

**MINUTES OF MEETING
OF THE
BOARD OF COMMISSIONERS**

December 16, 2021

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, December 16, 2021 at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Library and via telephone conference call.

Carol Ventura, Executive Director, stated that this was an in-person meeting of the RIHousing board of Commissioners. As an additional means of promoting public participation, the meeting was also being 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 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.

Corinne Myers, General Counsel, then provided additional guidance for the meeting. Ms. Myers stated that the meeting was being held in hybrid fashion with all members of the Board of Commissioners 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. Furthermore, 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 stated that Chairman Retsinas would preside over the meeting and requested that any Commissioner or staff wishing to comment state their name prior to speaking and to mute the phone when not speaking. She then invited Chairman Retsinas to call the meeting to order.

A quorum being present, Chairman Retsinas introduced himself and officially called the meeting to order at approximately 9:32 a.m. The Chairman then invited Ms. Ventura to proceed with the roll call of Commissioners (in attendance).

Ms. Ventura conducted a roll call vote of Commissioners participating in the meeting. Commissioners participating were: Nicolas P. Retsinas; James Thorsen, Director of the Department of Administration; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; Kevin Orth; and Stephen P. McAllister. Elizabeth Tanner, Director of the Department of Business Regulation, and Maria Barry were absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Lisa Primiano, Chief Operating Officer; Leslie McKnight, Assistant Deputy Director of Loan Servicing; Christine Hunsinger, Chief Strategy

and Innovation Officer; Bernadette MacArthur, Director of Finance; Peter Pagonis, Director of Homeownership; Anne Berman, Director of Real Estate Development; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Members of the public were also present on the call.

Approval of Minutes of Board Meeting held on November 10, 2021

Chairman Retsinas asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on November 10, 2021. A motion was made by Commissioner Thorsen and seconded by Commissioner Designee Byrne.

There being no discussion, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners.

The commissioners voted to approve the minutes with four (4) votes in favor, Commissioner McAllister abstaining, and zero (0) nay votes. Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Board Meeting held on November 10, 2021 hereby are approved.

Chairman's Remarks

Chairman Retsinas deferred his remarks to later in the meeting.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, greeted everyone and commented on a few topics of interest for the Corporation's activities.

Homeownership. Ms. Ventura began by congratulating Peter Pagonis and the Homeownership Division on closing a record number of mortgages. Ms. Ventura reported that staff closed over 1,600 loans for a volume of \$465.6 million for CY 21 based on current volume. The Director noted that the achievement was commendable especially as it was accomplished during this taxing COVID period.

Loan Servicing. Ms. Ventura remarked that Servicing continues to report a decrease in overall delinquencies. The delinquency rate was 552 delinquent loans for a total of 1,367 delinquent loans out of the active portfolio of 11,061 loans. In November the active portfolio was 12,398 loans of which 1875 loans were delinquent. This is a delinquency rate of 15.12%. The number of seriously delinquent loans (90+ days) was 811 (7.33%) in November 2021, compared to 1192 (9.70%) in November 2020.

Ms. Ventura then announced that on November 22nd staff submitted the final draft plan for the Homeowner Assistance Fund to Treasury for approval. RIHousing anticipates approval shortly. Given the expectation of the final foreclosure protections in January, RIHousing intends to launch a pilot program in January. An event to announce the program will be scheduled with the Governor, General Assembly leadership and the delegation. More information will follow.

Development. Ms. Ventura said that the Development Division, under the leadership of Anne Berman is industriously working on an abundant amount of funding programs. Staff completed the review of 33 BHRI applications and presented its scoring and review to the BHRI committee of the HRC in early November. On November 30th, the HRC approved the award of \$31MM to fund 23 projects with more than 600 units in 13 different municipalities. Additionally, the Development Division is scheduled to close on an impressive amount of loans. Ms. Ventura congratulated the team on their achievement.

Leased Housing and Rental Services. Ms. Ventura informed the Commissioners that Leased Housing has seen a shift in oversight structure with Ms. Shavers leaving and Deborah Devine's return to the Executive Division from the RentReliefRI program. Karen Slavin, Senior Program Manager, Rental Assistance Program, who has worked in the division for a number of years, has taken over the oversight of the program. The transition has been seamless and smooth. Furthermore, RentReliefRI has expanded its Call Center capacity with the addition of 25 new staff as of December 6th. Call Center staff are available Monday through Friday and Saturday mornings to answer questions from tenants and landlords about the program and/or specific applications.

Ms. Ventura was pleased to share that after several years of working to expand the Family Self Sufficiency (FSS) program to multi-family housing developments the team finalized an agreement with Winn Corporation to provide FSS to households in two of their multi-family properties. This initiative not only provides the opportunity for wealth building among program participants, but also becomes a revenue stream for RIHousing.

Finally, Ms. Ventura mentioned that her report includes a list of articles and events for the Corporation and activity on the Federal and State levels. Ms. Ventura referenced the summaries in her report and invited the Commissioners to review the information at their convenience. Also included in the Director's report was a summary of the Corporation's budget and ratio statement.

Ms. Ventura then welcomed questions from the Commissioners. No questions were presented.

Next, Ms. Ventura announced that Chairman Retsinas would be retiring. Ms. Ventura expressed her appreciation to the Chairman for his leadership, support and guidance throughout the years and wished him well. She then invited Commissioner Orth to say a few words on behalf of the Board and RIHousing.

Commissioner Orth began by expressing gratitude for the many years of service Chairman Retsinas has given to further the mission of affordable housing. His dedication, vision, unwavering drive and work on establishing policies for the most vulnerable population is commendable.

Commissioner Orth said that Chairman Retsinas has served as Chairman of the Board since 2015 and during his tenure has established the structure for the Management and Credit Committees and has influenced new policies and procedures to move the Corporation forward. The Chairman's invaluable store of knowledge and genuine desire that everyone's voice be heard has earned the respect of all.

Continuing, Commissioner Orth stated that Chairman Retsinas was instrumental in establishing the Workforce Housing Program to ensure an affordable roof over everyone's head be a reality. During the COVID pandemic, the Chairman worked tirelessly to secure free broadband services for residents in developments and those in need.

Commissioner Orth stated that Chairman Retsinas will be sorely missed. On behalf of RIHousing and the Board of Commissioners, he thanked him for his efforts and service and extended best wishes on his retirement.

Firm Approval of Financing for Douglas Manor Apartments (Providence)

Chairman Retsinas introduced Anne Berman Director of Real Estate Development, who gave the presentation.

Ms. Berman said that this request was for the firm approval of RIHousing taxable permanent financing in an amount not to exceed \$15,350,000.00 for Douglas Manor Apartments in North Providence (hereinafter referred to as “Douglas Manor” or the “Development”). Cathedral Development Group, Inc. is the developer (“CDG” or the “Developer”).

Douglas Manor is a three- and four-story masonry building originally constructed in 1979. It has 86 one-bedroom and 14 two-bedroom apartments for elderly and disabled households. Amenities include an outdoor communal patio, community room with a kitchen, laundry room, and management office. The Section 8 HAP contract, which covers all 100 units, was recently renewed for 20 years with rents marked up to market.

