

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Credit Committee
October 11, 2023

A meeting of the Credit Committee of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Board of Commissioners was held on Wednesday, October 11, 2023 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 Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella 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. Mr. Rotella also asked that to prevent any feedback or background noise, telephone participants to please mute the telephone if not speaking. Additionally, Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Corinne Myers, General Counsel, provided additional guidance for the meeting. Ms. Myers stated that a quorum had not yet been achieved, with only two (2) of five (5) committee members present; however, the meeting would proceed in keeping with the requirements of the Open Meetings Act in case a third Committee member arrived, but no votes would be taken until a quorum had been achieved.

Continuing, Ms. Myers said that 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 also 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 9:35 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 and Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation. Stefan Pryor; Jonathan Womer, Director of the Department of Administration and Maria Barry were absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Anne Berman, Director of Real Estate Development; Seth St. Jean, Real Estate Development Officer; Stephanie Booker, Real Estate Development Officer; Daniel Pollard, Real Estate Development Officer; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Members of the public were present via teleconference.

The following matters were then discussed by the Committee.

1. Approval of Minutes of the Credit Committee Meeting Held on August 9, 2023

As a quorum was not present, the approval of the minutes of the August 9, 2023 Credit Committee meeting was carried over for consideration until the next scheduled meeting.

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

Committee Chairman Orth announced that Seth St. Jean, Real Estate Development Officer, would present the request.

Mr. St. Jean began by noting that the request was for preliminary approval of a RI Housing tax-exempt construction loan in an amount not to exceed \$23,500,000 for Hillcrest Village Apartments (the “Development”), of which \$13,500,000 would remain as a permanent first mortgage. Preservation of Affordable Housing, Inc. (“POAH” or the “Developer”) is the developer.

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 located in the City of Providence’s Mount Pleasant neighborhood. The initial fifteen-year low-income housing tax credit (“LIHTC”) compliance period ended in December 2021 with the original tax credit investor exiting the partnership in June 2022. The Developer seeks to undertake a moderate rehabilitation and recapitalization of the Development.

There is a Section 8 Project-Based HAP contract (the “HAP Contract”) currently in place for all 130 units that 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 anticipates a 12-month construction timeline with a construction budget of approximately \$12,800,000 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, full building Wi-Fi, new washer and dryers, a new generator, 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 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, and (v) a seller note and sponsor loan. Boston Financial Investment Management (“BFIM”) will be the syndicator purchasing the 4% LIHTC at \$0.950 per credit. As part of the refinancing, RI Housing loans totaling approximately \$9,400,000 will be repaid at closing.

Committee Chairman Orth thanked Mr. St. Jean for the presentation and asked if anyone had any questions.

A brief discussion followed the presentation.

Commissioner Designee Cabral inquired if every unit would benefit from the upgrades. Mr. St. Jean verified that in some fashion, every unit in the development would be upgraded.

Committee Chairman Orth asked for confirmation that a large bridge loan is part of the financing and wanted to know if the recommendation passed the bridge loan test. Mr. St. Jean confirmed that the bridge loan passed both tests.

Committee Chairman Orth acknowledged that the seller loan is relatively high compared to the acquisition price. Mr. St. Jean said that additional information will follow. Ms. Berman further explained that there is a Section 8 contract for the development and a hefty amount of rehabilitation is proposed for the entire project.

Ms. Ventura stated that it's a great loan for RIHousing. The sponsor is an established, long term entity that is experienced in these transactions and has an excellent track record.

Committee Chairman Orth then mentioned that the transaction has a significant Section 8 subsidy overhang and asked if staff has investigated revisiting the matter.

Ms. Berman responded that it's a good question but at this point the syndicator is not concerned with the Section 8 contract. There will be a new 20 year HAP contract, subject to annual appropriations. It's one of the primary reasons staff insures the loans with HUD and underwrites to the lower of HAP rents or market rents. HUD shares 50% of the risk should the borrower be unable to make the required loan payments. Most of the developments in the Corporation's portfolio with HAP contracts have some amount of overhang.

Ms. Ventura stated that RIHousing is aware of that fact. That is why the loans are risk share insured. Furthermore, staff constantly monitors performance to mitigate risk.

