

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Credit Committee
August 13, 2025

A meeting of the Credit Committee of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Board of Commissioners was held on Wednesday, August 13, 2025, at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom, and via telephone conference call.

Carol Ventura, Executive Director, opened the meeting and introduced Val Lingasami, Assistant Director of Information Technology, who outlined the parameters of the meeting.

Ms. Lingasami stated that (i) this meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Ms. Lingasami also asked that to prevent any feedback or background noise, telephone participants should mute the telephone if they are not speaking. Additionally, Ms. Lingasami announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 429-1430.

Corinne Myers, General Counsel, provided guidance for the meeting. Ms. Myers stated that members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers then stated that Committee Chairman Orth would preside over the meeting and requested that any Commissioner or staff member state their name prior to speaking for the benefit of listeners and to mute the phone when not speaking. She then invited Committee Chairman Orth to call the meeting to order.

Committee Chairman Orth introduced himself and officially called the meeting to order at approximately 9:33 a.m. Committee Chairman Orth then invited Ms. Ventura to proceed with the roll call of Commissioners in attendance.

Ms. Ventura conducted a roll call of Commissioners participating in the meeting. Commissioners participating were: Committee Chairman Orth; Rebecca Webber, Designee for Jonathan Womer, Director of the Department of Administration, and Deborah Goddard, Secretary of the Executive Office of Housing. Maria Barry was absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara LaChapelle, Chief Financial Officer; Seth St. Jean, Senior Development Officer; Daniel Pollard, Real Estate Development Officer; Brett Pelletier, Chief Administrative Officer; Corinne Myers, General Counsel; and Val Lingasami, Assistant Director of Information Technology.

Peter Asen, from the Department of Housing, and members of the public were also present.

The Committee then discussed the following matters.

1. Approval of Minutes of the Credit Committee Meeting Held on June 11, 2025

Committee Chairman Orth asked for a motion and a second for the approval of the minutes of the Credit Committee meeting held on June 11, 2025. A motion was duly made by Commissioner Designee Webber and seconded by Chairwoman Goddard.

There being no discussion, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners for the approval of the minutes of the Credit Committee Meeting held on June 11, 2025.

The Commissioners unanimously voted to approve the minutes.

Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Credit Committee Meeting held on June 11, 2025, are hereby approved.

2. Recommendation for Firm Approval of Financing for Hillcrest Village Apartments (Providence)

Committee Chairman Orth announced that Daniel Pollard, Real Estate Development Officer, would give the presentation.

Mr. Pollard summarized a document from the Credit Committee packet, saying that the request was for firm approval of RI Housing tax-exempt financing in an amount not to exceed \$35,000,000, of which \$15,000,000 will remain as a permanent first mortgage, for Hillcrest Village Apartments (hereinafter referred to as the “Development”). Preservation of Affordable Housing, Inc. (“POAH” or the “Developer”) is the developer. The Development received preliminary approval for this financing from the Board of Commissioners on October 19, 2023 (“Preliminary Approval”).

Hillcrest Village Apartments is an existing 6-story 130-unit housing development built in 1979, consisting of 112 one-bedroom units and 18 two-bedroom units. The Development is located in Providence’s Mount Pleasant neighborhood. The Development was last recapitalized in November 2006, and the initial fifteen-year low-income housing tax credit (“LIHTC”) compliance period ended in December 2021. The original tax credit investor exited the partnership in June 2022.

A Section 8 Project-Based Rental Assistance contract (the “HAP Contract”) is currently in place for all 130 units, which expires in January 2027. POAH is in the process of extending the HAP Contract for another 20 years with rents marked up to market at closing.

POAH forecasts a 12-month construction timeline with a construction budget of approximately \$25,788,461 for a mixed level of renovations, including new kitchen cabinets and countertops, updated lighting, interior doors, VCT flooring, baseboard heater covers, and water-saving water closets. Additional communitywide renovations and improvements will include a new roof, whole-building Wi-Fi, new washers and dryers, a new generator, a DHW heating system, and building security upgrades. In addition, upgrades will be made to the current ADA-accessible units, and three units will be upgraded to conform to the 2% hearing and visual impairment guidelines.

