

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: April 21, 2022
Subject: Monthly Update

PROGRAM NEWS

HOMEOWNERSHIP

Product	2021 Actual (units)	2022 Goals (units)	2022 Units (as of 3/31/22)	2022 Funded (as of 3/31/22)
	Closed/Funded			
<i>First Mortgage</i>	1,711	1,400	369	\$111.1 million
<i>FirstHomes Tax Credit</i>	136	125	24	-

Closing and funding activity increased 38% month over month with 141 first mortgage units recorded in March 2022 versus 102 in February 2022. On a quarterly basis, unit production is down 17.6% in Q1'22 versus the first quarter of 2021 and down 6.5% in dollar volume.

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/21	2021 Portfolio value	As of 03/31/22	Portfolio value as of 03/31/22
RIH Single-Family Portfolio	20,479 loans	\$2.07 billion	20,305 loans	\$2.09 billion *
Multi-Family Portfolio	677 loans	\$940.99 million	681 loans	\$926.64 million *
MSS Single-Family Portfolio	6,540 Loans	\$584.05 million	6438 Loans	\$578.02 million
Madeline Walker Portfolio	253 liens	\$1.71 million	233 liens	\$1.57 million
REO Portfolio	17 homes	\$1.39 million	14 homes	\$1.11 million

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

Delinquency Update:

	March 2021	March 2022
# Overall Delinquent Loans	1,606	1,271
Total Active Portfolio	11,777	10,970
Delinquency Rate	13.64%	11.59%
Seriously Delinquent (90+ days)	1,220 (10.36%)	660 (6.02%)

Covid Impact: Since March 18, 2020, 2,472 RIHousing borrowers have reached out to our Loan Servicing Division to request forbearance assistance due to financial hardship related to COVID-19. Of those borrowers, 1740 have decided they no longer need assistance due to stimulus relief or have resumed their payments using a loss mitigation option resulting in 732 active forbearance agreements as of March 31, 2022.

Approximately 67.4% of borrowers who have requested forbearance assistance have FHA insured mortgages. On April 1, 2020, FHA announced a new post forbearance home retention option for borrowers facing financial hardship resulting from COVID-19. Under the COVID-19 National Emergency Standalone Partial Claim (NESPC), HUD will advance deferred payments of principal, interest, taxes and insurance to reinstate borrowers at the end of their financial hardship. Most of the borrowers with FHA insured mortgages will qualify for this post forbearance home retention option. As of March 31st, 861 RIHousing borrowers have reinstated their mortgage using the NESPC.

Homeowner Assistance Fund:

Demand continues to be high for the US Treasury-funded HAF-RI program. Through approximately five weeks of operation, the team has received more than two thousand applications from Rhode Islanders who are looking to avoid foreclosure as a result of a COVID-related financial hardship.

DEVELOPMENT

Program	2021 Actual (Firm Commitment)	2022 Goals	2022 YTD as of 3/31/2022 (Firm Commitment)
9% LIHTC (Rental Production)	170 units (3 deals)	168 units (3 deals)	0 units (0 deals)
4% LIHTC (Rental Production & Preservation)	270 units 4 deals	630 units (9 deals)	120 units (2 deals)
Preservation Deals w/o LIHTCs	463 units (5 deals)	800 units (7 deals)	0 units (0 deals)
NOAH Deals	NA	TBD	176 units (1 deal)
Workforce Housing Innovation Challenge Loan Program	74 WFH units (301 total units) 4 deals	TBD	TBD
Preservation Revitalization Loan Fund (\$3 million)	0	Rolling Application until funds are spent	0

Preservation Loan Fund (\$10 million)	241 units (4 deals)	Rolling Application until funds are spent	75 units (1 deal)
2020 Capital Magnet Fund * (\$5.225 million over three years)	Awarded April 2021	Rolling Application until funds are spent	0

**CMF 2020- Effective Date, April 15, 2021; RIH has 2-year commitment of 599 units, 3 years to disburse funds, 5 years to complete projects*

Loan Closings: The Barbara Jordan II transaction has closed. The developer, a JV between Omni Development Corporation and Wingate Development closed a hybrid 9%/4% transaction known as Joseph Caffey Apartments and Jordan Caffey Townhouses with a total development cost of \$29.6 million. Demolition of the old units is underway and at completion the two entities will produce 79 new rental apartments. The groundbreaking is scheduled for April 25th. Staff also closed Artic Mill, a historic mill rehabilitation which will provide 31 Workforce Housing units in West Warwick.

