

Transition Brief

Agency Name: Washington State Housing Finance Commission

Contact Information: Kim Herman, Executive Director
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<http://www.wshfc.org>

Agency Responsibilities:

The primary purpose of the Housing Finance Commission is to use federal tax programs and other private sector financial resources to encourage the development and preservation of affordable housing for low- and moderate-income persons **without using state funds and without lending the state's credit**. To do this the Commission:

- Issues tax-exempt mortgage revenue bonds and makes available down payment and closing cost assistance to finance the purchase of moderately priced housing by qualified low- and moderate-income first-time homebuyers.
- Issues tax-exempt mortgage revenue bonds to finance the new construction or acquisition/rehabilitation of rental housing, a portion of which is occupied by very low- and low-income persons.
- Issues tax-exempt nonprofit bonds to finance capital expenditures for facilities owned by nonprofit organizations such as museums, social service offices, independent schools, animal shelters and recreational facilities.
- Issues federal Low Income Housing Tax Credits to qualified new construction and acquisition/rehabilitation rental housing projects, a portion of which is occupied by very low- and low-income persons.
- Monitors the compliance of housing developers and owners with long-term regulatory agreements regarding occupancy by low- and moderate-income persons and special populations.
- Provides training to low- and moderate-income persons, special needs populations, lenders, developers, realtors and other industry persons in the use of our programs.
- Encourages the participation of both public and private sector real estate industry participants to develop or preserve affordable housing for low- and moderate-income persons.
- The Commission acts as staff to the Washington Higher Education Facilities Authority (WHEFA) and the Tobacco Settlement Authority (TSA).

Most Pressing Issues or Challenges:

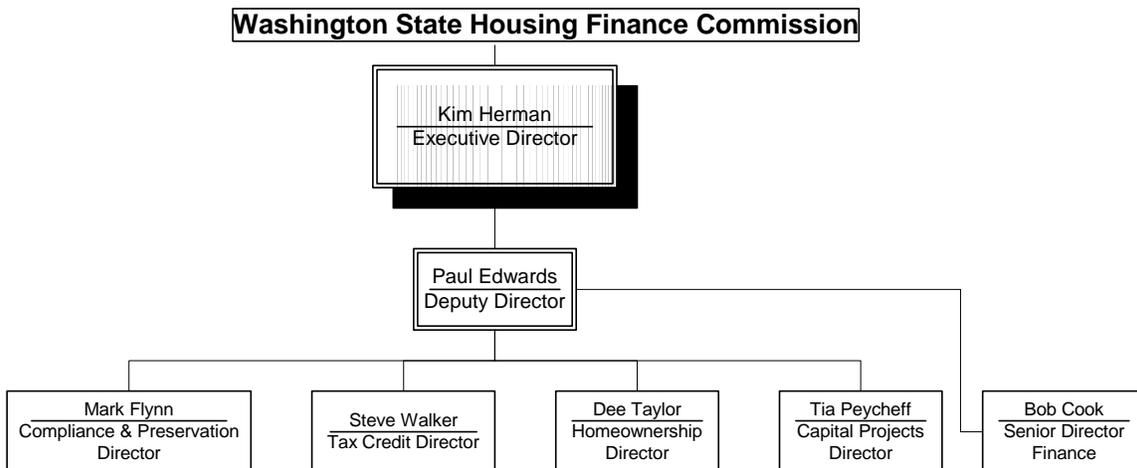
- The rapid increase in house prices in metropolitan areas has made it significantly more difficult for low- and moderate-income persons to purchase their first home. This is a supply and demand issue that the Commission addresses by encouraging the development of additional affordable housing and partnering with local communities to provide increased amounts of downpayment assistance.
- In the Commission's homeownership programs, the current low interest rate environment, inverse yield curve in the bond markets, and the increasing negative impact of the federal Alternative Minimum Tax (AMT) on the pricing of bonds, have made it difficult to maintain a significant spread between tax-exempt mortgage funds provided by the Commission and private sector lending sources. We expect that as interest rates increase, this problem will become less severe.

