

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

December 17, 2020

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, December 17, 2020 at 9:30 a.m. The meeting was held via telephone conference call pursuant to Executive Order 20-46 (extended by Executive Order 20-103, and as may be further amended or extended).

Carol Ventura, Executive Director, introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella stated that (i) the meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for the Board of Commissioners and specific RIHousing staff, all callers will be muted during the meeting. Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Nicole Clement, General Counsel, provided additional information for those participating in the meeting. Ms. Clement stated that (i) pursuant to Executive Order 20-46 (as extended by Executive Order 20-103, and as may be further amended or extended) the meeting was being held via teleconference, (ii) members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and (iii) in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Clement also stated that Chairman Retsinas would preside over the meeting and requested that any Commissioner or staff to state their name prior to speaking and to mute their telephone if 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 9:35 a.m. Chairman Retsinas then invited Ms. Ventura to proceed with the roll call of Commissioners and RIHousing staff (in attendance).

Ms. Ventura then conducted a roll call vote of Commissioners and staff participating in the meeting. Commissioners participating via conference call were: Nicolas P. Retsinas; Brett Smiley, Director of the Department of Administration; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; Elizabeth Tanner, Director of the Department of Business Regulations; Kevin Orth; and Maria Barry. Stephen P. McAllister was 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; Bernadette MacArthur, Director of Finance; Eric Shorter, Director of Development; Peter Pagonis, Director of

Homeownership; Nicole Clement, General Counsel; and Carl Rotella, Director of Information Technology.

Steve Richard, Counsel to the Corporation, was present on the call as were members of the public.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation, on the Corporation's web site www.rihousing.com and at the following link: <https://www.rihousing.com/rihousing-board-meeting-december-17-2020/>.

Approval of Minutes of Board Meeting held on November 19, 2020

Chairman Retsinas asked for a motion and a second for the approval of the Board of Commissioners meeting minutes held on November 19, 2020. A motion was made by Commissioner Barry and seconded by Commissioner Designee Byrne. There being no discussion, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Chairman Retsinas	Aye
Vice Chairman Smiley	Aye
Commissioner Orth	Aye
Commissioner Tanner	Aye
Commissioner Barry	Aye
Commissioner Designee Byrne	Aye

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

VOTED: That the minutes of the Board Meeting held on November 19, 2020 hereby are approved.

Chairman's Remarks

Chairman Retsinas did not have any remarks.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, greeted everyone and proceeded with an update on the Corporation's activities.

Homeownership. Ms. Ventura mentioned that the Homeownership Division will not meet its 1,700-unit goal. However, staff has done an amazing job in collaborating and designing the new 10kDPA program. The program has started to gain steam in the market with 37% of November borrowers opting for the down payment assistance.

Loan Servicing. Ms. Ventura stated that there is no change in delinquencies as they continue to rise. Ms. Ventura indicated that the numbers are significant. Eighty-nine (89) additional borrowers have reached out to the Loan Servicing Division to request forbearance assistance due to financial hardship related to COVID-19. Staff has provided Hardest Hit Fund (HHF) assistance to forty-two (42) customers.

Development. Ms. Ventura announced that the Development Division issued a Request for Proposals (RFP) for the allocation of 2021 Low-Income Housing Tax Credits ("LIHTC"). Proposals are due on Friday, December 18, 2020.

RIHousing also announced the availability of approximately \$8.9 million in financing through the Workforce Housing Innovation Challenge Loan Program, which provides financing for the development of workforce housing. Applications are due January 31, 2021.

Additionally, Development Division staff submitted a package to the U.S. Department of Housing and Urban Development ("HUD") requesting to remain a full MAP lender and retain all of the rights and privileges therein.

Leased Housing and Rental Services. Ms. Ventura was pleased to announce that thirty-two (32) landlords participated in RIHousing's Landlord Incentive Program appreciation event. The event was designed to encourage landlords to lease rental units through the Housing Choice Voucher Program (HCVP).

Furthermore, Ms. Ventura was pleased to share that the New England Affordable Housing Management Association (NEAHMA) has awarded Claribel Shavers, Director of Leased Housing and Rental Services, the Agency Staff Person of the Year Award. This award recognizes housing finance agency staff that provide support and resources to the association which are then shared with the affordable housing industry. Ms. Ventura congratulated Ms. Shavers on the achievement.

