

# Transforming Washington: 2019 Annual Report

**Washington State Housing Finance Commission**  
Communication: Annual Report

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## Transforming Washington: 2019 Annual Report

Available online: [wshfc.org/admin/WSHFCAnnualReport2019.pdf](https://wshfc.org/admin/WSHFCAnnualReport2019.pdf)

### Transformation

In 2019, the Washington State Housing Finance Commission chose a theme of transformation for our annual report. Although high rents and home costs have continued to push people into homelessness and put homeownership out of reach for all but the highest earners, we wanted to share the bright spots—how providing affordable homes transforms lives, neighborhoods, communities and our state.

### Strategies

Although we worked with a contracted design firm, our two-person communications team provided the art direction, wrote and edited the stories and headlines, collected and made sense of data, and separately engaged our photographer and assisted on photo shoots, as well as working hard to print the report within a reasonable budget.

As in years past, our goal was to highlight our success in areas of the state that are vastly different in geography, economy, and community size. We also wanted each story to focus on a different kind of household, especially those with children: a financially struggling young family, a single disabled grandmother, a mother rebuilding her life after prison.

We emphasized the hopefulness and joy of transformation by contrasting black-and-white photos, color photos, and an overall bold color scheme. We also invited the reader to engage in each transformation by adding a daring page rip--the reader tears back the black and white “before” (or less dynamic) photo to reveal the full-color, joyful “after” photo beneath. Outstanding photos of real people and places were again our focal points.

For the numbers that are necessary for an annual report but can feel like an afterthought, we used eye-catching colors and infographics, grouping them by program area. Finally, we used the closing spread for a farewell message from our executive director, who retired at the end of 2019 after leading the Commission for its entire existence of 36 years.

As always, our annual report is accompanied by our “[statewide impact report](#),” which shows in numbers and maps all our housing production and investments over our agency’s lifetime.

### Impact

Our annual report debuted on social media and engaged hundreds in posts that highlighted individual stories and facts, even though the COVID-19 outbreak and the early lockdown of our state prevented us from sharing the printed reports widely as of yet.

As in prior years, our annual report serves as a powerhouse for multiple materials and presentations throughout the year, as we use its photos, infographics, and messages in slides, brochures, web pages, and branding efforts.

For example, we use the individual stories and photos on district one-pagers to show our members of Congress the faces of their constituents who benefit from federal housing programs. We’ve found it continually effective as we connect with and inform our community.



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

*Opening doors to a better life*

*2019 Annual Report*

# Transforming Washington

 [www.wshfc.org](http://www.wshfc.org)



# Letter from the Chair



## See the Transformation

### Highlights:

6,837 affordable apartments financed

7,862 households helped to buy a home

Each year, the people of Washington are treated to some of the most beautiful transformations in the country. As the seasons pass, mountains, lakes, forests, and plains metamorphose into new designs. Spring flowers give way to warm summer breezes. Fall brings colorful leaves and wet weather. Winter crowns the mountains with snow.

Another transformation is happening in Washington as communities add affordable

housing. The Washington State Housing Finance Commission is proud to play a key role in this transformation. Through our efforts, families see the dream of homeownership grow from an idea into reality. Buildings mature from drawings into apartments that let people escape homelessness. Empty windows come back to life. Opportunities bloom for children.

We know homelessness and housing affordability are still crises affecting every

community in our state, and much work remains. But in this report, you'll read stories of transformations happening every day: from lives, to neighborhoods, to communities. **Turn the page and see the transformation...**

**Karen Miller,**  
WSHFC Commission Chair

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### Annual Report 2019 Introduction

Learn more about the work we do to transform Washington.

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### Transforming Lives

Meet some of the people whose lives have been touched by our affordable housing programs.

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### Transforming Neighborhoods

See how our projects are helping bring stability and equity to Washington neighborhoods.

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### Transforming Communities

From sustainable energy, to farms, manufactured housing and nonprofits, get a glimpse of our impact on communities around Washington.

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### Transforming Washington

Take a look at the Commission's self-sustaining, financial performance.

