

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Credit Committee
August 11, 2021

The Credit Committee of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Board of Commissioners was held on Wednesday, August 11, 2021 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, stated that the meeting of the RIHousing Board of Commissioners Credit Committee would be conducted in person. As an additional means of promoting public participation, the meeting was also made available via live teleconference. Ms. Ventura then 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 should 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, Acting General Counsel, provided additional guidance for the meeting. Ms. Myers stated that the meeting was being held in hybrid fashion with all members of the Credit Committee appearing in person and specific RIHousing staff participating via teleconference. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Additionally, 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 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 and to mute the phone when not speaking. She then invited Committee Chairman Orth to call the meeting to order.

A quorum being present, Committee Chairman Orth introduced himself and officially called the meeting to order at approximately 9:36 a.m. Committee Chairman Orth then invited Ms. Ventura to proceed with the roll call of Commissioners and RIHousing staff (in attendance).

Ms. Ventura conducted a roll call of Commissioners and staff participating in the meeting. Commissioners participating in-person were: Committee Chairman Orth; Chairman Nicolas P. Retsinas; and Elizabeth Tanner, Director of the Department of Business Regulation. Maria Barry was absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Lisa Primiano, Chief Operating Officer; Anne Berman, Director of Real Estate Development; Jeff Swanson, Development Officer; Milton Baxter, Development Officer; Corinne Myers, Acting General Counsel; and Carl Rotella, Director of Information Technology.

Members of the public were also present via teleconference.

Committee Chairman Orth began by thanking staff for coordinating the Committee to meet in-person. He said it was a pleasure to see everyone. Committee Chairman Orth then congratulated Ms. Berman on her promotion as Director of Real Estate Development, noting that it's a well-deserved promotion. He also stated that he is looking forward to working with Ms. Berman.

The following matters were then discussed by the Committee.

1. Approval of Minutes of the Credit Committee Meeting Held on June 9, 2021

Committee Chairman Orth asked for a motion and a second for the approval of the minutes of the Credit Committee meeting held on June 9, 2021. A motion was made by Chairman Retsinas and seconded by Commissioner Tanner. There being no discussion, Corinne Myers, Acting General Counsel conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye
Commissioner Tanner	Aye

Ms. Myers then stated that the following was unanimously adopted:

VOTED: That the minutes of the Credit Committee Meeting held on June 9, 2021 are hereby approved.

2. Recommendation for Firm Approval of Financing for Braeburn Chatham Apartments (Providence)

Committee Chairman Orth recognized Milton Baxter, Real Estate Development Officer who made the presentation.

Mr. Baxter said that staff was seeking firm approval of RIHousing tax-exempt financing in an amount not to exceed \$19,500,000, of which \$13,250,000 would remain as a permanent first mortgage, along with a Capital Magnet Fund (“CMF”) loan for \$500,000 for Braeburn Chatham Apartments (“Braeburn Chatham” or the “Development”). BLVD Capital is the developer (“BLVD” or the “Developer”). The Development received preliminary approval for this financing from the Board of Commissioners on May 20, 2021.

This firm approval will support the acquisition and rehabilitation of two existing Section 8 developments known as Braeburn Apartments (“Braeburn”) and Chatham Village (“Chatham”), which are both located in Providence. Braeburn and Chatham will be combined into one development owned by a single asset entity with 91 units of affordable rental housing. Braeburn, which was developed as affordable housing in the late 1970s, is comprised of 51 units in four buildings and Chatham, which was built in 1997, is comprised of 40 units in seven buildings. Both sites were purchased by entities related to BLVD in 2016. Each property benefits from a project-based housing assistance payments (“HAP”) contract for 100% of the units. RIHousing is the HAP contract administrator. Both properties are in fair condition with some deferred maintenance.

BLVD will undertake a substantial renovation of both properties with the scope of work for the renovation including new roofs, windows, siding, entry doors and exterior lighting. Additionally, the

mechanical, electrical, and fire alarm systems will be replaced or upgraded. Finally, all the unit interiors will be completely renovated with new kitchen cabinets, plumbing fixtures, flooring, paint, and appliances.

The Developer will complete the acquisition and rehabilitation of the Development using the proceeds from this tax-exempt financing through a back-to-back transaction with Citibank, the sale of LIHTCs, the CMF loan, and a loan from the Affordable Housing Trust. Boston Financial Investment Management (“BFIM”) will be the syndicator purchasing the 4% LIHTCs and is paying \$.90 per credit.