The Developer acquired Douglas Manor in October 1992 through a related entity. In 2010, moderate rehabilitation was completed utilizing tax-exempt bonds and Low-Income Housing Tax Credits. The investor limited partner exited the transaction late last year. CDG will ensure the project meets all remaining tax credit obligations. At this time, the Developer would like to complete a light rehabilitation, informed by a RIHousing-commissioned capital needs assessment, of approximately \$13,000.00 per unit. The Developer also seeks to lock in a lower interest rate and complete an equity take-out.

The scope of work includes significant cosmetic upgrades to interior common areas and energy efficiency upgrades in the form of an upgraded domestic boiler, new exterior doors, replacement of 40 stoves, and installation of low-flow toilets. All units will receive new bathroom vanities, counters, and sinks and 40 units will receive new kitchens. There will be additional repairs to meet current fire and life-safety codes.

Following the presentation, Chairman Retsinas asked for a motion and a second for Firm Approval of Financing for Douglas Manor Apartments (Providence).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth mentioned that the Credit Committee reviewed the request, acknowledged that the FFB transactions are highly competitive and noted that the Committee was impressed with number of deals presented.

Commissioner Orth said Douglas Manor is a long-term 40-year project with minimal rehab required. Additionally, staff plans to perform a capital needs assessment at year ten of the loan to ensure that the development will remain affordable for an additional 15 years. The Committee recommended approval.

There being no discussion, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas: RIHousing intends to provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund, and to provide the capitalized interest if determined to be necessary;

Whereas: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	RIHousing 1st Mortgage
Cathedral Development Group	Douglas Manor Apartments	\$15,350,000

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under the Risk-Sharing Initiative and RIHousing’s enabling legislation, regulations, guidelines, and policies; and

Whereas, RIHousing finds that:

(1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Douglas Manor Apartments, LP or an affiliated entity (the “Borrower”) in an amount not to exceed \$15,350,000, funded through the Risk-Sharing Initiative, for rental housing known as Douglas Manor Apartments located in North Providence, Rhode Island;

Resolved: that the foregoing resolutions are subject to the following special conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Approval by RIHousing of the final scope of the rehabilitation work.
- Approval by RIHousing of construction plans and specifications, as well as related construction contract documentation.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Amendment to the existing Ground Lease Agreement between D.M. Associates L.P. and Douglas Manor Apartments, LP subordinating the ground lease to RIHousing loan documents and any other changes recommended by legal counsel.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: that the Executive Director, the Deputy Executive Director, and the Director of Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

Firm Approval of Financing for Hardig Brook Village Apartments (Warwick)

Chairman Retsinas announced that Anne Berman, Director of Real Estate Development would also give this presentation.

Ms. Berman stated that this request was for firm approval of RIHousing taxable permanent financing in an amount not to exceed \$16,677,000.00 for Hardig Brook Village Apartments in Warwick (hereinafter referred to as “Hardig Brook” or the “Development”). Providence Realty Investment, LLC is the developer (“PRI” or the “Developer”).

Hardig Brook is a six-story mid-rise building originally constructed in 1978. It has 90 one-bedroom and 10 two-bedroom apartments for elderly and disabled households. Amenities include an outdoor communal patio, community room with a kitchen, common laundry room, and management office. The Section 8 HAP contract, which covers all 100 units, was recently renewed for 20 years with rents marked up to market.

The Developer acquired the Development in 2010 through an arm’s length transaction. In 2011, a moderate rehabilitation was completed utilizing tax-exempt bonds and Low-Income Housing Tax Credits. Prior to closing, the Developer seeks to complete \$40,000.00 of critical and non-critical repairs identified in a RIHousing-commissioned capital needs assessment (“CNA”). After closing, the Developer will undertake a small amount of work and on an ongoing basis address future capital needs. To ensure that the replacement reserve balance remains positive through the first 15 years of the new loan, the Developer will deposit \$6,921.00 per unit in the replacement reserve at closing and \$400.00 per unit per annum. A new CNA will be required at year 10 to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time. The Developer also seeks to lock in a lower interest rate and complete an equity take-out.

The scope of work to be completed pre-closing includes addressing a variety of accessibility, fire- and life-safety issues, parking lot sealing and striping, and sidewalk repairs. After closing, PRI will upgrade the elevator and replace the roof at an estimated cost of \$620,000.00

Following the presentation, Chairman Retsinas asked for a motion and a second for the Firm Approval of Financing for Hardig Brook Village Apartments (Warwick).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth confirmed that the Credit Committee examined the project. Commissioner Orth then stated that Asset Management will oversee the project to ensure that all renovation is completed to RIHousing’s satisfaction prior to releasing the remaining 20% of funding. The Committee approved the recommendation.

Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas: RIHousing intends to provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund, and to provide the capitalized interest if determined to be necessary;

Whereas: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	RIHousing 1st Mortgage
Providence Realty Investment, LLC	Hardig Brook Village Apartments	\$16,677,000.00

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under the Risk-Sharing Initiative and RIHousing’s enabling legislation, regulations, guidelines, and policies; and

Whereas, RIHousing finds that:

(1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Hardig Brook Village RIH, LLC or an affiliated entity (the “Borrower”) in an amount not to exceed \$16,677,000.00, funded through the Risk-Sharing Initiative, for rental housing known as Hardig Brook Village Apartments located in Warwick, Rhode Island.

Resolved: that the foregoing resolutions are subject to the following special conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Approval by RIHousing of the final scope of the rehabilitation work and completion of work completed prior to closing.
- Approval by RIHousing of construction plans and specifications, as well as related construction contract documentation.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: that the Executive Director, the Deputy Executive Director, and the Director of Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

Firm Approval of Financing for Indian Run Village Apartments (Wakefield)

Chairman Retsinas instructed Anne Berman to present the request.

Ms. Berman introduced the request by saying that it was for firm approval of RIHousing taxable permanent financing in an amount not to exceed \$23,769,000.00 for Indian Run Village Apartments in South Kingstown (hereinafter referred to as “Indian Run” or the “Development”). Providence Realty Investment, LLC is the developer (“PRI” or the “Developer”).

Indian Run is a three-story garden-style building originally constructed in 1978. It has 100 one-bedroom and 15 two-bedroom apartments for elderly and disabled households. Amenities include an outdoor communal patio, community room with a kitchen, common laundry room, a solarium, and management office. The Section 8 HAP contract, which covers 114 units, was recently renewed for 20 years with rents marked up to market.

The Developer acquired the Development in 2010 through an arm’s length transaction. In 2011, moderate rehabilitation was completed utilizing tax-exempt bonds and Low-Income Housing Tax Credits. In 2018, through a power purchasing agreement with an affiliated entity, PRI built a carport with solar panels, which subsidizes some of the electric costs at the site. Prior to closing, the Developer will complete \$350,000.00 of critical and non-critical repairs identified in a RIHousing-commissioned capital needs assessment (“CNA”). After closing, the Developer will undertake a small amount of work and plans to address future capital needs as they arise. To ensure that the replacement reserve balance remains positive through the first 15 years of the new loan, the Developer will deposit more than \$5,570.00 per unit in the replacement reserve at closing and \$400.00 per unit per annum. A new CNA will be required at year 10 to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time. The Developer also seeks to lock in a lower interest rate and complete an equity take-out.

The scope of work to be completed pre-closing includes addressing a variety of accessibility, fire- and life-safety issues, parking lot resurfacing, and new boilers. Post-closing PRI will install a new fire pump controller and caulk the exterior of the building.