2019

# Commissioners

**Karen Miller**, *Commission Chair*

**Brian Bonlender**, *Director, Department of Commerce, Ex Officio*

**Diane Klontz**, *Department of Commerce, Designee*

**Duane Davidson**, *Washington State Treasurer, Ex Officio*

**Jason Richter**, *Washington State Treasurer's Office, Designee*

**Beth Baum**, *At-Large*

**Steven Moss**, *Nonprofit and Housing Consumer Representative*

**Randy Robinson**, *Housing Consumer Interests Representative*

**Alishia Topper**, *Publicly Elected Official Representative*

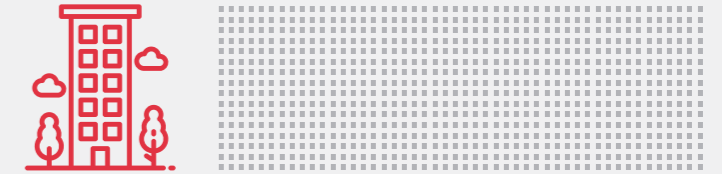
**Lowel Krueger**, *Public Member*

**Ken A. Larsen**, *Public Member*

**Wendy L. Lawrence**, *Public Member*

## What We Do

### Opening Doors to a Better Life



- + Offer affordable home loans
- + Help build and rehabilitate affordable apartments
- + Ensure affordable homes remain safe, decent, and affordable for decades
- + Finance energy projects, new farms, and nonprofit facilities
- + Advocate for affordable housing throughout the state and nationally

### Who Benefits



- Seniors
- The homeless
- Working families
- People with disabilities
- New farmers/ranchers

### Our Partners



- Housing developers
- Nonprofits
- Real-estate professionals
- Loan officers
- Property managers

# Transforming Lives

*Through our use of tax credits, bonds, and loans, the Commission helps families find affordable, permanent housing.*



Tear along perforation

# Together Again

## *A Homeless Family is Reunited Under One Roof*

Angela, Tracey, and their four children were sharing a house in Spokane with roommates when financial hardship struck. They got behind on the rent—and though they were making steady payments to make it up, the landlord took them to court for an official eviction.

The effect on Angela and Tracey's family was disastrous. Nine months of homelessness followed, bouncing from shelter to shelter, sometimes having to split up. Although they had a rental voucher, they couldn't find housing that could accommodate all six of them and their dogs—or would accept renters that had been evicted.

Then they learned about Sisters Haven—a new Catholic Charities property on the Spokane River with apartments set aside for homeless families. Overjoyed, the family moved into their own place, big enough for all of them—and even furnished by volunteers.

*"This place has been such an amazing blessing for us!"*

Now, Angela and Tracey enjoy the classes and child care available at the adjacent community center. Their children, Jessy (13), Emily (11), Justin (11), and Isaiah (5) love playing on the basketball court or exploring the forested paths by their home.



**What:**  
Sister's Haven Apartments

**Location:**  
Spokane, Washington

**Partner:**  
Catholic Charities of Eastern Washington

**Tools Used:**  
9% Low Income Housing Tax Credits

**Transformed:**  
Created 75 units of housing in NW Spokane



# Finding Her Way

*Housing helps a mother start a new life*



Growing up in a small Eastern Washington town as the child of addicts, Beth had only known chaos and chronic violence. Struggling with substance abuse herself, crime was the only way she knew to survive. When her daughter was two, Beth was sent to prison for six years.

She emerged sober and ready to make a change. But without a place to live, thanks to her criminal record, her resolve was in danger. "I had my daughter back in my life, but nowhere to go," she says.

Then she heard about Home Yard Cottages, a new housing project in

Spokane by the nonprofit Transitions. Beth, now a mother of two, wrote a letter about her wish to make a better life for her daughters. That September, they were the first family to move in.

Beth is now an honor student making steady progress toward her degree in social work. Her dream is to help others escape hopelessness as she did.

