

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: September 21, 2023
Subject: Monthly Update

PROGRAM NEWS

Product	2022 Actual (units)	2023 Goals (units)	2023 Units (at 8/31/23)	2023 Funded (at 8/31/23)
	Closed/Funded			
<i>First Mortgage</i>	1,365	1,400	546	\$396.5 million
<i>Statewide DPA</i>	-	510	930	\$16.3 million
<i>FirstGenHomeRI</i>	36	-	11	\$275,000

In August, Homeownership posted its biggest closing month on record with 247 first mortgages closed and funded. Mortgage volume increased 40% year over year to \$396.5 million.

The Statewide DPA program continues to drive lending production and benefit first time homebuyers. As of 9/8/23, approximately 94% of program funds have been reserved.

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/22	2022 Invested	As of 8/31/23	2023 Invested
RIH Single-Family Portfolio	20,774 loans	\$2.27 billion	21,368 loans	\$2.57 billion
Multi-Family Portfolio	701 loans	\$1.01 billion	728 loans	\$1.06 billion
MSS Single-Family Portfolio	6,481 Loans	\$637.51 million	6,501 Loans	\$665.75 million
Madeline Walker Portfolio	191 liens	\$1.30 million	160 liens	\$1.20 million
REO Portfolio	11 homes	\$.87 million	10 homes	\$1.73 million
LIHTC Portfolio				
TOTALS		\$3.81 billion		\$4.20 billion

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

Delinquency Update:

	As of 8/31/23
# Overall Delinquent Loans	1,330
Total Active Portfolio	11,988
Delinquency Rate	11.09%
Seriously Delinquent (90+ days)	435 (3.63%)

DEVELOPMENT

Update on Implementation of State Appropriated Development Programs

Status of Previously Awarded State Fiscal Recovery Funds (SFRF)

PROGRAM (As of 8/31/23)	\$ Available	\$ Committed	\$ Expended	Units Funded	Units Complete	Comments
RI Rebounds (SFRF)	\$ 20,000,000	\$ 14,750,000	\$ 6,647,538	550	36	7 projects under construction
ARPA Production Fund - DAH2 (SFRF)	\$ 75,000,000	\$ 57,072,817		1042	0	"Units funded" are ARPA eligible units only.
Community Revitalization Program (SFRF)	\$ 20,000,000	\$ 16,413,250		702	0	"Units funded" are ARPA eligible units only.
Middle Income Program (SFRF)	\$ 20,000,000	\$ 9,470,000		132	0	"Units funded" are ARPA eligible units only.
Acquisition Revitalization Program	\$ 9,000,000	\$ 5,377,850	\$ -	124	0	Residential and Commercial, Units funded are ARPA Eligible units only.
Capital Magnet Fund	\$ 11,400,000	\$ 3,316,000	\$ -	472	0	
HOME-ARP (Production)	\$ 9,000,000	\$ 2,000,000	\$ -	7	0	
HOME Program	\$ 5,000,000	\$ 5,000,000	\$ -	44	0	
Housing Trust Fund	\$ 2,340,000	\$ 2,340,000	\$ -	15	0	
Site Acquisition I (SFRF)	\$ 15,000,000	\$ 14,494,732	\$ 14,202,380	569	26	
Site Acquisition II (SFRF)	\$ 10,000,000	\$ 7,513,750	\$ -	221	0	11SAP II - Awarded since July 1st
Housing Production Fund	\$ 10,000,000	\$ 10,000,000	\$ 2,004,884	392	0	
				Units Anticipated		
Predevelopment (SFRF)	\$ 10,000,000	\$ 5,463,850	\$ 268,694	1050	0	Documents finalized; closing scheduled for Aug & Sept
HOME Program - Received an additional \$500K to the \$ available from previous rounds.						
HTF Program - Received an additional \$240K to the \$ available from previous rounds.						

Development Pipeline: Staff continues to meet with developers on a regular basis to ensure transactions are moving forward and will achieve firm commitment and closing within required timelines.

