

**Policy Advisory Team**  
**December 5, 2017**  
**Seattle, WA**



Department of Commerce

**Meeting Summary**

**Participants:** Jackie Anderson-Snohomish Co, Paul Lambros-Plymouth, Sharon Lee-LIHI, Kirsten Jewell-SACH, Peggy Sheehan-Vancouver, Melora Sharts-Spokane, John Pemboski-HUD, Marty Kooistra-HDC, Peggy Papsdorf-Pioneer, Darryl Reber-IERR, Kathy Morgan-Oly Cap, Ginger Segel-Community Frameworks, Lisa Byers-OPAL CLT, Renee Rooker-Walla Walla HA, Patrick Tippy-CHSWW, Michelle Morlan-Lotus, Trudy Soucoup-HomesFirst, Korbie Jorgenson-Haley-ORFH, Mark Ellerbrook-King Co, Bryan Ketcham-CCHS, Chris Pegg-Housing Opportunities SWWA, Susan Duren-WCRA, Lisa Vatske-WSHFC, Mark Smith-HCESC, Michele Thomas-WLIHA, Maureen Fife-Habitat for Humanity, Ann Melone-US Bank Corp, Walter Zisette-Capital Hill Housing, Philippa Nye-Ally CD, Jackie Moynahan-King Co

**Commerce Participants:** Diane Klontz, Tedd Kelleher, Corina Grigoras, Jason Davidson, Ann Campbell, Cary Retlin, Jennifer Lane

**Remote Participants:** Felicia Medlen-Snohomish Co, Brien Thane-Bellingham HA, Laurie Olsen-Seattle OH, Ken Katahira-Snohomish Co, Klaas Nijhuis-ARCH, Samya Lutz-Bellingham HA, Roberta Schur-THA, Tom Jacobi-HomeSight, Fred Safstrom-Housing Hope, Bill Rumpf-Mercy, Jan Laskey-Bank of the Pacific, Rebecca McCrary-Everett, Jenny Weinstein-Opportunity Council, Dale Miller-CAC Whitman, Kay Murano-SLIHC

**Commerce Remote Participants:** Karma Shannon♥Lawson, Randi DuPrey, Dever Haffner-Ratliffe, Tanya Mercier, Deborah Ornellas, Michelle Campbell, TyeRae Guined, Pam Denham, Sarah Dunn, Susan Butz

Agenda Item	Key Discussions/Decisions
<b>Introductions</b>	Corina Grigoras welcomed members and participants. Introductions were made, the agenda discussed, and attendees signed in. New PAT members were welcomed: Tedd Kelleher, Bryan Ketcham, Kathy Morgan, Peggy Sheehan, and Trudy Soucoup. The new roster and updated member responsibilities were shared; they are also posted on the <a href="#">HTF-PAT webpage</a> . Thank you to all that applied and will continue to serve on PAT. 2018 PAT meeting dates were discussed (see below). AHAB will continue to meet on the same days as PAT in 2018. PAT meetings will start at 9:30am, instead of 9:00am moving forward. Proposed 2018 dates, times, and locations are in the last section of these notes.
<b>Department of Commerce Updates</b>  -Diane Klontz Tedd Kelleher	Commerce is discussing possible scenarios and updating contingency plans in the event that a budget is not passed by the federal government. Federal budgets have to be submitted by December 8 at midnight. Also, Commerce is still hopeful for a state capital budget to be released soon, which should include funds for HTF for both new units and preservation of existing ones.  The Housing Assistance Unit (HAU) recently gave a tour to partisan and non-partisan legislative staff through different projects and discussed the barriers that homeless people face when trying to get into a shelter. The recent

