



MEMO

To: Board of Commissioners
From: Carol Ventura
Date: February 20, 2025
Subject: Monthly Update

PROGRAM NEWS

Product	2024 Actual (units)	2025 Goals (units)	2025 Units (at 1/31/25)	2025 Funded (at 1/31/25)
<i>First Mortgage</i>	1,611	1,600	131	\$52.7 million
<i>FirstGenHomeRI</i>	42	30	1	\$25,000

In January 2025, 131 first mortgages closed, up 21% over 2024. The January figure marks the highest number of January closings since 2021. Our average loan amount continues to grow with a January loan level of \$402,481, an increase of 0.6% from December 2024.

LOAN SERVICING/ASSET MANAGEMENT

Portfolio	As of 12/31/24	2023 Invested	As of 01/31/25	2025 Invested
RIH Single-Family*	23,439 loans	\$3.27 billion	23,548 loans	\$3.31 billion
RIH Multi-Family	781 loans	\$1.20 billion	784 loans	\$1.21 billion
MSS Single-Family	6,890 loans	\$823.90 million	6,927 Loans	\$838.46 million
Madeline Walker	113 liens	\$1.00 million	110 liens	\$.94 million
REO	5 homes	\$.97 million	4 homes	\$.90 million
TOTALS		\$5.30 billion		\$5.36 billion

*Includes loans serviced for others i.e., loans sold TBA, Federal Program loans

Delinquency Update:

	As of 01/31/25
# Overall Delinquent Loans	1668
Total Active Portfolio	13,614
Delinquency Rate	12.25%
Seriously Delinquent (90+ days)	647 (4.75%)

DEVELOPMENT

Status of Previously Awarded State Fiscal Recovery Funds (SFRF) as of 1/31/25

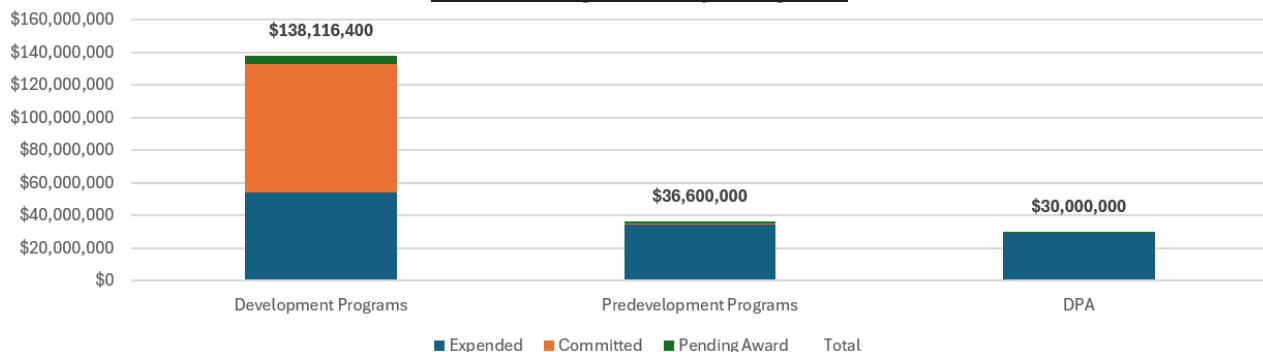
Development Programs Units Funded: : 2,238 Units Completed: 252				
	Total Appropriated	Committed	Pending Award	Expended
Development Programs	\$138,116,400	\$78,771,152	\$5,087,732	\$54,257,516
- Development of Affordable Housing	\$90,000,000	\$48,269,298	\$2,515,000	\$39,215,702
- Middle Income	\$20,000,000	\$12,854,923	\$2,072,732	\$5,072,345
- Community Revitalization	\$20,000,000	\$11,096,931	\$500,000	\$8,403,069
- PHA Capital	\$8,116,400	\$6,550,000	\$0	\$1,566,400

Predevelopment Programs Projects Funded: 72				
	Total Appropriated	Committed	Pending Award	Expended
Predevelopment Programs	\$36,600,000	\$250,000	\$1,633,565	\$34,716,435
- SAP	\$25,000,000	\$0	\$743,575	\$24,256,425
- Predevelopment	\$10,000,000	\$0	\$889,990	\$9,110,010
- PHA	\$1,600,000	\$250,000	\$0	\$1,350,000

