

**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 16, 2025, at 10:00 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 Val Lingasami, Assistant Director of Information Technology, who outlined the parameters of the meeting.

Val Lingasami 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, Ms. Lingasami said that to prevent any feedback or background noise, telephone participants should mute the telephone if not speaking. Furthermore, Ms. Lingasami announced that if during the meeting anyone is having technical difficulties with audio or accessing the call, they should call (401) 429-1430.

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 10:23 a.m. Ms. Ventura then conducted a roll call of Trustees participating in the meeting. Trustees participating were: Carol Ventura and Stefan Pryor. Kara Lachapelle was absent.

Other RIHousing Board of Commissioners and staff participating were: Rebecca Webber, Designee for Jonathan Womer, Director of the Department of Administration; Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation; Steve McAllister; Kevin Orth; James Comer, Deputy Executive Director; Christine Hunsinger, Chief Strategy and Innovation Officer; Anne Berman, Director of Real Estate Development; Bernadette MacArthur, Director of Finance; Corinne Myers, General Counsel; and Val Lingasami, Assistant Director of Information Technology.

Members of the public were also present.

Approval of Minutes of the Affordable Housing Trust Fund Meeting of October 17, 2024

Ms. Ventura entertained a motion and a second for the approval of the minutes of the Affordable Housing Trust Fund meeting held on October 17, 2024.

A motion was duly made by Mr. Pryor and seconded by Ms. Ventura. 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 17, 2024, hereby are approved.

Approval of Preservation Loan Program Fund Financing for The Cove Apartments (North Kingstown)

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

Ms. Berman said that the request was for approval of financing in an amount not to exceed \$364,000 under the Preservation Loan Program Fund (“PLPF”) for The Cove Apartments located in North Kingstown (the “The Cove” or “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 Rhode Island Housing and Mortgage Finance Corporation (“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. Most of these apartments were constructed and/or rehabilitated in the 1990s and are beyond the initial 15-year tax credit compliance term. Many of these affordable apartments need improvements, and 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.

In March 2018, RIHousing issued the PLPF Program Guidelines and a Request for Proposals (“RFP”) for PLPF financing for eligible developments. Applications are being accepted on a rolling basis, and the Affordable Housing Trust Fund (the “AHT”) has designated \$3,000,000 for the PLPF in Fiscal Year 2025.

The Cove was originally developed in 1992 under the low-income housing tax credit program (“LIHTC”). The Cove’s 18 units include two 3-unit wood frame buildings and 12 stand-alone wood frame buildings on Huling Road, just off Route 1, in North Kingstown. Valley Affordable Housing

Corp. (“VAH”) acquired the Development in 2021 using a RIHousing Land Bank Loan (the “Land Bank Loan”), at which time the original senior debt was retired. VAH is proposing to pay off the existing Land Bank Loan and combine the Development operationally with a recently acquired duplex located nearby at 386-438 Tower Hill Road. Additionally, VAH will perform some deferred maintenance at the Development, which VAH has already begun to address. BankRI will provide a new first mortgage, and VAH will contribute \$200,000 of its funds to the transaction.

The Development is currently compliant with all LIHTC-related requirements. Upon the expiration of the LIHTC regulatory agreement, the rents and incomes of residents will be capped at 80% of the area median income.

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 VAH’s proposal is consistent with the requirements of the PLPF and will help to refinance and stabilize the Development.

Staff requests approval of financing in an amount not to exceed \$364,000 under the PLPF for The Cove Apartments, subject to certain conditions.

Ms. Ventura then opened the meeting for questions or discussion.

Commissioner Orth asked if the Preservation Loan Fund program carries an interest rate. Ms. Berman confirmed that the program carries a 4% interest rate.

Commissioner Orth was also curious that the Corporation did not have a first mortgage on the loan or provide a first mortgage on the property. Ms. Berman explained that staff has engaged in numerous conversations with Valley Affordable Housing on the best method to refinance the loan. RIHousing doesn’t typically underwrite Housing Choice Vouchers because they are portable. For that reason, the Corporation cannot leverage as much debt as BankRI can. Staff believes that utilizing BankRI is a good solution and the 10-year loan with the 30-year amortization is viable. Additionally, Ms. Berman felt that within the next few years, Valley Affordable Housing will find a more comprehensive solution to refinance or redevelop the property, most likely in conjunction with another development. The transaction is a good stepping stone, it pays off the Corporation’s land bank loan and provides stability to the development for a few more years.

Mr. Pryor referenced the land bank loan and maintenance activity and asked Ms. Berman if staff has a way of categorizing what the destination is for RIHousing’s funding. Mr. Pryor wanted to know if the funds were part of the combined mix or if those funds were earmarked for a specific purpose.

Ms. Berman responded that funds are part of the mix, but a small portion was for rehab and another portion for paying off the land bank loan.

Mr. Pryor then inquired what value was generated for RIHousing for paying off the land bank loan. Ms. Berman explained that RIHousing’s loan was reduced from \$1.1m to \$360,000. More importantly, it puts the project on a more sustainable and clearer path on how they proceed over the next 10 years.

Regarding the AMI parameters, Chairman Pryor noted that it’s at 60% but ultimately it will be at 80%. He asked Ms. Berman to expound on how that progression occurs. Ms. Berman stated that due to the

fact the project was originally financed as a LIHTC deal, it was capped at 60% AMI. In preparing for this transaction, staff noted that the old LIHTC restrictions expired the previous year. The site received a CDBG loan approximately three or four years ago to connect to the sewer system, which required a regulatory agreement limiting incomes and rents to 80% AMI. As units turn over, AMIs may increase.

Mr. Pryor asked if the 80% AMI is a permanent requirement. Ms. Berman mentioned that the new loan comes with a 30-year deed restriction and the original CDBG loan has a 99-year restriction, which is the equivalent of permanent.

After the presentation and questions, Ms. Ventura asked for a motion and a second for Approval of Preservation Loan Program Fund Financing for The Cove Apartments (North Kingstown).

A motion was made by Mr. Pryor and seconded by Ms. Ventura.

There being no other 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 \$3,000,000 in Fiscal Year 2025 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 hereby is, authorized to commit up to \$364,000 in funding to Valley Affordable Housing Corp. or an affiliated entity (the “Borrower”) to finance the rehabilitation of the multi-family development known as The Cove Apartments in North Kingstown, Rhode Island.

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

- Simultaneous closing of the BankRI loan in an amount sufficient to achieve project feasibility; and
- Completion of all items required for closing in accordance with normal underwriting and processing requirements

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development of RIHousing, 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. Ventura 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 10:31 a.m.

Respectfully submitted,

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