



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

128 – 10th Avenue SW - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

Heyward Watson
Board Chair

Sam Anderson
Residential Construction Industry

David Gruenstein
Residential Construction Industry

Christine Walsh Rogers
Mortgage Lending Industry

Edward Palmer
Mortgage Lending Industry

Wanda Coats
Real Estate Sales Profession

Joseph Diehl
*Apartment Management &
Operation Industry*

Paul Purcell
For-Profit Housing Development

Kevin Grossman
For-Profit Rental Housing

Tony To
Non-Profit Housing Development

Chris Lowell
Homeless Shelter Operations

Lynn Davison
Special Needs Populations

Vacant
Low-Income Persons

Pedro Perez
At-Large/General Public

Renee Rooker
Public Housing Authorities

Hon. Cindy Carter
Counties, Eastern WA

Vacant
Counties, Western WA

Hon. Thomas Moak
Cities, Eastern WA

Hon. Joan Hernandez
Cities, Western WA

Cathy Cochran on behalf of
Christine Olson
*Ex-Officio, Dept. of Social & Human
Services*

Kim Herman
*Ex-Officio, Housing Finance
Commission*

Will Graham
*Ex-Officio, Community, Trade &
Economic Development*

BOARD MEETING SUMMARY

Wednesday November 14th, 2007 10am to 2pm
The Radisson Hotel – SeaTac, WA

ATTENDANCE

Paul Purcell, Joan Hernandez, Cathy Cochran, Wanda Coats, Thomas Moak, Tony To, Lynn Davison, Renee Rooker, Tia Peycheff (on behalf of Kim Herman), Will Graham, Heyward Watson, Cindy Carter, Chris Lowell

STAFF

Jenny Greenlee, Martin McMurry

GUESTS

Ben Gitenstein; Washington Low Income Housing Alliance
Eric Schinfeld, Carol Naito; Puget Sound Regional Council
Ishbel Dickens; Columbia Legal Services
Maureen Howard; Habitat for Humanity of Washington State
Vanessa Firnhaber-Baker; Senate Housing & Consumer Protection
Committee Staff

WELCOME & INTRODUCTIONS – Heyward Watson

Tia Peycheff from the Housing Finance Commission represented Kim Herman.

OVERVIEW OF THE CURRENT LEGISLATIVE ENVIRONMENT – Ben Gitenstein

Ben provided a brief overview of the Washington Low Income Housing Alliance (The Alliance). The organization is a broad coalition that engages in direct advocacy, communications and mobilization. The advocacy role of the Alliance has changed due to changes in affordable housing need, market changes and the advent of 10 year Homelessness plans. Ben explains further that the legislative dynamic has also changed as a result of the latter items. House and Senate leadership are putting Housing as one of many priority items for 2008. The Alliance felt a re-framing of the core issues was needed, after which they created their Housing Agenda for 2008 (handout provided). The document is meant to be a long term roadmap and broadly deliberative. Some of the immediate items include:

- *New resources*: adding another \$100 million to the Housing Trust Fund
- *New resources*: renewing the Washington Families Fund



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

128 – 10th Avenue SW - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

- *New resources*: expanding the Transitional Housing Operating & Rent to serve more populations.
- *Reforms*: prioritize state infrastructure funding to support affordable housing development.
- *Reforms*: sales tax exemption on construction costs of affordable housing.

There were some concerns whether some of the reform items should be emphasized in the short session rather than in the 2009 long session. Ben suggested there is a unique opportunity this session as Housing is one of the top priorities with the Governor's Office, House and Senate leadership. Mortgage lending and homelessness are other top issues with legislative and executive leadership. Members of AHAB suggested that using the AHAB 5yr Plan as a guide, the group could decide which top housing issues from the Alliance's agenda they should emphasize.

MANUFACTURED HOUSING – Ishbel Dickens

Ishbel Dickens provided the group an overview of the present state of manufactured housing communities and what strategies will be used for the upcoming legislative session. Preservation is a key issue. Last session, bills HB1621 and SB5780 proposed to make community owners and homeowners reach consensus that benefits them both. The handouts provided points that would make a preservation bill more meaningful as well as an articulation of the benefits of preserving these communities.

