

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

**February 16, 2023**

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, February 16, 2023 at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

Carol Ventura, Executive Director, opened the meeting and introduced Carl Rotella, Director of Information Technology, who summarized 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 their 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 Commissioner Orth would preside over the meeting and requested that any Commissioner or staff wishing to comment state their name prior to speaking and telephone participants to mute their phone when not speaking. She then invited Commissioner Orth to call the meeting to order.

A quorum being present, Commissioner Orth introduced himself and officially called the meeting to order at approximately 9:34 a.m. The Commissioner 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: James Diossa, General Treasurer; Elizabeth Dwyer, Interim Director of the Department of Business Regulation; Kevin Orth; and Maria Barry. James Thorsen, Director of Administration and Stephen P. McAllister 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; Peter Pagonis, Director of Homeownership; Christine Hunsinger, Chief Strategy & Innovation Officer; Anne Berman, Director of Real Estate Development; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Steven Richard, Counsel to the Corporation, and Sara Cabral, Designee for Elizabeth Dwyer, Interim Director of the Department of Business Regulation were present as were members of the public.

### **Approval of Minutes of Board Meeting held on January 19, 2023**

Commissioner Orth asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on January 19, 2023. A motion was duly made by Commissioner Barry and seconded by Commissioner Dwyer.

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

The commissioners unanimously voted to approve the minutes. Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Board Meeting held on January 19, 2023 hereby are approved.

### **Remarks of Presiding Commissioner**

Commissioner Orth greeted everyone and began by officially welcoming and introducing General Treasurer James Diossa to the RIHousing Board of Commissioners. Commissioner Orth stated that he is looking forward to Treasurer's participation on the Board.

Commissioner Diossa thanked Commissioner Orth for the introduction and said he excited to be part of RIHousing's Board of Commissioners, especially as he is a dedicated advocate of advancing the mission of affordable housing for all Rhode Islanders.

Commissioner Orth also took a few moments to note that Vice Chairman Thorsen is under the weather, therefore could not be at the meeting. Commissioner Orth acknowledged that the Vice Chairman was participating via teleconference and wished him a speedy recovery.

### **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 began by announcing that since the launch of the RI Statewide down payment assistance grant, RIHousing has experienced a huge demand for the product. The Program offers \$17,500 in down payment and closing cost assistance grants to eligible first-time homebuyers in Rhode Island and is funded with \$30 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds. As of February 14, 22 grants have closed and funded. Ms. Ventura commended Mr. Pagonis's team on their efforts in promoting the program.

**Loan Servicing.** Ms. Ventura referenced the program chart provided in her report and noted that the overall delinquency rate is 12%. Ms. Ventura commended Loan Servicing on performing an outstanding job mitigating delinquencies and keeping residents in their homes. She said that Loan Servicing's efforts with loss mitigation strategies has kept the portfolio steady.

Ms. Ventura then mentioned that she has invited Leslie McKnight, Assistant Deputy Director of Loan Servicing to give a presentation next month on the various programs and products utilized to keep the portfolio stable.

**Development.** Ms. Ventura then informed the Board that she has provided a table outlining State Fiscal Recovery Funds (SFRR). RIHousing has fully committed available funding. The table illustrates the amount of funds available, amount committed, units funded, units completed and the total dollars expended. Also displayed is information on the Site Acquisition funding program. Ms. Ventura explained that RIHousing is oversubscribed for the \$15 million allocation. To date, staff has fully committed almost all the resources and closed on 16 properties. Furthermore, there is a waiting list for the resources.

Ms. Ventura then informed the Commissioners that RIHousing has received approval from the Pandemic Recovery Office (PRO) for the PHA program. RIHousing is finalizing contract details and will shortly launch an RFP for funding availability.

In addition, Ms. Ventura announced that staff has issued an RFP for a Municipal Technical Assistance consultant. RIHousing seeks proposals from qualified firms to create a roster of consultants able to provide a variety of technical assistance to municipalities, with a goal of increasing their capacities around the planning, production, or preservation of affordable housing.

