

**MINUTES OF MEETING
OF THE
BOARD OF COMMISSIONERS**

August 17, 2020

A Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Monday, August 17, 2020 at 9:30 a.m. The meeting was held via telephone conference call pursuant to Executive Order 20-46, (as extended by Executive Order 20-63, and as may be further amended or extended).

Carol Ventura, Executive Director, 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 the Board of Commissioners and specific RIHousing staff, all callers will be muted during the meeting. Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Nicole Clement, General Counsel provided additional information for those participating in the meeting. Ms. Clement stated that (i) pursuant to Executive Order 20-46 (as extended by Executive Order 20-63, and as may be further amended or extended) the meeting was being held via teleconference, (ii) members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and (iii) in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Clement also stated that Chairman Retsinas would preside over the meeting and requested that any Commissioner or staff to state their name prior to speaking and to mute the telephone if not speaking. She then invited Chairman Retsinas to call the meeting to order.

A quorum being present, Chairman Retsinas introduced himself, officially called the meeting to order at approximately 9:35 a.m. and thanked everyone for their participation. Chairman Retsinas then invited Ms. Ventura to proceed with the roll call of Commissioners and RIHousing staff (in attendance).

Ms. Ventura then conducted a roll call vote of Commissioners and staff participating in the meeting. Commissioners participating via conference call were: Chairman Nicolas P. Retsinas; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; Elizabeth Tanner, Director of the Department of Business Regulations; Stephen P. McAllister and Maria Barry. Brett Smiley, Director of the Department of Administration, and Kevin Orth were absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer; Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Lisa Primiano, Chief Operating Officer; Leslie McKnight, Assistant Deputy Director - Loan Servicing; Eric Shorter, Director of

Development; Peter Pagonis, Director of Homeownership; Christine Hunsinger, Assistant Deputy Director External Affairs, Policy & Research; Nicole Clement, General Counsel; Carl Rotella, Director of Information Technology and Steven Richard, Corporate Counsel.

Ms. Ventura acknowledged Jill Van Leesten and Alexis Brown as invited participants for the teleconference. Also present on the call were members of the public.

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/rihousing-board-meeting-august-17-2020/>.

Approval of Minutes of Board Meeting held on June 18, 2020

Chairman Retsinas asked for a motion and a second for the approval of the Board of Commissioners minutes held on June 18, 2020. A motion was made by Commissioner Tanner and seconded by Commissioner Designee Byrne. There being no discussion, Nicole Clement, General Counsel conducted a roll call vote of the Commissioners. The commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

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

VOTED: That the minutes of the Board Meeting held on June 18, 2020 hereby are approved.

Chairman's Remarks: Presentation of the Michael Van Leesten Awards Program

Chairman Retsinas began by announcing the establishment of the Michael Van Leesten Memorial Award. Chairman Retsinas noted that Mr. Van Leesten passed away a year ago and he wanted to pay tribute to his accomplishments and his lifelong commitment to housing and education.

Continuing, Chairman Retsinas said that RIHousing is launching the program in Mr. Van Leesten's name to honor his legacy as the Corporation's former Chairman of the Board of Commissioners and to continue his work encouraging and growing the next generation of housing leaders in Rhode Island. The scholarship program will support students pursuing education and training related to housing, finance, economics, or public policy, with a focus on mortgage finance and housing markets.

Chairman Retsinas next announced that Michael Van Leesten's daughters, Jill Van Leesten and Alexis Brown were participating in the Board of Commissioners' meeting and invited them to say a few words.

Chairman Retsinas introduced Jill Van Leesten, who on behalf of the Van Leesten family thanked staff and the Board of Commissioners for the tribute. She was especially appreciative of the honor as it recognized her father's work on behalf of people of color and underrepresented populations. She stated that providing the community with such an opportunity is a wonderful gift.

Next, Alexis Brown spoke reiterating her sister's sentiments and noted that she is truly honored by RIHousing's recognition of her father's work. She also expressed her appreciation to the Board of Commissioners and RIHousing.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, greeted everyone, referred the Commissioners to her report and commented on a few items of interest on the Corporation's activities.

Homeownership. Ms. Ventura was happy to report that despite the challenges of doing business in the present environment, staff continues to see high demand for the Corporation's products. Attractive mortgage interest rates have continued to sustain the local and national real estate markets.

Loan Servicing. Ms. Ventura stated that in July 2020, RIHousing saw an increase in overall delinquency of 615 delinquent loans for a total of 1,683 delinquent loans out of the active portfolio of 12,672 loans. This is a delinquency rate of 13.28%.

Ms. Ventura reported that of the 1,513 borrowers that reached out to the Loan Servicing Division looking for forbearance assistance in making their mortgage payments, 234 have decided they no longer need assistance due to stimulus relief.

Development. Ms. Ventura stated that staff is preparing for a HUD Risk-Sharing Program Assessment. There will be a series of interviews with RIHousing staff within the Development, Leased Housing and Rental Services and Executive Divisions, and Finance Department with HUD personnel in August and September. The purpose of the assessment is to evaluate RIHousing's compliance with its approved underwriting guidelines and all applicable HUD rules and federal regulations related to the HFA Risk-Sharing Program. This process was previously completed over five (5) years ago and included audits of sample transactions completed by program staff based in the Providence HUD Office. This assessment is being conducted by HUD Enforcement Staff and is much broader in scope.

The Executive Director also mentioned that RIHousing submitted its application to the CDFI Fund for \$13 million in Capital Magnet Fund funding. The CDFI Fund plans to award up to \$173.8 million in grants for the CMF FY2020 Round under this NOFA.

Ms. Ventura was pleased to report that at this time, there are no defaults in the multifamily portfolio. Staff continues to monitor the multifamily portfolio and owners continue to maintain full compliance with debt service payment requirements.

Ms. Ventura referenced the various media coverage provided in her report and invited the Commissioners to view the information at their convenience.

Ms. Ventura then stated that on the Federal level, on July 31, the House of Representatives passed the FY2021 Transportation-HUD appropriations bill, although the funding package will likely not be finalized until after the fiscal year ends on September 30. The Senate has yet to begin consideration of FY2021 Appropriations bills. The House of Representatives bill includes a total of \$50.6 billion in appropriations, including numerous programs that RIHousing administers.

Continuing, Ms. Ventura announced that it's a big year for housing at the State level. Governor Raimondo submitted a revised request for General Obligation bonds to go on the November ballot. This request increased bonding by \$228 million (going from \$268.8 million to \$496.8 million). Included in the request was a \$40 million increase to the Housing and Community Revitalization Bond, bringing the total to \$65 million, with \$45 million dedicated to housing investments and \$20 million for community revitalization. On July 29, the House Finance Committee held a hearing on the Governor's amended bond proposals. Ms. Ventura provided testimony remotely and RIHousing submitted written testimony supporting the proposed housing bond.

