

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

A meeting of the Trustees of the Affordable Housing Trust Fund (the “Fund”) of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing” or “Corporation”) was held on Wednesday, June 10, 2020 at 9:30 a.m. The meeting was held via telephone conference pursuant to Executive Orders 20-05, 20-25 and 20-35 as may be amended, superseded or extended.

Carol Ventura, Executive Director, introduced Carl Rotella, Director of Information Technology, who summarized the logistics of the meeting.

Mr. Rotella stated that (i) the meeting will be recorded and available for review on the RIHousing website within 3-5 business days after the meeting, (ii) except for the RIHousing Board of Commissioners and specific RIHousing staff, all callers would be muted during the meeting and (iii) if during the meeting, anyone was having technical difficulties with audio or accessing the call, they should contact RIHousing.

Ms. Ventura then recognized Nicole Clement, General Counsel, who provided information on the rules of the meeting. Ms. Clement stated that this was a meeting of the Affordable Housing Trust Fund and pursuant to Executive Orders 20-05, 20-25 and 20-35 as may be amended, superseded and extended, the meeting would be held via teleconference. Continuing, Ms. Clement stated that members of the public could visit the RIHousing website to view the agenda and information on the actions being taken. Finally, she said that in the event the teleconference was interrupted, staff would pause the meeting until audio was restored.

Ms. Clement stated that Ms. Ventura would preside over the Trustee meeting and requested that any Commissioner or staff to state their name prior to speaking. She then invited Ms. Ventura to call the meeting to order.

Ms. Ventura conducted a roll call attendance of the Trustees, RIHousing Board of Commissioners and RIHousing staff. Trustees present were: Nicolas P. Retsinas, Kara Lachapelle and Carol Ventura.

RIHousing Board of Commissioners and staff also participating via teleconference were: Commissioner Kevin Orth; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; Lisa Primiano, Chief Operating Officer; Nicole R. Clement, General Counsel; James Comer, Deputy Executive Director; Eric Shorter, Director of Development, Eric Alexander Assistant Director of Development/Housing Programs; Anne Berman, Assistant Director of Development; Christine Hunsinger, Assistant Deputy Director External Affairs, Policy & Research; and Carl Rotella, Director of Information Technology.

Members of the public were also present.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation, on the Corporation's web site www.rihousing.com and at the following link: <https://www.rihousing.com/aht-june/>.

Following the roll call attendance, Ms. Ventura requested that any Commissioner or staff to state their name prior to speaking

Ms. Ventura convened the meeting at approximately 9:57 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting of April 17, 2020

Ms. Ventura entertained a motion and a second for the approval of the Affordable Housing Trust Fund minutes held on April 17, 2020.

A motion was duly made by Ms. Lachapelle and seconded by Mr. Retsinas. There being no discussion, Nicole Clement, General Counsel, conducted a roll call vote of the Trustees. The Trustees voted as follows:

Trustee Retsinas	Aye
Trustee Ventura	Aye
Trustee Lachapelle	Aye

Ms. Clement then stated that the following was unanimously approved:

VOTED: That the minutes of the Affordable Housing Trust Fund Meeting held on April 17, 2020, hereby are approved.

Approval of Homeownership Investment Fund (HIF) Funding Awards

Ms. Ventura introduced Eric Alexander, Assistant Director of Development/Housing Programs, who presented this request.

Mr. Alexander stated that this request is for approval of 7 awards 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 120% of area median income ("AMI").

In February of 2020, Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") issued a Request for Proposals ("RFP") for HIF funding from qualified applicants. Approximately \$1,401,512 million in remaining HIF funding was made available to increase the development of homeownership opportunities for households at or below 120% of AMI. In response to the RFP, on April 17, 2020, RIHousing received 19 proposals requesting \$2,349,494 in HIF funds.

All HIF applications were reviewed by RIHousing ancillary financing staff in accordance with RIHousing's threshold criteria for the HIF program: a complete application; readiness to proceed within 6 months of commitment; financial feasibility; and experience and capacity to complete and market for-sale housing. Applications meeting the threshold criteria were scored based upon the scoring criteria in the HIF guidelines. Of the 19 proposals submitted, staff determined that 6 had failed to meet the basic threshold requirements and therefore, would not move forward. Of the 13 HIF proposals remaining, RIHousing staff recommends funding for 7 single- and two-family development proposals in the amount of \$1,180,661. This award will result in 23 residential units, 18 of which will be HIF-assisted. Projects recommended for this funding round are located in Burrillville, Exeter, Middletown, Pawtucket and Providence. All the applications in this round were submitted by non-profit organizations.