Staff is updating the Developer’s Handbook, Proforma and One Stop Application for the next Consolidated Funding Round. We are working with the Housing Department on two additional production programs that we expect will be included with the RFP. The goal is to issue the next Request for Proposals for tax credits and gap financing in late September.

Other SFRF Funded Programs:

- **PHA Pilot Program:** (\$10 million) To date, we have received 5 applications for assistance under the PHA Pilot Program.
- **Predevelopment:** (\$10 million available) \$5.46 million has been approved as of 8/30/23.
- **Home Repair Program:** (\$5 million) Program is being designed and implemented by the Department of Housing.

Housing Production Fund (\$25 million)

- **HPF:** (\$10 million) Fully obligated. Financing 7 developments which will include 360 affordable units and 32 market rate units. One project is complete, 4 projects are under construction, and 2 projects are projected to close in late August and October respectively.
- **HPF-ELI:** (\$10 million) In total \$5.594 million been obligated to support 77 30% AMI units. HPF-ELI will be included in the next Consolidated RFP.

Housing Investment Fund (HIF): The RFP was issued in early July. To date, we have received 5 applications which are currently under review. The first recommendations will be brought forward in September.

LEASED HOUSING AND RENTAL SERVICES

Updates:

- Staff throughout the division are participating in both HOTMA and NSPIRE training. These are two significant HUD initiatives that impact the determination of eligibility for Section 8 assistance and will change our compliance monitoring procedures for HUD and IRS affordable housing programs.
- Our asset management team has begun hosting online trainings for our property management partners on the use of ProLink Solutions, our new workflow and data collection software for development and asset management.
- Our Housing Choice Voucher team successfully submitted RIHousing's Section 8 Management Assessment Program (SEMAP). We will await HUD's analysis of our submission and official scoring in the coming weeks.

COMMUNICATIONS

MEDIA COVERAGE

- **Boston Globe:** Rhode Island must invest in solutions that will make housing more attainable for all (Aug 31st)
- **Valley Breeze:** Shri Yoga opening celebrates passion, purpose, presence in Pawtucket (Aug 30th)
- **Providence Journal:** Could RI act as a housing developer? The state is commissioning a study to look into it (Aug 23rd)
- **Boston Globe:** Shuttered R.I. church expected to be converted into affordable housing (Aug 23rd)
- **WJAR:** State leaders hold ribbon cutting ceremony for affordable housing community in Exeter (Aug 23rd)

COMMUNICATIONS & OUTREACH

Operation Stand Down Veteran Assistance Event (September 14th – 15th): Representatives of RIHousing's HCVP and HelpCenter teams attended the Operation Stand Down, Rhode Island's Veteran Assistance Event. Staff shared housing resources with several hundred veterans that were in attendance. The event hosted health, substance use, employment, legal, and housing service providers.

390 Pine Street Ribbon Cutting (August 28th): RIHousing joined Pawtucket Central Falls Development (PCFD) for a ribbon cutting for 390 Pine Street, also known as Shri Studios. The development involved the rehabilitation of a historic textile mill in Pawtucket. The renovated building will now serve as the home for local businesses, organizations and social enterprises, as well as 5 rental units affordable to residents up to 30% AMI and 3 market-rate units.

Pineview Apartments Ribbon Cutting (August 23rd): RIHousing joined Women's Development Corp. in a ribbon cutting for Pineview Apartments. The newly constructed apartments provide 40 additional affordable units to the town of Exeter's inventory, increasing the percentage of affordable housing in the town to nearly 4%. The homes are affordable to residents with incomes up to 60% AMI.

UPCOMING EVENTS

Summer Street Apartments Groundbreaking (October 6th): RIHousing will join Crossroads RI in a ceremonial groundbreaking for Summer Street Apartments in Providence. The newly constructed net-zero apartments will provide 176 permanent supportive apartments. Built exclusively for homeless adults, residents will have access to case management and other support services as needed to help them retain their housing. Key

funding sources include Tax Exempt bonds, 4% LIHTC, the HOME program, Capital Magnet Fund, BHRI and State Fiscal Recovery Funds (SFRF).

