

2018 IMPACT REPORT

35 years of making the impossible

POSSIBLE

Making affordable homes a reality for everyone.



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

CONTACT US

Learn more about our programs and how they help your community:
contact us at **206-464-7139** or **www.wshfc.org**.



Photo Credit: Habitat for Humanity Spokane

35 Years of Statewide Impact

**WE IMPROVE
WASHINGTON'S
QUALITY OF LIFE**

We're here to make Washington even better. From developing affordable apartments, to educating new homebuyers, to making organizations more energy-efficient, our goal is to improve Washington's quality of life and create real, positive changes for the state's most vulnerable people.

Commission programs and services support:

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

SINCE 1983

73,431
single-family
homes financed



128,447
multifamily
units financed



2.1
multiplied by
2.1 **people** per
household



423,944
people who have
**safe and affordable
housing**, thanks to the
Commission.

Who

Benefits

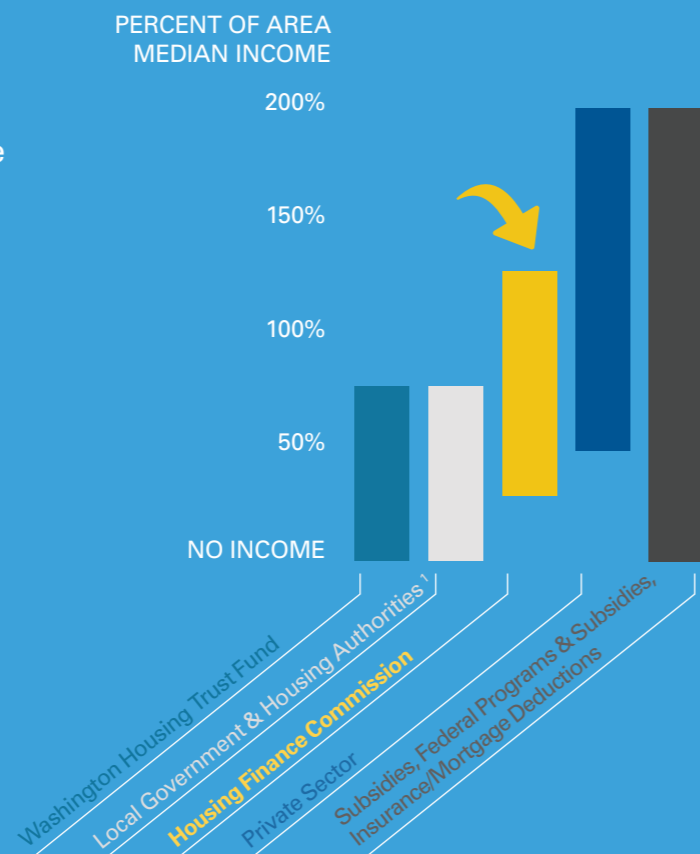


WE SERVE PEOPLE WITH LOW TO MODERATE INCOMES

Our financing programs support affordable apartments, home loans, non-profit facilities, energy-efficient upgrades, and new farms and ranches.

The majority of the people we serve earn less than the area median income, which in 2018 ranged from \$47,100 in Ferry County to \$103,400 in King and Snohomish counties.

Our piece of the affordable financing puzzle:



¹Federal, State, and Local Funds

Multifamily

TOTAL INVESTMENTS 1983-2018

Since 1983, our financing has created or rehabilitated more than 128,447 rental homes, 33,164 of which serve the elderly. We use two primary tools to finance affordable apartments (i.e. multifamily units): bonds and housing tax credits, both of which are purchased by investors on the private market. The bond sales' proceeds are loaned to a developer through the bank, while tax credits are converted into equity in the project.

Offering different financing tools allows us to customize our approach based on the project's population and location.

Multifamily bond financing, for example, works best in urban areas, where projects are large enough and rents are high enough to enable developers to repay their bond debt. Projects financed with housing credits alone serve people with lower incomes and greater needs in rural and urban communities alike.