Committee Chairman Orth thanked Mr. Baxter for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Firm Approval of Financing for Braeburn Chatham Apartments (Providence).

A motion was duly made by Chairman Retsinas and seconded by Commissioner Tanner.

Following the motion, Committee Chairman Orth asked if anyone had questions or comments. No questions were presented.

Committee Chairman Orth commented that staff has initiated a new format for the recommendations to provide a streamlined and succinct design for the Committee and Board’s review of the actions. Committee Chairman Orth acknowledged the Development team’s efforts and mentioned that if the Committee has any suggestions to feel free to share them with staff.

Corinne Myers, Acting General Counsel, then conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye
Commissioner Tanner	Aye

Ms. Myers stated that the recommendation for Firm Approval of Financing for Braeburn Chatham Apartments (Providence) was unanimously approved.

3. Recommendation for Authorization to Issue Tax-Exempt Loan to Support Redevelopment of Braeburn Chatham Apartments \$19,500,000 (Providence).

Committee Chairman Orth mentioned that Milton Baxter who presented the previous request would summarize this related transaction for Braeburn Chatham Apartments.

Mr. Baxter stated that as part of the process of financing the acquisition and rehabilitation of Braeburn Chatham Apartments in Providence, staff has requested the Board of Commissioners to approve the issuance by RIHousing of a tax-exempt note not to exceed \$19,500,000. Braeburn Chatham Apartments provides 91 units of housing of which 100% will be affordable to households whose incomes are at or below 60% of median income. The Developer will form a limited partnership, Braeburn Chatham, LP (the “Borrower”), which will be the owner of the project and the recipient of the loan.

This request is for authorization to enter into a tax-exempt private placement back-to-back loan structure with Citibank, N.A. (“Citibank”) to fund the loan for Braeburn Chatham Apartments.

Citibank will make a direct loan to RIHousing and RIHousing will issue a tax-exempt note to Citibank evidencing the loan. RIHousing, in turn, will advance the loan proceeds to the Borrower under the agency’s tax-exempt bond volume cap that will otherwise go unused. The back-to-back loan proceeds will be deemed tax-exempt. RIHousing and the Borrower will undertake all of the standard obligations related to a tax-exempt facility. Because the loan is a tax-exempt financing, the Development will be eligible to receive 4% low-income housing tax credits and generate approximately \$9.3 million in equity to fund development costs.

The Citibank loan will be non-recourse to RIHousing. RIHousing will only need to provide an assignment of its rights under the loan to Citibank. The Borrower’s note and mortgage will also be assigned to Citibank. Citibank will service the loan made to the Borrower and will bear all financial risk should the Borrower default on the loan.

The structure provides several advantages to the participants. The Borrower receives a better interest rate, reduced transaction fees and a more expedited closing process. Citibank can record this transaction as a loan for purposes of its evaluation under the Community Reinvestment Act. RIHousing will receive a one-time origination fee of 1.0% of the principal amount of the loan, plus an annual issuer fee equal to 12.5 basis points of the outstanding loan, without having to service the loan to the Borrower or bearing any financial risk from the Borrower’s default. BLVD will pay all costs associated with the transaction.

Following the presentation, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners the Authorization to Issue Tax-Exempt Loan to Support Redevelopment of Braeburn Chatham Apartments \$19,500,000 (Providence).

A motion was made by Chairman Retsinas and seconded by Commissioner Tanner.

Corinne Myers, Acting General Counsel, then conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye
Commissioner Tanner	Aye

Ms. Myers then stated that the recommendation for Authorization to Issue Tax-Exempt Loan to Support the Redevelopment of Braeburn Chatham Apartments \$19,500,000 (Providence) unanimously was approved.

4. Recommendation for Preliminary Approval of Financing for Living East Bay (Bristol, Warren).

Committee Chairman Orth introduced Jeffrey Swanson, Real Estate Development Officer, who presented the request.

Mr. Swanson said that this request is for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$4,750,000, a taxable permanent first mortgage of \$430,000 and a Capital Magnet Fund (“CMF”) loan of \$785,000 for Living East Bay (hereinafter referred to as “LEB” or the “Development”). LEB has already received preliminary approval for a HOME loan of \$714,015 and a Housing Trust Fund loan of \$800,000. East Bay Community Development Corp. (“East Bay” or the “Developer”) is the developer.