*"Without this stable housing, I hate to think what I would have had to resort to to take care of my daughters. It's a beautiful thing to have a place and stability for them."*

**What:**  
Home Yard Cottages

**Location:**  
Spokane, Washington

**Partner:**  
Transitions Program

**Tools Used:**  
9% Low Income Housing Tax Credits

**Transformed:**  
Created 24 cottage homes for families





# A Safe Place to Play

*A family finds a home to fit their daughter's needs*



When Mark and Melissa Beagley received their daughter Brynn's autism diagnosis, it came with daunting therapy costs.

*"We basically were paying the amount of a mortgage each month just in medical expenses," says Mark. "We didn't think we would be able to buy a home."*

Then a close friend of Mark's, a mortgage lender, told him about the Commission's Downpayment Assistance Program. After careful planning, Mark and Melissa were able to use this help to not only purchase a home—the 80,000th family to buy

a home through the Commission!—but also to modify it to fit their family's needs.

With the money they saved by using downpayment assistance, they removed a kitchen wall for better visibility of the kids and created a therapy space for Brynn in the basement.

Now Brynn can focus on her therapy four times a week in a separate space from her parents and little brother, Pace. And both kids love to play in the fully fenced backyard.

*"Now we have a safe place for our kids that is truly ours!"*

**What:**  
Homeownership

**Location:**  
Olympia, Washington


**Partner:**  
Ryan Dorman Group  
(Evergreen Home Loans)


**Tools Used:**  
Home-loan Program &  
Downpayment  
Assistance Program


**Transformed:**  
Purchased and modified  
a house to fit their  
daughter's therapy needs



## Multifamily Highlights

**653** for homeless households 

**600** for disabled households 

**1,793** for seniors 

**425** for large households 

=

### Affordable Apartments

**6,837**

affordable apartments created or preserved



### Combined Bonds and 4% Tax Credits



**26** projects statewide in 8 counties



**5,438** apartments  
(3,073 new construction, 2,365 acq/rehab)



**\$433.5M** in tax-credit equity



**\$713M** total bonds issued



### 9% Housing Tax Credits



**17** projects in 10 counties statewide



**1,076** apartments  
(1,015 new construction, 61 acq/rehab)



**\$220M** in tax-credit equity



### Nonprofit Housing



**323** units & beds financed



**\$97.6M** in bonds issued



**26** existing units refinanced

## Homeownership Highlights



### Home Loans

**7,862**

households served

\$2.026 billion\*  
Up 28.6% from 2018

\*6,905 Home Advantage loans and 957 House Key loans



### Downpayment & Closing-Cost Loans

**7,316**

homebuyers using our home loans

\$76.98 million  
Up 36% from 2018



### Free Homebuyer Education Seminars

**9,819**

potential homebuyers attended a seminar

1,391 seminars provided  
767 instructors trained

## Asset Management & Compliance Highlights

Our Asset Management and Compliance team makes sure the apartments we finance remain safe, decent, and affordable for up to 40 years, through ongoing monitoring and technical assistance.

**360+** properties inspected each year



**600+** property owners & managers trained in compliance, monitoring, and reporting



**100,000+**

units in 1,140 properties monitored statewide

# Transforming Neighborhoods

*The Commission's investment of tax credits has led to revitalization and equity in neighborhoods around Washington.*



Tear along perforation

# Back on Solid Ground

*A former housing manager gets a place of her own*

As a former manager of emergency and transitional housing, Sandra Bingley never thought she would see the day she was in the same position as those she once helped: homeless.

However, after having major surgery on her back 14 years ago, Sandra has been prevented from working due to her disability. With help from the Peninsula Housing Authority (PHA), Sandra and her granddaughter, Jordan, were able to move into a temporary apartment in Sequim for up to two years.

As the end of her second year approached, Sandra once again experienced the fear of becoming homeless. That was when

she applied to live in Mt. Angeles View, the PHA's complete redevelopment of older subsidized housing.

*"Being at the apartments is a blessing for me and my granddaughter," Sandra says. "We have a solid foundation now. We don't have to think about uprooting again in two years."*

That solid foundation also allows Jordan to participate in Upward Bound, a college preparatory program that assists low-income and first-generation, college-bound high-school students.

