

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: May 13, 2020
Subject: Monthly Update

PROGRAM NEWS

HOMEOWNERSHIP

Product	2019 Actual (units)	2020 Goals (units)	2020 Units (as of 4/30/20)	2020 Funded (as of 4/30/20)
	Closed/Funded			
First Mortgage	1,726	1,700	526	\$126.1 million
FirstHomes Tax Credit	449	340	46	-
Spring7500 (Funded)	624	n/a	202	\$1.5 million

Due to the Coronavirus pandemic, first mortgage production dropped in April with 105 mortgages funded versus 143 funded in April 2019.

2020 mortgage closings have exceeded 2019 year-over-year production by 42 units: 526 units were funded in the four months ended 4/30/20 vs. 484 units in the four months ended 2019.

Spring 7500 (down payment assistance) production of 202 units year-to-date, is on pace to equal last year's production of 624 units.

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/19	2019 Portfolio value	As of 4/30/20	Portfolio value as of 4/30/20
RIH Single-Family Portfolio	23,373 loans	\$2.14 billion	23,356 loans	\$2.16 billion
Multi-Family Portfolio	635 loans	\$964.21 million	648 loans	\$1.01 billion
MSS Single-Family Portfolio	7,587 Loans	\$654.58 million	7,636 Loans	\$669.36 million
Madeline Walker Portfolio	516 liens	\$4.00 million	491 liens	\$3.48 million
REO Portfolio	33 homes	\$4.19 million	36 homes	\$4.80 million

Delinquency Update: In April 2020, we saw an increase in overall delinquency of 498 delinquent loans for a total of 1,434 delinquent loans out of our active portfolio of 12,746 loans. This is a delinquency rate of 11.25%. In April 2019, the active portfolio was 12,375 loans of which 936 loans were delinquent. This is a delinquency

rate of 7.56%. The **number of seriously delinquent loans** (90+ days) was 332 (2.60%) in April 2020, compared to 266 (2.15%) in April 2019.

Covid Impact: Since March 18, 2020, 1156 Rhode Island Housing borrowers have reached out to our Loan Servicing Department looking for forbearance assistance in making their mortgage payments due to financial hardship related to COVID-19. Nineteen of those borrowers have decided they no longer need assistance due to stimulus relief resulting in 1,137 active forbearance agreements as of April 30, 2020.

Approximately sixty six percent of Rhode Island Housing 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, HUD will advance deferred payments of Principal, Interest, Taxes and Insurance to reinstate borrowers at the conclusion of their financial hardship. Most of the Rhode Island Housing borrowers with FHA insured mortgages will qualify for this post forbearance home retention option.

DEVELOPMENT

Program	2019 Actual (Firm Commitment)	2020 Goals	2020 YTD (Firm Commitment)
9% LIHTC (Rental Production)	85 units (2 deals)	150 units (3 deals)	110units (2 deals)
4% LIHTC (Rental Preservation)	829 units (5 deals)	600 units (5 deals)	0
Preservation Deals w/o LIHTCs	235 units (5 deals)	900 units (9 deals)	0
Workforce Housing Innovation Challenge Loan Program	N/A	90 units (3 deals)	93 units, 38 of which will be workforce assisted (2 deals)
Preservation Revitalization Loan Fund (\$3 million)	\$2,096,218 (153 units)	Rolling Application until money is spent	0
Preservation Loan Fund (\$10 million)	\$4,920,000 (199 units)	Rolling Application until money is spent	0
2017 Capital Magnet Fund (\$4.7 million over three years)	\$3,099,000 (637 units)	N/A	Funds fully committed
2018 Capital Magnet Fund * (\$6.4 million over three years)	\$1,544,493 (262 units)	Rolling Application until money is spent	0

**CMF 2018- Effective Date, March 7, 2019; RIH has 2-year commitment of 1,042 units, 3 years to disburse funds, 5 years to complete projects*

Multifamily: RIHousing closed on Composition (8 new, 76 existing units in Providence), Festival Field Apartments (204 units in Newport), King Street Commons (62 units in Providence), and Crossroads Family Housing (30 units in Providence) this month, resulting in the preservation of 372 units.