Additionally, Ms. Ventura informed the Commissioners that the Senate Finance Committee has scheduled a hearing on the bond proposals for Tuesday, August 18. Ms. Ventura is testifying at that hearing.

Finally, Ms. Ventura asked if anyone had any questions. Chairman Retsinas commended staff and mentioned that it was a very busy and productive month.

Firm Approval of HOME Investment Partnerships Program and Housing Trust Fund (HTF) Program Funds for Delaine Street Apartments (Providence)

Chairman Retsinas introduced Eric Shorter, Director of Real Estate Development, who gave this presentation.

Mr. Shorter stated that the request is for firm approval of up to \$2,100,467 in combined HOME Investment Partnerships Program (the "HOME Program") and Housing Trust Fund Program (the "HTF Program") funding for Delaine Street Apartments ("Delaine Street Apartments" or the "Development"), a rehabilitation rental project consisting of nine (9) units in three (3) vacant buildings to be developed in the city of Providence by Olneyville Housing Corporation dba One Neighborhood Builders ("ONE/NB"). Delaine Street Apartments received preliminary approval for \$1,246,351 in HOME Program funds and \$854,116 in HTF Program funds from Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") in September 2019.

Delaine Street Apartments is comprised of nine (9) units of rental housing in three (3) vacant buildings located at 149, 153 and 155 Delaine Street. Three (3) units will be rented to households not to exceed 30% AMI; six (6) will be rented to households not to exceed 60% AMI. The unit mix includes two (2) one-bedroom units, three (3) two-bedroom units, three (3) three-bedroom units and one (1) four-bedroom unit.

The Development, located on one (1) lot, is owned by ONE/NB. The RIHousing Landbank Program extended a bridge loan to ONE/NB and holds the note and mortgage. Just prior to ONE/NB's 2011 acquisition, roofs, structures and most framing were newly constructed. Future renovations include reconfiguration to improve functionality and reduce the density from the existing layout of ten (10) apartments to nine (9) apartments. A garage on the site will be demolished to accommodate green space and nine (9) parking spaces.

The total development cost for the project is \$2,202,467. In addition to HOME Program and HTF Program funds, the sources of funding include \$102,000 from the Providence Redevelopment Agency Affordable Housing Trust Fund.

The apportionment of the combined funding will be \$1,246,351 in HOME Program funds and \$854,116 in HTF Program funds.

The resolution included in the packaged distributed to the Board of Commissioners was recommended for approval subject to completion of all items required for closing in accordance with normal underwriting and processing, and HOME

Commissioner Barry stated that the Credit Committee discussed the request, had no comments and recommended approval.

Chairman Retsinas asked for a motion and a second for the Firm Approval of HOME Investment Partnerships Program and Housing Trust Fund (HTF) Program Funds for Delaine Street Apartments (Providence).

A motion was duly made by Commissioner Barry and seconded by Commissioner Tanner. There being no discussion, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

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|-----------------------------|-----|
| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners of
Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) administers the HOME Investment Partnerships Program (“HOME Program”) and the Housing Trust Fund Program (“HTF Program”) funds by agreement with the U.S. Department of Housing and Urban Development;

WHEREAS: RIHousing is authorized to issue HOME Program and HTF Program funds to promote the acquisition, rehabilitation or preservation of affordable housing;

WHEREAS: RIHousing has preliminarily committed \$1,246,351 in HOME Program funds and \$854,116 in HTF Program funds to the Delaine Street Apartments located in Providence (the “Development”);

WHEREAS: upon review of the document submission provided by Olneyville Housing Corporation dba ONE Neighborhood Builders (“ONE/NB”), RIHousing staff has determined that the project is ready to proceed to construction and recommends firm approval of HOME Program and HTF Program funding;

WHEREAS: staff has also determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

WHEREAS: RIHousing finds that:

- (1) there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;
- (2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices, which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;
- (3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;
- (4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and
- (5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that RIHousing hereby authorizes firm approval of up to \$2,100,467 in combined HOME Program funds and HTF Program funds for the development of nine (9) HOME Program and HTF Program-assisted units at the Development in accordance with the program descriptions as approved by the U.S. Department of Housing and Urban Development;

RESOLVED: that the foregoing resolution is subject to completion of all items required for closing in accordance with normal underwriting and processing, and HOME Program and HTF Program requirements; and

RESOLVED: that the Executive Director, Deputy Executive Director and the Director of Development, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.

Preliminary Approval of Financing for Pine View Apartments (Exeter)

Chairman Retsinas again recognized Eric Shorter, Director of Development, who presented the request.

This Request for Action (“RFA”) is for preliminary approval of tax-exempt financing in an amount not to exceed \$7,000,000 for Pine View Apartments (“PVA” or the “Development”) and a Capital Magnet Fund (“CMF”) loan of \$625,000. Women’s Development Corporation (“WDC” or the “Developer”) proposes the new construction of 40 affordable apartments located in Exeter, comprised of 5 one-bedroom and 35 two-bedroom residences.

The site is a 7.6-acre parcel of land nestled on 2 sides by preserved wooded wetlands on South County Trail (Rt. 2) and immediately adjacent to the Oak Harbor Village commercial center. Of the 40 units, 3 units will be restricted to 30% of area median income (“AMI”), 5 units will be restricted to 50% AMI and 32 will be restricted to 60% of AMI. There will be 8 project-based vouchers (“PBV”) provided by the Coventry Housing Authority. The 40 units will increase the percentage of affordable housing in the Town of Exeter from 2.4% of all households to nearly 4%.

Jade Investment Group, Inc. (“JIG”) was the original land developer and received master plan approval in 2014 and preliminary approval in 2016 from the Town of Exeter for a project with 75% market-rate and 25% affordable units. In 2018, WDC entered into a purchase and sale agreement with JIG and received approval from the Town of Exeter to modify the Development to 100% affordable. The acquisition price, \$1,440,000, includes the land plus the seller’s cost for the land entitlements and initial site clearing/site work.

Under the Rhode Island Housing and Mortgage Financing Corporation’s (“RIHousing”) Land Bank Program, RIHousing took title to the property in June of this year for the appraised value of \$900,000. WDC has an agreement with JIG for the balance of the acquisition price that is subject to certain approvals and the availability of funds. JIG will retain ownership of the abutting parcel with a permanent easement in place to provide PVA with access to JIG’s public well. Once the U.S. Department of Housing and Urban Development (“HUD”) required

environmental review is complete in early September, WDC will take title to the property through a RIHousing Land Bank bridge loan.