Chairman Retsinas thanked Ms. Berman for the presentation and asked for a motion and a second for the Firm Approval of Financing for Indian Run Village Apartments (Wakefield).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth announced that the Credit Committee discussed the transaction, specifically the rates of the rents and thoroughly vetted the issue. As the rents are underwritten to the lower HAP rate, the Committee was satisfied and recommended approval of the request.

Commissioner Thorsen briefly addressed the increase in renovation costs as compared to other units and wondered the reason for the higher level of pricing. Ms. Berman explained that the project is in a very desirable district and the market rate rents are much higher in that area.

Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion for Firm Approval of Financing for Indian Run Village Apartments (Wakefield).

Ms. Myers announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas: RIHousing intends to provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund, and to provide the capitalized interest if determined to be necessary;

Whereas: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	RIHousing 1st Mortgage
Providence Realty Investment, LLC	Indian Run Village Apartments	\$23,769,000.00

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under the Risk-Sharing Initiative and RIHousing’s enabling legislation, regulations, guidelines, and policies; and

Whereas, RIHousing finds that:

- (1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Indian Run Village RIH, LLC or an affiliated entity (the “Borrower”) in an amount not to exceed \$23,769,000.00, funded through the Risk-Sharing Initiative, for rental housing known as Indian Run Village Apartments located in South Kingstown, Rhode Island;

Resolved: that the foregoing resolutions are subject to the following special conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Approval by RIHousing of the final scope of the rehabilitation work and completion of work completed prior to closing.
- Approval by RIHousing of construction plans and specifications, as well as related construction contract documentation.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Resolution of the encroachments identified on the Survey.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: that the Executive Director, the Deputy Executive Director, and the Director of Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

Firm Approval of Financing for Chateau Clare Apartments (Woonsocket)

Ms. Berman gave the presentation.

Ms. Berman informed the Commissioners that this transaction was for firm approval of RIHousing taxable permanent financing in an amount not to exceed \$10,521,000.00 for Chateau Clare Apartments in Woonsocket (hereinafter referred to as “Chateau Clare” or the “Development”). Providence Realty Investment, LLC is the developer (“PRI” or the “Developer”).

Chateau Clare is a five- and six-story mid-rise style building originally constructed in 1911 as a school and a church. In 1978, the property was substantially rehabbed and converted to residential use. It has eight efficiency units, 60 one-bedroom, and 20 two-bedroom apartments for elderly households. Amenities include a community room, common laundry room, and management office. The Section 8 HAP contract, which covers 87 units, was recently renewed for 20 years with rents marked up to market.

The Developer acquired the Development in 2010 through an arm’s length transaction. In 2011, moderate rehabilitation was completed utilizing tax-exempt bonds and Low-Income Housing Tax Credits. Prior to closing, the Developer seeks to complete \$140,000.00 of critical and non-critical repairs identified in a RIHousing-commissioned capital needs assessment (“CNA”). After closing the Developer will undertake a small amount of work and plans to address future capital needs as they arise. To ensure that the replacement reserve balance remains positive through the first 15 years of the new loan, the Developer will deposit \$3,862.00 per unit in the replacement reserve at closing and \$400 per unit per annum per the CNA. A new CNA will be required at year 10 to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time. The Developer also seeks to lock in a lower interest rate and complete an equity take-out.

The scope of work to be completed pre-closing includes addressing a variety of accessibility, fire- and life-safety issues, resurfacing a portion of the parking lot, and replacing common area carpet. After closing, PRI will upgrade the elevator and replace the roof at an estimated cost of \$420,000.00.

Chairman Retsinas then asked for a motion and a second for the Firm Approval of Financing for Chateau Clare Apartments (Woonsocket).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth mentioned that this transaction was comparable to the previous requests and confirmed that the owner has sufficient reserves to cover projected needs. The Credit Committee recommended approval.

There being no discussion, Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers next announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas: RIHousing intends to provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund, and to provide the capitalized interest if determined to be necessary;

Whereas: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	RIHousing 1st Mortgage
Providence Realty Investments, LLC	Chateau Clare Apartments	\$10,521,000.00

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under the Risk-Sharing Initiative and RIHousing’s enabling legislation, regulations, guidelines, and policies; and

Whereas, RIHousing finds that:

(1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Chateau Clare RIH, LLC or an affiliated entity (the “Borrower”) in an amount not to exceed \$10,521,000.00, funded through the Risk-Sharing Initiative, for rental housing known as Chateau Clare Apartments located in Woonsocket, Rhode Island;

Resolved: that the foregoing resolutions are subject to the following special conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Approval by RIHousing of the final scope of the rehabilitation work and completion of work completed prior to closing.
- Approval by RIHousing of construction plans and specifications, as well as related construction contract documentation.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: that the Executive Director, the Deputy Executive Director, and the Director of Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

Firm Approval of Financing for Gatewood Apartments (North Smithfield)

Chairman Retsinas asked Ms. Berman to present this recommendation.

Ms. Berman explained that this approval was for firm approval of RIHousing taxable permanent financing in an amount not to exceed \$9,018,000.00 for Gatewood Apartments in North Smithfield

(hereinafter referred to as “Gatewood” or the “Development”). Providence Realty Investment, LLC is the developer (“PRI” or the “Developer”).

Gatewood is a one- and two-story garden style apartment complex originally constructed in 1979. It has 56 one-bedroom and four two-bedroom apartments for elderly and disabled households. Amenities include a community room with a kitchen, common laundry room, and management office. The Section 8 HAP contract, which covers all 60 units, was recently renewed for 20 years with rents marked up to market.

The Developer acquired the Development in 2010 through an arm’s length transaction. In 2011, a moderate rehabilitation was completed utilizing tax-exempt bonds and Low-Income Housing Tax Credits. Prior to closing, the Developer will complete \$165,000.00 of critical and non-critical repairs identified in a RIHousing-commissioned capital needs assessment (“CNA”). After closing, the Developer will undertake a small amount of work and plans to address future capital needs as they arise. To ensure that the replacement reserve balance remains positive through the first 15 years of the new loan, the developer will deposit \$6,556.00 per unit in the replacement reserve at closing and \$375.00 per unit per annum. A new CNA will be required at year 10 to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time. The Developer also seeks to lock in a lower interest rate and complete an equity take-out.

The scope of work to be completed pre-closing includes addressing a variety of accessibility, fire- and life-safety issues, roof replacement and concrete replacement. Post-closing, PRI will install new cabinets in those units that were not upgraded in 2011.

Chairman Retsinas thanked Ms. Berman for the presentation and asked for a motion and a second for the Firm Approval of Financing for Gatewood Apartments (North Smithfield).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth verified that the Credit Committee reviewed the request, discussed the HAP rent rates that are higher than average, looked at debt service coverage and noted that there’s adequate security to support the request. The Committee recommended approval.

