

**MINUTES OF MEETING
OF THE BOARD OF DIRECTORS OF
RHODE ISLAND HOUSING DEVELOPMENT CORPORATION**

A Meeting of the Board of Directors of the Rhode Island Housing Development Corporation (“RIHDC” or “Corporation”) was held on Thursday, February 20, 2025, at 10:00 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom, and via telephone conference call.

Carol Ventura, Executive Director, stated that this was an in-person meeting of the Rhode Island Housing Development Corporation. As an additional means of promoting public participation, the meeting was also being made available via live teleconference. Ms. Ventura then introduced Val Lingasami, Assistant Director of Information Technology, who outlined the parameters of the meeting.

Ms. Lingasami stated that (i) this meeting would be recorded and available for review on the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Ms. Lingasami also asked that to prevent any feedback or background noise, telephone participants to please mute their telephones if not speaking. Additionally, Ms. Lingasami announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 429-1430.

Kelly Kenyon LeValley, Deputy General Counsel, then provided additional guidance for the meeting. Ms. LeValley stated that the meeting was being held in a hybrid fashion with all Directors of the Rhode Island Housing Development Corporation appearing in person and specific RIHousing staff participating via teleconference. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Additionally, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. LeValley also stated that Chairman Pryor would preside over the meeting and requested that any Director or staff wishing to comment state their name prior to speaking and to mute the telephone if not speaking. She then invited Chairman Pryor to call the meeting to order.

A quorum being present, Chairman Pryor introduced himself and officially called the meeting to order at approximately 10:26 a.m. Chairman Pryor then invited Ms. Ventura to proceed with the roll call of the Board of Directors.

Ms. Ventura then conducted a roll call of the RIHDC Board of Directors. Directors participating were: Stefan Pryor; Rebecca Webber, Designee for Jonathan Womer, Director of the Department of Administration; James Diossa, General Treasurer; Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation; Kevin Orth; Maria Barry; and Stephen P. McAllister.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Anne Berman, Director of Real Estate Development; Kara Lachapelle, Chief Financial Officer; Christine Hunsinger, Chief Strategy and Innovation Officer; Benjamin Frost, President of Proactive Development; Lauren Farley, Assistant Director Housing Programs; Brett

Pelletier, Chief Administrative Officer: Kelly Kenyon LeValley, Deputy General Counsel; and Val Lingasami, Assistant Director of Information Technology.

Steven Richard, Counsel to the Corporation was present as were members of the public.

Approval of Minutes of the Rhode Island Housing Development Corporation Meeting Held December 19, 2024

Chairman Pryor asked for a motion and a second for the approval of the minutes of the Rhode Island Housing Development Corporation meeting held on December 19, 2024. A motion was duly made by Director Designee Cabral and seconded by Director McAllister.

There being no discussion, Kelly Kenyon LeValley, Deputy General Counsel, conducted a voice vote of the Directors eligible to vote. The Directors unanimously voted to approve the motion.

The following was unanimously adopted:

VOTED: That the minutes of the Rhode Island Housing Development Corporation meeting held on December 19, 2024, are hereby approved.

2. Approval of Proactive Development Program Operating Budget FY 2025-2027

Chairman Pryor announced that for the meeting, the Directors would consider the budget, discuss the workplan, and forego the discussion on the guidelines.

Chairman Pryor then introduced Benjamin Frost, President of Proactive Development, who presented the request.

Mr. Frost stated that the request was for approval of the Proactive Development Program Budget for fiscal years 2025 through 2027. It is a three (3) year budget that encompasses the entirety of the program utilizing all the funds currently available to the Proactive Development Program.

The General Assembly appropriated \$1.4 million of American Rescue Plan Act State Fiscal Recovery Funds (SFRF) in the FY 2024 annual budget in Article 1, Section 1 for the purposes of “Proactive Housing Development.” The funds were appropriated to the Department of Housing for the purpose of establishing a Proactive Development Program (PDP) operating within the Rhode Island Housing Development Corporation (the “Corporation”), a non-profit subsidiary of RIHousing.