The development received a Green and Resilient Retrofit Program (“GRRP”) award from the U.S. Department of Housing and Urban Development (“HUD”) in the amount of \$7,800,000. The GRRP loan will be repaid via 50% of surplus cash; however, it triggers Davis Bacon wages and has added additional architectural and engineering costs to the project.

As a result of the GRRP award, the scope of work changed significantly from preliminary approval. The GRRP allows POAH to undertake an additional \$60,000/unit in construction scope. Energy improvements from the GRRP funding will include a new high-efficiency HVAC system, a strengthened roof to handle the weight of the new solar array, new windows throughout, removal of exterior brick, additional insulation included throughout, and a new energy-efficient paneling system for siding.

Since the acquisition is a related-party sale, the acquisition price cannot be discounted; however, the higher acquisition price is supported by an appraisal.

Since preliminary approval, the developer has secured a LIHTC equity commitment from Boston Financial Investment Management (“BFIM”) at a price of \$0.8750 per credit and a construction loan commitment from Citizens Bank, N.A.

The capital stack is comprised of the following sources: (i) the tax-exempt first mortgage contemplated herein, (ii) cash flow from operations, (iii) LIHTC equity, (iv) a deferred developer fee, (v) the GRRP loan, and (vi) a seller note and sponsor loan. It is anticipated that RIHousing loans totaling approximately \$11,250,000 will be repaid at closing as part of the refinancing.

Staff recommends approval of \$35,000,000 in tax-exempt financing, of which \$15,000,000 will remain as a permanent first mortgage, for Hillcrest Village Apartments, subject to certain conditions.

Following the presentation, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners Approval of Financing for Hillcrest Village Apartments (Providence).

A motion was duly made by Commissioner Designee Webber and seconded by Committee Chairman Orth.

Chairwoman Goddard asked if rising operating costs were due to solar panels. Mr. Pollard clarified that the panels will actually reduce expenses. Mr. Comer added that once operational, the panels will save \$189,000 annually. Goddard expressed confusion about how these costs were presented.

Seth St. Jean explained that while current figures don’t reflect savings, significant reductions will appear once the system is active. Goddard requested clearer explanations in future requests, and Chairman Orth agreed, emphasizing the value of detailed energy cost analysis. St. Jean concurred.

Chairman Orth then asked about the \$20 million equity bridge. St. Jean said RIHousing is comfortable with the risk, as they’ll join the deal at 50% completion, a model that has worked well before. CFO Kara Lachapelle and Deputy Director Comer expressed confidence in the development team and project viability.

Goddard asked about the GRRP grant’s reliability. St. Jean said it would be honored if the project reaches a certain completion stage; otherwise, POAH will scale back. Goddard agreed, noting she’d heard the same.

Orth also questioned why credit pricing was lower than for Hillside. St. Jean explained that delays in the GRRP award pushed back the service date, prompting the investor to lower pricing from \$0.94.

There being no further questions or comments, Ms. Myers conducted a vote of the Commissioners for Approval of Financing for Hillcrest Village Apartments (Providence) as presented at the meeting.

The commissioners unanimously voted to approve the motion.

Ms. Myers then officially stated that the recommendation for Approval of Financing for Hillcrest Village Apartments (Providence) was unanimously approved.

3. Recommendation for Firm Approval of Financing for Hillside Village Apartments (Providence)

Committee Chairman Orth informed the Committee that once again Daniel Pollard would present the request.

Recapping a document from the Credit Committee package, Mr. Pollard said that the request was for firm approval of RI Housing tax-exempt financing in an amount not to exceed \$13,200,000, of which \$5,300,000 will remain as a permanent first mortgage, for Hillside Village Apartments (hereinafter referred to as the “Development”). Preservation of Affordable Housing, Inc. (“POAH” or the “Developer”) is the developer. The Development received preliminary approval for this financing from the Board of Commissioners on October 19, 2023 (“Preliminary Approval”) as part of a combined preservation deal with another project.

