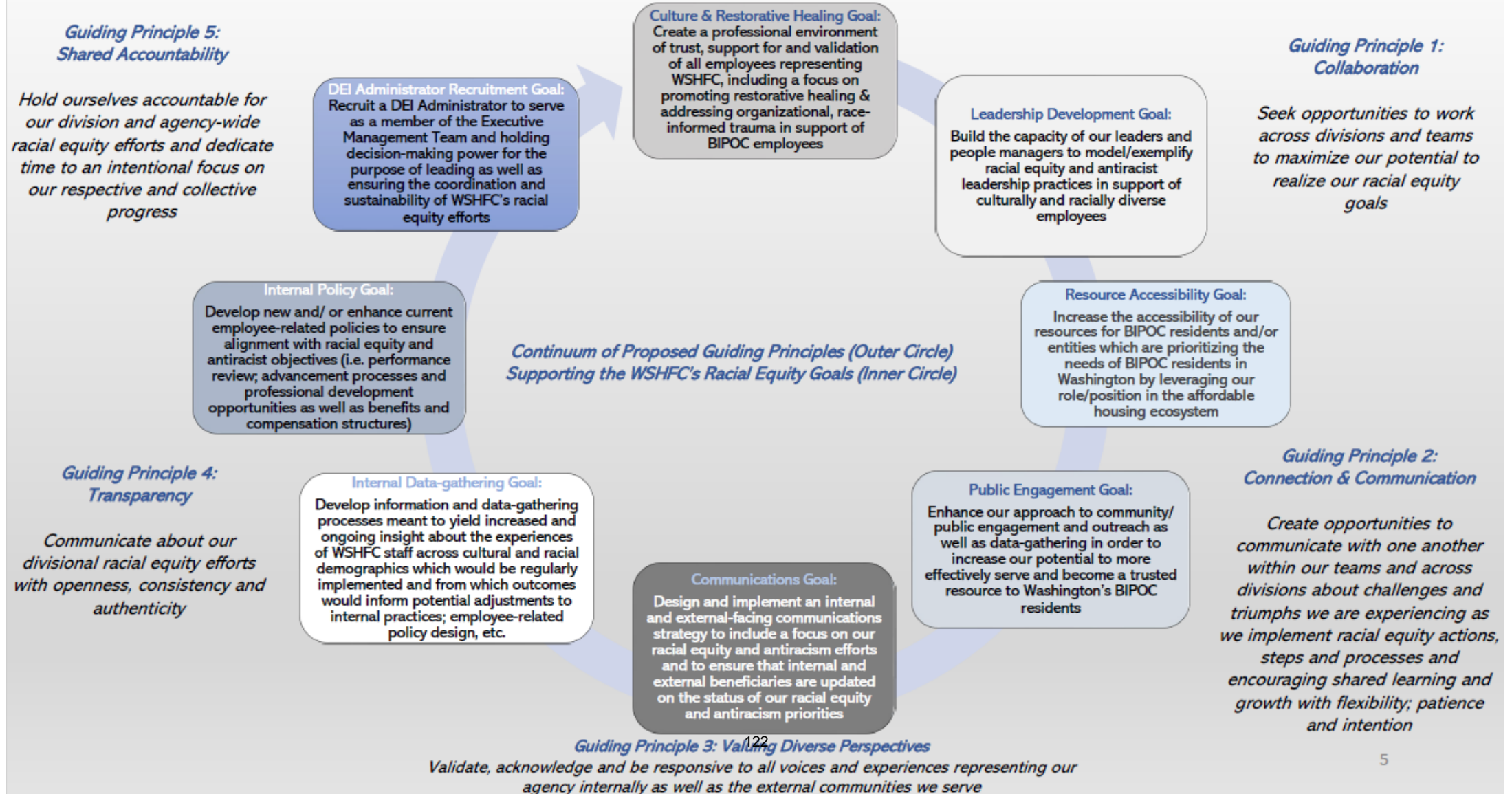
A Year of Progress

**Year Two:
2023-2024**

- Directors assess the plan for dependencies and priorities
- Set up of project management tool
- Hiring DEI Director
- Revision of Mission, Vision, and Values
- Condensing and simplifying Strategic Plan



Normalizing & Enacting *Guiding Principles* to Support the Realization of the WSHFC's Racial Equity Goals Means Committing to the Following:





Washington State Housing Finance Commission – Racial Equity Strategic Plan (2023-2025)

13

Internal Policy Goal (continued on next slide): Develop new and/ or enhance current employee-related policies to ensure alignment with racial equity and antiracist objectives (i.e. performance review; advancement processes and professional development opportunities as well as benefits and compensation structures)

<i>Proposed Actions for Review</i> <i>(*Indicates that additional information related to designated areas can be found in the Appendix on Slide 25)</i>	<i>Timeline</i>	<i>Accountability</i>	<i>*KPI's</i> <i>(Key Performance Indicators)</i>
1 – For benchmarking purposes, review outcomes from most recent performance reviews and employee advancement processes to assess potential disparities across racial demographics; report findings from review process to the EMT <i>(Intersects with Transparency Guiding Principle)</i>	In the third quarter of 2023	Leading: HR Supporting: EMT	Policies/processes have been reviewed and opportunities for enhanced alignment with racial equity/ antiracism objectives have been identified and communicated to staff
2 – Receive training on approaches to aligning organizational internal policies (including conflict resolution policy); benefits and compensation structures with racial equity objectives and/or consistent with antiracist practices; Applying tools/new knowledge from trainings, perform impact analysis process for all policies; benefits and/or services provided to employees to ensure that there are no disparate impacts to culturally/racially diverse staff (examining whether or not benefits have an especially adverse impact on particular employee demographics compared to others); update policies accordingly (beginning with those having the most immediate impact)	Experience training by the final quarter of 2023; perform impact analysis on internal policies/processes by the end of 2024; update/enhance policies/processes where necessary by the end of 2025; communicate updates to staff in 2026; assess staff knowledge of policy changes by the end of 2026	Leading: HR; EMT; PM's Supporting: Racial Equity Education Task Force; Training Facilitator	*Via newly-developed data-gathering processes, appropriate parties with decision-making power in policy development report an increased ability to identify and implement opportunities to align internal policies/benefits with racial equity objectives; updated policies reflect such outcomes and are communicated to staff; staff report awareness/ knowledge of updated policies
3 – Update language to existing Conflict Resolution Policy to reflect alignment with racial equity/antiracism policy objectives and outcomes <i>(intersects with Conflict Resolution Workgroup recommendations)</i>	By the end of 2023	Leading: HR Supporting: Conflict Resolution Workgroup; Communications	Conflict resolution policy language is updated accordingly; staff report transparency in communication about updates
*4 – Evaluate and honor transferrable skillsets among direct reports when reviewing qualifications for advancement/promotions opportunities and for the purpose of identifying nontraditional skillsets (as opposed to conventional skillsets) which can be valuable to the fulfillment of advanced responsibilities for which employees are being considered	Begin putting this approach into practice by the second half of 2023	Leading: All PM's Supporting: HR; DEI Administrator	*Via newly-developed data-gathering processes, staff report that transferrable skillsets are acknowledged/valued by PM's and/or that they inform advancement and performance review outcomes
*5 - Develop a process and timeline for the reimagining and revising the Commission's Office Procedure Manual (OPM)	Initiate process by the third quarter of 2023; finalize process by the end of 2024	Leading: Executive Division/ Administration Supporting: Communications; All divisions	Commission OPM is revised consistent with desired racial equity objectives and as informed by an inclusive process; staff report this process as being inclusive/ responsive to culturally/racially diverse staff needs/input



Condensing and Simplifying the Plan

- Make it readable and shareable
- Clarify action steps for ourselves and others
- Explain the larger purpose of the focus areas

Five **Internal** Focus Areas:

- **Culture & Restorative Healing**
- **Leadership Development**
- **Recruit DEI Administrator**
- **Policy Revision**
- **Data Gathering**

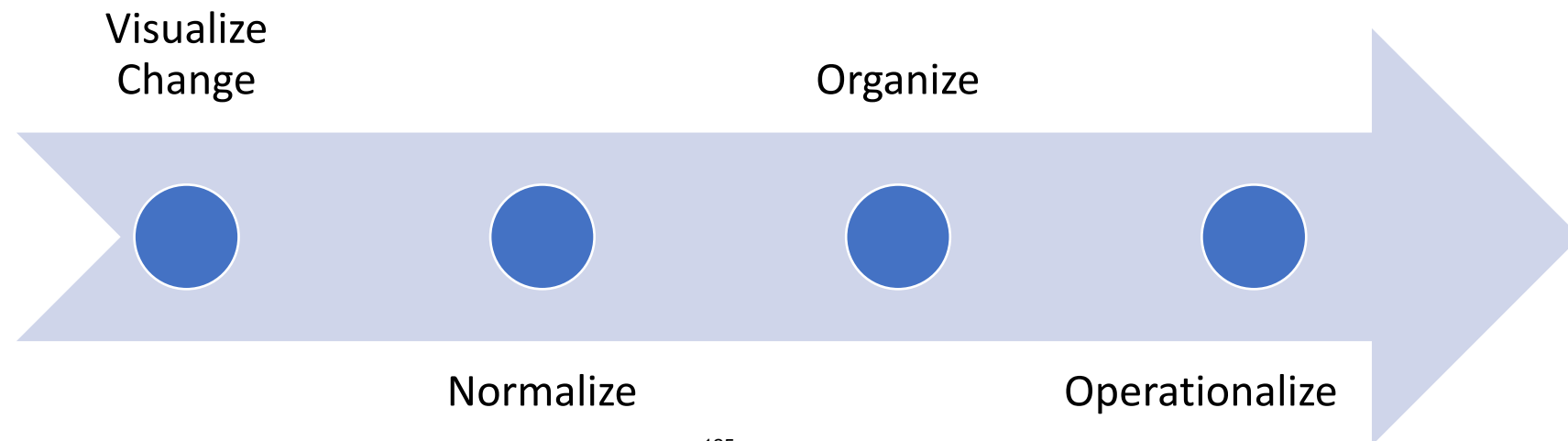
Three **External** Focus Areas:

- **Resource Accessibility**
- **Community Engagement**
- **Communications**



Lessons Learned

- Ambition and Urgency
- Pace of Progress
- No Bat Signals and no Superheroes
- Operationalizing to Break Down Silos





Next Steps

- Metrics
- Project Management/Accountability
- Leadership Training & Coaching
- Rollout and Ongoing Communications

Racial Equity Strategy Plan 2023-2025

Opening Statement:

Welcome to the Housing Financing Commission's three-year strategic plan centering racial equity and antiracist priorities. This plan represents our goal to promote racially equitable outcomes for Washington residents and to become a truly antiracist organization.

Completed with the support of racial equity and antiracism consultant Dr. Carmen Phelps of Project 986 and resulting from the involvement and participation of WSHFC staff and board members, this plan is being implemented from 2023 through 2025.

We acknowledge that legacies of racially biased systems and policies continue to inform racial inequities in housing that impact communities of Black, Indigenous and people of color (BIPOC). In this plan, we have identified opportunities for our agency to proactively address systemic and cultural barriers in both our internal and external practices.

Overall, the implementation of this racial equity strategic plan will support our intentions to:

- Promote agency-wide accountability for advancing racial equity in key areas of focus;
- Engage external invested parties, collaborators, partners and beneficiaries in our efforts; and
- Take meaningful steps toward the longer-term goal and ongoing work of aligning all WSHFC practices and processes with racial equity and antiracist objectives.

This plan also represents a shared commitment to racial equity among all leadership and across all divisions at the Commission. It is not a project that might come to a halt without one or two internal champions on the executive team, but a seismic shift that has already led to significant changes in our decisions and programs. While we have much work ahead of us, the Racial Equity Strategic Plan we now share builds upon many foundational steps taken over the past several years.

Lessons Learned and Measuring Progress

In the process of developing this plan and simultaneously implementing racial-equity principles in our programs and internal policies, we have realized the necessity of slowing down to ensure our actions are thoughtful, deliberate, and respectful of the complexities inherent in this critical work. While we feel urgency toward achieving goals, we also need to balance that progress with inclusion and sensitivity. Our timelines have therefore required much more flexibility than we expected.

On a related note, our next challenge regarding this strategic plan is to set meaningful measurements of our progress so that we can steer our course and be accountable to ourselves and the community. We are committed to regularly sharing our progress toward these goals. Looking farther ahead, these measurements will also help us when we update and recalibrate this strategic plan in 2025.

Acronyms:

- AMC = Asset Management and Compliance division, monitoring the WSHFC's portfolio of affordable apartment buildings for compliance with federal requirements.
- IT = Information Technology team.
- EMT = Executive Management Team
- HO = Homeownership division, providing home loans, downpayment assistance and education to low- and moderate-income homebuyers as well as overseeing services for homeowners.
- HR = Human Resources.
- MHCF = Multifamily Housing and Community Facilities division, overseeing and implementing financing programs to develop affordable apartments, nonprofit facilities, sustainable energy projects, and other community needs.
- PMs = People managers
- WSHFC = Washington State Housing Finance Commission

The 5 Guiding Principles

Five core principles were developed to guide us in the racial equity strategic planning process.

Collaboration:

Seek opportunities to work across divisions and teams to maximize our potential to realize our racial equity goals.

Connection & Communication:

Create opportunities to communicate with one another within our teams and across divisions about challenges and triumphs we are experiencing as we implement racial equity actions, steps, and processes and encourage shared learning and growth.

Valuing Diverse Perspectives:

Validate, acknowledge and be responsive to all voices and experiences representing our agency internally as well as the external communities we serve.

Transparency:

Communicate about our divisional racial equity efforts with openness, consistency, and authenticity.

Shared Accountability:

Hold us accountable for our division and agency-wide racial equity efforts and dedicate time to an intentional focus on our respective and collective progress.

The 8 Focus Areas

Among the eight focus areas of our strategic plan, five are internal. We believe that addressing the enduring impacts of racism requires building a strong, equitable foundation rooted in racial equity. We are actively increasing our capacity in this area, recognizing that significant transformations require reflection on our own practices.

The three external-facing focus areas relate to how we use our resources and engage communities.

While we have identified a main group or groups who will be most impacted by each focus area, we hope the consequences of these efforts will extend throughout our operations, benefiting not only those named but also the broader community.

A note on action steps: Some action steps address more than one focus area. For example, we may start with public engagement efforts to reach the ultimate goal of increasing access to the resources we oversee.

Internal-Facing Focus Areas:

➤ Culture & Restorative Healing:

Create a work environment of trust, support for, and validation of all employees representing WSHFC. Promote restorative healing and address organizational, race-informed trauma in support of BIPOC employees.

Group(s) impacted: WSHFC staff, managers and directors

Timeline considerations: Range is third quarter of 2023 to third quarter of 2025.

Action Steps Include:

- a. Invite staff to establish race-based affinity groups, prioritizing the experiences of BIPOC staff. *Lead division(s): BIPOC and white allyship groups, EMT, HR.*
- b. Establish a Racial Equity Education Task Force/Coalition, made up of staff. *Lead division(s): BIPOC group, EMT, HR.*
- c. Hire or contract with a racial equity/antiracism-centered conflict-resolution specialist. *Lead division(s): Conflict Resolution Workgroup.*
- d. Hire a racial equity/antiracism-centered training facilitator. *Lead division(s): BIPOC group.*
- e. Establish a series of racial-equity training opportunities for WSHFC staff. *Lead division(s): Racial Equity Task Force.*

➤ **Leadership and Staff Development:**

Build the capacity, skills and awareness of our leaders, managers and staff to model/exemplify racial equity and antiracist leadership practices, both to ensure a firm foundation for our work and to support BIPOC employees.

Group(s) impacted: WSHFC staff, managers and directors

Timeline considerations: Range is third quarter of 2023 to third quarter of 2025.

Action Steps Include:

- a. Provide one-on-one racial equity coaching for managers. *Lead division(s): EMT, Admin/Exec.*
- b. Provide people managers with interactive activities and training focusing on modeling intersectional racial equity/antiracist values. *Lead division(s): EMT, Admin/Exec.*
- c. Train HR and executive leadership on approaches to align internal policy with racial equity objectives and antiracist practices. *Lead division(s): EMT, HR, Admin/Exec.*
- d. Conduct regular discussions and updates among divisions around the status of racial equity efforts. *Lead division(s): EMT.*
- e. Ensure that all staff members are meaningfully engaged in racial equity efforts, as reflected in their workplans and evaluations. *Lead division(s): EMT, Admin/Exec, HR.*
- f. Provide employees with opportunities to share how they are experiencing their managers' leadership and supportive practices. *Lead division(s): All staff.*

➤ **Internal Data-gathering:**

Develop information and data-gathering processes to learn about past and ongoing experiences of WSHFC staff, especially BIPOC staff, so we can better support their success and advancement.

Group(s) impacted: WSHFC staff, managers and directors

Timeline considerations: Range is third quarter of 2023 to fourth quarter of 2025.

Action Steps Include:

- a. Design and implement data-gathering processes to assess employee experiences. *Lead division(s): Admin/Exec, EMT, IT.*

➤ **Internal Policy Revision:**

Review and revise all our internal policies to ensure their impacts are equitable.

Group(s) impacted: WSHFC staff, managers and directors

Timeline considerations: Range is third quarter of 2023 to fourth quarter of 2025.

Action Steps Include:

- a. Implement antiracist policies in support of BIPOC staff. *Lead division(s): EMT, HR, all managers.*
- b. Complete a holistic review and revision of all internal and external policies in our Office Procedure Manual (OPM), including evaluation and advancement processes, to ensure alignment with racial equity objectives. *Lead division(s): Admin/Exec/Finance.*
- c. Transform processes and practices that affect employees' advancement, job evaluation, professional skill development, benefits and compensation to ensure alignment with racial equity objectives. *Lead division(s): EMT, HR, Admin/Exec.*
 - This work will include reviewing recent outcomes to assess racial disparities and soliciting input from employees.

➤ **DEI Director Recruitment (Completed):**

Recruit a DEI Administrator/Director to serve as a member of the Executive Management Team. This new position will report to the executive director, hold decision-making power and advise and guide leadership and staff as we work toward our racial equity and antiracist goals.

Group(s) impacted: WSHFC staff, managers and directors

Timeline considerations: Recruitment range is by fourth quarter of 2023. Range for work related to developments of plan next phases is third quarter of 2025.

Action Steps Completed:

- a. Establish a Recruitment Committee with members at all levels from across the Commission, led by the executive team and HR. *Lead division(s): EMT, HR.*
- b. Secure a DEI recruiter through an RFP process. *Lead division(s): DEI Recruitment Committee.*
- c. Confirm and implement a fair, just, and equitable recruitment process for hiring a DEI Administrator. *Lead division(s): DEI Recruitment Committee, Recruiter.*
- d. Select and hire DEI director. *EMT, executive director.*

Action Steps for 2024:

- e. Determine DEI director's role in racial equity/antiracism efforts and onboard the new hire. *Lead division(s): EMT.*
- f. EMT and new director collaborate to review racial equity/antiracism plan for next phases of work and budget development. *Lead division(s): EMT.*

External-Facing Focus Areas

Group(s) impacted: WSHFC staff, our partners, including developers using our financing, contractors, residents of affordable housing, homebuyers, homeowners, etc.

Timeline considerations: Range is second quarter of 2023 to second quarter of 2025.

➤ **Community Engagement:**

Increase community/public engagement, outreach, and data-gathering. Invite and foster community and public engagement.

It is our goal to open dialogue and create relationships with BIPOC communities and residents, for the purpose of being guided in our decisions by their needs and priorities. In the past, we have relied on intermediaries, such as apartment developers or mortgage lenders, to represent the needs and priorities of the end user such as the housing resident or homebuyer. Now we are seeking to directly engage those groups in inclusive and collaborative ways.

➤ **Communications:**

Design and implement an internal and external-facing communications strategy to share our racial equity and antiracism priorities and progress with stakeholders.

Our intention is to make information about us and our antiracist practices and efforts accessible to all audiences. We seek to use our communications channels to provide transparency into our decision-making and impact, to inform people about housing resources and options that could be helpful to them, and to keep us accountable to those we serve as well as policymakers and elected leaders.

➤ **Resource Accessibility:**

Increase access to our resources for BIPOC communities, organizations, developers and residents by actively removing barriers.

In the past, though the Commission’s race-neutral approach provided “open doors” to BIPOC groups, there were many barriers that prevented them from taking advantage of our financing opportunities.

To reduce or eliminate these barriers requires us to serve the needs of other customers: the developer who has never used the LIHTC program or tax-exempt bonds, as well as the experienced developer who is well versed in these tools; the resident of an LIHTC property, as well as the property manager and owner; and the homebuyer, as well as the lender and real-estate professional who offer our home-loan programs.

Our goal is to be proactive in providing financing tools and guidance that empower small and BIPOC housing developers; centering the needs of housing residents when supporting property managers and owners in our portfolio; and working collaboratively to transform the housing system to increase BIPOC homeownership.

External Action Steps Include:

All Audiences/Customers:

- a. Develop an equitable, inclusive organization-wide strategy for engaging community members in decision-making. *Lead division(s): Admin/Exec/Communications.*
- b. Develop and implement an internal and external communications strategy focusing on racial equity/antiracism efforts. *Lead division(s): Admin/Communications.*
- c. Create an equity-based protocol to guide Commission decisions on memberships and sponsorships of organizations and initiatives. *Lead division(s): Finance and Admin.*

Rental Housing Residents

Developers, Owners and Managers of Housing and Community Facilities

- a. Recenter Asset Management & Compliance program resources on the needs of residents of properties in our portfolio, with a particular focus on increasing accessibility and support for BIPOC residents. *Lead division(s): AMC.*
 - Train Asset Management & Compliance portfolio analysts in addressing the needs of BIPOC residents. *Lead division(s): AMC.*
 - Create an online portal where residents of rental properties in the WSHFC portfolio can securely share required documentation and concerns with WSHFC staff. *Lead division(s): AMC, IT.*
 - Develop an external-facing webpage on WSHFC.org that offers community resources and connections for renters. *Lead division(s): AMC.*
 - Update the language and content of WSHFC forms, applications, and other materials to address communication barriers among residents. *Lead division(s): AMC.* Develop trainings and materials to educate residents of and applicants to LIHTC rental properties about the program and its required forms and supporting documents. *Lead division(s): AMC.* Improve WBARS data gathering and reporting to inform policies addressing negative housing outcomes among residents of LIHTC housing. *Lead division(s): AMC.*

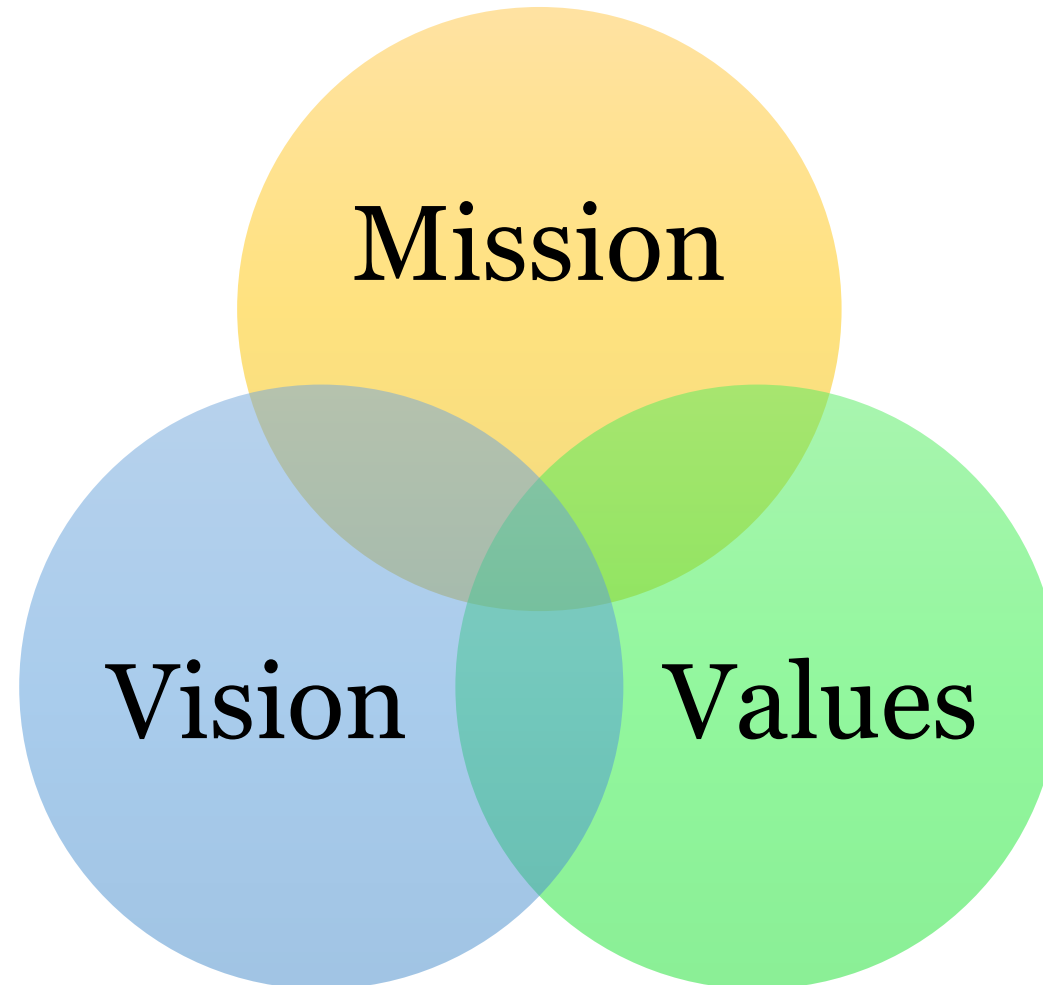
- b. Build capacity for Multifamily staff to engage with and support BIPOC communities. *Lead division(s): MHCF.*
- c. Reduce financial and structural barriers that impede access to multifamily and community facilities financing programs by BIPOC and historically disadvantaged communities and organizations. *Lead division(s): MHCF.*
 - Encourage and incentivize participation in our financing programs by new and community-based BIPOC housing developers. *Lead division(s): MHCF.*
 - Identify and map all interested parties (such as developers, residents, funders, community organizations, etc.) who are impacted by the Low Income Housing Tax Credit (LIHTC) program and evaluate their access to the program for the purpose of increasing access among those most impacted.
 - Conduct a racial equity impact assessment to analyze the effects, benefits and burdens of MHCF programs on people of different racial backgrounds, in order to identify equitable program improvements.

Homebuyers and Homeowners

- a. Partner with community organizations and initiatives to improve homeownership outcomes for BIPOC and historically underserved populations. *Lead division(s): HO.*
- b. Ensure that presentations to community partners emphasize our commitment to racial equity. *Lead division(s): HO.*
- c. Offer services and materials in other languages to improve access to homeownership in non-English-speaking communities *Lead division(s): HO.*



Meanwhile...





Mission

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.

Vision

We are a catalyst to join resources and partnerships creating greater access to housing and community services. Every Commission contact is positive and informative.

Values:

- Teamwork
- Sharing information
- Personal responsibility
- Every employee's contribution
- A helpful attitude toward clients
- Flexible and innovative leadership
- A safe environment to express opinions
- Trusting, respectful dialogue
- Willingness to accept constructive feedback and change



PREAMBLE

The Washington State Housing Finance Commission is a self-sustaining public agency committed to increasing housing access and affordability for the people of Washington while aligning our work with anti-racist values. We commit to engaging the voices and ideas of those who have been historically silenced and marginalized. Consistent with these commitments, the Commission’s Mission, Vision, and Values reflect who we are and how we approach our work.



MISSION

We work to provide equitable access to capital through strong partnerships and innovative financing to create and sustain affordable rental housing, homeownership, and community spaces across Washington State.

VISION

We envision a just future in which all Washingtonians have affordable, sustainable housing in thriving communities, and in which those representing and served by the Commission experience fair, inclusive practices in all aspects of our work.