The Bylaws of the Corporation establish the PDP and call for the Corporation’s Board of Directors to adopt a budget (Attachment B). The majority of the Program Budget is for expenses for program staff and consultants. Other expenses support staff activity and capacity. If additional revenue sources are secured, an amendment to this budget will be prepared for Board action.

The Department of Housing and RIHousing have also established a “Shared Services Agreement” through which RIHousing agrees to provide operational and administrative support for the PDP. The Shared Services Agreement includes costs that are not included in this Program Budget (e.g., office space and administrative support).

The Proactive Development Committee reviewed and recommended the budget, but since its meeting, the proposed end date of the budget has been changed from June 30, 2027, to December 31, 2026. This has resulted in reduced salary costs and additional funds being made available for consultant activity. To provide greater flexibility, the budget proposed for approval by the Board is broken down between operational and program costs; the additional detailed budget is for information purposes only.

Mr. Frost explained that the revenues are accounted for in two (2) tranches. The first tranche of approximately \$700,000 has been received and the second is scheduled to be transferred from the Department of Housing in the second quarter of FY 2026. As the funds are deemed to be revenue replacement ARPA funds, once received, they are deemed expended. On the expenditure side, there is some variation from year to year. That is because FY2025 accounts for three (3) quarters, FY 2026 accounts for four (4) quarters, and FY 2027 accounts for two (2) quarters.

What was presented for adoption was a truncated budget divided between the program and operations. The budget is designed to offer flexibility on the internal operational side to be able to move items from one line to another. The program budget is the heart of the effort, which is identifying and hiring consultants for municipal work, developer work, and work for the Corporation itself. The goal is to help move projects along more expeditiously.

In closing, Mr. Frost stated that the Proactive Development Program Operating Budget for FY2025-2027 was recommended for adoption.

Director Orth noted that the budget was for three (3) years and asked when the money had to be expended. Mr. Frost said that as the budget was deemed revenue replacement, once it's on the Corporation's accounts it's deemed by the U.S. Department of Treasury as expended.

Director Orth said that he was referring to enabling legislation by the state legislature. He wanted to know if it was a three (3) year effort or five or ten-year effort. Mr. Frost explained that the enabling act did not set a term.

Director Orth then speculated that the Corporation did not need to spend the \$1.4 million within three (3) years. Ms. Ventura and Mr. Frost confirmed that fact.

Continuing, Director Orth wondered why so much money was allocated for consultants. Director Orth felt that it was just another layer of bureaucracy.

Chairman Pryor responded that when the PDP was created, leadership contemplated that it might have a longer life, where the Committee might attain alternate revenue streams that could support the program permanently and hire additional staff. It was Ms. Ventura's suggestion to consider consultants to support Mr. Frost.

Mr. Frost concurred with Chairman Pryor's synopsis and said that the benefit of utilizing consultants is that you can engage specific subject matter expertise for a particular project. If you hire staff, you are limited to the expertise of that employee.

Chairman Pryor then asked if the Directors would have an opportunity to revisit the budget moving forward. Mr. Frost verified that fact.

Continuing, the Chairman declared that Mr. Frost did compress the budget. Mr. Frost affirmed that the budget was reviewed by the Proactive Development Committee where it was agreed to reduce it slightly.

Mr. Frost said that the Proactive Development Committee agreed to increase the amount for the consultants as that made the most sense. Chairman Pryor mentioned that it was to provide Mr. Frost with the ability to bring on team members as needed.

Director Barry remarked that Rhode Island has compiled a lot of housing data and queried if the program was a foundation for identifying what is needed and then locating development opportunities to achieve some of the goals of the program.

Mr. Frost replied that it's true that there is a lot of data produced. That sets the stage for the proactive development activity, which is to move housing development at a faster pace. Part of the workplan is to identify projects that are languishing and need some level of expertise, be it financial, permitting, etc. to expedite the project.