The attached resolution authorizing the allocation of up to \$1,180,661 in HIF funds is recommended for approval.

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

A motion was made by Ms. Lachapelle and seconded by Mr. Retsinas. Following the motion and second, Ms. Ventura opened the meeting for questions or discussion. She respectfully requested that the Trustees state their name prior to speaking.

Chairman Retsinas asked Mr. Alexander to take a moment to put the homeownership funds in context. Ms. Ventura responded that the primary reason the program was created was for its flexibility. Previously, the HOME Investment Partnerships Program ("HOME Program") funds were used for homeownership projects, but the program is labor intensive and burdensome with too many restrictions. Mr. Shorter then elaborated that the HOME Program funds also have intense restrictions for resale making it difficult for an owner to sell the property. Staff decided this was an opportunity to create a program that provided owners with greater flexibility and options, especially when selling the property.

Chairman Retsinas also wanted to know how long RIHousing has been utilizing this program. Ms. Ventura said that this is the second round of funding of the HIF awards. RIHousing had budgeted \$2 million in FY2020 and proposes allocating the same amount for FY2021.

Chairman Retsinas then referenced the geographic locations of the awards and asked if they differ from the previous funding round. Mr. Alexander acknowledged that both rounds included applications from urban and suburban locations, with proposals received across the entire state.

Mr. Shorter also emphasized that it's important to note that all the applications are from nonprofits.

Commissioner Orth mentioned that most of the applications have low acquisition cost associated with the properties, but Fernwood Phase IV is relatively high. Commissioner Orth question why the cost was so high. Mr. Alexander replied the cost is higher because the

developer has been carrying the property for a long time. When the property was originally purchased, it was acquired on the open market. Ms. Ventura also noted that this was part of a larger property, but NeighborWorks Blackstone River Valley subdivided the property and it's taken longer than anticipated to develop. The property was purchased during the peak of the real estate market.

Commissioner Orth referenced the approved agencies and said they are a great group of organizations that have connections to the community and know where the funds are needed. He noted that some of the organizations are also landlords and wondered if a conflict of interest exists. Ms. Ventura mentioned that essentially all the agencies are landlords, but the contract is very clear on the uses and distribution of funds. There is no conflict of interest.

Commissioner Designee Byrne remarked that she is pleased to see the diverse geographic locations and thanked staff for promoting geographic diversity.

Following the discussion, Ms. Ventura asked Ms. Clement, General Counsel, to conduct a roll call vote of the Trustees, eligible to vote. The Trustees voted as follows:

Trustee Retsinas	Aye
Trustee Ventura	Aye
Trustee Lachapelle	Aye

Ms. Clement, General Counsel, then stated that the following resolution was unanimously approved:

**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, and

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

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

WHEREAS: the Homeownership Investment Fund ("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 120% of area median income; and

WHEREAS: the AHT is providing up to \$1,401,512 in HIF funding to finance the redevelopment and construction of new homeownership opportunities.

NOW, THEREFORE, IT IS HEREBY

RESOLVED: that the Affordable Housing Trust Fund be, and is hereby authorized, to commit up to \$1,180,661 in funding to the projects listed in the Funding Recommendations at Attachment A.

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

Attachment A

Summary of Recommendations

HIF Funds Recommended for Approval \$ 1,180,661

Recommendations include:

- **Middle Street Phase II, 68 and 78 Middle Street, Pawtucket, R.I. sponsored by Pawtucket Central Falls Development Corporation (“PCFDC”)**: New construction of 2 two-family, mixed income homeownership properties. The homeownership units will be restricted at 80% of area median income (“AMI”), with the apartments unrestricted. The project is part of larger 5 parcel development that will help to revitalize what is now a large vacant, underutilized and blighted area of land adjacent to downtown Pawtucket. Pawtucket Redevelopment Agency owns the property and selected PCFDC to develop it.

Sources		Uses	
Sales Proceeds	\$418,000	Acquisition	\$30,000
HIF	\$172,616	Construction/Rehab	\$550,108
BHRI III	\$198,000	Contingency	\$44,008
		Developer Fee	\$70,000
		Ins/Taxes	\$16,000
		Other Soft costs	\$78,500
TOTAL	\$788,616	TOTAL	\$788,616

- **155 Division Street, Pawtucket, R.I. sponsored by PCFDC**: New construction of 1 two-family, mixed income homeownership property. The homeownership unit will be restricted at 80% of AMI, with the apartment unrestricted.

