

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: November 18, 2022
Subject: Monthly Update

PROGRAM NEWS

HOMEOWNERSHIP

Product	2021 Actual (units)	2022 Goals (units)	2022 Units (at 10/31/22)	2022 Funded (at 10/31/22)
	Closed/Funded			
<i>First Mortgage</i>	1,711	1,400	1,163	\$373.2 million
<i>FirstHomes Tax Credit</i>	136	125	76	-
<i>FirstGenHomeRI</i>	-	-	30	\$750,000

First mortgage closings increased for the sixth consecutive month with October registering 136 units on volume of \$46.5 million. This is the highest volume recorded since December 2021. On a year over year basis, mortgage dollar volume and unit production are down 3.6% and 15.8% respectively.

Homeowner Assistance Fund Rhode Island: On October 3, 2022, HAF-RI reopened its application portal to Rhode Islanders who had started their application but did not complete their application prior to the March 14, 2022 suspension date. We anticipate that we will relaunch the program later this year to deploy the balance of funding available under the program.

	As of 10/31/22
# applications received	3188
# applications approved	1052
# applications denied	876
\$ amount of assistance provided	\$26,816,812.95

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/21	2021 Portfolio value	As of 10/31/22	Portfolio value as of 10/31/22
RIH Single-Family Portfolio	20,479 loans	\$2.07 billion	20,622 loans	\$2.23 billion *
Multi-Family Portfolio	677 loans	\$940.99 million	699 loans	\$1 billion *
MSS Single-Family Portfolio	6,540 Loans	\$584.05 million	6425 Loans	\$619.10 million

Madeline Walker Portfolio	253 liens	\$1.71 million	198 liens	\$1.37 million
REO Portfolio	17 homes	\$1.39 million	10 homes	\$.63 million

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

Delinquency Update:

	October 2021	October 2022
# Overall Delinquent Loans	1,402	1,256
Total Active Portfolio	11,171	11,131
Delinquency Rate	12.55%	11.28%
Seriously Delinquent (90+ days)	868 (7.77%)	460 (4.13%)

DEVELOPMENT

Program	2021 Actual (Firm Commitment)	2022 Goals	2022 YTD as of 10/31/2022 (Firm Commitment)
9% LIHTC (Rental Production)	170 units (3 deals)	168 units (3 deals)	129 units (2 deals)
4% LIHTC (Rental Production & Preservation)	270 units 4 deals	630 units (9 deals)	213 units (3 deals)
Preservation Deals w/o LIHTCs	463 units (5 deals)	800 units (7 deals)	345 units (3 deals)
New Production w/o LIHTC			50 units (3 deal)
NOAH Deals	NA	TBD	176 units (1 deal)
Workforce Housing Innovation Challenge Loan Program	74 WFH units (301 total units) 4 deals	TBD	57 WFH units (285 total units) (1 deal)
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	236 units (4 deals)
2020 Capital Magnet Fund * (\$5.225 million over three years)	Awarded April 2021	Fully committed as of August 2022	463 units (5 deals)

**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*

New Consolidated Funding Round: On November 3rd, RIHousing issued an RFP for 2023 9% LIHTC, Tax Exempt bonds and 4% LIHTC, and 9 additional gap funded programs:

ARPA Production Funds	\$75MM	Capital Magnet Fund	\$12MM
HOME Program	\$4.5MM	Middle Income Program	\$20MM
Housing Trust Fund	\$2.1MM	Preservation Loan Program	\$3MM
Community Revitalization Program	\$20MM	HOME-ARP	\$9MM
Acquisition Revitalization Program	\$9MM		

In addition, the RFP includes \$9MM in funding for HPF-ELI, which will provide operating subsidy grants for developments serving households with income below 30% of area median income.

Recent Closings: Bourne Mill III in Tiverton closed in October. This is the first development with ARPA Production funds (f/k/a RI Rebounds) awarded in June to close. Copley Chambers I in Providence closed and is scheduled to bring 26 new units of housing to the market in Q2 of 2023. Finally, this month staff closed on financing for seven Section 8 refinance deals using the FFB-Risk Sharing Program, ensuring that over 700 units of housing are preserved and remain in RIHousing’s portfolio.

LEASED HOUSING AND RENTAL SERVICES

RI Continuum of Care:

Special Notice of Funding Opportunity (SNOFO) to Address Unsheltered and Rural Homeless: On October 18th, RIHousing, the CoC’s designated Collaborative Applicant agency, submitted an application to HUD for the Special NOFO released to Address Unsheltered and Rural Homelessness. This special funding opportunity aims to reduce unsheltered homelessness. On behalf of the RICO, RIHousing was eligible to apply for \$10.5M, and submitted a request for \$10,118,371.