Ms. Ventura stated that RIHousing has guiding documents for the developments it finances and views the program as identifying developments that the Corporation is not aware of. There may be opportunities with for-profit developers that RIHousing doesn't typically work with to insert some sort of affordability to expedite their deals. It's more than just the work inside RIHousing but about external projects that staff is not seeing but the municipalities are viewing through their planning departments.

Director Barry asked if the focus of the activity was based on particular income levels or if it served all income levels. Ms. Ventura replied that the Agency's focus is affordability, but she was not certain that a development would be restricted from Mr. Frost's services just because there is no affordability involved.

Director Orth mentioned that the guidelines state that the program is targeted at 80% AMI for renters and 120% AMI for homeowners. Ms. Ventura announced that there may be modifications to that requirement.

Director Barry asked if success means taking what RIHousing is already accomplishing and adding the new layer of housing that the Corporation may possibly help create, which was not part of the Agency's original approach.

Ms. Ventura stated that she perceives success as more than RIHousing is presently doing. Mr. Frost informed the Directors that in that effort, he has been on the road a great deal meeting with individuals to identify what their needs are to move the projects forward.

Following the presentation and questions, Chairman Pryor asked for a motion and a second for Approval of the Proactive Development Program Operating Budget FY 2025-2027.

The motion was made by Director McAllister and seconded by Director Designee Webber.

Ms. LeValley then conducted a voice vote of the Directors eligible to vote. The Directors unanimously voted to approve the motion.

The following resolution was unanimously adopted:

**Resolution of the Board of Directors of the
Rhode Island Housing Development Corporation**

- Whereas:** the General Assembly appropriated \$1.4 million of American Rescue Plan Act State Fiscal Recovery Funds (SFRF) in the FY 2024 annual budget in Article 1, Section 1 for the purposes of “Proactive Housing Development”; and
- Whereas:** the Rhode Island Housing Development Corporation (the “Corporation”) is a subsidiary of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”); and
- Whereas:** the Board of Directors of the Corporation established Proactive Development Activities; and
- Whereas:** the Department of Housing and RIHousing have entered into a Shared Services Agreement to support the Proactive Development Activities of the Corporation; and
- Whereas:** the Board of Directors of the Corporation is required to establish a budget to allocate available funds.

NOW, THEREFORE, upon affirmative vote of the Board of Directors of the Corporation, the Corporation hereby takes the following action:

Resolved: That the Corporation does hereby adopt the budget attached hereto as Attachment B for FY 2025-2027 to implement the Proactive Development Activities adopted by the Board of Directors on January 11, 2024.

3. **Approval of Proactive Development Guidelines**

Chairman Pryor announced that this item was withdrawn from the agenda.

4. **Discussion:**

- a. Proactive Development Program Workplan

Mr. Frost commenced by explaining that the workplan was for the Director’s information. He acknowledged that it was reviewed by the Proactive Development Committee. In the past five (5) months, Mr. Frost said that his focus has been on identifying from the list of tasks the most important ones to prioritize.

Mr. Frost then said that the plan was broken down into four (4) specific tasks that Mr. Frost identified. The first was reviving stalled projects to move them along faster. Mr. Frost recognized that not every project that stalled deserves to move forward but others do. There are plenty of projects that are stuck for various reasons, such as municipal permitting, state funding, or other financial issues. One thing that Mr. Frost has discovered is that developers are happy to have someone to talk to and share the problems they are facing.

The second is related to facilitating public lands development. Mr. Frost thanked Director Designee Webber for her assistance with state property. He said that Commissioner Designee Webber has been extremely helpful in identifying opportunities as well as those properties that are not suitable for housing development. Also, having a handle on available municipal property is significantly helpful with municipalities who want to do something with that property but may not necessarily be appropriate to act as the developer. That is where Mr. Frost would step in and assist with identifying a developer and expediting the funding.

