

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: October 21, 2021
Subject: Monthly Update

PROGRAM NEWS

HOMEOWNERSHIP

Product	2020 Actual (units)	2021 Goals (units)	2021 Units (as of 9/30/21)	2021 Funded (as of 9/30/21)
	Closed/Funded			
<i>First Mortgage</i>	1,593	1,500	1,219	\$336.5 million
<i>FirstHomes Tax Credit</i>	218	200	92	-

After three quarters, first mortgage originations continue on target to meet calendar year 2021 goal and exceed last year’s production:

- Projected 2021 calendar year run rate of 1,625 versus 2021 goal of 1,500 versus 2020 Actual of 1,593.

The 10kDPA “Conventional” (non-bonded) product started to gain traction in its second month on the market with eleven reservations recorded in September.

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/20	2020 Portfolio value	As of 9/30/21	Portfolio value as of 9/30/21
RIH Single-Family Portfolio	22,436 loans	\$2.12 billion	20,723 loans	\$2.05 billion *
Multi-Family Portfolio	661 loans	\$1.04 billion	673 loans	\$1.05 billion *
MSS Single-Family Portfolio	7,316 Loans	\$654.51 million	6752 Loans	\$599.78 million
Madeline Walker Portfolio	385 liens	\$2.85 million	277 liens	\$2.03 million
REO Portfolio	20 homes	\$1.67 million	17 homes	\$1.37 million

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

Delinquency Update: In September 2021, we saw a decrease in overall delinquency of 417 delinquent loans for a total of 1,437 delinquent loans out of our active portfolio of 11,214 loans. This is a delinquency rate of 12.81%. In September 2020, the active portfolio was 12,518 loans of which 1854 loans were delinquent. This

is a delinquency rate of 14.81%. The **number of seriously delinquent loans** (90+ days) was 923 (8.23%) in September 2021, compared to 1097 (8.76%) in September 2020.

Covid Impact: Since March 18, 2020, 2,315 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, 1365 have decided they no longer need assistance due to stimulus relief or have resumed their payments using a loss mitigation option resulting in 950 active forbearance agreements as of September 30, 2021.

Approximately 66% 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 September 30th, 660 RIHousing borrowers have reinstated their mortgage using the NESPC.

DEVELOPMENT

Program	2020 Actual (Firm Commitment)	2021 Goals	2021 YTD as of 9/30/21 (Firm Commitment)
9% LIHTC (Rental Production)	158 units (3 deals)	180 units (3 deals)	131 units (2 deals)
4% LIHTC (Rental Preservation)	104 (1 deal)	400 units (6 deals)	131 units 2 deals
Preservation Deals w/o LIHTCs	579 units (5 deals)	900 units (8 deals)	150 units (3 deals)
Workforce Housing Innovation Challenge Loan Program	93 units, 38 of which will be workforce assisted (2 deals)	150 units (6 deals)	74 WFH units (301 total units) 4 deals
Preservation Revitalization Loan Fund (\$3 million)	0	Rolling Application until funds are spent	0
Preservation Loan Fund (\$10 million)	0	Rolling Application until funds are spent	241 units (4 deals)
2018 Capital Magnet Fund (\$6.4 million over three years)	\$1,544,493 (262 units)	Rolling Application until funds are spent	114 units (2 deals)

2020 Capital Magnet Fund * (\$5.225 million over three years)	Awarded April 2021	Rolling Application until funds are spent	91 units (1 deal)
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**CMF 2020- Effective Date, April 15, 2020; RIH has 2-year commitment of 599 units, 3 years to disburse funds, 5 years to complete projects*

LIHTC: The RFP for the 2022 LIHTC was issued, and applications will be due December 17th. Staff continues to review several prospective 4% LIHTC deals as developers consider alternatives to the competitive 9% LIHTC round.

As a general note, developers are beginning to experience challenges engaging third party professionals for due diligence items such as environmental reports, engineering and smaller architectural projects. In addition, staff is seeing longer lead times in the delivery of appraisals. These delays are beginning to result in interruptions to the development pipeline.

BHRI: Staff is reviewing the 33 Building Homes Rhode Island (BHRI) applications submitted for funding. Staff expects that the HRC will meet in early November to make recommendations.

Capital Magnet Fund (CMF): The CDFI issued the NOFA for 2021 CMF. Applications are due November 9th and RIHousing is again engaging Baker Tilley to assist with the application submission. We expect to request approximately \$10MM of CMF.