The Commission is guided by shared values to help us realize our Mission and Vision. We prioritize the following as we fulfill our responsibilities to the people of Washington:

- **Sound Fiscal Stewardship** - We commit to responsible investments in housing and community assets that prioritize racial equity and consider long-term sustainability.
- **Accountability and Transparency** – We are held accountable to our values by our staff, partners, and the communities we serve. As a public agency, we commit to transparency in how we use resources, share power, engage communities, and make decisions.
- **Acknowledging and Addressing Power and Privilege** - We recognize we have contributed to institutional racism, and we challenge White supremacy by applying anti racist practices to all aspects of our work
- **Respect and Humility** - We acknowledge our blind spots and biases and commit to learning alongside our partners, each other, and the communities we serve.
- **Equitable and Meaningful Engagement** - We commit to creating opportunities to engage people in decision making processes that impact them, prioritizing historically excluded communities.

Discussion



Homeownership Market Update & Discussion

Mike Awadis
Hilltop Securities

TBA MARKET

WASHINGTON STATE HOUSING
FINANCE COMMISSION
BUDGET PLANNING MEETING
MAY 20, 2024

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- Basics of TBA Market
- Production Trends
- Market Update


BASICS OF TBA MARKET

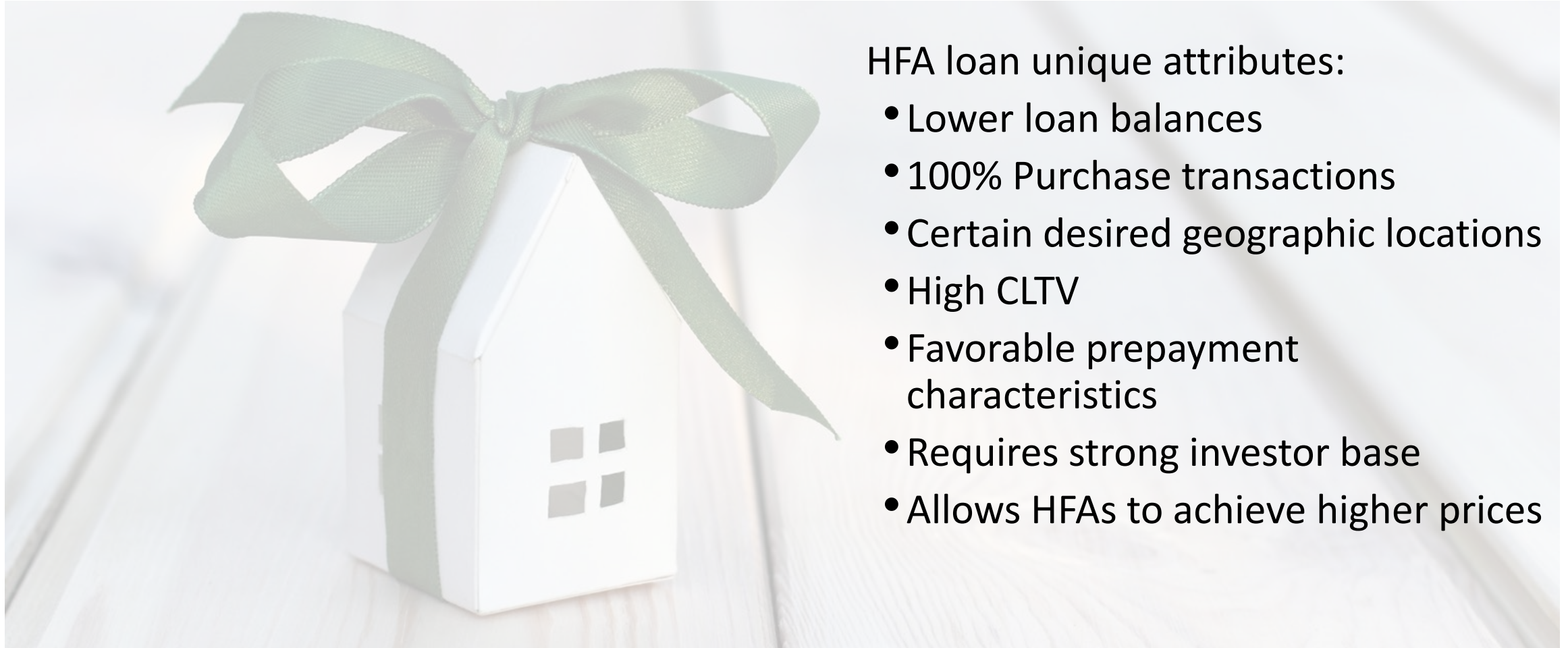
TBA (Mortgage-Backed) Securities Market

- “To Be Announced” is a form of future contracts
- Mortgage-Backed Securities (MBS) are debt obligations
- Creates liquidity
- Government Guarantee (explicit or implied)
- Over 90% of MBS trading is in TBA
- Seller/buyer
- Six basic characteristics
- Hedging tool to “lock in” sale prices



TBA Program Benefits When Compared to MRB

- 
- No-risk, no costs of issuance
 - No negative arbitrage
 - No volume cap limitations
 - No yield implications
 - Non-first-time homebuyers
 - Higher income limits
 - Less paperwork for the lender
 - Combined with MCCs
 - TBA and MRB can coexist



HFA loan unique attributes:

- Lower loan balances
- 100% Purchase transactions
- Certain desired geographic locations
- High CLTV
- Favorable prepayment characteristics
- Requires strong investor base
- Allows HFAs to achieve higher prices

PRODUCTION TRENDS

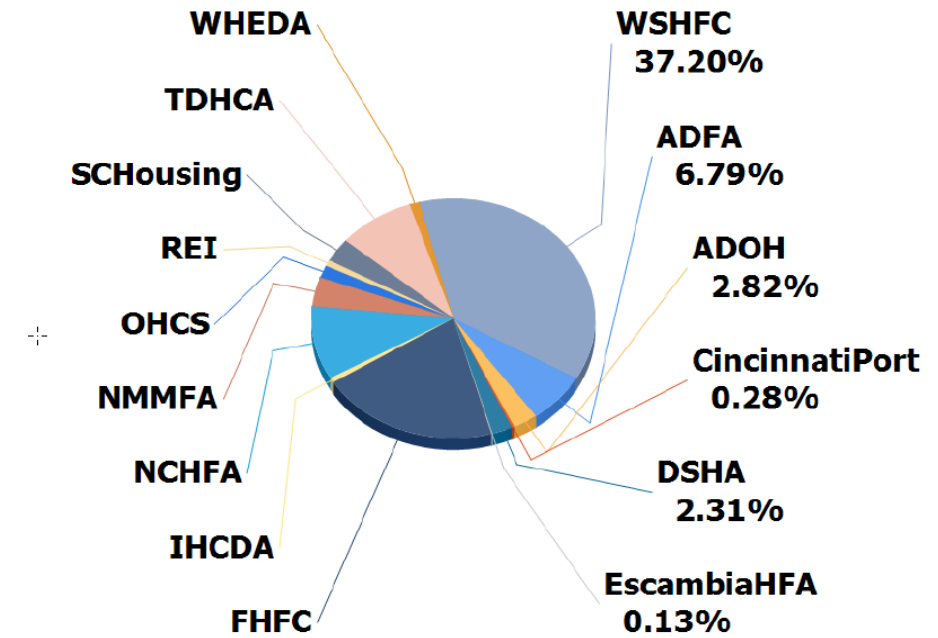
Hilltop Securities HFA TBA Production Trends as of 4/30/24



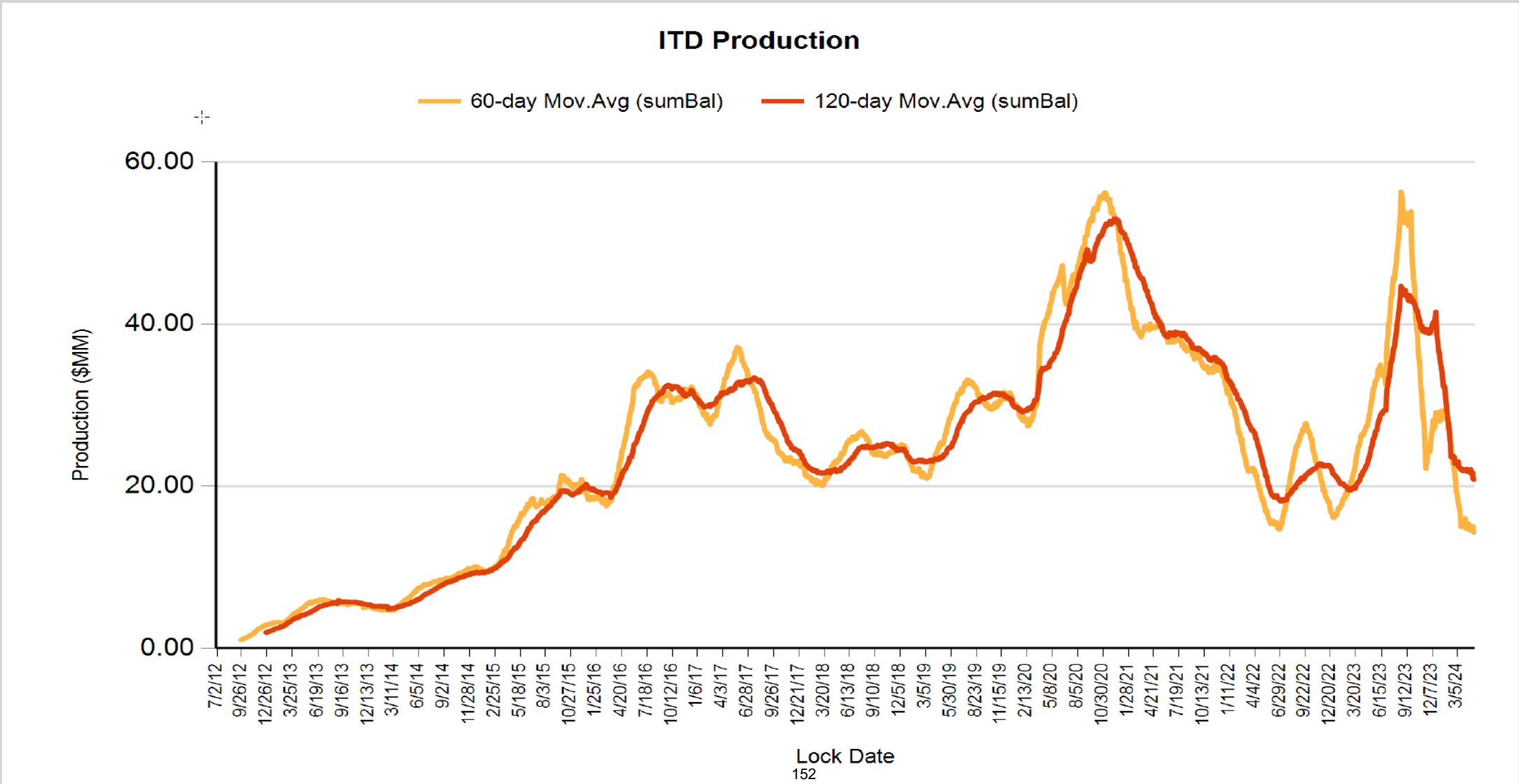
YTD Production by HFA

HFA	wRate	Count	Orig Balance	Pct Conv	Pct Balance
WSHFC	7.1540	1,257	\$491,130,766	22.34%	37.20%
FHFC	6.9777	927	\$268,872,407	49.59%	20.37%
NCHFA	6.9361	487	\$131,238,476	57.67%	9.94%
TDHCA	7.5116	496	\$115,338,090	5.77%	8.74%
ADFA	6.7531	478	\$89,708,328	21.49%	6.79%
NMMFA	7.2733	189	\$51,820,796	33.85%	3.93%
SCHousing	6.9993	163	\$42,417,133	58.50%	3.21%
ADOH	7.1213	112	\$37,292,209	31.88%	2.82%
DSHA	7.4196	108	\$30,507,960	16.94%	2.31%
OHCS	7.0453	69	\$21,842,548	10.45%	1.65%
WHEDA	7.4631	78	\$14,999,640	0.00%	1.14%
REI	7.3381	54	\$10,918,056	79.80%	0.83%
IHCDA	7.8901	47	\$8,736,824	16.76%	0.66%
CincinnatiPort	8.1348	20	\$3,681,444	24.63%	0.28%
EscambiaHFA	6.8636	8	\$1,731,892	12.77%	0.13%
Total		4,493	\$1,320,236,569	31.64%	100.00%

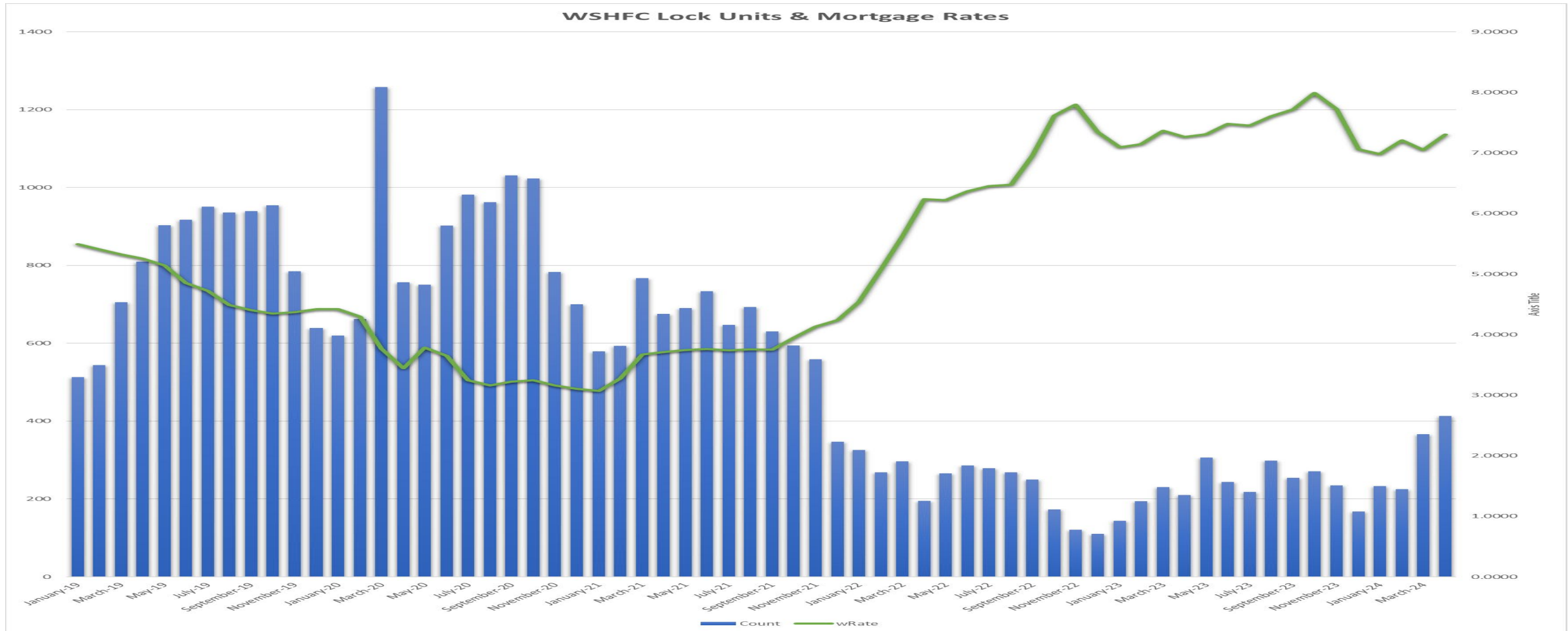
YTD Production



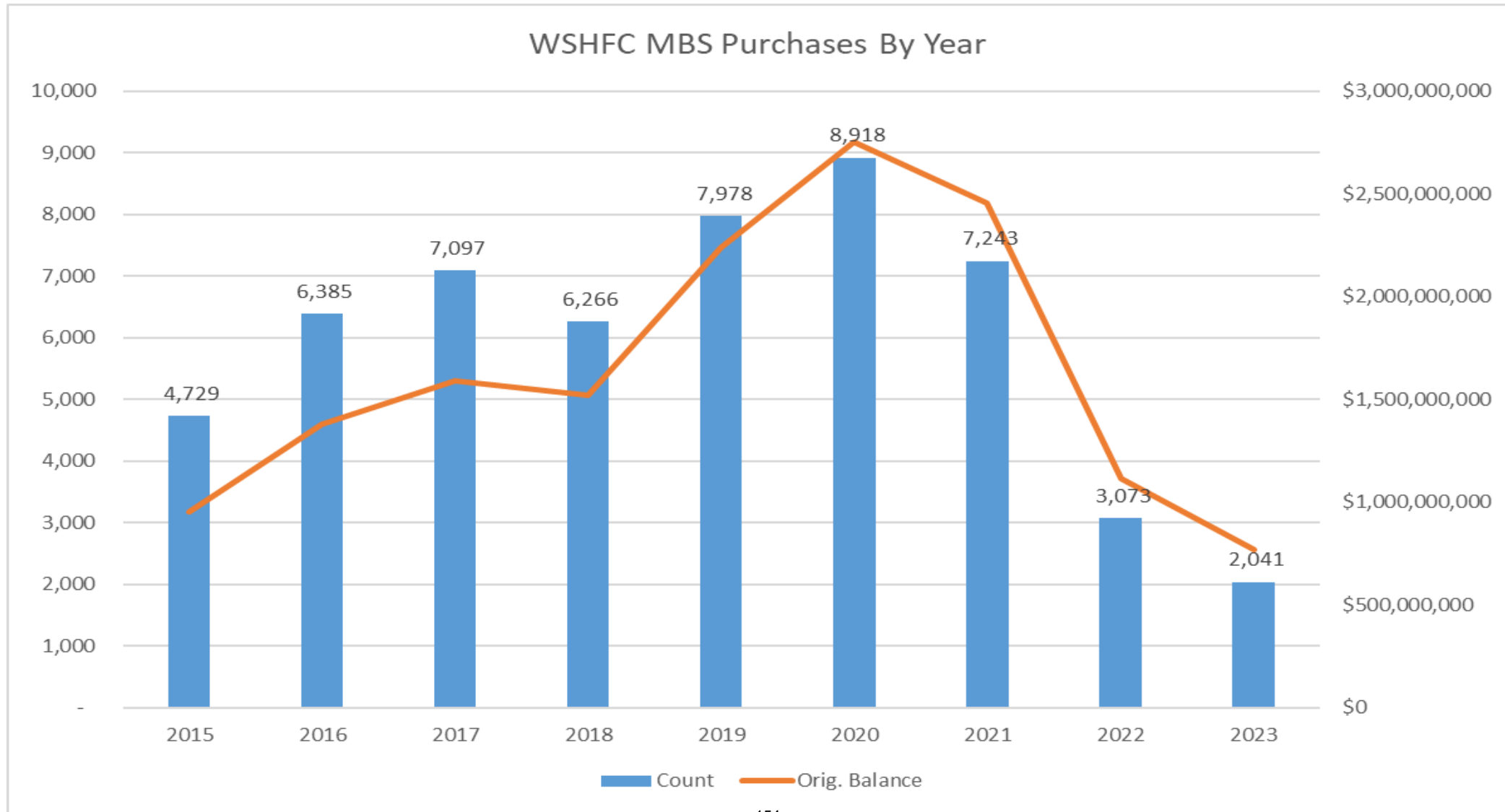
Other HFAs Are Having Similar Challenges



WSHFC Home Advantage Locks & Conventional %



Home Advantage MBS Purchases





MARKET UPDATE

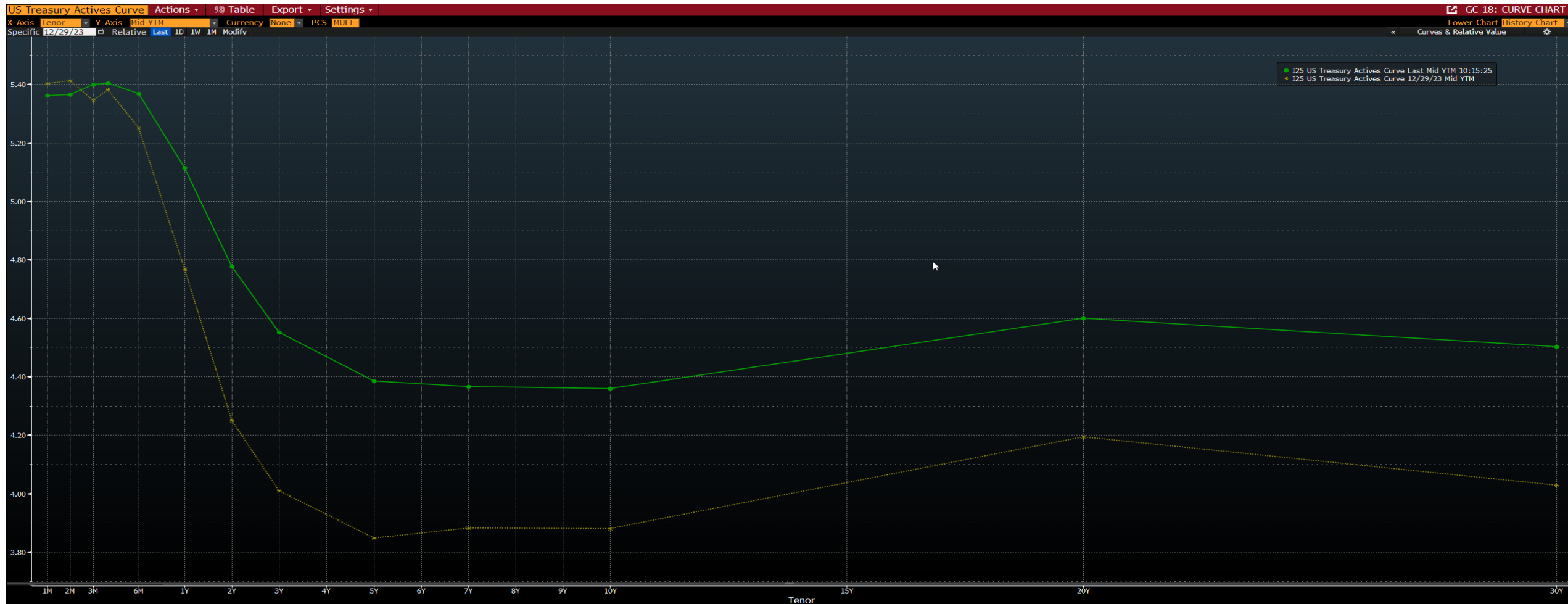
Market Dynamics Haven't Changed Much

- Lack of supply – exacerbated by slow prepayments and high mortgage rates
- Record home prices – but some relief in home price appreciation
- Strong demand for housing due to 2–4 million-unit shortage
- Institutional investors owning rental housing not selling

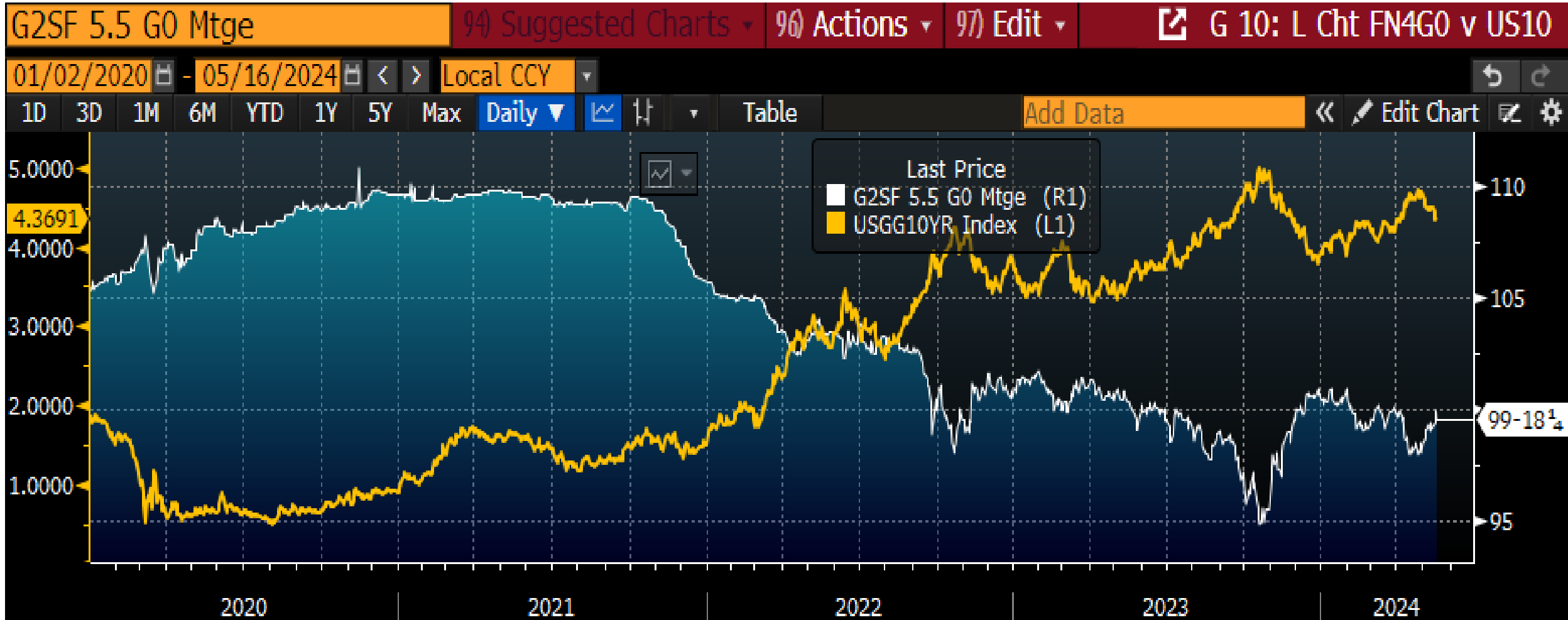
Other Factors

- Higher for longer rates mindset from Fed
- Ailing mortgage industry, shrinking profits (6 consecutive losing quarters according to MBA)
- Despite recent rally, premium in higher coupon TBA hasn't recovered
- Volatility is here to stay as evidenced by recent selloff

Impact of Rate Sell-off on TBA Prices



Impact of Rate Sell-off on TBA Prices



TBA mortgages – what will it take to see meaningful recovery?

- A steeper yield curve
- More buyers
 - ✓ Banks need to get past regulatory overhauls, healing balance sheets
 - ✓ USD needs to weaken so overseas has more buying power
- The need for clarity on Fed's roadmap for sidelined investors to come back
- Range bound treasury yields, which should in turn translate to lower volatility
- More housing supply – unlikely to happen overnight



HilltopSecurities

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Questions?