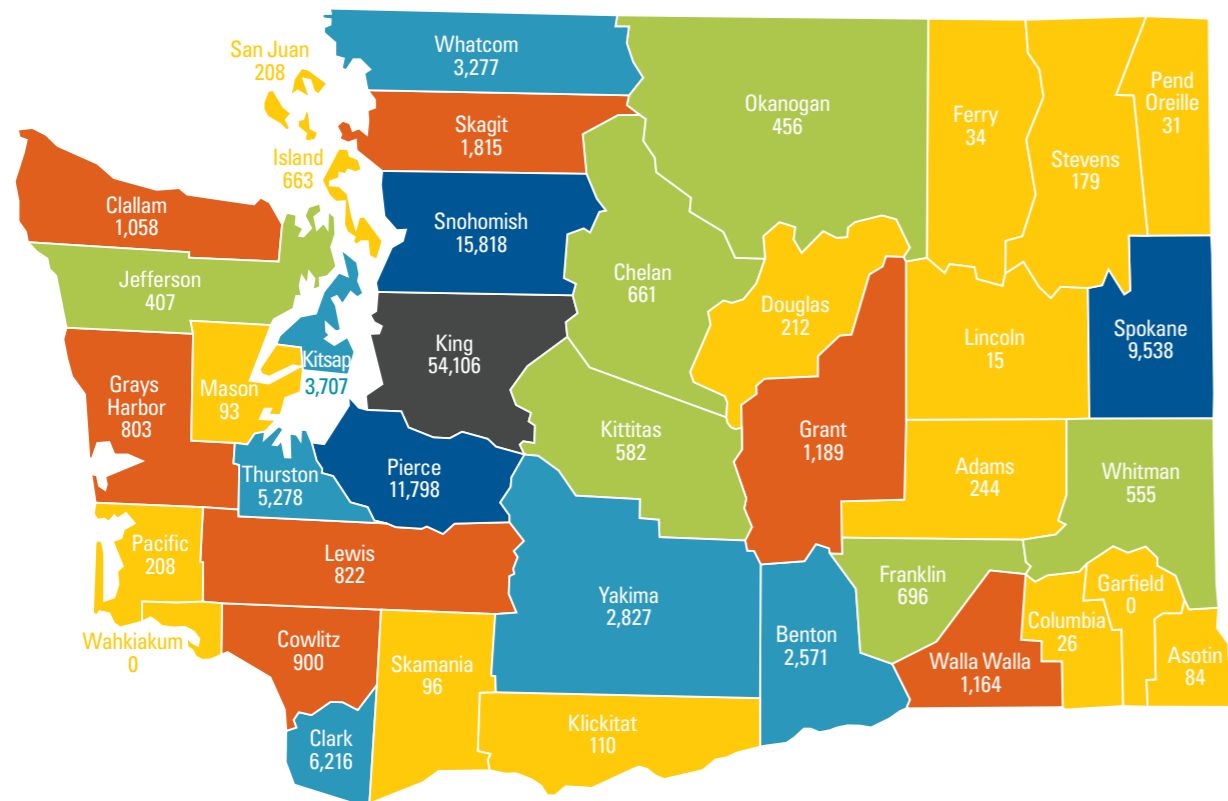
After a multifamily project is completed, the Commission monitors and inspects the properties to ensure they remain in compliance, thus, eligible for the tax benefits that helped finance them, for at least 40 years.

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



Multifamily Housing

Housing Units by County



IMPACT MEASURE

Less

More

128,447
total housing units

\$11 billion
total amount invested

33,164
senior housing units
(included in total unit count)

