

**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, October 19, 2023 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 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, Kelly Kenyon LeValley, Deputy General Counsel of RIHousing, provided additional guidance for the meeting. Ms. LeValley 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. LeValley 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 10:13 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; Kevin Orth; Anne Berman, Director of Real Estate Development; Lauren Farley, Senior Program Manager Development; Kelly Kenyon LeValley, Deputy General Counsel; and Carl Rotella, Director of Information Technology.

Members of the public were also present on the call.

Approval of Minutes of the Affordable Housing Trust Fund Meeting of June 29, 2023

Ms. Ventura entertained a motion and a second for the approval of the minutes of the Affordable Housing Trust Fund meeting held on June 29, 2023.

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

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

VOTED: That the minutes of the Affordable Housing Trust Fund Meeting held on June 29, 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 five (5) 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 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 three separate funding rounds and has awarded approximately \$3,000,000 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.

On July 10, 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 has received six proposals to date requesting \$2,009,106 in HIF funding.

All HIF applications received to date were reviewed by RIHousing staff in accordance with 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. RIHousing staff recommends funding for five HIF proposals, which are more particularly described in Attachment A, in the amount of \$991,984. These awards will produce thirteen HIF-assisted units. Projects recommended for this funding round are located in Cranston, Smithfield, Pawtucket, and Providence. Four award recommendations were submitted by non-profit developers, while one was submitted by a for-profit developer.

The resolution authorizing the allocation of up to \$991,984 in HIF funds is recommended for approval, conditioned upon awardees' 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 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 with Commissioner Orth inquiring on how much of HIF funds remain for future awards. He also wanted to know if applications are taken on a rolling basis or on a set schedule. Ms. Farley confirmed that approximately \$900,000 is the balance of the funds and that applications are considered on a rolling basis, with first come first served. Applications are reviewed as they are received and processed as soon as they meet threshold criteria.

Commissioner Orth asked if there is a per unit cost cap on the amount allowed for funding. Ms. Farley responded that the cap is \$425,000. Commissioner Orth then inquired if there's a cap on subsidies per unit. Ms. Farley responded that the per unit subsidy cap amount for the 80% AMI population is \$190,000 and \$175,000 for the 100% AMI sector.

Commissioner Orth also mentioned that there are ranges established for the amount awarded per unit. Also, there's a percentage basis on the actual amount of proceeds of sales that will make up the sources. The Commissioner noted the ranges are a low of 35% up to 75%. He stated that it was a very wide range and asked Ms. Farley to speak to that issue. Additionally, some projects require less subsidy than others to produce the same number of units.

Ms. Farley explained that the projects are all different; existing homes being rehabbed, new construction, townhomes in Providence, Smithfield, etc. Therefore, they are all very distinctive projects with varying funding sources. As there's a diverse range of projects, costs for rehab vary.

Trustee Pryor asked Ms. Farley how many applications were received for this round. Ms. Farley replied that six (6) applications were received and five (5) were recommended for approval. The sixth application was not complete at time of submission and, therefore, was deferred for future funding. As the application is now complete, staff will likely present the recommendation at the next AHT meeting. Ms. Farley acknowledged that staff endeavors to approve all eligible projects that meet thresholds.

Trustee Pryor then referenced the Mathewson Street application noting that sources applied include multiple RIHousing sources, including the AHT funding of \$246,143 from HIF, and Trustee Pryor wanted to confirm the total investment provided by RIHousing. Ms. Berman and Ms. Farley confirmed that it is \$190,000 in subsidies for each of the units.

Trustee Pryor wondered if the numbers are within the appropriate range or are considered to be high. Ms. Berman responded that if the Trustees look at the investment for Portland Street, and Providence Redevelopment Agency, the HIF per unit cost is \$219,000. Ms. Berman stressed that new construction is more expensive.

Moreover, Ms. Berman stated that staff recently attended the National Council of State Housing Agencies' (NCSHA) Annual conference and it was evident that throughout the country prices have escalated.

Trustee Pryor then remarked that he is not recommending a hard cap for the HIF program, but asked if the Corporation has guidelines in place to determine if an application is within range or excessive.

Ms. Farley reconfirmed that the per unit cap is \$425,000. The average per unit price for the applications recommended for approval is \$375,000.

Trustee Pryor then asked how staff established the \$425,000 cap.

Ms. Berman explained that the cap is based on industry rates across multifamily units and that there's virtually no economy of scale when producing one (1) or two (2) units. \$425,000 appears to be a realistic number. Furthermore, conversations with stakeholders confirm that the unit cap is realistic. The stakeholders are primarily the developers producing single family housing that apply for the funding rounds.

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

Ms. LeValley 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 \$991,984 for the Homeownership Investment Fund to finance the redevelopment and construction of new homeownership opportunities; and

WHEREAS: RIHousing staff have evaluated the five Homeownership Investment Fund proposals set forth in Attachment A and determined that the proposals are 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 \$991,984 in funding to the projects listed in the Funding Recommendations at Attachment A, with such commitments to be conditioned upon awardees’ 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, 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.