Homeownership Market Update & Discussion

Mina Choo
RBC Capital Markets

May 20, 2024



Opening doors to a better life



Capital
Markets

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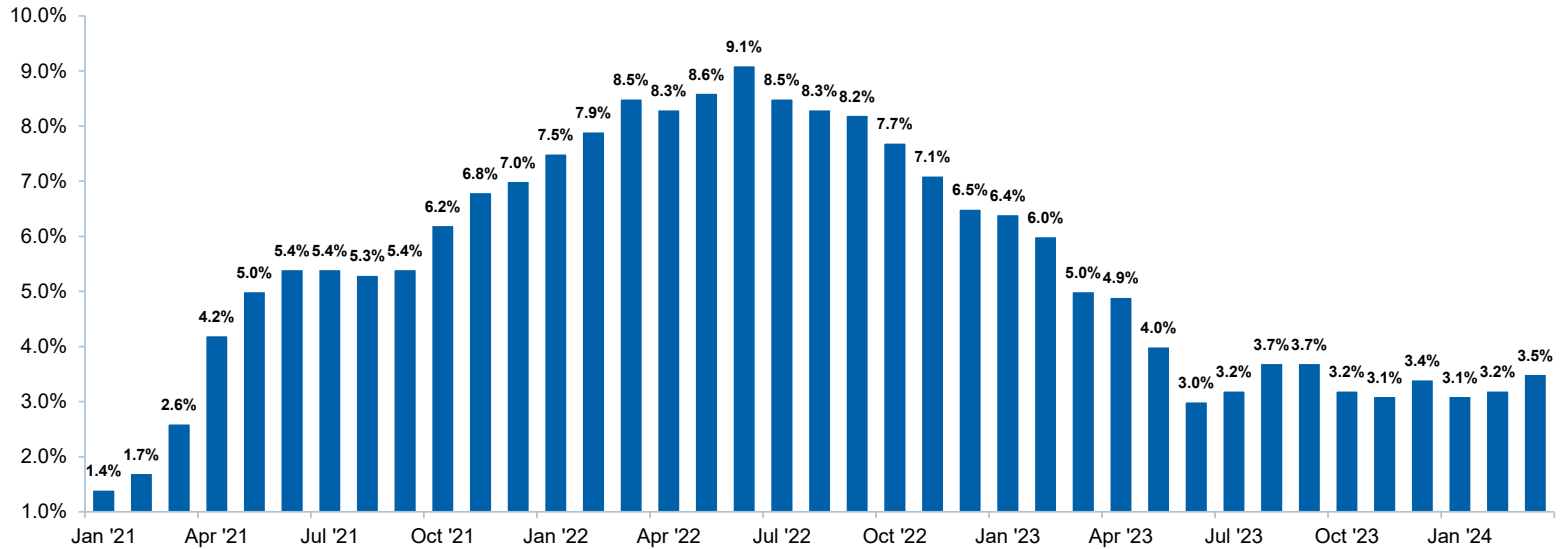
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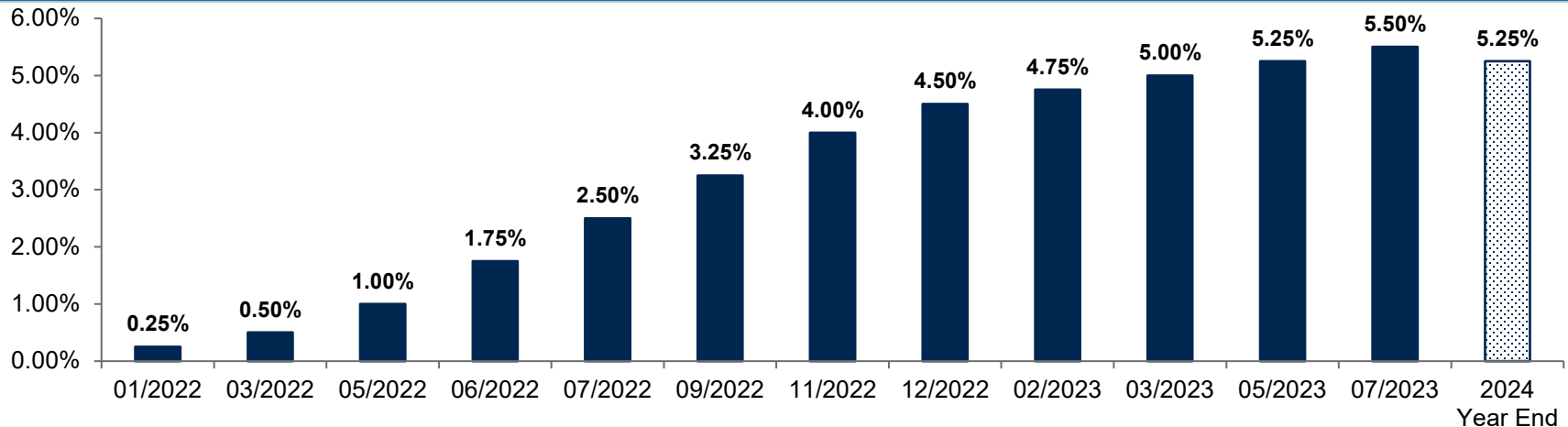
CPI and Fed Fund Rates

- Since the June 2022 peak of 9.1%, CPI has steadily declined (but stubbornly higher than 2% target)
- FOMC reiterated no rate cuts until inflation moves sustainably toward 2% (maybe 1 cut by year-end)

Annualized CPI by Month



Fed Funds Target Rate (Upper Bound) Projections

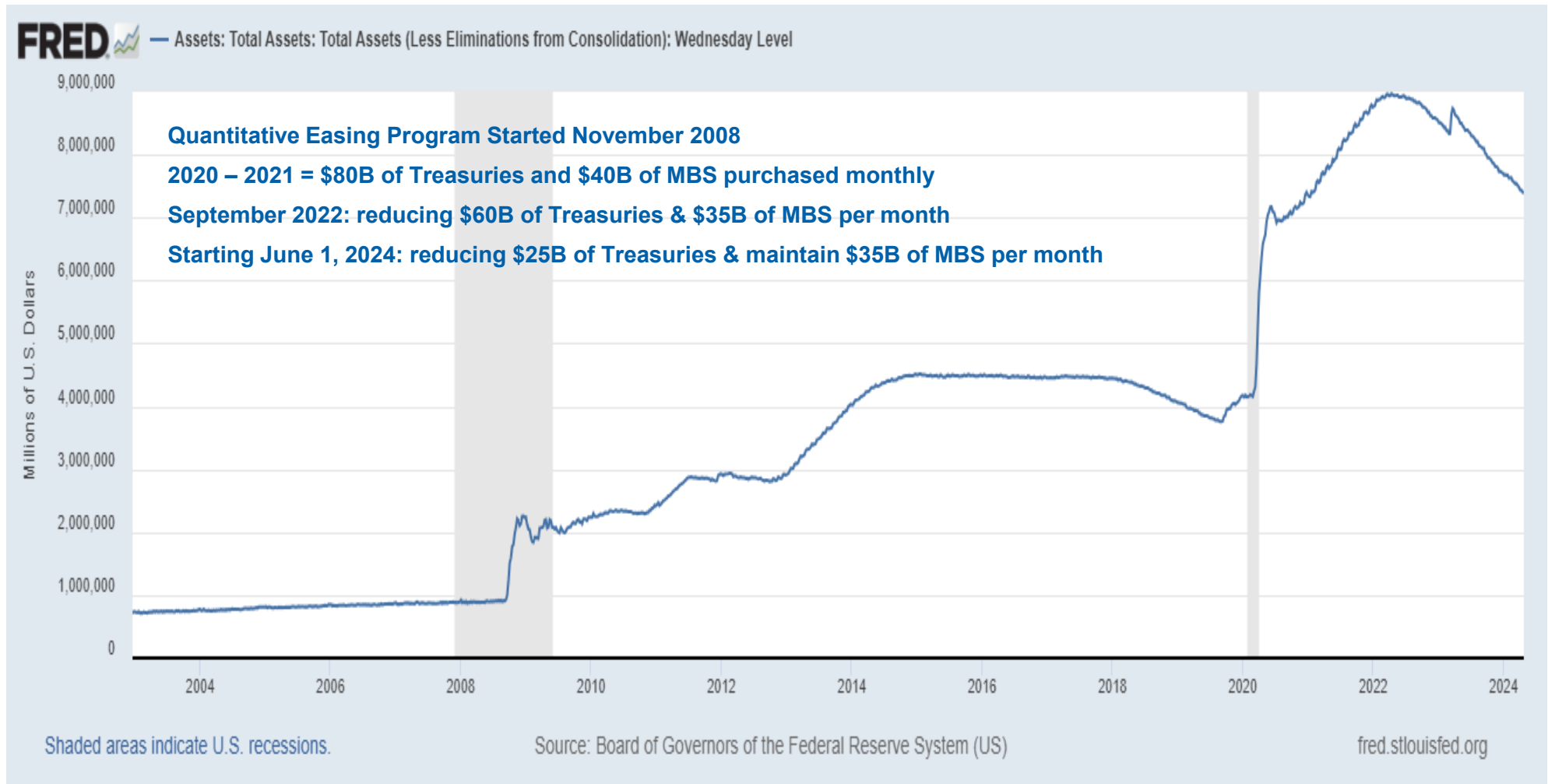


Sources: U.S. Bureau Of Labor Statistics, Bloomberg

Fed's will continue monetary policy of using balance sheet which started 2008

In the latest FOMC meeting, the Federal announced plans to slow the speed of its balance sheet drawdown to ensure this process does not create undue stress in financial markets.

Federal Reserve Asset Holdings Since 2002 (Prior to 2008 less than \$1 Trillion)



Historical 30-Year Fixed Rate Mortgage Rates Since 1971

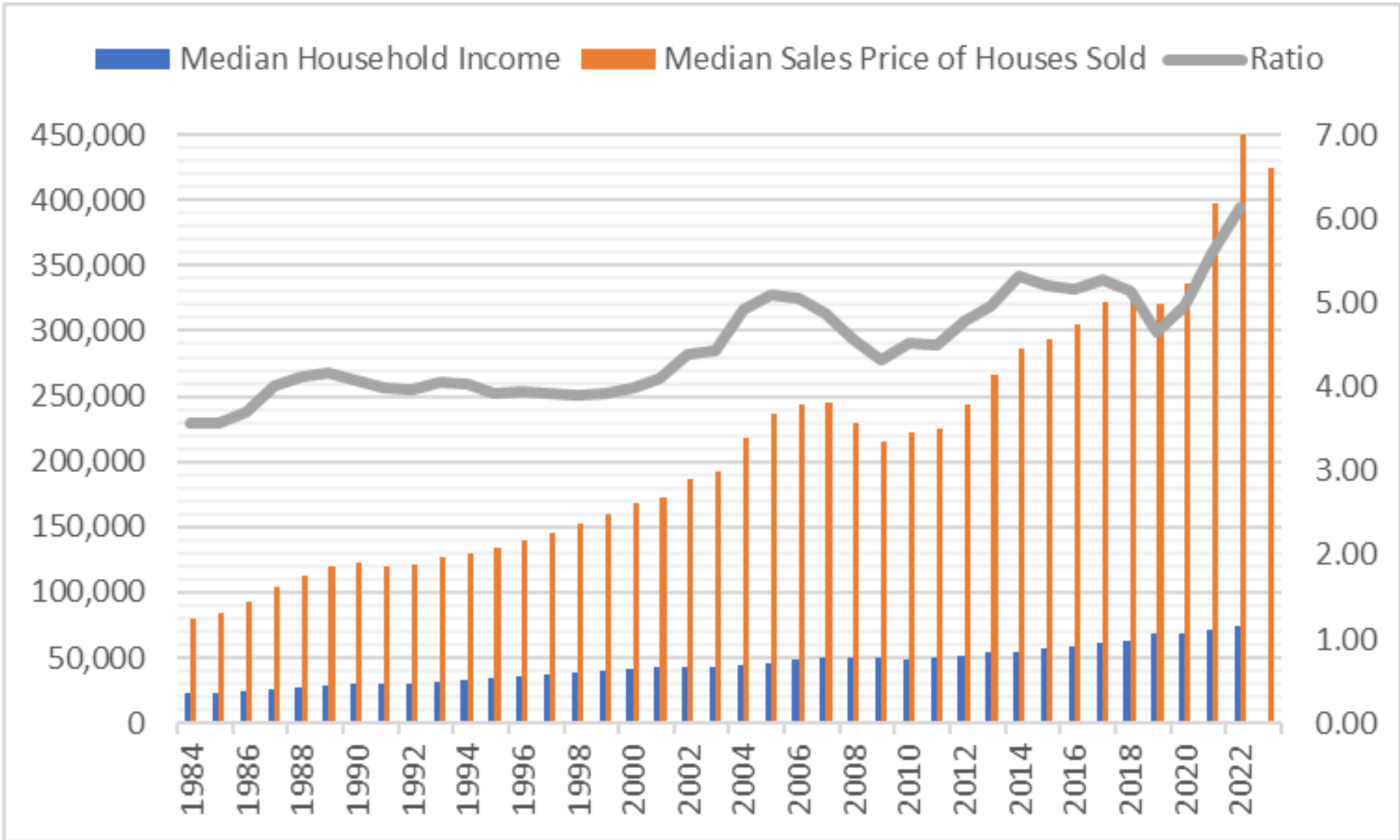


<u>MAX</u>	<u>MIN</u>	<u>CURRENT</u>	<u>AVERAGE</u>	<u>MEDIAN</u>
18.63%	2.65%	7.22%	7.73%	7.38%
10/09/81	01/07/21	05/02/24		

Historical Home Sales Price vs Median Household Income (Ratio)

1984: M Sales Price = \$79,950; MH Income = \$22,420; Ratio = 3.57

2022: M Sales Price = \$457,475; MH Income = \$74,580; Ratio = 6.13



* Federal Reserve of St. Louis (US Census)

Homebuyer Challenges and Adapting to Challenges

CHALLENGES:

- **Mortgage rates above 7% (2.65% January 2021)** (*Freddie Mac*)
- **Median home sales prices have increased 43% since 2019 – 2022** (*Federal Reserve St. Louis*)
- **Lack of Supply – Institutional Investors/Funds for Single Family Rentals**
- **Lack of Supply - Lock-in Effect:**
 - 57% reduction in home sales with fixed-rate mortgages in 2023Q4 and prevented 1.33 million sales between 2022Q2 and 2023Q4 (FHFA)
 - Empty nesters own over 28% of large homes;
almost twice as many as millennials with children (14.2%);
with Gen Z owning 0.3% (Mansion)
 - 88.5% of homeowners have a mortgage rate below 6%;
59% below 4% and
23% below 3% (CNBC)

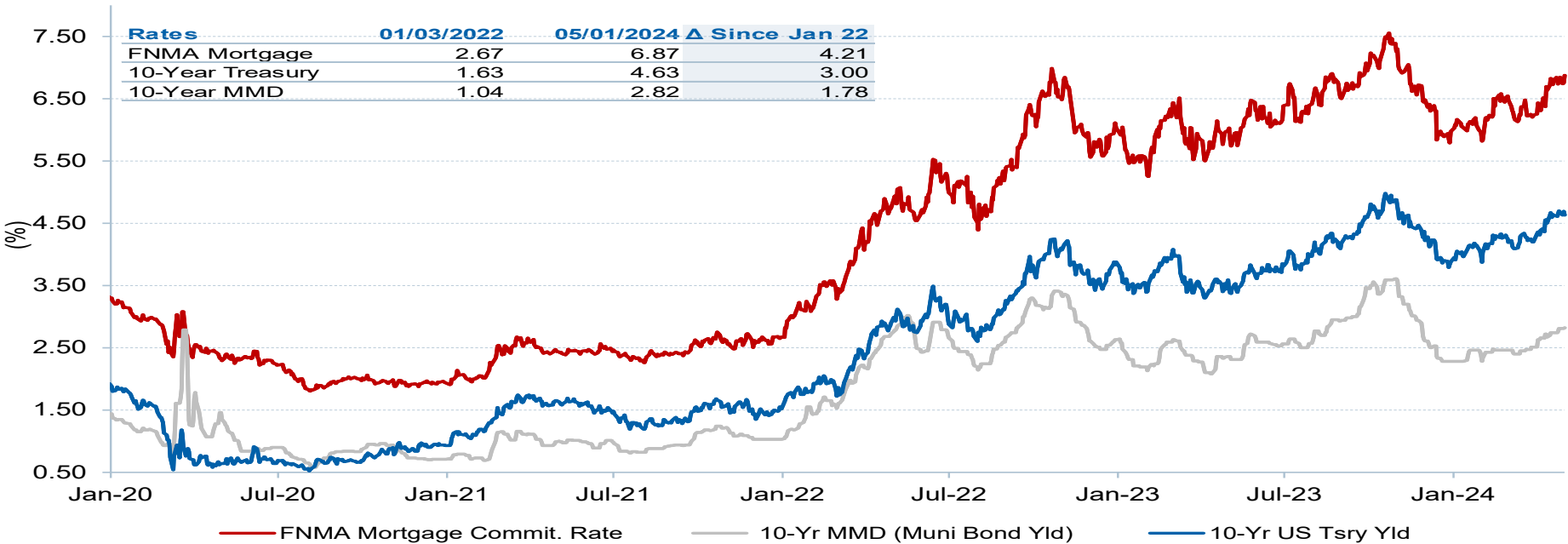
ADAPTING TO CHALLENGES:

- **Introduction of “Tiny Homes” (400 sq ft or less)** – but not being built in large scale
- **Median size of new homes in 2023 = 2179 sq ft (smallest in 13 years)** (*US Census*)
 - 1920 = 1048 sq ft (in 1920 only 9% population lived in suburbs vs 50% in 2000);
average household size = 4.34 in 1920 vs 2.54 in 2000
 - Changing American family (1950 = 7.4% one-parent families with children vs 31.3% in 2015) (*24/7WallSt*)
- **Townhouses growing in popularity:** 1 in 5 new homes under construction were townhomes (*NA of Home Builders*)
- **Help for DPA:** 24% of younger millennials received financial help from family;
33% millennials/GenZ surveyed expect DPA help (NAR)
- **“House Hacking”** – 55% of Millennials surveyed said it was important to be able to rent a portion of their home (Zillow)
 - buying a house with a non-romantic partner

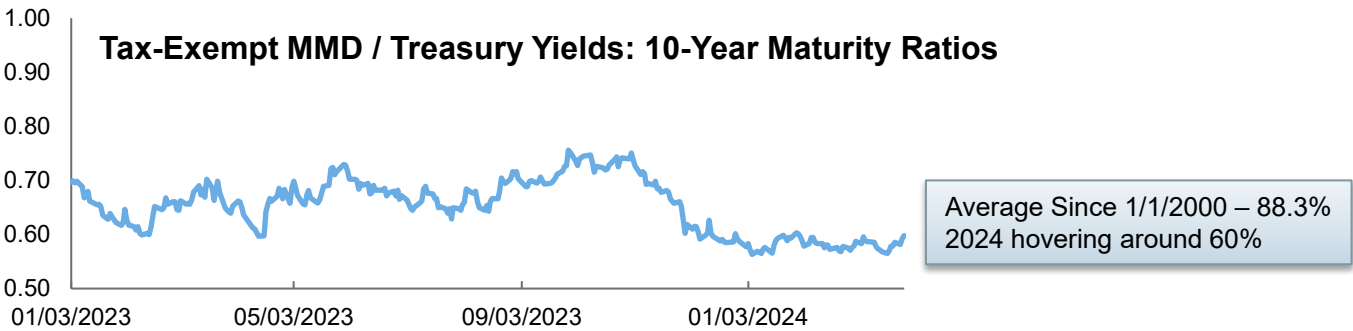
A Favorable Time to be Issuing bonds in the Tax Exempt Municipal Market

Spread between bond rate and mortgage rate = annuity that HFAs earn over the 30-year life of mortgage

FNMA Mortgage Rates vs. 10-Year Treasury vs 10-Year MMD



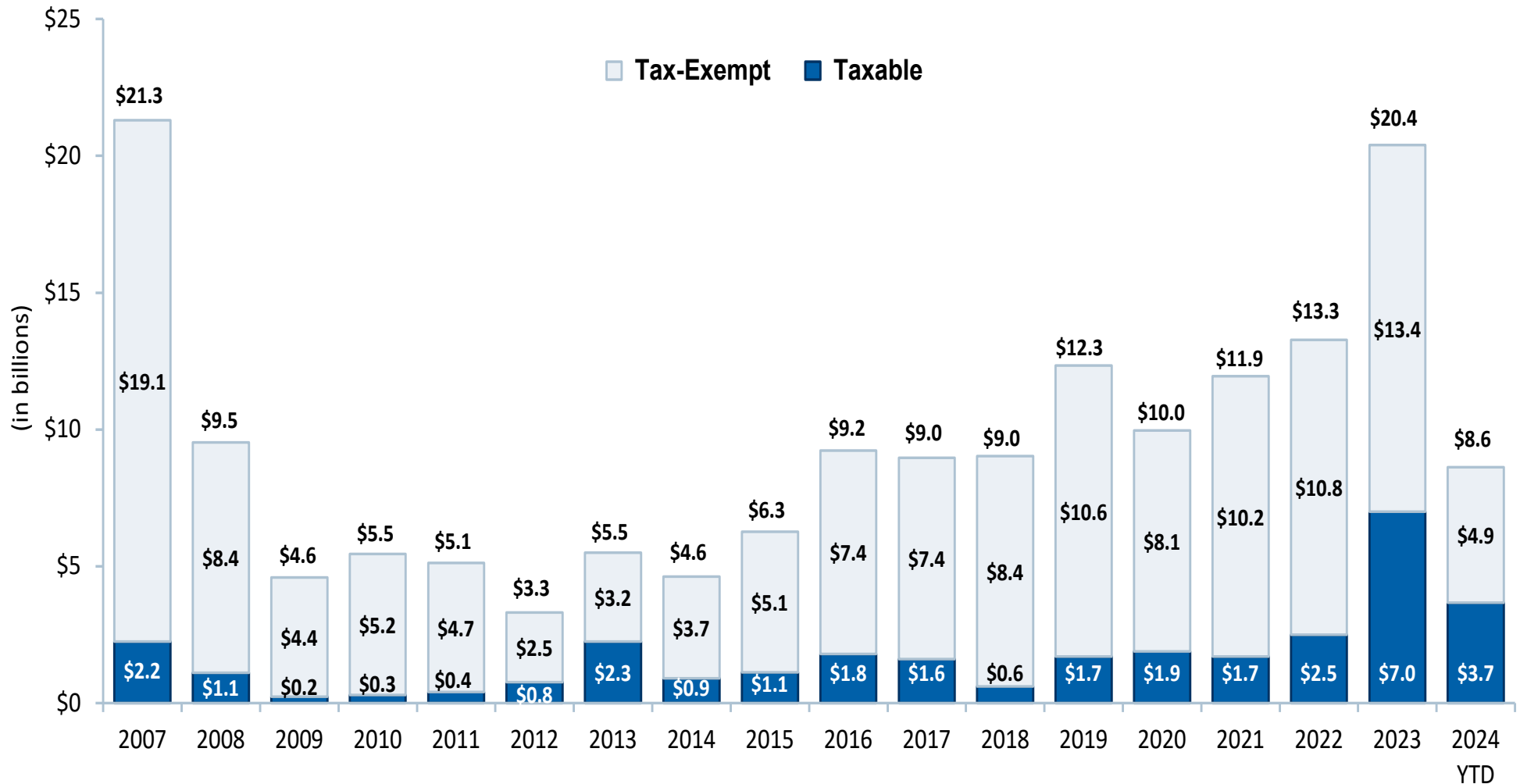
Ratios between tax exempt and taxable yields are near historically low levels



Source: Bloomberg, munidds

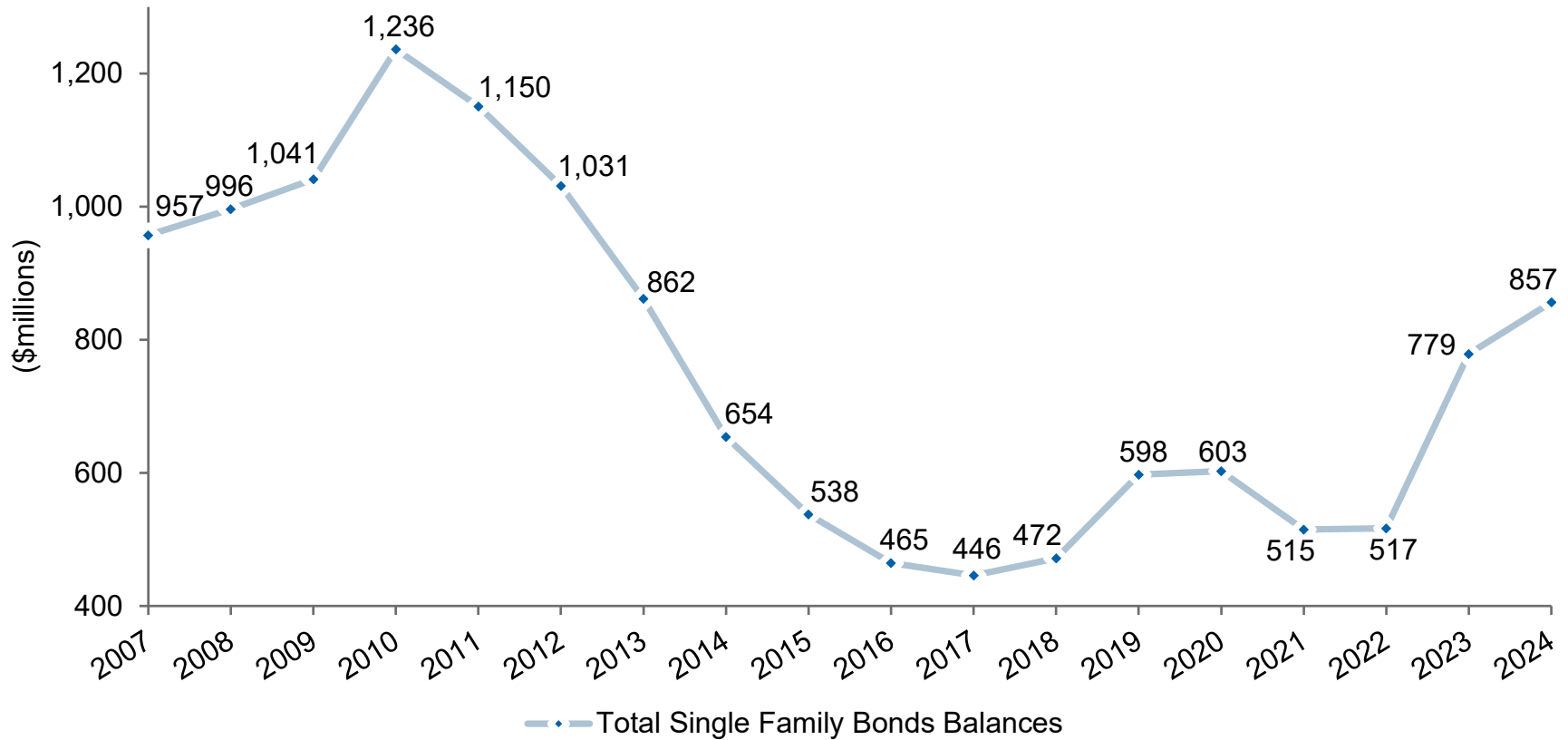
Single Family Municipal Housing Bond Volume by Tax Status

*Single Family Housing Bond Volume in 2023 was the Highest Since 2007 (a third of which is taxable)
79% of HFA single family bond issuances contained taxable bonds (first 4 months of 2024)*



In 2023, HFAs issued \$7 billion of taxable single family bonds to help mitigate 1) a shortage of private activity cap 2) to reach non-first-time homebuyers, and 3) to help fund higher income or higher purchase price loans

WSHFC Single Family Bonds Outstanding



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Single-Family Program	957	996	1,041	916	792	676	509	384	327	316	342	382	527	551	493	500	767	846
Homeownership Program				320	359	355	329	247	193	135	94	81	64	47	19	14	10	8
Single-Family Special Program							24	23	18	14	10	8	6	5	3	3	2	2
Total SF Bonds ((in million's)	\$957	\$996	\$1,041	\$1,236	\$1,150	\$1,031	\$862	\$654	\$538	\$465	\$446	\$472	\$598	\$603	\$515	\$517	\$779	\$857

Source: WSHFC Official Statements

Challenges and Opportunities for HFAs

Challenges

- Geopolitical Uncertainty (wars in Ukraine, Israel/Gaza)
- Macroeconomic conditions; 2024 election uncertainty
- Housing affordability (home prices, supply, and mortgage rates)
- Housing price appreciation = bigger loan size (for the same amount of bonds issued, less borrowers helped)
- Private Activity Bond Volume Cap availability
- TBA pricing likely to remain challenging

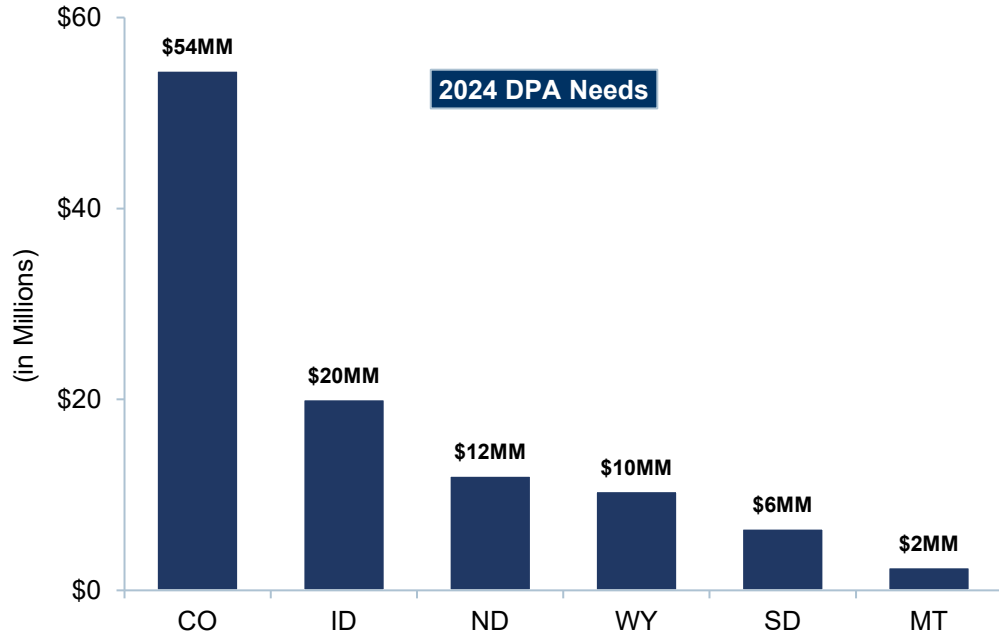
Opportunities

- Countercyclical nature of HFA lending
- Slow prepayments are financially healthy for HFA bond programs
- Growing balance sheets (great rate environment to finance loans with bonds)
- First-Time homebuyers 32% of market in 2023*
- DPA likely to remain a critical component of HFA homeownership programs