Frenchtown Road I & II Groundbreaking (October 13th): RIHousing will join developer Pennrose in a groundbreaking for Frenchtown Road in East Greenwich. The mixed-income development will provide 63 affordable apartments with supportive services including an office space for Cove Homes Inc. Key funding sources include LIHTC (both 4% and 9%), HOME program funding, BHRI, Housing Trust Fund and the State Fiscal Recovery Funds (SFRF).

GOVERNMENT RELATIONS

FEDERAL

FY2024 Omnibus Appropriations Bill: The House and Senate Appropriations Committees have passed their FY24 Transportation, Housing and Urban Development (T-HUD) Appropriations bills which fund most affordable housing programs. The Senate's bill maintains or slightly increases funding for a number of HUD programs. The Senate will be attempting to move along the process bringing a package of the government funding bills to the floor; this "minibus" will include the T-HUD appropriations bill. There is still no movement on the House side nor are there signs of movement on a continuing resolution.

The path forward for enacting FY24 appropriations legislation remains unclear, with the House and Senate advancing widely divergent bills in terms of both funding and policy. Congress has until September 30 to enact funding bills through regular order, pass a continuing resolution, or face a government shutdown.

District Director Meeting: On September 20th, RIHousing will host its annual meeting with the District Directors of RI's Congressional delegation to update them on RIHousing activities and accomplishments. The meeting will be held at the Paragon Mill Apartments in Olneyville, which was re-developed with multiple financing sources including LIHTC (9%) proceeds.

STATE

Municipal Technical Assistance Program (MTAP): Over \$700,000 in MTAP assistance has been approved to help municipalities remove barriers to housing development through housing needs assessments, updating zoning ordinances and developing strategies to meet local housing needs. In response to strong interest from municipalities, RIHousing contracted with a program consultant to create a set of template documents to assist municipalities in implementing the changes needed to bring their local documents and processes into conformance with the new zoning and planning requirements established by recently passed legislation. These template documents are expected to be completed and available to municipalities this month.

Special Elections:

- **Congressional District 1:** A primary for the special election for Congressional District 1 took place on September 5th; this seat opened up with the resignation of Congressman Cicilline earlier in the year. Gabe Amo, former White House staffer, won the Democratic primary. He will be facing Republican Gerry Leonard in the November 7th special election.
- **Senate District 1:** A primary for the special election for District 1 of the Rhode Island State Senate took place on September 5th. This seat opened up with the passing of Senator Maryellen Goodwin earlier in the year. Jake Bissaillon, a General Assembly staffer, won the Democratic nomination and will be facing Republican Niyoka Powell in the November 7th special election.

FINANCE

On Thursday, August 24th, Finance closed a \$225 million bond issuance for the single-family Homeownership Opportunity Bond Program. Once again, to optimize the financing structure in the current rate environment, the issuance was structured with roughly one-third of the bonds as variable rate bonds. The entire issuance provides \$210 million in funding for new first-time homebuyer mortgage loans, along with \$15 million to purchase previously modified loans from our operating lines and into the bond indenture.

In order to mitigate the risk associated with exposure to variable rates, Finance has again entered into an Interest Rate Swap, agreeing to exchange fixed payments for variable payments with Bank of America over the life of the variable rate bonds. Hedging our variable rate debt will ensure that we are not adversely affected by large increases in market rates over the life of the bonds. Structuring this issuance with the incorporation of hedged variable rate debt allows RIHousing to lower the overall bond yield of the issuance.

The sale was once again marketed on our investor webpage, rihousingbonds.com and garnered over \$35 million in Retail orders for the fixed rate portion of the sale. Ultimately 18% of offered fixed rate bonds were purchased by Retail Investors. Within that 18% is \$5.5 million in bonds that were sold to Rhode Island Retail investors specifically.

As part of this transaction Standard & Poor's and Moody's Rating Services reaffirmed the ratings on the fixed rate bonds at AA+/Aa2 respectively and has assigned ratings of A-1+/VMIG 1 to the variable rate bonds.