*\*\*Before" Mt. Angeles View photo courtesy of PHA.*



**What:**  
Mt. Angeles View Apartments

**Location:**  
Port Angeles, Olympic Peninsula

**Partner:**  
Peninsula Housing Authority

**Tools Used:**  
9% Low Income Housing Tax Credits

**Transformed:**  
Redeveloped 63 housing units



# A Torch Relit

## Historic bank becomes affordable housing in the Central District

Miriam Pratt's family lived in the Central District when they first arrived in Seattle, less than 20 blocks from her new east-facing apartment in the Liberty Bank Building. Her father, civil rights leader Edwin T. Pratt, embodied a vision for equal housing, education, and employment, and the Pratts become the first black family to live in Shoreline. 50 years ago, her father was assassinated at their home. Miriam was five years old.

After moving back to Seattle, Miriam found that skyrocketing housing costs made it difficult for long-time residents to remain in the Central District. Then she heard about the Liberty Bank Building, a new complex located on the same site as the first black-owned bank west of

the Mississippi. For Miriam, the building represents a legacy of community resilience in the face of systemic, institutional racism. It also creates opportunities for a bright future for its residents.

*"I've met families who grew up in the Central District who can only stay because of affordable housing."*

CHH developed the Liberty Bank Building in partnership with Africatown CLT, Byrd Barr Place, and the Black Community Impact Alliance. For Miriam, she sees this moment in time as a chance for all people to "light the torch again" to make progress toward equality and civil rights for everyone.



**What:**  
Liberty Bank Building

**Location:**  
Seattle, Central District

**Partners:**  
Capitol Hill Housing, Africatown CLT, Byrd Barr Place, & the Black Community Impact Alliance

**Tools Used:**  
4% Tax-Credit Program

**Transformed:**  
Created 115 affordable apartments

*\*Photos courtesy of CHH.*



# Transforming Communities

*Our financing supports sustainable energy improvements, land purchases by beginning farmers, nonprofit facility construction and improvements, and land purchases by manufactured home residents.*

Tear along perforation



*Finnriver Cidery*

## Sustainable Energy Trust (SET)



**\$1.05 million**  
financed



**3 projects**  
completed



### Finnriver Farm and Cidery

Chimicum, WA

**\$150,000** SET loan

This popular cidery installed a bio-digester that will turn plant waste into energy—powering their cider pasteurizer and reducing the need for grid electricity. *(see previous photo)*



### Lopez Community Land Trust

Lopez Island, WA

**\$300,000** SET loan

Three new affordable homes in the CLT's (Community Land Trust's) Salish Way Cooperative were able to achieve net-zero sustainability.

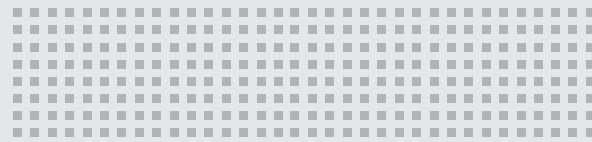


### YMCA of Southwest Washington

Longview, WA

**\$600,500** SET loan

The Longview Washington YMCA reduced energy consumption by approximately 40% thanks to the new HVAC system, lighting, and cutting-edge pool systems.



## Beginning Farmer/Rancher



**\$1.8 million**  
financed



**5 projects**  
completed

Through this financing, five families began new farms in Whitman and Benton counties, raising crops such as wheat, barley, canola, billy beans, and peas.

\*Lopez Community Land Trust, YMCA, and Beginning Farmer/Rancher photos, not by Tom Turley

## Nonprofit Facilities



**\$59 million**  
financed



**7 projects**  
completed



## Project Details

No.	Funding	County	Tax-Exempt Bond Amount
01	Mukilteo Club	Snohomish	\$1,800,000
02	Two Schools Joint Campus	King	\$21,500,000
03	Homage Senior Services Building	Snohomish	\$6,225,000
04	St. Elizabeth Ann Seton Catholic High School	King	\$9,540,000
05	Sound Generations	King	\$1,617,204
06	Camp Korey	Skagit	\$3,450,000
07	The Little School	King	\$15,000,000

## Manufactured Housing Preservation



**\$3 million**  
financed



**2 projects**  
completed

This loan program allows residents of manufactured-home communities to purchase the land under their homes (partners: ROC Northwest & ROC USA). This creates affordability and long-term security for residents.

