

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: December 16, 2021
Subject: Monthly Update

PROGRAM NEWS

HOMEOWNERSHIP

Product	2020 Actual (units)	2021 Goals (units)	2021 Units (as of 11/30/21)	2021 Funded (as of 11/30/21)
	Closed/Funded			
<i>First Mortgage</i>	1,593	1,500	1,519	\$428.3 million
<i>FirstHomes Tax Credit</i>	218	200	105	-

According to the RI Association of Realtors, single-family home sales fell 22.3% in October 2021 from October 2020 but despite the slowdown in activity, the median price continued to climb, rising by 12.7% year-over-year.

Rhode Island has maintained less than a two-month supply of homes for sale all year. A supply of six months at the current rate of sale typically signifies a balanced market.

“For many homeowners, the worry of finding a place to move to is what is preventing them from listing their home for sale,” commented Agueda Del Borgo, President of the Rhode Island Association of Realtors.

Homeownership has projected first mortgage amounts of 1,644 and volume of \$465.6 for CY 21 based on current volume. If achieved, these statistics would equal the highest volume and fourth highest unit production on record.

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/20	2020 Portfolio value	As of 11/30/21	Portfolio value as of 11/30/21
RIH Single-Family Portfolio	22,436 loans	\$2.12 billion	20,463 loans	\$2.05 billion *
Multi-Family Portfolio	661 loans	\$1.04 billion	680 loans	\$1.05 billion *
MSS Single-Family Portfolio	7,316 Loans	\$654.51 million	6610 Loans	\$589.18 million
Madeline Walker Portfolio	385 liens	\$2.85 million	258 liens	\$1.78 million
REO Portfolio	20 homes	\$1.67 million	17 homes	\$1.39 million

--	--	--	--

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

Delinquency Update: In November 2021, we saw a decrease in overall delinquency of 552 delinquent loans for a total of 1,367 delinquent loans out of our active portfolio of 11,061 loans. This is a delinquency rate of 12.36%. In November 2020, the active portfolio was 12,284 loans of which 1919 loans were delinquent. This is a delinquency rate of 15.62%. The **number of seriously delinquent loans** (90+ days) was 811 (7.33%) in November 2021, compared to 1192 (9.70%) in November 2020.

Covid Impact: Since March 18, 2020, 2,351 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, 1498 have decided they no longer need assistance due to stimulus relief or have resumed their payments using a loss mitigation option resulting in 853 active forbearance agreements as of November 30, 2021.

Approximately 66.7% 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 November 30th, 826 RIHousing borrowers have reinstated their mortgage using the NESPC.

Homeowner Assistance Fund: On November 22nd we submitted our final draft plan to Treasury for approval. We anticipate approval shortly. Given the expectation of the final foreclosure protections in January, we intend to launch a pilot program in January. An event to announce the program will be scheduled with the Governor, General Assembly leadership and our delegation. More information will follow.

DEVELOPMENT

Program	2020 Actual (Firm Commitment)	2021 Goals	2021 YTD as of 10/31/21 (Firm Commitment)
9% LIHTC (Rental Production)	158 units (3 deals)	180 units (3 deals)	170 units (3 deals)
4% LIHTC (Rental Production & Preservation)	104 (1 deal)	400 units (6 deals)	270 units 4 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	154 units (3 deals)
2020 Capital Magnet Fund * (\$5.225 million over three years)	Awarded April 2021	Rolling Application until funds are spent	131 units (2 deal)

**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*

HOME/ARP Allocation Plan: As part of the American Rescue Plan Act (ARP) of 2021, RI was allocated more than \$13MM of additional HOME funds to address homelessness across the state. Regulations for the Program were published in September. As the State PJ, RIHousing is responsible for drafting the allocation plan for these funds. In conjunction with the Leased Housing and Policy teams, staff held a series of public convenings to seek feedback from partners and stakeholders. The draft plan was completed and posted for public comment on December 6th. A public hearing will be held on December 17th and the HOME/ARP Allocation Plan will be submitted to HUD before the end of December. The plan proposes the following uses (i) \$9.1MM for Development activities, (ii) \$3MM for supportive services, \$300K for capacity building for homeless service providers and \$1MM for administration and planning.