Ms. Ventura then reported that on December 15, RIHousing hosted a Constituent Services training for Congressional Staff, municipal staff and external partners to review RIHousing's programs and discuss the most common inquiries received from constituent services staff, including new resources and programs developed in response to Covid-19.

Ms. Ventura then informed the Commissioners that staff has engaged Ninigret Consulting to assist RIHousing with various partner engagement focus groups for its three (3) to five (5) year strategic planning initiative.

Additionally, Ms. Ventura stated that RIHousing has received positive media attention for the new investor relations website for bond financing. The site allows RIHousing to share information on future bond sales with potential investors and provides a single locale for investors to access data and documents that outline the financing programs.

Ms. Ventura then introduced Amy Rainone, Director of Government Relations & Policy, who provided updates on the state and federal legislative activities.

Ms. Rainone shared that the House Finance Committee passed a revised FY21 budget. The budget is a lean one, but contains \$400 million in bond proposals, including a \$65 million bond for affordable housing and community development. The special election to vote on the housing bond is scheduled for March 2, 2021. The revised budget does not include many of the housing-related initiatives originally proposed in the Governor's FY21 budget, including changes to the real estate transfer tax and restructuring of the Housing Resources Commission. However, the budget eliminated any transfers to the State from State agencies and quasi-public corporations, reversing the originally proposed \$1.1 million transfer from RIHousing.

Continuing, Ms. Rainone reported on the Federal level. She noted that Congress has extended the current Continuing Resolution for an additional week in order to have time to finalize an omnibus appropriations bill for FY21.

Additionally, Ms. Rainone stated that Congress has continued negotiations for a new coronavirus relief package attached to the Omnibus Appropriations bill. The proposal includes \$25 billion for rental assistance, \$161 million for state and local government aid, \$200 million for the small state minimum and the potential of \$600-\$700 in stimulus payments. The bill also extends the current eviction moratorium through January 2021. It is unclear at this time if an agreement can be reached in time to attach a new COVID-19 relief package to the FY21 Omnibus Appropriations bill.

Finally, Ms. Rainone asked if anyone had any questions. Commissioner Orth asked how much money was outstanding for the Housing Help RI assistance program at year end.

James Comer, Deputy Executive Director, confirmed that the Housing Help RI program is funded through the CARES Act and has an expiration date of December 30, 2020. RIHousing staff has processed 34 tenant applications under this program and has spent over \$193,000 in funding. Staff is committed to reviewing an additional 231 applications for payments before the deadline.

Mr. Comer explained that there is another allocation of funds proposed for landlord applications. The funds are earmarked to go directly to single- and multi-family landlords. Claribel Shavers, Director of Leased Housing and Rental Services stated that thirty (30) developments have applied for the financing. Moreover, staff received \$400,000 in payments and those funds will be disbursed this week assisting 200 families.

Commissioner Orth asked if eligible households are experiencing difficulties with the application process, or if the program is running smoothly.

Mr. Comer responded that staff has done an excellent job in removing obstacles in the process. The process also includes the criteria that landlords and attorneys can apply on behalf of the tenants. The United Way and Crossroad RI have worked diligently to distribute the CARES Act funds.

The Home Safe program is ongoing and continues to serve residents in need.

Commissioner Barry asked Ms. Ventura if she has any indication of the number of residents at risk of eviction in the State of Rhode Island.

Ms. Ventura replied that the number is not readily available, but she will connect with the Center for Justice for information and what populations are at risk. Ms. Ventura noted that established developers are better situated to assist their residents, however the smaller mom and pop landlords are not as sophisticated. Ms. Ventura explained that the State, along with the United Way has engaged in an incredible amount of outreach so she will see if she can acquire additional information for the Board of Commissioners.

No further questions were presented.

Chairman Retsinas announced that the Credit and Management Committees did not meet in December.

Approval of Transfer of Physical Assets (TPA) for Douglas Manor Apartments (Providence)

Chairman Retsinas recognized Eric Shorter, Director of Development, who presented the request.