Attachment A

Summary of Recommendations

HIF Funds Recommended for Approval: \$991,984

Recommendations include:

- **28-30 Portland Street, Providence, RI, sponsored by Omni Development Corporation (“ODC”) and Wingate Capital Partners:** ODC proposes to construct two 2-bedroom and two 3-bedroom homes on vacant land adjacent to the Joseph Caffey Apartments and Jordan Caffey Townhomes currently nearing construction completion. These units will sell for \$200,000 and \$225,000, respectively, to families earning up to 80% of area median income (“AMI”). This project will (i) complete the redevelopment of the former Barbara Jordan II development as proposed by ODC when selected as developer of that redevelopment effort and (ii) address goals of the City of Providence Comprehensive Housing Strategy Report by creating new low-income homeownership opportunities in neighborhoods with low homeownership rates. These new units will complement seventy-nine newly developed rental units and provide a diversity of income and tenancy in the neighborhood.

Sources:		Uses:	
HIF	\$207,500	Acquisition	\$0
Construction loan / sales proceeds	\$816,788	Construction	\$1,476,550
Providence Redevelopment Agency	\$668,525	Construction Contingency	\$73,828
		Soft Costs	\$87,000
		Financing	\$55,435
		Developer Fee	\$0
TOTAL	\$1,692,813	TOTAL	\$1,692,813

- **Mathewson Street, Cranston, RI, sponsored by S.W.A.P., INC. (STOP WASTING**

ABANDONED PROPERTY (“SWAP”): SWAP proposes new construction, on vacant land, of a two-family home with a 2-bedroom owner-occupied unit and a 2-bedroom rental unit. It will complement existing neighborhood homes. The property will be sold to a buyer earning up to 80% AMI. The rental unit will be occupied by a tenant earning up to 80% AMI. The two-family model is the most in-demand model for SWAP’s “Build A Buyer Program.” SWAP acquired the property using RIHousing Site Acquisition Program funding and zoning relief was approved in 2022.

Sources:		Uses:	
HIF	\$246,074	Acquisition	\$133,990
Construction loan / sales proceeds	\$215,000	Construction	\$377,288
SAP	\$133,990	Construction Contingency	\$15,000
		Soft Costs	\$36,450
		Financing	\$4,000
		Developer Fee	\$28,336
TOTAL	\$595,064	TOTAL	\$595,064

- **Old County Village, Smithfield, RI, sponsored by Atlantic-N.E. Property Management, LLC (“Atlantic”)**: Atlantic proposes new construction of five affordable homeownership condominium units as part of a seventy-nine unit condominium project in Smithfield on Old County Road. Overall, there will be twenty 4-bedroom units restricted to families earning up to 100% AMI. Atlantic is seeking HIF funding to construct the first five affordable condominium units. The proposed development is on vacant land. Developer has site control and zoning approvals. Smithfield has 5.5% affordable housing which is mostly rental opportunities. Old County Village homes will provide affordable homeownership opportunities proximate to a variety of town services including Old County Elementary School, Whipple Park, and East Smithfield Public Library.

Sources:		Uses:	
HIF	\$349,640	Acquisition	\$0
Sales Proceeds	\$1,500,000	Construction	\$1,739,176
Dev Equity	\$107,207	Construction Contingency	\$86,959
		Soft Costs	\$ 95,712
		Financing	\$35,000
		Developer Fee	\$0
TOTAL	\$1,956,847	TOTAL	\$1,956,847

- **241 Vine Street, Pawtucket, RI, sponsored by Pawtucket Central Falls Development Corporation (“PCFDC”)**: PCFDC proposes to rehabilitate a vacant 3-bedroom single family home located on Vine Street in Pawtucket’s Darlington neighborhood. The property

will be sold to a first-time homebuyer earning up to 100% AMI. PCFDC will serve as the general contractor; a model that helps to streamline costs and reduces overall development time. PCFDC has used this model before to produce high quality, affordable homeownership units with below average development costs. Scope of work and rehab specifications are complete. Zoning is by right. Permit will be pulled within three months of funding approval.

Sources:		Uses:	
HIF	\$79,954	Acquisition	\$150,000
Construction loan / sales proceeds	\$290,000	Construction	\$130,000
		Construction Contingency	\$ 13,000
		Soft Costs	\$ 48,838
		Financing	\$ 10,500
		Developer Fee	\$ 17,616
TOTAL	\$369,954	TOTAL	\$369,954

- 931 York Avenue, Pawtucket, RI, sponsored by Pawtucket Central Falls Development Corporation (“PCFDC”):** PCFDC proposes to rehabilitate a 4-bedroom vacant home located at 931 York Avenue in Pawtucket’s Darlington neighborhood. The property will be sold to an income-qualified first-time homebuyer earning up to 100% AMI. PCFDC will serve as the general contractor. PCFDC has used this model before to produce high quality, affordable homeownership units with below average development costs. Scope of work and rehab specifications are complete. Zoning is by right. Permit will be pulled within three months of funding approval.

Sources:		Uses:	
HIF	\$108,816	Acquisition	\$185,000
Construction loan / sales proceeds	\$290,000	Construction	\$125,000
		Construction Contingency	\$12,500
		Soft Costs	\$48,325
		Financing	\$9,000
		Developer Fee	\$18,991
TOTAL	398,816	TOTAL	\$398,816

In closing, Trustee Pryor wondered how often the Affordable Housing Trust meets. Ms. Ventura explained that the AHT meetings are scheduled on an as needed basis.

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 Kelly Kenyon LeValley, Deputy General Counsel of RIHousing, to conduct a voice vote of the Trustees. The Trustees unanimously voted to adjourn the meeting.

Ms. LeValley 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 10:28 a.m.

Respectfully submitted,

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