County	Amount Financed		Units Financed		
	Housing Credits	Bonds	Credits and Bonds	Bonds Only	Nonprofit Bonds
Adams	\$18,687,364	-	214	0	30
Asotin	\$4,867,162	-	84	0	-
Benton	\$86,624,552	\$84,558,144	2,144	427	-
Chelan	\$27,052,426	\$17,030,602	383	146	132
Clallam	\$61,211,138	\$28,240,295	919	87	52
Clark	\$224,815,327	\$261,392,191	5,051	1,165	-
Columbia	\$1,947,125	-	26	-	-
Cowlitz	\$33,292,229	\$14,875,327	686	214	-
Douglas	\$12,998,489	-	212	-	-
Ferry	\$2,928,556	-	34	-	-
Franklin	\$25,711,465	\$19,250,000	696	-	-
Garfield	-	-	-	-	-
Grant	\$88,261,046	\$10,150,000	1101	24	64
Grays Harbor	\$46,795,163	-	790	-	13
Island	\$22,757,068	\$16,067,902	621	-	42
Jefferson	\$8,376,658	\$15,860,914	248	159	-
King	\$2,553,734,530	\$2,542,061,566	41,634	5,463	7,009
Kitsap	\$107,230,504	\$111,069,799	2,600	851	256
Kittitas	\$36,245,898	-	582	-	-
Klickitat	\$13,134,540	-	110	-	-
Lewis	\$54,059,197	\$19,925,000	782	-	40
Lincoln	\$413,441	-	15	-	-
Mason	\$2,856,114	\$1,856,373	69	24	-
Okanogan	\$37,245,985	-	456	-	-
Pacific	\$5,695,397	-	168	-	40
Pend Oreille	\$283,295	-	31	-	-
Pierce	\$430,840,288	\$452,499,465	7,998	2,501	1,299
San Juan	\$3,269,044	\$1,800,000	160	48	-
Skagit	\$72,201,323	\$53,107,816	1,685	-	130
Skamania	\$2,526,412	-	24	-	72
Snohomish	\$629,093,349	\$1,078,314,105	13,147	1,989	682
Spokane	\$380,580,643	\$280,440,286	6,842	1,157	1,539
Stevens	\$11,477,681	-	179	-	-
Thurston	\$128,307,209	\$244,090,896	2,929	1,059	1,290
Wahkiakum	-	-	-	-	-
Walla Walla	\$47,388,118	\$13,202,152	571	210	383
Whatcom	\$170,303,542	\$83,864,200	2,919	92	266
Whitman	\$21,312,906	\$17,899,006	263	264	28
Yakima	\$220,289,560	\$4,580,396	2,592	56	179
Total	\$5,594,814,742	\$5,372,136,436	98,965	15,936	13,546

BONDS AND HOUSING CREDITS BY COUNTY

Cumulative Totals

By County from 7/1/1983-6/30/2018

Housing Credits
\$5,594,814,742

Bonds
\$5,372,136,436

Credits & Bonds
98,965

Bonds Only
15,936

Nonprofit Bonds
13,546

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

Multifamily Housing

Total Investments 1983-2018 (continued)

Low-Income Housing Tax Credit (1986-2018)

\$5.6 BILLION
allocated

1,179 PROPERTIES
created and preserved

98,965 TOTAL
units

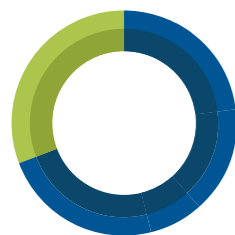
9% Credit Program

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

4% Credit Plus Bonds Program

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

Credits Only (9%) (equity)

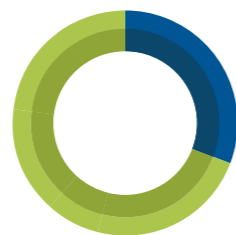


pays up to
70%
of project costs

Serves lower incomes and special needs

32,650 units
727 properties

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



pays up to
30%
of project costs

Serves working families

66,315 units
452 properties

Multifamily Housing

Total Investments 1983-2018 (continued)



NONPROFIT HOUSING BONDS

148 projects | 13,546 units

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

LAND ACQUISITION PROGRAM

42 projects | 2,283 units

This revolving loan program assists eligible organizations in purchasing land suited for the future development of affordable housing for homeowners and rental apartments.