The project is a planned residential community consisting of 34,700 square feet of total living area spread across 10 two-story wood-framed buildings. Each building contains 4 units arranged in pairs, so that each pair shares storage and laundry facilities. The individual living units have an efficient and simple plan, resulting in one-bedroom and two-bedroom units of 615 to 760 square feet. A minimum of 2 units (5%) of the proposed 40 units at PVA will be designed to be handicapped accessible. A minimum of 2 parking spaces are available for each apartment. The original design by JIG was intended for condominium resale and included 2 septic systems for each building. Following preliminary approval, WDC will engage a geotechnical study and consolidate the septic design and underground fire suppression cisterns to reduce the construction and maintenance costs.

WDC is proposing to finance the transaction with funds from the following sources: (i) a tax-exempt construction to permanent loan, (ii) equity generated from the allocation of 4% low-income housing tax credits (“LIHTC”), (iii) a deferred developer fee, (iv) a Building Homes Rhode Island (“BHRI”) loan from the State of Rhode Island Office of Community Development Housing Resources Commission (“HRC”), (v) a HOME Investment Partnership Program (“HOME”) loan, (vi) a Housing Trust Fund Program (“HTF”) loan, and (vii) a CMF loan. WDC has received 2 letters of intent to purchase the LIHTC from Red Stone Equity Partners and the National Equity Fund in the range of \$0.92 to \$0.956 per tax credit, respectively.

During construction, RIHousing will issue tax-exempt bonds in an amount not to exceed \$7,000,000, which includes both the permanent loan and a bridge loan to assist in (i) meeting the 50% test needed to be eligible to generate 4% LIHTC on all units, and (ii) to bridge the LIHTC equity in order to increase the pricing of the tax credits. A recourse guarantee for the bridge loan will be required. The permanent loan will be amortized over 40 years.

This proposal seeks preliminary approval of a tax-exempt loan in an amount of up to \$7,000,000 of which \$2,150,000 will remain as permanent debt, and a CMF loan of \$625,000.

Commissioner Barry confirmed that the Credit Committee discussed the request and was very excited about the project. The Committee recommended approval.

Following the presentation, Chairman Retsinas asked for a motion and a second for Preliminary Approval of Financing for Pineview Apartments (Exeter).

A motion was duly made by Commissioner Barry and seconded by Commissioner Tanner.

Ms. Clement, General Counsel, then conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |

Commissioner McAllister Aye
 Commissioner Barry Aye
 Commissioner Designee Byrne Aye

Ms. Clement announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
 Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas, RIHousing intends to issue tax-exempt bonds for the purpose of financing qualified housing developments throughout the state;

Whereas, said bonds shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

Whereas, the applicant (“Applicant”) listed below has presented an application to RIHousing requesting mortgage financing to acquire and develop the buildings as set forth below:

| <u>Development</u> | <u>Applicant</u> | <u>Tax Exempt Loan</u> | <u>Capital Magnet Fund</u> |
|-------------------------|---------------------------------------|----------------------------|--------------------------------|
| Pine View Apartments | Women’s Development Corporation | \$7,000,000 | \$625,000 |

Whereas, staff has reviewed the submission of the Applicant for mortgage financing and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies;

Whereas, RIHousing finds:

(1) that there exists a shortage of decent, safe, and sanitary housing at rentals or prices, which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) that private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices, which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) that the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) that the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) that the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing and Mortgage Finance Corporation enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that subject to the special conditions listed below, RIHousing hereby authorizes preliminary approval of tax-exempt mortgage financing for Women’s Development Corporation or an affiliated entity (the “Borrower”) in an amount not to exceed \$7,000,000 for rental housing known as Pine View Apartments (the “Development”) located in Exeter to be financed, in part, by tax-exempt bonds;

Resolved, that RIHousing hereby declares that this preliminary commitment of financing for the Borrower constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance up to \$7,000,000 in mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced Development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption;

Resolved, that, subject to the special conditions listed below, RIHousing hereby authorizes preliminary approval of a Capital Magnet Fund loan (the “CMF Loan”) to the Borrower in an amount not to exceed \$625,000 for the Development;

Resolved, that the foregoing resolutions are subject to the following conditions:

- Syndication equity from the allocation of low-income housing tax credits in an amount sufficient to achieve project feasibility.

- The award of HOME Investment Partnerships Program and Housing Trust Fund Program funds in amounts sufficient to make the project feasible, or the availability of alternative equity satisfactory to RIHousing.
- Acceptable final appraisal and market study by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units.
- Approval from the Town of Exeter verifying real estate tax assessment at no more than 8% of gross potential income.
- Approval by RIHousing of the proposed general contractor.
- Approval of a final operating budget for the Development.
- Approval by RIHousing of management documentation including marketing and lease-up plans.
- Approval by RIHousing of the final scope of work, construction plans, specifications, and supporting construction documentation.
- FHA Risk-Sharing approval from the U.S. Department of Housing and Urban Development (“HUD”) for a minimum of 50% of the first mortgage loan.
- Approval by bond underwriter and bond counsel that the loan will satisfy all bond requirements.
- Execution of a construction completion guarantee from the Borrower that includes a guarantee of bridge loan repayment, cost overruns and/or equity shortfalls.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved, that the Executive Director, the Deputy Executive Director, or the Director of Development, each acting singly, shall take any and all actions they deem necessary to carry out the foregoing resolutions.

Approval of the Final 2021 Qualified Allocation Plan (QAP)

Mr. Shorter also presented this request. He mentioned that at the June 18, 2020 meeting, RIHousing’s Board of Commissioners preliminarily approved a proposed draft and authorized publication of RIHousing’s intent to adopt the 2021 Qualified Allocation Plan (the “2021 QAP”), which governs the allocation of low-income housing tax credits (“LIHTC”). On June 19, 2020, RIHousing published notice of the public hearing and proposed draft of the 2021 QAP on the rulemaking website hosted by the Rhode Island Secretary of State. Additional notices advertising the public hearing were published on RIHousing’s website, in the Providence Journal and Nuevos Horizontes.

A public hearing was held on July 27, 2020 via teleconference, rather than in person, due to the COVID-19 pandemic. One person attended the teleconference. Written comments were

received from 5 entities and RIHousing received several verbal comments through a Zoom meeting with The Housing Network.