* Source: <https://www.nar.realtor/newsroom/nar-finds-typical-home-buyers-annual-household-income-climbed-to-record-high-of-107000#:~:text=First%2Dtime%20buyers%20made%20up,since%201997%20and%202005%2C%20respectively.>

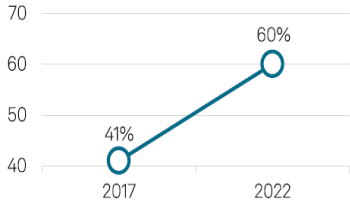
State HFA DPA Summary

Downpayment assistance is a key driver of production

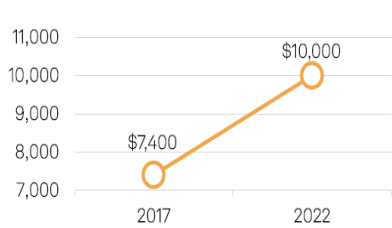


HFAs' increasing use of DPA products is unlikely to abate

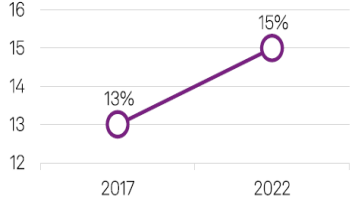
Percentage of agencies offering some form of DPA to more than 90% of homebuyers



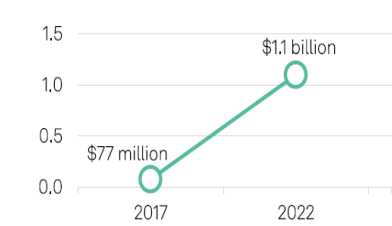
The average DPA provided per borrower









Average DPA provided over borrower income of an HFA borrower's income



Total amount of DPA provided by HFAs



DPA--Down payment assistance. HFA--Housing finance agency. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

	Colorado	Idaho	South Dakota	North Dakota	Wyoming	Montana
						
2023 SF Issuance	\$1,433,000,000	\$600,150,000	\$577,000,000	\$440,000,000	\$233,505,000	\$127,000,000
Aggregate DPA Portfolio	\$399,000,000	\$80,000,000	\$42,267,504	\$23,000,000	\$30,839,758	\$8,223,425
DPA Needed 2024	\$54,432,000	\$20,000,000	\$6,414,282	\$12,000,000	\$10,370,000	\$2,400,000
Avg DPA Per Loan	\$14,536	Varies	\$6,453	\$6,945	\$11,400	\$10,560
Avg Loan Size	\$363,394	\$330,000	\$219,666	\$198,726	\$231,000	\$264,830
DPA Percentage	4.0%	Varies	2.9%	3.5%	4.9%	4.0%
DPA Source	<ul style="list-style-type: none"> • Bonds • TBA • Reserves 	<ul style="list-style-type: none"> • Reserves 	<ul style="list-style-type: none"> • Reserves 	<ul style="list-style-type: none"> • Bonds 	<ul style="list-style-type: none"> • Bonds 	<ul style="list-style-type: none"> • Bonds • Reserves

Source: RBCCM Internal Tracking and HFA client survey

2024-1 Bond Sale – April 23, 2024

Sources and Uses

Sources:

	2024-1A/1N	2024-1T	
	Tax-Exempt (HK)	Taxable (HA)	Total
2024-1 Bond Principal	\$49,605,000	\$49,680,000	\$99,285,000
2024 1 Bond Premium	\$390,289	\$315,728	\$706,017
Commission Contribution	\$534,596	\$535,404	\$1,070,000
Total	\$50,529,885	\$50,531,132	\$101,061,017

Uses:

2024-1 Acquisition Account	\$49,995,289	\$49,995,728	\$99,991,017
Cost of Issuance	\$534,596	\$535,404	\$1,070,000
Total	\$50,529,885	\$50,531,132	\$101,061,017

Bond Yield	4.628%	5.761%	5.115%
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OFFICIAL STATEMENT DATED APRIL 23, 2024
NEW ISSUE: BOOK-ENTRY ONLY **RATING: MOODY'S "Aaa"**
 See "RATING" herein.

This Official Statement has been prepared on behalf of the Washington State Housing Finance Commission to provide information on the 2024 Series 1 Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the 2024 Series 1 Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.



WASHINGTON STATE
HOUSING FINANCE COMMISSION
Single-Family Program Bonds

\$3,710,000 2024 Series 1A (AMT)	\$45,895,000 2024 Series 1N (Non-AMT)	\$49,680,000 2024 Series 1T (Taxable)
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Purpose: The 2024 Series 1 Bonds are being issued to refund certain outstanding bonds of the Commission and to finance the purchase of "Eligible Collateral," which may consist of Whole Loans and mortgage-backed certificates guaranteed as to timely payment of principal and interest by 1 Government National Mortgage Association, the Federal National Mortgage Association or 1 Federal Home Loan Mortgage Corporation. The mortgage-backed certificates will be backed pools of mortgage loans that have been or will be made by participating lenders to persons families of low and moderate income to finance the purchase of single-family residential houses located in Washington State.

Tax Matters: In the opinion of Special Tax Counsel, assuming the accuracy of certain representations a continuing compliance with certain covenants designed to meet the requirements of the Inter Revenue Code of 1986, as amended (the "Code"), and subject to the exceptions described here under existing laws, regulations, rulings and judicial decisions, (1) interest on the 2024 Series Bonds and the 2024 Series 1N Bonds is excludable from gross income of the owners thereof purposes of federal income taxation, (2) interest on the 2024 Series 1A Bonds is a special preference item for purposes of the federal alternative minimum tax imposed on individuals and interest on the 2024 Series 1N Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2024 Series 1A Bonds and the 2024 Series 1N Bonds may affect the federal alternative minimum tax imposed on certain corporations. In the opinion of Special Tax Counsel, interest on the 2024 Series 1T Bonds is included in gross income for purposes of federal income taxation. See "TAX TREATMENT AND RELATED CONSIDERATIONS" herein.

Redemption: The 2024 Series 1 Bonds are subject to redemption as described under the heading "REDEMPTION PROVISIONS" herein. Revenues received in connection with other Bonds issued under Indenture and unexpended proceeds of the 2024 Series 1 Bonds may be used to redeem certain 2024 Series 1 Bonds before maturity. See "BONDHOLDER RISKS – Risks Resulting from Non-Origination – Status of Originations" for updated information with respect to certain unexpended proceeds of prior Bonds and Mortgage Loan originations.

Security: The 2024 Series 1 Bonds, and any bonds and notes that have been or may be issued under Indenture (as defined herein) (collectively, the "Bonds"), other than subordinate lien bonds, will have an equal security interest in all Eligible Collateral and Investment Securities and other sources payment of all Bonds. Deficiencies in funds available for deposits and payments with respect to a Series of Bonds may be made up from funds available with respect to any other Series of Bonds. See "SECURITY FOR THE BONDS."

THE 2024 SERIES 1 BONDS ARE LIMITED OBLIGATIONS AND NOT GENERAL OBLIGATIONS OF THE COMMISSION. PAYMENT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2024 SERIES 1 BONDS WILL BE A VALID CLAIM ONLY AGAINST THE SPECIAL FUND OR FUNDS OF THE COMMISSION RELATING THERETO, ARE NOT PAYABLE FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE COMMISSION AND WILL NOT BE AN OBLIGATION OF THE STATE OF WASHINGTON OR ANY MUNICIPAL, CORPORATE, SUBDIVISION OR AGENCY OF THE STATE OTHER THAN THE COMMISSION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2024 SERIES 1 BONDS. THE 2024 SERIES 1 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR OF ANY AGENCY THEREOF OR OF GNMA, FANNIE MAE OR FREDDIE MAC AND ARE NOT GUARANTEED. THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. SEE "BONDHOLDER RISKS" AND "SECURITY FOR THE BONDS."

Dated / Delivery Date: May 30, 2024.
Due: As set forth on the inside front cover hereof.
Denominations: \$5,000 or any integral multiple thereof.
Interest Rates: As set forth on the inside front cover hereof.
Interest Payment Dates: June 1 and December 1 commencing December 1, 2024.

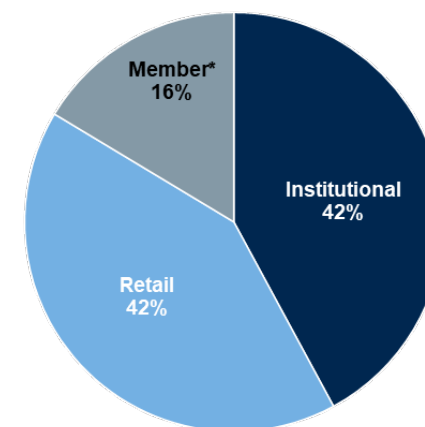
2024-1: Syndicate Order Summary

Orders by Firm (\$000)

2024 Series 1A & 1N

Underwriter	Institutional	Washington Retail	National Retail	Member	Total
Manager					
RBC Capital Markets	\$21,940	\$1,220	\$3,630	\$-	\$26,790
Morgan Stanley	-	100	2,975	8,000	11,075
Wells Fargo	-	-	2,520	7,500	10,020
Selling Group					
Academy Securities	-	-	-	-	-
D.A. Davidson	-	315	150	-	465
Fidelity Capital	-	410	6,925	7,780	15,115
J.P. Morgan Securities	-	-	4,385	-	4,385
Raymond James	-	-	2,375	8,000	10,375
San Blas Securities	-	-	-	500	500
Total	\$21,940	\$2,045	\$22,960	\$31,780	\$78,725

Breakdown of Allocation



Priority of Orders

1. Washington Retail
2. National Retail
3. Institutional
4. Member (Inventory)

2024 Series 1T – Orders by Firm (\$000)

Underwriter	Institutional	Washington Retail	National Retail	Member	Total
Manager					
RBC Capital Markets	\$106,405	N/A	N/A	\$90	\$106,495
Morgan Stanley	-	N/A	N/A	8,000	8,000
Wells Fargo	2,000	N/A	N/A	9,125	11,125
Total	\$108,405	-	-	\$17,215	\$125,620



Questions?



Successes & Challenges: Homeownership Division

Lisa DeBrock
Homeownership Director



Almost There!

- Near Completion of Homeownership Website
- Homebuyer Education Instructor Portal



- Production – Market/Taxable Bonds/Limited Inventory
- Seller Servicer – HUD Approval/Freddie Mac Submission
- HAF Program
- Our Partners/Outreach Initiatives/Marketing Efforts
- Covenant Homeownership Program - Study Completed!



- Covenant Homeownership Program Implementation
- Seller Servicer – Continued Implementation
- Staffing
- Impact of Systemic Racism on Programs
- Marketing/Outreach
- Nimble Policies and Programs



Questions?



Multi-Family Housing Division Report Market Update & Discussion

Lisa Vatske

Mike Hemmens, Citi Community Capital

May 20, 2024

Citi Community Capital Affordable Housing Market Overview

CAPITAL IMPACT
VOLUME LENT

\$6.5 Billion

EQUITY INVESTED

\$585 Million



Balance Sheet | Acquisition

Construction | Permanent

LIHTC | NMTC | HTC

Freddie Mac | Fannie Mae

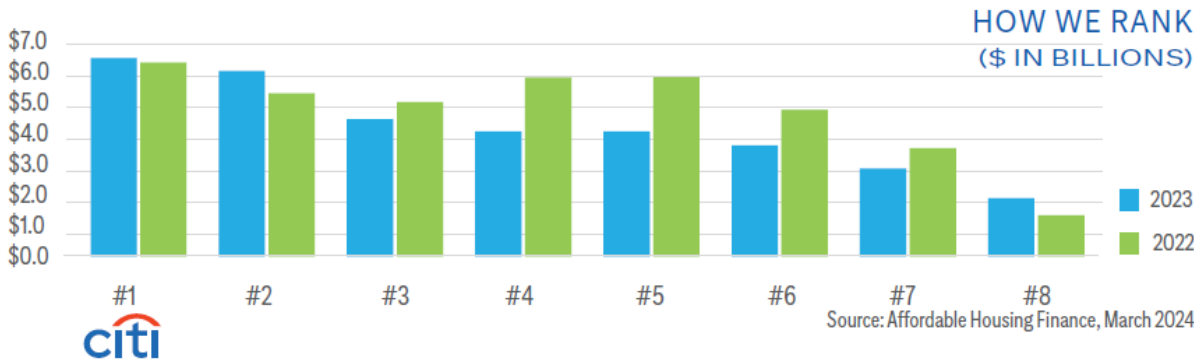
Portfolio Solutions

Investment Banking

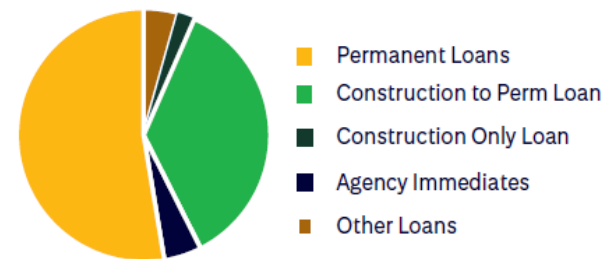
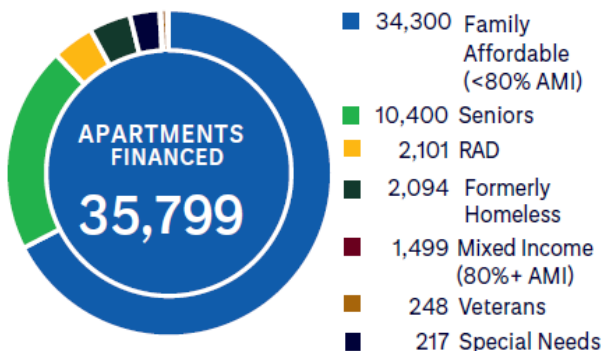
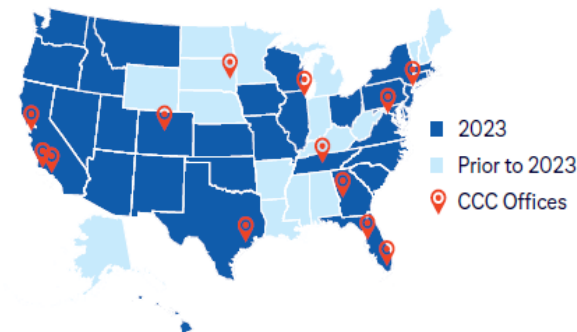
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WHERE PROJECTS CLOSED



Source: Citi

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How do lenders determine a performing loan?

	Pre Covid NOI		Post COVID NOI	
Rents	1,000,000		1,100,000	
Vacancy	(30,000)	3%	(33,000)	3%
Collection Loss	(10,000)	1%	(165,000)	15%
Expenses	(400,000)		(500,000)	
Net Operating Income	560,000		402,000	
Debt Service	400,000		400,000	
Debt Service Coverage Ratio	1.40		1.01	

- Ongoing property performance has deteriorated as a result of COVID era policy changes and expense inflation.
- Lenders look to have a minimum 1.15x debt service coverage ratio for a loan to be “performing.”



“The Bad”

Collection loss

- Collection loss has gone from 1-2% historically to 10-25%.
- King County has been significantly impacted versus the rest of the state.
- Delinquencies have been more pronounced at family properties compared to senior properties.
- Frequently, the delinquent rent shows up shortly after move in versus at some point in the future.
- Why is this happening?

Expenses

- Operating expenses are up 20-30%.
- The expense increase is widespread – more prevalent in King County versus balance of state.
- The increases are primarily in staff/payroll, utility costs, security, and insurance.



“The Good”

Vacancy rates

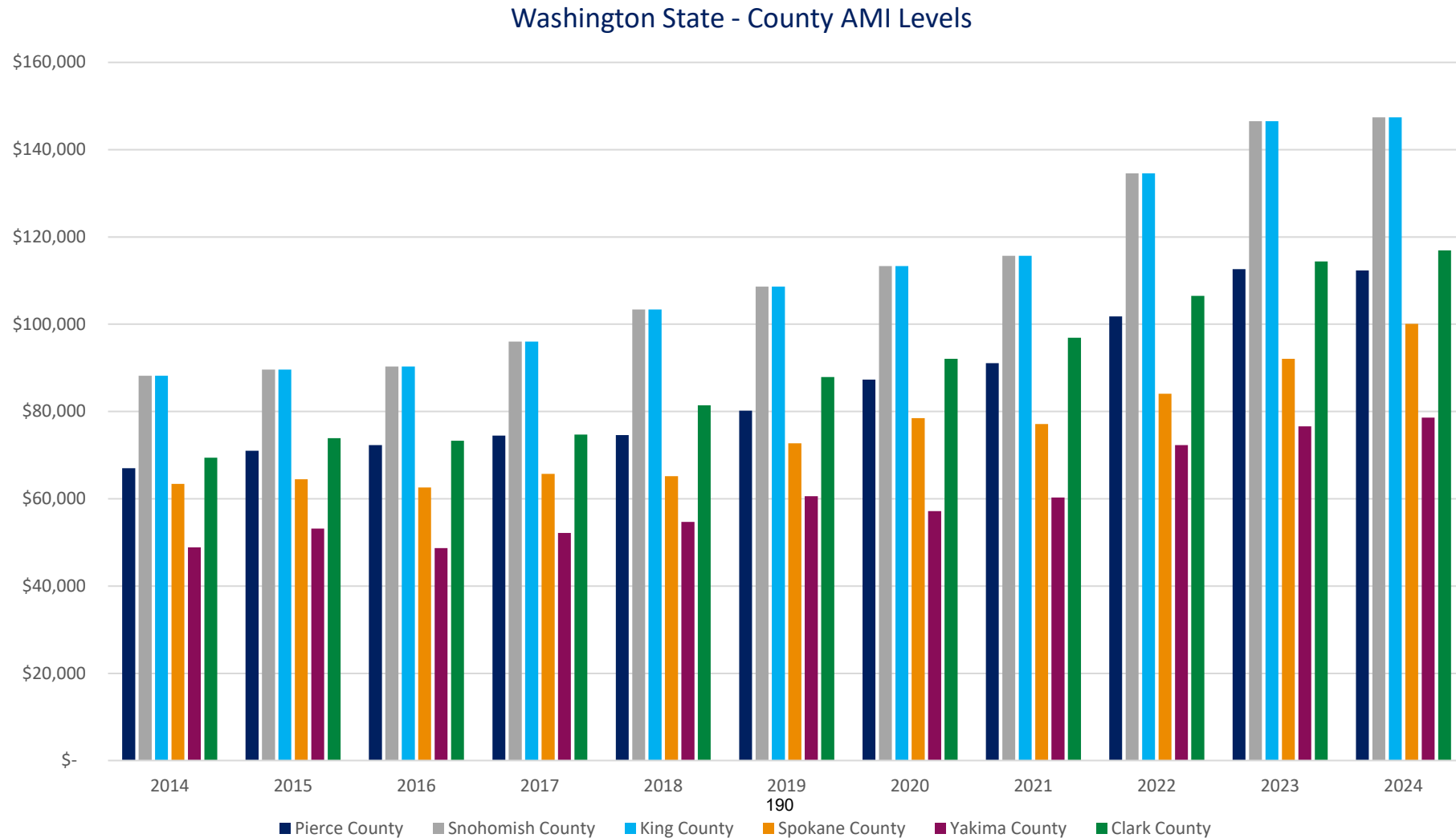
- Vacancy rates are holding steady at 3-4%.
- There is still significant demand for affordable housing.
- Vacancies seem to be concentrated in the smaller unit types.

Rents

- Rents are up 5-10% per year.
- Annual rent increases for existing residences tends to be 4-8% per year.



AMI trends for Pierce, Snohomish, King, Spokane, Yakima, and Clark County in Washington:





Below is a chart showing how to calculate the max LIHTC AMI rents for King County 2 & 3 bedroom units:

King County – 2023 AMI Limits – 50% AMI

- **Two-Bedroom Units**

\$61,650 (3-Person Income Limit)

*0.3

\$18,495

/ 12 Months

\$1,541 2023 Max LIHTC Rent

- **Three-Bedroom Units**

\$68,500 + \$74,000 = \$142,500 / 2

\$71,250 (4.5-Person Income Limit)

*0.3

\$21,375

/ 12 Months

\$1,781 2023 Max LIHTC Rent

King County – 2024 AMI Limits – 50% AMI

- **Two-Bedroom Units**

\$67,800 (3-Person Income Limit)

*0.3

\$20,340

/ 12 Months

\$1,695 2024 Max LIHTC Rent

- **Three-Bedroom Units**

\$75,350 + \$81,400 = \$156,750 / 2

\$78,375 (4.5-Person Income Limit)

*0.3

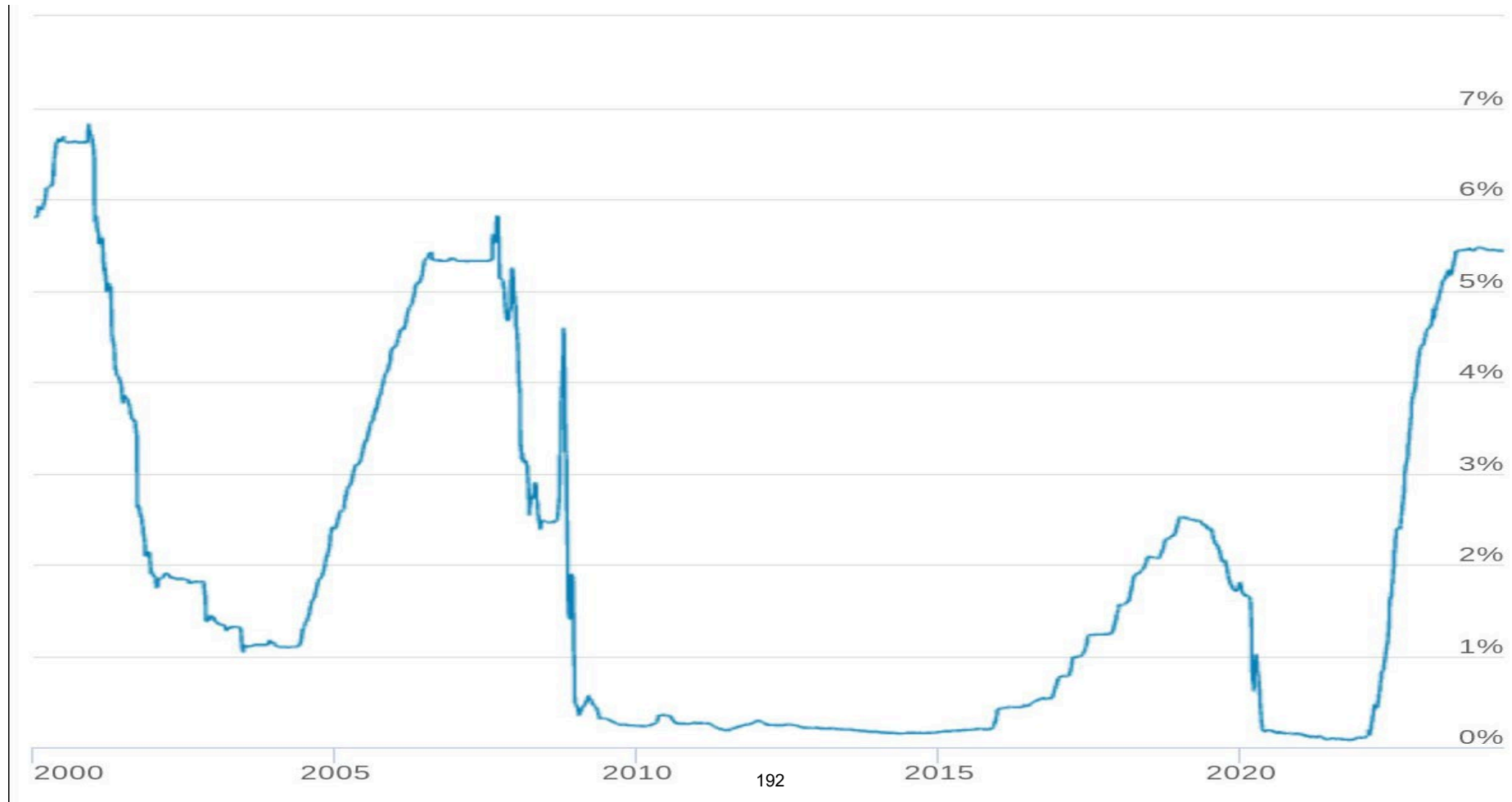
\$23,512.50

/ 12 Months

\$1,959 2024 Max LIHTC Rent



Below is a chart showing the index used on construction loan rates:



Long Term Rates



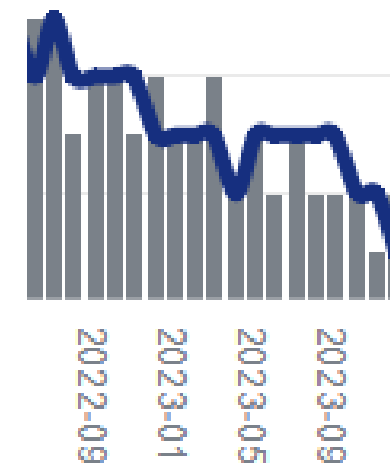
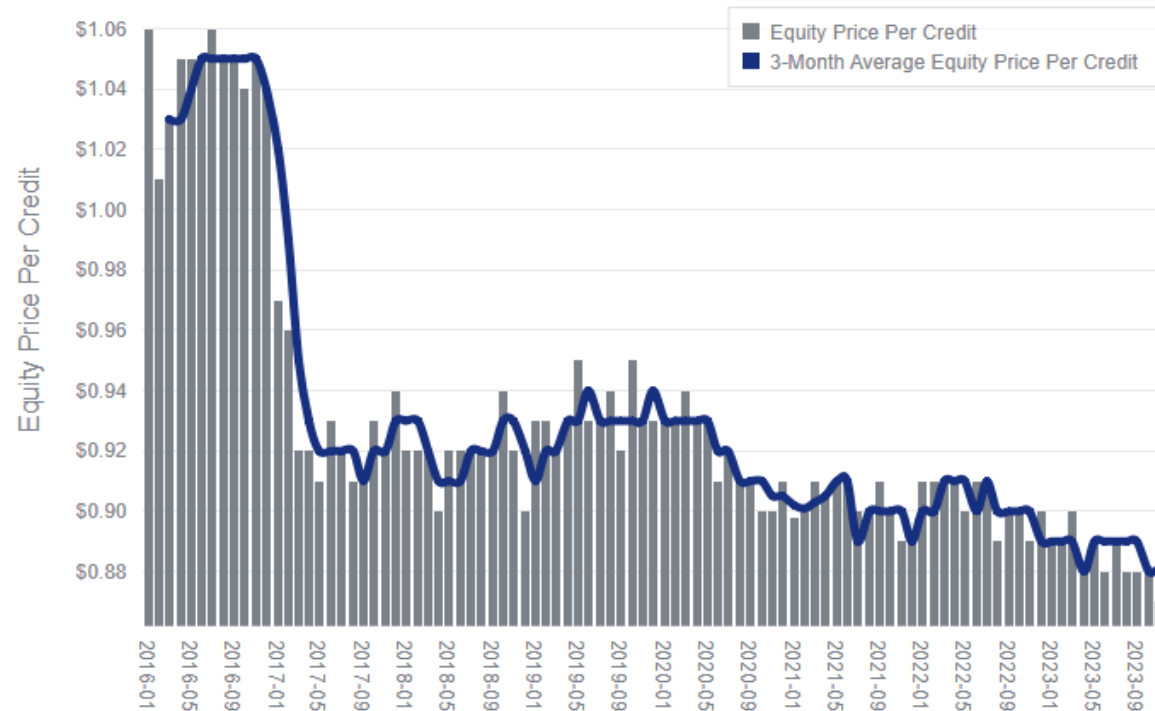
Below is a chart showing the index used on permanent loan rates:





LIHTC Equity Market:

- Investor pool shrinking (partially driven by exit of several regional banks)
- Banks are a major contributor to the investor pool
- Needed expansion in investor pool



Disclaimer: This low-income housing tax credit equity pricing chart is presented for general information purposes only. Per credit equity pricing is based on syndicator Letter of Intent (LOI) pricing provided to Novogradac by market participants. The equity price reported for each month is the average equity price for LOI pricing data issued in that month. No adjustments to equity pricing are made for timing of capital contributions or other considerations. Data is rounded to the nearest cent.