There being no comments, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas: RIHousing intends to provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund, and to provide the capitalized interest if determined to be necessary;

Whereas: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	RIHousing 1st Mortgage
Providence Realty Investment, LLC	Gatewood Apartments	\$9,018,000.00

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under the Risk-Sharing Initiative and RIHousing’s enabling legislation, regulations, guidelines, and policies; and

Whereas, RIHousing finds that:

(1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Gatewood RIH, LLC or an affiliated entity (the “Borrower”) in an amount not to exceed \$9,018,000.00, funded through the Risk-Sharing Initiative, for rental housing known as Gatewood Apartments located in North Smithfield, Rhode Island;

Resolved: that the foregoing resolutions are subject to the following special conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Approval by RIHousing of the final scope of the rehabilitation work and completion of work completed prior to closing.
- Approval by RIHousing of construction plans and specifications, as well as related construction contract documentation.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: that the Executive Director, the Deputy Executive Director, and the Director of Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

Firm Approval of a Second Mortgage Financing for DeAngelis Manor (West Warwick)

Chairman Retsinas noted that Ms. Berman would also present this recommendation.

Ms. Berman said that this approval was for firm approval of RIHousing taxable second mortgage financing in an amount not to exceed \$1,500,000.00 for DeAngelis Manor I (“DeAngelis Manor” or the “Development”). 825 Housing L.P. is the borrower (the “Borrower”), an affiliate of Sacred Heart Housing Corporation, the original non-profit sponsor of the Development.

This firm approval for a second mortgage will support immediate critical repairs to the elevator and roof of the Development, the cost of which exceeds the balance in the replacement reserves. DeAngelis Manor was initially developed in 1978 and was most recently refinanced by RIHousing in 2001. The 96 units are all located in one high-rise building for elderly and disabled households. All

units are subject to a Section 8 Housing Assistance Payment (“HAP”) contract. The current HAP contract was renewed in 2008 for 20 years.

The property is currently carrying approximately \$1,635,414.00 in debt, consisting of an RIHousing first mortgage with a principal balance of \$1,480,808.00 and an RIHousing amortizing second mortgage totaling \$154,606.00. The first mortgage will remain, but the existing second mortgage will be paid off as part of this proposed transaction. The Borrower and its board of directors are considering a full refinance sometime in the future.

This request is for firm approval of up to \$1,500,000.00 in taxable second mortgage financing subject to certain conditions as set forth in the Resolution. The anticipated loan amount is \$1,300,000.00. The difference between the authorized and anticipated actual loan amounts is meant to accommodate potential cost escalations for the proposed scope of work.

Chairman Retsinas thanked Ms. Berman for the presentation and asked for a motion and a second for the Firm Approval of a Second Mortgage Financing for DeAngelis Manor (West Warwick).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth acknowledged that the Credit Committee evaluated the request. He said the Committee’s concern was not about the security of the loan, but that the borrower was adequately considering the needs of the residents. Staff confirmed that the development is properly maintained and that there are services and activities provided to the residents. The Credit Committee recommended approval of the transaction.

Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas: RIHousing intends to provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall have a term not to exceed 40 years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

Applicant	Development	RIHousing 2nd Mortgage
825 Housing L.P.	DeAngelis Manor I	Up to \$1,500,000

Whereas: the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

Whereas: RIHousing finds that:

(1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment of second mortgage financing for 825 Housing L.P. (the “Borrower”) in an amount not to exceed \$1,500,000.00 for rental housing known as DeAngelis Manor I located in West Warwick, Rhode Island.

Resolved: that the foregoing resolutions are subject to the following special conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the existing first mortgage loan and the new second mortgage don’t collectively exceed 90% of the as-stabilized value of the property;

- Final approval by RIHousing of construction plans, specifications, and supporting documentation;
- Execution and delivery by the Developer of a construction completion guaranty in form and substance satisfactory to RIHousing; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: that the Executive Director, Deputy Executive Director, and the Director of Development, each acting singly, be and hereby are empowered and directed to take any and all actions they deem necessary or desirable to carry out the foregoing resolutions.

Approval of Prepayment for Blackstone Falls Apartments (Central Falls)

Ms. Berman presented this recommendation.

Ms. Berman began by noting that this action was a procedural matter to comply with RIHousing's regulations.

Ms. Berman then stated that this request was for approval of the prepayment of the existing first mortgage of Blackstone Falls Apartments (the "Development"), an affordable housing development for elderly and disabled households located at 1485 High Street in Central Falls.

The Development consists of 133 apartment units and associated parking. The property was built circa 1895 and renovated for apartment use, with a new wing addition, circa 1978. It was most recently refinanced in 2005 utilizing the Low-Income Housing Tax Credit ("LIHTC") Program and financing from Rhode Island Housing and Mortgage Finance Corporation ("RIHousing"). The Development's 40-year Regulatory Agreement expires in 2045.

Under RIHousing's Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (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 and prepayment of the mortgage before conveying, assigning, or transferring any ownership interest in a multifamily housing project.

The owner of the Development is Blackstone Falls, LLC (the "Owner"). The Owner seeks to prepay the existing mortgage without a concurrent refinance and will operate the property without any debt. Repayment of the first mortgage is subject to RIHousing approval. As part of its approval, RIHousing intends to charge a prepayment penalty to be remitted with the loan payoff.

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. The current property manager is The Shoreline Corporation, an identity of interest company of the Owner. The Shoreline Corporation will remain as the property manager after the prepayment. The Owner has proposed amendments to the Regulatory Agreement which delete references to RIHousing's position as lender. No changes to the term or substance of the Regulatory Agreement are contemplated.

Following the presentation Chairman Retsinas asked for a motion and a second for the Approval of Prepayment for Blackstone Falls Apartments (Central Falls).

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth verified that the Credit Committee reviewed the request, acknowledged that it's an administrative matter with no issues. Additionally, Commissioner Orth recognized and applauded staff's efforts to offer the owner a range of financing options; however, the owner did not want to refinance. The Committee recommended approval.

There being no comments, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS: under Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (as amended from time to time, 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; and

WHEREAS: Blackstone Falls, LLC seeks approval of the prepayment of the existing first mortgage; and

WHEREAS: staff has reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements; and

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the prepayment of the existing first mortgage currently encumbering Blackstone Falls, LLC be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by RIHousing of all application materials required in Phases 2 and 3 of the TPA Regulations (see § 3.4 of the TPA Regulations) except for such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and protection of the interests of RIHousing;
2. Receipt by RIHousing of the Processing Fee, as defined in § 3.4 of the TPA Regulations;

3. Receipt by RIHousing of the Prepayment Fee, as defined in § 3.4 of the TPA Regulations; and
4. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of RIHousing with respect to the Development.

RESOLVED: that the Executive Director, the Deputy Executive Director, and the Director of Development, each acting singly, be and hereby are authorized to execute and deliver on behalf of RIHousing all documents necessary or advisable to consummate such prepayment and to take such further actions as he or she shall deem necessary or advisable in connection therewith.

Firm Approval of Funding Awards for Zero Energy for the Ocean State (“ZEOS”) Demonstration Program Awards

Chairman Retsinas again invited Ms. Berman to give this presentation.

Ms. Berman explained that RIHousing, in partnership with the Rhode Island Office of Energy Resources (“OER”) and National Grid (collectively, the “Program Partners”), administers the Zero Energy for the Ocean State (“ZEOS”) Demonstration Program to design and construct affordable energy efficient Zero Energy Building (“ZEB”) housing unit(s) to serve low- and moderate-income (“LMI”) residents in Rhode Island. The ZEOS Demonstration Program responds to the recommendations included in the Rhode Island Zero Energy Building Task Force’s Zero Energy Building Pathway to 2035 white paper. The white paper established a goal to create ZEB demonstration projects across building sectors in Rhode Island. For this second round of ZEOS funding, OER made available a total of Two Hundred Fifty Thousand Dollars (\$250,000.00) to support the ZEOS Demonstration Program and the activities mentioned above. RIHousing committed Five Hundred Thousand Dollars (\$500,000.00). RIHousing and National Grid will provide technical support in the administration of the ZEOS Demonstration Program.