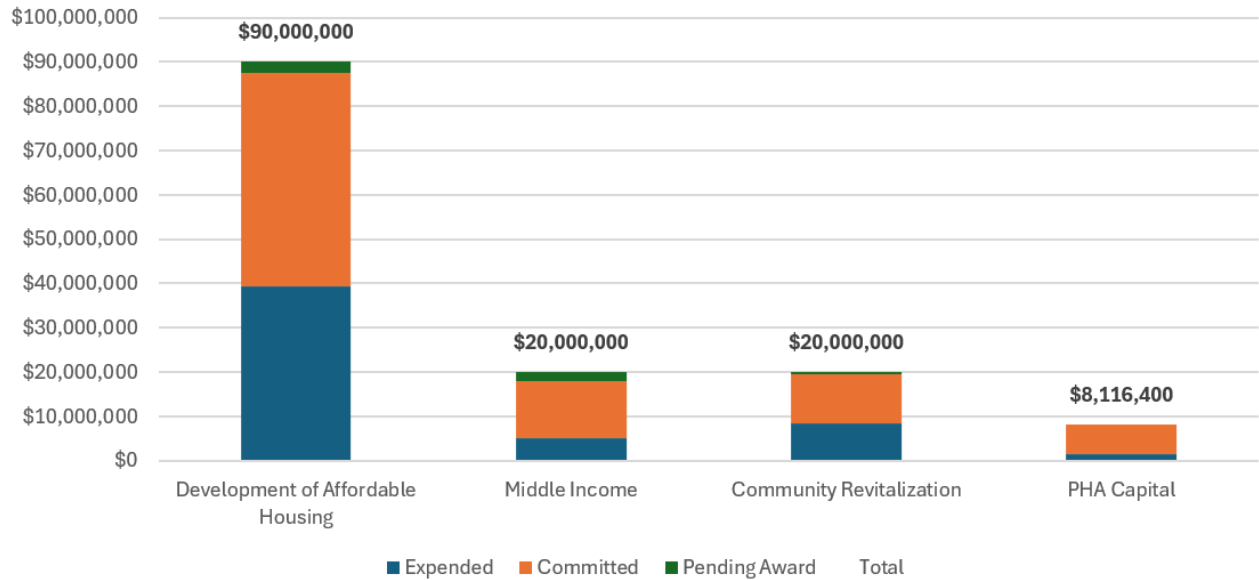
Down Payment Assistance Program Households Assisted: 1,672				
	Total Appropriated	Committed	Remaining	Expended
RI Statewide DPA Grant*	\$30,000,000	\$0	\$740,000	29,260,000

***Program funds fully expended**

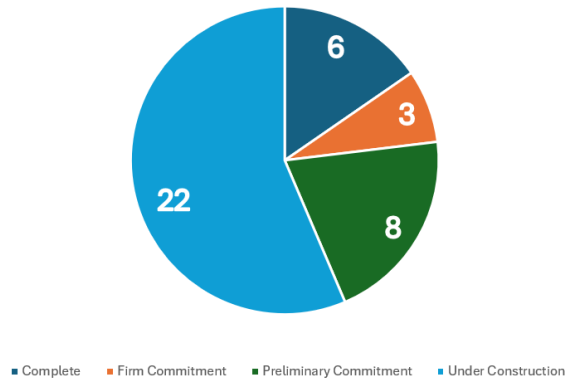
SFRF Funding Status by Categories



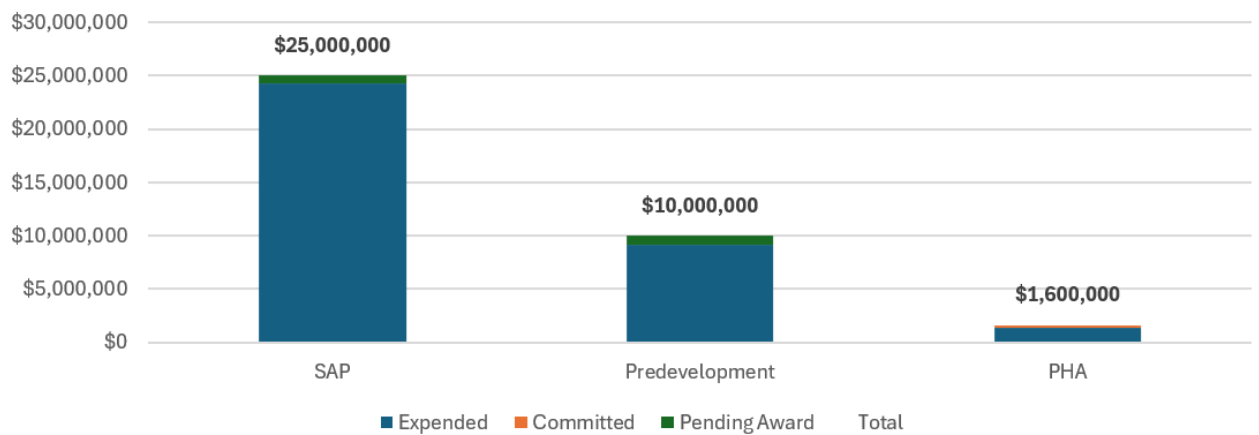
SFRF Funding Status - Development Programs