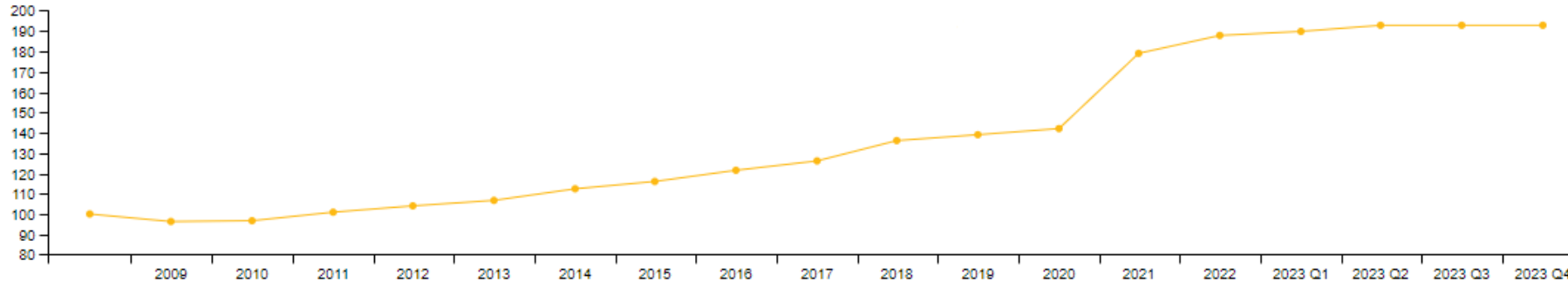
Source: Novogradac



Construction costs have leveled out after experiencing significant increases:

Overall Construction Cost Index Q4 2023

(JANUARY 2009 = 100)



- Multifamily apartment starts declined 44% year over year nationally.



An Affordable Housing transaction is different than your typical real estate transaction. Below are a few attributes that allow affordable housing projects to remain more insulated:

- Operating Reserves
- Tax abatements / waivers
- Valuable 10-year stream of Tax Credit
- Low vacancy rates
- Elevated discount to market rents
- Tenant Based Rental Vouchers
- Subordinate debt



How can we increase the supply of tax credit projects?

- Amazon subordinate debt
- Evergreen Impact Housing Funds
- Subsidized construction debt

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Questions?



Successes & Challenges:

Multifamily Housing & Community Facilities

Lisa Vatske
MHCF Director



People



Programs



Policies



Partnerships



Our Team





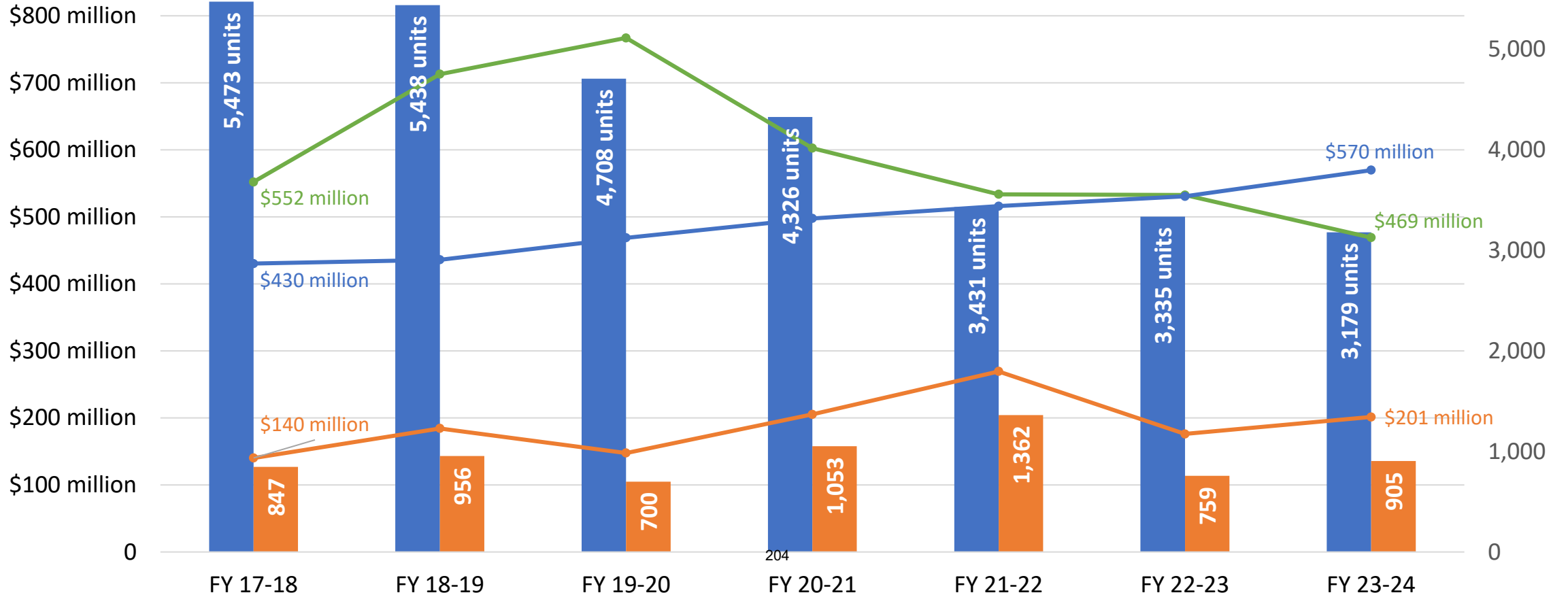
Where we are solid

- Technical program expertise
- Project evaluation
- Deal-based problem solving
- Getting deals to close

What we aspire to achieve

- Data-driven policy analysis
- Business Process improvement
- Collaborative community outreach & engagement



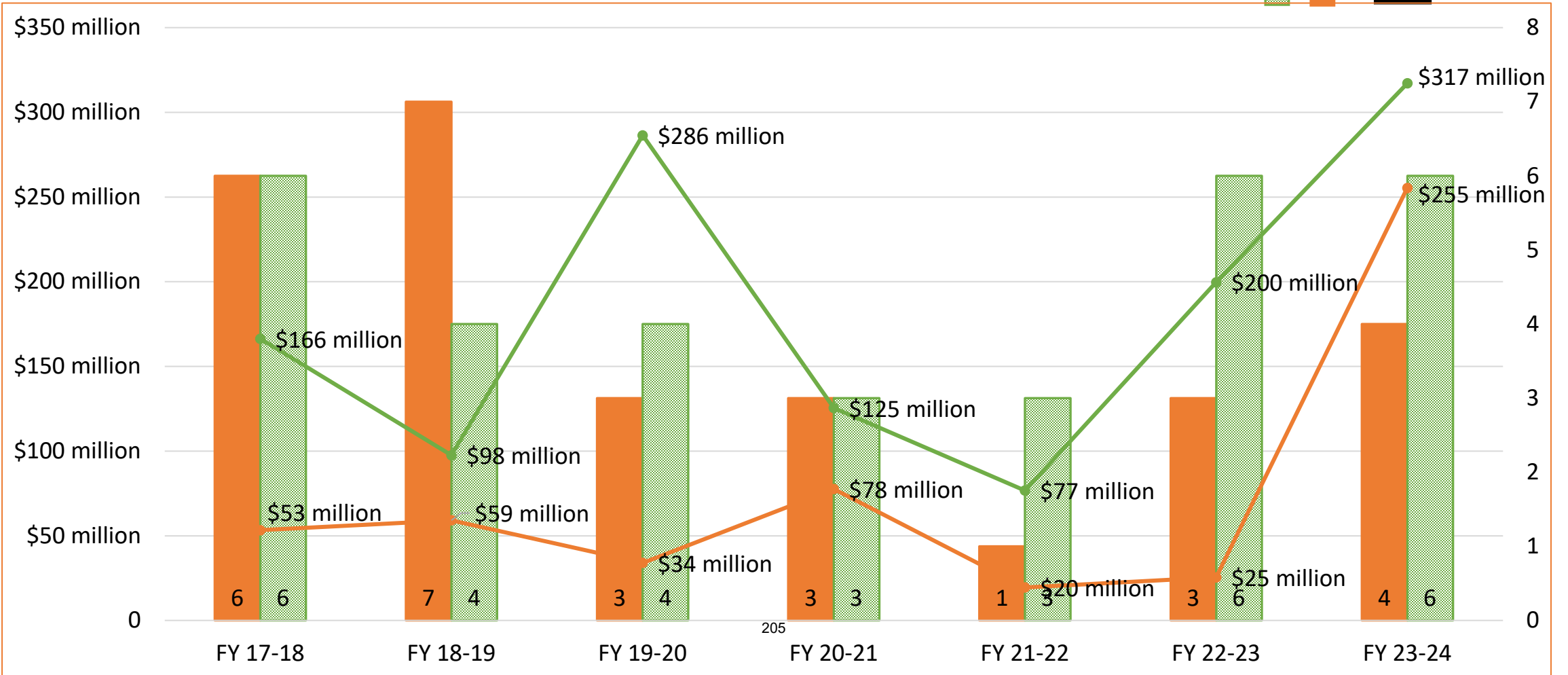




\$ Housing
Facilities

Nonprofit Bonds

Housing Facilities
Bond Financings





Land Acquisition Program (LAP)

- Currently managing 3 different funding streams, Commission, State and Microsoft
- New Sound Transit funding in the works
- Total invested: \$32.2M, 9 projects, 834 units this past year





Sustainable Energy Trust (SET)

Still lots of energy on energy

Community Land Trust Fund

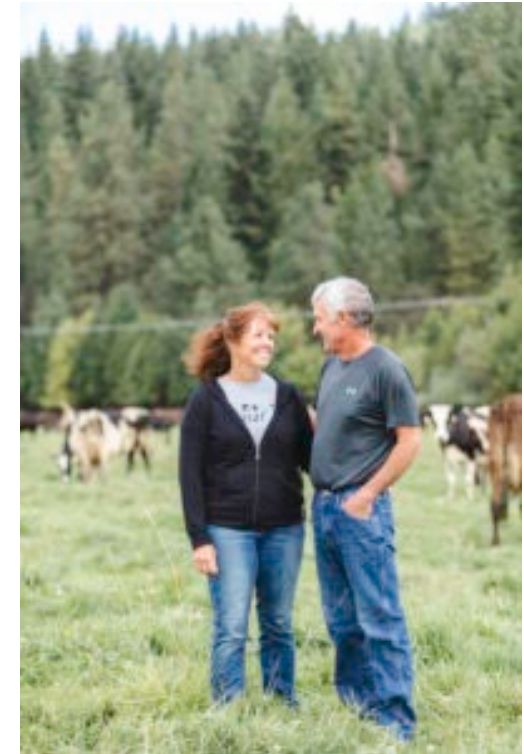
5 Applications, totaling approx. \$9M, 142 units

Manufactured Housing Communities

\$3,500,000 in loans, 2 communities; 3 requests in the pipeline; 2 communities refinanced; 1 struggling

Farm PAI

586 acres, \$6,295,000 in loans and \$3,141,930 in commitments



Lesli & Robert Schmid:
dairy farm purchased
through FarmPAI



Rent Stabilization/ETO



Preservation strategy



Community Engagement/Assessment



Bond/Tax Credit & 9% LIHTC updates



PRI strategic framework/Infrastructure





Housing Trust Fund/State Energy Office/ Federal IRA

Sound Transit and King County public funders

Microsoft/Amazon/Community Foundations

Community Based Organizations (LISC/BHI)

FarmTrust /WA State Conservation Commission

Apple Health and Home/Accountable Communities of Health





Questions?



Successes, Challenges & Opportunities: Asset Management & Compliance Division

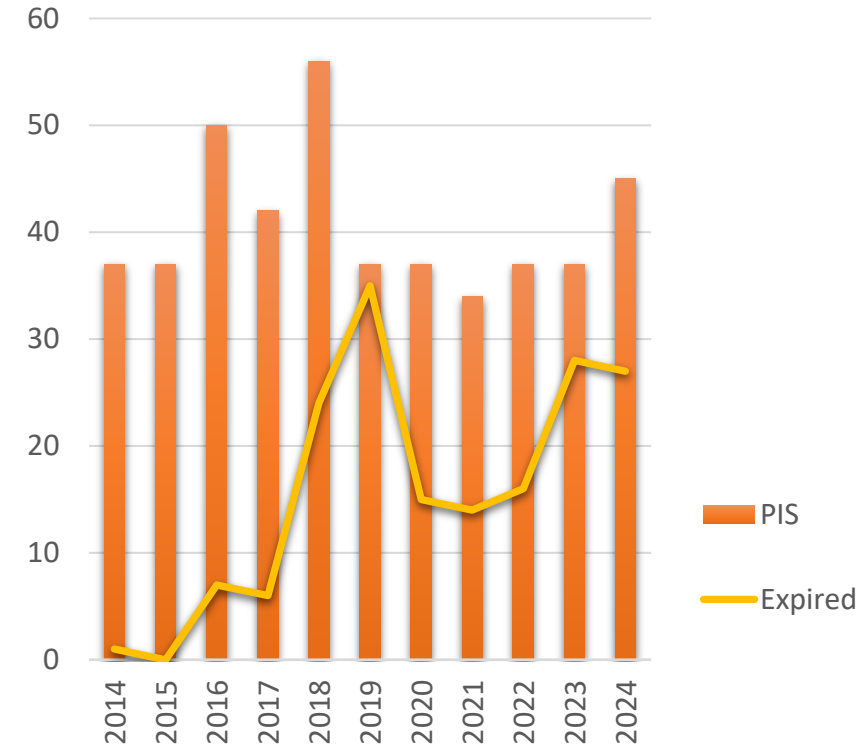
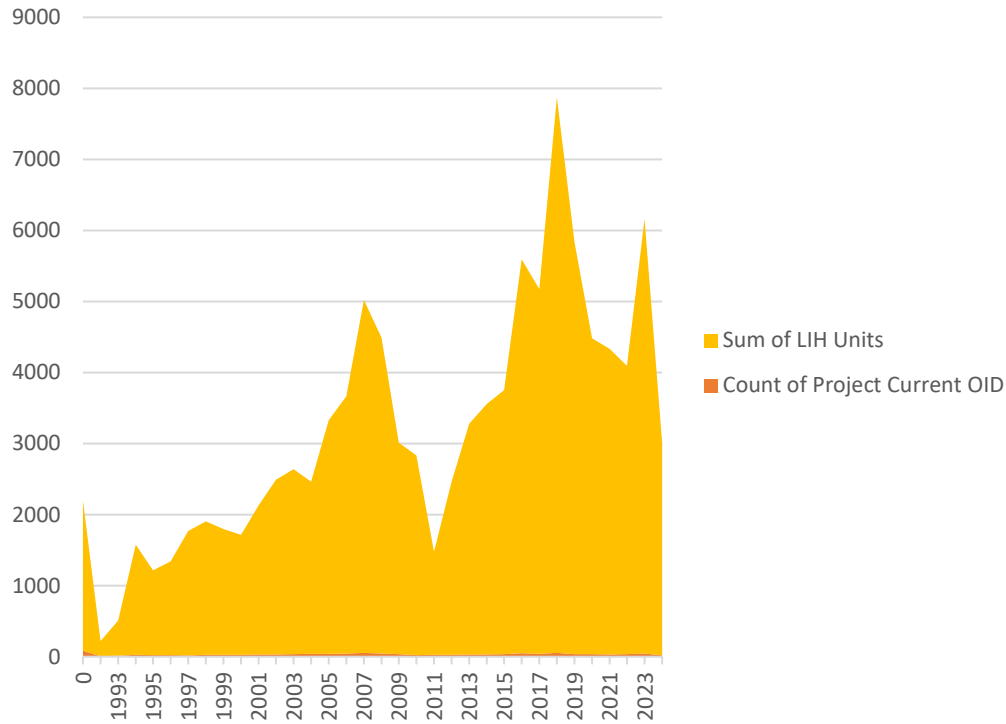


Our Team

BUDGET SESSION 2024



**Missing from
Photo:**
Sarah
TyeRae
Michelle
Patricia
Renee and Amelia



Over the past 30 years, we have expanded our monitoring operations from approximately 2,800 units in 1993 to over 106,000 units today.



Compliance Monitoring

- Monitored 106,000+ units in over 1,160 projects
- Inspected over 4,000 units in 379 properties (CY2023)

Asset Management

- Completed 30 ARRA Reviews
- Processed and approved over 50 property transfer transactions including Year 15 exits, property sales, and General Partner changes

Community Engagement and education

- 12 compliance workshops both in-person and virtual, ~500 people around the state
- Created on-demand compliance videos
- Presented in-person compliance sessions at the AHMA annual convention

Policy and Procedure

- Policy and procedure guidance on upcoming federal regulatory changes affecting inspections and other monitoring (NSPIRE and HOTMA)
- ETO policy

Business Process and Reporting

- Content Management – moved our record keeping to the cloud
- Adopted seven RESP action items into business objectives
- IRS Form 8823 reporting improvements and data analysis

Staffing Capacity Building

- Hired two new Portfolio Analysts and one Community Engagement Specialist to help manage increasing workload and bridge the capacity gap to meet our business objectives



Asset Management

- Portfolio Performance standards
- Preservation Standards



Creating Capacity

- Meet Federal and State monitoring obligations
- Reframing community engagement and outreach to meet the communities' needs in alignment with RESP
- Hire and Train staff



Business Process and Reporting

- Identify technology gaps and solutions/improvement
- Improve data gathering and analysis to inform policy, decision-making and reporting



Policy and Procedure

- Preservation policy
- Rent stabilization policy development and implementation
- ETO Policy Implementation



Evaluate and enhance data collection

Data-driven decisions and policies

Customer-centered and collaborative
Community Engagement

Build capacity to increase efficiency
and bandwidth through technology
and skill development



Questions?



Successes & Challenges: Finance Division

**Lucas Loranger,
Sr. Finance Director**



- Received clean opinion for both financial and accountability audits
- Facilitated our first single audit on the Homeowner Assistance Fund program





- Processed over 1,200 invoices to date, to over 220 different vendors
- Deposited and recorded 2500+ transactions
- Monthly financial statements provided timely each month
- Upgraded general ledger software to the cloud





- Issued the most single-family bonds in a fiscal year since before the 2008 financial crisis
- Received Aaa rating from Moody's for new bonds and indenture
- Achieved excess spread for transactions
- Issued Taxable bonds to supplement Home Advantage program and provide downpayment assistance





- Disbursed \$ 99.1 million as of 4/30/2024 since program inception
- Disbursed \$59.4 million so far in FY24
- Completed single audit and worked with Homeownership and our external partners to improve program operations





Staff turnover!



Challenging market and constrained resources



Increased complexity



Continuing our digital transformation

Questions?



Successes & Challenges: IT Division

Bob Woodard
IT Director



- Laserfiche Cloud installation
- Homebase moved to the Government cloud
- Commission Infrastructure upgrade
- AMC scanning project
- Replaced the Commissions aging PBX phone system with a VOIP system by Ring Central
- Enhanced our cybersecurity resilience by moving to a more robust data backup system, Rubrik.
- Mobile Device Management program (managed engine) installed on all mobile Commission assets.





- Multifactor Authentication and separating it from personal devices
- Transition to the Emphasys cloud and ensure all the reporting features are transferred, including the single-family and Finance modules.
- Meeting room setups for the new layout on the 27th floor
- Moving Commission files to Laserfiche cloud





Successes & Challenges: Administration Division

Bob Peterson
Deputy Director



- Hired our first DEI Director
- RESP Refresh
- Negotiated new office lease
- Completed an RFP to hire an Electronic Content Management consultant
- Held 11 successful Board meetings
- Held one new Commissioner Orientation





- Implementing our new Racial Equity Strategic Plan
- Creating a new hybrid office space/hoteling policy
- Creating a new office culture as a hybrid organization
- Recruiting new Commissioners





- Successfully filled 8 positions
 - In that process, we promoted 3 staff into new positions.
- Hired our first DEI Director!
- Continued to enhance inclusive recruiting practices to expand the Commission's reach into diverse communities.





- Keeping staff engaged, motivated and feeling connected to the Commission as we continue to telework/hybrid. Continue to encourage staff to come into the office once per week.
- We are making great progress scheduling staff for the state's new DEI training. Need to continue to monitor completions and to encourage staff to complete all four training modules.





Questions?



Fiscal Year 2025 Budget Review

July 1, 2024 – June 30, 2025

Lucas Loranger
Senior Finance Director



- Allocated FTEs
- Revenue
- Expense
- Allocations
- Net result



- Large, complex process with lots of data
- Simultaneous bottom-up and top-down process
- Significant revenue and expense items projected with high level of certainty
 - ✓ Use significant amount of existing data
 - ✓ Apply known factors



- Division staff create business objectives for programs
- Project new production for the year
 - ✓ Homeownership Home Advantage loans
 - ✓ Conduit bond issuances (multifamily, nonprofit and specialty program)
 - ✓ Compliance fees on projects placed-in-service
- Project division specific expenditures



- Review/update assumptions
- Salaries, taxes and benefits
- Per capita items
- Other fixed and known costs



- **Revenue**

- ✓ Estimate about 90% MF, Comp revenue is known
- ✓ SF majority of revenue from servicing income

- **Expense**

- ✓ 67% people and related costs
- ✓ Overall, about 80% expenses fairly certain



- More collaborative approach
- Challenged some long-standing assumptions
- Bolstered budget items around staff development
- Deep dive in to budgeted revenues

Revenue Sources

BUDGET SESSION 2024



	<u>HO</u>	<u>MHCF</u>	<u>AMC</u>	<u>Finance</u>	<u>Admin</u>	<u>Total</u>
Issuance & app fees	1,164,555	5,375,202	-	-	-	6,539,757
Comm (ongoing) fees	-	11,817,675	-	-	-	11,817,675
Citi (ongoing) revenue	-	1,487,216	-	1,487,216	-	2,974,432
Compliance fees	-	-	4,319,445	-	-	4,319,445
Servicing income	9,346,608	-	-	-	-	9,346,608
Interest	-	-	-	14,146,529	-	14,146,529
Other	709,036	-	152,000	4,000	31,200	896,236
Total	11,220,199	18,680,093	4,471,445	10,389,438	31,200	50,040,682

Revenue Comparison

BUDGET SESSION 2024



	FY 2025 Budget*	FY2024 Projected	% Change	% Change FY2023 Actual
Ongoing Fees (Comm, Comp, Servicing, Citi)	\$28.46	\$24.86	14%	28%
Issuance & App Fees	6.54	13.54	-52%	-31%
Interest	14.15	15.68	-10%	36%
Other	.90	0.19	373%	53%
Total Revenue	\$50.04	\$54.28	-8%	17%

*(000s)



Division/Entity	Fiscal Year 2024 Budget	Fiscal Year 2025 Budget
Homeownership	20.30	19.30
MHCF	18.30	19.80
Asset Mgmt Compliance	14.30	15.30
Finance	12.59	12.59
Administration	14.86	15.36
IT Services	3.88	5.88
WSHFC	84.23	88.23
WHEFA	2.34	2.34
TSA	0.43	0.43
Total	87.00	91.00



	FY 2025 Budget*	FY 2024 Projected	% Change	% Change FY 2023 Actual
People & travel	15.49	11.93	30%	46%
Professional fees	1.52	1.35	13%	21%
Office expense	5.57	3.73	49%	62%
Total Expense	\$22.58	\$17.01	33%	48%

*(000s)



- 4 new FTEs to support current & future initiatives
- Scheduled pay increases for staff
- Office space considerations
- IT initiatives
- Racial Equity Strategic Plan initiatives
- Increased investment in staff development

Net Revenue Comparison



	FY 2025 Budget	FY 2024 Projected	% Change	% Change FY 2023 Actual
Net revenue (000s)	\$27.46	\$37.27	-26%	-2%



memorandum

To: Commissioners

From: Lucas Loranger & Shirleen Noonan

CC: Executive Management Team

Date: May 15, 2024

Re: Budget proposal for the fiscal year July 1, 2024 – June 30, 2025

BACKGROUND

Each year, management of the Washington State Housing Finance Commission presents a draft budget for the upcoming fiscal year during the Commission's May Planning Session. The proposed budget outlines the various program's purpose, business objectives, and supplemental information to support their proposal. The Commissioners have traditionally provided feedback to staff at the Planning Session and then approved the budget, with any revisions, at its June meeting.

The draft budget packet for the upcoming fiscal year July 1, 2024 through June 30, 2025 (FY25) is attached. The document outlines the various program's purpose, business objectives, projected income and expense, as well as supplemental information supporting each program. We will seek your feedback on the FY25 budget during the Planning Session.

Here are some highlights of program production, revenue, and expense projections for FY25:

- Production in the Home Advantage, taxable single-family mortgage program, has improved in the current fiscal year despite challenging market conditions. Last fiscal year, we budgeted loan production at 2,500 loans and are on pace to exceed that target with approximately 2,600 new loans. For FY25, we expect to continue this momentum as our increased DPA subsidy continues to make an impact. For FY25, we have budgeted

Home Advantage loan production at 4,000 new loans, which represents a 53.8% higher volume than actual projected FY24 results and 60% higher volume than budgeted in FY24. Revenue is budgeted to reflect the margin currently received on loans pooled, as well as the impact of our servicing revenue model on a growing portfolio of loans serviced by Idaho where we receive less up front but are paid a portion of the servicing revenue over time. The program is budgeted to provide \$10.5 million of the budgeted revenue for FY25, an increase of 41.2% of projected revenues.

- With interest rates high and expected to remain high for much of the coming fiscal year, the Commission expects interest earnings on funds held in reserve to continue to be a significant component of agency revenues. Interest revenue for FY25 is budgeted to be \$14.1 million, a 9.7% decrease from FY24 projected revenues, but representing 28.2% of budgeted revenues for FY25.
- For the next year, the Commission expects financings by the Multifamily Housing and Community Facilities Division totaling \$474.6 million. Estimated fees directly related to the Multifamily Housing and Community Facilities Division represent \$14.1 million of the budgeted revenue for FY25. This includes issuance fees of 25 basis points (bps) of the bond amount earned at closing, the annual fees currently ranging from 10 to 25 bps of the outstanding bond amount, and tax credit application and reservation fees.
- Revenues (excluding pass through grants) for FY25 are budgeted 27.5% more than the prior year's budget. The increase is primarily due to a deep dive into agency revenues and challenging several long-standing assumptions in an attempt to be as accurate as possible. Further increases are attributable to the growth of our servicing portfolio with Idaho Housing, increased levels of bonds outstanding, and growth in the Home Advantage program.
- Expenses (excluding pass through grants) for FY25 are budgeted 9.4% greater than the prior year's budget. The increase is primarily due to the addition of 4.0 FTEs, coupled with scheduled pay and cost of living increases effective July 1, 2024. In addition, we are budgeting for increased software and IT services as we continue to modernize and adapt to a technologically driven world.
- The increase in revenue, coupled with the increase in expenses results in a budgeted \$27.5 million net income, a 48% increase from FY24 budgeted net income.

PROPOSED ACTION

Consider and provide feedback to staff on the proposed fiscal year 2024 - 2025 budget.