No votes were taken regarding this item.

3. Recommendation for Preliminary Approval of Financing for Pocasset Manor and Hillside Village Apartments (Providence)

Committee Chairman Orth once again invited Mr. St. Jean to give the presentation.

Mr. St. Jean said that the recommendation was for a RIHousing tax-exempt construction loan in an amount not to exceed \$20,500,000 for Pocasset Manor and Hillside Village Apartments (collectively, the "Development"), of which \$12,000,000 would remain as a permanent first mortgage. Preservation of Affordable Housing, Inc. ("POAH" or the "Developer") is the developer.

Pocasset Manor and Hillside Village Apartments are two existing housing developments located in Providence being combined into a single economic entity. The initial 15-year low-income housing tax credit ("LIHTC") compliance period at both properties ended in December 2021 with the original tax credit investor exiting the partnership in June 2022.

Pocasset Manor is an 11-story 82-unit senior housing development built in 1982 consisting of 71 one-bedroom and 11 two-bedroom units. Hillside Village Apartments is a 42-unit community for families built in 1982 with three 3-story buildings containing a mix of 24 two-bedroom units and 18 three-

bedroom units. Altogether, the Development will contain a total of 124 units. The buildings are located in close proximity to each other in the Silver Lake neighborhood of Providence.

There is a separate Section 8 Project-Based contract (“HAP Contract”) in place at each location that expires in November 2026. POAH is in the process of extending both HAP Contracts for another 20 years and is seeking to consolidate the HAP Contracts with rents marked up to market at closing.

POAH anticipates a 12-month construction timeline and a construction budget of approximately \$11,000,000 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 new roofs, full building Wi-Fi, new washer, and dryers, clapboard siding (Hillside Village), elevator, generator (Pocasset Manor), domestic hot water heating system, building security upgrades, and sitework. In addition, upgrades will be made to the current ADA accessible units, with one being added to meet the 5% requirement and one hearing and visual impaired unit being added to conform to the 2% hearing and visual impairment guidelines.

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, and (v) a seller note, sponsor loan and existing POAH debt assumption. Boston Financial Investment Management (“BFIM”) will be the syndicator purchasing the 4% LIHTC at \$0.950 per credit. In addition, since Hillside Village Apartments, which represents 33% of the total unit count, is in a Qualified Census Tract, a 10% basis boost was applied. As part of the refinancing, RIHousing loans totaling approximately \$7,700,000 will be repaid at closing.

In closing, Mr. St. Jean said that staff recommends providing preliminary approval of \$20,500,000 in tax-exempt financing for Pocasset Manor and Hillside Village Apartments, of which \$12,000,000 will remain as permanent debt, subject to certain conditions.

Corinne Myers, General Counsel announced that Chairman Pryor had arrived at 9:43 a.m. and a quorum was then present for the meeting.

Committee Chairman Orth thanked Mr. St. Jean for the presentation. As a quorum was present, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners Preliminary Approval of Financing for Pocasset Manor and Hillside Village Apartments (Providence).

A motion was duly made by Commissioner Designee Cabral and seconded by Chairman Pryor.

Chairman Pryor noted that the financing is a 40 year loan with a balloon payment at year 17. He wanted to know if the structure was a template for RIHousing and if there is concern that the developer will default at year 17. Mr. St. Jean explained that staff carefully examines the financing structure on a per deal basis. RIHousing assesses the developer’s stability, whether non-profit or for profit and considers all viable financing options.

The loan amortizes over 40 years and is paid off at year 17 as typically loans refinance at the end of the initial LIHTC compliance period, which is consistent with a 17 year term. Ms. Berman also mentioned that staff confirms with Finance that the bond resolution is strong enough that the balloon option fits comfortably in the existing bond resolution and that the resolution has adequate equity to handle a balloon loan structure. Ms. Berman stated that staff is comfortable with the recommendation.

However, RIHousing monitors the loan and will review financing options prior to the balloon payment at year 17.

Anne Berman, Director Real Estate Development also stated that the strategy is not utilized for every deal presented but is used when appropriate. Staff invests a lot of time scrutinizing the borrower's balance sheet to ensure that if anything changes there's the ability to refinance the loans.

