

COVENANT HOMEOWNERSHIP PROGRAM OVERSIGHT COMMITTEE MEETING

Tuesday, April 23, 2024

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 9th, 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.

COVENANT HOMEOWNERSHIP PROGRAM OVERSIGHT COMMITTEE MEETING

Tuesday, April 23, 2024

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.