WASHINGTON STATE HOUSING FINANCE COMMISSION
Budget for Fiscal Year Ending June 30, 2025

	HOMEOWNERSHIP			MULTIFAMILY HSG & COMMUNITY FACILITIES*				ASSET MANAGEMENT AND COMPLIANCE	FINANCE			EXECUTIVE OFFICE				TOTAL BUDGET
	Home-ownership	Homebuyer Education	TOTAL	Multifamily Housing	Nonprofit Housing	Nonprofit Facilities	TOTAL		Bond Portfolio Management	General Operations	TOTAL	Admin	IT Services	Comm.	TOTAL	
REVENUE																
Fee Revenue	10,511,163	-	10,511,163	9,790,165	733,694	243,403	10,767,262	7,910,117	5,809,375	-	5,809,375	-	-	-	-	34,997,917
Interest Revenue	-	-	-	-	-	-	-	-	-	14,146,529	14,146,529	-	-	-	-	14,146,529
Misc. Revenue	-	709,036	709,036	-	-	-	-	152,000	-	4,000	4,000	31,200	-	-	31,200	896,236
Pass through Grants	-	60,952,641	60,952,641	-	-	-	-	-	-	-	-	-	-	-	-	60,952,641
TOTAL REVENUE	10,511,163	61,661,677	72,172,840	9,790,165	733,694	243,403	10,767,262	8,062,117	5,809,375	14,150,529	19,959,904	31,200	-	-	31,200	110,993,323
EXPENSES																
Salaries & Wages	3,027,457	484,745	3,512,202	3,072,168	118,863	144,890	3,335,921	2,673,767	757,445	1,212,150	1,969,595	2,513,963	1,055,991	21,476	3,591,430	15,082,915
Travel	59,663	10,421	70,084	61,267	2,384	2,820	66,471	61,718	14,082	25,522	39,604	62,001	35,523	70,290	167,814	405,691
Professional Fees	358,000	50,000	408,000	210,000	5,000	5,000	220,000	250,000	207,280	254,000	461,280	185,000	-	-	185,000	1,524,280
Office Exp. & Other	570,092	198,565	768,657	623,019	25,914	41,203	690,136	1,215,452	151,039	162,098	313,137	1,605,333	947,069	25,850	2,578,252	5,565,634
Pass through Grants	-	60,952,641	60,952,641	-	-	-	-	-	-	-	-	-	-	-	-	60,952,641
TOTAL EXPENSES	4,015,212	61,696,372	65,711,584	3,966,454	152,161	193,913	4,312,528	4,200,937	1,129,846	1,653,770	2,783,616	4,366,297	2,038,583	117,616	6,522,496	83,531,161
EXCESS OF REVENUES OVER EXPENSES	6,495,951	(34,695)	6,461,256	5,823,711	581,533	49,490	6,454,734	3,861,180	4,679,529	12,496,759	17,176,288	(4,335,097)	(2,038,583)	(117,616)	(6,491,296)	27,462,162
Overhead Allocations	1,674,266	310,122	1,984,388	1,653,935	63,448	80,858	1,798,241	1,751,710	471,124	(12,496,759)	(12,025,635)	4,335,097	2,038,583	117,616	6,491,296	-
Program Allocations	309,039	51,507	360,546	3,605,457	721,091	463,559	4,790,107	-	(5,150,653)	-	(5,150,653)	-	-	-	-	-
NET INCOME	8,479,256	326,934	8,806,190	11,083,103	1,366,072	593,907	13,043,082	5,612,890	-	-	-	-	-	-	-	27,462,162

CAPITAL EXPENDITURES **70,000**

FYE 2024 Budgeted Revenue & Expenses for Comparative Purposes

REVENUE																
Fee Revenue	7,448,851	-	7,448,851	6,646,628	825,247	242,170	7,714,045	7,860,501	4,397,840	-	4,397,840	-	-	-	-	27,421,237
Interest Revenue	-	-	-	-	-	-	-	-	-	10,639,801	10,639,801	-	-	-	-	10,639,801
Misc. Revenue	-	978,000	978,000	-	-	-	-	160,000	-	4,000	4,000	31,200	-	-	31,200	1,173,200
Pass through Grants	500,000	138,173,719	138,673,719	150,000	-	-	150,000	-	-	-	-	-	-	-	-	138,823,719
TOTAL REVENUE	7,948,851	139,151,719	147,100,570	6,796,628	825,247	242,170	7,864,045	8,020,501	4,397,840	10,643,801	15,041,641	31,200	-	-	31,200	178,057,957
EXPENSES																
Salaries & Wages	2,943,145	462,631	3,405,776	2,676,644	113,230	137,904	2,927,778	2,303,238	727,916	1,138,429	1,866,345	2,379,278	705,761	21,475	3,106,514	13,609,651
Travel	49,124	8,088	57,212	47,555	3,410	5,259	56,224	38,043	23,646	17,990	41,636	54,053	18,407	63,110	135,570	328,685
Professional Fees	371,600	30,000	401,600	175,000	5,000	5,000	185,000	250,000	233,160	266,000	499,160	90,000	-	-	90,000	1,425,760
Office Exp. & Other	616,523	128,293	744,816	518,768	22,098	22,835	563,701	1,302,824	153,869	150,743	304,612	1,478,788	862,351	25,850	2,366,989	5,282,942
Pass through Grants	500,000	138,173,719	138,673,719	150,000	-	-	150,000	-	-	-	-	-	-	-	-	138,823,719
TOTAL EXPENSES	4,480,392	138,802,731	143,283,123	3,567,967	143,738	170,998	3,882,703	3,894,105	1,138,591	1,573,162	2,711,753	4,002,119	1,586,519	110,435	5,699,073	159,470,757
EXCESS OF REVENUES OVER EXPENSES	3,468,459	348,988	3,817,447	3,228,661	681,509	71,172	3,981,342	4,126,396	3,259,249	9,070,639	12,329,888	(3,970,919)	(1,586,519)	(110,435)	(5,667,873)	18,587,200
Overhead Allocations	1,012,676	160,031	1,172,707	869,586	36,569	43,505	949,660	990,723	289,676	(9,070,639)	(8,780,963)	3,970,919	1,586,519	110,435	5,667,873	-
Program Allocations	212,936	35,489	248,425	2,413,269	567,828	319,403	3,300,500	-	(3,548,925)	-	(3,548,925)	-	-	-	-	-
NET INCOME	4,694,071	544,508	5,238,579	6,511,516	1,285,906	434,080	8,231,502	5,117,119	-	-	-	-	-	-	-	18,587,200

CAPITAL EXPENDITURES **-**

* Programs Beginning Farmer (BFL), Sustainable Energy (SEP), and Tax Credits (TCR) are included in Multifamily Housing (MFH).

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WSHFC		FYE 2025 -- BUDGET Roll-up by Division											
M	HOMEOWNERSHIP				MULTIFAMILY HOUSING & COMMUNITY FACILITIES				ASSET MANAGEMENT & COMPLIANCE				
	Budget FYE 2025	Budget FYE 2024	Projected Act FYE 2024	Actual FYE 2023	Budget FYE 2025	Budget FYE 2024	Projected Act FYE 2024	Actual FYE 2023	Budget FYE 2025	Budget FYE 2024	Projected Act FYE 2024	Actual FYE 2023	
Revenues:													
Commission Fees	-	-	-	-	3,904,845	3,977,983	3,964,147	3,878,873	3,590,672	3,613,991	3,799,172	3,595,280	
Compliance Fees	-	-	-	-	-	-	-	-	4,319,445	4,246,510	3,875,038	3,760,967	
All other Program Fees	9,346,608	7,569,999	6,082,233	5,249,644	1,487,216	-	1,274,551	996,608	-	-	250,680	150,960	
Issuance & Application Fees	1,164,555	(121,148)	4,070,796	972,797	5,375,202	3,736,062	9,472,513	8,441,498	-	-	-	-	
Interest Revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income	709,036	978,000	59,615	417,475	-	-	-	-	152,000	160,000	94,851	130,620	
Grant Revenue	60,952,641	138,673,719	72,245,011	39,332,711	-	150,000	71,657	73,843	-	-	-	-	
Total Unadjusted Revenues	72,172,840	147,100,570	82,457,656	45,972,627	10,767,262	7,864,045	14,782,867	13,390,822	8,062,117	8,020,501	8,019,741	7,637,827	
Expenses:													
EMPLOYEE EXPENSES													
Salaries, Wages & Temp. staffing	2,735,370	2,658,789	2,157,911	1,987,103	2,583,134	2,273,584	2,049,345	1,711,685	2,080,665	1,791,854	1,718,881	1,461,396	
Employee Benefits	733,582	729,687	619,386	604,940	716,087	636,394	592,101	545,876	565,052	499,484	480,353	448,463	
Conference, Education & Training	43,250	17,300	23,023	10,663	36,700	17,800	15,778	21,380	28,050	11,900	25,542	24,327	
TRAVEL EXPENSES													
Travel out of state	48,750	48,750	17,771	19,339	42,500	40,000	10,654	13,147	36,250	31,250	21,176	19,447	
Travel in state	21,334	8,462	5,684	6,555	23,971	16,224	10,523	10,442	25,468	6,793	18,258	5,851	
PROFESSIONAL FEES													
Accounting Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Legal Fees	200,000	180,000	133,173	123,825	165,000	150,000	178,517	119,345	250,000	250,000	236,395	223,671	
Financial Advisor Fees	208,000	221,600	206,916	211,600	55,000	35,000	-	-	-	-	-	-	
Investment Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	
OFFICE EXPENSE													
Office Rent/Conf. Room Rentals	133,822	124,032	74,232	95,739	137,291	141,105	90,949	117,833	116,089	170,408	111,463	132,562	
Furniture & Equipment Rental	-	-	-	-	-	-	-	-	7,800	7,800	6,857	7,714	
Advertising	131,000	176,000	12,192	3,965	36,500	17,000	13,733	5,250	7,000	1,000	840	1,442	
Publications/ Subscriptions/ Dues	11,900	7,250	1,479	1,864	37,000	31,000	19,082	21,356	8,000	8,000	6,407	5,992	
Deliveries	500	1,000	90	538	950	500	889	513	-	100	277	184	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	
Meeting Expense	5,000	4,000	772	1,221	10,500	14,000	1,272	1,204	3,500	1,500	1,545	508	
Equipment & Building Maintenance	-	-	-	-	-	-	-	-	-	2,000	-	-	
Software Maint. Support & Other Info	260,482	236,231	191,873	177,933	146,615	117,100	86,511	97,004	202,918	256,791	272,413	212,400	
Non-capitalized Equipment/Supplies	2,896	3,046	748	-	2,971	2,746	147	495	2,295	2,145	10,037	941	
Postage	600	700	44	219	150	250	141	229	250	500	48	163	
Printing	1,000	100	44	66	150	250	132	265	5,000	500	6,851	33	
State Services	-	-	-	-	-	-	-	-	-	-	-	100	
Supplies	2,500	2,500	1,103	3,083	1,500	1,500	600	1,229	5,000	4,000	1,466	1,430	
Telephone	5,000	10,000	2,788	6,281	-	-	5,165	7,459	6,600	3,600	3,955	6,527	
Advisory Group Travel	-	-	-	-	-	-	-	-	-	-	-	-	
Other Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	
Contract Services	183,000	149,000	124,444	13,752	249,000	140,000	111,911	2,683	851,000	844,480	389,787	404,737	
Depreciation	30,957	30,957	17,198	-	67,509	98,250	99,000	94,982	-	-	-	-	
Other Misc. Expenses	-	-	-	-	-	-	-	-	-	-	-	-	
Grant Pass-Through	60,952,641	138,673,719	72,245,011	39,332,711	-	150,000	71,657	73,843	-	-	-	-	
Total Expenses	65,711,584	143,283,123	75,835,881	42,601,398	4,312,528	3,882,703	3,358,105	2,846,220	4,200,937	3,894,105	3,312,552	2,957,886	
Revenue over expense, prior to allocations	6,461,256	3,817,447	6,621,774	3,371,229	6,454,734	3,981,342	11,424,762	10,544,601	3,861,180	4,126,396	4,707,189	4,679,940	
% of Total Expenses	21.1%	22.3%	21.1%	22.5%	19.1%	18.1%	19.3%	19.1%	18.6%	18.9%	19.5%	20.4%	
NET INCOME	6,461,256	3,817,447	6,621,774	3,371,229	6,454,734	3,981,342	11,424,762	10,544,601	3,861,180	4,126,396	4,707,189	4,679,940	
OVERHEAD ALLOCATION	1,984,388	1,172,707	3,896,465	(786,823)	1,798,241	949,660	3,156,391	(720,119)	1,751,710	990,723	2,815,160	(725,839)	
PROGRAM ALLOCATION													
BOND PORTFOLIO MANAGEMENT	360,546	248,425	371,826	825,671	4,790,107	3,300,500	4,276,001	10,969,635	-	-	-	-	
BOND COMPLIANCE	-	-	-	-	-	-	-	-	-	-	-	-	
TAX CREDIT COMPLIANCE	-	-	-	-	-	-	-	-	-	-	-	-	
NET INCOME	8,806,190	5,238,579	10,890,065	3,410,078	13,043,082	8,231,502	18,857,154	20,794,117	5,612,890	5,117,119	7,522,349	3,954,102	
OVERHEAD ALLOCATION PERCENTAGE	33%	35%	35%	32%	30%	28%	28%	30%	29%	25%	25%	30%	
PROGRAM ALLOCATION PERCENTAGE													
BOND PORTFOLIO MANAGEMENT (Based on	7%	8%	8%	7%	93%	92%	92%	93%	0%	0%	0%	0%	

WSHFC												
M	FINANCE				EXECUTIVE OFFICE				FYE 2025	FYE 2024	@ 03/31/24	
	Budget FYE 2025	Budget FYE 2024	Projected Act FYE 2024	Actual FYE 2023	Budget FYE 2025	Budget FYE 2024	Projected Act FYE 2024	Actual FYE 2023	TOTAL BUDGET	TOTAL Budget	Proj Act	Actual FYE 2023
Revenues:												
Commission Fees	4,322,159	4,397,840	4,345,952	4,269,773	-	-	-	-	11,817,675	11,989,814	12,109,270	11,743,926
Compliance Fees	-	-	-	-	-	-	-	-	4,319,445	4,246,510	3,875,038	3,760,967
All other Program Fees	1,487,216	-	1,272,709	353,236	-	-	-	-	12,321,039	7,569,999	8,880,173	6,750,448
Issuance & Application Fees	-	-	-	-	-	-	-	-	6,539,757	3,614,914	13,543,309	9,414,294
Interest Revenue	14,146,529	10,639,801	15,678,490	10,398,272	-	-	-	-	14,146,529	10,639,901	15,678,490	10,398,272
Other Income	4,000	4,000	3,836	4,980	31,200	31,200	31,200	31,200	896,236	1,173,200	189,502	584,275
Grant Revenue	-	-	-	-	-	-	-	-	60,952,641	138,823,719	72,316,669	39,406,555
Total Unadjusted Revenues	19,959,904	15,041,641	21,300,986	15,026,262	31,200	31,200	31,200	31,200	110,993,323	178,057,957	126,592,450	82,058,737
Expenses:												
EMPLOYEE EXPENSES												
Salaries, Wages & Temp. staffing	1,509,894	1,437,726	1,205,366	1,068,322	2,714,916	2,347,324	1,945,741	1,638,092	11,623,979	10,509,277	9,077,244	7,866,598
Employee Benefits	436,251	418,469	370,029	341,485	778,064	698,640	527,386	(74,814)	3,229,036	2,982,674	2,589,256	1,865,950
Conference, Education & Training	23,450	10,150	7,011	7,040	98,450	60,550	35,992	25,469	229,900	117,700	107,345	88,879
TRAVEL EXPENSES												
Travel out of state	22,500	34,750	18,758	28,251	101,750	88,650	50,415	51,937	251,750	243,400	118,774	132,121
Travel in state	17,104	6,886	1,373	2,598	66,064	46,920	5,865	16,688	153,941	85,285	41,703	42,133
PROFESSIONAL FEES												
Accounting Fees	142,080	137,960	90,960	157,438	-	-	-	-	142,080	137,960	90,960	157,438
Legal Fees	1,000	31,000	10,103	-	185,000	90,000	204,016	130,188	801,000	701,000	762,205	597,029
Financial Advisor Fees	100,200	100,200	111,733	98,400	-	-	-	-	363,200	356,800	318,649	310,000
Investment Management Fees	218,000	230,000	174,747	175,695	-	-	-	-	218,000	230,000	174,747	175,695
OFFICE EXPENSE												
Office Rent/Conf. Room Rentals	88,338	107,439	62,695	81,010	151,679	399,700	240,718	306,835	627,219	942,684	580,058	733,980
Furniture & Equipment Rental	-	-	-	-	19,276	21,720	15,554	18,836	27,076	29,520	22,411	26,549
Advertising	1,900	1,900	-	-	143,735	132,000	59,269	46,719	320,135	327,900	86,034	57,376
Publications/ Subscriptions/ Dues	2,368	2,368	3,556	675	72,792	63,751	69,927	63,760	132,060	112,369	100,450	93,647
Deliveries	100	100	26	182	3,570	3,570	496	498	5,120	5,270	1,778	1,914
Insurance	-	-	-	-	66,150	60,000	63,344	58,064	66,150	60,000	63,344	58,064
Meeting Expense	751	750	-	-	142,000	92,000	37,832	46,881	161,751	112,249	41,421	49,815
Equipment & Building Maintenance	-	-	-	-	107,020	109,520	41,296	9,312	107,020	111,520	41,296	9,312
Software Maint. Support & Other Info	190,668	171,246	167,138	131,243	1,041,053	827,781	775,875	577,172	1,841,736	1,609,149	1,493,809	1,195,752
Non-capitalized Equipment/Supplies	1,912	1,889	589	-	233,680	112,811	60,945	133,230	243,754	122,637	72,467	134,667
Postage	430	500	256	475	3,750	1,680	391	340	5,180	3,630	879	1,428
Printing	320	320	-	33	7,500	14,420	873	1,190	13,970	15,590	7,900	1,587
State Services	-	-	-	-	6,970	16,870	3,252	1,893	6,970	16,870	3,252	1,893
Supplies	1,350	7,350	829	1,023	37,750	37,750	22,743	23,126	48,100	53,100	26,741	29,890
Telephone	-	750	485	637	45,796	56,140	61,071	36,119	57,396	70,490	73,463	57,023
Advisory Group Travel	-	-	-	-	-	-	-	-	-	-	-	-
Other Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Contract Services	10,000	10,000	7,277	-	412,316	382,816	323,392	263,484	1,705,316	1,526,296	956,811	684,656
Depreciation	15,000	-	-	-	83,215	34,460	37,017	25,409	196,681	163,667	153,215	120,391
Other Misc. Expenses	-	-	-	-	-	-	-	-	-	-	-	2,322
Grant Pass-Through	-	-	-	-	-	-	-	-	60,952,641	138,823,719	72,316,669	39,406,555
Total Expenses	2,783,616	2,711,753	2,232,931	2,094,508	6,522,496	5,699,073	4,583,412	3,400,428	83,531,161	159,470,757	89,322,882	53,902,763
Revenue over expense, prior to allocations	17,176,288	12,329,888	19,068,055	12,931,753	(6,491,296)	(5,667,873)	(4,552,212)	(3,369,228)	27,462,162	18,587,200	37,269,568	28,155,974
% of Total Expenses	12.3%	13.1%	13.1%	14.4%	28.9%	27.6%	27.0%	23.5%	100%	100%	100%	100%
NET INCOME	17,176,288	12,329,888	19,068,055	12,931,753	(6,491,296)	(5,667,873)	(4,552,212)	(3,369,228)	27,462,162	18,587,200	37,269,568	28,155,974
OVERHEAD ALLOCATION	(12,025,635)	(8,780,963)	(14,420,228)	(1,136,447)	6,491,296	5,667,873	4,552,212	3,369,228	-	-	-	-
PROGRAM ALLOCATION	(5,150,653)	(3,548,925)	(4,647,827)	(11,795,306)	-	-	-	-	-	-	-	-
BOND PORTFOLIO MANAGEMENT												
BOND COMPLIANCE												
TAX CREDIT COMPLIANCE												
NET INCOME	-	-	-	-	-	-	-	-	27,462,162	18,587,200	37,269,568	28,155,974
OVERHEAD ALLOCATION PERCENTAGE	8%	11%	11%	8%	-	-	-	-	100%	100%	100%	100%
PROGRAM ALLOCATION PERCENTAGE	-	-	-	-	-	-	-	-	-	-	-	-
BOND PORTFOLIO MANAGEMENT (Based on	0%	0%	0%	0%	-	-	-	-	100%	100%	100%	100%

Washington State Housing Finance Commission
Projected Statement of Operations
FYE 24 Projected Actual & Budget versus FYE 25 Budget

	FYE 2025 Bdgt vs. FYE 2024 Bdgt Change	FYE 2025 Bdgt vs. FYE 2024 Bdgt Variance	FYE 2024 Budget	FYE 2025 Budget	@ 03/31/24 FYE 2024 Projected Actual	FYE 2025 Bdgt vs. FYE 2024 Proj Variance	FYE 2025 Bdgt vs. FYE 2024 Prj Change	FYE 2025 Budget %
Revenues:								
Program Fees	20%	4,651,836	23,806,323	28,458,160	24,864,481	3,593,679	14%	56.9%
Issuance & Application Fees	81%	2,924,843	3,614,914	6,539,757	13,543,309	(7,003,552)	-52%	13.1%
Interest Revenue	33%	3,506,728	10,639,801	14,146,529	15,678,490	(1,531,960)	-10%	28.3%
Other Income	-24%	(276,964)	1,173,200	896,236	189,502	706,734	373%	1.8%
Total Unadjusted Revenues without Grants	28%	10,806,444	39,234,238	50,040,682	54,275,782	(4,235,099)	-8%	100%
Expenses:								
EMPLOYEE EXPENSES								
Salaries, Wages & Temp. staffing	11%	1,114,702	10,509,277	11,623,979	9,077,244	2,546,735	28%	51.5%
Employee Benefits	8%	246,362	2,982,674	3,229,036	2,589,256	639,780	25%	14.3%
Conference, Education & Training	95%	112,200	117,700	229,900	107,345	122,555	114%	1.0%
TRAVEL EXPENSES								
Travel out of state	3%	8,350	243,400	251,750	118,774	132,976	112%	1.1%
Travel in state	81%	68,656	85,285	153,941	41,703	112,238	269%	0.7%
PROFESSIONAL FEES								
Accounting Fees	3%	4,120	137,960	142,080	90,960	51,120	56%	0.6%
Legal Fees	14%	100,000	701,000	801,000	762,205	38,795	5%	3.5%
Financial Advisor Fees	2%	6,400	356,800	363,200	318,649	44,551	14%	1.6%
Investment Management Fees	-5%	(12,000)	230,000	218,000	174,747	43,253	25%	1.0%
OFFICE EXPENSE								
Office Rent/Conf. Room Rentals	-33%	(315,465)	942,684	627,219	580,058	47,161	8%	2.8%
Furniture & Equipment Rental	-8%	(2,444)	29,520	27,076	22,411	4,665	21%	0.1%
Advertising	-2%	(7,765)	327,900	320,135	86,034	234,101	272%	1.4%
Publications/ Subscriptions/ Dues	18%	19,691	112,369	132,060	100,450	31,610	31%	0.6%
Deliveries	-3%	(150)	5,270	5,120	1,778	3,342	188%	0.0%
Insurance	10%	6,150	60,000	66,150	63,344	2,806	4%	0.3%
Meeting Expense	44%	49,502	112,249	161,751	41,421	120,330	291%	0.7%
Equipment & Building Maintenance	-4%	(4,500)	111,520	107,020	41,296	65,724	159%	0.5%
Software Maint. Support & Info Svcs	14%	232,587	1,609,149	1,841,736	1,493,809	347,927	23%	8.2%
Non-capitalized Equipment/Supplies	99%	121,117	122,637	243,754	72,467	171,287	236%	1.1%
Postage	43%	1,550	3,630	5,180	879	4,301	489%	0.0%
Printing	-10%	(1,620)	15,590	13,970	7,900	6,070	77%	0.1%
State Services	-59%	(9,900)	16,870	6,970	3,252	3,718	114%	0.0%
Supplies	-9%	(5,000)	53,100	48,100	26,741	21,359	80%	0.2%
Telephone	-19%	(13,094)	70,490	57,396	73,463	(16,067)	-22%	0.3%
Contract Services	12%	179,020	1,526,296	1,705,316	956,811	748,505	78%	7.6%
Depreciation	20%	33,014	163,667	196,681	153,215	43,466	28%	0.9%
Total Expenses	9%	1,931,482	20,647,038	22,578,520	17,006,213	5,572,307	33%	100%
Grant Pass-Through Revenue	-56%	(77,871,078)	138,823,719	60,952,641	72,316,669	(11,364,028)	-16%	
Grant Pass-Through Expense	-56%	77,871,078	(138,823,719)	(60,952,641)	(72,316,669)	11,364,028	-16%	
Total Grants Net		-	-	-	-	-		
REVENUES OVER EXPENSES:	48%	8,874,962	18,587,200	27,462,162	37,269,568	(9,807,406)	-26%	
EXCESS OF REVENUE OF EXPENSES	48%	8,874,962	18,587,200	27,462,162	37,269,568	(9,807,406)	-26%	

STAFFING SUMMARY

Division/Entity	Fiscal Year	FY 25 FTE Addition/(Reduction)			Fiscal Year
	2024 Budget	Manager	Analyst	Admin Assistant	2025 Budget
Homeownership	20.30			(1.00)	19.30
MHCF	18.30	0.50	1.00		19.80
Asset Mgmt	14.30		1.00		15.30
Finance	12.59				12.59
Administration	14.86		0.50		15.36
IT	3.88	1.00	1.00		5.88
WSHFC	84.23	1.50	3.50	(1.00)	88.23
WHEFA	2.34				2.34
TSA	0.43				0.43
Total	87.00	1.50	3.50	(1.00)	91.00

**WASHINGTON STATE HOUSING FINANCE COMMISSION
CAPITAL BUDGET SUMMARY
For The Budget Year Ending: June 30, 2025**

CATEGORY	Program Description	TOTAL
OTHER OFFICE EQUIPMENT		
ITS	Board Room Video and Audio System	25,000
<i>TOTAL OTHER OFFICE EQUIPMENT</i>		25,000
SOFTWARE		
GOP	Servicing Software	45,000
<i>TOTAL SOFTWARE</i>		45,000
GRAND TOTAL		\$ 70,000

Allowance for Annual Depreciation:	Life	Basis	In Service	Depreciation
ADM - Furniture & Fixtures for New Office June 2024	7	340,000	July 2024	48,571
ITS - Board Room Video and Audio System	3	25,000	July 2024	8,333
GOP - Servicing Software	3	45,000	July 2024	15,000
New Depreciation				71,905
Depreciation of Existing Capital Assets				
MFH - On-line Application & Community Build	3			67,509
ITS - Big IP, Rubrik	3			26,311
HBE - Homebuyer Portal	3			30,957
Total Depreciation				\$ 196,682

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024-2025**

Program: Homeownership Programs

Division: Homeownership

Commission Goals:

To provide effective, low-cost financing for low to moderate income homebuyers.

Problem/Need:

Low and moderate-income households—especially underserved communities and communities of color—cannot afford a home at market rates and can be subject to predatory loans. Due to historical discrimination in the housing and housing finance markets, many members of underserved communities have not been able to benefit from the generational wealth created with homeownership; therefore, for this and other reasons, they are unable to access funding for downpayments and closing costs. These communities have also been historically denied access to credit due to historically biased lending practices and inflexible investor guidelines.

Program Goal:

To address historical inequities in homeownership for low and moderate-income homebuyers, the Homeownership Division seeks to provide safe and affordable financing options that include downpayment assistance at favorable rates and terms. The Homeownership Division also seeks to broaden the credit box through flexible underwriting guidelines for potential homebuyers as well as challenging traditional financing requirements that may be biased against underserved borrowers and communities of color.

Business Objectives (Outputs/Outcomes):

1. Consider the impacts resulting from historic and systemic racism on Commission programs and processes, including the homeownership programs, change programs, develop new tools to mitigate the impact of such racism and set baseline to measure impact in alignment with the agency racial equity strategic plan by June 30, 2025.
2. By June 30, 2025, continue to work on marketing and outreach to reach underserved communities and communities of color groups in our homeownership programs to include outreach to renters in our multifamily properties.