LEASED HOUSING AND RENTAL SERVICES

RentRelief RI

Treasury ERA1 Recapture Guidance: On October 4th, Treasury released new guidance on how ERA1 funds will be recaptured and redistributed. Under the guidance, RI will not be subject to the first recapture based on spending as of November 15th. However, the State will be required to submit a Program Improvement Plan to Treasury which describes how we have incorporated Treasury recommended practices into RentRelief RI and our projections for program spending. We anticipate that RI will also exceed the required spending threshold for the next recapture deadline at the end of November.

CoC: RIHousing currently administers over \$3M in rental assistance to house 270 formerly homeless families. This year the CoC funding committee approved an application for RIHousing to expand a pilot program launched with ONE Neighborhood Builders and Providence Community Health Center to the City of Newport. The replication of the pilot will bring together the Newport Housing Authority and Newport County Community Mental Health Center to provide supportive, mainstream housing for individuals and families experiencing homelessness.

Section 811 Demonstration: The Section 811 program enjoyed a record-breaking month with 6 households being approved for the subsidized housing opportunity. To date, we have deployed 39 vouchers and committed 87 units.

Asset Management: Leased Housing staff recently conducted a virtual rental compliance training for local property managers and owners. The event was sponsored by the RI Institute of Real Estate Management and was attended by 135 members. This annual training is an opportunity to provide an overview of HUD, IRS and RIHousing requirements for managing low-income rental housing in the State. It serves as both an introduction

to those new to the industry and a time to communicate updates on RI Housing programs and policies. This year's presentation was robust and generated a thought-provoking Q&A session.

COMMUNICATIONS

MEDIA COVERAGE

- **Newport Buzz (October 7):** Governor McKee Submits Plan for Rhode Island Rebounds: Immediate Investments in Rhode Island's Families, Workers and Small Businesses
- **WPRI (October 7):** McKee unveils plan using federal money to invest in families, small businesses
- **Providence Business News (October 7):** McKee submits budget amendment plan to spend \$100M of R.I.'s ARPA funds on short-term needs
- **WPRI (October 5):** McKee: \$50M approved in rental, housing assistance
- **Providence Journal (October 5):** RI announces award of \$51 million of \$200 million in emergency rental aid
- **Providence Business News (October 5):** McKee: More than \$50M in rental, utility assistance approved for needed residents
- **Providence Business News (September 17):** R.I. allocated \$3.2M to address youth homelessness

COMMUNICATIONS & OUTREACH

RentReliefRI: Leased Housing staff and our Communications team have been continuing their efforts to broaden our outreach and highlight the program to eligible tenants and landlords via a multi-channel approach, including paid advertising, earned media and grassroots efforts. Staff and partners continue to participate in in-person and virtual events and informational sessions. Recent virtual webinars include a bilingual informational session with Senator Sandra Cano, Rep. Leonela Felix and Rep. Karen Alzate. Staff are working closely with the Departments of Labor and Training and Health and Human Services, the City of Providence and several other municipalities on outreach efforts. Eviction Prevention Clinics are being planned in Pawtucket and Providence and we are expanding our presence in courthouses with the addition of the Wakefield Courthouse. Partners will be helping with onsite applications at the Central Falls Food Pantry in partnership with Progreso Latino. Staff continue to offer trainings for partner agencies on how to complete applications and serve as representatives for tenants.

Homeowner Assistance Fund RI (HAF-RI): To date, over 1,289 people have signed up for updates and notifications about the HAF-RI program on our new webpage (www.HAF-RI.com). Communications staff are working with the Homeownership division to create a series of marketing and communications materials to support the program launch and outreach efforts.

RECENT EVENTS

RentReliefRI Onsite Assistance: We continue to participate in onsite informational and application assistance efforts across the state. The week of September 27th, RI Housing staff, partners and volunteers participated in several onsite events:

- **Eviction Clinics:** We partnered with Rep. Leonela Felix and the Center for Justice on two Eviction Clinics in Pawtucket and Providence. The goal of these clinics was to provide one-on-one assistance to renters who need rent and/or utility assistance.
- **Providence Public Schools RentReliefRI Clinics:** We partnered with the Providence School District, United Way, and community volunteers on clinics at three Providence schools.

- **Dexter Manor, Providence Housing Authority:** Staff were onsite at the housing authority to assist tenants with RentReliefRI applications.

Outcomes from the above events include:

- 93 RIHousing staff hours; 12 Partner staff hours; 216 Volunteer staff hours
- 100 Rent Relief applications filed at the school event (does not include existing applicants who added documentation or resolved other issues with their application)
- Almost 100 volunteers were trained to help input a RentReliefRI application

Hispanic Heritage Event, Pawtucket: RentReliefRI partners were on hand at this public event to share information and resources with attendees on available rental and utility assistance.