Sources		Uses	
Sales Proceeds	\$229,000	Acquisition	\$0

HIF	\$99,000	Construction/Rehab	\$250,000
Pawtucket HOME	\$65,000	Contingency	\$22,000
		Developer Fee	\$34,000
		Ins/Taxes	\$7,000
		Other Soft costs	\$80,000
TOTAL	\$393,000	TOTAL	\$393,000

- **Mavis Street Homeownership, Pawtucket, R.I. sponsored by PCFDC:** New construction of 3 two-family, mixed income homeownership properties. The homeownership units will be restricted at 120% of AMI, with the apartments unrestricted.

Sources		Uses	
Sales Proceeds	\$747,000	Acquisition	\$1
HIF	\$428,751	Construction/Rehab	\$825,000
		Contingency	\$66,000
		Developer Fee	\$105,000
		Ins/Taxes	\$30,000
		Other Soft costs	\$149,750
TOTAL	\$1,175,751	TOTAL	\$1,175,751

- **Fernwood IV, 220, 225, 230, 235, 240, 245 & 250 George Eddy Drive, Burrillville, R.I. sponsored by NeighborWorks Blackstone River Valley:** New construction of 7 single-family, mixed income homeownership properties. The homeownership units will be restricted at 50% to 80% of AMI.

Sources		Uses	
Sales Proceeds	\$1,126,000	Acquisition	\$504,000
HIF	\$174,950	Construction/Rehab	\$1,289,400
BHRI III	\$533,000	Developer Fee	\$0
NWA Capital Funding	\$20,750	Ins/Taxes	\$13,300
		Other Soft costs	\$48,000
TOTAL	\$1,854,700	TOTAL	\$1,854,700

- **Gardner Road, Exeter, R.I. sponsored by Habitat for Humanity RI, South County (“SCHH”):** New construction of 1 three-bedroom single-family home. Targeted AMI up to 80%. The unit will maintain its affordability into perpetuity, as SCHH uses a land lease model.

Sources		Uses	
Sales Proceeds	\$87,500	Acquisition	\$934
HIF	\$72,617	Construction	\$232,908
Donations	\$112,500	Contingency	\$9,000
		Other Soft Costs	\$5,775
		Developer Fee	\$24,000
TOTAL	\$272,617	TOTAL	\$272,617

- **12 & 15 Bloom Court, Middletown, R.I. sponsored by Church Community Housing Corporation:** Demolition of two blighted existing structures and new construction of 2 single-family homes. The units will be restricted at 80% of AMI.

Sources		Uses	
Sales Proceeds	\$360,000	Acquisition	\$20,334
HIF	\$133,727	Construction/Rehab	\$504,301
ZEOS	\$62,500	Contingency	\$30,000
Nat'l Grid Energy Incentives/Rebate	\$13,050	Developer Fee	\$0
Office of Energy Resources PV Grant	\$10,512	Ins/Taxes	\$4,042
		Other Soft costs	\$21,112
TOTAL	\$579,789	TOTAL	\$579,789

- **171 & 175 Admiral Street, Providence, R.I. sponsored by Smith Hill Community Development Corporation:** New construction of 2 single-family homes. The units will be restricted at 80% of AMI.

Sources		Uses	
Sales Proceeds	\$250,000	Acquisition	\$25,000
HIF	\$99,000	Construction/Rehab	\$359,680
Providence HOME	\$150,000	Contingency	\$35,968
		Developer Fee	\$45,004
		Ins/Taxes	\$6,100
		Other Soft costs	\$27,248
TOTAL	\$499,000	TOTAL	\$499,000

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

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

Ms. Ventura then asked General Counsel, Ms. Clement, to conduct the roll call vote. Ms. Clement conducted a roll call of the Trustees.

The Trustees voted as follows:

Trustee Retsinas	Aye
Trustee Ventura	Aye
Trustee Lachapelle	Aye

Ms. Clement stated that the motion to adjourn the meeting was unanimously approved. Ms. Ventura thanked everyone for participating and the meeting was adjourned at 10:11 a.m.

Respectfully submitted,

Carol Ventura,
Secretary and Executive Director