



MEMO

To: Board of Commissioners
From: Carol Ventura
Date: April 18, 2024
Subject: Monthly Update

PROGRAM NEWS

Product	2023 Actual (units)	2024 Goals (units)	2024 Units (at 2/29/24)	2024 Funded (at 2/29/24)
	Closed/Funded			
<i>First Mortgage</i>	1,994	1,300	261	\$96.6 million
<i>Statewide DPA</i>	1,497	--	111	\$1,942,500
<i>FirstGenHomeRI</i>	18	-	1	\$25,000

Through the first quarter of 2024, first mortgage closings (units) decreased 2.9% versus the same period in 2023. New registrations in 2024 are also off to a slow start, equaling the first quarter of 2023 numbers, as affordability and low inventory continue to challenge first-time homebuyers.

LOAN SERVICING/ASSET MANAGEMENT

Portfolio	As of 12/31/23	2023 Invested	As of 3/31/24	2024 Invested
RIH Single-Family*	21,914 loans	\$2.81 billion	22,012 loans	\$2.87 billion
RIH Multi-Family	739 loans	\$1.08 billion	744 loans	\$1.09 billion
MSS Single-Family	6,629 loans	\$712.86 million	6,707 Loans	\$739.59 million
Madeline Walker	141 liens	\$1.09 million	137 liens	\$1.07 million
REO	18 homes	\$1.60 million	7 homes	\$1.56 million
TOTALS		\$4.61 billion		\$4.70 billion

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

Delinquency Update:

	As of 3/31/24
# Overall Delinquent Loans	1,404
Total Active Portfolio	12,738
Delinquency Rate	11.02%
Seriously Delinquent (90+ days)	497 (3.90%)

DEVELOPMENT

Update on Implementation of State Appropriated Development Programs.

Status of Previously Awarded State Fiscal Recovery Funds (SFRF)

PROGRAM (As of 3/30/2024)	\$ Available	\$ Committed	\$ Expended	Units Funded	Units Complete	Comments
RI Rebounds (SFRF)	\$ 20,000,000	\$ 14,250,000	\$ 8,436,306	490	44	Riverside Landing Complete
ARPA Production Fund - DAH2 (SFRF)	\$ 75,000,000	\$ 59,578,868	\$ 5,154,415	1076	0	Reduced committed for SouthPoint and added in the awards from 3/24. Adjusted units for Southpoint and Parcel 9 -9%,4%
Community Revitalization Program (SFRF)	\$ 20,000,000	\$ 15,255,000	\$ 2,500,000	642	0	Includes Bernon rescission. Includes 3/24 awards
Middle Income Program (SFRF)	\$ 20,000,000	\$ 6,742,538	\$ 400,000	81	0	Includes The Ave and Studley rescissions. Includes 3/24 awards.
Acquisition Revitalization Program	\$ 9,000,000	\$ 5,377,850	\$ 3,909,047	124	0	
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	\$ 884,784	44	0	
Housing Trust Fund	\$ 2,340,000	\$ 2,340,000	\$ 445,837	15	0	
Site Acquisition I (SFRF)	\$ 15,000,000	\$ 14,494,732	\$ 14,050,370	569	NA	
Site Acquisition II (SFRF)	\$ 10,000,000	\$ 9,170,500	\$ 8,434,870	254	NA	Updated committed amount and unit counts
Housing Production Fund	\$ 10,000,000	\$ 7,210,000	\$ 4,706,934	332	0	Includes Bernon rescission
				Units Anticipated		
Predevelopment (SFRF)	\$ 10,000,000	\$ 9,274,595	\$ 5,893,350	1926	NA	

Development Pipeline:

We continue to work through the Consolidated RFP review.

- 9% applicants have been notified of their scores; 7 projects passed Threshold and 2 failed Threshold.
- We are working with the Dept of Housing on review of all funding scores and the challenge of funding as many deals as possible given the different sources of funding and the specific restrictions or mandates of these funding sources.
- Staff is on track to bring awards to the May board meeting, including both the gap funding awards and the allocation of 9% LIHTC.

Projects in our development pipeline continue to make progress toward closing and firm commitment. Construction on existing projects is continuing and most appear to be on schedule so we are optimistic that a good number of units will come on line by year end.

Projected Closings CY 2024				
Type	# of Deals	# of Units	Completed Deals	Completed Units
New Production 9%	4	273		
New Production - 4% Tax Exempt Deals	6	455		
Preservation - 4% Tax Exempt Deals	4	676		
Non-LIHTC Deals	3	150		
Totals	17	1554		

Projected New Production Completed units CY 2024		Completed
# of Deals	7	1
# of Units	337	

Other SFRF Funded Programs:

- **PHA Pilot Program:** (\$10 million) All PHA funds have been committed as follows: 5 predevelopment awards, 7 technical assistance awards, and 3 housing development proposals. In addition, \$175,000 is being allocated for a Feasibility Study related to the Proactive Development initiative approved by the State Legislature and the RIHousing Board of Commissioners.
- **Home Repair Program:** (\$5 million) The program is being designed and implemented by the Department of Housing.