Staff proposes the additional changes to the proposed draft of the 2021 QAP as described below to address public comments and to correct some clerical errors.

Summary of Sections Changed:

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|---------------------------------------|--|
| Section I (pages 4 & 5) | Language clarification |
| Section I (page 7) | Delete a reference no longer needed due to previous changes |
| Section II (pages 22 & 23) | Clarification |
| Section III(A)(1) (Page 26) | Provide additional clarity to Developer Capacity Criteria. |
| Section III (B) Scoring (page 31) | Add criteria for how Extraordinary Conditions will be accounted for in the weighted average total development cost category. |
| Section III (B) Scoring (page 34) | Increase points for community based non-profit and add criteria for qualification under the category |
| Section III (B) Scoring (page 36) | Delete proposed points for Broadband Access |
| Section III (B) Scoring (page 36) | Modify requirement for co-location of supportive services |
| Section III Negative Points (page 39) | Delete proposed negative points for non-compliance with Utility Benchmarking |
| Section VII (pages 48 & 56) | Correction to website hyperlinks |

The final 2021 QAP, set forth at Attachment C, which attachment is included as part of the August 17, 2020 Board of Commissioner package, reflects the changes made to the proposed draft based upon the public comments and some additional clerical errors.

Comment 1

The commenter, SWAP, Inc., provided the following written comments:

1. **Applicants should not be penalized under the Utility Benchmarking Service (UBS) category for failing to sign-up for UBS and/or share the information with RIHousing.**

Specifically, the commenter noted that there are a variety of ways that utility data can be collected, and that accessing data for tenant paid utilities in scattered site properties is far more labor intensive than in single master metered buildings.

Staff reviewed the comment and determined that RIHousing can be more diligent in (i) working with borrowers to collect the UBS information, (ii) monitoring how borrowers are collecting the information and using it to manage their own portfolios,

and (iii) seeking access to the project level data to measure how certain energy efficiency technologies are performing in real time.

Therefore, staff agrees with the comment and will remove the negative points for this category. Additionally, staff will develop internal procedures for monitoring compliance, working with borrowers to better understand how the data is being used to proactively manage portfolios and seeking access to the data so that energy efficiency measures can be reviewed for performance.

2. **The commenter suggests that the requirements for market study information are inconsistent.**

The 2021 QAP requires that a third-party market study be submitted only for mixed income proposals. The 2021 QAP does not require an application for a 100% affordable housing proposal to provide a market study as there is inherently less risk in a 100% affordable project. While RIHousing is mindful of the costs associated with a market study early in the development process, one of the Threshold Criteria in the 2021 QAP is marketability. The applicant must provide market information that, intentionally, can be gleaned through informal market research by the developer. The applicant is welcome to submit a formal market study if they so choose.

Therefore, staff does not believe any changes are required to this category of the 2021 QAP. Staff will review each application to ensure that the requested information is consistent with the 2021 QAP.

3. **The commenter is concerned that the additional points for proposals that include a commercial component puts proposals for housing in non-urban communities at a disadvantage.**

Staff has reviewed the comment. The points in this category are part of the Comprehensive Community Development section, which seeks to ensure that housing is well connected to the community in which it is located. Incentivizing mixed-use housing is one of the goals. While these criteria may be more applicable in some communities than others, housing in non-urban communities is typically eligible for the 10 points associated with housing in communities with less than 10% affordable housing.

Therefore, staff does not believe any changes are required to this category of the 2021 QAP.

4. **The commenter seeks clarification regarding 8 points for fully permitted housing.**

Staff reviewed the comment and believes the language clearly states that all three items must be in place in order to receive 8 points: "...for a fully permitted

development that has building permits secured and specifications are at least 75% complete AND architect confirms in writing that the plans and specification can be 100% complete within 30 days and the application includes a signed schedule of values....”

The commenter further states that points should be awarded for design/build projects with a lower percentage of architectural plan completion, which includes a contract with architect for completion in a time frame that meets the goals to move the development forward on an aggressive schedule and includes a schedule of values from a contractor with a guaranteed final contract price that will not exceed application proforma.

Staff has reviewed this comment and notes that RIHousing has had mixed results from design/build contracts, including costly cost overruns due to poorly executed design/build projects and therefore, strongly discourages them and is considering disallowing design/build altogether. Therefore, staff does not recommend this change to the 2021 QAP.

5. **The commenter believes the cost of providing broadband access is prohibitive in scattered site developments and would impact ongoing financial stability of a project.**

This comment is addressed under “Comment 3(3)” below.

Comment 2

The commenter, Valley Affordable and Barbara Sokoloff Associates, provided 2 written comments:

1. **Current LIHTC scoring puts Senior Housing projects at a disadvantage in the LIHTC QAP/Scoring.**

Staff reviewed the comment. The comment is applicable to 2 scoring criteria, the Total Development Cost (“TDC”) per unit and the LIHTC per unit. The 2021 QAP uses a weighted average methodology based on type of construction. As smaller units inherently cost less than larger units, the weighted average methodology was vetted with the development community specifically to create parity between smaller units (senior and/or smaller households) and larger units (family households). The two categories account for 20 of 135 points.

Given that (i) 135 total points are available for a wide variety of criteria, (ii) RIHousing receives a wide variety of projects geared to various populations and (iii) it has been determined that new housing units are required across multiple income bands and demographic groups in RI, staff has determined that no change to the scoring is required.

2. **Effective Penalty for using State funds.** The commenter suggests that the point category for minimizing RIHousing or State Housing Grant Funds be eliminated. It is not a point category in similar states and commenter feels it is inappropriate for a project to be penalized because of the sources of capital.

Staff reviewed the comment. The State of Rhode Island has limited grant sources for the development of affordable housing. RIHousing is mindful of the cost of affordable housing and is focused on cost containment. Therefore, in order to incentivize developers to focus on cost containment and the limited pool of state grant funds, staff feels it is appropriate to incentivize developers to limit their use of state grant dollars. Staff has determined that no change to the scoring is required.

Comment 3

The commenter, The Housing Network (“THN”), provided the following verbal comments during a video conferencing call:

1. **Ensure that the points allocated toward solar include “or other renewables.”**

Staff reviewed this comment and determined that the term “or other renewables” is already included in the bullet points under the larger description of the point category. Therefore, staff believes no change to this category is required.

2. **Provide clarity in the Threshold Criteria section of the QAP related to Financial Feasibility. Is it project specific or does it also include the developer’s balance sheet?**

Staff reviewed this comment and determined that the Financial Feasibility section clearly focuses on project specific financial criteria such as debt service coverage, balanced sources and uses and assessment of real estate taxes. However, the Developer Capacity Section will be updated to clearly require a review of the financial capacity of the developer.