BONDS ONLY (80/20 PROGRAM)

15,936 units

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



Homeownership

SINGLE-FAMILY LOANS BY COUNTY 1983-2018

County	First Mortgage Loans		Downpayment Loans	
	Amount	Number	Amount	Number
Adams	\$16,330,588	149	\$554,790	85
Asotin	\$14,035,194	185	\$336,674	56
Benton	\$300,950,988	2,172	\$9,204,383	1,309
Chelan	\$70,662,001	732	\$1,290,844	180
Clallam	\$32,528,958	259	\$1,294,796	161
Clark	\$630,871,531	4,177	\$17,645,357	2,125
Columbia	\$2,904,231	44	\$140,810	14
Cowlitz	\$183,949,361	1,440	\$5,693,098	923
Douglas	\$43,194,206	397	\$845,094	118
Ferry	\$1,889,273	23	\$35,759	7
Franklin	\$166,660,281	1,103	\$5,098,883	697
Garfield	\$621,660	7	\$16,603	3
Grant	\$61,570,009	548	\$1,849,463	280
Grays Harbor	\$53,414,012	480	\$1,663,002	260
Island	\$86,284,944	587	\$1,805,166	219
Jefferson	\$14,161,838	85	\$468,828	60
King	\$2,361,299,029	17,492	\$68,282,158	5,499
Kitsap	\$311,390,980	2,286	\$7,737,595	987
Kittitas	\$31,305,752	199	\$958,755	117
Klickitat	\$5,560,639	39	\$161,411	23
Lewis	\$68,153,748	511	\$2,500,888	373
Lincoln	\$4,847,975	54	\$215,586	30
Mason	\$74,292,545	542	\$2,406,812	338
Okanogan	\$8,669,259	85	\$245,933	40
Pacific	\$6,983,374	57	\$301,320	45
Pend Oreille	\$10,044,701	97	\$251,108	40
Pierce	\$1,764,732,254	10,548	\$55,708,563	6,514
San Juan	\$6,835,961	35	\$235,120	22
Skagit	\$178,753,160	1,065	\$4,987,474	636
Skamania	\$5,722,167	29	\$186,930	22
Snohomish	\$1,382,713,603	7,757	\$35,004,975	3,752
Spokane	\$1,152,445,688	12,070	\$30,889,411	5,519
Stevens	\$19,960,891	174	\$733,986	112
Thurston	\$364,514,235	2,648	\$9,146,446	1,158
Wahkiakum	\$3,298,366	22	\$104,506	15
Walla Walla	\$58,476,041	746	\$1,174,088	190
Whatcom	\$319,551,050	1,834	\$7,030,151	743
Whitman	\$18,692,378	171	\$600,698	81
Yakima	\$268,601,238	2,584	\$7,511,527	1,250
Totals	\$10,106,874,109	73,433	\$284,318,991	34,003