Site Acquisition Program: Since the announcement of the program in mid-February, we have received 11 applications and approved the first 6 proposals subject to appraisals. The committee reviewing these applications will meet bi-weekly so we can respond quickly to applications.

Lead Program: The pipeline for lead applications under the HUD grant continues to grow because of the program expansion to 14 new census tracts. In addition, RIHousing has initiated a plan to work with MassETI for contractor lead certification classes to be conducted in Spanish and with RIDOH to provide the State and EPA lead certification tests in Spanish. We hope that this will expand our pool of lead certified contractors.

2022 9% Funding Round: Staff was able to complete the review of the applications for 9% low-income housing tax credits in early April, allowing us to bring recommendations to the Board a month earlier than expected. Collectively, the recommendations for funding this month will result in 394 new units of housing in 4 different communities.

Consolidated Application: Applications under the consolidated funding round for Housing Production Fund ("HPF"), Housing Production Fund for Operating Support ("HPF-ELI"), RI Rebounds Production Fund ("RIRPF"), Capital Magnet Fund ("CMF"), the Preservation Loan Fund ("PLF"), tax-exempt bond financing and Building Homes Rhode Island ("BHRI") funds from the Housing Resources Commission ("HRC") are due April 22nd. We expect this funding round will be competitive and staff has issued FAQ's throughout the process to help address applicant questions.

LEASED HOUSING AND RENTAL SERVICES

RentReliefRI Update: RIHousing celebrated a milestone last month: reaching \$155 million in rental and/or utility assistance to date. Of the \$155 million in approved assistance, 78% of funds were for rental assistance; 9% of funds for utilities; remaining funds for security deposits and other housing-related costs. Approved applications in Q1 2022 included \$71,726,175 in rental and/or utility assistance to 9,844 households. Q1 2022 approvals represent our largest quarter since program inception.

Additional RentReliefRI partner agencies approved by our Board of Commissioners in January 2022 have expanded the reach of the program, offering onsite application assistance at a variety of locations across

the state, on weekdays and weekends, evening hours and in multiple languages, including: English, Spanish, Portuguese, Khmer, Lao, Vietnamese, Hmong, Cantonese, French, Swahili, Somali, Kinyarwanda, Kibembe, Arabic, Pashto, Dari, Russian, Ukrainian, Fang, Yoruba, Hausa, Igbo, and Creole dialects.

We continued our outreach efforts with the launch of a door knocking campaign combined with a multi-pronged communications and marketing campaign featuring English and Spanish radio, TV, cable, social media ads, advertising on YouTube, Hulu and Roku, and Pandora, alongside out-of-home advertising via digital billboards, traditional billboards, digital gas station TVs, digital convenience stores, bus wraps and bus shelters. Door knocking efforts focused on renter neighborhoods with canvassing teams meeting with renters to review the program, assist with accessing the application portal (via iPads or renters' personal smartphones) and leaving behind program materials for those renters not at home at the time of the visit. Since the launch of this recent round of outreach and communication, door knocking teams have reached over 32,000 households and advertising efforts have resulted in a 54% increase in web traffic to the RentReliefRI webpage.

Compliance: On March 24th, James Comer joined our compliance staff to provide updates from RIHousing at the New England Affordable Housing Management Association annual agency update meeting. We were joined by local HUD officials and the virtual meeting was attended by more than 100 management company employees and executives.