### Upper Lakeshore, Moses Lake

Fourteen residents became homeowners for the first time after the community purchase in September 2018.

### Woodside Manor, Bonney Lake

This RV park will be converted to an affordable manufactured home community over time, thanks to our financing in partnership with Washington Community Reinvestment Association (WCRA).

# Transforming Washington

*The Commission stewards public resources, harnesses private investments and provides financial tools that change lives across the state.*





# A Community Reborn

## Dilapidated former naval housing gets a new identity

Magnuson Park in Seattle doesn't just offer trails, athletic fields and Lake Washington beaches. It's also a historic landmark—a former naval base with dozens of buildings dating to the 1930s.

Among these, the sprawling Building 9 languished. Once home to military families, it had fallen empty and dilapidated. To house families again, it would require massive—and expensive—repairs.

Thanks to community leaders such as former state speaker Frank Chopp, a wide range of investments were gathered from state, local and federal sources—including the Commission's housing tax-credit program and Critical Preservation fund.

After 20 months of renovation, the non-profit developer Mercy Housing Northwest unveiled a new asset to the community: 148 affordable, energy-efficient apartments, plus an early learning center and a health clinic, renamed Mercy Magnuson Place.



\*\*"Before" photo courtesy of Mercy Housing Northwest.



**What:**  
Mercy Magnuson Place

**Location:**  
Northwest Seattle

**Partner:**  
Mercy Housing Northwest

**Tools Used:**  
9% and 4% Low Income Housing Tax Credits, and Critical Preservation Fund

**Transformed:**  
Created 148 affordable energy-efficient apartments in a once-derelict building

## Financial Performance *for the years ending June 30, 2019 and 2018*

Statement of Net Assets <i>(unaudited in thousands)</i>	2019	2018	2019/2018	
			\$ change	% change
<b>Assets:</b>				
Cash and cash equivalents	\$28,423	\$20,085	\$8,338	41.5%
Investment securities	\$4,631	\$5,697	\$(1,066)	-18.7%
Receivables and prepaids	\$9,302	\$6,798	\$2,504	36.8%
Furniture and fixtures (net of depreciation)	\$223	\$234	\$(11)	-4.7%
<b>Total Assets:</b>	<b>\$42,579</b>	<b>\$32,814</b>	<b>\$9,765</b>	<b>29.8%</b>
• <i>Deferred Outflows of Resources</i>	\$1,615	\$1,639	\$(24)	-1.5%
• <i>Total assets and deferred outflow of resources</i>	\$44,194	\$34,453	\$9,741	28.3%
<b>Liabilities:</b>				
Accounts payable and other liabilities	\$3,130	\$3,874	\$(744)	-19.2%
Net Pension and OPEB Liability	\$6,024	\$7,599	\$(1,575)	-20.7%
Unearned fee income	\$9,077	\$8,647	\$430	5.0%
<b>Total liabilities:</b>	<b>\$18,231</b>	<b>\$20,120</b>	<b>\$(1,889)</b>	<b>-9.4%</b>
• <i>Deferred Outflows of Resources</i>	\$2,872	\$1,951	\$921	(NA)
<b>Net Assets:</b>				
Total net assets	\$23,091	\$12,382	\$10,709	86.5%
<b>Total liabilities, deferred inflow of resources and net assets</b>	<b>\$44,194</b>	<b>\$34,453</b>	<b>\$9,741</b>	<b>28.3%</b>