Chairman Pryor inquired why RIHousing chose the 17 year balloon payment structure for the transaction. Ms. Berman and Kara Lachapelle explained that by using the proposed financing, RIHousing can price lower on the yield curve for a better interest rate.

Chairman Pryor then asked if the financing has been used for other transactions. Ms. Ventura confirmed that fact. Chairman Pryor also wondered if the strategy has been utilized enough to know if the 17 year balloon option is beneficial.

Ms. Lachapelle acknowledged that RIHousing has not priced in this fashion often, but the Corporation has many developments that refinance at year 15 or 17. That is a standard practice in the industry. Due to the fact that RIHousing can shorten the bonds used to finance the deal, the proposed approach allows the borrower to receive a lower interest rate.

Ms. Ventura substantiated that the financing structure also permits RIHousing to be more competitive in the market and that the loan remains in the Corporation's portfolio.

Committee Chairman Orth stressed that the transaction passed the bridge loan test but between the two deals, the developer's total bridge loan debt is \$16 million. He wanted to ensure that staff is cognizant of the significant amount of debt and the potential repayment risk. Committee Chairman Orth wanted to know if measures are in place to mitigate potential repayment risks.

Ms. Berman stated that POAH is a strong borrower that has between eight (8) and nine (9) loans with RIHousing and been with the Corporation for over 18 years. The loans were purchased as arms' length transactions over 16 years ago. POAH is an excellent steward for affordable housing; they are increasing the HAP contract and doing a substantial amount of rehabilitation to both properties: including energy efficiency options. Ms. Berman acknowledged that staff is comfortable with the risk given the borrower's history with the Corporation.

Committee Chairman Orth agreed but wanted to make sure staff is considering the short term debt. He asked if staff has guarantees in place to mitigate that risk. Ms. Berman underscored that RIHousing does have recourse guaranteed on the loans. Additionally, the recommendation is for preliminary approval and staff will be back for final approval. The information provided by the syndicator confirms that 15% is required at closing, and RIHousing obtains a recourse guarantee during construction.

Ms. Ventura also stressed that RIHousing is vigilant and does keep tabs on the process.

Chairman Pryor then discussed the developer fee and said that it appears high. After reviewing the guidelines, the Chairman said that it appears that the fee should be \$2.4 million. However, for this transaction, it's \$5 million. He asked if the developer handbook provides guidance on maximum allowable fees and how staff arrived at and applied those rules to determine the \$ 5 million fee. Mr. St. Jean confirmed that RIHousing's model and guidance set in the handbook is based on set fees of 5% acquisition cost, 10% rehab and soft costs. Based on those parameters the base fee of \$5 million is within RIHousing's guidelines.

Ms. Berman further expounded by saying that NCSHA's best practices allows up to 15% of total development cost for the fee. Therefore, staff permits the developer to take a base fee along with an incentive developer fee which is the difference between the 15% developer fee and base fee. RIHousing requires that the borrower defer the full amount of the incentive fee as a method of generating additional equity for the transaction which goes toward the rehab.

Chairman Pryor questioned if staff has had conversations with the developer to negotiate the \$5 million developer fee or if staff determines that the fee is within the specified guidelines, then it's acceptable.

Mr. St. Jean said that the transaction is for preliminary approval, staff is waiting for the appraisal to finalize the fee. As the acquisition fee number might come down, then there's a gap. If that is the case, then RIHousing recommends deferring more of the developer fee. As additional information is forthcoming, staff reviews the financing structure.

Committee Chairman Orth explained that it's based on calculations and not negotiations. There is no maximum cap specified except the 15% of total development costs. Staff could consider deferring 50% of the fee to generate more basis points for the credits. Ms. Berman emphasized that the guidelines have a cap of 15% of total cost, but no absolute cap on the total amount.

The Chairman mentioned that he would like a follow up on the outcome of the deliberations. Ms. Berman responded that staff will report back with that information.

Committee Chairman Orth stated that the developer fee is a calculation not a negotiation. However, he did confirm that the Corporation does not have a cap on the maximum developer fee. It is something that could be considered for the future. For this deal, the developer is deferring 50% of the fee which is outstanding. That allows the developer to generate basis points which generates credits which generates equity. These are 4% credit that do not count against the Corporation's 9% credit cap.