Cumulative Totals

By County from 6/1/1983-6/30/2018

First Mortgage Loans

Amount
◦ \$10,106,874,109

Number
◦ 73,433

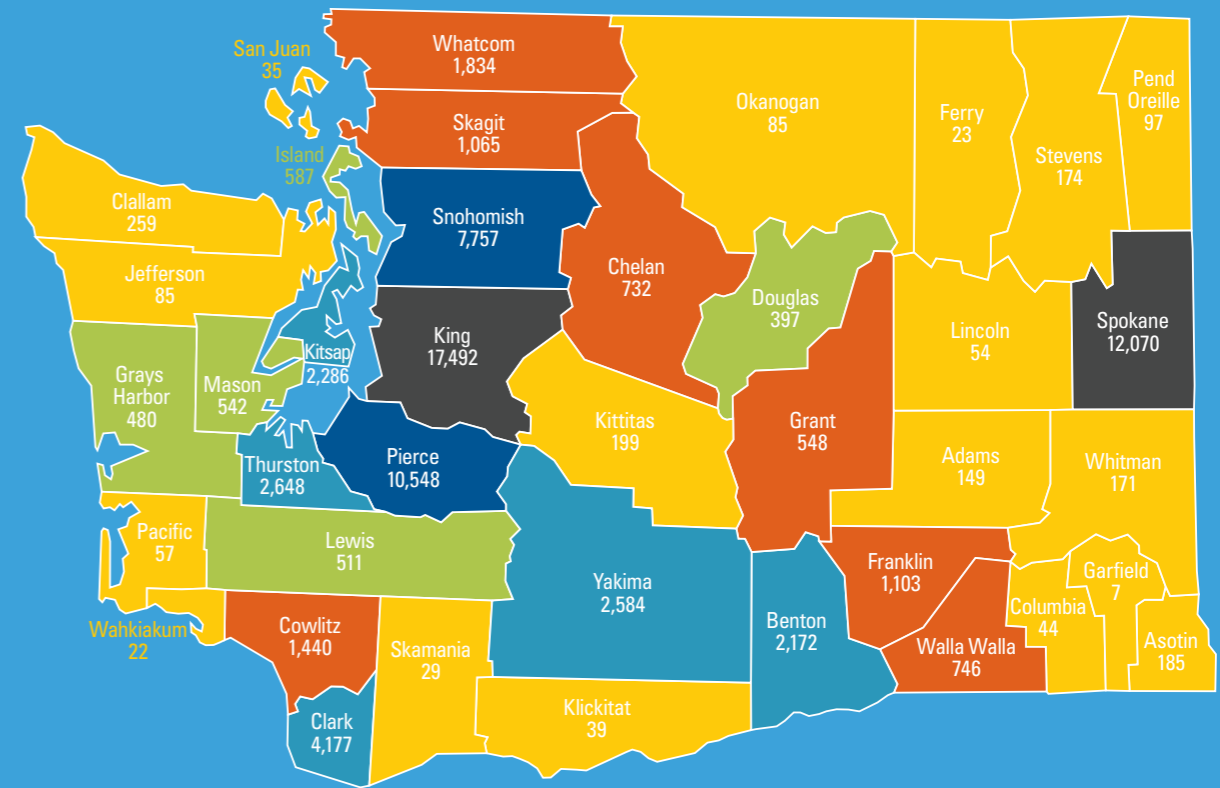
Downpayment Loans

Amount
◦ \$284,318,991

Number
◦ 34,003

Homeownership

Home Loans by County



IMPACT MEASURE



73,433 First Mortgage Loans
+
34,003 Downpayment Assistance
= 107,436 Total Homebuyer Loans

\$10.4 billion
Total Amount Invested

(Households may receive both first mortgage loans and downpayment assistance loans)

First Mortgage Programs*

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

HOUSE KEY STATE BOND

1983-present

\$4.47 billion in loans
46,729 households served

- Open Door Second Mortgage:**

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

- Community Reinvestment Act (CRA) Single-Family Home Ownership:**

Provided 49 first-mortgage loans for families in rural areas.

- Cash Window, Voyager, and Express Programs:**

Provided 168 House Key loans that were sold directly to Fannie Mae and Ginnie Mae.

HOME ADVANTAGE

2013-present

\$5.6 billion in loans
26,702 households served

- Home Advantage is the Commission's primary first-mortgage program. It is funded by the proceeds from loans bought and sold on the open market. Features include simplified eligibility, no restriction to first-time homebuyers, no limit to funding, and universal eligibility for downpayment assistance.

MORTGAGE CREDIT CERTIFICATE

2008-present

8,905 households served

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

*Borrowers may combine some programs, but not others

Homeowner/ Homebuyer Counseling

(1998-PRESENT)

\$36.4 MILLION
allocated to nonprofits

123,000
households assisted

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

Amount	Grant Space	Nonprofit Organization Providing Counseling
\$20,700,000	State of Washington 2011 Foreclosure Fairness Act	18
\$5,239,720	Housing and Urban Development	50
\$3,120,000*	Washington State Office of the Attorney General (National Settlement)	13
\$2,656,728**	National Foreclosure Mitigation (Administered by NeighborWorks)	11
\$990,000	State of Washington 2008 legislative appropriation	25
\$807,788	Washington State Office of the Attorney General (McGraw Hill/Standard & Poor's Settlement)	11
\$595,000	Washington State Office of the Attorney General (Countrywide Settlement)	11
\$571,355	Rural Housing and Economic Development	16
\$550,000	Washington State Office of the Attorney General (Wells Fargo Settlement)	16
\$500,000	State of Washington 2010 legislative appropriation	15
\$385,250*	Housing and Urban Development Emergency Homeowners Loan Program	8
\$250,000*	Housing and Urban Development Neighborhood Initiative	22

*Ongoing Programs / **Administered by NeighborWorks

Homeownership (continued)



HOMEBUYER EDUCATION

(1991-present)

241,015

POTENTIAL HOMEBUYERS

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

19,848 free homebuyer seminars coordinated statewide.