This preliminary approval will support the acquisition and rehabilitation of two existing portfolios, combining them into a single LIHTC project. The 47 units are in nine buildings sited in Bristol and Warren. The project has a Section 8 project-based voucher contract for eight units. The units and buildings are in average condition with some deferred maintenance. Most of these buildings were constructed in the early 1900s, but one dates as far back as the 1800s.

The exposure to weather and salt air takes a toll on historic structures. East Bay will undertake a substantial renovation of the Development with a focus on the exterior and common area elements. The scope of work for the renovation includes new roofs, windows, siding, entry doors and exterior lighting. Additionally, the mechanical, electrical, and fire alarm systems will be replaced or upgraded. The common area hallways and unit interiors will be upgraded as needed.

The Developer will complete the acquisition and rehabilitation of the Development using the proceeds from this tax-exempt financing, the sale of LIHTCs, the CMF loan, a HOME loan, a Housing Trust Fund Loan, and two sponsor loans. Red Stone Equity Partners (“Red Stone”) will be the syndicator purchasing the 4% LIHTCs and is paying \$0.93 per credit.

Finally, Mr. Swanson said that there is approximately \$2,250,000 of existing debt plus accrued interest on these properties comprised primarily of Targeted Loans, HOME Program and Lead Program funds. As part of the approval process, staff has determined that the Development and sponsor meet RIHousing’s requirements for rollover of existing debt.

After the presentation, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners Preliminary Approval of Financing for Living East Bay (Bristol, Warren).

A motion was duly made by Chairman Retsinas and seconded by Commissioner Tanner.

A short conversation followed where Chairman Retsinas asked for some details regarding the Developer. Mr. Swanson gave some background information on the company and noted that East Bay has also previously worked with HUD. Ms. Berman expounded by saying that the Developer is a long-standing CDC in Bristol, Warren, Barrington, and this is the second 9% deal they have initiated. The company owns various assisted living facilities and has a strong presence in the East Bay area.

Committee Chairman Orth reviewed the existing debt, the individual loans and grants and calculations. He asked if additional details are included in the financial statements. Committee Chairman Orth noted that it’s relatively unusual certain of the debts to take the form of grants. Ms. Berman explained that this project was not previously a tax credit deal: it’s taken over 20 years for the developer to acquire the funding and the properties, and that the two portfolios will be refinanced as one transaction. Ms. Ventura acknowledged that the lead loans and the like are on title.

The Committee then discussed the acquisition price, ensuring that all regulatory agreements are in order, and for any part not currently encumbered confirming that the affordability will be preserved. Additionally, the Committee confirmed that funds are not being disbursed to the borrower but will repay RIHousing's debt.

Finally, Committee Chairman Orth touched on the bridge loan and what measures staff has initiated to mitigate risk. Ms. Berman confirmed that 15% of equity is required at closing along with a guarantee at closing. Staff is also requiring assignments of the contract and developer fee. Committee Chairman Orth speculated if it's feasible to ask for 20% of equity instead of 15%. Ms. Berman responded that staff is negotiating with Redstone to address that matter.

Following the comments, Ms. Myers, Acting General Counsel, conducted a roll call vote of the Commissioners. The Commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye
Commissioner Tanner	Aye

Ms. Myers stated that the recommendation to recommend to the Board of Commissioners the Preliminary Approval of Financing for Living East Bay (Bristol, Warren) was unanimously approved.

5. Recommendation for Approval of Transfer of Physical Assets (TPA) for Riverstone Apartments (Pawtucket)

Committee Chairman Orth invited Anne Berman, Director of Real Estate Development to give the presentation.

Ms. Berman prefaced the request by noting that it was purely an administrative matter. The request was for approval of the transfer of the limited partnership interest in Riverstone Apartments L.P. (the "Owner"), the owner of Riverstone Apartments (the "Development"), an affordable housing development located in Pawtucket.