Emergency Housing Voucher Program	
Vouchers Issued	117
Leased	60
Pending Lease Up for 4/15	11

COMMUNICATIONS

MEDIA COVERAGE

- **EIN Presswire (Apr 8):** Omni Development Corporation and Wingate Holdings acquire the former Barbara Jordan II Development
- **KPVI-TV (Apr 1):** McKee announces \$5 million to address Rhode Island blight
- **Providence Business News (Apr 1):** R.I. awards \$5M to revitalize properties in Providence, Central Falls
- **Newport Buzz (Apr 1):** Governor McKee Announces \$5 Million in Awards to Revitalize Blighted and Vacant Properties
- **The Valley Breeze (Mar 24):** Pawtucket council opposes housing bills
- **The Valley Breeze (Mar 24):** Lincoln officials oppose housing bills
- **The Valley Breeze (Mar 23):** Pawtucket schools partner with R.I. Housing for rent relief help
- **The Boston Globe (Mar 17):** Despite unprecedented federal dollars, housing advocates say R.I. still isn't designating enough funds to build, preserve units
- **Rhode Island Monthly: (Mar 15):** Castles in the Sky
- **Providence Business News (Mar 11):** McKee and RIHousing making \$60.5M available for building affordable housing
- **What's Up Newp (Mar 10):** 11 bills introduced to help address Rhode Island's housing crisis

- **The Providence Journal (Mar 10):** Local control at issue as commission unveils plan to address RI housing crisis
- **Warwick Beacon (Mar 10):** Rent Relief
- **The Valley Breeze (Mar 10):** CCA offers help with rent relief applications
- **IQ Stock Market (Mar 7):** Rhode Island seeks developers for \$60M in affordable housing grants

COMMUNICATIONS & OUTREACH

Strategic Plan: We released our *2022 Strategic Plan: Reflecting on our past, guiding our future* at the end of March, sharing hard copies with major stakeholders and an electronic version via email to a broad range of partners and elected officials. The plan provides a vision and broad outline for our work over the next five years. We have received excellent responses and high marks for the plan, for both content and design.

RECENT EVENTS

RentReliefRI: Staff and RentReliefRI partner agencies have continued to offer onsite application assistance events and activities across the state in partnership with elected officials and community partners. Application assistance events in this quarter have included a statewide RentReliefRI clinic in partnership with Governor Dan McKee and application assistance events at local schools and libraries. Planned events include a special event in partnership with the Cape Verdean American Community Development; events with state leadership, including Governor McKee, Lt Governor Matos, and Rhode Island's Senate President and Speaker of the House.

We continue to participate in onsite informational and application assistance efforts across the state:

- **Middletown Public Library (April 18):** We partnered with Rep. Deb Ruggiero and Rep. Terri Cortvriend to offer an in-person informational and assistance event.
- **Ongoing RentReliefRI Assistance Activities:**
 - Central Falls Food Pantry Onsite Assistance
 - Central Falls City Hall Onsite Assistance
 - District Courthouse Onsite Application Assistance
 - Pawtucket School Administration Building

Groundbreakings and Ribbon Cuttings:

- **Beachwinds Apartments Ribbon Cutting, Narragansett (April 18):** Senator Jack Reed and R.I. Deputy Secretary of Commerce for Housing Josh Saal joined Preservation of Affordable Housing (POAH), RIHousing, community partners and residents to celebrate the completion of renovation work at Beachwinds Apartments (Beachwood Apartments and South Winds Apartments) in Narragansett. Beachwinds Apartments is a 104-unit affordable housing community consisting of two senior developments, Beachwood Apartments and South Winds Apartments.
- **Paragon Mills Stakeholder & Media Tour, Providence (April 19):** RIHousing participated in a stakeholder and media tour to showcase rehabilitation progress at Paragon Mill. The Mayor and Lt. Governor were in attendance, as well as the Providence Redevelopment Agency and additional project stakeholders.

UPCOMING EVENTS

RentReliefRI Onsite Assistance: We are working closely with RentReliefRI partner agencies to develop and support a series of onsite application assistance events at communities across the state.

- **St. Martin De Porres Senior Center, Cranston (April 23):** We are partnering with Rep. Anastasia Williams and Rep. Scott Slater on an in-person informational and assistance event in Cranston.
- **North Providence High School (April 30):** We are partnering with Senate President Ruggerio and Senator Maryellen Goodwin on an in-person informational and assistance event in North Providence.

Groundbreakings and Ribbon Cuttings: Staff are working with development partners on a number of groundbreakings and ribbon cuttings for the spring and summer months.