Hillside Village Apartments is a 42-unit community for families built in 1991 with three 3-story buildings containing a mix of 24 two-bedroom units and 18 three-bedroom units. All 42 units will be restricted to households earning up to 60% of area median income (“AMI”). The Development is located in the Silver Lake neighborhood of Providence. The development was last recapitalized in November 2006, and the initial 15-year low-income housing tax credit (“LIHTC”) compliance period ended in December 2021. The original tax credit investor exited the partnership in June 2022.

There is a Section 8 Project-Based Rental Assistance contract (“HAP Contract”) in place that expires in November 2026. POAH is in the process of extending the HAP Contract for another 20 years with rents marked up to market at closing.

At Preliminary Approval, Hillside Village Apartments was part of a combined preservation deal with Pocasset Manor, another POAH property. Since Preliminary Approval, the Development received a Green and Resilient Retrofit Program (“GRRP”) award from the U.S. Department of Housing and Urban Development (“HUD”) in the amount of \$2,520,000. Since this GRRP funding triggers Davis Bacon wages and is repaid via 50% of surplus cash, POAH has decided that the two properties should remain as stand-alone developments.

As a result of the GRRP award, the scope of work for the Development has changed significantly from Preliminary Approval. The GRRP funding allows POAH to undertake an additional \$60,000/unit in construction work. Energy improvements from the GRRP funding will include a new high-efficiency HVAC system, a strengthened roof to handle the weight of the new solar array, removal of the current façade and replacement with rigid foam sheathing, foundation rigid foam installation, and rigid foam sheathing on the roof. The remainder of the construction scope includes

new kitchen cabinets and countertops, updated lighting, interior doors, VCT flooring, and bathroom upgrades. Additional communitywide renovations and improvements will include new roofs, full building Wi-Fi, new washers and dryers, and clapboard siding.

Staff notes that the acquisition price is high; however, it is supported by an appraisal and cannot be discounted since the acquisition is a related party sale. In addition, the GRRP funding triggers Davis-Bacon wages and requires additional architectural and engineering costs. POAH undertook some value engineering that has been used to lower costs, including lowering construction costs by approximately \$550,000 by reducing some non-GRRP-related scope.

Since Preliminary Approval, the Developer has secured a LIHTC equity commitment from Boston Financial Investment Management (“BFIM”) at a price of \$0.945 per credit and a construction loan commitment from Citizens Bank, N.A.

The overall capital stack includes (i) the RIHousing first mortgage contemplated herein, (ii) equity from the sale of 4% LIHTC, (iii) deferred developer fee, (iv) a seller loan, (v) existing POAH mortgage assumption, (vi) the GRRP funding, (vii) Cash Flow from operations, (viii) a solar tax credit, and (ix) capital contributions.

Staff request firm approval of an amount not to exceed \$13,200,000 in tax-exempt financing, of which an amount not to exceed \$5,300,000 will remain as permanent debt, for Hillside Village Apartments, subject to certain conditions.

Following the presentation, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners Firm Approval of Financing for Hillside Village Apartments (Providence).

A motion was duly made by Chairwoman Goddard and seconded by Commissioner Designee Webber.

Chairman Orth noted Hillside uses the same financial structure as Hillcrest and asked about state funding. Mr. Comer confirmed there is none and explained that the \$223,000 per-unit acquisition cost affects the numbers.

Chairwoman Goddard reiterated the need for clear information in future transactions. Mr. Comer agreed and said staff will provide detailed explanations going forward.

There being no further questions or comments, Ms. Myers conducted a vote of the Commissioners for Firm Approval of Financing for Hillside Village Apartments (Providence).

The commissioners unanimously voted to approve the motion.

Ms. Myers then officially stated that the recommendation for Firm Approval of Financing for Hillside Village Apartments (Providence) was unanimously approved.

4. Recommendation for Approval of Final 2026 Qualified Allocation Plan (QAP)

Committee Chairman Orth announced that James Comer, Deputy Executive Director, would give the presentation.