23,187 online seminars completed since 2014.

9,285 instructors trained to teach free homebuyer seminars, including lenders, real-estate professionals, and nonprofit partners.

DOWNPAYMENT ASSISTANCE PROGRAMS

\$284.3 million
IN SECOND-MORTGAGE LOANS

34,003 HOUSEHOLDS SERVED

The Commission offers second mortgages to assist homebuyers with the downpayment and closing costs. Maximum loan amounts and interest rates vary by program. Many programs are sustained through the Commission's Program Investment Fund. Downpayment assistance is only available to borrowers who use a Commission first mortgage and complete a homebuyer-education class.

Downpayment Assistance Program

Program	Eligible Households	Borrowers Served	Total Loaned for Downpayment & Closing-Cost Assistance
ONGOING PROGRAMS			
Home Advantage DPA	Those who qualify for a Home Advantage first mortgage	22,572	\$187,960,324
New Home for You (now Home Advantage Built New)	Those purchasing newly constructed, never-occupied homes	145	\$1,073,081
Home Advantage Rebound (funded by the state Consumer Remedy Fund)	Those buying a home that has been foreclosed	359	\$3,162,673
HomeChoice	Individuals with disabilities. 42% of borrowers earn less than 50% of the area median income	1,407	\$17,797,356
House Key Plus Seattle	First-time homebuyers within the City of Seattle earning 80% or less of median income	408	\$20,847,651
House Key Schools	Employees of community/technical colleges, K-12 public schools, and private schools accredited or recognized by the state	195	\$1,477,698
House Key Plus CLT	Those buying a community land trust home in King, Skagit, San Juan, or Whatcom counties	124	\$1,550,721
House Key Plus ARCH (A Regional Coalition for Housing)	Those buying a home in east King County within an ARCH member city or surrounding unincorporated area	72	\$2,075,961
House Key Veterans	Military veterans	64	\$443,193
Tacoma DPA	First-time homebuyers within the City of Tacoma earning 80% or less of area median income	53	\$994,020
PREVIOUS PROGRAMS			
House Key Plus (ended Jan. 2013 - re-opened 2016)	Low- and moderate-income first-time homebuyers	7401	\$36,060,850
Bellingham DPA (NEW)	Applicants buying within the City of Bellingham	18	\$638,056
House Key Real Estate Owned (ended 2012)	Applicants buying a foreclosed home	893	\$6,448,429
Pierce County DPA (NEW)	Applicants buying within the Pierce County limits	17	\$368,400
House Key Bremerton (ended 2012 - re-opened 2016)	Applicants buying a property in the City of Bremerton	6	\$56,916
House Key Rural (ended 2011)	Rural borrowers who earn 80% or less of area median income	193	\$1,760,117
House Key King County (ended 2010)	Applicants buying a home in King County (outside the Seattle city limits and outside of the ARCH King County area)	38	\$1,124,256
House Key Federal Way (ended 2010)	Applicants buying a foreclosed, bank-owned, delinquent, or abandoned home located in eligible census tracts in Federal Way	11	\$314,213
House Key Extra (ended 2005)	Rural residents with disabilities or who have a dependent family member with a disability	27	\$165,075
Total		34,003	\$284,318,990

Enhancing Communities

Projects Support Growth, Efficiency 1983-2018

NONPROFIT FACILITIES PROGRAM

176 facilities
\$1.04 billion in bonds



The Commission issues tax-exempt 501(c)(3) bonds to finance capital facilities and equipment owned by nonprofit organizations, such as schools, museums, YMCAs and many more.