Mr. Shorter stated that this request is for approval of the transfer of the limited partnership interest in Douglas Manor Apartments (the “Development”), an affordable housing development for seniors and disabled households located on Douglas Avenue in Providence.

The Development consists of 100 apartment units in a single masonry building and associated parking. Originally developed as affordable housing in 1977, in 2010, the Development was refinanced utilizing the Low-Income Housing Tax Credit (“LIHTC”) Program and tax-exempt bond financing from Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”). In total, the Development consists of 90 one-bedroom and 10 two-bedroom units. All the apartments in the Development currently receive project-based Section 8 assistance pursuant to a Housing Assistance Payment (“HAP”) contract. The Development’s initial 15-year compliance period ends in 2025 and the LIHTC restrictions remain until 2040. The Regulatory Agreement expires in 2050.

Cathedral Development Group (“CDG”) has requested RIHousing’s approval of the transfer of the limited partnership interest to DM Investor, LLC (the “Transferee”), a Rhode Island limited liability company affiliated with CDG. Under RIHousing’s Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, as amended (the “TPA Regulations”), project owners must obtain RIHousing’s approval and comply with RIHousing’s administrative procedures for the transfer of physical assets before conveying, assigning or transferring any ownership interest in a multifamily housing project.

The owner of the Development is Douglas Manor Apartments, LP. The current general partner of the development is DMA Associates, LLC, a Rhode Island limited liability company affiliated

with CDG that holds a .01% interest in the partnership. The 2-current investor limited partner(s) in the Development are The Washington Trust Company and Washington Financial LLC (the “Washington Trust Partners”). Collectively, Washington Trust Partners holds a 99.9% limited partner interest. Washington Trust Partners intends to withdraw and sell their partnership interests to the Transferee.

CDG will provide the equity for the Transferee to purchase the limited partner interest. No new financing is currently anticipated. The Transferee will assume all existing obligations encumbering the Development.

Approximately \$1.45 million in repairs were undertaken when the Development was financed in 2010. Since that time, additional capital expenditures have been made to mechanical systems, the telephone access system and common areas. Unit upgrades are routinely completed upon turnover. The Development underwent a REAC inspection in 2018 and received a score of 92b.

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 Development received a score of 88 out of 100 under RIHousing’s risk rating protocol. The debt service coverage was 1.5 in December 2019. The operating and replacement reserves are well funded.

The current property manager is Property Advisory Group, Inc, also an affiliate of CDG. No change in the management agent is contemplated. The transfer of the limited partnership interest in the Development will allow CDG to buyout the limited partner after the limited partner’s tax credits have been fully utilized but before the initial compliance period expires.

The attached resolution approving the transfer of the limited partnership interest, subject to the conditions contained therein, is recommended for approval.

Retsinas asked for a motion and a second for the approval of Transfer of Physical Assets (TPA) for Douglas Manor Apartments (Providence).

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

There being no discussion, Nicole Clement, General Counsel conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Chairman Retsinas	Aye
Vice Chairman Smiley	Aye
Commissioner Orth	Aye
Commissioner Tanner	Aye
Commissioner Barry	Aye
Commissioner Designee Byrne	Aye

Ms. Clement 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, (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: Cathedral Development Group (“CDG”), seeks approval of the transfer of the limited partnership interest in Douglas Manor Apartments, LP., the owner of Douglas Manor Apartments (the “Development”), from The Washington Trust Company and Washington Financial LLC (the “Washington Trust Partners”) to DM Investor, LLC, an affiliate of CDG; and

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

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the transfer of the limited partnership interest in the Development from the Washington Trust Partners to DM Investor, 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 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; and
2. Receipt by RIHousing of the transfer Processing Fee, as defined in the TPA Regulations; and
3. 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, or the Director of Development each acting singly, be and hereby is authorized to execute and deliver on behalf of RIHousing all documents necessary or advisable to consummate such transfer and to take such further actions as he or she shall deem necessary or advisable in connection therewith.

Approval of Engagement of Law Firm for Foreclosure, Bankruptcy and Related Services

Chairman Retsinas introduced Nicole Clement, General Counsel, who gave the presentation.