The Development consists of 103 units in seven buildings for disabled individuals and seniors age 62 and older. Originally developed as two HUD Section 202 developments in the 1990s, the Development was refinanced in 2011 through the LIHTC Program and tax-exempt bond financing from RIHousing. In total, the Development consists of 77 one-bedroom, 24 two-bedroom, and two three-bedroom units. All but one of the apartments in the Development currently receive project-based Section 8 rental assistance pursuant to two housing assistance payments ("HAP") contracts. The Development's initial 15-year compliance period ends in 2028 and the LIHTC restrictions remain until 2043. The Regulatory Agreement expires in 2053. At the November 2020 Board of Commissioners meeting, the Board approved the transfer of the general partnership interest in the Development to an affiliate of the Standard Property Company, Inc. ("Standard").

Standard, on behalf of the Owner, has requested RIHousing's approval of 100% of the limited partner's interest from affiliates of Michel Associates (the "Michel Affiliates") to a LIHTC investment fund managed by Candeur Group LLC. Under RIHousing's Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, as amended (the "TPA Regulations"), project owners must obtain RIHousing's approval and comply with RIHousing's administrative procedures for the

transfer of physical assets before conveying, assigning, or transferring any ownership interest in a multifamily housing project.

The Michel Affiliates consist of Countryside Corporate Tax Credits XXI Limited Partnership, a Massachusetts limited partnership that is the current investor limited partner and holds a 99.99% ownership interest in the Owner, and Michael Properties, LLC, a Massachusetts limited liability company, which is the Special Limited Partner with a 0% interest in the Owner. The proposed limited partners are Community Development and Affordable Housing Fund V, LLP (“CDAH V”), a LIHTC investment fund managed by Candeur, which will hold a 99.99% interest, and CS Fund I Riverstone SPE Owner LLC, a Delaware limited liability company controlled by Standard, which will hold a .0099% interest, collectively (the “Transferee”).

The Transferee will retain certain powers, rights and liabilities afforded a limited partner under applicable law. New financing is not currently anticipated. All existing obligations encumbering the Development will remain unchanged.

Ms. Berman said that the Development appears to be in good condition and the capital needs assessment shows that the replacement reserve is adequately funded beyond the initial compliance period of the Development. Standard is undertaking a few immediate repairs as part of their general partner purchase of the Owner.

The staff of the Asset Management Department and Development Division jointly reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements.

In addition to RIHousing’s approval, HUD must approve the transfer of the limited partnership interest in the Owner.

After the presentation, Committee Chairman Orth asked for a motion and a second to recommend to the Board of Commissioners Approval of Transfer of Physical Assets (TPA) and Prepayment for Riverstone Apartments (Pawtucket).

A motion was duly made by Chairman Retsinas and seconded by Commissioner Tanner.

Ms. Myers, Acting General Counsel, then conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye
Commissioner Tanner	Aye

Ms. Myers stated that the recommendation to recommend to the Board of Commissioners the Approval of Transfer of Physical Assets (TPA) and Prepayment for Riverstone Apartments (Pawtucket) was unanimously approved.

6. Recommendation for Approval of the Final 2022 Qualified Allocation Plan (QAP)

Committee Chairman Orth noted that Anne Berman would also report on this request.

Ms. Berman began by stating that at the June 17, 2021 Board meeting, RIHousing Board of Commissioners preliminarily approved a proposed draft and authorized publication of RIHousing’s intent to adopt the 2022 Qualified Allocation Plan, which governs the allocation of low-income housing tax credits (“LIHTC”). On June 18, 2021, RIHousing published notice of a public hearing on the proposed draft of the 2022 QAP in the Providence Journal and on June 21, 2021, notice was posted on RIHousing’s website.

A public hearing was held on July 14, 2021 via video conference with one attendee. Written comments were received from three parties.

Ms. Berman said that following the hearing and upon review of the written comments, staff proposes additional changes to the proposed draft of the 2022 QAP. Ms. Berman then provided a summary of the public comments and some of the clerical errors addressed.