If awarded, these funds will support projects over a three-year term. They are listed below in ranked order:

Rank	Applicant	Project Type	Budget (3 year)
1	House of Hope	SSO - Street Outreach	\$3,576,408
2	Newport Mental Health	SSO - Street Outreach	\$1,285,518
3	Community Care Alliance	SSO - Street Outreach	\$407,066
4	RI Coalition to End Homelessness	HMIS	\$851,400
5	Crossroads	SSO - Street Outreach	\$759,030
6	RIHousing	Planning	\$315,000
7	RI Coalition to End Homelessness	SSO-Other	\$538,230
8	Sojourner House	SSO-Other	\$900,000
9	RI Coalition to End Homelessness	CES	\$1,169,685
10	Lucy’s Hearth	PSH	\$316,034
		Total:	\$10,118,371

Notice of Funding Opportunity (NOFO) Annual Competition: On September 28th, RIHousing, submitted an application to HUD for the annual NOFO competition. This year’s application was for \$11,853,016, which is an increase from the FY21 funding award of \$10,405,306 and includes 42 new and renewal projects.

COMMUNICATIONS

MEDIA COVERAGE

- **Providence Business News (November 3):** [\\$166 million available for affordable housing](#)
- **Newport Buzz (November 3):** [Governor McKee Announces Over \\$166 Million in Funding for Affordable Housing Available](#)
- **WLNE-TV (November 3):** [McKee to announce over \\$166M for affordable housing statewide](#)
- **Patch.com (November 2):** [City Of Providence: City Of Providence, Partners Unveil Roger Williams Park Gateway Center](#)
- **Providence Business News (November 1):** [Mayor, leaders open \\$5M Roger Williams Park Gateway Center](#)
- **Providence Business News (October 28):** [Multi-level change needed to improve housing affordability](#)
- **The Providence Journal (October 19):** [Pawtucket man loses home after unpaid water bill led to tax sale](#)
- **WLNE-TV (October 17):** [Affordable housing expands in East Providence](#)
- **Providence Business News (October 17):** [E.P. reaches affordable housing goal with opening of rehabilitated Sutton Place](#)
- **Warwick Beacon (October 12):** [Council incumbents, challengers answer questions](#)

COMMUNICATIONS & OUTREACH

RECENT EVENTS

Lender Realtor Networking Event, Warwick (November 3): RIHousing held a networking event for participating lender partners and real estate professionals at the Crowne Plaza Hotel in Warwick. Over 200 attendees registered to preview our new homeownership ad campaign, network and learn more about the current housing market. This is the first in-person lender-realtor event held since spring 2019.

YHDP Launch Event, Providence (October 27): Our Leased Housing team attended a community event hosted by the Rhode Island Continuum of Care (RiCoC) Youth Action Board in collaboration with the Council of Churches' Justice and Advocacy Committee. They celebrated the creation of the newly developed Coordinated Community Plan to Eradicate Youth Homelessness and featured a resource fair to connect youth and young adults up to age 24 to services, activities, leadership opportunities and community resources. RIHousing staff shared information on housing programs such as the HCVP and Centralized Wait List.

PRESS EVENTS

Consolidated Funding Application, Press Event, North Kingstown (November 3): We participated in a press event held by the Governor's office at Reynold's Farm in North Kingstown, a RIHousing financed development, to announce \$166 million in funding available to support affordable housing construction. Funding comes from a variety of sources, including both federal and state programs, and supports the construction and preservation of affordable housing as well as operating support. In March, RIHousing launched our Consolidated Funding application portal, which utilizes a streamlined application process for developers. The \$166 million includes \$115 million in funding from the \$250 million in ARPA funding that Governor McKee and the General Assembly have earmarked for housing efforts.

Roger Williams Park Gateway Center, Press Event, Providence (October 31): We joined the City of Providence, elected officials and community organizations to celebrate the unveiling of the Roger Williams Park Gateway Center. Funded by both the Acquisition and Revitalization Program (ARP) and ARPA funds, the project redeveloped vacant lots and an abandoned property and has transformed the Park's Broad Street entrance. The project features a visitor center and amenities such as restrooms, play areas, and vibrant design symbolizing the culture of the neighborhood. This project is part of the ongoing investment and revitalization of Providence's Broad Street Corridor.

Fernwood III Ribbon Cutting, Fernwood IV Groundbreaking, Burrillville (October 27): We joined NeighborWorks Blackstone River Valley as they cut the ribbon on 8 new homeownership properties at Fernwood III and broke ground on Fernwood Phase IV. Developed in four phases, when complete, Fernwood will include 30 single-family homes in the Village of Pascoag. Twenty-two of the 30 homes have been constructed to date. A significant portion of the financing for the project is being provided through the United States Department of Agriculture's (USDA) Mutual Self-Help Housing program, which is one of their primary tools to finance rural homeownership opportunities. The USDA Program requires NWBRV to supervise groups of very-low- and low-income individuals and families as they construct their own homes and assist others to build their homes.

UPCOMING EVENTS

Bailey/Baxter Green Schoolyard, Providence (November 16): RIHousing is participating in the celebration of the Bailey/Baxter Green Schoolyard, a project that will redevelop vacant and blighted properties on Baxter Street and Norwich Avenue in South Providence into a playground for the Bailey Elementary School. The project also includes improvements to the adjacent Baxter Park. The effort was funded in part by the Acquisition and Revitalization Program (ARP), which RIHousing administers on behalf of the Housing Resources Commission.