Mr. Comer recapped a document from the Credit Committee package, saying that at its June 30, 2025 meeting, the RIHousing Board of Commissioners approved a draft 2026 Qualified Allocation Plan (“2026 QAP”), which will govern the allocation of low-income housing tax credits (“LIHTC”), and authorized publication of notices advertising a public hearing on the draft 2026 QAP and opportunity to submit comments.

A public hearing was held on July 15, 2025, via video conference with approximately 18 attendees. The public comment period ended on July 18, 2025. As of that date, four parties had submitted written comments, which were summarized below.

Staff proposed the following changes to draft 2026 QAP, as blacklined in an attachment that was included as part of August 13, 2025, Credit packet and summarized below, to address public comments and to correct some clerical errors:

Section I(D)(8) – Ten Year Placed in Service Restriction (Page 15)	Included reference to IRC Section 42 for information regarding exceptions.
Section I(J) – Affirmative Action/Equal Employment Opportunity (“EEO”) (Page 18)	Revised to acknowledge the possibility of future changes in State law.
Section I(K)(1) – Siting and Marketing Consideration (Page 19)	Revised to clarify RIHousing’s position regarding access to housing on an equal basis without regard to protected characteristics.
Section I(K)(1) – Limited English Proficiency (“LEP”) (Pages 20-21)	Revised to better align with current federal guidance.
Section III(B) – Mixed Income (Page 39)	Revised to correct typo and clarify restrictions for eligible units.

Mr. Comer then briefly reviewed the comments received at the public hearing.

1. Summary of Public Comments

Commenter 1

Commenter 1, the Rhode Island Public Expenditure Council (“RIPEC”), provided written comments, which are summarized and addressed below:

Comment 1

Commenter 1 suggested that the 2026 QAP reduce the total development costs (“TDC”) per residential unit threshold and ensure its strict application.

Commenter 1 noted that “...the relatively generous TDC cap of \$500,000 is not strictly applied in the draft QAP, which includes eight separate "extraordinary conditions"

allowing developments to proceed to scoring despite exceeding the cap. Research indicates that strong cost discipline promotes greater affordable housing production, encourages innovation and value engineering, and upholds program integrity and fairness...Lastly, it is unclear how genuinely "extraordinary" some of the listed conditions are. For instance, one of the permitted extraordinary conditions-unsuitable soil conditions - was cited as a factor resulting in cost-overruns over preliminary estimates in four of the last ten LIHTC transactions.

For these reasons, Commenter 1 recommends that the 2026 QAP lower the TDC caps per residential unit from \$500,000 to the TDC caps outlined in RIHousing's Developer's Handbook and remove all extraordinary conditions.

RIHousing is mindful of the need to contain costs and believes implementing the TDC caps is the most effective manner to do so. We believe the \$500,000 cap is consistent with current construction cost trends and fair relative to the market. We acknowledge that due to the types of sites available for housing development and the need to accommodate unforeseen increases in hard and soft costs associated with LIHTC development, it is reasonable to have a process to accommodate exceptions. Regarding unsuitable soil conditions, the presence of such in 40% of approved projects would argue for a higher cap rather than treating such conditions as an exception; however, we believe a lower TDC cap with flexibility for exceptions will be more effective at containing costs overall. No change is recommended.

Comment 2

Commenter 1 suggested that the 2026 QAP incentivize mixed-income housing by prioritizing developments that include middle-income and market-rate residential units.

In response to similar comments from Commenter 1 on last year's QAP, RIHousing increased the number of points awarded for the incorporation of mixed/market rate housing from 3 to 5. We understand the need for housing at all price points in our current market and feel this is the appropriate weight for an incentive. While production of housing at all levels is necessary, the LIHTC program is principally intended to produce units serving low-income populations, specifically those households earning less than 60% of Area Median Income, and as such, most of the resources generated by the program are best served for that purpose. No change is recommended.

Comment 3

Commenter 1 suggested that the 2026 QAP allow the allocation of LIHTCs for the development of new Single Room Occupancy (SRO) units.