3. Purchase 5,000 Home Advantage loans and 300 House Key loans by June 30, 2025.
4. Conduct 10 lender Home Advantage training seminars; 10 real estate professional/lender presentations; 20 outreach activities with non-profits, lenders, real estate professionals and/or government entities, 5 partnerships, sponsorships, and/or attendance of BIPOC community-based partner events, and 4 HomeChoice down payment assistance training seminars by June 30, 2025.
5. Conduct an RFP to hire for Loan Servicer(s) or extend current contract(s) by 12/31/2024.
6. Conduct an RFP to hire for Single Family Investment Bankers by 12/31/2024.
7. Continue to work with Seller Servicer Consultant on a Work Plan and timeline for application if applicable for certification of the Commission as a Ginnie Mae, Fannie Mae or Freddie Mac seller/servicer by June 30, 2025.
8. Continue implementation of one or more special purpose credit programs, evaluate program, and implement changes if needed by June 30, 2025.
9. Work with the Department of Financial Institutions as part of oversight committee for the covenant homeownership program by June 30, 2025.

Performance Measures:

1. 5,300 low and moderate-income households purchase an affordable home using the House Key Program/Home Advantage by the Commission by June 30, 2025.
2. (We are unable to accurately determine this in the Emphasys system.)The Homeownership division receives an average score of 4 or better on the evaluation of division conducted training workshops.

Assumptions:

1. Assumes the daily-priced MBS market is financially feasible during the FY.
2. Assumes sufficient down payment assistance funds.
3. Assumes there is a conventional offering under Home Advantage.
4. Assumes GSEs maintains their current downpayment assistance guidelines.
5. Assumes having the products requested by lending partners to meet customer needs.
6. Assumes competitive Home Advantage/House Key programs interest rate sufficient to maintain a \$30 million average per week reservation rate.
7. Assumes competitive rates are available in the daily-priced market and bond market.
8. Assumes we have Loan Servicers who review loans in a timely manner and have liquidity to purchase loans daily.

9. Assumes the Commission has liquidity to purchase loans.
10. Assumes we have positive arbitrage to use in FY 2024-25.
11. Assumes there is an inventory of affordable homes.

First-time Home Buyers (FTH)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	16.43	14.43	17.43
Temporary	-	-	-
Total FTE's	16.43	14.43	17.43
Program Budget			
Fee Income	10,511,163	10,143,766	7,448,851
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	500,000	500,000
Total Revenue	10,511,163	10,643,766	7,948,851
Employee Expenses	3,027,457	2,374,256	2,943,145
Travel Expenses	59,663	18,737	49,124
Professional Fees	456,000	414,501	458,600
Office Expenses	472,092	256,242	529,523
Grant Program Expense	-	500,000	500,000
Total Expenses	4,015,212	3,563,736	4,480,392
Income over Expense Excess (Deficit)	6,495,951	7,080,029	3,468,459
Overhead Allocation	1,674,266	3,057,085	1,012,676
Program Allocation	309,039	336,999	212,936
Total Income/(Loss)	8,479,256	10,474,114	4,694,071

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
House Key Loans/Home Advantage	5,300	3,000	5,300
Home Advantage DPA Loans	2,800	2,400	2,800
HomeChoice Loans	0	28	0
BIPOC Participation %	25%	35%	25%
Bond Issues	\$ 150,000,000	\$ 284,960,000	\$ 125,000,000
MCCs Reissued	0	0	10
Lender Training Seminars	10	11	10
Realtor/Lender/NP Presentations	10	30	10
Homebuyer Instructor Classes	10	11	10
Downpayment Assistance Workshops	4	9	4
Outreach Activities	20	28	20
BIPOC Outreach/Sponsorship	5	28	5
Loan File Response In Three Days*	n/a for next year	98%	90%
Training Workshop Survey Scores	4	4	4

*unable to measure in Emphasys, but will be able to measure going forward

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024-2025**

Program: Homebuyer Education and Counseling

Division: Homeownership

Commission Goal:

To actively support our potential homebuyers and existing homeowners through education and counseling services.

Problem/Need:

Many lower income and first-time homebuyers lack the community resources to learn how to buy a home and understand the responsibilities of homeownership, including what to do if they are having difficulty making their monthly mortgage payment.

Program Goal:

To provide the educational opportunity for potential homebuyers to learn how to buy, maintain and stay in their home.

Business Objectives (Outputs/Outcomes):

1. Consider the impacts resulting from historic and systemic racism on Commission programs and processes, including the homeownership programs, change programs and develop new tools to mitigate the impact of such racism. Ensure that any grant administration program complies with the Commission's efforts regarding racial and social justice initiatives.
2. Conduct 800 homebuyer education seminars, with 8,000 participants, including on-line classes by June 30, 2025.
3. For new grants or existing grants develop and/or implement the appropriate distribution program by June 30, 2025.
4. For grants that may expire this fiscal year, ensure that counseling funds are distributed by the grant end dates, or seek extensions as appropriate by June 30, 2025.
5. Cooperatively work with the Department of Commerce to assist in implementing any counseling funds that become available to comply with program goals that may be set by the Commission, Commerce, or the Washington State Legislature by June 30, 2025.
6. Continue to implement the American Rescue Plan Act Homeownership Assistance Program to comply with program goals that may be set by the Commission, Treasury, or the Washington State Legislature through June 30, 2025.

Performance Measures:

1. Ten percent (10%) of the Homebuyer Education class instructor's participants teach a class within twelve (12) months of taking the class.
2. All required reporting associated with any counseling grant be completed by their respective deadlines.

Assumptions:

1. Assumes current demand for SF programs during the FY.
2. Assumes loan officers, real estate professionals and nonprofits will cooperate to teach seminars with the enforcement of the one loan per year policy.
3. Assumes homebuyer education and counseling funding for a grant distribution program.
4. Assumes Department of Financial Institutions will continue to provide counseling workbooks at no charge to seminar instructors.
5. Assumes homebuyer education database upgrades are implemented and functioning.
6. Assumes sufficient partner network to provide services developed for housing counseling and other related support services.

Homebuyers Education (HBE)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	2.87	2.87	2.87
Temporary			
Total FTE's	2.87	2.87	2.87
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	709,036	59,560	978,000
Grant Program Income	60,952,641	71,513,036	138,173,719
Total Revenue	61,661,677	71,572,596	139,151,719
Employee Expenses	484,745	423,509	462,631
Travel Expenses	10,421	4,697	8,088
Professional Fees	135,000	49,608	92,000
Office Expenses	113,565	46,043	66,293
Grant Program Expense	60,952,641	71,513,036	138,173,719
Total Expenses	61,696,372	72,036,893	138,802,731
Income over Expense Excess (Deficit)	(34,695)	(464,297)	348,988
Overhead Allocation	310,122	522,720	160,031
Program Allocation	51,507	56,166	35,489
Total Income/(Loss)	326,934	114,590	544,508

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
Number Of Seminars	800	980	800
Number In Attendance	8000	4675	8000
HBE Participants Teach A Class W/In 12 Mo	>10%	23.8	>10%

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024-2025**

Program: Multifamily Housing Program

Division: MHCF

Commission Goal:

To provide equitable access and effective, low-cost financing for the new construction and preservation of multifamily housing for the homeless, farmworkers, other special needs populations and the general workforce at or below 60% of the area median income

Problem/Need:

There is a lack of sufficient affordable rental housing throughout the State and the cost of housing exceeds the incomes of many households. Resources are insufficient to meet the affordable housing need.

Program Goal:

To create and preserve affordable rental housing and provide access to capital to underserved communities by removing barriers in program design.

Business Objectives (Outputs/Outcomes):

1. Program wide:

- a. Evaluate the impacts resulting from historic and systemic racism on Commission programs and processes, including the multifamily housing programs, change programs and develop new tools to mitigate the impact of such racism within the timeline and in alignment with the agency's racial equity strategic plan.
- b. Evaluate opportunities for grant applications for all division programs and report quarterly to AMT and Administration. Ongoing through June 30, 2025.
- c. Tax credit and housing bond policies reviewed annually, including total development costs limits to increase alignment with the Racial Equity Strategic Plan values. Ongoing through June 30, 2025.
- d. Continued process improvement and streamlining of application and placed in service functions by leveraging technologies such as Salesforce, Laserfiche, and more. Add additional programs as budget and timeline allows. Ongoing through June 30, 2025.
- e. Perform analysis and assessment of current fee structure by December 31, 2024. Propose any modifications to fee schedule by May Budget planning process for implementation in new fiscal year.

- f. Assess current staffing needs and objectives based on legislative, emerging program initiatives and automation by December 31, 2025. Provide internship opportunities, either through HDC program or other avenues, track and report progress by 6/30/25.
- g. Develop a preservation strategy to be piloted in 2025 grounded in an analysis of the portfolio's needs in coordination with AMC, which incorporates alignment of resources and program values to maintain quality affordable housing for the long term and foster healthy and sustainable homes in a changing climate. Ongoing through June 30, 2025.

2. Multi-family housing bonds:

- a. Finance 3,000 units of affordable rental housing or issue \$350,000,000 in tax exempt bonds by 6/30/2025
- b. Monitor and control multifamily bond cap including transfers to other issuers to ensure maximum use of the state's resource, review quarterly through 6/30/25.
- c. Pursue initiatives for increasing private activity bond cap, including recycling of bond cap, lowering of 50% test and other initiatives depending on federal and state framework with a report by 06/30/2025.
- d. Seek additional and alternative methods of financing multifamily housing
 - i. Model additional financing structures with EIHFs and continue to staff and evaluate additional options with the Seattle Foundation or other partners for furthering housing development by 6/30/2025.
 - ii. Create Community Based Organization fund or capacity building initiatives aimed at addressing gaps in communities most impacted having access to capital by 6/30/25.

3. Housing Credits:

- a. Allocate credits to 860 or more units of affordable housing by 12/31/24 issuing final allocations to 100% of the projects with all PIS requirements satisfied by 1/15/2025.
- b. Assess and redefine 9% policies based on specific values and outcomes-based approach with initial scoping and stakeholder engagement by 12/31/24 and final policy approach by 6/30/25 for implementation for 2026 allocations.
- c. Review and process non-Commission bond/housing credit applications received within 30 days. Ongoing through June 30, 2025.

Performance Measures:

1. Approximately 1,500 low and moderate-income households will have affordable rental housing as a result of bond and tax credit financing, and 50% of the 860 units to be financed with 9% tax credits will serve households earning less than 50% AMI or meet other program set-asides and 95% of carryover projects will perform within specified timelines. Estimated bonds for fiscal year - \$350,000,000.
2. Incorporate client recommendations into program revisions when appropriate.
3. Heightened awareness of race, equity, and social justice issues and how our policies either help or hinder enabling greater access amongst all of the division's program to communities of color. Aligned with training objective and staff evaluation in the agency racial equity plan. 6/30/2025.

4. Reports and Program initiatives are completed and or implemented by 6/30/2025.

Assumptions:

1. The financing tools available to the Commission provide a cost-effective and efficient benefit to eligible borrowers.
2. Changes to the tax code do not impede the issuance of bonds.
3. There is sufficient issuance authority under the debt ceiling.
4. One Tax Credit (TC) application round per year and housing credit of \$2.75
5. Commission policy requirements are not in irresolvable conflict with market requirements.

Beginning Farmers Loan (MFH|SEP|TCR|BFL)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	18.25	15.75	15.75
Temporary	-	-	-
Total FTE's	18.25	15.75	15.75
Program Budget			
Fee Income	9,790,165	13,526,909	6,646,628
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	71,592	150,000
Total Revenue	9,790,165	13,598,501	6,796,628
Employee Expenses	3,072,168	2,424,158	2,676,644
Travel Expenses	61,267	21,158	47,555
Professional Fees	459,000	290,163	315,000
Office Expenses	374,019	277,264	378,768
Grant Program Expense	-	71,592	150,000
Total Expenses	3,966,454	3,084,335	3,567,967
Income over Expense Excess (Deficit)	5,823,711	10,514,166	3,228,661
Overhead Allocation	1,653,935	3,006,203	869,586
Program Allocation	3,605,457	3,931,654	2,413,269
Total Income/(Loss)	11,083,103	17,452,023	6,511,516

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
<u>Multifamily Housing</u>			
LI Households obtain affordable housing	1,500	1,299	1,500
\$ of new tax-exmpt bonds issued	\$ 350,000,000	\$ 298,123,802	\$ 350,000,000
4% Hsg Authority PDA Bonds	\$ 100,000,000	\$ 236,932,306	\$ 100,000,000
4% Hsg Authority PDA Units	500	687	750
<u>9% Tax Credits</u>			
Units placed in service	860	860	860
Units financed (adjusted measure)	860	1,422	860
Units financed serve households earning <50% AMI	400	1,280	400
Conduct two stakeholder meetings/year	2	4	2
<u>Sustainable Enery</u>			
SET Loans	\$ 2,000,000	1,365,743	\$ 2,000,000
<u>Beginning Farmers Loans</u>			
New Loans	3	3	3
Issue Bonds	\$ 1,500,000	\$ 1,600,000	\$ 1,500,000

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024 – 2025**

Program: Nonprofit Financing Program

Division: MHCF

Commission Goal:

To provide effective, low-cost financing for nonprofit-owned housing and facilities.
To administer programs in an equitable and inclusive way.

Problem/Need:

Nonprofit organizations, particularly community-based organizations serving BIPOC people and other underserved communities have difficulty accessing low-cost credit options due to irregular revenue streams, systemic racism in the finance industry and other considerations. However, developing capital facilities will improve cash flow and assist them in carrying out their missions. The Commission provides options for organizations allowing them to take advantage of multiple choices to develop financing for supportive housing, multifamily facilities and housing intended for special populations.

Program Goal:

Eliminating real and perceived barriers to the tax-exempt bond market for eligible borrowers, to lower the cost of debt. To foster partnerships and assist in educating borrowers and the lending community about bond-financing and Commission resources to develop housing including assisted living, congregate care, and nursing beds. To form authentic relationships with community-based organizations beyond transactions.

Business Objectives (Output/Outcomes):

- 1. Program Objectives: Nonprofit Financing**
 - a. Evaluate the impacts resulting from historic and systemic racism on Commission programs and processes, including the nonprofit facilities and nonprofit housing programs and develop a baseline to track and measure impact in alignment with and on the timeline established by the agency racial equity strategic plan.
 - b. .
 - c. Incorporate into the engagement plan specific outreach to organizations in communities of color and other underserved communities. Report to Division leadership events, outreach and activities on a quarterly basis through June 30, 2025.
 - d. Create an engagement plan for interested party groups based on Interested Party Mapping completed in 2024, especially groups designated as Low

Power, High Interest, in alignment with public engagement goals detailed in racial equity strategic plan. Report on progress toward creating the plan quarterly through June 2025.

- e. As committed in the racial equity strategic plan, begin the process of conducting a Racial Equity Impact Assessment across multiple programs, including defining requirements for the scope, budget, timeline, consultant qualifications, and internal staff load. (Timing aligned with RESP). REIA substantially complete by June 30, 2025 with recommendations and implementation to follow.

Seek out alternative financing structures and provide technical assistance to traditional non-profit housing developers to utilize more fully 501 c3 bonds to develop affordable housing by June 30, 2025.

2. Nonprofit Financing Objectives:

- a. Issue \$80 million in bonds or finance 225 units/beds including facilities for senior housing by 6/30/2025.
- b. Coordinate and market green initiatives to nonprofit housing providers, with report on successes by 6/30/2025,
- c. Issue \$40 million in bonds for non-profit facilities by June 30, 20245.

Performance Outcome(s):

1. Eligible borrowers participate in our programs by developing housing and facilities with bond financing.
2. Portfolio of borrowers is expanded to include new organizations unaware of or unable to use the bond financing program in the past.
3. Nonprofits and banks consider the limitations imposed by 501(c)(3) bonds are not greater than the interest rate benefits.
4. Commission understands its broad range of interested party groups and integrates the needs and concerns of those groups into program design and implementation.
5. Commission marketing activities continue to generate client interest who use the Commission as issuer.
6. Incorporate client recommendations into the program design when appropriate.
7. Increased use of 501c3 financings for traditional non-profit housing developers.

Assumptions:

1. Tax-exempt bond financing provides more beneficial ways of developing nonprofit housing and facilities than other sources of financing for eligible borrowers.
2. Credit is available.
3. Changes to the tax code do not impede the issuance of bonds or do away with them altogether.

4. Commission policy requirements and market requirements are compatible.
5. Changes to health care reimbursement do not make the development of capital facilities providing childcare services, assisted living and/or nursing care infeasible.
6. The economy will support the services provided by eligible borrowers to the community and lenders will continue to underwrite nonprofits for the nonprofit-owned facilities.

Nonprofit Housing (NPH)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	0.71	0.71	0.71
Temporary	-	-	-
Total FTE's	0.71	0.71	0.71
Program Budget			
Fee Income	733,694	720,539	825,247
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	733,694	720,539	825,247
Employee Expenses	118,863	105,239	113,230
Travel Expenses	2,384	-	3,410
Professional Fees	5,000	-	5,000
Office Expenses	25,914	15,354	22,098
Grant Program Expense	-	-	-
Total Expenses	152,161	120,592	143,738
Income over Expense Excess (Deficit)	581,533	599,947	681,509
Overhead Allocation	63,448	120,330	36,569
Program Allocation	721,091	786,331	567,828
Total Income/(Loss)	1,366,072	1,506,608	1,285,906

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
\$\$ Of Tax Exempt Bond Issued	85,000,000	187,939,000	80,000,000
Target Households Obtain Affordable Hsg	250	822	225

Nonprofit Facilities (NPF)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	0.84	0.83	0.84
Temporary	-	-	-
Total FTE's	0.84	0.83	0.84
Program Budget			
Fee Income	243,403	450,339	242,170
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	243,403	450,339	242,170
Employee Expenses	144,890	125,402	137,904
Travel Expenses	2,820	-	5,259
Professional Fees	5,000	-	5,000
Office Expenses	41,203	24,712	22,835
Grant Program Expense	-	-	-
Total Expenses	193,913	150,114	170,998
Income over Expense Excess (Deficit)	49,490	300,225	71,172
Overhead Allocation	80,858	149,788	43,505
Program Allocation	463,559	505,498	319,403
Total Income/(Loss)	593,907	955,512	434,080

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
NPF Bonds Issued	\$ 40,000,000	\$ 64,694,000	\$ 40,000,000

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024-2025**

Program: Special Focus Programs

Division: MHCF

Commission Goal:

To provide access to capital and address gaps in traditional financing for effective, low-cost financing for multifamily housing, manufactured housing communities, land acquisition, beginner farmer ranchers, energy efficiencies in housing and alternative energy technologies.

Problem/Need:

There is a lack of sufficient affordable rental housing throughout the State and the cost of housing exceeds the incomes of many households. Resources are insufficient to meet the affordable housing need. Beginning farmers and ranchers, have a lack of sufficient economic resources to purchase land and equipment. Additionally, there are current and historical barriers to accessing capital resources for BIPOC households and communities. In furtherance of State policy to reduce energy consumption, programs are necessary to increase energy efficiency in housing and facilities and to integrate renewable energy resources in these programs.

Program Goal:

To create and preserve affordable rental housing beyond the traditional financing sources. To provide financing for individuals seeking to begin a life in farming and ranching. To finance energy efficiency and renewable energy sources throughout all Commission programs.

Business Objectives (Outputs/Outcomes):

1. Program wide:

- a. Evaluate the impacts resulting from historic and systemic racism on Commission programs and processes, including the Commission's special focus programs, change programs and develop new tools to mitigate the impact of such racism within the timeline and in alignment with the agency racial equity strategic plan
- b. Evaluate opportunities for grant applications for all division programs and report quarterly to Director through June 30, 2025.
- c. Assess current staffing needs and objectives based on legislative or emerging program initiatives by December 31, 2024. Support ongoing internship opportunities within the Division through June 30, 2025.

- d. Develop internal process and procedure guidelines for all PRI programs. Framework for servicing, non-payment or projects needing restructuring and workout plans by December 31, 2024. Additional sections including allocation strategic framework, reporting and streamlining application and approval processes by June 30, 2025.

2. Renewable and energy efficiency:

- a. Navigate, communicate, and track Inflation Reduction Act and state funding with relevant interested parties and potential partners through 6/30/2025. Assess potential impacts of additional funds and how we would support implementation.
- b. Issue \$2 million from the SET and/or issue four SET loans. Look for opportunities to bridge or leverage federal and state resources through 6/30/2025.
- c. Continue to assess and develop strategic priorities for the SET that are responsive to community needs and gaps, including aligning the SET with our Racial Equity Strategic Plan and efforts.
- d. Strengthen alignment with preservation efforts to foster healthy and sustainable homes in a changing climate. Ongoing through 6/30/2025.
- e. Track and monitor multifamily point effectiveness and impact on energy efficiency and any potential changes by 6/30/2025.

3. Beginning farmers and ranchers:

- a. Issue \$1.5 million in tax-exempt bonds or close 3 projects by 06/30/25.
- b. Monitor and track the Purchase Assistance Loan Program. Report quarterly on any potential loan activity.
- c. Continue to fund farmland conservation projects as Farm PAI funds become available. Report quarterly on progress to Division Director.

4. Manufactured Housing Communities

- a. Finance 2 Manufactured Housing Communities, or 100 units, by 6/30/2025.
- b. Track and monitor legislation and funding opportunities by 6/30/2025 and report quarterly on any progress or initiatives.

5. Land Acquisition Program

- a. Implement, track and report any new initiatives developed either through private partnership or by the legislature by June 30, 2025.
- b. Develop measures and report impacts of redefined outcomes by 6/30/2025.

Performance Measures:

- 1. Measure number of transactions and pipeline for each of the PRI programs.

2. Track reoccurring applicants, first time users and race/ethnicity of project sponsors as well as communities most impacted and tenant data, where applicable and available.
3. Create outcomes based approach for all the PRI programs, establishing baselines and key measures to track progress towards the outcomes.

Assumptions:

1. The financing tools available to the Commission provide a cost-effective and efficient benefit to eligible borrowers.
2. Changes to the tax code do not impede the issuance of bonds.
3. Funds are available for the SET, LAP, and other Commission PRI programs.
4. There is sufficient issuance authority under the debt ceiling.
5. Commission policy requirements are not in irresolvable conflict with market requirements.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024 – 2025**

Program: Compliance

Division: Asset Management & Compliance

Commission Goal:

To provide effective low-cost financing for housing and non-profit facilities in Washington state.

Problem/Need:

Ensure consistency in monitoring developments within the state of Washington.

Compliance requirements are extensive and complex; Owners may not understand or comply with program regulations, requirements, or commitments. Owners may need assistance maintaining affordable units for the duration of their Regulatory Agreement.

Program Goal:

To ensure Owner commitments and public benefits of multifamily properties financed with Commission Bonds and Tax Credits are satisfied. To ensure financed housing remains affordable and in good repair for the longest time possible.

Business Objectives (Outputs/Outcomes):

1. Compliance Monitoring:
 - a. Review all project compliance reports. Complete initial reviews within eleven months of report due dates. Issue compliance close-out letters within 14 months of report due dates.
 - b. Ensure completion of calendar year onsite inspections for 1/3 of all projects by December 31st, 2024.
2. Asset Management
 - a. Timely completion of all ARRA Reviews and follow-up.
 - b. Review and process any retargeting requests by December 31st.
 - c. Develop Asset Management Performance Measures
3. Community Engagement and Education
 - a. Provide diverse educational opportunities and resources to stakeholders through virtual, in-person, and hybrid workshops and training modules.
 - b. Regularly distribute twelve electronic newsletters and online resources throughout the year.
 - c. Develop a comprehensive Community Engagement Strategy and initiate partnership development by June 30th.
 - d. Enhance LIHTC compliance-required forms by integrating new guidelines and optimizing existing ones through consolidation and removal of redundant elements. Tailor the language proficiency level used on all forms to match our target audience. This effort aims to prioritize essential information, ultimately enhancing accessibility for users.
 - e. Continue to engage in the AHAH coordination.

4. Policy and Procedure
 - a. Define preservation policy criteria for compliance with MHCF's Sr. Policy Advisor by June 30th.
 - b. Collaborate with the Senior Policy Advisor on Rent Stabilization Policy and procedures.
 - c. Establish Good Standing Guidelines and policy in coordination with MHCF division.
5. Business Process Development and Reporting:
 - a. Revise and Update AMC's Desk Manual to ensure accuracy and relevancy.
 - b. Integrate processes based on the Housing Opportunities and Modernization Act (HOTMA) and the National Standards for the Physical Inspection of Real Estate (NSPIRE) policy updates for seamless operations.
 - c. Develop a streamlined handover process to facilitate smooth transitions of projects from allocation to compliance.
 - d. Develop Implement performance measurement tools and establish reporting mechanisms in alignment with RESP.
6. Staff Development
 - a. Organize four team-building activities annually.
 - b. Set individual training and development goals for each staff member and foster a culture of growth.
 - c. Provide essential training opportunities to enhance staff effectiveness in their daily tasks.

Performance Measures:

1. 100% of owners and managers with noncompliance issues will experience resolution of noncompliance issues within stated periods (refers to Goals 1, 2 and 3).
2. The average score for the division on post-training evaluations will be 4 or higher, on a scale of 1 to 5.
3. The average score for owner/manager satisfaction for compliance technical assistance and resolving noncompliance issues will be 4 or higher, on a scale of 1 to 5.

Assumptions:

1. Performance Measure #1: Success will be measured by meeting or exceeding stated timelines based on a query of database dates entered for reviewing projects and closing out noncompliance issues.
2. Performance Measure #2: All workshop participants will be asked to complete a post training evaluation. Results will be tabulated each quarter for reporting to AMT.

3. Performance Measure #2: This assumes that training can be successfully translated to a combination of in-person and virtual formats.
4. Performance Measure #3: Stakeholders will be sent a customer satisfaction survey; results will be collected by June 30th. Survey results will not be reported if we receive responses from less than 5% of survey recipients.

Compliance (COM)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	15.30	13.29	14.30
Temporary	-	-	-
Total FTE's	15.30	13.29	14.30
Program Budget			
Fee Income	7,910,117	7,917,659	7,860,501
Interest Income	-	-	-
Other Income	152,000	94,764	160,000
Grant Program Income	-	-	-
Total Revenue	8,062,117	8,012,424	8,020,501
Employee Expenses	2,673,767	2,222,747	2,303,238
Travel Expenses	61,718	39,398	38,043
Professional Fees	1,101,000	625,611	1,094,480
Office Expenses	364,452	421,774	458,344
Grant Program Expense	-	-	-
Total Expenses	4,200,937	3,309,530	3,894,105
Income over Expense Excess (Deficit)	3,861,180	4,702,894	4,126,396
Overhead Allocation	1,751,710	3,302,345	990,723
Program Allocation	-	-	-
Total Income/(Loss)	5,612,890	8,005,239	5,117,119

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
Annual Reviews			
Bonds	70	75	75
Tax Credits	1075	1055	1055
Rtc	1	1	1
On Site Inspections			
Bonds	N/A	N/A	N/A
Tax Credits	380	375	375
Workshops			
Bonds	1	1	1
Tax Credits	6	6	6
Annual Reporting/Wbars	N/A	N/A	N/A
Manual Updates	2	1	2
Utility Allowance Change Reviews	15	15	15
Proc. Assumptions & Transfers	25	25	25
Problem Resolution Within Stated Time	1	1	1
Serious Noncompliance W/In Portfolio	<15%	<15%	<15%
Score Well On Training Evaluations	>4	>4	>4
Client Satisfaction Survey Score	>4	>4	>4
# Of Newsletter	12	12	12
Modification of Reg. Agreements	1	1	2

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024 - 2025**

Program: Bond Portfolio Management

Division: Finance

Commission Goal:

Provide effective, low-cost financing for housing and non-profit facilities while maintaining the financial independence of the Commission.

Problem/Need:

The financial markets will only purchase the Commission’s tax-exempt bonds, certificates and mortgage-backed securities issued on behalf of the Commission when general accounting and financial reporting services and required disclosures are accurate and timely.

Program Goal:

Provide accurate and timely financial information on the Commission’s outstanding bond program obligations and assets to enhance acceptance of future bond and mortgage-backed security sales, guide management decisions and support the Commission’s programs and related initiatives.