Development Project Status



SFRF Funding Status - Predevelopment Programs



Development Pipeline:

West House in Middletown (54 units), and Parcel 9 Phase 1 in Providence (66 units), were both completed and began accepting new residents in January. We anticipate additional units coming online in February and March.

The Consolidated RFP review continues, and we expect to bring funding recommendations to the board in April.

Projected Closings CY 2025	2025 Goal	2025 Goal	Closed as of 1/31/25	Closed as of 1/31/25
Type	# of Deals	# of Units	Deals Closed	Units in Closed Deals
New Production 9%	4	260		
New Production - 4% Tax Exempt Deals	2	91		
Preservation - 4% Tax Exempt Deals	6	600		
Non-LIHTC Deals	4	360		
Totals				

Projected New Production Completed Units CY 2028	Goals	Completed
# of MF Deals	9	2
# of MF Units	664	120
# of Homeownership units	53	0

LEASED HOUSING AND RENTAL SERVICES

Updates

- HUD recently concluded its Annual Compliance Review (ACR) of RIHousing's Project Based Contract Administration (PBCA) portfolio. The audit of Leased Housing's oversight of the program was delivered with zero (0) findings. During the exit interview, HUD staff commented on the excellent work our team is doing supporting the success of this critical HUD program.
- Staff from Leased Housing recently attended NCSHA's HFA Institute in Washington DC. This week-long conference provided opportunities for training and information sharing with industry experts and HFA colleagues.
- Leased Housing staff honored recent Family Self Sufficiency (FSS) program graduates on January 16th at the Crown Plaza in Warwick. We recognized twenty-one (21) RIHousing graduates and eighteen (18) graduates of the Providence Housing Authority's FSS program.

COMMUNICATIONS

MEDIA COVERAGE

- **Providence Business News:** [Financing secured for second phase development of I-195 District's Parcel 9](#) (Jan 30th)
- **The Westerly Sun:** [Habitat for Humanity homes in Hopkinton ready for their new owners](#) (Jan 29th)
- **The Providence Journal:** [\\$1k grants offered to first-time home buyers. What to know and how to apply](#) (Jan 22nd)

COMMUNICATIONS & OUTREACH

RIHousing Accessory Dwelling Units (ADUs) Awareness Campaign Launch (February 3rd)

RIHousing has launched an awareness campaign to inform Rhode Islanders about the recently passed legislation that allows the building of ADUs across the state, in conjunction with our financing options for homebuyers and homeowners interested in financing their home, and the construction cost of the ADUs through RIHousing. The campaign includes social media, paid search advertising, and marketing collaboration with key partners including the RI Association of Realtors.

EQUUS Resource Fair (Jan 29th)

Our Leased Housing team attended Equus Workforce Solution's Annual Resource Fair to share renter resources and information on RIHousing's renter programs, and the Centralized Wait List.

Cardinal Lane Phase 2 Ribbon Cutting (Jan 28th)

RIHousing joined South County Habitat for Humanity, Governor Dan McKee, Speaker Shekarchi, and others for the ribbon cutting of phase 2 of the Cardinal Lane homeownership development. The seven total homes, each affordable to individuals or families earning 80% or less of the area median income (AMI), have individual solar PV arrays and air source heat pumps to achieve Net Zero. They were constructed in partnership with the construction department at Chariho Career and Technical Center and include sweat equity from the new owners.