While SRO housing is an allowed use of LIHTC under Section 42 of the Internal Revenue Code, RIHousing moved away from using LIHTC to fund SRO units in 2023 after consultation with partners directly involved in the housing and provision of services to individuals experiencing homelessness and other at-risk populations. Those conversations indicated that providers strongly believed the use of SRO housing was no longer a best practice and did not provide those at-risk households with the best chance of success. In fact, several providers have moved to convert existing SROs to efficiencies or 1-bedroom apartments to more effectively serve at-risk populations. Our conclusion was that SROs, while on their face more cost effective, lacked the dignity and permanence that should be inherent in housing solutions for our most vulnerable

Rhode Islanders. RIHousing is open to further conversations about how SROs or alternative co-living or shared housing opportunities could help address the housing needs of low- or moderate-income Rhode Islanders, however no change is recommended at this time.

Commenter 2

Commenter 2, ONE Neighborhood Builders, provided written comments, which are summarized and addressed below:

Comment 1

Commenter 2 suggested that the 2026 QAP specifically address certain exceptions to the Ten Year Placed In Service Restriction. More specifically, they pointed to language on Page 15, which states, “To be eligible for the acquisition credit, buildings may not have been placed in service within the last 10 years.” Commenter 2 further noted that “if the chain of title indicates that a building was owned by nonprofits over the last 10 years or if the development is substantially assisted with federal or state housing programs, then the purchase price attributable to the building can qualify for acquisition credits, according to Novogradac and 26 U.S. Code § 42. We recommend that the QAP be updated to reflect these exceptions to the 10-year limit for acquisition credits.”

As noted, these exceptions are noted in Section 42 of the Internal Revenue Code, and we will include a reference to exceptions in Section 42 for clarity.

Comment 2

In reference to the Financing Points, Commenter 2 noted that they “appreciate that unsuitable soils were included in this section as extraordinary conditions that would allow a development to exceed the TDC cap. This section also states that one of the acceptable extraordinary conditions includes, “Excessive environmental remediation defined in a remedial action work plan required by either the Environmental Protection Agency, the RI Department of Environmental Management, or the Coastal Resources Management Council” (p. 36). We incur significant costs associated with additional testing, sampling, monitoring, and reporting requested by RIDEM to develop the remedial action work plan. For one of our housing developments, the process of developing the remedial action plan cost over \$100,000 due to repeated requests for additional testing, monitoring, and sampling from RIDEM. We thus recommend that the costs associated with developing a remedial action plan be considered an acceptable extraordinary condition.”

The proposed list of Extraordinary Conditions was not meant to be all-inclusive. The application can address additional requests for a cost to be considered an extraordinary condition. No change is recommended.

Comment 3

In reference to adding 2 points for making no less than 10% of the newly created units accessible, Commenter 2 noted that they “appreciate RIH’s allocation of points for additional accessible units. To ensure that developers better understand what type of accessible units would be awarded, we recommend that the QAP clarify whether additional Type A or Type B units would receive these points. If Type A, we recommend that RIH consider increasing this section to 5 points. This would reflect the additional

site changes that may be required for more Type A units, such as parking. We also encourage RIH to review Massachusetts' QAP's scoring of accessible units and determine whether any of these provisions would make sense for RI. Massachusetts' QAP provides up to 10 points (of 86 total points for special project characteristics) and an additional per unit subsidy for accessible units above what is required by statute or building code and provides specific examples of what this enhanced accessibility could entail (p. 64). The higher point limit would likely also encourage more developers to meet this threshold, which would support the desired goal: to create more accessible, affordable housing units for Rhode Islanders."

The current standard applied by RIHousing is that 5% of all dwelling units meet Uniform Federal Accessibility Standards (UFAS) accessibility criteria. Bonus points are applied for developments exceeding 10% of Type A UFAS-compliant units. No change is recommended.

