



## Washington State Covenant Homeownership Program Oversight Committee

This committee was legislatively established (*SSB1474 Chapter 340, Laws of 2023*) to oversee and review the Housing Finance Commission's activities and performance related to the program.

### Committee Members

#### Governor Appointees

1. Latrice Williams
2. Clifford Cawthon
3. Vacant
4. Darryl Smith
5. Vacant
6. Anthony Cox
7. Patience Malaba - Chair

#### Legislative Members

1. Rep. Jamila Taylor
2. Rep. Mark Klicker
3. Sen. Chris Gildon
4. Sen. John Lovick

### Contact

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# COVENANT HOMEOWNERSHIP PROGRAM OVERSIGHT COMMITTEE MEETING

*Tuesday, April 23, 2024*

## AGENDA

1. **Welcome remarks** – Charlie Clark, DFI Director (9:30-9:35)
2. **Ethics, public records, public meetings** – Deborah Taellious, DFI Acting Director of Regulatory and Legal Affairs (9:35-9:45)
3. **Opening remarks** – Patience Malaba, CHP Oversight Chair (9:45-9:55)
4. **Consent agenda** (9:55-10:00)
  - a. Minutes from 1/4/24 meeting
  - b. Charter ratification
5. **Program updates** (10:00-10:10)
  - a. DFI – Charles Moore, CHP Oversight program manager
    - i. Staff introduction
    - ii. Note on posting minutes
    - iii. Initial contact with Pasco Juneteenth community council
    - iv. Draft/Skeleton schedule work plan
  - b. Commerce – Ann Campbell (10:10-10:15)
    - i. Program funding
  - c. WSHFC – Lisa DeBrock (10:15-10:45)
    - i. Study
      1. Exec summary
      2. Recommendations
    - ii. WSHFC next steps
6. **Open forum** (10:45-11:00)
7. **Conclude**

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## Minutes

### Present

Members – Clifford Cawthon, Darryl Smith, Patience Malaba, Latrice Williams  
Rep. Jamila Taylor, Rep. Mark Klicker, Sen. Chris Gildon, Sen. John Lovick,  
*Online – Anthony Cox*

Others – Charles Moore, Ann Campbell, Charlie Clark, Deborah Taellious  
*Online – Lisa Debrock, Steve Walker*  
6 DFI Staff members & 4 Visitors

### Opening Remarks & Introductions

*Charlie Clark, DFI Director*

Meeting called to order at 9:30 a.m.

*Patience Malaba, CHP Oversight Chair*

Acknowledgement of the Covenant Homeownership Program signed into law on May 9<sup>th</sup>, 2023. Self introductions of committee members.

### Ethics, Public Records, Public Meetings

*Deborah Taellious, DFI Acting Director of Regulatory and Legal Affairs*

#### ❖ Ethics Training

- All Committee members were provided with a link to the Governor's training module.
- Committee is reminded to complete the training and attest via emailed signed doc.

#### ❖ Records management & records retention

- Committee is encouraged to use a separate email or at least a separate email folder to keep track of Committee work.
  - All saved or downloaded Committee related documents should be retained separately from private work.
  - Committee work is public work, and needs to be managed accordingly.
- DFI may need to produce records for public records requests.
  - DFI will collect records from Committee members annually to ensure proper retention and organization.
  - DFI will use Box.com account to collect, retain, and organize records on behalf of Committee members.
- Open Public Meetings Act (OPMA)
  - We are following OPMA as a best practice in transparency.
  - Avoid reply all. And excessive/redundant email communications.

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## Approval of Consent Agenda Items

*Patience Malaba, CHP Oversight Chair*

- ❖ Moved, second, and carried: to approve the consent agenda items listed below.
  - Meeting minutes from first quarterly meeting on 1/4/24.
  - Charter ratification