In addition, staff is preparing a training for developers to review the 2021 QAP and assist developers in strengthening the quality of their applications.

3. **The commenter expressed concern about the negative points for UBS, which was addressed in Comment 1(5) above (submitted by SWAP, Inc.). Regarding the new scoring category “free broadband access” for all residents, is it applicable to all units or just common spaces? Is it reasonable and fair to score a single building the same as scattered sites since it more expensive to provide free access in multiple buildings?**

Staff has reviewed this comment and determined that given recent events and the increase in virtual learning, provision of free broadband or internet access to all is vitally important. However, given that the same comment was received by 3

different organizations, staff has determined that additional research should be undertaken to better assess initial and on-going costs before incorporating into the 2021 QAP.

Comment 4

The commenter, Omni Development Corporation and the Wingate Companies, provided 3 written comments:

1. **Minimum point threshold for HUD Foreclosure and Community Impact Set Aside. The commenter would like to see a fixed-point threshold requirement rather than the proposed point threshold, which is based on an average of all scored proposals for 2 reasons:**
 - a. **As the named developer of Barbara Jordan 2 (“BJ2”) based on an RFP that had different criteria than the 2021 QAP.**
 - b. **BJ2 faces deal constraints that other proposals eligible for the 10 points associated with communities without 10% affordable housing, do not face.**

Staff has reviewed these comments and determined that because up to 40% of the annual small state allocation is being set aside for specific criteria for which it is probable BJ2 will qualify, it is incumbent upon the developer to submit a competitive application. The point category changes from 2020 to 2021 are nominal so therefore the commenter was aware of the point categories when they submitted their response to the BJ2 Request for Proposals (“RFP”). Applicant scores under the LIHTC RFP vary year to year. Therefore, it is impossible to provide a “fixed point threshold” since it could be much higher or lower than the cumulative 2021 scores. Requiring the set aside applicant to score at least as high as the average, ensures that the set aside applicant is submitting a competitive application. It would be unfair to applicants applying for the remaining small state allocation if the set aside applicant submitted an application with a score that was significantly lower than the other applications. No change is recommended.

2. **The commenter is seeking Clarification on the Total Development Cost Cap.**

Staff reviewed the comment, which seeks clarification between the absolute cost cap of \$375,000 per unit and the weighted average cost cap, which takes into consideration extraordinary conditions such as prevailing wages (as well as environmental remediation, demolition on non-contributing historic structures and the installation of on-site water treatment systems in rural locations) (the “Extraordinary Conditions”).

The cost cap of \$375,000 per unit for gross unweighted total development cost is absolute. While the 2021 QAP does allow for Extraordinary Conditions, it does not

elaborate on how the costs associated with the Extraordinary Conditions should be factored into the weighted average score. Therefore, staff will amend the 2021 QAP to define how the costs for the Extraordinary Conditions should be factored into the scoring.

Comment 5

The commenter, NeighborWorks Blackstone River Valley, provided the following written comments.

1. **Building type weighting calculations.** The commenter is supportive of the 5 building types used to calculate a weighted average score for total development cost and LIHTC per units. The commenter is seeking clarification on how the scoring was calculated.

Subsequent to receiving the written comments, staff followed up with a phone conversation to breakdown how the calculation is implemented. The commenter provided a follow-up email confirming his understanding and withdrawing the comment.

2. **Community Based Non-profit.** The 2021 QAP awards 1 point for a community-based non-profit with a track record of community engagement and has operated housing in the neighborhood. The commenter suggests adding additional criteria such as requiring the inclusion of low-income board members, incorporation in the State of Rhode Island, and Internal Revenue Service (“IRS”) 501(c)3 status. The commenter also suggests that non-profit sponsors should receive 5 points rather than 1 point under this criterion.

Staff has reviewed this comment. IRS 501(c)3 status is already a requirement under the criteria but will be clarified. Staff does agree that requiring the organization to be incorporated in the State of Rhode Island is important. Given the mission focus of these organizations, staff agrees that this category should be worth 2 additional points for a total of 3 points, rather than 1 point. Staff suggests adding 2 additional points to this criterion rather than the 4 points the commenter was requesting.

3. **Space for co-location of supportive services.** The commenter agrees that the co-location of services is important, however suggests that if it is another facility owned by the sponsor and is within walking distance, it should be eligible for the points.

Staff has reviewed the comment and agrees that the criteria should be amended to include either provision of services on site OR in another facility owned by the sponsor, or an affiliate, within 1/2 mile of the proposed project.

4. **Free Broadband Service to residents.** The commenter believes the cost of

providing this service is prohibitive in scattered site developments and would impact ongoing financial stability of a project.

This comment is addressed under “Comment 3(3)” above.

5. **Applicants should not be penalized for failing to sign-up for UBS and/or share the information with RIHousing.**

This comment is addressed under “Comment 1(1)” above.

Comment 6

The commenter, ONE Neighborhood Builders, provided the following written comments via email:

1. **Non-profit set-aside. The spirit of this policy, I believe, is to support local, mission-focused, community-based organizations. The tax status alone is insufficient.**

This comment is addressed in Comment 5(2) above.

2. **Scoring – Consider allocating points for workforce housing (up to 120% AMI), that while restricted are effectively market-rate.**

Staff reviewed this comment. Currently, any unit not seeking LIHTC is considered market rate and is eligible for the points. No change is required.

3. **Scoring – co-location of supportive services. There is no need to develop space for the provision of services. Providers prefer home-based delivery of care or having the clients meet at their clinic. Additionally, many developments have existing nearby spaces that can be used for service delivery as needed.**

This comment is addressed in Comment 5(3) above.

The 2021 QAP will become effective upon (i) final approval by the Board of Commissioners; (ii) approval by the Governor; and (iii) 20 days after filing with the Secretary of State.

Staff recommends that the Board of Commissioners approve the resolution adopting the 2021 QAP and recommending the 2021 QAP for final approval and endorsement by the Governor.

Commissioner Barry stated that the 2021 QAP was thoroughly reviewed by the Credit Committee, noted comments that were adjusted and a list of follow up items that were addressed. The Committee advised approval.

Chairman Retsinas asked for a motion and a second for the approval of the Final 2021 Qualified Allocation Plan (QAP).

A motion was duly made by Commissioner Barry and seconded by Commissioner Tanner.