County	Facilities
Benton	5
Clark	1
Franklin	2
Grays Harbor	1
King	94
Kitsap	3
Pierce	15
Skagit	2
Snohomish	16
Spokane	11
Thurston	14
Walla Walla	1
Whatcom	6
Whitman	1
Yakima	4
Total	176

NEW FARMER/RANCHER PROGRAM

28 farms
\$6.5 million in bonds



The Commission, in partnership with Northwest Farm Credit Services, issues bonds to equip new farmers and ranchers to purchase land and equipment. The Commission also offers a second loan to help borrowers with a cash downpayment.

County	Acres	Bond Amt
Adams	60	\$ 165,000
Benton	20.8	\$ 187,000
Chelan	11	\$ 400,000
Clark	83.7	\$ 295,000
Ferry	226	\$ 200,000
Grant	116	\$ 274,603
King	59.5	\$ 672,500
Kittitas	120	\$ 225,000
Lewis	106	\$ 415,000
Lincoln	270	\$ 242,000
Pierce	74	\$ 412,500
Spokane	40	\$ 72,000
Walla Walla	10.1	\$ 184,800
Whatcom	48	\$ 518,000
Whitman	944	\$ 955,725
Yakima	237.6	\$ 1,244,500
Total	2,426	\$6,463,628

SUSTAINABLE ENERGY PROGRAM

30 projects
\$27.4 million invested



In 2009, the state legislature gave the Commission the authority to develop financing programs for energy-efficiency and renewable-energy projects. Since 2012, the Commission has financed 30 projects by both private companies and nonprofits. They include:

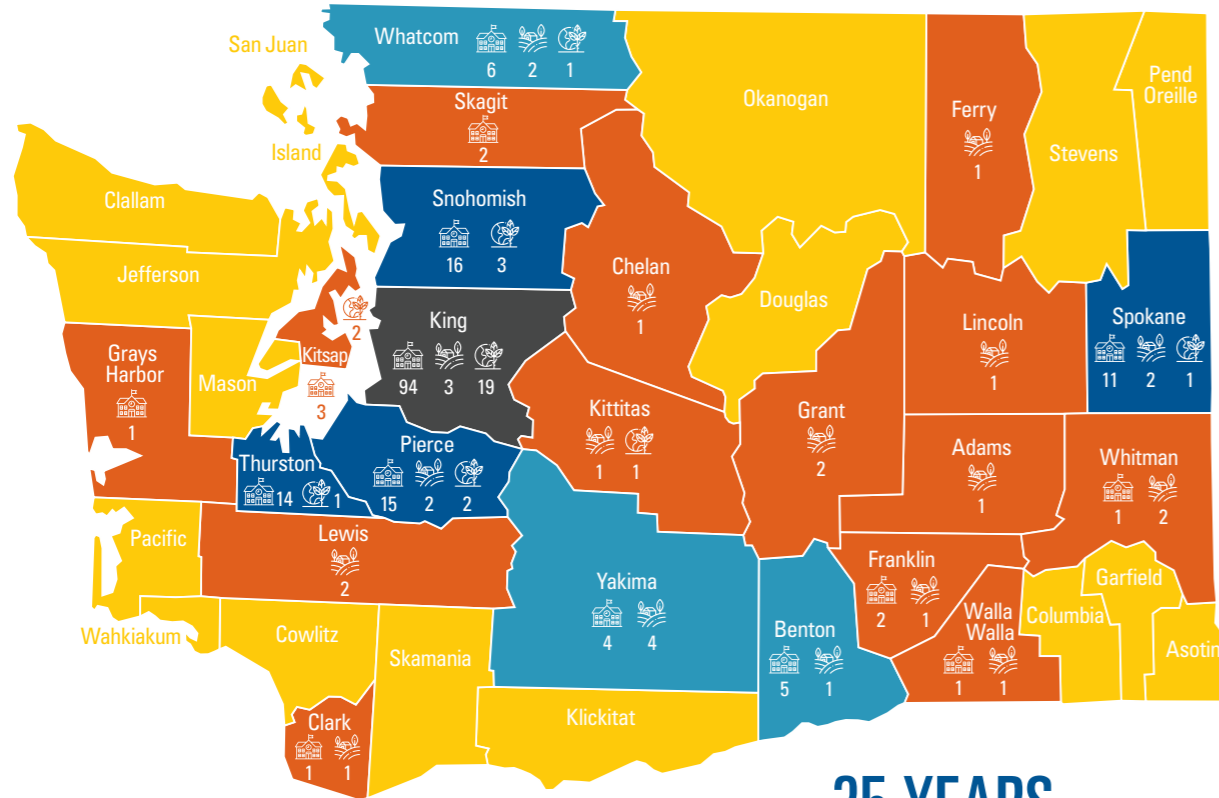
- Energy upgrades to make affordable apartment buildings more efficient
- New lighting, heating and water systems that save money for nonprofits
- Affordable and highly energy-efficient single-family homes in Seattle and Spokane