Ms. Ventura was disappointed to report that the Rhode Island Continuum of Care (RICoC) proposal for a HUD grant to support unsheltered homeless individuals was not funded. Unfortunately, that funding could have been used in conjunction with the \$11 million already earmarked for the homeless.

In closing, Ms. Ventura notified the Board that Newcourse Communications, the vendor responsible for mailing mortgage statements to RIHousing customers, notified the Corporation that they had experienced unauthorized access to their network last year. This incident affected mortgage customers of financial institutions throughout the country, including customers of RIHousing. RIHousing is not aware of any improper use of this information to date. Out of an abundance of caution, Newcourse notified impacted customers of the incident and offered a year of credit monitoring services at no charge to them.

Ms. Ventura then asked if anyone had any questions.

Commissioner Orth referenced the second funding round of the Consolidated Application and questioned the timeline regarding anticipated approvals.

Ms. Berman explained that staff is presently working through the applications. Threshold determinations should be completed by mid-March, which will pave the way for scoring of the applications. Ms. Berman believes that a few projects will be presented at the March Board meeting. However, the majority of the recommendations are expected to be presented at the April and May meetings.

Ms. Ventura noted that part of the process includes issuing deficiency letters where applicable. Developers will then have one (1) week to respond to the letters. That allows applicants an opportunity to review and address indicated deficiencies.

Commissioner Orth then asked about the status of the One Stop Application software. He wondered how the platform was performing. Ms. Berman stated that staff met with the Housing Network to review performance and provide feedback on how to improve the system. ProLink is processing requested changes and Asset Management is working on data verification. Continuing, Ms. Berman stated that the process is going well and Development plans to launch the platform to customers early third quarter of the year.

Commissioner Orth was pleased with the progress and thanked Ms. Berman for the update.

**Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Firm Approval of Financing for West House II (Middletown)**

Commissioner Orth announced that Anne Berman, Director of Real Estate Development would give the presentation.

Ms. Berman stated that the request was for firm approval of the reservation of up to \$1,190,000 of 2022/2023 Low-Income Housing Tax Credits (“LIHTC”) as well as firm approval of: (i) a taxable leasehold first mortgage in an amount up to \$2,480,000; (ii) a HOME Investment Partnerships Program (“HOME”) Loan in an amount up to \$994,784; and (iii) a RI Rebounds Production Fund (“RIRPF”) Loan in the amount of \$1,000,000 for West House II (the “Development”), a fifty-four (54) unit rental housing development to be located at 170 Enterprise Drive, Middletown, Rhode Island. Church Community Housing Corporation (“CCHC” or the “Developer”) is the developer. The Development received preliminary approval from the Board of Commissioners on April 21, 2022 (“Preliminary Approval”).

West House II is a proposed three-story addition to West House I, an existing 50-unit U.S. Department of Housing and Urban Development (“HUD”) Section 202 housing development that was built in 1996. Residents of the Development will utilize the existing West House I parking and common areas, which include a Chapel, nurses’ office, library, game and fitness room, double dining room, coffee shop, and computer lab. Due to the abundance of common space at West House I to be utilized by residents of the Development, the overall total development cost is comparatively low. The Development will be restricted to residents who are 55 years of age and older.

The Development will be constructed on land owned by the West House I owner, The West House Corporation, a Rhode Island non-profit corporation and affiliate of CCHC (the “West House I Owner”). The land is currently encumbered by a mortgage given by the West House I Owner in favor of HUD. West House II will enter into a 99-year ground lease with the West House I Owner for the portion of land associated specifically with West House II. There will also be an agreement regarding shared operating expenses to cover items such as snow plowing, maintenance, etc. Since Preliminary Approval, the Developer has secured HUD approval for a partial release of the current HUD mortgage for that portion of the land associated with the West House II ground lease. The Development will be designed to meet passive house certification and will include a large solar array on the roof. Of the 54 units, six one-bedroom units will be available to households earning up to 30% of area median income (“AMI”) who will be the beneficiaries of project-based HUD Section 811 vouchers. The remaining 34 one-bedroom units and 14 two-bedroom units will be available to households earning up to 60% AMI.

