

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

February 19, 2020

A Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Wednesday, February 19, 2020 at 9:00 a.m. at Oxford Place Apartments, 200 Gordon Avenue, Providence, Rhode Island 02905.

Commissioners in attendance were Chairman Nicolas P. Retsinas; LeeAnn Byrne, Designee for Seth Magaziner, General Treasurer; Brett Smiley, Director of the Department of Administration; Kevin Orth and Stephen P. McAllister. Elizabeth Tanner, Director of the Department of Business Regulations, and Maria Barry were absent.

Also, in attendance 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 - Loan Servicing; Bernadette MacArthur, Director of Finance; Eric Shorter, Director of Development; Peter Pagonis, Director of Homeownership; Claribel Shavers, Director of Leased Housing and Rental Services; Christine Hunsinger, Assistant Deputy Director External Affairs, Policy & Research; and Nicole Clement, General Counsel.

Steven Richard, Counsel to the Corporation, was also present, 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 at Oxford Place Apartments, in the Offices of the Corporation, and at the first-floor bulletin board in the State House.

A quorum being present, Chairman Retsinas called the meeting to order at approximately 9:00 a.m.

Approval of Minutes of Board Meeting held on January 16, 2020

Upon a motion made by Commissioner McAllister and seconded by Commissioner Designee Byrne the following resolution was unanimously adopted:

VOTED: That the minutes of the Board Meeting held on January 16, 2020 hereby are approved.

Chairman’s Remarks

Chairman Retsinas greeted everyone and began by officially welcoming and introducing LeeAnn Byrne, Designee for General Treasurer Seth Magaziner and Brett Smiley, Director of the Department of Administration to the Board of Commissioners. Next, the Chairman directed the

Commissioners' attention to his memo outlining the Board Committee appointments and the designated participants on the individual committees. Chairman Retsinas asked the Commissioners to review the memo and generously thanked the Committee Chairpersons for their time, consideration and efforts on the respective committees.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, welcomed everyone and began by extending her appreciation to Aaron Gornstein, Executive Director of POAH, the Property Manager and staff of Oxford Place Apartments and thanking them for hosting this month's Board of Commissioners' meeting.

Ms. Ventura then invited Aaron Gornstein and Alyson Stein, Project Manager, who shared a brief PowerPoint outline of POAH's work across the country and involvement in the area. Mr. Gornstein illustrated the numerous low-income housing projects POAH has constructed in the community and communicated that POAH serves approximately 1,375 residents in the state of which 669 are seniors and 241 children. POAH's property management company oversees all their operations in Rhode Island and implements and administers the Family Self Sufficiency Program.

Next, Alyson Stein provided a succinct synopsis of the Oxford Place and Oxford Gardens properties. First, she welcomed the Board, staff and guests to Oxford Place Apartments and noted that in 2018 the development undertook major renovations including, new roofs, siding, and insulation, hot water heaters and furnace replacement, upgraded fire protection systems, kitchen and bath modifications and solar panel installation. Ms. Stein was gratified to share that the residents are extremely pleased with the upgrades. POAH leveraged RIHousing bonds and soft funds for a total investment of over \$24 million in renovations.

Ms. Stein also conveyed that POAH has acquired the vacant lot next to Oxford Place and the Company plans to construct 30 apartments for various income levels. This project is well supported by the neighborhood and will provide desperately needed affordable housing.

Mr. Gornstein then briefly touched on the goals for the future, including expanding the Corporation, building off the momentum of existing properties, providing housing for a wide range of family size, acquiring underutilized land and designing to the highest energy efficiency standards available.

Finally, Mr. Gornstein asked if anyone had any questions and graciously invited anyone interested to tour the building and a unit after the meeting.

A brief conversation followed the presentation. Chairman Retsinas asked Mr. Gornstein to expand on POAH's aspirations for the future. Mr. Gornstein mentioned that POAH is growing in the Midwest and is looking at expanding new construction, producing new neighborhood public housing projects, along with continuing the preservation deals. POAH is also exploring buying and retaining viable land, and holding those properties for 3-5 years to remain competitive in the field. Growing staff is another major focus of the company.

Chairman Retsinas thanked Mr. Gornstein, Ms. Stein and staff for their hospitality and the presentation.

Ms. Ventura then referred the Commissioners to her written report and commented on a few items of interest.

Homeownership. Ms. Ventura was delighted to report that the favorable interest rate environment in Q4 '19 spurred consumer demand and contributed to a strong start in 2020. In January first mortgage origination units increased 11% year over year. Dollar volume increased 22% to \$39.3 million as home prices continue to escalate in the RI market. She congratulated Mr. Pagonis and staff on the accomplishment.

Ms. Ventura related that according to the RI Association of Realtors, the median sales price of \$286,000 in December 2019 represented an increase of 7.6% from December 2018.

Ms. Ventura also mentioned that the Hardest Hit Fund is winding down, noting that the last loan closed in February. Staff expects that the last unemployment assistance to be finalized by summer 2020.

Loan Servicing. Ms. Ventura was pleased to note that delinquency numbers have reduced to a single digit while staff continues to monitor those loans.

Ms. Ventura also mentioned that the Loan Servicing Division is actively pursuing a robust training and educational product targeted at financial management and homeownership sustainability for borrowers.

Development. Ms. Ventura informed the Commissioners that the Development Division has closed on two multifamily housing developments, Centredale Manor (North Providence) and Cranberry Pond (Warwick) this month, resulting in the preservation of 219 units. Four other transactions are in closing and slated to go to record by mid-March 2020.

Ms. Ventura also shared that staff is waiting to hear from Treasury regarding the Capital Magnet Funds awards.