BHRI: Staff completed the review of 33 BHRI applications and presented its scoring and review to the BHRI committee of the HRC in early November. On November 30th, the HRC approved the award of \$31MM to fund 23 projects with more than 600 units in 13 different municipalities.

Acquisition and Revitalization Program (“ARP”): Staff prepared and issued a RFP for \$15MM of ARP funding on November 15th. Applications are due December 15th.

HOME/Housing Trust Fund (HTF): Staff prepared and released a RFP for HOME and HTF loans in mid-November. Applications are due January 15th.

LEASED HOUSING AND RENTAL SERVICES

RentReliefRI Update: RentReliefRI has expanded its Call Center capacity with the addition of 25 new staff as of December 6th. Call Center staff are available Monday through Friday and Saturday mornings to answer questions from tenants and landlords about the program and/or specific applications.

In response to our recent RFP for additional RentReliefRI agency partners, we received 18 proposals, which are currently being evaluated by a review committee.

Family Self-Sufficiency: After several years of working to expand the FSS program to multi-family housing developments the team finalized an agreement with WINN Corporation to provide FSS to households in two

of their multi-family properties. This initiative not only provides the opportunity for wealth building among program participants, but also becomes a revenue stream for RIHousing. It is expected that HUD will begin incentivizing FSS programs in multi-family developments and this positions RIHousing to meet the FSS needs in developments across the state.

Housing Choice Voucher Program: As you may recall in May 2021, HUD issued 70,000 Emergency Housing Vouchers to address homelessness and housing instability across the nation. In July, RIHousing received 117 EHVs. Currently staff have issued 107 vouchers, leasing up 54 households. Voucher holders continue to struggle to identify available apartments. Twenty-four of the lease-up are a result of the success of our Housing Navigator. It's also worth noting that a technical assistance provider with national knowledge of the progress in other jurisdictions commented that RIHousing is "lighting up the HUD EHV dashboard unlike any other PHA."

COMMUNICATIONS

MEDIA COVERAGE

- **Boston Globe (Dec 2):** Housing is still a top priority for Rhode Island's lawmakers
- **The Valley Breeze (Dec 2):** ONE Housing Builders move forward with plans for St. Patrick's Church
- **WLNE TV (Dec 1):** Governor McKee announces support for several housing projects to create 600 units of affordable housing
- **Newport Buzz (Dec 1):** Governor McKee Announces Support for 23 Affordable Housing Projects Which Will Create or Preserve more than 600 Units of Affordable Housing
- **Providence Business News (Dec 1):** R.I. awards \$31M for 23 affordable housing projects
- **Boston Globe (Dec 1):** R.I. approves nearly \$31m for affordable housing, creating and preserving more than 600 units

COMMUNICATIONS & OUTREACH

RECENT EVENTS

RentReliefRI Onsite Assistance: We continue to participate in onsite informational and application assistance efforts across the state. In conjunction with partners, we participated in several onsite application assistance events in November:

- **DCYF at Family Service of RI:** In partnership with Family Service of RI, we offered onsite assistance to youth aging out of DCYF care.
- **Pawtucket YMCA:** In partnership with the YMCA of Pawtucket we offered onsite assistance to their members.
- **Woonsocket YMCA:** In partnership with the YMCA of Woonsocket we offered onsite assistance to their members.

LISC RI Creole RentReliefRI Virtual Event: Staff partnered with LISC RI and the City of Pawtucket to offer a Facebook Live informational session on the RentReliefRI program. The session was bilingual (in both English and Creole) and was recorded for distribution.

UPCOMING EVENTS

RentReliefRI Onsite Application Assistance (December 19): We are partnering with the Governor's office and CCRI to offer an onsite assistance event on Saturday, December 18 from 9:00 am to 1:00 pm. The

Governor's office will be helping to promote the event to residents who reach out to their office and CCRI will be promoting it to their staff, students and broader Rhode Island community.