- The Commission suffered prepayment of a significant portion of its single-family mortgage portfolio, thus reducing income, due to the refinance boom over the last two years caused by historically low mortgage interest rates. We are working to increase our portfolio through new loans.
- The Commission works in conjunction with private lenders, the Housing Trust Fund and other public funding programs to finance affordable housing. The amount of public funds available from federal and state sources is not sufficient to meet the demand for affordable housing. Further federal housing subsidy reductions in the Section 8 Rental Voucher program, are exacerbating the problem.

Interaction with the Governor’s Office: The Commission interacts with the Governor’s office in two important ways:

- The Governor appoints eight of the eleven Commissioners that serve on the Commission, according to RCW 43.180.
- The Governor is the “responsible public official” for signing Affidavits of Public Hearing for federal tax law purposes for the issuance of tax-exempt mortgage revenue bonds to finance affordable housing in the state. The Commission needs to coordinate closely with the Governor’s Counsel to have these affidavits signed in a timely manner to allow for the orderly issuance of the necessary bonds.

Organization Chart and Budget:



- The Commission’s current budget for 2004-2005 is \$9,293,957 and we currently have 68 employees. **The Commission receives no state funds for constitutional reasons.** Our operating funds are non-allocated and non-appropriated earnings from programs. The Commission contributes to the economy of the state by creating jobs during the construction, rehabilitation and on-going operation and maintenance of affordable housing projects. **The Commission has contributed more than \$11.5 billion to the state’s economy over the past 20 years.**

Board Member Listing by Board Position

HOUSING FINANCE COMMISSION (GS075)

Agency 148 - Wash State Housing Finance Comm	Senate Conf. Y	Positions: Maximum 011
Authority Governor, statute	Public Disc. Y	Minimum 000
Authoriztn. RCW 43.180.040	Term Length 048	Actual 011
Rem. Auth. GC	Meetings/Yr. 12	

Pos. #	Name and Address	Status	Race	Appointed	Expires
003	Grace, Claire 728 North 193 Street Shoreline, WA 98133	A	C	10/31/2003	06/30/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public Finance		

Pos. #	Name and Address	Status	Race	Appointed	Expires
004	Reickers, Raymond C. 4307 N Hawthorne Street Spokane, WA 99205	A	C	01/26/2004	06/30/2007
		Terms Served	01		
		Position	a member		
		Comments	Low-income Representative		

Pos. #	Name and Address	Status	Race	Appointed	Expires
005	Reichert, Michael 17605 244th Avenue SE Maple Valley, WA 98038	A	C	10/09/2002	06/30/2005
		Terms Served	01		
		Position	a member		
		Comments	Housing Consumer		

Pos. #	Name and Address	Status	Race	Appointed	Expires
006	Otani, Tim 17510 8th Avenue NE Seattle, WA 98155	A	AP	10/25/2002	06/30/2005
		Terms Served	01		
		Position	a member		
		Comments	General Public-Lender		

Pos. #	Name and Address	Status	Race	Appointed	Expires
007	Kloida, Dennis 8501 Zenith Court NE Lacey, WA 98516	A	C	04/02/2003	06/30/2005
		Terms Served	01		
		Position	a member		
		Comments	Labor		

Pos. #	Name and Address	Status	Race	Appointed	Expires
008	Pryde, Harry 50 116th Avenue SE, Suite 200 Bellevue, WA 98004	A	C	07/01/2003	06/30/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public		

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009	Bedolla, Isabel PO Box 139 Zillah, WA 98953	A	H	07/01/2003	06/30/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public Realtor		
Pos. #	Name and Address	Status	Race	Appointed	Expires
010	Miller, Karen (The Honorable) 22208 - 53rd Avenue West Mountlake Terrace, WA 98043	A	C	09/24/1999	
		Terms Served	01		
		Position	Chair		
		Comments	Private Sector		
Pos. #	Name and Address	Status	Race	Appointed	Expires
011	McIver, Richard (The Honorable) 4114 51st Avenue S Seattle, WA 98118	A	AA	05/29/2003	06/30/2005
		Terms Served	01		
		Position	a member		
		Comments	Local elected official		

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