GOVERNMENT RELATIONS

FEDERAL

District Director Meeting: On November 15th, RIHousing hosted its annual meeting with the District Directors of RI's Congressional delegation to update them on RIHousing activities and accomplishments. The meeting was held at Southside Community Land Trust's new Healthy Food Hub on Broad Street in Providence, which was developed with financing through the Acquisition Revitalization Program (ARP). The meeting concluded with a tour of Joseph Caffey Apartments and Jordan Caffey Townhomes which is under construction.

General Election:

The 2022 General Election was held on November 8, 2022. As of 11/14/22, Democrats appear to have retained control of the Senate with 50 seats. The Georgia Senate seat will be decided in a run-off election on December 6th. Control of the House has not yet been determined with 204 seats called for Democrats and 212 seats called for Republicans. 218 seats are required to control the House.

STATE

General Election: Democratic candidates won all statewide and Congressional races in Rhode Island including David Cicilline and Seth Magaziner for Congressional Districts 1 & 2 respectively, Dan McKee for Governor, Sabina Matos for Lieutenant Governor, Gregg Amore for Secretary of State, James Diosa for General Treasurer, and Peter Neronha for Attorney General.

General Assembly:

Senate: No incumbents lost their seats on election day in the Senate. There will be 8 new members of the Senate in January due to retirements and one primary loss. The number of Republicans in the Senate remains unchanged at 5. The number of women in the Senate slipped from 18 to 17. On Thursday, November 10th, Senate Democrats held a caucus, at which they selected Ryan Pearson as the new Majority Leader and indicated continuing support for Senate President Dominick Ruggerio.

House:

Two House incumbents lost their seats in the General Election in close contests: Justin Price (R-Hopkinton, Exeter, Richmond) lost to Megan Cotter (D) and Bernard Hawkins (D- Gloucester, Smithfield) lost to Brian Rea (R). In the next session there will be 11 new members of the House. The number of Republicans in the House dropped from 10 to 9. The number of women in the House is unchanged at 32. On Thursday, November 10th, House Democrats held a caucus at which they reaffirmed member support for the current Speaker Joe Shekarchi and Majority Leader Chris Blazejewski.

FINANCE

Bond Issuance: On October 19th and 20th, Finance executed a new bond issuance for the Homeownership Opportunity Bond Program, selling \$113 million in tax-exempt and \$15 million in taxable bonds.

The tax-exempt portion of the bond sale provides funding for new first-time homebuyer mortgage loans. The taxable portion provides funding that will allow us to temporarily step away from a dislocated TBA market to provide mortgages to non-MRB qualifying borrowers. In recent years, we have funded non-MRB-qualifying loans via the TBA market, pooling and selling these loans to investors. While the Fed works to manage monetary policy post-quantitative easing, the TBA market has become more volatile, making it an inefficient financing tool in which to hedge interest rate risk. This challenge has impacted many HFAs, RIHousing included. Through the issuance of \$15 million in taxable bonds we can continue to offer loans to this subset of borrowers while also mitigating the interest rate risk present in the market today.

As with previous issuances, the tax-exempt bonds were designated as Social Bonds. The issuance occurred during a challenging market with rapidly increasing interest rates. RIHousing was able to complete the issuance by being flexible with the bond structure and responsive to investor demand. This has allowed us to continue to keep our mortgage rates slightly below market.

As part of this transaction Standard & Poor's and Moody's Rating Services reaffirmed the ratings on the bonds at AA+/Aa1 respectively.

NCSHA ANNUAL MEETING

This year's Annual Meeting for NCSHA was in Houston, Texas. Several staff members attended. We are thrilled to announce that RIHousing was selected as the recipient of two national awards for program excellence which are given out annually at the conference. The awards were created to identify and elevate industry best practices as well as encourage continued Housing Finance Agency (HFA) innovation. The competitors for the national awards were each of the 50 states' HFAs plus four territories and districts. In

2022, 40 HFAs submitted entries to the awards program. The following two RIHousing programs were selected for recognition:

1. Zero Energy for the Ocean State (ZEOS): A new multi-agency effort that helps to protect the environment, reduce utility costs for property owners and their tenants and provides operational benefits to property owners and managers. With the launch of our Zero Energy for the Ocean State (ZEOS) program, we are helping to support affordable housing and environmental efforts while providing operational benefits and cost savings.
2. Source of Income (SOI) Discrimination: Working with a broad coalition of over 40 member organizations focused on ending Source of Income discrimination, Rhode Island has become the 16th state in the nation to pass legislation to protect voucher holders from this type of discrimination. Fittingly, passage of the legislation occurred during National Fair Housing Month.

To win such prestigious national awards is an incredible honor, especially as it comes from our peers. Congratulations to Anne Berman and her team, and in particular Hayley Kenyon for her administration of the ZEOS program and to Amy Rainone and her team for their efforts to remove barriers to rental housing for Housing Choice Voucher holders through Source of Income legislation.