Since Preliminary Approval, the Developer has finalized their construction pricing and has secured a construction loan from Webster Bank as well as syndication equity from National Equity Fund. In addition, the Development was awarded Building Homes Rhode Island (“BHRI”) funds from the Rhode Island Housing Resources Commission as well as a RIRPF Loan.

Collectively, the capital stack for permanent financing is comprised of (i) a RIHousing first mortgage, (ii) a HOME Loan, (iii) a BHRI Loan, (iv) a RIRPF Loan, (v) syndication proceeds from the sale of LIHTC, and (vi) a deferred developer fee.

Finally, Ms. Berman said that staff requests firm approval of a reservation of up to \$1,190,000 of 2022/2023 LIHTC as well as firm approval of: (i) a taxable leasehold first mortgage not to exceed \$2,480,000; (ii) a HOME Loan in an amount not to exceed \$994,784; and (iii) a RIRPF loan in the amount of \$1,000,000, subject to certain conditions as set forth in the attached Resolution.

Following the presentation, Commissioner Orth asked for a motion and a second for Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Firm Approval of Financing for West House II (Middletown).

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

Commissioner Orth announced that the Credit Committee discussed the utilization of the Federal Financing Bank (FFB) risk share program to bring down the interest rate. Commissioner Orth applauded that decision and also noted that the developer has performed an admirable job in keeping costs down.

Following the comment, 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,** the Low-Income Housing Tax Credit Program (the “Program”) was created as part of the Tax Reform Act of 1986, as amended (the “Act”);

**Whereas,** RIHousing has been designated the administrator of the Program in the State of Rhode Island;

**Whereas,** staff for RIHousing has determined that Church Community Housing Corporation (“Applicant”) is eligible for the Program under the laws of the State of Rhode Island and the federal tax code;

**Whereas,** on April 21, 2022, the RIHousing Board of Commissioners granted preliminary approval of a reservation of low-income housing tax credits available in calendar year 2022/2023 (“LIHTC”) and preliminary approval of permanent and HOME Investment Partnerships Program Loan financing for West House II (the “Development”);

**Whereas,** on June 16, 2022, the RIHousing Board of Commissioners granted approval of a RI Rebounds Production Fund Loan for the Development, subject to completion of the project capital stack;

**Whereas,** since preliminary approval, the request for permanent financing from the Applicant has been modified to the following:

<b>Applicant</b>	<b>Development</b>	<b>RIHousing 1<sup>st</sup> Mortgage</b>	<b>HOME Loan</b>	<b>RIRPF Loan</b>	<b>LIHTC</b>
Church Community Housing Corporation	West House II	\$2,480,000	\$994,784	\$1,000,000	\$1,190,000

**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 up to \$1,190,000 of allocated 2022/2023 LIHTC be reserved for the Applicant or an affiliated entity (the “Borrower”) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the Borrower complies with the requirements of the Act and the RIHousing Regulations.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves firm commitment of up to \$2,480,000 for a taxable leasehold first mortgage loan to the Borrower for rental housing to be located in Middletown, Rhode Island and known as West House II.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves firm commitment of a HOME Investment Partnerships Program (“HOME”) Loan not to exceed \$994,784 to the Borrower for rental housing to be located in Middletown, Rhode Island and known as West House II.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves firm commitment of a RI Rebounds Production Fund Loan of \$1,000,000 to the Borrower for rental housing to be located in Middletown, Rhode Island and known as West House II.

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

- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- Final approval of plans and specifications by RIHousing, as well as related construction documentation;
- RIHousing approval of the ground lease between West House I Owner and West House II;
- Approval by RIHousing of all management related issues including the marketing and tenant selection plans;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;

- Execution and delivery by the Applicant of a Construction Completion Guaranty in form and substance satisfactory to RIHousing and any other lender;
- Receipt of an Agreement to enter into a Section 811 Contract for six (6) units;
- Recording of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Availability of construction financing from Webster Bank or another lender in an amount sufficient to achieve project feasibility;
- FHA Risk-Sharing Program approval from the U.S. Department of Housing and Urban Development for a minimum of 50% of the first mortgage loan; and
- Completion of all items required for closing in accordance with normal underwriting and processing requirements.