UPCOMING EVENTS

RentReliefRI Onsite Application Assistance Events: Upcoming events are being planned and will include the establishment of a series of ongoing application assistance events as well as “special” events coordinated with partner agencies and municipalities. Examples include: participation in Pawtucket’s Restaurant Week Downtown event on Saturday, November 6; onsite assistance for youth aging out of DCYF (early November specific dates TBD, Woonsocket and Providence locations); onsite assistance at YMCAs across the state and onsite informational and application assistance at community churches.

Virtual Events: Staff are also planning several additional virtual informational events and activities, including a Tele Town Hall with AARP and a Facebook Live event with LISC RI for the Cape Verdean population. Dates for those events are forthcoming.

Lt Governor’s Virtual Housing Lunch & Learn (October 21): RIHousing will be joining the Lt. Governor, Commerce RI and partners from HousingWorks RI and Women’s Development Corporation at the next Lunch & Learn on the Roles of Municipalities in Affordable Housing. We will be presenting on the RentReliefRI program at the beginning of the virtual event.

Recognition: RIHousing’s Workforce Innovation Challenge (WHIC) program has been selected as recipient of a national award for program innovation from the National Council of State Housing Agencies (NCSHA). The award for ‘Rental Housing: Encouraging New Construction’ honors the WHIC program, which seeks to expand the range of housing options for Rhode Islanders. To win such a prestigious national award is an incredible honor, especially as it comes from our peers who understand the challenges faced when working to create housing at a range of price points.

GOVERNMENT RELATIONS

FEDERAL

- **Congress Passes Continuing Resolution to avoid government shutdown:** On September 30th, Congress passed a Continuing Resolution to keep the government operating through December 3, 2021.
- **Infrastructure Bill/ Build Back Better Act:** The \$1 trillion infrastructure package is currently stalled as Congressional Democratic leadership works on a path forward for the \$3.5 trillion Build Back Better Act. It appears likely that the bill will have to be scaled back considerably to move forward but it is not yet clear if any of the housing related provisions may be reduced or removed.

STATE

- **Land Use Commission Begins Meeting:** The House of Representatives' Commission to study Land Use policies in the state has begun meeting, and James Thorsen, Director of the Rhode Island Department of Administration, will represent RI Housing's Board of Commissioners on the Commission.
- **Low-Moderate Income Housing Chart Finalized:** After the 30-day public comment period concluded on October 8, 2021, the 2020 Low-and-Moderate Income Housing Chart has been finalized. In 2020, the state preserved 190 units statewide, while producing 177 new units. Overall, the state lost slightly less than 200 units due to expiring deed restrictions, foreclosure, and the state's relocation of group home beds.
- **Governor McKee Proposes Supplemental Budget with American Rescue Plan Act Funds:** Governor McKee proposed a supplemental budget to use an initial \$113 million of ARPA State Fiscal Recovery Funds to help spur economic recovery in Rhode Island. The proposal includes \$29 million for affordable housing, with \$15 million for the development and renovation of affordable housing, \$12 million for property acquisition grants to be administered by RIHousing, \$1.5 million for housing stability and mental health services and \$500,000 in temporary staffing for the Office of Housing and Community Development. The Senate Finance Committee is planning a hearing on October 21 on the status of housing related COVID relief programs including the Governor's proposed budget supplemental.
- **HousingWorks RI 2020 Fact Book released:** On October 15th, Housing Works RI released their 2020 Housing Fact Book, providing an in-depth look at housing availability and affordability in Rhode Island. The Fact Book is accessible on their website.

FINANCE

Finance: On September 15th, Finance successfully executed a new bond issuance for the Homeownership Opportunity Bond Program. The tax-exempt portion of the bond sale provides \$150 million for new first-time homebuyer mortgage loans, while the taxable series provides \$10 million to refund higher cost bonds and \$18.5 million to purchase previously modified loans.

The modified loans are all FHA loans previously pooled into GNMA securities. Over time the borrowers became delinquent and required a loan modification to bring them current on their payments and/or re-establish affordability. The loans were purchased out of their securities, to complete the modifications, using operating funds and lines of credit. Issuing bonds to finance these loans allowed us to pay back our lines of credit, optimize our liquidity, and take advantage of continued low rates ahead of anticipated rate increases.

As with previous issuances, the bonds were designated as Social Bonds, including the taxable series. Orders in the taxable series, from investors seeking the Social Bond Designation, totaled over 90% of available bonds. The sale was once again marketed on our new investor webpage, rihousingbonds.com with great investor interest.

As part of this transaction Standard & Poor's and Moody's Rating Services reaffirmed the ratings on the bonds at AA+/Aa2 respectively.