Ms. Berman stated that there is a 15% maximum developer cap fee. The fee cannot exceed the 15% total development cost cap. Committee Chair Orth agreed, however there is no absolute cap.

No further discussion was presented.

Ms. Myers then conducted a voice vote of the Commissioners for Preliminary Approval of Financing for Pocasset Manor and Hillside Village Apartments (Providence).

The commissioners unanimously voted to approve the motion.

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

4. Recommendation for Firm Approval of Financing for Ralph R. aRusso Manor (Johnston)

Committee Chairman Orth announced that Stephanie Booker, Real Estate Development Officer, would give the presentation for firm approval of financing for Ralph R. aRusso Manor.

Ms. Booker stated that the request was for firm approval of RIHousing taxable first mortgage in an amount not to exceed \$650,000, a Capital Magnet Fund ("CMF") loan in the amount of \$400,000, and a Development of Affordable Housing 2 ("DAH-2") loan in the amount of \$2,100,000 for Ralph R.

aRusso Manor (hereinafter referred to as the “Development”). Rosemont Associates, Inc. is the developer (the “Developer”). The Development received preliminary approval for CMF and DAH-2 funds from the Board of Commissioners on May 18, 2023 (“Preliminary Approval”).

Ralph R. aRusso Manor is an existing 22-unit affordable housing development in two adjacent buildings located at 150 Greenville Avenue in Johnston. The Development, which was originally constructed in 1990, has had little investment since and needs substantial rehabilitation. All 22 units are subsidized by a recently renewed 20-year project-based voucher (“PBV”) contract. All units are scheduled to be completely rehabilitated including new kitchens and bathrooms, new flooring, new interior and exterior doors, new baseboard heat, roofing, siding and windows, parking lot and drainage improvements, and restoration of the existing elevator. The tenants will be relocated during construction. The Developer is looking to refinance and preserve the project as affordable housing for the next 30 years.

The Development was previously awarded \$660,000 in Preservation Loan Program Funds which is being used to cover certain predevelopment costs and the rehabilitation of two vacant units in order to bring them back online.

The current owner is Rosemont Associates Limited Partnership (the “Partnership”). The current general partner is Rosemont Associates, Inc., which holds a 1% interest in the Partnership. The current investor limited partner is the Rhode Island Housing Equity Pool, L.P. (the “Equity Pool”), which holds a 99% limited partner interest. As part of this refinance, the Equity Pool will exit the partnership and transfer their interest to Forand Community Corporation (“Forand”), a non-profit affiliate of the general partner. The transfer would be consistent with the planned dissolution and liquidation of the Equity Pool as established by that certain September 18, 2014 resolution of the general partner of the Equity Pool, the RIH Equity Corporation. In addition, the RIH Equity Corporation has delegated certain decision-making and corporate authority to RIHousing officers pursuant to a resolution dated September 21, 2023 which would allow such officers to effectuate this transfer.

As part of the refinance, Forand or an affiliated entity will repay the existing senior loan and assume the existing targeted loan.

Finally, Ms. Booker said that staff requests approval of a taxable first mortgage not to exceed \$650,000, a CMF loan of \$400,000, and a DAH-2 loan of \$2,100,000, as well as approval of the transfer of the limited partnership interest in Rosemont Associates, Inc. from the Equity Pool to Forand or its nominee, subject to certain conditions.

Committee Chairman Orth thanked Ms. Booker for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Firm Approval of Financing for Ralph R. aRusso Manor (Johnston).

A motion was duly made by Chairman Pryor and seconded by Commissioner Designee Cabral.

A brief dialogue followed.

Committee Chairman Orth mentioned that the debt coverage ratio is fairly significant. The Committee Chairman wondered if the owner could take on additional debt. Ms. Booker emphasized that staff has conservatively underwritten the loan because of past financial issues.

Ms. Berman reminded the Committee the project has been in workout for the past 10 years. It's now much more stable than in the past. Given its size, and number of units, staff determined that a conservative avenue was the best strategy. RIHousing does receive 50% of the cash flow and there is the possibility that some of the soft debt will be repaid.