A \$4 million set-aside in the Housing Trust Fund was created last session, but statewide relocation assistance is not providing enough for residents. She explained that broad preservation efforts would ease the need on relocation costs. Ishbel recommends that instead of the current 12 month park closure notice, the law should be amended to reflect a 5 year notice. The reasoning is to provide residents more time, but also to provide more time in paying on mortgages and for the Relocation Fund to build up. Questions were raised about unintended consequences with a 5 year notice law citing a potential increase in litigations on both sides.

PROSPERITY PARTNERSHIP: HOUSING/GMA RECOMMENDATIONS – Eric Schinfeld & Carol Naito

Eric provided a brief background into the many functions of the Puget Sound Regional Council's (PSRC) Prosperity Partnership. Recently, the organization has been focused on economic development and the workforce, of which he felt housing, was an integral component to the prosperity of these issues. Eric mentioned that it was important to emphasize two points; one in that it was important to describe how the Prosperity Partnership came to its final recommendations and where they want to go for the future. With regards to affordable housing and growth management, deliberations began in June shortly after the Partnership's presentation to AHAB.

The Housing Working group of the Prosperity Partnership wanted to take a more practical, tangible approach to housing and land use. The group felt that the recommendations of the AHAB GMA/Housing Taskforce were well drafted, but it also served as an existing effort that had consensus points. Since June, the Housing Working group further deliberated on 26 strategies (in part, stemming from the Taskforce report) regarding housing and growth management and honed it down to 3 primary recommendations that had total agreement:

1. Sales tax exemption on the creation of low income housing projects; and



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

128 – 10th Avenue SW - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

2. The creation of a growth management infrastructure account; and
3. Education and technical assistance for local jurisdictions on the best available tools to create affordable housing.

The ongoing work of the Prosperity Partnership will be to uphold the coalitions between labor, private developers, public developers, elected officials, administrators and financiers that helped build consensus on the Housing Working group's final recommendations.

FARMWORKER HOUSING SUBCOMMITTEE UPDATE – Paul Purcell

(Handout distributed) AHAB convened the Farmworker Subcommittee in 2000 in order to provide policy direction in how the Housing Trust Fund Farmworker set-aside was to be distributed. The subcommittee included growers, advocates, providers and developers. Ongoing operations cost appears to be an issue. For the 07-09 biennium, there is \$14 million hard set-aside, \$6 million of which is earmarked for seasonal farmworker housing. Final recommendations of the subcommittee are to review project applications as they come in the door. Further, the existing subcommittee should be expanded and include comprehensive planning with an eye for the 09-11 biennium. Members of AHAB motion to submit recommendations to the CTED Housing Division.

LEGISLATIVE POLICY RECOMMENDATIONS – Board Members

Board members decided to review priority recommendations from the Alliance, the Prosperity Partnership and current manufactured housing initiatives in order to develop a letter that was to be distributed to key legislators and the Governor's Office. This was to be done in keeping with AHAB's 5yr Affordable Housing Advisory Plan and the specific strategies contained in it.

Members suggested that manufactured housing initiatives are also contained in Strategies 1(m) and 8 of the 5yr Plan. Strategy 4(h) in the AHAB 5yr plan suggests expanding tax exemptions for developers of affordable housing. This is in both of the Alliance's and Prosperity Partnership's key recommendations. Strategy 3 in the 5yr plan also speaks to prioritizing state infrastructure funding to support affordable housing development. This is in keeping with a recommendation from the 2006 AHAB GMA/Housing Task Force Report, which suggests the creation of a Growth Management Infrastructure account. The mortgage lending crisis was also discussed and that Board members were looking forward to hearing the Governor's mortgage instability Task Force findings due December 31st, 2007. It was decided to table the mortgage lending issue for February's Board meeting, where Kim Herman, who is a member of the joint task force, can assist in that conversation.

ADMINISTRATIVE ITEMS – Heyward Watson

Renee Rooker has decided to step down from her post on AHAB as she was elected president of The National Association of Housing & Redevelopment Officials (NAHRO). Renee also served as Chair of the Policy Advisory Team (PAT)—an AHAB subcommittee and official policy body for the Housing Trust Fund. She will be missed and her service was greatly appreciated. As the AHAB by-laws state, the Chair appoints the Chair of the PAT. Heyward announced that Paul Purcell will fill that role. Martin is assisting with the nomination and appointment process and will work with the Governor's Office.

Meeting Adjourned: 2pm.

Tabled: Mortgage Lending Instability