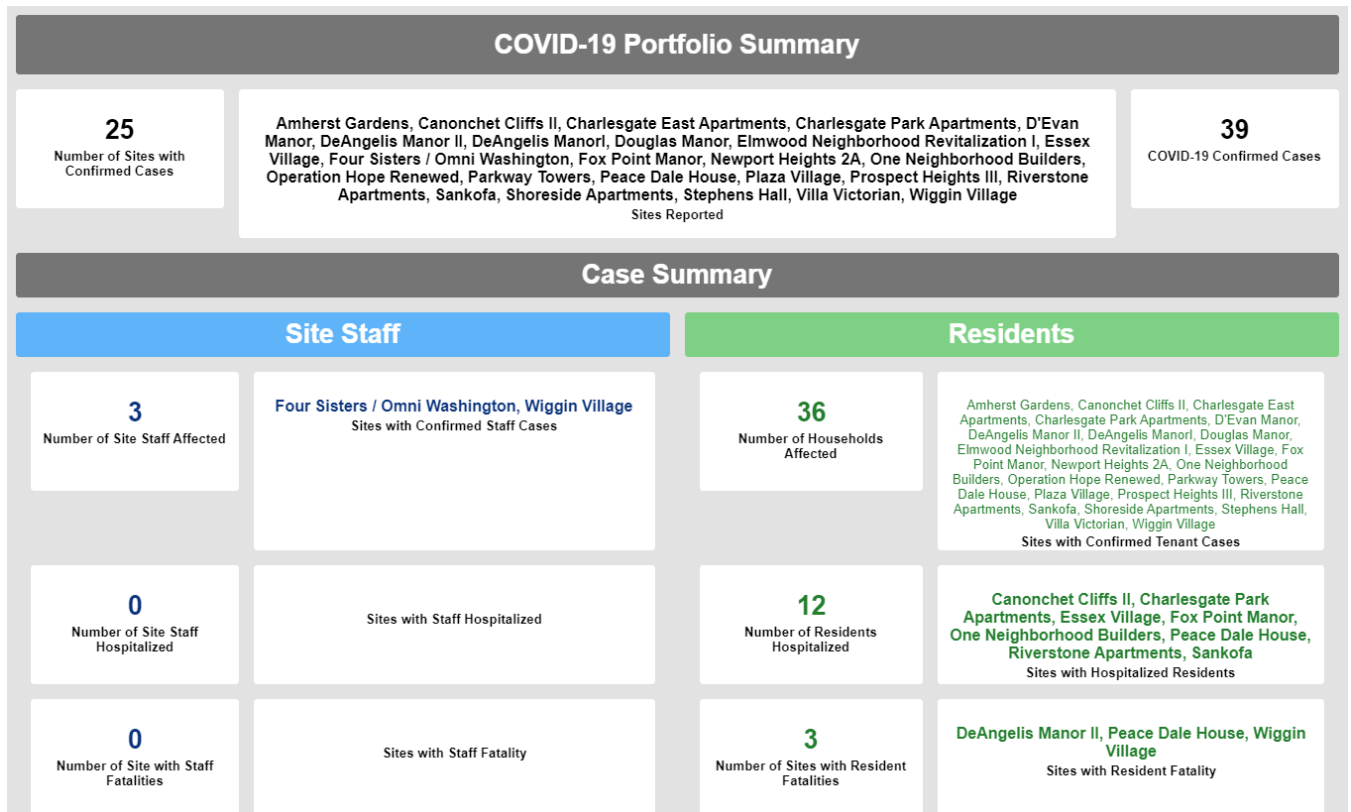
Capital Magnet Fund Program (CMF): The CDFI Fund is slated to release the request for proposals (RFP) for the 2020 Capital Magnet Fund Program. Staff is working with our consultant to strategize and assemble a competitive application for submission during the next CMF funding round.

LEASED HOUSING AND RENTAL SERVICES

HomeSafe: The Home Safe Program (“HSP” or the “Program”) is a RIHousing funded initiative designed to provide temporary financial assistance to eligible Rhode Island residents for short-term emergency housing needs. The AHT approved \$400,000 in assistance dollars. After a competitive process, RIHousing is allocating program funds to the following agencies:

- NeighborWorks \$100,000
- Housing Network of RI \$100,000
- Comprehensive Community Action Program \$75,000
- West Bay Community Action Program \$50,000
- Church Community Housing \$37,500
- Crossroads RI \$37,500

Covid Impact: The Leased Housing team continues to perform most of the functions related to both Asset Management and administration of HUD programs. The work is done remotely, and it is streamlined to ensure assets are monitored and more importantly timely payments of subsidies are made. All subsidy payments to our PBCA Owners and HCVP Landlords have been made on time. The Asset Management team began tracking the positive cases at our Multi-Family developments and created the chart below:



RI Housing's multifamily amortizing loan portfolio consists of 205 loans, with a total outstanding principal balance of approximately \$767 million. Staff has been closely monitoring the performance of these loans in anticipation of possible workout requests or default due to reduced rent collection as the result of the Covid-19 pandemic. Currently, this portfolio of loans has maintained full compliance with debt service payment requirements through April 30, 2020. Staff will continue to communicate with individual borrowers and assist in identifying workout options up to and including forbearance of debt service payments. The reserve accounts within this portfolio are generally capitalized adequately and we anticipate that developments will be utilizing these funds along with the possible suspension of monthly reserve and escrow payments prior to seeking forbearance of debt service.

COMMUNICATIONS

MEDIA COVERAGE

- **Multi-Housing News (March 27)**: Fairstead Acquires Rhode Island Affordable Property
- **What's Up Newport (March 26)**: Festival Field Apartments sells for \$33.25 million

UPCOMING EVENTS

Due to the COVID-19 health crisis, RIHousing has postponed all upcoming events in order to support state efforts to help reduce the spread of the virus. At this point in time we are exploring options for holding virtual events and trainings as needed.