In May 2021, RIHousing issued a Request for Proposals (“RFP”) for the ZEOS Demonstration Project. The Program Partners solicited demonstration projects (the “ZEOS Projects”) that encompassed four primary activities – design, explore, inform, and assess –to create a pathway for scaling ZEBs in LMI residential sectors as a means of reducing greenhouse gas emissions. In response to the RFP, RIHousing received five proposals requesting \$1,240,000 in ZEOS Demonstration Program funds.

Proposals were evaluated based on project team experience, budget, overall project approach, efficient use of funds, leveraging of funds, and the extent to which the proposed approach achieved the following objectives:

- a) Stimulates innovative, replicable solutions to deploying solar photovoltaic systems in combination with energy efficiency and air source heat pump technology to achieve the ZEB definition for LMI residents.
- b) Delivers the highest, long-term cost savings for residents (including both energy and non-energy impacts).

- c) Develops a user-friendly home that makes it easy for a customer to achieve zero energy consumption.
- d) Serves families at or below 120% AMI as defined by HUD.
- e) Creates a project that is readily replicable.
- f) Demonstrates an ability to complete all required deliverables.

After reviewing the application packages, a selection committee comprised of Program Partners and RIHousing staff recommends funding for three proposals. Funding these three proposals will allow the ZEOS Demonstration Program to provide financial assistance to projects across the state in East Greenwich, Providence, and Tiverton, and serve as an excellent example of how to scale net-zero housing for a variety of housing types. An attachment to the Board package describes the projects recommended for funding.

Following the presentation Chairman Retsinas asked for a motion and a second for Firm Approval of Funding Awards for Zero Energy for the Ocean State (“ZEOS”) Demonstration Program Awards.

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

Commissioner Orth was pleased to share that the awards represent a diverse variety of projects. The Credit Committee considered the financial benefits of the solar element to ensure that some of those subsidies were redirected directly to the residents. Also discussed was the actual cost of the equipment, the return on investment, and how to calculate success. The Committee was excited about the proposed projects and recommended approval.

Commissioner McAllister commented that the projects are a good example for the future.

Chairman Retsinas briefly speculated on how to measure metrics but was not exactly sure how to address that matter.

Commissioner Thorsen stated that the State has a Net Zero goal by 2050 so that could be a way to calculate success. Ms. Berman acknowledged that the Office of Energy Resources (OER) has been a tremendous partner in the effort. OER has assisted in explaining the mechanics of the process and the number of years associated with the payback period. Commissioner Thorsen then said that the OER office should be able to provide data on the carbon emission for the overall goal. An update can be provided at a future meeting.

Commissioner Designee Byrne speculated that with the Net Zero goal set for 2050 and OER’s involvement, National Grid as the largest partner should be at the table to discuss the matter.

Ms. Berman clarified that the funds are generated by OER and National Grid’s involvement is in the form of technical inspections to ensure that the projects meet the requirements of the ZEOS program.

James Comer, Deputy Executive Director confirmed that National Grid’s partnership has made the process much more straightforward.

There being no further discussion, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

- Whereas:** Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units which will provide housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;
- Whereas:** RIHousing may authorize financing to promote the acquisition, rehabilitation or preservation of affordable housing;
- Whereas:** each of the applicants (“Applicants”) listed in Attachment A have submitted an application, which meets the requirements of the Zero Energy for the Ocean State (“ZEOS”) Demonstration Program;
- Whereas:** staff of RIHousing have reviewed each of the eligible applications submitted and recommend that ZEOS Demonstration Program funding be awarded for the proposals listed in Attachment A;
- Whereas:** staff have determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and
- Whereas:** RIHousing finds that:
- (1) there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of low or moderate income can afford within the general housing market area to be served by the proposed housing development;
 - (2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;
 - (3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons or families of low and moderate income and that those sponsors are financially responsible;
 - (4) the proposed housing development to be assisted pursuant to the provisions of this chapter will be of public use and will provide a public benefit; and
 - (5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

- Resolved:** that RIHousing is authorized to commit funding in an amount up to \$500,000 in accordance with RIHousing regulations and the program guidelines for the Zero Energy for the Ocean State (“ZEOS”) Demonstration Program.
- Resolved:** that RIHousing be and hereby is authorized to approve commitment of ZEOS Demonstration Program funds to the proposals as recommended by RIHousing staff in Attachment A.
- Resolved:** that the Executive Director, Deputy Executive Director, and the Director of Development, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.

Approval of the 2022 Mortgage Credit Certificate (MCC) Program and Allocation of Private Activity Bond Authority

Chairman Retsinas acknowledged Peter Pagonis, Director of Homeownership who presented this request.

Mr. Pagonis said that for approval of the 2022 Mortgage Credit Certificate (“MCC”) Program and authorization to allocate up to \$25,000,000 in private activity bond authority to be issued as MCCs under Section 25 of the Internal Revenue Code (the “Code”).

Under state and federal law, RIHousing has the authority to issue tax-exempt mortgage revenue bonds (“MRBs”) to be used for the purchase of primary residences by borrowers who meet the applicable Internal Revenue Service (“IRS”) requirements. Each state receives an allocation of private activity bond authority from the United States Department of the Treasury. In turn, the state allocates this bond authority to state entities that are authorized to issue tax-exempt bonds, such as the Commerce Corporation, Student Loan Authority, Airport Corporation, and RIHousing.

RIHousing funds its mortgage lending activity with proceeds from the sale of tax-exempt private activity bonds and through financing platforms with Fannie Mae, Freddie Mac, and Ginnie Mae.

This tax-exempt authority presents an opportunity for RIHousing to participate in an IRS program that provides tangible benefits to low- and moderate-income first-time homebuyers in a way that complements our current lending platforms. Staff recommends that \$25,000,000 of our 2020 tax-exempt bonding allocation be converted into MCCs to provide additional funding for our MCC Program, which was formally reestablished by the Board of Commissioners in 2013. The MCC Program has been popular with participating lenders and borrowers. RIHousing is about to exhaust the MCC authority available under previous allocations.

Under the Code, RIHousing can convert a portion of its authority to issue tax-exempt bonds into MCCs, which would then be issued to qualified homebuyers. An MCC provides housing assistance to the homebuyer in the form of a federal tax credit, the value of which is equal to a portion of the mortgage interest (between 10% and 50%, in accordance with the program guidelines) paid by a homeowner on certain qualifying loans. This tax credit is used on a dollar-for-dollar basis to offset all

or a portion of the homeowner's tax obligation on ordinary income and is available every year for the life of the loan. To claim the credit, the homeowner completes and submits an IRS form along with their federal tax return. To the extent that the mortgage interest paid is higher than the credit available under the MCC program that excess amount can be taken as an itemized deduction, further reducing the homeowner's federal tax liability.