Governor's 2030 Plan: Senior staff has been participating in the Governor's 2030 Plan engagement process which is being conducted in various communities throughout the State. The events have been well attended by affordable housing advocates.

RentReliefRI Virtual Training with Resident Service Coordinators (TBD): We continue to offer virtual trainings for agencies/partners who want to be able to assist their community members, staff and clients with completing RentReliefRI applications and to also have a deeper understanding of the program. We will be holding a training with the RI Residents Service Coordinator Collaborative (RISCC), non-profit professional organization that works to enhance the professional development of RSCs by providing necessary resources, certifications through HUD approved trainings, and by networking with other agencies and organizations.

GOVERNMENT RELATIONS

FEDERAL

- **House of Representatives Passes the Build Back Better Act:** Last month, the House of Representatives passed the \$1.75 Trillion Build Back Better Act which includes a significant expansion of the LIHTC program, a new Neighborhood Homes Tax Credit for the rehabilitation of affordable owner-occupied homes in distressed neighborhoods, and major investments in HUD programs, including a new down payment assistance program. The bill now moves to the Senate for consideration.
- **Federal Continuing Resolution:** On December 2, Congress passed a Continuing Resolution which will keep the government operating through February 18, 2022.

STATE

- **Revenue and Caseload Estimating Conference:** The State's Revenue and Caseload Estimating Conference concluded on November 10. Fiscal staff agreed upon an estimate of \$4.684 billion in General Revenues, \$274 million higher than projected at the May Revenue Estimating Conference. The final revenue estimates can be found at [this link](#).
- **Constituent Services Training Scheduled:** RIHousing's annual constituent services training has been scheduled for **Thursday, December 16, 2021 from Noon – 1:00 PM**. The meeting will be conducted **via Microsoft teams**, and will provide an overview of RIHousing's programs and discuss the most common inquiries we receive from elected officials, including information on new resources and programs developed in response to COVID-19, such as RentReliefRI and HAF-RI.

FINANCE

**RIHousing
 Revenue and Expenses
 (\$'s in thousands)**

	Annual Budget 2022	YTD Budget 9.30.21	YTD Actual 9.30.21	Variance		Comments Below
				\$	%	
Net Interest Income (includes other bond related costs)	\$ 27,681	\$ 6,920	\$ 8,587	\$ 1,667	24%	1
Fee Income	29,686	7,422	8,480	1,059	14%	2
Gain on Sale of Loans	6,506	1,627	293	(1,334)	-82%	3
Sub Total Revenue	63,873	15,968	17,360	1,392	9%	
Loan Losses and Expenses	(3,000)	(750)	(654)	96	-13%	
Programmatic Expenses	(4,610)	(1,153)	(627)	526	-46%	4
Operating Expenses	(48,238)	(12,060)	(10,740)	1,320	-11%	5
Net Revenue	\$ 8,025	\$ 2,006	\$ 5,339	\$ 3,333	166%	

- 1** Result of increased bonding of loans over the past few years and low bond rates
- 2** Increased admin fees for grant programs
- 3** Less loan sales; more bonding in 1st quarter
- 4** Variance due to timing of program expenditures
- 5** Variance due to timing of admin expenses for federal programs

S&P Rating Comparison

	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	S&P Criteria	
NPAs/Loans + REO	2.72%	3.01%	3.06%	< 5.0%	1
Equity/Assets	13.97%	13.90%	13.36%	15.00%	2
Return on Assets	0.60%	0.60%	0.49%	0.50%	3
Loans/Assets	64.03%	57.82%	53.25%	< 75.0%	4

- 1** Delinquency ratios expected to increase as loans are converted to MBS
- 2** Gradual increase in equity; asset size increases with loan volume
- 3** Asset size increased due to non-interest bearing loans (BHRI)
- 4** Meets S&P guidelines and continuing to improve as loans are converted to MBS