Summary of Sections Changed:

Added Glossary of Acronyms	To provide definitions of commonly used acronyms
Added Table of Contents	To help users navigate through the document
Section I	Ministerial changes to correct typos and acronyms
Section II (page 22)	Ministerial change for language consistency
Section II (page 29)	Increase absolute TDC cap from \$385,000 to \$390,000
Section III (A) Scoring (pages 29-30)	Deleted the requirement for 5 years of LIHTC experience for Developers
Section III (B) Scoring (page 33)	Eliminated capitalized reserves from the Total Development Cost Cap Threshold requirement
Section III (B) Scoring (page 33)	Clarified scoring metrics in scoring summary
Section III (B) Scoring (pages 33)	Corrected points summary
Section III (B) Scoring (pages 34)	Modified building types and distinguished between elevator and non-elevator buildings
Section III (B) Scoring (pages 36)	Deleted proposed additional points for larger units
Section III (B) Scoring (page 38)	Added points for bicycles under Transit and Connectivity
Section III (B) Scoring (page 38)	Added clarifications under Areas of Opportunity
Section III (B) Scoring (page 39)	Clarify that a qualified nonprofit can be part of a Joint Venture
Section III (B) Scoring (page 39)	Acknowledgement that there may be instances where there is a CCRP in place, but the site is not in a QCT
Section III (B) Scoring (page 39)	Clarification that free broadband is limited to the affordable residential units, not market rate units or some common spaces
Section III (B) Scoring (page 40)	Clarification to qualifying standards for services
Section III (B) Scoring (page 40)	Clarification that the 100% AMI reference is for the municipality
Section III (B) Scoring (page 41)	Added links to websites associated with energy efficiency metrics
Section III (B) Scoring (page 43)	Deleted obsolete reference under negative points
Section III (C) – Section XI	Ministerial changes to correct typos

Public Comments

Comment 1

Staff received two comments regarding the requirement for five years of developer experience.

Commenters were concerned that the five-year requirement is too limiting and unfairly penalized developers who have significant real estate experience, both market and affordable through the HUD Section 8 program but who may not have LIHTC experience.

Staff reviewed the requirement for developer team capacity and determined that there were sufficient metrics aside from the five-year experience requirement for the team to evaluate whether the developer, and their team, have the requisite experience to undertake a project of the proposed size and scope. Therefore, the requirement for “five years” of experience was deleted.

Comment 2

Staff received one comment seeking the elimination of cost caps or alternatively the increase of cost caps by 20%. In addition, the commenter encouraged additional building types if the cost caps were to remain.

RIHousing is mindful of the pressure on construction costs due to the pandemic as well as the complexity of developing heavily subsidized affordable housing. To that end, RIHousing is proposing to adjust the building types it uses to assess total development costs (“TDC”) and increase the TDC of each building type based on an analysis of current costs. However, given the national spotlight on affordable housing, a review of overall project costs of recently funded proposals and RIHousing’s fiduciary responsibility as a steward of federal resources, staff does not recommend the elimination of cost caps in the 2022 QAP.

Staff agrees that the building types by which TDC is measured should be modified and determined that there will be five building types outlined in the Developer’s Handbook. The TDC for each building type will be evaluated based on recent projects and a review of the RS Means Cost Index. The overall TDC for each will be adjusted based on that review.

Comment 3

RIHousing received two comments seeking the elimination of the Weighted Average Total Development Cost metric.

Several years ago, the QAP eliminated the use of square foot construction costs as the metric by which proposals were reviewed and transitioned to a TDC methodology. The change was made because most projects were exceeding the published construction cost guidelines, and the TDC was determined to be a better indicator when comparing project costs. Given the diversity of building types, including scattered duplex houses, elevator and non-elevator buildings, and mill rehabilitations, the TDC by building type is a more reliable metric by which to compare proposals. Therefore, the requirements for this category of the 2022 QAP will remain.

Comment 4

Staff received two comments regarding the addition of points for larger units and a similar comment regarding the need for elderly housing as identified in the Rhode Island Consolidated Plan.

Specifically, the commenters are concerned that the incentive for larger units is already included in the weighted average calculations for TDC and LIHTC. The commenters believe that the inclusion of additional points for three-bedroom or larger units constitutes double counting and makes it difficult for projects designed for the elderly or for smaller households, including units designed for supportive housing, to be competitive.

Given the complexities of the real estate market and sound underwriting principles, each project must respond to the needs of the specific community in which it is located and the population it will serve. Recent studies have identified a need for housing units in Rhode Island across all bedroom sizes and income bands; staff agrees that the market should determine what a developer should build.

Therefore, staff believes that more research is required before additional points should be included for three-bedroom or larger units. The 2022 QAP will not include additional points for larger units.

Comment 5

RIHousing received one comment requesting that points be added for bicycle access under the Transit and Connectivity Section.