The following example illustrates how the MCC works. Assume that an eligible borrower paid \$10,000 in mortgage interest in a given year and was the holder of a 20% MCC. Twenty percent of the \$10,000 paid in mortgage interest, or \$2,000, can be used to offset the borrower's income tax liability. The \$8,000 balance of mortgage interest paid can be used as an itemized deduction. A borrower in the 28% tax bracket would save an additional \$2,240 (\$8,000 interest deduction x 28% tax rate) in taxes through this deduction. The total benefit to this borrower, using the MCC, is \$4,240. In contrast, a similarly situated borrower in the same tax bracket, without an MCC, would only realize a benefit of \$2,800 (\$10,000 interest deduction x 28% tax rate). This is a \$1,420 benefit to the borrower with an MCC.

In late 2013, the Board of Commissioners authorized the reestablishment of the MCC program, known as the FirstHomes Tax Credit, and allocated \$75,000,000 in unused private activity bond authority to be issued as MCCs to qualifying homebuyers. RIHousing began taking applications under the FirstHomes Tax Credit Program on July 1, 2014. The FirstHomes Tax Credit Program has proven to be immensely popular with homebuyers and RIHousing's participating lenders. Due to this strong demand, the Board allocated an additional \$118,910,000 to the MCC program in late 2014, \$112,280,000 in 2015, \$97,937,500 in 2016, \$171,914,326 in 2017, \$80,000,000 in 2018, \$75,000,000 in 2019 and early 2020.

In light of the continued demand for the product, staff recommends approval of the allocation of up to \$25,000,000 of 2020 volume cap be allocated to the MCC program to extend RIHousing's ability to issue MCCs to eligible borrowers. RIHousing is subject to a 90-day public notice requirement before it can begin issuing newly allocated private activity bond authority as MCCs, so it is important that the corporation start the conversion process as soon as possible in order to ensure the availability of additional MCC authority before prior funds are fully committed to avoid any program interruption. In utilizing this volume cap, RIHousing is able to make the ownership of new and existing homes more affordable for individuals and families of low- and moderate-income.

Chairman Retsinas thanked Mr. Pagonis and asked for a motion and a second for Approval of the 2022 Mortgage Credit Certificate (MCC) Program and Allocation of Private Activity Bond Authority.

A motion was duly made by Commissioner Designee Byrne and seconded by Commissioner McAllister.

Commissioner Orth asked if the income limits are the same as the limits for MRB loans. Mr. Pagonis confirmed that the limits are the same.

Chairman Retsinas wanted to know if interest rates change if that adjustment will affect the program. Mr. Pagonis said that in the event that interest rate rise, the \$2,000 credit remains the same, but fewer families will be able to take the benefit.

There being no further comments, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is a duly organized and existing body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions under the constitution and laws of the State of Rhode Island (the “State”); and

WHEREAS, RIHousing is authorized by Chapter 55 of Title 42 of the Rhode Island General Laws, as amended (the “Act”), to issue and sell its revenue bonds and to use the proceeds thereof for the purpose of financing mortgage loans to low- and moderate-income persons in the State, to purchase or, under certain circumstances, to improve and rehabilitate owner-occupied residences and to secure payment of such revenue bonds as therein provided, all in accordance with the provisions of the Act; and

WHEREAS, RIHousing is an authorized issuer of “qualified mortgage bonds” described in Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”) and receives volume cap under Section 146 of the Code to issue such qualified mortgage bonds and other private activity bonds; and

WHEREAS, Section 25 of the Code and the regulations promulgated thereunder permit RIHousing to exchange its authority to issue qualified mortgage bonds and other private activity bonds for which it has volume cap in order to issue mortgage credits certificates (“MCCs”) under a qualified mortgage credit certificate program; and

WHEREAS, an MCC provides housing assistance in the form of a nonrefundable, federal tax credit, the value of which is equal to a portion of the mortgage interest paid by a homeowner on certain qualifying loans; and

WHEREAS, the holder of an MCC may apply this tax credit against his or her federal income taxes in each year the MCC is effective; and

WHEREAS, RIHousing desires to provide the widest range of alternatives to low- and moderate-income borrowers to enable them to finance the acquisition, construction, improvement and/or rehabilitation of single-family residences within the State; and

WHEREAS, RIHousing currently administers a mortgage loan program funded in part through the issuance of qualified mortgage bonds (the “Bond Program”) and in part through other financing vehicles, (collectively with the Bond Program the “Loan Program”); to provide lower interest rate loans to low- and moderate-income persons who qualify for such program; and

WHEREAS, to complement the Loan Program, in 2013, RIHousing reestablished the MCC program and began issuing MCCs to qualified homebuyers; and

WHEREAS, in connection with the MCC program, RIHousing desires to elect not to issue up to \$25,000,000 of private activity bonds that it could otherwise issue (including from any unused carryforward from prior calendar years); and

WHEREAS, pursuant to Section 146 of the Code, RIHousing has previously directed its Executive Director to file with the Internal Revenue Service (the “IRS”) Form 8328 or such other applicable form to carry forward unused private activity bond volume cap allocated to RIHousing for the calendar year 2020; and

WHEREAS, RIHousing previously directed that the carryforward volume cap be used to issue qualified mortgage bonds in connection with its Bond Program, and now desires to use a portion of such carryforward volume cap in connection with its MCC program and the issuance of MCCs.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF RIHOUSING, AS FOLLOWS:

Section 1. RIHousing finds and determines that it is necessary to exchange its authority to issue up to \$25,000,000 of private activity bonds for the authority to issue MCCs. RIHousing directs the Executive Director to make one or more elections, pursuant to Section 25 of the Code, not to issue up to an aggregate of \$25,000,000 of private activity bonds (the “nonissued bond amount”) that RIHousing is authorized and has volume cap available to issue (including any unused carryforward). The nonissued bond amount shall be allocated to the MCC program, which was previously established by the Executive Director and now extended under this Resolution. To effectuate the foregoing, the Executive Director is directed to file notice of such election or elections with the Internal Revenue Service, as required by the Code and the regulations.

Section 2. RIHousing approves and authorizes the 2022 MCC Program (the “MCC Program”) for issuing MCCs, pursuant to one or more elections, to qualified homebuyers who incur mortgage loans for eligible purposes. The parameters and purposes of the MCC Program are attached hereto as Attachment B. Such parameters are hereby approved in substance, with such changes and modifications as the Executive Director, the staff and legal counsel to RIHousing deem necessary and advisable and are incorporated by reference as part of this Resolution.

Section 3. With respect to the MCC Program, the Executive Director may establish one or more credit rates for the mortgage loans described therein, determine the program expiration date, select the types of mortgage loans for which MCCs may be issued, approve the terms and conditions on which participating lenders make loans that are eligible for MCC financing, and make other determinations as appropriate, all in accordance with the terms and provisions of Section 25 of the Code and the regulations thereunder and this Resolution. The Executive Director and the staff are hereby directed to further define the MCC Program parameters as necessary to maximize the availability of lower cost financing to low- and moderate-income persons under the MCC Program.

Section 4. The Executive Director shall develop or update forms of the MCC Program guide and related items as she determines are necessary, appropriate, and advisable to carry out the MCC Program.

Section 5. The Executive Director shall give notice to the public of establishment of each MCC Program as required by Section 25 of the Code and the regulations thereunder prior to the issuance of any MCCs under the MCC Program.

Section 6. RIHousing ratifies and approves the use of private activity bond volume cap allocated to RIHousing and previously carried forward for the calendar year 2020 in connection with the issuance of MCCs.