- **Joseph Caffey Apartments and Jordan Caffey Townhomes (aka Barbara Jordan II) Groundbreaking, Providence (April 25):** The redevelopment of the former Barbara Jordan II development into a 79-unit affordable housing development on two separate sites totaling 2.75 acres located in Upper South Providence. We will be joined by Senator Reed, Governor McKee and Mayor Elorza as well as funding and community partners at the event.
- **South County Habitat Groundbreaking (April 27):** We will be joining South County Habitat for a small groundbreaking ceremony at their next affordable housing build site in Kingston. The speaking program will include a ground blessing and remarks from the SCHH staff and future homeowner.

GOVERNMENT RELATIONS

FEDERAL

President Biden proposed FY23 Budget: President Joe Biden proposed his fiscal year 2023 budget last month, with historic levels of housing investments including 9.4% above the FY 2022 enacted levels for HUD programs. These investments include \$1.95 billion for HOME (an increase of \$450 million) which includes \$100 million for a new down payment assistance program for first-generation first-time homebuyers. The budget requests \$35 billion over the next ten years for a new Housing Supply Fund to be administered by HFAs, territorial governments and Indian Tribes to increase the supply of affordable housing. The proposed budget also includes \$32.1 billion for Housing Choice Vouchers (an increase of \$4.7 billion) to assist an additional 200,000 families and \$15 billion (a \$595 million increase) for Project-Based Rental Assistance.

STATE

RIHousing Senate Oversight Hearing: RIHousing leadership appeared before the Senate Committee on Rules, Government Ethics, and Oversight on March 21, 2022. They presented the mission and purpose of RIHousing while providing a thorough overview of RIHousing's programs and activities.

Senate Finance Holds Budget Hearing on Housing: On Thursday, April 7th, the Senate Finance Committee heard the housing provisions included in Governor McKee's proposed Fiscal Year 2023 budget. RIHousing and members of the administration testified in support of the legislation, which includes \$250 million in housing related investments funded through federal State Fiscal Recovery Funds included in the American Rescue Plan Act (ARPA).

Legislative Activity: RIHousing continues to testify on a number of housing bills before the General Assembly, including legislation on accessory dwelling units, mobile homes, monitoring agent regulations, and housing reporting requirements. Many of these measures are part of Speaker Shekarchi's housing package.

FINANCE

RIHousing Revenue and Expenses (\$'s in thousands)	Annual			Variance		Comments Below
	Budget 2022	YTD Budget 12.31.21	YTD Actual 12.31.21	\$	%	
Net Interest Income (includes other bond related costs)	\$ 27,681	\$ 13,841	\$ 13,513	\$ (328)	-2%	
Fee Income	29,686	14,843	15,715	872	6%	1
Gain on Sale of Loans	6,506	3,253	4,462	1,209	37%	2
Sub Total Revenue	63,873	31,937	33,690	1,754	5%	
Loan Losses and Expenses	(3,000)	(1,500)	(1,306)	194	-13%	
Programmatic Expenses	(4,610)	(2,305)	(1,203)	1,102	-48%	3
Operating Expenses	(48,238)	(23,722)	(22,976)	746	-3%	4
Net Revenue	\$ 8,025	\$ 4,410	\$ 8,205	\$ 3,796	86%	

- 1 Increased admin fees for grant programs
- 2 Locked in gains 1st half of year
- 3 Variance due to timing of program expenditures
- 4 Variance due to timing of admin expenses for federal programs

S&P Rating Comparison	6/30/2020	6/30/2021	12/31/2021	S&P Criteria	
NPAs/Loans + REO	2.65%	2.92%	3.25%	< 5.0%	1
Equity/Assets	14.01%	13.93%	14.76%	15.00%	2
Return on Assets	0.60%	0.60%	0.65%	0.50%	3
Loans/Assets	64.00%	57.80%	52.31%	< 75.0%	4

- 1 Delinquency ratios expected to increase as loans are converted to MBS
- 2 Gradual increase in equity; ratio fluctuates based on asset size and loan volume
- 3 Small margins based on volume of non-interest bearing loans (BHRI, HOME, HTF)
- 4 Meets S&P guidelines and continuing to improve as loans are converted to MBS