	<p>data collected by HAU does not support the restrictive barriers and the barrier rules are not standardized among projects. The most recent <a href="#">State Homeless Housing Strategic Plan</a> has shown that removing some of these restrictive barriers will promote higher performing crisis response systems for the homeless population. This is a topic that HAU will continue to discuss. The goal is to have at least one low-barrier shelter for both singles and families in every community. HAU is also coordinating with HTF to prioritize new applications received to serve those with the highest needs.</p>
<p><b>2017 Application Round Update</b>  <a href="#">(Stage 2 Applications Received)</a>  <b>-Corina Grigoras</b></p>	<p>HFU received 76 applications for the 2017 Stage 2 Application Round for a \$130 million ask. The <i>pending</i> capital budget has approximately half of that available for the competitive pool (\$68 million). 19 applications are homeownership and 57 are multi-family projects with half of these relying on 9% tax credits. HTF is working with the Commission and other funders trying to stay in alignment with their funding timelines, in the event that the capital budget is passed. Applications are currently being reviewed but scores or ranking cannot be finalized until a budget is passed, so that the remaining blanks are filled in for applications (e.g., population set-asides, third party studies). Once the budget is passed, HTF will reach out to all applicants for the remaining requirements and updated information. Discussions are still happening on whether or not HOME or NHTF funds will be awarded if there is no state budget passed. A question was asked on whether or not the full biennium budget could be awarded for this upcoming round. It is a possibility but will be dependent on the date the budget is passed. Another question was asked about the timeframe for the awards once the budget is released. HTF staff will work quickly to collect all of the remaining pieces of the submitted applications and make final decisions. All applicants will be given a reasonable timeframe; staff is aware that it may take some projects longer to produce the remaining requirements, especially some of the third-party studies. Applicants will be encouraged to work with HTF staff if they encounter difficulties getting those last pieces submitted in time.</p>
<p><b>LIHTC Program Updates</b>  <b>-Lisa Vatske</b></p>	<p>The LIHTC program received 25 projects requesting 37 pre-approvals, 11 are for leverage, which was heavily encouraged this year. 9 of the projects have TDC waivers. LIHTC, the Commission, and HTF discussed different “what-if” scenarios with all of the proposed changes happening with tax reform and uncertainties at the federal level. Lisa sent out an email with the different what-if scenarios to help prepare those applying for tax credits. These what-if scenarios map out to the last minute of the budget being passed. LIHTC will be moving forward with their funding round and hold to the January 18 deadline, regardless of a capital budget being passed. LIHTC encourages all projects that can be fully funded to apply, and reminds folks that if there is no capital budget, then projects depending on HTF will not be moved forward or ranked. The LIHTC program received a common question in the last couple of weeks: why not wait another 60 days to award? LIHTC, the Commission, and HTF all agree that it is best to move forward with the deadline due to the uncertainty of tax reform at the federal level, bids still happening on tax credits, unknown pricing (possible \$0.05-\$0.10 lower) of the tax credits, the risk of losing credits to the National Pool, and no specific date or certainty of the timing of the state capital budget. LIHTC is tossing around the idea of accelerating the 2019 LIHTC application round if HTF is funded in June. Much of the Commission’s attention is currently focused on the possible elimination of private activity bonds, which would affect all 4% bond projects.</p>

<p><b>WLIHA Updates</b> -Michele Thomas</p>	<p>The Alliance is optimistic that a capital budget will be passed in January. Rumors are circulating that there will be no supplemental budget, or a minimal one, however, they do anticipate an operating supplemental budget. The Alliance will continue to advocate any extra money discovered (from failed projects, etc.) to be directed to the HTF. The Medicaid Waiver was recently approved and benefits will be available in January. Please reach out to Torri Canda at Amerigroup for assistance. The Alliance will be advocating the same legislative agenda as last year, which was discussed at the last PAT meeting. Advocacy Day is coming up (2/1/17) and the Alliance will participate in helping and educating legislators. If you would like to volunteer, please reach out to Michele Thomas.</p>		
<p><b><a href="#">Tiny Shelters Report</a> – SACH</b> -Kirsten Jewell</p>	<p>Special Guest, Kirsten Jewell, Chair of the State Advisory Council on Homelessness (SACH), gave PAT a presentation about SACH's <a href="#">Tiny Shelters Report</a>, a recommendation report created by SACH for the Governor. Tiny shelters are defined as small footprint buildings used as emergency shelter units. These are not classified as permanent supportive housing (PSH) or other permanent housing, Tiny Houses on Wheels (THOW), market-rate or lifestyle affordable housing. These are intended to be permanent housing and divert funds dedicated to permanent housing. SACH defined tiny shelters as temporary interim housing as a crisis response for unsheltered homeless. To learn more about tiny shelters or review the presentation from Kirsten, please visit the report or the <a href="#">Tiny Shelters Presentation</a>.</p>		
<p><b>Portfolio Preservation &amp; Asset Management Updates</b> -Jason Davidson</p>	<p>The HTF Asset Management Team has completed the review of the Annual Reports for WBARS. Thank you to everyone that worked with the team. <i>Property Sales &amp; Transfers</i> – HTF has been seeing an increase on property transfers and refinances to focus on new units, instead of preserving. This guided the team to take a closer look at the policy surrounding refinancing and preservation. They will start working on trying to standardize and clarify the policy in the next few months. The team may reach out to other funders and stakeholders for feedback and suggestions to help guide. These updates and clarifications will be added to the HTF Handbook. <i>Over-Income Tenants</i> – Compliance staff is considering changes to the HTF contract language to better clarify that the program intent is not displacement of tenants who see a modest increase in household income after initial move in.</p>		
<p><b>Closing Remarks</b></p>	<p>Chris Pegg concluded the meeting, and encouraged members and participants to attend every PAT meeting <i>in-person</i>.</p>		
<p><b>Proposed 2018 PAT Meeting Dates</b></p>	<p><b>March 7, 2018</b></p>	<p>PAT 9:30am – 12:00pm AHAB 1:00 – 3:00pm</p>	<p>Department of Commerce, Olympia</p>
	<p><b>June 6, 2018</b></p>	<p>PAT 9:30am – 12:00pm AHAB 1:00 – 3:00pm</p>	<p>Pacific Tower Building, Seattle</p>
	<p><b>October 2, 2018</b></p>	<p>PAT 9:30am – 12:00pm AHAB 1:00 – 3:00pm</p>	<p>TBD, Tacoma, 2018 Housing WA Conference</p>
	<p><b>December 5, 2018</b></p>	<p>PAT 9:30am – 12:00pm AHAB 1:00 – 3:00pm</p>	<p>Department of Commerce, Olympia</p>