Section 7. The Executive Director, Deputy Executive Director, Chief Financial Officer, and Director of Homeownership, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary, appropriate, and advisable to carry out this resolution.

Section 8. This resolution shall be in full force and effect immediately upon its passage and approval.

Approval of Engagement of Diversity, Equity, and Inclusion Consultant

Chairman Retsinas asked Lisa Primiano, Chief Operating Officer to present this recommendation.

Ms. Primiano noted that this action was for the authorization of RIHousing to enter into a contract with The Exeter Group to provide diversity, equity, and inclusion (“DEI”) consulting services. The firm would provide DEI consulting services corporation-wide including training for the executive and leadership team, employees, and the Board of Commissioners.

RIHousing strives to be a leader in providing its employees and customers with diverse and inclusive practices, policies, and programs. The consultant will provide RIHousing with the expertise needed to elevate the corporation’s efforts with the development of a customized DEI assessment, plan, and training program (“DEI Consultant Services”).

In March of 2021, RIHousing issued a Request for Proposals seeking proposals from qualified consulting firms to provide DEI Consultant Services in the following areas:

1. Provide leadership alignment sessions with corporation leaders to ensure a shared DEI vision and assist leadership in their communication of the DEI vision to staff.
2. Perform a current state organizational assessment of RIHousing’s policies, procedures, and practices, including employment practices and corporation programs.
3. Develop a DEI plan which will provide a short and long-term roadmap for making concrete improvements in the areas of diversity, equity, and inclusion.
4. Provide an education and training program based on the DEI plan. The consultant will provide RIHousing with a recommended education and training program for leadership.

RIHousing received proposals from twelve consulting firms. A selection committee comprised of RIHousing staff (the “Review Committee”) reviewed and scored the responses in accordance with the criteria set forth in RIHousing’s solicitation. Two of the proposals were deemed non-responsive to the RFP. An attachment to the Board package sets forth the ten responsive proposals, scoring criteria, and scores for each respondent. References were checked for the top four scoring consultants and interviews were conducted with the top two scoring consulting firms. Based on the review and scoring

process, references, and finalist interviews, staff recommends the engagement of The Exeter Group for DEI Consultant Services.

The Exeter Group is a privately-owned, Chicago-based equity consulting firm founded in 1998. The Exeter Group partners with organizations across multiple sectors to improve equity for employees and their stakeholders. The Exeter Group’s approach integrates research, practice, and actionable data to produce measurable results. The Exeter Group is an MBE and WBE with 13 full-time staff members.

Staff proposes to enter into a contract for a maximum two-year engagement with The Exeter Group using a phased work plan approach. RIHousing will develop a statement of work for each phase which will include a summary of work, pricing, time frame for services, and other service-specific details. Staff anticipates that the total cost of the engagement could be up to \$100,000.00 if the final work plan includes the full range of solicited DEI Consultant Services.

Chairman Retsinas thanked Ms. Primiano for the presentation and asked for a motion and a second for Approval of Engagement of Diversity, Equity, and Inclusion Consultant.

A motion was duly made by Commissioner McAllister and seconded by Commissioner Thorsen.

A brief discussion followed with Commissioner Thorsen suggesting that RIHousing confer with the State Department of Equity and Diversity to synchronize policies. The Commissioner wanted to acknowledge those policies and ensure that RIHousing coordinates efforts to maximize opportunities.

Ms. Primiano remarked that it was a great suggestion and would reach out to the State’s Department of Equity and Diversity.

The Chairman and Commissioner Orth also commented on the Exeter Group’s diverse skill set and diverse partners.

There being no further discussion, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS: the enabling act of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) provides it with all of the powers to make and execute contracts necessary for the exercise of powers and functions provided to it under the Rhode Island Housing and Mortgage Finance Corporation Act, R.I. Gen. Laws §42-55-5(6); and

WHEREAS: RIHousing has determined that it is in the best interests of the corporation to engage a consultant to assist the corporation in the development of a customized diversity, equity, and inclusion (“DEI”) assessment, plan, and training program (“DEI Consulting Services”); and

WHEREAS: RIHousing issued a Request for Proposals (“RFP”) and invited consulting firms to submit proposals to provide DEI Consulting Services; and

WHEREAS: a review committee comprised of staff reviewed the proposals, evaluated them in accordance with the criteria outlined in the RFP, and recommends the engagement of The Exeter Group.

NOW THEREFORE, IT IS HEREBY:

RESOLVED: that RIHousing be and hereby is authorized to enter a contract with The Exeter Group to provide DEI Consulting Services to the corporation, as the Executive Director or her designee deems such services to be advisable or necessary; and

RESOLVED: that the Executive Director, Deputy Executive Director, and Chief Operating Officer, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution, including without limitation the authority to negotiate terms and fees of the engagements as he or she may determine to be in the best interests of RIHousing, and to execute any and all agreements and to take such further actions as he or she deems necessary to carry out the foregoing resolutions.

Approval of Ethics Policy

Chairman Retsinas introduced Corinne Myers, General Counsel who gave the presentation.

Ms. Myers explained that this approval was for a revised RIHousing Ethics Policy (the “Ethics Policy”), which aims to improve clarity and readability and to eliminate redundancy between the Ethics Policy and the State of Rhode Island Code of Ethics (together with its implement regulations, the “State Code of Ethics”).

The Quasi-Public Corporations Accountability and Transparency Act (the “Accountability Act”), which became effective on January 1, 2015, enables, creates, and encourages high standards for transparent, effective, and ethical operations by the boards that oversee public resources on behalf of Rhode Island quasi-public corporations. See R.I. Gen. Laws 42- 155. As a covered quasi-public corporation, RIHousing is subject to the Accountability Act. Section 42-155-4(a)(3) of the Accountability Act requires the Board of Commissioners to adopt a code of ethics applicable to each officer, director, and employee of the corporation that includes the standards established in the State Code of Ethics, R.I. Gen. Laws 36-14. RIHousing’s existing ethics policy fulfilled the requirements of the Accountability Act but had not been revised in more than ten years. Though comprehensive, the document was unwieldy and difficult to absorb. As a result, staff determined that it would be in the best interests of the corporation to condense the policy to make it more useful and user-friendly.

The Ethics Policy focuses on the most relevant provisions of the State Code of Ethics and describes RIHousing’s particular requirements for professional responsibility and handling conflicts of interest. The Ethics Policy is organized around the following overarching principles applicable to RIHousing personnel. RIHousing employees and commissioners must:

- Carefully avoid any activity or association that conflicts (or appears to conflict) with the public interest; and
- Use, manage, and conserve RIHousing resources in a way that respects the public’s trust and benefits the State; and
- Perform job responsibilities with honesty, integrity, and courtesy; and
- Diligently represent RIHousing and RIHousing’s interests when carrying out official job functions.

The Ethics Policy directs that ethics questions and requests for approvals be directed to the General Counsel, who serves as the Ethics Officer for the agency. RIHousing employees and commissioners are advised to seek additional interpretation and information from the Rhode Island Ethics Commission, as appropriate.

Chairman Retsinas thanked Ms. Myers and asked for a motion and a second for Approval of Ethics Policy.

A motion was duly made by Commissioner McAllister and seconded by Commissioner Designee Byrne.