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

**Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Firm Approval of Financing for Frenchtown Road I & II (East Greenwich)**

Commissioner Orth stated that Ms. Berman would also present the request for Frenchtown Road I and II.

Ms. Berman said the transaction was for firm approval of firm approval of 2022/2023 9% Low-Income Housing Tax Credits (“LIHTC”) in an amount not to exceed \$545,682, as well as firm approval of (i) a HOME Investment Partnerships Program (“HOME”) Loan in an amount not to exceed \$1,336,164; (ii) a Housing Trust Fund (“HTF”) Loan in an amount not to exceed \$1,781,552; (iii) a Housing Production Fund (“HPF”) Loan in an amount not to exceed \$1,428,060 and (iv) a RI Rebounds Production Fund (“RIRPF”) Loan in an amount not to exceed \$757,000 for Frenchtown Road I (“Frenchtown I”). This RFA is also seeking firm approval of: (i) tax-exempt construction financing of up to \$7,500,000; (ii) a Housing Production Fund (“HPF”) Loan in an amount not to exceed \$483,440; and (iii) a RIRPF Loan in an amount not to exceed \$1,213,875 for Frenchtown Road II (“Frenchtown II” and together with Frenchtown I, “Frenchtown I & II” or the “Development”).

The developer of Frenchtown I & II is a joint venture between Pennrose, LLC and Cove Homes Incorporated (collectively, the “Developer”).

Frenchtown I & II is a proposed 63-unit mixed income development on a vacant site located at 655 Frenchtown Road in East Greenwich. This is a hybrid development comprised of a 30-unit 4% LIHTC project as well as a 33-unit 9% LIHTC project, each owned by a separate entity. The projects must be completed simultaneously as the 63 new units are in a single building.

The four-story building will be elevator served and includes ample community and management space. The ground floor of the building features offices for Cove Homes Incorporated staff, a wellness center for resident programming, as well as spaces for management and supportive services. Additional community spaces include a gathering/event space with a kitchen and dining area, as well as a lounge area off a landscaped courtyard. The building is designed to meet National Grid’s RNC Tier II and the latest Energy Star Multifamily New Construction standards. All the electricity for the property’s



site and common area load will be powered by a combination of rooftop solar and renewables. Budgetary support will be provided through community net metering.

Frenchtown I & II will serve a range of incomes, including 24 units at 30% of area median income (“AMI”), 2 units at 50% AMI, 30 units at 60% AMI, and 7 units at market rate. Eight of the 30% AMI units will be subsidized with U.S. Department of Housing and Urban Development (“HUD”) Section 811 vouchers providing supportive housing for persons with disabilities. Each tranche will also benefit from project-based vouchers (“PBVs”) administered by the East Greenwich Housing Authority (the “EGHA”).

There have been several changes since preliminary approval. Most notably, (i) the number of market rate units has been reduced from 19 to 7, resulting in 12 additional LIHTC units, (ii) the distribution of units has been modified such that there are now one- and two-bedroom units in each tranche which resulted in shifting of sources and uses across each tranche, (iii) the Developer received a federal earmark of \$2,000,000 to assist with project costs, and (iv) the Developer was awarded eight additional PBVs from the EGHA. These additional PBVs now allow the 4% project to carry permanent debt.

Since preliminary approval, construction costs have increased and the Developer undertook value engineering to address these escalating costs. The Developer was awarded Building Homes Rhode Island (“BHRI”) funds from the Rhode Island Housing Resources Commission for both Frenchtown I & II to help offset those increased costs. The Developer also conducted a third-party utility allowance study and has received approval to use the proposed utility allowance fees for all LIHTC, Section 811, and PBV units.

The Developer has secured both construction and permanent financing through Cedar Rapids Bank & Trust (“CRBT”) for Frenchtown I. CRBT will also provide the permanent financing for Frenchtown II. CREA, LLC is the LIHTC syndicator for both transactions.