## Program updates

**DFI** - *Charles Moore, CHP Oversight program manager*

- ❖ DFI Staff Introductions
  - Oversight Committee communications and admin staff introduced along with other DFI staff members.
- ❖ Note on posting minutes
  - Minutes will be recorded during meetings and sent to Committee members for review to be listed as a consent agenda item in the following meeting.
  - Upon Committee consent, all minutes will be made accessible to the public.
  - Box.com will be used to make sure that our records are safe, secure and available for public records requests and meet statutory requirements for record keeping.
  - All communication and files will be sent to DFI once per year and DFI will be responsible for long term retention.
- ❖ Outreach & Events
  - DFI has contacted The Pasco Juneteenth Community Council and will continue to work towards being a presence at the event.
  - Latrice Williams offered to make connection with Pasco Juneteenth Celebration Community Council member.
  - Questions regarding the capacity of DFI's support were raised by Cliff Cawthon and response offered by Charles Moore.
    - *Charles* – DFI is authorized to provide staff support and subject matter expertise.
- ❖ Draft/Skeleton schedule work plan.
  - The Committee is encouraged by Charles & Patience to engage with the presented draft work plan offering input and recommendations for amendments and additions.
  - A survey will be sent out by DFI to gather information regarding what each committee member would like to prioritize.
  - The work plan will be changed and adopted with Committee member input at the at each quarterly meeting.
  - DFI will maintain the Workplan document and make changes/updates as needed.

# COVENANT HOMEOWNERSHIP PROGRAM OVERSIGHT COMMITTEE MEETING

*Tuesday, April 23, 2024*

## **Department of Commerce – Ann Campbell, Homeownership Unit Managing Director**

### ❖ Slide show presentation

- Covenant Homeownership Account (CHA) established in RCW 43.181.020
  - Revenue source: \$100 doc. recording fee established in RCW 36.22.185
  - Monies in the account may only be spent after Legislative appropriation.
- July 1, 2023 – June 30, 2025
  - Authority to spend up to \$150,000,000 from the CHA to implement the Covenant Homeownership Program (CHP) and support Oversight Committee.
- January 1, 2024
  - Document recording fee collections begin
    - Fees, less the 1% retained by Counties as authorized by law (RCW 36.22.185), are remitted to the Office of the State Treasurer monthly.
- June 1, 2024
  - Initial transfer of funds from CHA to the Washington State Housing Finance Commission (WSHFC) to capitalize the CHP
- Slide which showed first quarter collections of 38 out of 39 counties.
- Slide which showed estimated, projected, and actual revenues month over month for 2024

## **WSHFC – Steve Walker & Lisa DeBrock**

### ❖ Slide show presentation

- Program review
  - NEW SOURCE OF FUNDING from real-estate recording fees
  - RESEARCH STUDY on discrimination, its impacts, and effective remedies
  - NEW PROGRAM to provide financial assistance to homebuyers
- Program parameters
  - Develop one or more special purpose credit programs (SPCP)
  - Downpayment assistance loan (not a grant)
  - Eligibility:
    - Washington resident
    - Income at or below 100% of area median income (AMI)
    - First-time homebuyer
    - WA resident – or descendant of one – who would have been excluded from homeownership in WA state by racially restrictive covenants on or before April 1968.
- What is a Special Purpose Credit Program (SPCP)?
  - Part of Equal Credit Opportunity Act
  - Serves economically disadvantaged groups

# COVENANT HOMEOWNERSHIP PROGRAM OVERSIGHT COMMITTEE MEETING

*Tuesday, April 23, 2024*

- Under certain narrow circumstances, can consider race or ethnicity (race-conscious vs. race neutral)
- Covenant study establishes parameters to narrowly tailor the Covenant Homeownership Program as a SPCP
- Study overview
- Study Recommendations
  - Eligible groups: Black, Hispanic, Native American, Alaska Native, Native Hawaiian, Other Pacific Islander, Korean, or Asian Indian
    - Based on BOTH historic discrimination and current homeownership disparities
  - Customized downpayment assistance to enable households with incomes between 80-100% AMI to afford a modest-cost home in their county.
    - Offers two models for consideration (balance program cost and housing choice)
  - Downpayment assistance should be a zero-interest loan.
- Program Development plans
  - Develop proposed program elements
    - Goal: Offer enough assistance to allow a homebuyer to purchase a home in any city with as few barriers as possible.
  - Share for feedback: Public hearing April 25, maybe additional listening sessions/hearings
  - Set program policies and guidelines
    - How to help lenders calculate amount of DPA per borrower?
    - How to help borrowers gather documentation of pre-1968 residency?
  - Train lenders
  - Outreach to homebuyers, lenders, communities, etc.
  - Launch July 1

## Conclude

### ❖ Closing Remarks

### ❖ Motion to Adjourn

- Meeting Adjourned at 11:01 p.m.