

**MINUTES OF MEETING
OF THE TRUSTEES OF THE
AFFORDABLE HOUSING TRUST FUND**

A meeting of the Trustees of the Affordable Housing Trust Fund (the “AHT”) was held on Thursday, January 11, 2024 at 10:15 a.m. at the main office of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”), 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

Carol Ventura, Trustee of the AHT and Executive Director of RIHousing, opened the meeting and stated that the meeting was being held in-person with telephonic access being provided as an additional means of access for the public. Ms. Ventura introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella stated that (i) the meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting, and (ii) except for specific RIHousing staff participating telephonically, all callers would be muted during the meeting. Additionally, Mr. Rotella said that to prevent any feedback or background noise, telephone participants should mute the telephone if not speaking. Furthermore, Mr. Rotella announced that if during the meeting anyone is having technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Corinne Myers, General Counsel of RIHousing, provided additional guidance for the meeting. Ms. Myers stated that 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. Myers also stated that Ms. Ventura would preside over the AHT meeting and requested that any Trustee, RIHousing Commissioner or staff member state their name prior to speaking for the benefit of listeners and to mute the phone when not speaking. She then invited Ms. Ventura to call the meeting to order.

A quorum being present, Ms. Ventura officially called the meeting to order at approximately 10:40 a.m. Ms. Ventura then conducted a roll call of Trustees participating in the meeting. Trustees participating were: Carol Ventura, Kara Lachapelle and Stefan Pryor.

Other RIHousing Board of Commissioners and staff participating were: Jonathan Womer, Director of the Department of Administration; Robert Craven, Designee for James Diossa, General Treasurer; Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation; Maria Barry, Kevin Orth; James Comer, Deputy Executive Director; Brett Pelletier, Chief Administrative Officer; Christine Hunsinger, Chief Strategy and Innovation Officer; Anne Berman, Director of Real Estate Development; Lauren Farley, Senior Program Manager Development; Michael DiChiaro, Director of Leased Housing and Rental Services; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

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

Approval of Minutes of the Affordable Housing Trust Fund Meeting of October 19, 2023

Ms. Ventura entertained a motion and a second for the approval of the minutes of the Affordable Housing Trust Fund meeting held on October 19, 2023.

A motion was duly made by Mr. Pryor and seconded by Ms. Lachapelle. There being no discussion, Corinne Myers, General Counsel of RIHousing, conducted a voice vote of the Trustees. The Trustees unanimously voted to approve the minutes.

Ms. Myers then stated that the following was unanimously adopted:

VOTED: That the minutes of the Affordable Housing Trust Fund Meeting held on October 19, 2023, hereby are approved.

Approval of Homeownership Investment Fund (HIF) Funding Awards

Ms. Ventura introduced Lauren Farley, Senior Program Manager Development, who gave the presentation.

Ms. Farley said that the request was for approval of one (1) award under the Homeownership Investment Fund (“HIF”). HIF was created to provide financing to qualified developers to purchase and rehabilitate properties or to newly construct homes for sale to households earning up to 100% of area median income (“AMI”).

In 2018, RIHousing and the Affordable Housing Trust Fund created the HIF program. Since then, RIHousing has issued Requests for Proposals (“RFP”) in four separate funding rounds and has awarded approximately \$4,000,000 in funding to developers to increase the development of homeownership opportunities for households at or below 120% of AMI. On June 29, 2023, the Trustees of the Affordable Housing Trust Fund (the “Trustees”) approved modifications to the HIF program that (i) prioritized projects ready to proceed within four months of funding award, (ii) reduced maximum sales prices to households at or below 100% of AMI (rather than 120% of AMI) and (iii) allowed the acceptance of applications on a rolling basis.

In July 2023, RIHousing issued a Request for Proposals (“RFP”) for the fourth round of HIF with \$2,000,000 available to award. In response to the rolling RFP, RIHousing received six proposals requesting \$2,009,106 in HIF funding. Five HIF awards were approved at the October 19, 2023 meeting of the Trustees of the Affordable Housing Trust Fund and the sixth proposal is now being recommended for approval.

The proposal, which is more particularly described in Attachment A, meets RIHousing’s Threshold Criteria for the HIF program: a complete application; readiness to proceed within four months of commitment; financial feasibility; and experience and capacity to complete and market for-sale housing. Accordingly, RIHousing staff recommends funding for the HIF proposal in the amount of \$883,730. This award will produce six HIF-assisted units in the City of East Providence.

The resolution authorizing the allocation of up to \$883,730 in HIF funds is recommended for approval, conditioned upon the awardee's satisfactory progress on existing projects and awards and contingent on the availability of all other funding and compliance with HIF guidelines.