Following the motion and second, Ms. Clement conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

| | |
|-----------------------------|-----|
| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then reported that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the Governor as the Tax Credit Allocating Agency for the State of Rhode Island (the “State”);

WHEREAS, the Revenue Reconciliation Act of 1989, as amended, requires tax credit allocating agencies to allocate low-income housing tax credits (“LIHTC”) according to a Qualified Allocation Plan (the “Plan”);

WHEREAS, the Plan must establish priorities and criteria for allocating the tax credits that best meet the housing needs of residents of the State of Rhode Island and must be adopted pursuant to a public hearing and comment period; and

WHEREAS, housing needs for the State of Rhode Island have been established pursuant to the Rhode Island Consolidated Plan: 2020-2024 and are incorporated into the 2021 Qualified Allocation Plan (the “2021 Plan”).

NOW, THEREFORE, BE IT:

RESOLVED, that RIHousing adopt the 2021 Plan for the State of Rhode Island in substantially the form attached hereto at Attachment C, and hereby recommends the 2021 Plan be approved and endorsed by the Governor of the State of Rhode Island and Providence Plantations; and

RESOLVED, that RIHousing develop and distribute a Request for Proposals (RFP) soliciting applications for 2021 Low-Income Housing Tax Credits pursuant to the 2021 Plan; and

RESOLVED, that the Executive Director, the Deputy Executive Director and the Director of Development, each acting singly, be, and hereby are, authorized and empowered and directed to file or cause to be filed the 2021 Plan with the Office of the Secretary of State, to execute or cause to be executed any and all certificates, instruments, letters of instruction and documents as shall be required to cause the filing of the 2021 Plan with such office, and to take such further action as she or he, in her or his sole discretion, shall deem necessary or desirable to effectuate the proposed filing and the foregoing resolutions.

Approval of Engagement of Document Custodian

Chairman Retsinas introduced Bernadette MacArthur, Director of Finance, who presented this request.

This request seeks approval to enter into a contract with a subsidiary of U.S. Bancorp (“U.S. Bank”) to provide document custodian services for the certification of pools and loans. U.S. Bank would be engaged by staff primarily for the certification of loans to be pooled as part of the Ginnie Mae (“GNMA”) Mortgage-Backed Securities (“MBS”) Program and for the certification of loans to be sold to Fannie Mae (“FNMA”) and Freddie Mac (“FHLMC”). U.S. Bank would hold in custody all documents for related loans for the duration of the engagement.

The Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) currently securitizes all government-insured mortgage production through GNMA’s MBS Program and finances all conventional production through sale to FNMA. Additionally, RIHousing is undergoing the onboarding process to begin partnering with FHLMC. Each of these three investors requires that business partners wishing to pool and/or sell loans engage the services of an approved document custodian. A document custodian certifies to the investor that a pool or loan meets all criteria for pooling and/or sale and holds the related documents on behalf of the investor.

Since 2009, the Bank of New York Mellon Trust (“BNYM”) has served as RIHousing’s designated document custodian for RIHousing’s active lines of business with GNMA and FNMA. In March 2020, RIHousing was notified by GNMA that BNYM was no longer an approved Ginnie Mae document custodian, and that institutions utilizing the document custodian services of BNYM would need to cease doing GNMA-related business with BNYM by October 1, 2020. As a result, RIHousing undertook a search for a new document custodian. Staff made the business decision to move all FNMA business line activity away from BNYM as well.

In April 2020, RIHousing issued an RFP and posted it to the RIHousing website. Three vendors submitted proposals in response to the RFP and two were invited to participate in

interviews and demonstrate their systems and reporting capabilities. A selection committee comprised of senior staff and representatives from the Finance and Loan Servicing areas reviewed the proposals, participated in interviews and evaluated the submissions according to the RFP criteria. Factors taken into consideration included cost of services, each firm’s capacity to support the required services, previous experience, and references. Attachment B, which attachment is included as part of the August 17, 2020 Board of Commissioner package, summarizes the evaluation and scoring of the proposals. Based on this evaluation and scoring, U.S. Bank was the unanimous choice of the committee.

U.S. Bank is recognized as one of the premier document custody service providers in the country with more than 600 active custodial customers and safekeeping more than 11.7 million loan files. The cost structure and fee estimates presented by U.S. Bank were overall the lowest presented by any of the respondents and consistent with our existing provider. Based on the proposal, system and reporting demonstration, proposed fee structure and client references, the selection committee believes that the bank has the most qualifying experience and expertise to successfully undertake providing document custodian services for RIHousing.

Upon Board of Commissioner approval to enter into a contract with U.S. Bank, RIHousing will begin phasing out its existing relationship with BNYM and onboarding with U.S. Bank, within GNMA’s required time frame for transitioning to a new, approved service provider.

Commissioner Designee Byrne stated that the Management Committee evaluated the proposal and the Committee endorsed approval of the engagement of U.S. Bank.

Following the presentation, Chairman Retsinas asked for a motion and a second for the Approval of the Engagement of Document Custodian.

A motion was made by Commissioner Designee Byrne and seconded by Commissioner McAllister.

Ms. Clement, General Counsel, then conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

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|-----------------------------|-----|
| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then reported that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is required by government-sponsored enterprises Ginnie Mae, Fannie Mae, and

Freddie Mac (together, the “GSEs”) to engage an eligible provider of document custodian services; and

Whereas: RIHousing issued a Request for Proposals to seek a vendor to provide document custodian services in keeping with the requirements of the GSEs (the “RFP”); and

Whereas: staff reviewed the proposals and determined that U.S. Bancorp, having submitted the highest-scoring proposal under the criteria set forth in the RFP, would best meet the needs of RIHousing.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that RIHousing be, and hereby is, authorized to enter a contract with U.S. Bancorp, or a subsidiary thereof, to provide document custodian services to facilitate RIHousing’s pooling and selling loans in connection with programs of the GSEs; and

Resolved: that the Executive Director, Chief Financial Officer, and Director of Finance, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions, including without limitation the authority to negotiate the terms and fees of the engagement as he or she may determine are in the best interests of RIHousing, and to execute any and all agreements or documents as he or she deems necessary to carry out the foregoing.

Approval of Delegation of Corporate Authority for Purposes of Government National Mortgage Association (Ginnie Mae) MBS Programs

Ms. MacArthur also made this presentation.

Ms. MacArthur declared that this request is to provide authorization of certain designated officers and employees of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) to execute and deliver to the Government National Mortgage Association (“Ginnie Mae”) such instruments as may be necessary for RIHousing to participate in the Ginnie Mae Mortgage-Backed Securities (“MBS”) Programs.

RIHousing has been an approved Ginnie Mae Single-Family MBS issuer/servicer since April 2009 and an approved Multi-Family MBS issuer/servicer since June 2014.