Ms. Ventura acknowledged that it's a small development, therefore being conservative on the financing makes sense.

Committee Chairman Orth then referenced the last page of the write up outlining the gross and tax credit maximum rents. He wanted to know if the tax credit maximum was the gross maximum rent or net tax credit rent. Ms. Berman stated that the rents would either be both gross or net rents. Staff will review the details and confirm the information. Ms. Booker confirmed that the proposed rent is \$1,129.

No further discussion was presented.

Ms. Myers then conducted a voice vote of the Commissioners for Firm Approval of Financing for Ralph R. Russo Manor (Johnston).

The commissioners unanimously voted to approve the motion.

Ms. Myers then officially stated that the recommendation for the Firm Approval of Financing for Ralph R. Russo Manor (Johnston) was unanimously approved.

5. Recommendation for Firm Approval of Acquisition Financing for Dakota Partners, Inc. (Lincoln)

Committee Chairman Orth introduced and invited Anne Berman, Director of Real Estate Development to present the recommendation for Dakota Partners.

Ms. Berman commenced by saying the request was for approval of a RIHousing taxable loan in an amount not to exceed \$625,000 for the acquisition of land in Lincoln, Rhode Island to facilitate the development of 72 units of housing to be known as The Villages at Manville (hereinafter referred to as the "Development"). Dakota Partners, Inc. is the developer (the "Developer").

The Developer has entered into a purchase and sales agreement to purchase 5.26 acres of land in the Manville section of Lincoln (the "Property") which is currently part of the larger St. James Church and School site. The Property was primarily used as a parking lot; however, a portion of the Property is improved with a former convent building that is vacant and in below average condition. Development plans call for the demolition of the building and the construction of 72 one and two-bedroom units in 3 three-story buildings. As currently projected, all units will be affordable to households between 30% - 80% of area median income. The Developer has completed the rezoning of the property.

The Development received Preliminary Approval of low-income housing tax credits ("LIHTC") and subordinate financing from RIHousing in 2022 and 2023. The Developer has encountered several obstacles in the development process, including loss of a syndicator due to the bankruptcy of Signature Bank, higher interest rates and higher construction costs. The Developer is working on resolving these items so that they can move to Firm Commitment, however, the seller is no longer willing to extend the Purchase and Sales Agreement. This acquisition loan will allow the Developer to secure

site control while they move forward. The loan to value ratio of the proposed loan is 40% with a purchase price of \$625,000 and an appraised value of \$1,580,000.

In closing Ms. Berman said that staff requests firm approval of a taxable acquisition loan in an amount not to exceed \$625,000, subject to certain conditions.

Committee Chairman Orth thanked Ms. Berman for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Firm Approval of Acquisition Financing for Dakota Partners, Inc. (Lincoln).

A motion was duly made by Commissioner Designee Cabral and seconded by Chairman Pryor.

A short discussion followed the presentation.

Committee Chairman Orth asked if the source of financing is a line of credit. Ms. Lachapelle, Chief Financial Officer confirmed that the financing is a line of credit that is set at a certain index and not tied to the prime rate.

The Committee Chairman then wanted to know if staff is confident that the deal will come to fruition. Ms. Berman said that she is confident that the transaction will move forward. Staff has engaged in meaningful conversations with the developer to address the challenges and believe that there is a path forward. It's a great site for affordable housing and if issues do arise, RIHousing has an asset that is valued at 40% LTV. If required, staff is able to issue a RFP to locate a viable developer. Additionally, the property is already zoned for 72 units of housing.

Following the questions, Ms. Myers then conducted a voice vote of the Commissioners for the Firm Approval of Acquisition Financing for Dakota Partners, Inc. (Lincoln).

The commissioners unanimously voted to approve the motion.

Ms. Myers then officially stated that the recommendation for the Firm Approval of Acquisition Financing for Dakota Properties, Inc. (Lincoln) was unanimously approved.

6. Recommendation for Approval of Transfer of Physical Assets (TPA) for Shannock Falls Apartments (Richmond/Charlestown)

Committee Chairman Orth announced that Ms. Berman would also provide information on the transfer of assets for Shannock Falls Apartments (Richmond/Charlestown).