Comment 4

Commenter 2 also noted that "the inclusion of mixed income developments in the QAP is intriguing, and ONB looks forward to continuing to consider mixed income housing. This section says, "Development will have a range of income levels and at least 15% of the units are over 80% AMI units and the developer can demonstrate that the units don't need a capital subsidy" (p. 39). The points for this section then are defined in terms of the "market rate" units. Although, per RI Gen L § 42-128-8.1., rental housing is considered "affordable" for households earning less than 80% AMI, rental housing in Rhode Island can still be deed restricted up to 120% AMI. This wording of "market rate" may inadvertently discourage the development of "middle income housing" for households earning between 80% and 120% AMI, housing that is part of the Housing 2030 and broader Rhode Island housing goals. We recommend changing this language to encourage deed-restricted housing for households earning between 80% and 120% AMI.

Additionally, this section awards up to 5 points for market rate units: 15% of the units are market rate (2 points), up to 20% of the units are market rate (3 points), and more than 30% of the units are market rate (5 points). Is that final category meant to say, "up to 30%" rather than "more than 30%"? If a development had, say, 25% market rate units, it is unclear how many points that development would receive. In addition, if the "more than 30%" is as intended, it would be helpful to clarify and understand this reasoning as this awarding of points would seem contradictory to Rhode Island's housing needs and the state's Housing 2030 Plan.

To provide greater clarity, RIHousing will adjust the language to read "units serving households above 80% AMI" instead of "market rate". Similarly, we will change "more than 30%" to "more than 20%" as it was a typographical error.

Comment 5

Commenter 2 also stated "[w]e appreciate that RIHousing encourages 30 years of affordability through the QAP. However, we recommend that the QAP consider encouraging even longer affordability to preserve long-term affordability in Rhode Island."

Functionally, very few developments financed via the LIHTC in Rhode Island ever move from affordable to market. They are refinanced after the compliance period and extend affordability at that time. We will research the potential impact of longer affordability covenants as we move forward and assess potential impacts on credit pricing and investment to inform future QAPs. No change is recommended.

Commenter 3

Commenter 3, Preservation of Affordable Housing (POAH), provided written comments, which are summarized and addressed below:

Comment 1

Commenter 3's recommendations were made primarily to address current practices on 4% deals that, while not addressed in the draft 2026 QAP, are changes that they feel would positively impact the LIHTC program in Rhode Island. More specifically, Commenter 3 notes that the current fee cap of 1% of construction costs for Clerks/Owner's Project Managers ("OPMs") is below market and does not reflect the evolution of that role in recent years. Commenter 3 suggested a separate \$2,000/unit fee cap for rehabilitation projects as well as alternative calculations for smaller projects. Additionally, Commenter 3 noted that aligning Clerk/OPM billing with GC completion may disincentivize the Clerk to provide oversight if it may lead to a delay in GC billing. Commenter 3 suggested that the project sponsor should manage the Clerk/OPM's payment schedule instead.

Although a change in Clerk/OPM fee caps and payment schedule requirements may impact developments participating in the LIHTC program, as noted by the Commenter, these restrictions are not currently addressed in the Plan. RIHousing recognizes that Clerk/OPM costs have risen, and while further examination of this matter is necessary, any such changes will be more appropriately addressed in other RIHousing guidance documents. No change is recommended.

Comment 2

Commenter 3 also noted that RIHousing's practice of reviewing plans at 50%, 90%, and 100% is a time-consuming process. Commenter 3 encouraged RIHousing to condense its design review to focus on two reviews – one at 50%, and one at 90% or 100%, with the expectation that the architect can issue an addendum to address any outstanding issues.

RIHousing intends to assess the Design and Construction process in the coming year, and while we acknowledge that a change to the design review process will impact developments taking part in the LIHTC program, any such changes will be more appropriately addressed in other RIHousing guidance documents. No change is recommended.

Commenter 4

Commenter 4, Pennrose, provided written comments which are summarized and addressed below:

Comment 1

Commenter 4 strongly encouraged the 2026 QAP "to encourage and allow developers to generate additional tax credit equity through basis generated by acquisition value (offset by a seller note) or additional deferred developer fee above the allowable paid fee. These costs should not be included in the calculation of the per unit TDC thresholds.