The request is for firm approval of a reservation of an amount not to exceed \$545,682 of 2022/2023 9% Low-Income Housing Tax Credits, as well as firm approval of: (i) a HOME Loan in an amount not to exceed \$1,336,164; (ii) an HTF Loan in an amount not to exceed \$1,781,552; (iii) a HPF Loan in an amount not to exceed \$1,428,060 and (iv) a RIRPF Loan in an amount not to exceed \$757,000 for Frenchtown I. This RFA also requests firm approval of: (i) tax-exempt construction financing of up to \$7,500,000; (ii) an HPF Loan in an amount not to exceed \$483,440; and (iii) a RIRPF Loan in an amount not to exceed \$1,213,875 for Frenchtown II.

After the presentation, Commissioner Orth asked for a motion and a second for Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Firm Approval of Financing for Frenchtown Road I & II (East Greenwich).

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

Commissioner Barry referenced the tax credit pricing of 94 cents on the 9% deal noting that the pricing is better than on the 4% transactions and asked if that is the standard current pricing in the market. Ms. Berman explained that staff has noted a couple of transactions with pricing of 95 cents but the average is between 91 and 94 cents for the 9% credits. Ms. Berman confirmed that pricing is better on 9% transactions.

Commissioner Orth mentioned that the Credit Committee reviewed the deal and discussed cost containment matters. The Committee was pleased to note the additional affordable units proposed for the site.

Following the comments, 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:

## **FRENCHTOWN ROAD I**

### **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,** the Low-Income Housing Tax Credit Program (the “Program”) was created as part of the Tax Reform Act of 1986, as amended (the “Act”);
- Whereas,** RIHousing has been designated the administrator of the Program in the State of Rhode Island;
- Whereas,** staff for RIHousing has determined that a joint venture of Pennrose, LLC and Cove Homes Incorporated (the “Applicant”), is eligible for the Program under the laws of the State of Rhode Island and the federal tax code;
- Whereas,** on April 21, 2022, the RIHousing Board of Commissioners granted preliminary approval of a reservation of low-income housing tax credits (“LIHTC”) available in calendar year 2022/2023 as well as preliminary approval of a HOME Investment Partnerships Program (“HOME”) Loan and a Housing Trust Fund (“HTF”) Loan for rental housing to be located in East Greenwich, Rhode Island and known as Frenchtown Road I (the “Development”);
- Whereas,** on June 16, 2022, the RIHousing Board of Commissioners granted approval of a RI Rebounds Production Fund (“RIRPF”) Loan, subject to completion of project financing, for the Development;
- Whereas,** the Applicant has presented an application to RIHousing requesting financing to acquire and construct the Development as set forth below:

<b>Applicant</b>	<b>Development</b>	<b>LIHTC</b>	<b>HOME Loan</b>	<b>HTF Loan</b>	<b>HPF Loan</b>	<b>RIRPF Loan</b>
Pennrose, LLC and Cove Homes Incorporated	Frenchtown Road I	\$545,682	\$1,336,164	\$1,781,552	\$1,428,060	\$757,000

**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 up to \$545,682 of allocated 2022/2023 LIHTC be reserved for the Applicant or an affiliated entity of the Applicant (the “Borrower”) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the applicant complies with the requirements of the Act and the RIHousing Regulations.

- Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves firm commitment of a HOME Loan to the Borrower in an amount not to exceed \$1,336,164 for rental housing to be located in East Greenwich, Rhode Island and known as Frenchtown Road I.
- Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves firm commitment of a HTF Loan to the Borrower in an amount not to exceed \$1,781,552 for rental housing to be located in East Greenwich, Rhode Island and known as Frenchtown Road I.
- Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves firm commitment of a RIRPF Loan to the Borrower in an amount not to exceed \$757,000 for rental housing to be located in East Greenwich, Rhode Island and known as Frenchtown Road I.
- Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves a HPF loan to the Borrower in an amount not to exceed \$1,428,060 for the rental housing to be located in East Greenwich and known as Frenchtown Road I.
- Resolved,** that the foregoing resolutions are subject to the following special conditions:
- Final appraisals and market studies acceptable to RIHousing, prepared by an independent appraiser demonstrating that the first mortgage loans do not exceed 90% of the as-stabilized value of the Development phases and that sufficient demand exists for the proposed units;
  - The simultaneous closing of Frenchtown Road I and Frenchtown Road II, including construction financing;
  - Availability of construction and permanent financing from Cedar Rapids Bank & Trust or alternative lender acceptable to RIHousing in an amount sufficient to achieve project feasibility;
  - Completion of the HUD Environmental Review and Subsidy Layering by East Greenwich Housing Authority for the Project Based Voucher contract;
  - Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing and any lender;
  - Approval by RIHousing of design and construction plans, specifications, and construction documentation;
  - Approval by RIHousing of all management-related issues, including the marketing and tenant selection plans;
  - Recordation of a RIHousing Declaration of Land Use Restrictive Covenant and Regulatory Agreement in form(s) acceptable 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 Director of Real Estate Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