County	Amount
King	\$ 13,994,797
Kitsap	\$ 1,200,000
Kittitas	\$ 9,000,000
Pierce	\$ 900,000
Snohomish	\$ 875,000
Spokane	\$ 1,000,000
Statewide initiatives	\$ 100,000
Thurston	\$ 265,000
Whatcom	\$ 100,000
Total	\$27,434,779



Enhancing Communities

Projects by County



**35 YEARS,
234 PROJECTS**

IMPACT MEASURE		Less	More
	176 Nonprofit Facilities		
	28 Farms		
	30 Energy Projects		
\$1.07 billion invested		<ul style="list-style-type: none"> • 2 Scientific Research • 3 Economic Development • 3 Animal Welfare • 15 Cultural Facilities • 17 Job Training • 58 Education • 78 Social Services & Athletic Facilities 	



Keeping housing safe and affordable since 1983

90,000 UNITS
monitored statewide

1,000+ PROPERTIES
monitored each year

350+ PROPERTIES
inspected each year

Asset Management and Compliance

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

Education and Training

Over 15 compliance workshops annually for more than 600 owners, property managers, public agencies, and other stakeholders. Classes for users of the web-based annual reporting system, WBARS. Specialized training sessions in conjunction with the Affordable Housing Management Association and the Council for Affordable and Rural Housing.

Partnerships

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

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



Web-Based Reporting System

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

Technical Assistance

- Daily guidance provided by phone and email.
- Periodic compliance workshops tailored to industry beginners as well as seasoned professionals.
- Award-winning website that provides:
 - Program manuals, report forms, FAQs, web training videos, and online workshop registration.
 - A calendar of regional housing and economic development activities.
 - Links to funding and compliance resources.
 - Monthly email updates to over 2,500 subscribers with timely information on compliance and asset management topics.

Financial Oversight

The Commission's Finance Division:

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

Asset Management

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

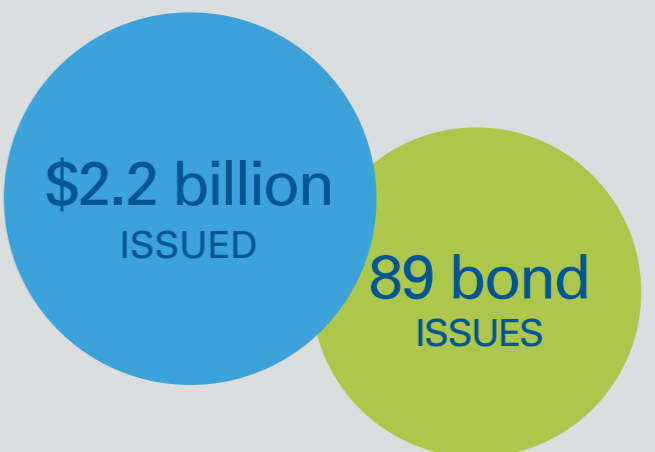
General Operations

- Prepares monthly financial statements.
- Performs investment management oversight.
- Coordinates the annual budget and work-planning process.
- Coordinates annual audits by independent auditors and the state auditor.
- Administers and monitored the Program Investment Fund.
- Provides financial management and accounting services for affiliate agencies.

Affiliate Agencies

Washington Higher Education Facilities Authority

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



Tobacco Settlement Authority

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



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.



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Opening doors to a better life

www.WSHFC.org



Photos: Tom Turley,
except as noted