These costs should be treated just like capitalized reserves and excluded from the per unit TDC calculation. The additional tax credit equity generated from these costs go towards benefiting the development without a cost to the State of Rhode Island.”

RIHousing agrees that we need a thoughtful way to account for the inclusion of acquisition costs/assumed debt, which, while seemingly adding to the TDC calculation, are paper costs only and reflect no additional investment on the part of RIHousing or others. Currently, our TDC calculations include all sources and uses, including rollover debt, as this generates additional LIHTC basis and is required by syndicators/investors in some deals. While at this time, we recommend no changes to the QAP, we acknowledge this issue and believe it warrants further examination. No change is recommended.

Comment 2

Commenter 4 also stated that “if TDC per unit increases post award but the developer secured funding from other sources to fill the gap, we believe that the developer should not be penalized.”

As above, this is an important issue that RIHousing is committed to working through internally. In the context of ongoing conversations about development costs, we want to ensure that we are stewards of RIHousing resources and mindful of the developer's proactive role in offsetting unanticipated costs. We will conduct further research on this issue; however, no change is recommended at this time.

In closing, Mr. Comer said that the final 2026 QAP is set forth in an attachment that was included as part of the August 13, 2025, Credit Committee package. The 2026 QAP will become effective upon (i) final approval by the Board of Commissioners; (ii) approval by the Governor; and (iii) posting to the RIHousing website as a guidance document.

Following the presentation, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners Approval of Final 2026 Qualified Allocation Plan (QAP).

A motion was duly made by Commissioner Designee Webber and seconded by Chairwoman Goddard.

Chairwoman Goddard requested clearer language in comment 2 to emphasize that LIHTC subsidies are being distributed carefully, especially for mixed-income projects. Mr. Comer agreed, adding that RIHousing will strengthen language to ensure taxpayer resources aren't misused on subsidized market-rate or Type A units.

Commissioner Designee Webber praised the balance between cost standards and flexibility for long-term viability. Chairman Orth agreed but cautioned against normalizing exceptions. He supported incentivizing lower-cost projects through QAP scoring.

Mr. Comer noted that higher costs may be justified—e.g., solar panels or historic building reuse—but developers must provide evidence. Ms. Ventura added that many RI projects involve challenging sites like old mills or contaminated land. Orth agreed that remediation should be considered when land options are limited.

Orth also questioned a commentator number 4 about generating tax credit equity through acquisition value or deferred fees. Mr. Comer clarified that this applies to refinances, not competitive 9% credits,

and stressed avoiding artificial cost inflation. Orth warned that seller notes must reflect true value, which Comer confirmed must be backed by appraisals.

Chairman Orth closed by thanking staff and the Executive Office of Housing, noting the thoughtful feedback throughout the QAP process.

There being no further comments, Ms. Myers conducted a voice vote of the Commissioners for Firm Approval of Final 2026 Qualified Allocation Plan (QAP).

The commissioners unanimously voted to approve the request.

Ms. Myers then officially stated that the recommendation for Approval of Final 2026 Qualified Allocation Plan (QAP) was unanimously approved as presented at the meeting.

5. Discussion:

a. Pipeline Report:

Ms. Ventura announced that a new Director of Real Estate Development has been hired and will start on August 25.

Chairman Orth asked about the Providence Journal building project. Mr. Pollard said progress is slow as the developer has yet to select a lender. Ms. Ventura added the site is challenging due to its large open space.

Mr. Comer concluded by noting that while some delays occurred, RIHousing remains on track to deploy SFRF funds by the deadline and maintains a strong project pipeline.

No votes were taken on this item.

Adjournment

There being no further business to discuss, Committee Chairman Orth asked for a motion to adjourn the meeting. A motion was duly made by Chairwoman Goddard and seconded by Commissioner Designee Webber to adjourn the meeting.

Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to adjourn the meeting.

The Commissioners unanimously voted to adjourn the meeting at approximately 10:08 a.m.

In closing, Committee Chairman Orth thanked everyone for participating.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director