## FRENCHTOWN ROAD II

### 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 issue tax-exempt bonds for financing qualified housing developments throughout the state;

**Whereas,** said bonds shall have a term not to exceed three 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,** RIHousing is also authorized to issue tax-exempt bonds at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

**Whereas,** on April 21, 2022, the RIHousing Board of Commissioners granted preliminary approval of tax-exempt mortgage financing to Pennrose, LLC and Cove Homes Incorporated, as a joint venture (“Applicant”), to construct rental housing to be located in East Greenwich, Rhode Island and known as Frenchtown Road II (the “Development”);

**Whereas,** on June 16, 2022, the RIHousing Board of Commissioners granted approval of a RI Rebounds Production Fund (“RIRPF”) Loan and a Housing Production Fund (“HPF”) Loan, subject to completion of the project financing, for the Development;

**Whereas,** the Applicant has presented an application to RIHousing requesting mortgage financing to acquire and construct the Development as set forth below:

<b>Applicant</b>	<b>Development</b>	<b>Tax-Exempt Financing</b>	<b>HPF Loan</b>	<b>RIRPF Loan</b>
Pennrose, LLC and Cove Homes Incorporated	Frenchtown Road II	\$7,500,000	\$483,440	\$1,213,875

**Whereas,** 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 RIHousing hereby grants firm approval of tax-exempt construction financing in an amount not to exceed \$7,500,000 to the Applicant or an affiliated entity of the Applicant (the “Borrower”) for rental housing known as Frenchtown Road II in East Greenwich, Rhode Island to be financed, in part, by tax-exempt bonds.

**Resolved,** that RIHousing hereby declares that this firm commitment of financing for the Borrower constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$7,500,000 in mortgage funds for demolition and new construction of the Development, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced Development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves a HPF loan to the Borrower in an amount not to exceed \$483,440 for the rental housing to be located in East Greenwich and known as Frenchtown Road II.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves a RIRPF loan to the Borrower in an amount not to exceed \$1,213,875 for rental housing to be located in East Greenwich and known as Frenchtown Road II.

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

- Final appraisals and market studies acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loans do not exceed 90% of the as-stabilized value of the Development phases and that sufficient demand exists for the proposed units;
- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- The simultaneous closing of Frenchtown Road I and Frenchtown Road II, including construction financing;
- Availability of permanent financing from Cedar Rapids Bank & Trust or another lender in amount sufficient to achieve project feasibility;
- Completion of the HUD Environmental Review and Subsidy Layering by East Greenwich Housing Authority for the Project Based Voucher contract;
- Execution and delivery by the Applicant of a Construction Completion Guaranty in form and substance satisfactory to RIHousing and any lender;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Approval by RIHousing of all management-related issues, including the marketing and tenant selection plans;
- Approval by bond counsel of all required bond requirements;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; 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 Real Estate Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

### **Approval of Transfer of Physical Assets for Barbara Jordan I Apartments (Providence)**

Commissioner Orth once again invited Anne Berman to give the presentation.

Ms. Berman began by noting that the request is an administrative action. Ms. Berman then said that the request was for approval of the transfer of the general partnership interest of Barbara Jordan I Apartments (the “Development”), an affordable housing development for families located on scattered sites in Providence.

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.

Barbara Jordan I is a scattered site development consisting of 193 units in 82 buildings and benefits from a Housing Assistance Payment (“HAP”) contract for all units. The Development was purchased in 2017 by affiliates of Omni America LLC (“Omni”) and subsequently refinanced using tax exempt bonds, existing reserves and low-income housing tax credits. When completed, the final rehabilitation budget was approximately \$75,000 per unit.