COVID-19 COMMUNICATIONS

In order to keep customers, clients, our partners and the general public updated and informed during the COVID-19 health crisis, the Communications team developed a series of emails, social media posts and several new webpages and FAQs on our website:

- General COVID-19 webpage: www.rihousing.com/covid-19/
- RIHousing Mortgage Customers COVID-19 Resources: www.rihousing.com/covid19-customers
- Rhode Island Homeowners COVID-19 Resources: www.rihousing.com/covid19-rhode-island-homeowners/
- Homebuyers COVID-19 Resources: www.rihousing.com/covid19-homebuyers/
- Property Managers/Agents COVID-19 Resources: www.rihousing.com/covid19-property-owner-agents/

RECENT EVENTS

Congressman David Cicilline Facebook Town Hall Chat (Friday, April 24, 2020): Carol Ventura joined Congressman Cicilline and Brenda Clement, Housing Works RI; Jeanne Cola, Local Initiatives Support Corporation (LISC) RI; Amy Ferguson, RI Coalition for the Homeless; and Melina Lodge, Housing Network of RI for a Facebook live event on Housing Resources for Rhode Islanders. The Facebook event is part of the Congressman's *Relief for Rhode Island Series*. Click [here](#) to view the Facebook Live Town Hall.

GOVERNMENT RELATIONS

FEDERAL

Paycheck Protection Program & Health Care Enhancement Act: On April 24th, the President signed the Paycheck Protection Program & Health Care Enhancement Act (H.R. 266), the fourth COVID-19 emergency response package. The bill appropriates a total of \$484 billion for; small business loans and assistance programs (\$381 billion), hospital reimbursements (\$75 billion) and COVID-19 testing (\$25 billion).

OHCD and entitlement communities received the first round of housing program funding on April 27th provided through the CARES Act. This will include \$9.9 million for the Community Development Block Grant program and \$9.8 million for the Emergency Solutions Grant program. RIHousing worked with OHCD and Commerce to design an emergency rental assistance program supported by these funds. The program funding is being deployed through Crossroads.

RIHousing and 14 other Rhode Island housing industry partner organizations sent a letter to Rhode Island's Congressional Delegation on April 27th requesting their support for additional housing investments in upcoming aid packages. Key priorities include securing additional funding for rental and homeowner assistance programs; stabilizing the housing finance system; and bolstering resources for housing production to stimulate economic recovery.

STATE

Financial Institution COVID-19 Relief Pledge: On Friday, April 24th, Governor Raimondo announced the Financial Institution COVID-19 Relief Pledge signed by over 20 financial institutions, including RIHousing. Under the pledge, these institutions agree to:

- 90-day grace period for all residential mortgage payments
- No negative credit impacts resulting from relief
- 60-day moratorium on initiating foreclosure sales or evictions
- No late fees or charges.

The pledge is similar to the provisions of the CARES Act which RIHousing is already following in assisting our mortgage customers who are struggling to make their mortgage payments.

Joint Legislative COVID-19 Emergency Spending Task Force: On April 21st, the General Assembly announced the creation of a new Joint Legislative COVID-19 Emergency Spending Task Force. The Task Force will provide oversight of emergency spending. The first meeting is expected to be held on April 30th.

The Consensus Caseload and Revenue Estimating Conference began testimony on April 24th, and is expected to release final projections in May. The conference report will provide a clearer picture of the state's budget needs. The House Finance Committee is expected to convene soon thereafter to begin discussions of the state's evolving financial situation, including opportunities and limitations of recent federal aid packages.

General Assembly: The General Assembly remains closed, although leadership has expressed interest in reconvening for a scaled-back session in the coming weeks.

All House and Senate sessions, committee hearings, and State House events have been suspended through March 27th. Scheduled RIHousing meetings with the General Assembly leadership to discuss housing legislative priorities have also been cancelled at this time.

The Disaster Emergency Funding Board convened on March 27th. The board authorized the state to borrow up to \$300 million to provide liquidity for the state.

COVID-19 Funding for Permanent Supportive Housing staff has been providing assistance to the Department of Administration, the Governor's Office and BHDDH on exploring the use of COVID-19 funds to develop permanent supportive housing. RIHousing's role has been to identify potential properties and development partners to work with the state departments on this initiative.

HUMAN RESOURCES

COVID-19 Actions:

- Tracking employee hours and operational costs related to COVID-19 activities.
- Implementation of employee safety measures including requirements for safe distancing and wearing of masks.
- Aggregating weekly metrics for calls and activity across operational units.
- Continuation of efforts to move staff to work from home by providing additional technology solutions.
- Preparing a plan for re-entry in phases for employees in line with the Governor's plan to reopen the economy. This will include safety, operational and policy protocols. After the re-entry plan is prepared, we will also prepare a resurgence action plan for future implementation if needed.
- Continued guidance and support to our furloughed employees of any changes or pertinent information that they need to be aware of.
- We monitor the situation continually and modify action plans to accommodate business requirements and employee needs.

Employee Stats as of May 6, 2020:

- 125 staff members are working from home
- 25 staff members are working in the office
- 20 staff members are working from both home and in office
- Of the employees working, 33 are part-time
- 58 employees furloughed (26 employees being recalled in Phase 1, 32 employees still furloughed after Phase 1)