Housing Production Fund (\$25 million)

- **HPF:** (\$10 million) Approximately \$2.7 million was de-obligated and will be available in the current funding round. 6 deals have closed. Two projects are nearly complete and 1 project was completed in 2022.
- **HPF-ELI:** (\$10 million) Nearly \$6 million has been obligated to support 77 30% AMI units. We are currently reviewing HPF-ELI applications submitted in the recent Consolidated RFP.

LEASED HOUSING AND RENTAL SERVICES

Updates

- Staff from Leased Housing lead a discussion panel at the New England Affordable Housing Management Association’s (NEAHMA) virtual forum held on March 28th. RIHousing and HUD representatives provided policy updates to owners and property managers operating throughout New England.
- RIHousing, through our Housing Choice Voucher program was recently awarded 25 HUD - Veterans Affairs Supportive Housing (VASH) vouchers. We will work closely with the Department of Veterans Affairs Medical Center to allocate these resources, which will help provide veterans with access to permanent housing.
- Our PHA Annual Plan has been updated and is being posted for the required 45-day public comment period this month.

COMMUNICATIONS

MEDIA COVERAGE

- US Senate: [Whitehouse, Heinrich, Panetta, Blumenauer Unveil First-time Homebuyer Tax Credit To Bring Homeownership Within Reach For More Families](#) (March 13th)
- WPRI: [Programs offer financial help to first-time homebuyers in RI](#) (March 7th)
- Moody’s Investor Service: [RHODE ISLAND HMFC - HOMEOWNERSHIP OPPORTUNITY BONDS -- Moody's assigns Aa1/VMIG 1 to RI Housing's HOB, Series 82-T-2; outlook is stable](#) (March 5th)
- The Public’s Radio: [Rhode Island could lose millions in funding to repair and remove lead paint](#)

(Feb 28th)

- The Providence Journal: Rhode Island is in a housing crisis. It took decades to get here (Feb 7th)
- The Providence Journal: RI House approves compromise to abate concerns about too much affordable housing (April 10th)
- The Providence Journal: New affordable apartment buildings in Central Falls will break ground (April 4th)
- Sheldon Whitehouse: Whitehouse, Shekarchi, Rivera Call for Passage of New US Senate Bill to Bring Homeownership Within Reach for More Rhode Islanders (March 28th)

COMMUNICATIONS & OUTREACH

Rhode Island League of Cities and Towns (March 21st): Homeownership, Leased Housing, and Intergovernmental staff attended the annual Rhode Island League of Cities and Towns Expo in March. We shared homeownership programs' information and resources for the municipal staff and leadership who attended. RIHousing also attended as a panelist and presented the Municipal Technical Assistance Program (MTAP).

HUD Development Tour (March 28th): Kim McClain, HUD Assistant Secretary, Congressional and Intergovernmental Relations, Juana Matias, HUD Regional Administrator, Region 1 and HUD Providence Field Office joined RIHousing on a brief tour of Copley Chambers II + III and Joseph Caffey Apartments.

Jenks Park Residence Opening Event (April 12th): RIHousing joined Mayor Rivera, Dr. Nelken and the Papitto Opportunity Connection in an opening ceremony for the Jenks Park Residence in Central Falls. Jenks Park is a 32-room housing center for women and children. Papitto Opportunity Connection is providing the funding for the housing program. The project received Site Acquisition Program funds allocated through State Fiscal Recovery Funds.

UPCOMING EVENTS

General Assembly Housing Highlights – News and Networking (April 26th, May 3rd): The Newport and East Bay Housing Highlights will be held on April 26th for Newport at Newport Heights Community Room, and May 3rd at East Providence City Hall Council Chambers.

Residences at Riverside Square Ribbon Cutting (April 26th): RIHousing will join ONE Neighborhood Builders to celebrate the construction completion of Residences at Riverside Square in East Providence. The development includes 16 new, affordable rental apartments for extremely low- to moderate-income households, three of which will be reserved for youth aging out of foster care. This development utilized various funding sources, including State Fiscal Recovery Funds.

Joseph Caffey Apartments and Jordan Caffey Townhomes Ribbon Cutting / Southside Spring Block Party (May 11th): RIHousing will join Omni Development Corp. and Wingate Companies to celebrate the completion of the Joseph Caffey Apartments and Jordan Caffey Townhomes. The Barbara Jordan II development was foreclosed upon by HUD and the property was transferred to RIHousing in 2018. Following an extensive community engagement process, Omni Development and Wingate Companies were selected as the developers. Directly after the Ribbon Cutting, there will be a community block party from 12 – 4 pm, with family-friendly activities, food trucks, and community resources shared.