The owner of the Development is Barbara Jordan I, L.P. The current general partner of the Development is Barbara Jordan I Developers, LLC, a Rhode Island limited liability company that holds a .01% interest in the partnership. The general partner is co-managed by ONY Barbara Jordan I, LLC and Mill Plain Properties, LLC, both of which are ultimately owned and controlled by Omni Holding Company LLC (the “Transferor”). Currently, the Transferor is owned and controlled by the following individuals and/or entities: (1) Eugene Schneur; (2) Maurice S. Vaughn; (3) Robert Bennett; and (4) Trident Omni Holdings LLC. The Transferor seeks to transfer their general partnership interest to TGA GP HoldCo LLC (the “Transferee”), a Delaware limited liability company and an affiliate of Nuveen Real Estate Group (“Nuveen”).

Nuveen is purchasing the Transferor’s entire portfolio; which consists of 190 developments across multiple states. Nuveen specializes in acquisition, development, and asset management across a diverse portfolio and is controlled by a Board of Managers made up of Pamela West, Nadir Settles and Patrick Li. Prior to the acquisition of the Transferor’s portfolio, Nuveen’s affordable housing portfolio is currently valued at \$3B+ consisting of approximately 20,000 apartment units in 20 states.

The two current investor limited partners in the Development are CREA Barbara Jordan, LLC and CREA SLP, LLC (the “Limited Partners”). There will be no change in the Limited Partners.

The current property manager is Reliant Realty Services, LLC (“Reliant”). Reliant will be purchased by Nuveen, however, the President and senior staff at Reliant will remain. No change in the management agent is contemplated.

Following the presentation, Commissioner Orth asked for a motion and a second for Approval of Transfer of Physical Assets for Barbara Jordan I Apartments (Providence).

A motion was duly made by Commissioner Dwyer and seconded by Commissioner Diossa.

Commissioner Barry inquired about Nuveen’s portfolio. She wanted to know how active they are in the role of general partner.

Ms. Berman responded that Nuveen is adequately active as a property manager and staff is confident in their abilities as a general partner. Additionally, RIHousing’s Asset Management Department pays extra attention to any new entities to ensure the property is satisfactorily maintained and properly financed.

There being no other comments, 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,** 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;

**Whereas,** Barbara Jordan I, L.P. (“Borrower”), the owner of Barbara Jordan I Apartments (the “Development”), seeks approval of the transfer of its general partnership interest from Omni Holding Company LLC to TGA GP HoldCo LLC; 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 general partnership interest in the Borrower from Omni Holding Company LLC to TGA GP HoldCo 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. Final confirmation that there are no changes in the property management of the Development;
3. Receipt by RIHousing of evidence that all applicable entities are in good standing with the Rhode Island Secretary of State;
4. Receipt by RIHousing of the Processing Fee, as defined in §3.4 of the TPA Regulations; and
5. 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, Deputy Executive Director, and Director of Real Estate Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

**Approval of EMPHASYS COMPUTER SOLUTIONS, INC. for Online Affordable Housing Search System**

Commissioner Orth stated that Lisa Primiano, Chief Operating Officer would give the presentation. Ms. Primiano said that the approval was for the engagement of a software vendor, namely EMPHASYS COMPUTER SOLUTIONS, INC. (EMPHASYS), to provide an online affordable housing search system.

Legislation was passed by the Rhode Island General Assembly in 2022 requiring RIHousing to maintain an online searchable database of affordable developments. On November 16, 2022 RIHousing issued a Request for Proposals (“RFP”) seeking proposals from qualified firms to support the creation of an online affordable housing search system that will allow renters to search for affordable developments in Rhode Island and access application. The RFP was posted on RIHousing’s website and the website for the State of Rhode Island’s Division of Purchases. It was also distributed to RIHousing’s RFP email distribution list and sent directly to vendors who provide these types of services. Five vendors submitted responses to the RFP. The responses were reviewed and scored by a committee of staff members, with two vendors being invited to conduct demos. Of these two, EMPHASYS was recommended as the vendor.