Ms. Berman began by noting that the approval was an administrative matter. Continuing, she said that staff requests the transfer of the minority interest of the General Partner for Shannock Falls Apartments (the "Development"), an affordable housing development for families located in Richmond and Charlestown.

The owner of the Development is Shannock Falls, L.P. (the "Owner Entity"). The current investor limited partner in the Development is CREA SLP, LLC (the "Limited Partner"), which holds a 99.99% interest in the Owner Entity. The current general partner of the Development is SF Development, Inc. (the "General Partner"), which holds a .01% interest in the Owner Entity. Washington County Community Development Corporation ("WCCDC") holds a 49% interest in the General Partner while Women's Opportunity Realty Corporation ("WORC") holds the other 51% interest. WCCDC

proposes to assign and transfer all of its interest in the General Partner (the “Assigned Shares”) to WORC. After the assignment and transfer of the Assigned Shares, WORC shall own one hundred percent (100%) of the General Partner interest in the Owner Entity.

The current property manager is Housing Opportunities Corporation. WORC and the management company are affiliated entities. No change in the management agent is contemplated.

Staff recommends approving the transfer of WCCDC’s interest in the General Partner of Shannock Falls, L.P., subject to certain conditions.

Committee Chairman Orth thanked Ms. Berman for the presentation and asked for a motion and a second to recommend to the Board of Commissioners the Approval of Transfer of Physical Assets (TPA) for Shannock Falls Apartments (Richmond/Charlestown).

A motion was duly made by Chairman Pryor and seconded by Commissioner Designee Cabral.

Chairman Pryor asked Ms. Berman to expand on the reason for the transfer. Ms. Berman stated that Washington County Community Development Corporation is closing its doors and transferring their portion of the interest to the General Partner. There is no change to the management company and operations remain the same.

No further questions were presented.

Ms. Myers then conducted a voice vote of the Commissioners for the Approval of Transfer of Physical Assets (TPA) for Shannock Falls Apartments (Richmond/Charlestown).

The commissioners unanimously voted to approve the motion.

Ms. Myers then officially stated that the recommendation for the Transfer of Physical Assets (TPA) for Shannock Falls Apartments (Richmond/Charlestown) was unanimously approved.

7. Discussion:
 - a. Pipeline Report

Committee Chairman Orth invited Ms. Berman to report on the pipeline activity.

Ms. Berman said that the pipeline continues to be quite robust. Staff continues to meet with developers on a regular basis to ensure transactions are moving forward.

Ms. Berman did note that syndication pricing is beginning to drop, however, Rhode Island remains higher than other parts of the country. Some developers are experiencing gaps in financing and higher interest rates but are strategically reviewing options such as value engineering. Staff anticipates that some of the projects approved in May might return for additional financing. Ms. Berman foresees that some developers will apply for the next funding round and expects to take those few developments that return for financing early in the process to ensure they move forward in a timely manner. RIHousing hopes that some of the developers can weather the storm.

Chairman Pryor asked for clarification that the syndication market is yielding less value due to the market conditions. Ms. Berman confirmed that fact, stating the interest rate fluctuations, bank consolidations and bank failures has resulted in lower pricing across the country.

The Chairman also wanted to confirm that RIHousing circulated letters to developers to inform them of changes in the market and to reach out to staff to address potential issues.

Ms. Berman responded that staff did request developers procure three (3) bids for syndication. Some have been more successful than others. Numerous states, including Rhode Island have allocated funds for gap financing. Consequently, there are more parties looking to secure those funds. That also results in lower pricing and allows the syndicators to be more selective. Borrowers have reached out, but not everyone has been able to acquire the recommended three (3) bids.

Ms. Ventura announced that RIHousing has been meeting with new investors to encourage them to invest in Rhode Island.

Chairman Pryor suggested that RIHousing host a virtual forum for investors and developers to addresses the interest rate situation. Ms. Ventura agreed that it was a good recommendation and staff will work on scheduling an investor/developer forum.

The Committee Chairman thanked Ms. Berman and stated that concluded the meeting.

There were no votes taken regarding 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 Chairman Pryor and seconded by Commissioner Designee Cabral 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 10:10 a.m.

In closing, Committee Chairman Orth thanked everyone for participating.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director