After the presentation, Ms. Ventura thanked Ms. Farley and asked for a motion and second for Approval of Homeownership Investment Fund (HIF) Funding Awards.

A motion was made by Mr. Pryor and seconded by Ms. Lachapelle. Following the motion and second, Ms. Ventura opened the meeting for questions or discussion.

A brief dialogue followed where Commissioner Orth mentioned that a similar project in Pawtucket is having difficulties locating buyers for the units, especially as the units are priced at \$300,000. He noted that the proposed units are priced at \$230,000 per unit. In reviewing the loan payment, the amount appears to be affordable and enticing to buyers. Commissioner Orth felt that the proposal should be a success. However, borrowers only have so much income per month that needs to account for taxes, insurance, maintenance, etc. He asked Ms. Farley if RIHousing or the municipality could assist by providing a tax abatement or some other assistance during the period the property is deed restricted.

Ms. Ventura said it would be a great opportunity for proactive development. She did acknowledge that RIHousing does provide down payment assistance and other incentives to the homebuyer.

Commissioner Orth said that it's an exciting concept and wondered if there's some way to incentivize the buyer and/or help with some portion of the monthly payment. The Commissioner suggested implementing a program that would provide a tax abatement or design a program similar to the downpayment assistance where the buyer would receive \$50 per month that would be applied to the mortgage payment.

Anne Berman, Director of Real Estate Development said that some municipalities do recognize that issue. She was not aware if East Providence recognizes the need for such assistance, but they are a big proponent of the project. Ms. Berman said it's a great conversation to explore.

Commissioner Orth mentioned that \$400,000 for acquisition cost and \$67,000 per unit is high. He recommended driving down the costs where possible. Ms. Berman responded that the property actually appraised higher than the acquisition price. She noted that land is in short supply and that drives up the cost.

Ms. Ventura concurred that land is at a premium but stated that the Corporation is extremely happy with its partnership with East Providence.

Ms. Ventura also said that she appreciated all that the Mayor of East Providence is doing to facilitate affordable housing. In addition, SWAP does a fabulous job on producing homeownership and overseeing rental units.

Ms. Ventura then asked if the rental units are restricted. Ms. Farley confirmed that the rental units are restricted to 60% AMI.

Following the questions, Ms. Ventura asked Corinne Myers, General Counsel to conduct a voice vote of the Trustees eligible to vote. The Trustees unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Trustees
of The Affordable Housing Trust Fund**

WHEREAS: the Affordable Housing Trust Fund (the “AHT”) was created by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) for the sole purpose of making homeownership to low- and moderate-income residents of the State of Rhode Island more affordable;

WHEREAS: one of the purposes of the AHT is to assist with the preservation and development affordable housing throughout the State of Rhode Island;

WHEREAS: the AHT has increased its investment portfolio over the last several years through its preservation related activities;

WHEREAS: the AHT is providing up to \$883,730 for the Homeownership Investment Fund to finance the redevelopment and construction of new homeownership opportunities; and

WHEREAS: RIHousing staff have evaluated the Homeownership Investment Fund proposal set forth in Attachment A and determined that the proposal is consistent with the objectives of the Homeownership Investment Fund program and have met the relevant threshold criteria.

NOW, THEREFORE, IT IS HEREBY

RESOLVED: that the Affordable Housing Trust Fund, acting by and through its Trustees, be, and hereby is, authorized to commit up to \$883,730 in funding to the project listed in the Funding Recommendation at Attachment A, with such commitment to be conditioned upon the awardee’s satisfactory progress on existing projects and awards and contingent on the availability of all other funding and compliance with HIF guidelines.

RESOLVED: that the Executive Director, the Deputy Director and the Director of Real Estate Development of RIHousing, each acting singly, be and hereby are authorized and directed to take any and all actions deem necessary and appropriate to carry out the foregoing resolution.

Approval of Preservation Loan Program Fund Financing for The Avenue

Ms. Ventura recognized and asked Anne Berman, Director, Real Estate Development, to present the request for the Avenue.

Ms. Berman stated that the request was for approval of up to \$1,500,000 in financing under the Preservation Loan Program Fund (“PLPF”) for The Avenue located in Providence (the

“Development”). The PLPF was created to provide a flexible source of capital to be utilized for the preservation of existing affordable housing with priority given to developments previously financed by RIHousing.

RIHousing’s portfolio includes approximately 13,000 affordable apartments. In addition, more than 1,430 affordable residential homes have been financed under the state’s HOME Investment Partnerships Program. Many of these affordable apartments need improvements. These apartments were constructed and/or rehabilitated in the 1990s and are beyond the initial 15-year tax credit compliance term. Several developments lack adequate reserves to conduct necessary improvements to ensure that residents are housed in a safe and healthy environment. In addition, there are unrestricted apartments in the Rhode Island market currently available for developers to acquire, rehabilitate and deed restrict to ensure long term affordability. Thus, there is a need to upgrade these affordable apartments and homes to meet health and safety standards, make necessary improvements and address physical deterioration due to wear and tear.