GOVERNMENT RELATIONS

FEDERAL

FY2024 Omnibus Appropriations Bill: In early March, the House and Senate passed funding for a package of six appropriations bills, including the Transportation, Housing and Urban Development (THUD) bill. The bill included \$32.4 billion for tenant-based rental assistance, sufficient to renew all existing Section 8 vouchers, \$16 billion for project-based rental assistance (PBRA), sufficient funding to renew all existing PBRA contracts, and \$1.25 for the HOME Investment Partnerships Program, a decrease of \$250 million from the FY23 enacted level. The bill did not include the stronger Senate language requested by Senator Reed that would have directed HUD to issue new PBCA awards as cooperative agreements under a notice of funding opportunity but did include language prohibiting HUD from issuing a solicitation for PBCA similar to its last proposal for a regional system solicited under a procurement process.

Biden Administration Proposed FY25 Budget: On March 11th, the Biden Administration released their \$7.3 trillion FY25 budget request. The budget proposes \$72.6 billion in discretionary budget authority for the U.S. Department of Housing and Urban Development (HUD), a 2.7% increase over the 2024 enacted level. The proposal includes expansion and improvements to the Housing Credit; support for the Neighborhood Homes Tax Credit; targeted tax credits for certain eligible first-time home buyers; investments in new PBRA contracts; new mandatory spending for capital investments in public housing; funding for 50,000 new Housing Choice Vouchers as well as two new entitlement-type voucher programs targeted to youth aging out of foster care and extremely low-income veterans; and \$10 billion for a First-Generation Down Payment Assistance Program. The Administration included in the proposed budget language that would allow HUD to award PBRA contracts through a NOFA process to PHAs and their nonprofit subsidiaries with one award per state. RIHousing has registered to participate in a listening session HUD is hosting in Washington, D.C. on May 28th to discuss the proposed language.

Meetings with Federal Delegation: Carol Ventura, James Comer, Brett Pelletier, and Amy Rainone attended NCSHA's annual Legislative Conference from March 4 – 6 in Washington D.C. During this time, they met with members of the RI federal delegation and their staff to discuss RIHousing's accomplishments in 2023 and 2024 federal priorities. The meeting with Rep. Magaziner took place in Rhode Island on April 4th. Much of what was discussed came from the [RIHousing 2024 Federal Brief](#).

STATE

RI Housing Testimony: Throughout February and March, the General Assembly held hearings on a number of bills that RIHousing has been tracking. We submitted testimony in support of bills in the Speaker's housing legislation package, the Housing Bond proposed in the Governor's budget, a bill related to master metering, and a bill increasing the threshold amount requiring remediation for naturally increasing arsenic in soil. We also testified in support of RIHousing's PBRA bill clarifying that RIHousing is the only Public Housing Authority authorized to administer HUD's Section 8 multifamily contracts in Rhode Island. We submitted testimony in opposition to three bills that would make it easier for certain communities to meet their affordable housing goal without increasing the number of affordable homes.

GA Meet and Greets: In April and May, RIHousing will hold meet and greet events across the state to meet with legislators and local officials. RIHousing will present information on investments being made in affordable housing in the region, resources currently available for housing needs, and our progress implementing the State's investment of State Fiscal Recovery Funds (SFRF) in housing programs. The regional events will be held in the Providence, East Bay, and Newport areas. The Providence meet and greet took place on April 1st from 4 to 6PM at the Southside Community Land Trust. The Newport meet and greet will be held at Newport Heights on April 26th from 3:30 to 5PM and the East Bay meet and greet will be held at the East Providence City Hall Council Chamber on May 3rd from 3:30 to 5PM.

Developer Workshop on Recent Changes to Land Use Laws: On April 11th at 9AM at the Crowne Plaza, RIHousing held a workshop to educate affordable housing developers and owners about the changes to land use laws that went into effect on January 1, 2024, and how these can help remove barriers to the development of affordable housing in Rhode Island. Speaker Shekarchi provided opening remarks. Land use attorney Kelley Morris Salvatore led the presentation.

FINANCE

On Thursday, March 21st, Finance closed a \$160 million bond issuance for the single-family Homeownership Opportunity Bond Program. To optimize the financing structure in the current rate environment, the issuance was structured with \$26 million of the bonds as hedged variable rate demand bonds. The entire issuance provides \$145 million in funding for first-time homebuyer mortgage loans, along with \$15 million to purchase previously modified loans from our operating lines and into the bond indenture.

Hedging our variable rate debt helps mitigate risk and ensures 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 allowed RIHousing to lower the overall bond yield of the issuance. Variable rate debt now comprises less than 8% of the total debt outstanding in RIHousing's single-family bond indenture. All outstanding variable rate debt is currently hedged.

The sale was marketed on our investor webpage, rihousingbonds.com, and garnered over \$50 million in Retail orders for the fixed rate portion of the sale. Ultimately 30% of offered fixed-rate bonds were purchased by Retail Investors. Within that 30% is \$9 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.