EMPHASYS is RIHousing’s current vendor for HousingSearchRI.com, an online housing search tool that is not limited to affordable developments. A significant number of affordable developments are already in that system, so we anticipate that the process for developing and populating a searchable database that meets the requirements of the law will be relatively quick and efficient. The vendor also has a call center that will conduct outreach to owners to collect more detailed information. EMPHASYS operates similar housing search sites in 30 states, many hosted by State Housing Finance Agencies. The cost of the project is \$29,340 for year one and \$10,627 for year two. The EMPHASYS proposal was the most affordable of those submitted.

Following the presentation, Commissioner Orth thanked Ms. Primiano and asked for a motion and a second for Approval of EMPHASYS COMPUTER SOLUTIONS, INC. for Online Affordable Housing Search System.

A motion was duly made by Commissioner Dwyer and seconded by Commissioner Diossa.

A brief discussion followed with Commissioner Dwyer referencing that EMPHASYS holds contracts in 30 states where other HFAs have search engines for affordable housing opportunities. Commissioner Dwyer wanted to know if RIHousing has similar data systems. Ms. Primiano clarified that RIHousing does have an established housing search engine for some affordable and market housing opportunities.

Commissioner Dwyer also wanted to know how quickly the system would be implemented. Ms. Primiano explained that the Legislature requires that a platform be in place by July 1, 2023. However,

there is a good possibility that the implementation of the rental online system will go live before July 2023.

Commissioner Orth queried if the existing HousingSearchRI.org system will be abandoned or replaced. Ms. Primiano verified that both systems will be functional, stating that eventually the two search mechanisms will be integrated.

Commissioner Orth also inquired whether owners of RIHousing's financed properties will be required to provide current information for the system. Ms. Primiano confirmed that fact, noting that the Corporation already captures information for RIHousing financed properties, therefore integration would be straightforward.

Commissioner Orth asked what the primary criticism is for the existing search database. Christine Hunsinger, Chief Strategy and Innovation Officer replied that the major concern is timeliness. Once a potential vacancy is advertised, the apartments may have been rented. Basically, the problem is the limited housing stock. There aren't enough homes or rental units to meet the demand.

Commissioner Orth asked how RIHousing can overcome that situation. Ms. Hunsinger explained that it's not a technological problem, but a matter of a scarcity of affordable homes.

Following the presentation and discussion, Corrine 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's ("RIHousing's") enabling act provides it with all the power and authority to make and execute contracts necessary to exercise the powers and functions provided to it under the act (R.I. Gen. Laws §42-55-5(6)); and

**Whereas:** RIHousing has identified a need for an online affordable housing search system vendor; and

**Whereas:** RIHousing has solicited proposals pursuant to an open competitive process for vendors to create an online affordable housing search system and who are able to substantially meet the requirements associated with this set of functions; and

**Whereas:** A selection committee comprised of RIHousing staff reviewed the proposals for these services, evaluated them pursuant to the criteria set forth in the Request for Proposals and determined that EMPHASYS had submitted the highest-scoring proposal to RIHousing.

**NOW, THEREFORE, IT IS HEREBY:**

**Resolved:** that RIHousing be, and hereby is, authorized to enter into a contract with EMPHASYS to create an online affordable housing search system as set forth in the Request for Proposals and the proposal submitted in response thereto;

**Resolved:** that such engagement shall be for a two (2) year term, with an option exercisable by staff to renew the engagement for an additional two (2) years; and

**Resolved:** that the Executive Director, Chief Operating Officer, and Director of Leased Housing and Rental Services, 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 the terms and fees of the engagement as he or she may determine are in the best interests of RIHousing, and to execute any and all agreements or documents as he or she deems necessary to carry out the foregoing and to take such further actions as he or she deems necessary to carry out the foregoing resolutions.

There being no further business to discuss, Commissioner Orth asked for a motion to adjourn the Board of Commissioners meeting. A motion was duly made by Commissioner Dwyer and seconded by Commissioner Diossa 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 10:00 a.m.

Commissioner Orth then thanked everyone for participating in the Board meeting.

Respectfully submitted,

Carol Ventura  
Secretary and Executive Director