The Affordable Housing Trust Fund (the “AHT”) has designated \$16,000,000 for the PLPF. In November 2022, RIHousing issued the Program Guidelines and a Request for Proposals (“RFP”) for the PLPF financing. Applications are being accepted on a rolling basis.

The Development consists of two separate components that will comprise one single economic entity. One component, Elmwood Neighborhood Revitalization II (“ENR II”), is an existing post-year-15 low-income housing tax credit (“LIHTC”) project for families. ENR II contains 46 units located on scattered sites in the Elmwood neighborhood of Providence. The units range in size from one to four bedrooms. ENR II has historically run with a 2% vacancy rate. The units need moderate rehabilitation to ensure they are maintained as safe, affordable housing for families in Providence. The second component is the new construction of 39 units of housing on a vacant site located at 434 Atwells Avenue in the Federal Hill neighborhood of Providence. The residential units will be located on floors 2-5 with commercial space and project amenities located on the first floor. The developer is Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (the “Developer”).

The Developer is seeking the PLPF loan to undertake a portion of the rehabilitation and pay soft costs associated with the transaction. With respect to the other sources of financing, the Development was previously approved for Building Homes Rhode Island (“BHRI”) funds and the Developer is simultaneously requesting (i) a tax-exempt construction loan in the amount of \$15,500,000, (ii) a permanent loan, (iii) a Development of Affordable Housing 2 Program loan, (iv) a Community Revitalization Program award and (v) a Capital Magnet Fund loan from RIHousing. The Developer has also requested that RIHousing roll over the existing Targeted Loans currently encumbering the ENR II units in the approximate amount of \$1,775,450. RIHousing will require that 50% of the Development’s surplus cash go toward repayment of the rolled over Targeted Loans.

Staff from the Development Division, including the Design and Construction team and Asset Management Department, have reviewed the application for eligibility in accordance with the Program Guidelines and determined that the Olneyville Housing Corporation d/b/a ONE Neighborhood Builders proposal is consistent with the requirements of the PLPF and will help to refinance and stabilize the Development.

Finally, Ms. Berman said that staff requests approval of up to \$1,500,000 in financing under the PLPF for The Avenue subject to certain conditions.

After the presentation, Ms. Ventura asked for a motion and second for Approval of Preservation Loan Program Fund Financing for The Avenue.

A motion was made by Mr. Pryor and seconded by Ms. Lachapelle. Following the motion and second, Ms. Ventura opened the meeting for questions or discussion.

There being no questions or comments, Ms. Ventura asked Ms. Myers to conduct a voice vote of the Trustees eligible to vote. The Trustees unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Trustees
of The Affordable Housing Trust Fund**

Whereas, the Affordable Housing Trust Fund (the “AHT”) was created by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) for the sole purpose of making homeownership to low- and moderate-income residents of the State of Rhode Island more affordable;

Whereas, one of the purposes of the AHT is to assist in the preservation of affordable housing throughout the State of Rhode Island;

Whereas, the AHT has increased its investment portfolio over the last several years through its preservation related activities; and

Whereas, the AHT created the Preservation Loan Program Fund and has set aside \$16,000,000 to assist in the preservation of affordable housing.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that subject to the special conditions listed below, the AHT be and is hereby authorized to commit up to \$1,500,000 in funding to Olneyville Housing Corporation d/b/a ONE Neighborhood Builders or an affiliated entity (the “Borrower”) to finance the rehabilitation of the multi-family development known as The Avenue in Providence, Rhode Island.

Resolved, that the foregoing resolution is subject to the following conditions:

- Approval and closing of financing from RIHousing and any other lender;
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation;
- Execution and delivery by Applicant of a Construction Completion Guaranty in form and substance satisfactory to RIHousing;
- Completion of all items required for closing of the PLPF loan in

accordance with normal underwriting and processing requirements.

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

There being no further business, Ms. Ventura asked for a motion to adjourn the Affordable Housing Trust Fund meeting.

A motion was duly made by Mr. Pryor and seconded by Ms. Lachapelle to adjourn the meeting.

Ms. Ventura then asked Corinne Myers, General Counsel of RIHousing, to conduct a voice vote of the Trustees. The Trustees unanimously voted to adjourn the meeting.

Ms. Myers then officially stated that the motion to adjourn the meeting was unanimously approved.

Ms. Ventura thanked everyone for participating and the meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Carol Ventura,
Trustee of the AHT and Executive Director,
RIHousing