Family Self-Sufficiency Program Graduation (Jan 16th)

RIHousing and the Providence Housing Authority (PHA) together hosted their first graduation celebration for 2024 graduates of their FSS programs. The evening involved a brief speaking program that included Peter Asen, the Rhode Island Field Office Director for HUD, and one of the PHA graduates, dinner, activities for kids, the opportunity to take professional headshots, and time for networking.

GOVERNMENT RELATIONS

FEDERAL

Federal Funding Freeze

The Office of Management and Budget issued a two-page memo on January 27th that required all agencies to identify and pause funding to programs that didn't comply with executive orders President Trump issued on his first day in office. Like many entities, RIHousing experienced temporary challenges accessing some

federal resources following the release of the memo, but those have since been resolved. The OMB memo and its required funding freeze have temporarily been blocked by several court challenges.

Continuing Resolution

The current Continuing Resolution expires on March 14th. To avoid a government shutdown, Congress must come to an agreement on FY25 funding bills or pass another Continuing Resolution by that date.

NCSHA Legislative Conference

NCSHA's legislative conference will take place March 10th-12th in Washington D.C. Key RIHousing staff will be attending and meeting with Rhode Island's Congressional delegation to discuss RIHousing's federal legislative priorities.

Confirmation of Key Cabinet Members

Scott Turner was confirmed to be Secretary of HUD. Mr. Turner served as Executive Director of the White House Opportunity and Revitalization Council from 2019-2021. Previously, Mr. Turner served as State Representative for Texas's 33rd House District.

Scott Bessent was confirmed to be the United States Secretary of the Treasury. Mr. Bessent was a partner at Soros Fund Management and the founder of Key Square Group, a global macro investment firm.

STATE

Budget

Governor McKee submitted his Fiscal Year 2026 budget to the General Assembly on January 16th. The budget proposes \$14.2 billion in spending, an increase of \$252.8 million over the FY25 enacted level. The budget includes two new housing and homeless-related funding streams. The first would expand the 5 percent state hotel tax to whole-home short-term rentals. The second would increase the conveyance tax on properties over \$800K from .92 percent to 1.25 percent. The revenue from both changes would go to the state's Housing Resources and Homelessness Fund.

State Fiscal Recovery Funds Hearing

Executive Director Carol Ventura and Deputy Executive Director James Comer joined the Department of Housing and the Pandemic Recovery Office in presenting the status of State Fiscal Recovery Funds to the Senate Finance Committee on Tuesday, February 11th.

State House Actions

RIHousing staff have begun meeting with General Assembly leadership and new members to share information about RIHousing's activities.

FINANCE

Budget vs. Actual 12/31/2024

Revenue and Expenses (\$'s in thousands)

	Annual Budget 2025	YTD Budget 12.31.24	YTD Actual 12.31.24	Variance \$	%	Comments Below
Net Interest Income	\$ 31,143	\$ 15,572	\$ 17,829	\$ 2,257	14%	1
Fee Income	30,885	15,443	17,608	2,166	14%	2
Gain on Sale of Loans	6,209	3,105	3,162	58	2%	
Sub Total Revenue	68,237	34,119	38,599	4,481	13%	
Loan Losses and Expenses	(2,000)	(1,000)	(24)	976	-98%	3
Programmatic Expenses	(7,200)	(3,600)	(1,132)	2,468	-69%	4
Operating Expenses	(48,091)	(24,046)	(23,192)	854	-4%	
Net Revenue	\$ 10,946	\$ 5,473	\$ 14,251	\$ 8,778	160%	

1. NII ahead of budget based on low prepayment speeds and continued high investment rates
2. Increase in Servicing Fees and one-time MF prepayment penalty fee
3. Adjustment to loan loss not needed based on current market conditions; will reevaluate June 2025
4. Variance due to timing of program expenditures

S&P Ratio Comparison

	Most Recent S&P Report 6/30/2023	RIH Estimated 6/30/2024	RIH Estimated 12/31/2024	S&P Criteria	
Non-Performing/Total Loans	1.40%	1.60%	2.12%	< 5.0%	5
Equity/Assets	13.90%	12.86%	11.54%	15.00%	6
Return on Assets	0.61%	0.64%	0.64%	0.50%	5
Loans/Assets	41.45%	34.49%	31.70%	< 75.0%	5

5. Meets S&P guidelines
6. Below S&P recommendation; Per S&P this is offset by our low-risk asset base, including Federally guaranteed Mortgage-Backed Securities and loans with FHA Risk Share Insurance