Statement of Activities & Change in Net Assets <i>(unaudited in thousands)</i>	2019	2018	\$ change	% change
<b>Revenues:</b>				
Fee and other income	\$36,516	\$30,205	\$6,311	20.9%
Interest and investment income (net)	\$3,914	\$839	\$3,075	366.5%
Grants and other pass-through revenue	\$1,967	\$2,168	\$(201)	-9.3%
<b>Total revenues:</b>	<b>\$42,397</b>	<b>\$33,212</b>	<b>\$9,185</b>	<b>27.7%</b>
<b>Expenses:</b>				
Salaries, wages, and employee benefits	\$8,069	\$8,442	\$(373)	-4.4%
Professional fees	\$1,575	\$1,102	\$473	42.9%
Office and expense	\$2,707	\$2,673	\$34	1.3%
Grants and other pass-through expense	\$1,967	\$2,168	\$(201)	-9.3%
<b>Total expenses:</b>	<b>\$14,318</b>	<b>\$14,385</b>	<b>\$(67)</b>	<b>-0.5%</b>
Allocated to Commission Fund	\$3,253	\$3,022	\$231	7.6%
**Excess allocated to program investments	\$14,118	\$15,782	\$(1,664)	-10.5%

# A Farewell Message

*At the end of 2019, Kim Herman retired after 35 years as our first—and only—executive director. A graduate of Washington State University, he spent the early years of his career building and promoting affordable housing in Washington state and various places around the country before helping to found the Commission in 1983. As much as his colleagues will miss him, his legacy will live on in the thousands of Washington residents who have safe, affordable homes thanks to his leadership.*

Thirty-six years ago, on July 5, 1983, I attended the first meeting of the Washington State Housing Finance Commission in Governor John Spellman’s conference room. I was there with Governor Spellman, Commission Chair Jim Kirschbaum, and fellow commissioners Karen Rahm, Anne Rose, Marilyn Little John, Carol Little, Chuck Richmond, and Nancy Primley. Little did I know that starting in 1984, I would spend the majority of my working years at the Commission helping it become one

of the most productive housing finance agencies in the nation. Now, looking back, I can honestly say I couldn’t have planned a better way to spend my career.

I have worked with more than 150 commissioners, more than 200 Commission employees and literally thousands of people committed to the belief that everyone needs a safe, comfortable and affordable place to call home. Of course, there were many bumps along the road,

most of which we overcame and some that caused us to change course. However, responding to market changes and other challenges helped make my job the most interesting and challenging work I have ever done. The fact that I had great leadership and support from commissioners, well qualified employees, and committed partners to work with, made the work much easier.

//////////////////// letter continued >



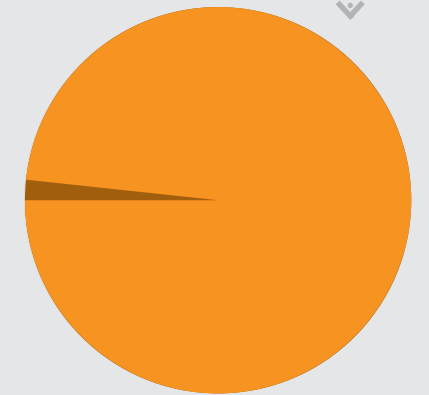
Looking back at all the Commission has accomplished is incredible! I could never have predicted financing more than 128,000 affordable apartments for individuals, families and seniors and helping more than 81,000 families purchase their own homes. Neither could I have imagined we would be financing non-profit-owned community facilities, farms and ranches, energy conservation efforts, cooperative mobile home parks, Habitat mortgages and the full variety


of other programs operated by the Commission. The only thing I can possibly say to everyone who has helped me along the way is ***“thank you” for making the Commission a wonderful place to spend my career.***


**Kim Herman,**  
*WSHFC Founding Executive Director*

## The Commission is a self-sustaining organization

- **93.8%** self generated revenue
- **6.2%** pass-through grants



 **\$36,516,000**  
self generated revenue

 **\$5,881,000**  
pass-through grants

Photos by Tom Turley,  
*except as noted*



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

*Opening doors to a better life*

## Our 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.

***Here's to another year of  
transformation!***

 [www.wshfc.org](http://www.wshfc.org)