Bicycles are a useful mode of transportation for short trips (one to three miles) beyond a walkable distance but accessible without an automobile. Some cities and towns have begun to prioritize bicycle routes and/or improve bicycle and transit integration. Bicycling is a tool that transit agencies can use to enhance mobility for customers and to augment the scope of conventional services like bus, rail, and ferries.

Therefore, staff agrees that the inclusion of points for bicycle storage and access are enhancement to the 2022 QAP.

Comment 6

Staff received one comment requesting that elderly housing be listed as a priority in several sections of the of the QAP given that it is referenced as a priority in the Rhode Island Consolidated plan.

Affordable housing shortages exist across all housing types and populations in Rhode Island, and the QAP balances multiple priorities. Staff agrees that the need for elderly housing should be identified in Section 1 of the QAP; however, staff disagrees that an express priority for elderly housing should be added to the QAP. The elimination of the bonus points for larger units as outlined in Comment 2 should mitigate some of the concern regarding developments that are primarily 1-bedroom units.

Comment 7

Staff received three comments regarding the inclusion of higher requirements for energy efficiency either through the integration of the Enterprise Green Communities criteria or the inclusion of points for LEED certified developments.

RIHousing's current Design and Construction Guidelines require a higher level of energy efficiency than the Rhode Island Building Code, specifically it requires RNC Tier 1. The QAP

currently does not mandate RNC Tier II and ES 3.1 Rev 8 for all new construction developments because in previous reviews of the QAP, advocates were concerned that the higher levels of efficiency drove up cost. Developers receive extra points for achieving higher RNC tier ratings, with points for Tier II, Tier III (added this year) as well as net zero or passive house standards.

Ms. Berman acknowledged that it would be useful to undertake a wholesale review of the current Design and Construction Guidelines over the next several months. Therefore, the only recommended change for the 2022 QAP is the addition of points for RNC Tier III.

In closing, Ms. Berman said that the final 2022 QAP reflects the changes made to the proposed draft based upon the public comments and identification of some additional clerical errors. The 2022 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. A summary of the changes proposed for the QAP proposals was included as an attachment to the Credit Committee package.

Following the presentation, Committee Chairman Orth asked for questions or comments.

A robust exchange followed the presentation regarding the inclusion of additional points and/or to require broadband services for the developments. Chairman Retsinas believes that the availability of broadband for all residents of the developments is a priority. Broadband connectivity is essential for families and children and especially vital for low-income residents. The need for the services was especially highlighted during the COVID-19 pandemic.

Committee Chairman Orth expressed his appreciation to staff and the Committee, acknowledging that the QAP has been vetted twice by the Committee and asked if it's possible to recommend to the Board of Commissioners and then make additional changes to the Plan. Chairman Retsinas noted that the Plan would be voted at the Board meeting and, if that is allowed, additional changes could be initiated.

Corinne Myers, Acting General Counsel explained that a motion and vote would be required on changes to the proposed Plan, and that RIHousing has an obligation to the public to provide notice and an opportunity to comment on substantive changes.

Ms. Ventura agreed with Ms. Myers and reiterated that there's a clear obligation to repost for a public comment period to allow for feedback from interested parties if changes are substantive.

The Committee Chairman then asked if there are implications if the plan is delayed a month. Ms. Berman clarified for the Committee that following approval at the Board meeting, the QAP is forwarded to the Governor for approval. If a comment period is required, then the process is delayed for a further 30 days. The timeframe is something to keep in mind.

Chairman Retsinas then commented that he felt that that it's at the Board's discretion to make those changes. The Chairman felt the QAP should have more focus on broadband and areas of opportunity.

James Comer remarked that an intern from Brown University has been engaged to review the fair housing issues and look at promoting areas of opportunity for wealth building and access to jobs.

The Committee discussed the areas of opportunity and the communities that have less than 10% affordable housing. Ms. Ventura confirmed that staff heavily weighs points in areas such as Barrington and Bristol to balance areas such as Central Falls, which is laser focused on affordable opportunities. Ms. Ventura said that staff does a great job of balancing the interests.

Also deliberated was the total number of points allocated and how the assigning of an additional point for a specific benchmark could separate one application from another. Mr. Comer mentioned that further changes could back up the process and RIHousing is in a unique period where there are numerous resources available for promoting housing and related services. Now is the time to act.