Ginnie Mae requires that the RIHousing Board of Commissioners (the “Board”) authorize designated officers and/or employees to execute and deliver to Ginnie Mae instruments necessary to participate in the Ginnie Mae Single-Family and Multi-Family MBS Programs. Ginnie Mae requires that the Board authorize named officers and employees to act on behalf of RIHousing, rather than designating authorized persons by position, which is the usual commercial practice. In addition, Ginnie Mae requires the use of a particular form of resolution

for this purpose. With the recent approval of a new document custodian, Ginnie Mae requires Board approval and new submission of authorized officers and employees to facilitate the new document custodian relationship. This designation of officers and employees authorized to act on behalf of RIHousing with respect to the Ginnie Mae Single-Family and Multi-Family MBS Program supersedes any previous such designation.

Commissioner Designee Byrne stated that the Management Committee felt that it is important to continue to work with Ginnie Mae and recommends approval of the delegation of Corporate Authority.

Chairman Retsinas then asked for a motion and a second for the approval of Delegation of Corporate Authority for Purposes of Government National Mortgage Association (Ginnie Mae) MBS Programs.

A motion was made by Commissioner Designee Byrne and seconded by Commissioner McAllister. Ms. Clement, General Counsel, next conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then reported that the resolution was unanimously adopted in the form presented at the August 17, 2020 Board of Commissioners meeting.

Approval of Authority to Adopt Multi-Family Development Bond General Resolution and Supplemental Resolution for Series 2020 - \$135,000,000

Chairman Retsinas stated that Kara Lachapelle, Chief Financial Officer, would report on this recommendation.

Ms. Lachapelle said that that this request is for approval seeks the authority to issue up to \$135,000,000 in multi-family development bonds under the Multi-Family Development Bond General Resolution and Supplemental Resolution for Series 2020.

Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) finances its multi-family loans by issuing bonds, in one or more series, identified for that purpose. RIHousing has approximately \$135,000,000 multi-family loans in the process of closing that may require bond financing during the next year. At this time, it is necessary for RIHousing to issue its Multi-Family Development Bonds to finance those multi-family loans closing in the next few months, as well as to provide anticipatory funding for upcoming multi-family loan production. Sizing of this bond issuance would also include required debt service reserves.

Continuing, Ms. Lachapelle said that staff recommends the adoption of the attached resolutions, which resolutions are included as part of the August 17, 2020 Board of Commissioners package authorizing the issuance of up to \$135,000,000 of both short and long-term bonds under the Multi-Family Development Bond Program.

Commissioner Designee Byrne stated that the Management Committee endorses approval to adopt the multifamily bond resolutions as the rates are low and the present market renders it is a great time to borrow funds.

Following the presentation, Chairman Retsinas asked for a motion and a second for the Approval of Authority to Adopt Multi-Family Development Bond General Resolution and Supplemental Resolution for Series 2020 - \$135,000,000.

A motion was made by Commissioner Designee Byrne and seconded by Commissioner McAllister. Ms. Clement, General Counsel, next conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then reported that the resolution was unanimously adopted in the form presented at the August 17, 2020 Board of Commissioners meeting.

Approval of Authority to Issue Homeownership Opportunity Bonds - \$250,000,000

Ms. Lachapelle also gave this presentation.

This Request for Action (“RFA”) seeks the authority to issue up to \$250,000,000 in Homeownership Opportunity Bonds of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”).

RIHousing staff continuously monitors single-family loan origination activity; prepayment speeds of existing mortgages; refunding, recycling and optional redemption opportunities for existing bond offerings; bond market tone; short and long interest rates and available tax-exempt volume cap. All of these activities have the objective of maximizing our lending flexibility and minimizing our net interest costs in order to provide mortgages to low- and moderate-income homebuyers.

The single-family bonding program provides funding for first time homebuyers and is a sustainable source for funding borrower assistance loans, which are used for down payment and closing costs, a key feature for RIHousing borrowers. At the same time, the program strengthens the future financial sustainability of the corporation by increasing the balance sheet and creating a reliable future annuity stream.

RIHousing's last bond issue was executed in June 2020 with proceeds expected to be utilized by the end of August 2020. Based on the current pipeline of registrations and production estimates, staff anticipates issuing approximately \$250,000,000 of single-family bonds to fund new first-time homebuyer mortgages and/or refund existing bonds to lower interest costs over the next 12-18 months.

The resolutions authorize the issuance of up to \$250,000,000 of bonds under various series and tax plan components depending on market conditions and fund delivery requirements. This authority will expire on December 31, 2021.

Ms. Lachapelle stated that staff recommends the issuance of up to \$250,000,000 of bonds to fund the Homeownership Opportunity Bond Program.

Commissioner Designee Byrne stated that the Management Committee felt that this is a great opportunity to borrow as the affordability of rates is advantageous. The Committee advises approval.

Chairman Retsinas then asked for a motion and a second for the Approval of Authority to Issue Homeownership Opportunity Bonds - \$250,000,000.

A motion was made by Commissioner Designee Byrne and seconded by Commissioner McAllister. Ms. Clement, General Counsel, next conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then reported that the resolution was unanimously adopted in the form presented at the August 17, 2020 Board of Commissioners meeting.

Approval of Engagement of Employee Benefits and Retirement Brokerage and Consulting Firm

Chairman Retsinas directed Barbara Farrand, Director of Human Resources, to present this request. Lisa Primiano, Chief Operations Officer, stated that on behalf of Barbara Farrand, she would present this agenda item.

Ms. Primiano noted that this request is for approval of This Request for Action ("RFA") is for approval to engage a firm qualified to perform brokerage and consulting services with respect to Rhode Island Housing and Mortgage Finance Corporation's ("RIHousing") employee benefits program including health and welfare plans and retirement plans. Specifically, this RFA seeks

approval to engage the firm of Marsh & McLennan Agency LLC to assist with RIHousing's goal of offering quality, market-competitive, and cost-effective benefit solutions to our employees.

To attract and retain a high performing workforce, RIHousing offers its employees a competitive and comprehensive suite of benefits. Employee benefits include medical, dental, vision, flexible spending account, long term disability, basic life insurance/accidental death & dismemberment, and 457(b) and 401(a) retirement plans. RIHousing uses the services of a benefits broker/consultant to provide the corporation with a customized strategy for its benefit offerings.