The third prioritized area is a public broker, which is similar to a public developer model but one who is not actually doing the development. In essence, Mr. Frost said the Corporation would serve as an intermediary between current property owners and developers. Mr. Frost would be assisting with the pre-development risk abatement, whether it's clean-up or local or state funding. Mr. Frost would be acting as the primary agent and facilitating an RFP for developers. There are certain situations where a developer might ascertain that there's too much risk for a project. However, the Corporation might be able to absorb some of that risk. Although, at present, Mr. Frost has not identified a source of capital for this endeavor.

The final focus area pertains to following up on ARPA funds where RIHousing has already allocated grants for site acquisition, pre-development, and public housing programs. Mr. Frost announced that RIHousing has made approximately 65 awards of site acquisition and predevelopment grants. In addition, Mr. Frost stressed that the awards are grants that have specific rules associated with the funding. Admittedly, there may be projects that do not require extra assistance. Nevertheless, others might benefit from extra assistance. The objective is to ensure that the public investment is well served in purpose and time.

Finally, Mr. Frost said that if the Directors think of something that they want clarified, Mr. Frost would be happy to speak with them.

Mr. Frost then welcomed questions from the Directors.

Director Orth thanked Mr. Frost for the presentation and his work. Regarding project facilitation, Director Orth said that it sounds like the problem is that the developers and builders do not know what they are doing. He stated that the developers do know how to do their job. The problem is that the deal is not financially feasible or that the town does not want the deal. Director Orth believes that the Corporation is not set up with the ability to persuade the town to do something they do not want to do. Director Orth felt that it did not make sense to pursue that priority; however, Director Orth did agree with Ms. Ventura there might be some market developers that might consider building affordable units.

Regarding item number two for facilitating public lands, Director Orth did not know what number of opportunities were available. He observed that is where the Corporation would have some success. It would be utilizing free land which would reduce the cost. Additionally, the Corporation would have an advantage over a market rate developer to identify and secure the rights to the sites to offer them for sale. Furthermore, that database could be outstanding for years to come. That would be a real advantage to developers.

Regarding number three, the public broker priority, Director Orth said that he believed that to be the developer's role. He did not believe that the Corporation would have the capital for the deals.

Director Orth applauded the fourth priority. He declared that as RIHousing has already invested in the projects, helping them move forward made sense.

Addressing Director Orth's first comment, Mr. Frost agreed that most developers know what they are doing. However, there are some that Mr. Frost termed as would-be developers that don't possess the full breadth of experience but have taken on projects that are beyond their current capabilities. That is where Mr. Frost's assistance would be valuable.

Mr. Frost provided an example of the Hope Mills project in Scituate, a derelict property in need of possible demolition or construction. The owner received a tax credit allocation in 2019 from RIHousing but relinquished it because the financing did not work. Mr. Frost has spent several months speaking with him and other developers who might have an interest in acquiring the property and then pursuing the development. It's that type of connection that can be very helpful.

Chairman Pryor said that one of the issues Director Orth raised was whether Mr. Frost would continue to prioritize and reprioritize as he continued his activities. For example, the use of public property and public land seems very promising, and if that is more auspicious, would Mr. Frost emphasize that priority?

Mr. Frost assured the Chairman and the Directors that as situations change and an opportunity presents itself, he would quickly act on the opportunity.

Chairman Pryor thanked Mr. Frost for the good work. He stated that Mr. Frost addressed what the Committee was seeking and hoping for. Furthermore, exploring other supplemental funding sources was a positive endeavor.

No votes were taken on this discussion item.

There being no further business to discuss, Chairman Pryor asked for a motion to adjourn the Rhode Island Housing Development Corporation meeting. A motion was duly made by Director Designee Webber and seconded by Director Barry to adjourn the meeting.

Kelly Kenyon LeValley, Deputy General Counsel, then conducted a voice vote of the Directors eligible to vote. The Directors unanimously voted to adjourn the meeting.

Ms. LeValley announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:51 a.m.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director