Commissioner Thorsen asked if the revised Ethics Policy was a complete overhaul of policies or just minor adjustments. Ms. Myers responded that there are no substantive changes, that the policy is now streamlined and easier to understand. As compared to the state law, the definition of confidential information is more specific and there are some business specific references.

Commissioner Thorsen was interested in the language to make sure that it is intended to follow the State’s policy so that conflicts will not arise when signing on behalf of the Board of Commissioners.

There being no further comments, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially announced that the following resolution was unanimously adopted.

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS: the Quasi-Public Corporations Accountability and Transparency Accountability Act, Title 42, Chapter 155 of the Rhode Island General Laws (the “Accountability Act”), became effective on January 1, 2015; and

WHEREAS: the Accountability Act seeks to hold all quasi-public corporations to the highest standards of transparency and accountability; and

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is a “quasi-public corporation” as defined by the Accountability Act; and

WHEREAS: Section 42-155-4(a)(3) of the Accountability Act requires that Boards of Commissioners of all quasi-public corporations adopt a code of ethics applicable to

each officer, director, and employee of the corporation that includes the standards established in the State Code of Ethics; and

WHEREAS: Staff desires to revise RIHousing’s current code of ethics and adopts the Ethics Policy in the form provided as Attachment A.

NOW THEREFORE, IT IS HEREBY:

RESOLVED: that the Ethics Policy is hereby adopted in substantially the form presented at this meeting; and

RESOLVED: that the Executive Director, Deputy Director, and General Counsel, each acting singly, be and hereby are authorized and empowered to file a copy of the Ethics Policy with any office, department, or agency of the State, cause the Ethics Policy to be published, and/or take any and all other actions necessary or desirable to carry out the foregoing resolutions; and

RESOLVED: that the Executive Director, Deputy Director, and General Counsel, each acting singly, be and hereby are authorized and empowered to make updates and administrative changes to the Ethics Policy from time to time as deemed in the best interests of RIHousing.

Authority to Issue Homeownership Opportunity Bonds - \$250,000,000

Chairman Retsinas invited Kara Lachapelle, Chief Financial Officer to give the recommendation.

Ms. Lachapelle began by stating that staff continuously monitors single-family loan origination activity; prepayment speeds of existing mortgages; refunding, recycling and optional redemption opportunities for existing bond offerings; bond market tone; short and long interest rates and available tax-exempt volume cap. All of these activities have the objective of maximizing our lending flexibility and minimizing our net interest costs in order to provide mortgages to low- and moderate-income homebuyers.

The single-family bonding program provides funding for first time homebuyers and is a sustainable source for funding borrower assistance loans, which are used for down payment and closing costs, a key feature for Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) borrowers. At the same time, the program strengthens the future financial sustainability of the corporation by increasing the balance sheet and creating a reliable future annuity stream.

RIHousing’s last single-family bond issue was executed in September 2021 with proceeds expected to be utilized by the end of January 2022. Based on the current pipeline of registrations and production estimates, staff anticipates issuing approximately \$250 million of single-family bonds to fund new first-time homebuyer mortgages and/or refund existing bonds to lower interest costs over the next 12-18 months.

Ms. Lachapelle then said the request is for the issuance of up to \$250 million of bonds under various series and tax plan components depending on market conditions and fund delivery requirements. The authority expires June 30, 2023.

Following the presentation Chairman Retsinas asked for a motion and a second for Approval of Authority to Issue Homeownership Opportunity Bonds - \$250,000,000.

A motion was duly made by Commissioner McAllister and seconded by Commissioner Orth.

Chairman Retsinas asked if a potential increase in interest rates would affect the Corporation's standing. Ms. Lachapelle said that an increase in rates might benefit RIHousing making the Corporation more competitive in the market.

There being no further comments, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The commissioners unanimously voted to approve the motion.

Ms. Myers then officially reported that the resolution was unanimously adopted in the form presented at the December 16, 2021 Board of Commissioners meeting.

Closed Session Pursuant to R.I.G.L. Sec. 42-46-5(a)(1) to discuss the Job Performance of and Compensation the Executive Director

Following the Open Meeting, Chairman Retsinas called for a closed session pursuant to R.I.G.L. Section 42-46-5 (a)(1) to discuss the job performance and compensation of the Executive Director.

Chairman Retsinas asked for a motion to convene the closed session. A motion was duly made by Commissioner Thorsen and seconded by Commissioner McAllister.

Ms. Myers next conducted a roll call vote of the Commissioners, eligible to vote, in response to the call for a closed session. The Commissioners voted as follows:

Chairman Retsinas	Aye
Commissioner Thorsen	Aye
Commissioner Orth	Aye
Commissioner McAllister	Aye
Commissioner Designee Byrne	Aye

Ms. Myers then stated the motion to convene in closed session was unanimously approved.

Chairman Retsinas remarked that those who wish to please hold on the line or wait outside the Library while the Board of Commissioners convene in Executive Session.

Corinne Myers, General Counsel, then announced that the Executive Director has been informed in writing of her right to have the discussion conducted in open session and did not specify any objection to a closed session and would not exercise her right to having the discussion occur in open session.

Additionally, Ms. Myers said that meeting participants are more than welcome to remain on the line until the Board of Commissioners return in open session, with the understanding that staff will not be able to determine when the Board of Commissioners will rejoin in open session.

The Board of Commissioners entered in closed session at approximately 10:24 a.m.

The closed session ended at approximately 11:25 a.m., and Chairman Retsinas reconvened the Board of Commissioners in open session. Chairman Retsinas stated that no votes or other actions had been taken in closed session.

Chairman Retsinas then asked for a motion to seal the minutes of the closed session. A motion was duly made by Chairman Retsinas and seconded by Commissioner McAllister.

Ms. Myers next conducted a roll call vote of the Commissioners, eligible to vote, in response to the motion to seal the minutes of the closed session. The Commissioners voted as follows:

Chairman Retsinas	Aye
Commissioner Thorsen	Aye
Commissioner Orth	Aye
Commissioner McAllister	Aye
Commissioner Designee Byrne	Aye

Corinne Myers, General Counsel, then stated for the record that the motion to seal the minutes of the closed session was unanimously approved.

Approval of Executive Director's Compensation

Chairman Retsinas announced that in closed session the Board of Commissioners discussed the job performance and compensation of the Executive Director. Based on the discussion, the Board of Commissioners is recommending approval of the Executive Director's employment compensation as presented at the meeting (the terms approved in the Closed Session being a 5.5% salary increase effective January 1, 2022).

Chairman Retsinas then asked for a motion and a second for the approval of the Executive Director's compensation as presented at the meeting.

A motion was duly made by Commissioner Orth and seconded by Commissioner McAllister.

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

Chairman Retsinas	Aye
Commissioner Thorsen	Aye
Commissioner Orth	Aye
Commissioner McAllister	Aye
Commissioner Designee Byrne	Aye

Next, Corinne Myers, General Counsel, announced that the motion for approval of the Executive Director's employment compensation was unanimously approved as presented.

Chairman Retsinas commended Ms. Ventura on an excellent and exceptional job performance, especially during this challenging period.

There being no further business to discuss, Chairman Retsinas asked for a motion to adjourn the Board of Commissioners meeting. A motion was duly made by Commissioner Orth and seconded by Commissioner Thorsen to adjourn the meeting.

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

Ms. Myers then announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 11:28 a.m.

Chairman Retsinas then thanked everyone for participating in the Board meeting.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director