

NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 15, 2016

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact awards@ncsha.org or 202-624-7710.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

State Legislative Advocacy: Three Victories for Washington State Housing

In the 2015-16 legislative session, the Washington State Housing Finance Commission was instrumental in the success of three bills to improve very different aspects of affordable housing in our state.

Protecting Foreclosure Counselors

The passage of Washington state's Foreclosure Fairness Act in 2009 marked a seminal moment in the struggle of homeowners to get relief from the foreclosure tidal wave during the Great Recession—in which the number of foreclosures in Washington grew from about 7,000 to 45,000 in just three years.

As one of the original drafters of the Foreclosure Fairness Act, the Housing Finance Commission was instrumental in the FFA's creation of a system that collected money from foreclosing lenders to pay for housing counselors and a mediation program. The mediation program was a key tool to assist homeowners and their housing counselors: Because banks in Washington do not have to file a lawsuit in order to foreclose, there was no supervision in the process and no chance for homeowners to plead their case to a third party. The FFA created a system to allow a homeowner to require banks to meet with a mediator to review their options before a foreclosure could take place.

Meanwhile, inside and outside of the mediation program, housing counselors provide a vital free service for homeowners facing foreclosure. Not only do they offer impartial advice to help homeowners understand their options and choose wisely, they also serve as the gateway into the mediation program. Only a housing counselor or a lawyer can refer a homeowner to the program; without free counseling, the homeowner would have to pay a lawyer to be referred to mediation.

The Housing Finance Commission has a key role in this process—overseeing the network of about 20 nonprofit partners statewide who provide this vital foreclosure counseling. Nearly 70 percent of the fees paid by lenders—supplemented by national-settlement and federal funds—support this program.

By 2015, however, this program was at great risk. Ironically, this was partly due to the positive fact that the rate of foreclosures had been winding down. With fewer foreclosures came fewer fees paid into the program by lenders.

However, it also became clear that the original bill's funding mechanism and distribution formula was flawed. It required that a fixed amount of the funding, rather than a percentage, go to the administering state agencies. This meant that as the overall funds decreased, a greater and greater proportion was funneled into administration instead of the actual counselors. The housing-counseling program was in danger of losing most—if not all—of its funding.

To avert this outcome, the original sponsor of the Foreclosure Fairness Act, Representative Tina Orwall of the 33rd District, called together the primary groups involved in the foreclosure programs to agree on a solution to this problem, as she had done to write an amendment to the Foreclosure Fairness Act once before.

At the initial meeting of this group, attended by over 20 financial institution representatives and their lobbyists as well as the administering state agencies and the Housing Finance Commission, it was clear that consensus on a revised funding distribution was in jeopardy.

Unwilling to see the process fall apart, the Commission asked Representative Orwall to convene a smaller working group of the funding recipients to see if a solution could be drafted. Representative Orwall then directed the Commission, the Office of the Attorney General, the Department of Commerce, the Department of Financial Institutions, and the Office of Civil Legal Aid to meet and return with a proposed solution within ten days.

The Commission convened these partners and brought to the table a working solution: a new formula for equitably distributing funds that guaranteed that the foreclosure counselors—rather than the administrative agencies—received the largest percentage of the funds collected. It also expanded the list of lenders required to pay into the fund.

Not only did this solution save the housing counseling program, the Commission was also able to secure \$200,000 a year to fund Washington's housing-counseling hotline. This important resource is the official "1-800" number used by homeowners seeking assistance with their mortgage. Lenders are required to give this number to homeowners in default, and it is used in outreach across the state by governmental agencies and nonprofits. The consistent use and distribution of this number is a strong deterrent to the many housing-counseling scams faced by homeowners. However, the operation of the hotline was supported solely by donations and grants, many of which were about to expire. By creating a sure and certain funding source, the Commission's solution assured that this critical tool for homeowners will continue for years to come.

The Commission next took the lead on selling the proposal to the representatives of the banking and trustee industry. After some negotiation, agreement was reached which only slightly modified the Commission's original proposal. With this agreement in place, the legislation was proposed by Representative Orwall and unanimously passed both the state House and Senate.

Increasing Bond Cap for Housing

Due to a changing market, private-activity bonds for student loans, while legally allowable in Washington state and studied for feasibility from time to time, have not been issued here since 2004.

Despite this, 15% of the state's bond-cap authority—about \$107 million—has been set aside for student-loan bonds each year. Because this authority could not be used for student loans, it became practice to request a transfer to the housing category midway through each year. While this did result in additional bond cap for housing eventually, the needless delay caused uncertainty and forced the Commission's 4% credit-plus-bond and single-family bond programs (as well as the housing authorities' bonds) to wait for access to bond cap, delaying projects.

When another study in 2015 again confirmed that the bond market would not support the issuance of bonds for student loans, the Housing Finance Commission worked with the state Department of Commerce to introduce legislation to have the student-loan portion automatically transferred to housing. Thus, an additional \$107 million of bond cap would be available to housing programs by February 1 each year, instead of in June.

The Commission had the bill drafted by the legislative drafting service and found sponsors for companion bills in the House and Senate. The bills were introduced and moved to the appropriate committees where the Commission, the Department of Commerce and the Association of Washington Housing Authorities testified in favor of the bills, which passed both legislative houses.

Land-Banking for Habitat for Humanity

The Commission has long supported Habitat for Humanity's mission of helping low-income families to build their own homes in partnership with community volunteers. In 2015, for example, the Commission joined Habitat in calling on the legislature to set aside more funding in the state's Housing Trust Fund for homeownership programs.

Based on the success of this effort, the state's Habitat for Humanity association was encouraged to try to pass a copy of an Oregon law that allowed Habitat organizations to buy and hold land for future development for up to eight years without paying state property taxes, thereby saving thousands of dollars.

However, Habitat needed help getting a bill drafted and introduced in the Washington legislature—and asked the Commission for assistance. The Commission, which had worked on several property-tax exemption bills for nonprofit housing organizations in the past, had a bill drafted by our attorneys and the legislative drafting service. The Habitat organizations, led by the two largest Habitat chapters in the state, Spokane and Tacoma, found a sponsor for the bill: State Senator Bruce Dammeier.

Working with Senator Dammeier, the state Habitat organizations lobbied in favor of the bill in the Senate and the House. The Commission signed in favorably on the bill in both houses of the legislature, and the bill successfully made its way to the Governor's office for signature.

Last-Minute Veto

Although all three of these Commission-supported bills passed both houses of the legislature and were sent to the Governor for signature, they were almost felled by a political power play.

In an effort to force the legislature to pass a state budget bill before the end of the session, Governor Jay Inslee vetoed a group of 27 bills presented to him for signature. The subsequent crisis led to an emergency session of the legislature—in which, fortunately, the legislature passed a state budget bill and both houses of the legislature overrode the Governor's veto.

Thanks to these three new laws, Washington's homeowners are better protected, our multifamily and single-family programs more secure, and our Habitat for Humanity affiliates are better able to meet the high demand for affordable housing.