The Committee then pondered what other states have initiated for broadband and if they are mandating free broadband services for their applicants. Ms. Berman mentioned that most HFAs are allocating points for providing the services but not making it a threshold requirement. NCSHA has also initiated numerous calls to address the questions. However, the cost for providing services can be roughly \$32,000 per year and if RIHousing mandates that every applicant pay for those services on an ongoing basis, most will ask for waivers. The operating margins are so tight that that most developments cannot afford that additional operating expense.

Mr. Comer mentioned that if HUD were to treat the service as a utility, then there would be a way for that service to be funded. In his view, service providers like Cox and Verizon have no incentive to provide cost savings for the developers and the base of \$32,000 per year was the average. The topic has also been a part of a larger conversation with the State.

Commissioner Tanner referenced the cost implications for the developments and inquired if that information was current. Mr. Comer replied that the information was from earlier in the year. Commissioner Tanner asked staff to share that information. Mr. Comer acknowledged that he would share that material.

Also debated was whether to broadly require just broadband infrastructure or to provide free services to all residents' units. Ms. Berman and Mr. Comer reiterated that providing the infrastructure is already included in the QAP.

Commissioner Tanner felt that additional research is required, and she was not comfortable on voting for the Plan until future information is available.

Committee Chairman Orth requested guidance from Ms. Myers on whether the Committee had to vote on the QAP recommendation and if the motion should be amended.

Acting General Counsel Myers asked if the Committee wanted to postpone the item until the following month. Ms. Ventura noted that once a motion was made to initiate substantive changes to the Plan then staff should repost for public comment.

Ms. Ventura asked Commissioner Tanner for clarification on what information she is requesting and made a note regarding cost of service to the developer and if it is viable for each unit to have the service or if the wiring of the building and free service in community areas was sufficient. Scattered site developments could find the requirements much more costly and burdensome.

Mr. Comer said that there are different levels of need depending on the type of development, e.g., elderly versus family units.

Chairman Retsinas stressed the importance for RIHousing to be a leader in this area. Committee Chairman Orth agreed with the Chairman that broadband service is an essential service to provide for low-income families. Along with broadband, giving more emphasis to areas of opportunity and access to jobs near public transportation is important moving forward. Correcting all clerical errors in the QAP is also recommended for the motion.

Ms. Ventura stated that the State, through the Office of Commerce, is engaged in outlining a strategy for broadband services and is looking to fill the gaps. RIHousing is part of those conversations.

Chairman Retsinas then announced that the Committee was not prepared to vote on the final QAP Plan.

Commissioner Tanner also added that staff allow for time to review the Plan and work on procuring additional information. Committee Chairman Orth also suggested that in the areas of opportunity category staff show the proposed points. Another suggestion was for staff to contemplate the use of GIS mapping for certain metrics.

A motion to hold the QAP for further study was made by Chairman Retsinas and seconded by Commissioner Tanner.

There being no further discussion, Corinne Myers, Acting General Counsel, then conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye
Commissioner Tanner	Aye

Ms. Myers stated that the request to hold the Preliminary Approval of the Draft 2022 Qualified Allocation Plan (QAP) for further study was unanimously approved.

Commissioner Tanner left at this point of the meeting at approximately 10:59 a.m.

7. Discussion:
 - a. Pipeline Report

Committee Chairman Orth announced he would appreciate a quick update on the progress of Barbara Jordan II. Ms. Berman gave a very brief highlight of the project. Ms. Berman was pleased to share that the previous week Ms. Ventura, along with Mr. Comer and Councilwoman Harris had the opportunity to participate in a training session for the Providence Fire Department at the site. The Fire Department has established a training area and is using the site to train new members. Once training is complete, the Fire Department will demolish site, vacate at which time the site will be ready for construction.

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 Committee Chairman Orth and seconded by Chairman Retsinas to adjourn the meeting.

Ms. Myers then conducted a roll call vote of the Commissioners in response to a motion for adjournment. The Commissioners voted as follows:

Commissioner Orth	Aye
Chairman Retsinas	Aye

The meeting was adjourned at 11:01 am.

In closing, Committee Chairman Orth thanked and wished everyone a good day.

Respectfully submitted

Carol Ventura, Secretary and Executive
Director