Business Objectives (Outputs/Outcomes):

1. Review and record bond transactions, create quarterly financial statements and disclosure and management reports:

Activity/Reporting	Period	Due (business days)
a. Review and record monthly transactions	Monthly	20
b. Quarterly outstanding bond list by program with balances	Quarterly	10
c. Quarterly single-family bond disclosure reports posted to website and EMMA, as required.	Quarterly	35
d. Quarterly financial statements and Plains Capital Compliance reporting	Quarterly	35

e. Semi-annual single-family indenture parity reports, liquidity compliance reports, and updates to cross call table	Semi-annual	45
f. Semi-annual proceeds use report (WAC 262 01 080)	Semi-annual	45

2. Reconcile Home Advantage TBA MBS sales within three days of each sale (generally three times per month with two servicers).
3. Monitor arbitrage liabilities and assure timely calculation, reporting, recording and payment within the quarterly timelines above.
4. Administer the bond cap recycling program including quarterly reporting on available cap and related debt outstanding.
5. Complete annual audit of financial statements and obtain an unqualified audit opinion by December 15, 2024. Publish audited financial statements within 30 days of Commission approval, no later than January 12, 2025.
6. Periodic review and update program policies and procedures as needed.

Performance Measures:

1. The Commission’s annual independent external audit will have an unqualified opinion with no reportable conditions.
2. All of the bond accounting financial reports, including the dashboard and disclosures, will be completed within the specified timeframes.
3. Required Single Family Arbitrage information returns will be timely filed.
4. Home Advantage TBA MBS Sales will be reconciled within three days of receipt of funds and necessary distributions identified.

Assumptions:

1. There are no significant trustee errors during fiscal year.
2. Post bond closing activities will not require legal action.
3. Necessary arbitrage calculations have been identified.
4. No changes will be made in disclosure report formats.
5. Appropriate level of trained staff is maintained.

Bond Portfolio Management (BPM)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25	FYE 24	FYE 24
	Proposed Budget	Projected Actual	Budget as Adopted
Personnel Resources [FTE's]			
Permanent	4.53	3.78	4.54
Temporary			
Total FTE's	4.53	3.78	4.54
Program Budget			
Fee Income	5,809,375	5,618,660	4,397,840
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	5,809,375	5,618,660	4,397,840
Employee Expenses	757,445	572,622	727,916
Travel Expenses	14,082	18,768	23,646
Professional Fees	207,280	208,360	233,160
Office Expenses	151,039	126,888	153,869
Grant Program Expense	-	-	-
Total Expenses	1,129,846	926,638	1,138,591
Income over Expense Excess (Deficit)	4,679,529	4,692,022	3,259,249
Overhead Allocation	471,124	924,626	289,676
Program Allocation	(5,150,653)	(5,616,649)	(3,548,925)
Total Income/(Loss)	-	-	-

PERFORMANCE MEASUREMENTS

	FYE 25	FYE 24	FYE 24
	Proposed Budget	Project Actual	Budget as Adopted
PERFORMANCE MEASUREMENTS			
Quarterly Bond Statements	4	4	4
Number Of Outstdg Issues	412	406	397
Amount Of Outstdg Bonds	\$9.1 billion	\$8.65 billion	\$7.93 billion
Disclosures, (Qtrly & Semi Annual)	4	4	4
Annual Unqual Audited Financials	1	1	1
Timely Financial Reports	100%	100%	100%

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024– 2025**

Program: General Operations

Division: Finance

Commission Goal:

Provide effective, low-cost financing for housing and non-profit facilities while maintaining the financial independence of the Commission.

Problem/Need:

The willingness of the financial markets, our business partners and customers to continue to work with the Commission relies, in part, on the quality of our general accounting and financial reporting services.

Program Goal:

Provide accurate and timely accounting and financial reporting to support the Commission’s operations and inform our partners and customers.

Business Objectives (Outputs/Outcomes):

General Operations

1. Deposit and record all receipts, process accounts payable and accounts receivable daily; close general ledger with all appropriate transactions completed:

Activity/Reporting	Period	Due after period end
a. Deposits posted to proper Customer or Revenue accounts	Daily	2 nd business day
b. Month end purchase and receivable invoices	Monthly	10 th business day
c. Month end accrual or adjusting entries	Monthly	12 th business day
d. Reconciliation of all accounts	Monthly	12 th business day

2. Provide accurate and timely management information to divisional directors, managers, and Commissioners:

Activity/Reporting	Period	Due after period end
e. Month-end, Commission-wide operating financial statements	Monthly	13th business day
f. Month-end, divisional operating financial statements	Monthly	14 th business day
g. Review quarter-end operating results	Quarterly	AMT

3. Invest the Commission’s general operating reserves, monitor investment managers and report status by the end of the month following each quarter.
4. Lead the Commission’s annual budgeting process for FY 24-25 with a proposed budget completed for presentation at the Commission May planning session and a final budget adopted at the Commission’s June 2024 meeting.
5. Complete quarterly grant reconciliation and required reporting by the 5th business day following receipt of program staff detail following quarters end-
6. In the event of a state audit, facilitate the auditor’s review and develop a plan of correction, if required, within 15 business days of the exit conference. Implement plan within 60 days of plan’s approval by EMT.
7. Maintain currency of knowledge in relevant SAAM and communicate relevant policies and procedures with appropriate levels of staff.
8. Review and update program policies and procedures as necessary.
9. Continue to work with Seller Servicer Consultant on a work plan and timeline for application, if applicable, for certification of the Commission as a Ginnie Mae, Fannie Mae, or Freddie Mac seller/servicer by June 30, 2025.
10. Meet the timeline and KPIs for the action item where Finance takes the leading role as set out in the racial equity strategic plan.

Program-Related Investments

11. Provide maximum funds available, including those from the PRI and Bond funds and warehouse lines as necessary for the purchase of timely purchase of mortgage loan participations. Manage the process receiving funds and returning the loan participations, maintaining appropriate control. Reconcile all activity and ensure correct revenue is received.
12. Provide Program Related Investment financial statements including available program balances by the end of the month following quarter end.

13. Acquire and implement loan servicing software to track and monitor PRI loans by June 30, 2025
14. Increase access to affordable housing financing for historically underserved and marginalized communities. This will be measured by tracking the number or dollar amount of affordable housing loans provided to BIPOC individuals and communities over time. Such info will be reported on an annual basis.

Performance Measures:

1. The Commission's annual independent external audit will have an unqualified opinion with no reportable conditions.
2. The Commission's annual state compliance audit will report no material instances of non-compliance with applicable statutes and WACs.
3. All of the general operations financial reports will be completed within the specified timeframes.
4. Management will have the materially accurate financial information available monthly by the 20th day of the following month to guide effective decision making.

Assumptions:

1. Necessary documents for financial statements completion are provided on a timely basis.
2. Timely submission of all documents to finance personnel.
3. Growth of workload (due to continued growth of Daily Pricing program, liquidity management, and increase in bond activity) does not outpace current staffing.
4. Appropriate level of trained staff is maintained.
5. Timely review and approval of all documentation by management.
6. Notification and involvement of finance staff in advance of the initiation and negotiation of all grants, awards and agreements resulting in the receipt or expenditure of fiscal resources.
7. No major changes in portfolio managers or investment policy during fiscal year.
8. Federal resources received do not require extensive monitoring and compliance.
9. Schedule of State Auditor's office is timely.
10. Marketing to BIPOC communities is effective.

General Operations (GOP)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	8.21	6.46	8.05
Temporary	-	-	-
Total FTE's	8.21	6.46	8.05
Program Budget			
Fee Income	-	-	-
Interest Income	14,146,529	16,933,613	10,639,801
Other Income	4,000	3,836	4,000
Grant Program Income	-	-	-
Total Revenue	14,150,529	16,937,450	10,643,801
Employee Expenses	1,212,150	1,009,783	1,138,429
Travel Expenses	25,522	1,363	17,990
Professional Fees	264,000	186,460	276,000
Office Expenses	152,098	108,687	140,743
Grant Program Expense	-	-	-
Total Expenses	1,653,770	1,306,293	1,573,162
Income over Expense Excess (Deficit)	12,496,759	15,631,157	9,070,639
Overhead Allocation	(12,496,759)	(15,631,157)	(9,070,639)
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
Quarterly Investment Rpts	4	4	4
State Audit W/No Material Non Compliance	1	1	1
Qtly Operating/PRI Stmts.	4	4	4
Average Amount Invested:			
General Reserves	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Annual Yield	2.50%	2.05%	2.00%
Program Related Investment	\$ 834,000,066	\$ 797,000,066	\$ 769,714,788
Unqualified Audit Opinion	1	1	1
Timely Financial Reports	100%	33%	100%
Amt Perceived Access Score (1-5 Scale)	>4	>4	>4

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024-2025**

Program: Administration

Division: Executive Office

Commission Agency Wide Performance Measures:

1. Directly finance 350,000 affordable housing units by the end of fiscal year 2026.
2. Earn a minimum of \$380,000 per FTE in revenue each fiscal year.
3. Spend less than \$250,000 per FTE each fiscal year.
4. Develop benchmarking standards to assess progress toward increasing the accessibility of our resources for BIPOC residents and/or entities which are prioritizing the needs of BIPOC populations.
5. The Commission’s employees will average a score of 4 or better on the “employee engagement” measures developed by DOP and supplemented with racial equity assessment questions when measured each fiscal year.

Business Objectives:

1. Evaluate the impact of historic and systemic racism on Commission programs and processes by June 30, 2025 and develop new tools to mitigate the impact of such racism.
2. Conduct new Commissioner Orientation within 90 days of new appointments; Prepare for and conduct 11 monthly HFC meetings, one planning session, and assist the Commissioners in the completion of their duties by June 30, 2025.
3. Provide leadership in the development of statewide housing policy and obtain approval of a 2025 legislative agenda by December 30, 2024.
4. Produce and distribute the Annual Report and Cumulative Report by December 31, 2024.
5. Organize and conduct a statewide housing conference by October 30, 2023; prepare and present a final report by January 31, 2024.
6. Lead the Friend of Housing Award selection process and produce the awards ceremony during Housing Washington in October 2024.
7. Coordinate, schedule and complete the annual revisions to the Business Resumption Plan by June 30, 2025.
8. In collaboration with the Deputy Director and EMT/AMT, plan and conduct a staff planning session by June 30, 2025.
9. Conduct monthly EMT/IT Governance meetings and semi-monthly AMT

meetings and record and report actions to Executive Director and staff within 5 days.

10. Monitor the strategic direction of the Commission's IT program and research, report and receive approval to implement new initiatives by December 31, 2024.
11. Throughout 2024/2025 the Administration Division will continue to advance the Commission's commitment to racial equity and social justice by accomplishing the following objectives:
 - Provide continued commitment and support for implementation of the Commission's Racial Equity Strategic Plan.
 - By October 31, 2024, develop an inclusive process and timeline for reimagining and revising the Commission's Office Procedures Manual.
 - By June 30, 2025, update the Commission's Office Procedure Manual to ensure relevance to current business practices, as well as ensuring that they reflect the Commission's commitment to racial and social justice.
 - Throughout 2024/2025 Employee Resource Groups (ERG) program will be developed to outline a process for employees to meaningfully participate in the work of the Racial Equity Strategic Plan.
 - By the fourth quarter of 2025, the Commission will provide leadership training for people managers to engage in conflict resolution and other high-stakes conversations as outlined in the Racial Equity Strategic Plan.
 - By the fourth quarter of 2025, the Commission will evaluate and invest in professional training for staff leading community engagement efforts, as well as training for leadership supporting these efforts.

Administration (ADM)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	15.32	13.82	14.86
Temporary	-	-	-
Total FTE's	15.32	13.82	14.86
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	31,200	31,172	31,200
Grant Program Income	-	-	-
Total Revenue	31,200	31,172	31,200
Employee Expenses	2,513,963	1,974,233	2,379,278
Travel Expenses	62,001	31,497	54,053
Professional Fees	562,316	526,927	382,816
Office Expenses	1,228,017	731,090	1,185,972
Grant Program Expense	-	-	-
Total Expenses	4,366,297	3,263,748	4,002,119
Income over Expense Excess (Deficit)	(4,335,097)	(3,232,576)	(3,970,919)
Overhead Allocation	4,335,097	3,232,576	3,970,919
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
<u>PERFORMANCE MEASUREMENTS</u>			
Housing Washington Conference	1	1	1
Monthly Hfc Mtgs., 1 Planning	12	12	12
Impact Cumulative Report	1	1	1
Annual Report & Financial Stmt.	1	1	1

COMMISSION-WIDE PERFORMANCE MEASUREMENTS

\$ Amount Of Revenues / FTE	549,898	623,860	450,000
\$ Amount Of Expenses / FTE	248,116	195,474	250,000
Units By 2026*	350,000		350,000
Score On Employee Engagement	>4	>4	>4

* Includes projects refinanced with regulatory agreements extended ten years or more.
Assumes average of 2 persons per unit. Does not include non-housing, nonprofit facilities.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION**

**Program Summary
Fiscal Year 2024 - 2025**

Program: IT Services

Division: Executive Office

Commission Goal:

- To focus Commission efforts on building communities.
- To maintain financial independence.
- To actively support our clients.
- To provide improved infrastructure and superior technology.

Problem/Need:

The Housing Finance Commission needs to provide technological support to program staff to assure the delivery of affordable housing and community facility programs among others.

Program Goal:

To provide support to Commission staff through technology programs that are both relevant to our mission and fiscally responsible.

Business Objectives (Outputs/Outcomes):

1. Ensure IT Service Desk incidents are resolved in accordance with the terms of our Service Level Agreement (SLA), which defines response time based on severity level. This will be reported monthly to the ITG (Information Technology Governance) Committee.
2. Complete quarterly server recovery testing with Disaster Recovery exercises to support the Business Resumption Plan.
3. Coordinate and assist in providing IT support for the installation and implementation of a Content Management System project through 6/30/2024.
4. Maintain the Salesforce database with the support of an external contractor; coordinate planning, scheduling, and implementation of enhancements and provide a monthly report to ITG.
5. Maintain the Emphasys loan servicing platform with the support of internal staff and external contractors; coordinate planning, scheduling, and implementation of enhancements and present monthly reports to ITG on system status.
6. Support Dynamics Nav and Serenic Navigator financial systems in accordance with the terms of the SLA. Report monthly status updates to the ITG.

7. Provide and maintain monthly Service Desk Summary Reports with a roll-up of types of issues and resolution results as well as response time statistics in accordance with the SLA to the ITG.
8. Maintain an Information Technology training program that will ensure that current and future IT and Commission staff stay current with present and future technologies. Update current content by September 2024 and report status to the ITG monthly.
9. Maintain a Commission staff training program that will ensure that current and future cyber security vulnerabilities are recognized and how to avoid them. Renew content yearly and publish training videos monthly.
10. Maintain the after-hours maintenance schedule that ensures all servers, desktops, laptops, and network equipment stay up to date with all security, firmware, and operating system updates as recommended by Microsoft and other Information Technology vendors to be performed quarterly.
11. Maintain and provide a quarterly Security Breach Report to the Information Technology Governance Committee. For audit purposes the report of an intrusion from both internal and external sources by ten days following the quarter end.
12. Ensure that all critical IT hardware (servers, switches, and firewalls) and software remains under warranty coverage in accordance with the agreed upon SLA (service level agreement). Audit them quarterly and provide a report to ITG of the expiring service contracts.
13. Maintain and update the Commission's IT network infrastructure and the Commission's desktops, laptops, and tablets.
14. Identify and implement IT Infrastructure that can be moved into a cloud platform and cause little impact on the Commission's SLA by September 15, 2024.
15. Identify, communicate, and support enhancements of current programs as well as the development of new tools to mitigate the impact of the COVID-19 pandemic.
16. Review and implement safe office return-to-office procedures and processes.
17. Create and submit a new RFP for our Salesforce Consultant by December 3, 2024.
18. Continue to support a hybrid by-to-the-office solution as directed by the executive staff.
19. Support the continued Commissioners Hybrid Meetings audio visual needs.
20. Install a system that will guard against ransomware and Malware. Also, install a recovery system that recovers the business in a time determined by the leadership team.

Performance Measures:

1. Commission staff will have reliable access to major IT resources, File server, Office 365, Salesforce, Microsoft Dynamics NAV Remote Access and Emphasys Bond system at least 99.9% of the time (excluding routine, schedule maintenance).
2. Commission staff will have responses to network and peripheral support problems in accordance with our Service Level Agreement (SLA).

Assumptions:

1. No major disasters in the physical environment.
2. External contractor for software development and data analyst support.
3. No major disruptions of critical external IT services.
4. Performance outcome #1 will be measured and reported monthly by review of the problem ticket work order log.

IT Services (rev 07/08 from BIT) (ITS)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	5.88	3.88	3.88
Temporary			
Total FTE's	5.88	3.88	3.88
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	-	-	-
Employee Expenses	1,055,991	528,441	705,761
Travel Expenses	35,523	11,798	18,407
Professional Fees	35,000	-	90,000
Office Expenses	912,069	753,870	772,351
Grant Program Expense	-	-	-
Total Expenses	2,038,583	1,294,110	1,586,519
Income over Expense Excess (Deficit)	(2,038,583)	(1,294,110)	(1,586,519)
Overhead Allocation	2,038,583	1,294,110	1,586,519
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-

PERFORMANCE MEASUREMENTS

	FYE 25 Proposed Budget	FYE 24 Project Actual	FYE 24 Budget as Adopted
PERFORMANCE MEASUREMENTS			
Quarterly Server Test Restores	4	4	4
Avg Availability Of All Key Servers	0.999	0.999	0.999
Client Satisfaction Survey Score	>4	>4	>4
Help Desk Response Time	Per SLA	Per SLA	Per SLA

Commissioners (EXO)
Budget Summary for the fiscal year ending: June 30, 2025

FINANCIAL AND PROGRAM INFORMATION

	FYE 25 Proposed Budget	FYE 24 Projected Actual	FYE 24 Budget as Adopted
Personnel Resources [FTE's]			
Permanent			
Temporary			
Total FTE's	-	-	-
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	-	-	-
Employee Expenses	21,476	4,155	21,475
Travel Expenses	70,290	12,934	63,110
Professional Fees	-	-	-
Office Expenses	25,850	4,284	25,850
Grant Program Expense	-	-	-
Total Expenses	117,616	21,373	110,435
Income over Expense Excess (Deficit)	(117,616)	(21,373)	(110,435)
Overhead Allocation	117,616	21,373	110,435
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-



Questions?



2024 Program Related Investment (PRI) Proposal

Requests for allocation from 2024 PRI undesignated to the programs as listed

PRI Program	Current PRI Allocation*	Amount Requested	Program Description
Critical Community Response (Preservation)	\$37.5 million	\$5 million	Helps organizations with acquisition, rehabilitation, construction, preservation, and repurposing of community facilities critical to the population such as low-income housing or services that are not otherwise available in the community that have financing gaps.
Manufactured Housing	\$30.5 million	\$2 million	Assists in the preservation of manufactured home communities which generally serve lower-income homeowners. Eligible organizations include Resident Owned Communities as well as non-profits.
Farmland Protection and Affordability Investment (Farm PAI)	\$14 million	\$2 million	Initiative to preserve farmland and assist BIPOC farmers. New requests mirrors Legislative appropriation to Conservation Commission for farmland easements.
Community Land Trust (CLT) Program	\$9.5 million	\$2 million	Financing Community Land Trusts for land, predevelopment, and construction. Current pipeline is utilizing all funds.
Capital Plus (WCRA)	\$17 million	\$5 million	Partnership with WCRA to fund below-market financing to nonprofits with capital needs up to \$1,500,000.
Homeownership production reserve	New	\$10 million	A reserve fund to be utilized in support of one or more of the multi-year affordable starter home production strategies identified in the “to-be-developed” production plan prescribe in the 2024 legislative budget proviso.
Home Advantage DPA Reinvestment Fund**	\$55.7 million	\$10 million	Replenishing heavily utilized DPA subsidy program in support of Commission’s Home Advantage program.
Total Amount Requested:		\$36 million	

*Amount of PRI funds that have been allocated to the program not including partner investments, if any as of 3/31/24. Total current assets in the program may exceed this amount as interest is earned and loans revolve.

** Current PRI allocation for the Home Advantage DPA Subsidy Fund represents repayments on previously issued Home Advantage DPAs, net of amounts reinvested in new DPA loans and the \$80 million floor approved by the board at the May 2022 Commission Meeting.



Questions?



Day 2 Agenda

9:00

Executive Session

Executive Director Performance Evaluation

10:00

2024 Legislative Budget Proviso

Steve Walker

10:20

Break

10:45

DEI Activities Updates

Nashika Stanbro

11:00

Communications Activities Update

Margret Graham



Day 2 Agenda (p.2)

11:15

Discussion:
FY2025 Budget, Reflections, and
Direction to Staff
Chair

12:00

Adjourn



2024 Operating Budget Proviso

Steve Walker
Executive Director



Purpose:

To ensure there is a pipeline of Covenant Homeownership Act program-eligible potential homebuyers **and** to address the lack of supply of affordable homes for them to purchase.

Funding:

A sum of \$2 million in the state operating budget for fiscal year 2025 (July 1, 2024 - June 30, 2025) to help implement the Covenant Homeownership program. Funding will go to the Department of Commerce who will then contract with the Washington State Housing Finance Commission.



1. \$1.5 million through a request for proposals process to:

- Provide homeownership **counseling services** to prepare and assist potential homeowners who are eligible for the Covenant Homeownership Program.
- Conduct **community outreach** to identify individuals who are eligible for the Covenant Homeownership Program.
- Provide **pre-development support** for “by and for” homeownership developers and build their organizational capacity so they can identify sites for homeownership opportunities and increase the quantity of affordable homes for purchase.

2. \$500,000 for WSHFC to draft a plan by January 15th, 2025, with specific strategies to:

- **Reduce the cost** of starter homes for first-time homebuyers and lessen other costs associated with purchasing a home.
- **Acquire publicly owned sites**, and other sites that can be dedicated to affordable homeownership projects.
- Identify other ways to further **enable first-time homebuyers** to afford their home purchase.
- Encourage a variety of **design and development options** for affordable homeownership.



Questions?



Diversity, Equity, & Inclusion (DEI)

Nashika Stanbro
DEI Director



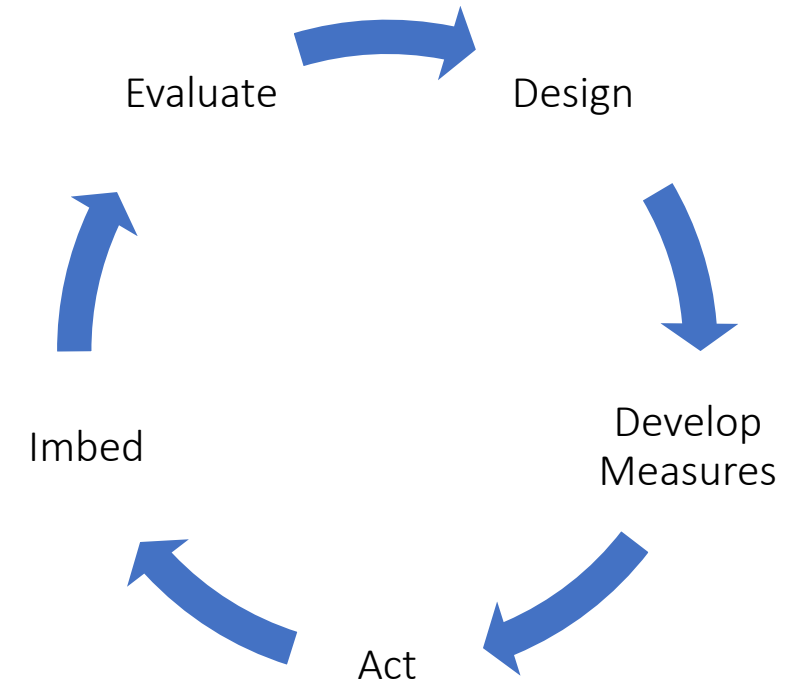
- Introduction
- Approach
- Priorities
- Successes
- Challenges/Opportunities



- My "why" for leading DEI work
- The mix: Change management + systems change + racial equity
- Leading with empathy + creating a gracious space.



- Promote sustainable DEI practices
- Strategic Planning
- Recruitment and Retention
- Employee Experience
- Collaboration + Community Engagement





- Partnered with leadership and Communications on the finalization of the Mission, Vision, and Values
- Co-created an internal DEI newsletter with Communications
- Leading the refresh and relaunch of the Racial Equity Strategic Plan
- Partnering with HR to revise policies to improve employee engagement.





- New position
- New direction
- New tools + skills + capacity





Questions?



WSHFC Communications Update

Margret Graham
Communications Manager





No pierdas tu casa
trabajaste duro por ella



Para obtener ayuda llama al
1-877-894-4663



Protect your peace
Don't lose the home you worked so hard for







Homeowners,
call for free support
1-877-894-4663





- Housing Washington, Leg. Conference

 Derek Kilmer  3h ·  

Always a pleasure to meet with the folks at the [Washington State Housing Finance Commission](#).

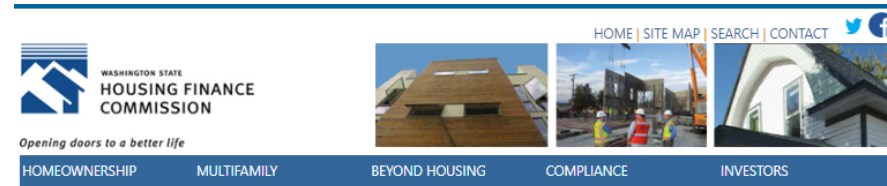
Grateful for their work using federal resources to tackle the housing affordability crisis in our region – proud to be a partner in expanding affordable housing in communities throughout Washington!





Covenant Homeownership Program:

- Information
- Outreach
- Preparation



COVENANT Homeownership Program

- About the Act
- About the Program
- All FAQs (PDF)
- Timeline
- Get Homebuyer Help
- Take Action
- Download the Com...
- Contact us: Join our...

wshfc.org/covenant

A History of Housing Discrimination - A Commitment to Make it Right

In spring 2023, thanks to the advocacy and leadership of the Housing Development Consortium, the Black Home Initiative, Rep. Jamila Taylor, Sen. John Lovick, and Rep. Frank...

March 2024
This study framework for housing discrimination played a key role in these in...

WASHINGTON STATE COVENANT HOMEOWNERSHIP PROGRAM STUDY
March 22, 2024

STUDY PRESENTED BY:
312

NFHA NATIONAL FAIR HOUSING ALLIANCE
Abt
FHCW FAIR HOUSING CENTER OF WA
NORTHWEST FAIR HOUSING ALLIANCE

COVENANT Homeownership Program
Righting Wrongs. Helping Homebuyers.

In 2023, Washington passed the historic Covenant Homeownership Act to begin righting the wrongs of housing discrimination in our state — in particular, the racially restrictive covenants, redlining, and other practices that have prevented people of color and other marginalized communities from buying homes and building wealth for their families.

Get Information
Learn about the Covenant Homeownership Act and upcoming programs! In 2024, the Covenant Homeownership Program will begin offering downpayment assistance to those who have been affected by housing discrimination. Learn more and see the timeline at wshfc.org/covenant.

Get Help
Start your journey to homeownership today!
The Covenant Homeownership Program is expected to begin in summer 2024, but free help for homebuyers is available now! Call the Washington Homeownership Resource Center at 877-894-4663 or visit homeownership-wa.org to get connected to trusted housing counselors.

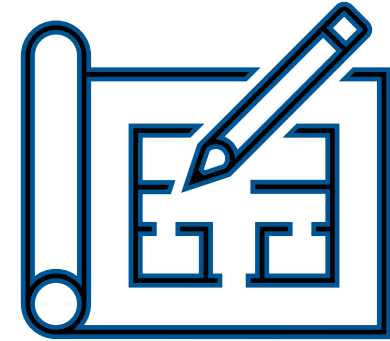
Get Involved
The Covenant Homeownership Act is one step on the road to housing justice!
• Get the word out — share this flyer with your community!
• Share your story to ensure the Covenant Homeownership Study reflects you and your community.
• Volunteer to find racial language in property deeds.
• Become a Black Home Initiative Network Partner.
• Join the BHI Network Policy Group.
Learn more at www.wshfc.org/covenant.

For more information on the Covenant Homeownership Act and Program visit our site at www.wshfc.org/covenant



Racial Equity Strategic Plan and Mission/Vision/Values

- Finalizing the plan
- Internal communications:
Keeping staff informed and engaged
- Developing Mission/Vision/Values
- Condensing/simplifying the plan
- Implementation –KPIs and project management





2024-25:

- **Community engagement** – coordinating and supporting across the Commission
- **Crisis prep** – just in case
- **Website development**
- **Building capacity** to meet communications needs



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Opening doors to a better life

Comments/Questions?



Thank you!