Ms. Clement stated that this request is for approval (“RFA”) seeks authorization for Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) to engage Elizabeth A. Lonardo or a to-be named limited partnership (the “Firm”) to provide foreclosure, bankruptcy, and related services with respect to RIHousing’s loan servicing operations in the State of Rhode Island.

In February 2019, the RIHousing Board of Commissioners authorized RIHousing to engage Rosen Legal, LLC (“Rosen Legal”), a regional law firm that operates throughout the states of Rhode Island, Massachusetts, and New Hampshire to represent the corporation in foreclosure and related legal proceeding in the State of Rhode Island. Since the engagement, Elizabeth A. Lonardo has been the attorney primarily responsible for providing RIHousing with legal representation on behalf of Rosen Legal.

Recently, Attorney Lonardo informed RIHousing that Rosen Legal will be winding down its business operations at the end of the year, and that she will be opening a law firm on January 1, 2021. Attorney Lonardo will initially operate as a sole practitioner with plans to (i) convert the corporate structure of the firm to a limited partnership, (ii) add additional attorneys and administrative staff and (iii) acquire new office space in the Spring of 2021. In evaluating this request, RIHousing staff has determined that the Firm has the financial support, infrastructure, and equipment necessary to seamlessly transition matters from Rosen Legal, and to represent RIHousing in legal matters going forward.

RIHousing believes that engaging the Firm and allowing Attorney Lonardo to continue to represent the corporation in bankruptcy and foreclosure legal matters will: (i) ensure continued performance and compliance with critical investor and court-imposed deadlines and (ii) prevent disruption or delay in any ongoing legal proceedings.

Staff recommends that the attached resolution authorizing RIHousing to engage Elizabeth A. Lonardo or a to-be named limited partnership as legal counsel be approved.

Chairman Retsinas asked for a motion and a second for the Approval of Engagement of Law Firm for Foreclosure, Bankruptcy and Related Services.

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

Ms. Clement, General Counsel, then conducted a roll call vote of the Commissioners, eligible to vote. The Commissioners voted as follows:

Chairman Retsinas	Aye
Vice Chairman Smiley	Aye
Commissioner Orth	Aye
Commissioner Tanner	Aye
Commissioner Barry	Aye
Commissioner Designee Byrne	Aye

Ms. Clement announced that the following resolution was unanimously adopted:

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

- Whereas,** the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) enabling act provides the corporation with all of the power necessary to make and execute contracts for the exercise of the powers and functions provided to it under that act and the power to engage attorneys, among other advisors, consultants, and agents, R.I. Gen. Laws §42-55-5(6) and (13); and
- Whereas,** RIHousing’s mortgage loan servicing activities necessitate the engagement of legal counsel to represent the corporation in foreclosure, bankruptcy and related legal proceedings; and
- Whereas,** RIHousing has been notified that Rosen Legal, LLC will be winding down its business operations at the end of the year, and that Elizabeth A. Lonardo, the attorney primarily responsible for providing RIHousing with legal representation on behalf of Rosen Legal, will be opening a law firm on January 1, 2021; and
- Whereas,** staff has determined that the engagement of Elizabeth A. Lonardo or a to-be named limited partnership (the “Firm”) will ensure business continuity for the corporation’s servicing portfolio and is in the best interests of the corporation.

NOW THEREFORE, IT IS HEREBY:

- Resolved,** that RIHousing be, and hereby is authorized, to engage the Firm to provide it with foreclosure, bankruptcy and related legal services; and
- Resolved,** that the Executive Director, any Deputy Executive Director, and the General Counsel, 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, including without limitation the authority to negotiate terms of the engagement and to execute any and all agreements or documents as he or she deems necessary to carry out the foregoing.

In closing, Chairman Retsinas noted that one of the RIHousing’s Board members is facing some health issues and wished them a speedy recovery.

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

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

Chairman Retsinas	Aye
Vice Chairman Smiley	Aye
Commissioner Orth	Aye
Commissioner Tanner	Aye
Commissioner Barry	Aye
Commissioner Designee Byrne	Aye

Ms. Clement announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 9:58 a.m.

Chairman Retsinas then thanked everyone for participating in the telephonic Board meeting and extended his best wishes for a happy and healthy holiday.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director