For its health and welfare benefits, RIHousing uses broker/consultant services to provide vendor and vendor management, evaluation of plan design, strategic recommendations and implementation, collection and analysis of benchmark data, peer group comparisons, strategic recommendations, and comprehensive employee communications and educational support. Additionally, the broker/consultant provides comprehensive services to administer all aspects of the self-insured portion of RIHousing's high deductible health insurance plan, which RIHousing offers as secondary insurance to employees.

For its retirement plans, RIHousing uses a broker/consultant for fiduciary services to maintain RIHousing's Investment Policy Statement ("IPS"), review and analysis of investment fund performance in accordance with the IPS, investment monitoring and investment fund recommendations, fiduciary training for designated plan fiduciaries, periodic review of the Retirement Plan Committee Charter and IPS, and administrative services for the Retirement Plan Committee. Other retirement plan services include the provision of a dedicated consulting team to provide employee communications and education strategy, review of retirement market trends, monitoring of regulatory changes and the economy, provision of legislative updates, analysis of fund performance and risk, and plan benchmarking.

In March 2020, RIHousing issued a Request for Proposals ("RFP") from qualified firms to provide the employee benefits and retirement brokerage and consulting services described above. Notice of the RFP was posted on RIHousing's website and the website maintained by the State of Rhode Island Department of Administration's Division of Purchases.

Four (4) firms submitted proposals in response to the RFP (the "Applicants"). A selection committee comprised of the Chief Operating Officer, the Director of Homeownership and the Director of Human Resources reviewed the submissions and evaluated them in accordance with criteria outlined in the RFP. The selection committee scored the responses based upon the firm's professional capacity, fee structure, experience, continuity and expertise of account team, experience with firms of similar size with similar benefits and goals, recommendations by references, capacity to offer services directly rather than through subcontractors, firm minority status and affirmative action program or activities.

Based upon the selection committee's evaluation of all proposals, the firm of Marsh & McLennan Agency LLC ("MMA") was determined to be best qualified to provide health and welfare benefits and retirement brokerage and consulting services to RIHousing with a score of 89 out of a possible 100.

MMA is an independent unit of Marsh & McLennan Companies (“Marsh”), founded in 2008 and established to meet the needs of midsize businesses in the United States. MMA, with more than 100 offices and over 6,000 employees nationwide, operates independently from, but collaboratively with Marsh to offer a full-service suite of services within insurance, retirement, and risk management. RIHousing has enjoyed a past positive work experience working with MMA on its benefits and retirement plan services.

Commissioner Designee Byrne stated that as staff has suitably performed its due diligence the Management Committee recommends approval of the MMA contract.

Chairman Retsinas then asked for a motion and a second for Approval of Engagement of Employee Benefits and Retirement Brokerage and Consulting Firm.

A motion was duly made by Commissioner Designee Byrne and seconded by Commissioner McAllister. Ms. Clement, General Counsel, next conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then reported that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas, Rhode Island Housing and Mortgage Finance Corporation’s (“RIHousing”) enabling act provides it with all the power and authority to make and execute contracts necessary to exercise the powers and functions provided to it under that act (R.I. Gen. Laws §42-55-5(6)); and

Whereas, RIHousing seeks to offer an excellent quality and cost-effective range of benefits to its employees with the assistance of experienced benefit broker/consulting services; and

Whereas, in March 2020, RIHousing issued a Request for Proposals (“RFP”) for qualified firms to perform brokerage and consulting services with respect to RIHousing’s employee benefit programs including health and welfare and retirement plans; and

Whereas, a selection committee comprised of the Chief Operating Officer, the Director of Homeownership and the Director of Human Resources reviewed all proposals and evaluated them in accordance with criteria outlined in the RFP; and

Whereas, based upon the scoring evaluations, staff recommends the engagement of the employee benefits brokerage and consulting firm of Marsh & McLennan Agency LLC to provide all services as detailed in the Request for Proposal of March 2020.

NOW THEREFORE, IT IS HEREBY:

Resolved, that RIHousing be, and it is hereby authorized, to engage the employee benefits brokerage and consulting firm of Marsh & McLennan Agency LLC; and

Resolved, that the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Chief Operating Officer, and the Director of Human Resources each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary, desirable, including specifically, the authority to negotiate fees and such other terms of the engagements as he or she may determine are in the best interests of RIHousing and to execute any and all agreements and to take such further actions as he or she deems necessary and in the best interests of RIHousing to carry out the foregoing resolution.

Executive Session Pursuant to R.I.G.L. Sec. 42-46-5(a)(1) to Discuss Job Performance of Executive Staff and Senior Management

Following the Open Meeting, Chairman Retsinas called for a closed session pursuant to R.I.G.L. Section 42-46-5 (a)(1) to discuss the job performance of Executive Staff and Senior Management.

Chairman Retsinas asked for a motion to convene the closed session. A motion was made by Commissioner Barry and seconded by Commissioner Designee Byrne.

Ms. Clement next conducted a roll call vote of the Commissioners, eligible to vote, in response to the call for a closed session. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Ms. Clement then stated the motion to convene in closed session was unanimously approved.

Nicole Clement, General Counsel, then announced that the Executive Staff and Senior Management that are the subject of the closed session pursuant to Sec. 42-46-5(a)(1), have been informed in writing of his/her right to have the discussion conducted in open session, and did not specify any objection to a closed session, and would not exercise his/her right to having the discussion occur in open session.

The Board of Commissioners entered in closed session at approximately 10:11 a.m.

The closed session ended at approximately 10:33 a.m., and Chairman Retsinas reconvened the Board of Commissioners in open session. Chairman Retsinas stated that no votes or other actions had been taken in closed session.

Chairman Retsinas then asked for a motion to seal the minutes of the closed session. A motion was duly made by Commissioner Barry and seconded by Commissioner Tanner.

Ms. Clement then conducted a roll call vote of the Commissioners, eligible to vote, in response to the motion to seal the minutes of the closed session. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |
| Commissioner Designee Byrne | Aye |

Nicole Clement, General Counsel, stated that the motion to seal the minutes of the closed session was unanimously approved.

There being no further business to discuss, Chairman Retsinas asked for a motion to adjourn the Board of Commissioners meeting. A motion was made by Commissioner Barry and seconded by Commissioner Tanner to adjourn the meeting.

Ms. Clement then conducted a roll call vote of the Commissioners, eligible to vote, in response to a vote for adjournment. The Commissioners voted as follows:

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| Chairman Retsinas | Aye |
| Commissioner Tanner | Aye |
| Commissioner McAllister | Aye |
| Commissioner Barry | Aye |

Ms. Clement announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:36am.

Chairman Retsinas thanked everyone for participating in the morning's telephonic Board meeting and wished everyone a good week.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director