Leased Housing. Ms. Ventura announced that the Multifamily Northeast Region of HUD conducted their Remote Annual Compliance Review in December to monitor RIHousing's Performance Based Contract Administration performance. HUD issued a report and letter last month closing the review with *no findings*. They acknowledged RIHousing's "overall performance and continued success administering the PBCA program for HUD". Ms. Ventura congratulated Claribel Shavers, Director of Leased Housing and Rental Services, and the team on a job well done.

Upcoming Events. Ms. Ventura communicated that a Lead Contractor Meet & Greet is scheduled for March 31 at 1149 Restaurant, 1149 Division Street, Warwick. RIHousing will be

hosting a “Contractor Connect” outreach and engagement event to recruit additional contractors for the LeadSafe Homes program.

Ms. Ventura also disclosed that RIHousing’s Spring Homebuying Breakfast is scheduled for April 22 at the Crowne Plaza Hotel, 801 Greenwich Avenue, Warwick. The annual breakfast will recognize top lenders and realtors for the past year’s accomplishments. Ms. Ventura invited the Board members to attend the breakfast.

Continuing, Ms. Ventura stated that on February 6, the League of Cities and Towns held its annual Convention. The event was extremely well attended, and Ms. Ventura served on the “Housing: Integrating Development with Sustainability, Attraction and Transit” panel. The panel examined how to leverage housing development to advance goals around sustainability, economic vibrancy and local quality of place. RIHousing also hosted an information booth at the event.

Also, on January 29, a ribbon cutting was held for RIC Workforce Innovation Hub. Rhode Island College and the City of Central Falls celebrated the opening of the new Workforce Innovation Hub. A partnership between RIC and the city, the former Dexter Credit Union building has been repurposed as an academic space offering continuing education, workforce development, professional development, personal enrichment and community programming. The project was supported using state-bond funding via the Acquisition and Revitalization Program (ARP) administered by RIHousing. Ms. Ventura participated in the speaking program at the ribbon cutting alongside Commerce Secretary Stefan Pryor, Mayor Diosa and Dr. Frank Sánchez, President of Rhode Island College.

On February 10, the President released his proposed budget for FY2021. Ms. Ventura explained that the President’s budget would reduce HUD funding by 15% compared to 2020 levels.

Ms. Ventura then declared that on January 16, the Governor released her proposed budget for FY2021. The Executive Director notified the Board that the budget includes transfers from a number of quasi-public organizations including a \$1.1 million transfer from RIHousing. The budget also proposes the creation of a permanent funding stream for housing and a \$25 million housing bond.

In closing, Ms. Ventura mentioned that she has provided a summary of the annual charitable donations and contributions for the Commissioners’ review.

A brief conversation followed the presentation. Commissioner Orth inquired about the impact of the winding down of the Hardest Hit Fund program for the Corporation. Leslie McKnight, Assitant Deputy Director – Loan Servicing, responded that there is no major impact to RIHousing’s portfolio. For the Corporation’s customers, it’s not an unemployment issue, but one of overextension of debt. Chairman Retsians asked why there are fluctuations in the delinquency arena. Ms. McKnight reiterated that the problem is overextension of debt and cited that tax season typically brings those numbers down with income tax refunds, etc. Staff performs extensive analysis and constantly montinors the situation. Another area staff is working to address is educating the borrow to make mortgage payments a priority. The

momentum is to pay credit card and cell phone charges before the borrower pays their mortgage. Educating the borrower and providing budgeting training will help the situation.

Commissioner Designe Byrne asked for a timeline on when the post purchase education will be completed. Ms. McKnight said that staff is presently drafting the Request for Proposals (RFP) and she anticipates the recommendation will be brought to the Board for approval in May.

Chairman Retsinas then asked Ms. Lachapelle, Chief Financial Officer, if the credit rating agencies are notified of the proposed \$1.1 million transfer in the Governor's budget. Ms. Lachapelle confirmed that the credit rating agencies have been informed and advised of any such transfer. Also, any time a bond transaction is issued, the credit agencies are apprised of the action.

Approval of External Charitable Donations and Contributions

Carol Ventura, Executive Director, gave this presentation. She noted that this request is presented monthly and proceeded to report on the action.

This request is for approval and ratification of external Charitable Donations and Contributions of Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") pursuant to the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws (the "Act").

RIHousing is a public corporation of the State of Rhode Island. In carrying out its statutorily-defined public purposes, RIHousing collaborates with a number of organizations that share and advance its mission. In some instances, RIHousing is asked to financially support programs and activities of organizations engaged in activities that are consistent with and further its public purposes. RIHousing is often invited by its community partners to attend or gain recognition at community events, such as annual meetings or fundraisers, where our organizational presence is necessary or desirable.

At its meeting of December 11, 2014, the Board of Commissioners adopted the Handbook of Policies and Procedures to Ensure Accountability (the "Handbook") pursuant to the Act. Section C of the Handbook sets forth RIHousing's policy on charitable and civic donation. This Section C provides that, consistent with the Act, all charitable donations and contributions must be approved or ratified by the full Board of Commissioners at an open meeting.

Attachment A, which attachment is included as part of the February 19, 2020 Board of Commissioner package, sets forth events for which RIHousing has or will make a charitable donation or contribution. This Attachment A identifies the recipient of the expenditure, the amount of the expenditure, the nature of the event, the reason for supporting the event or recipient, each Commissioner or employee who will receive any benefit from the expenditure, and the general ledger account number where the expenditure will be recorded in RIHousing's accounting system. None of these expenditures require any disclosure under the Rhode Island Code of Ethics.

RIHousing’s support of the work of the organization(s) listed on Attachment A furthers our corporate purposes of encouraging and stimulating the development of housing to alleviate the shortage of safe and sanitary residential housing for low- and moderate-income persons as set forth in R.I.G.L. §42-55-2(a). For example, the American Planning Association (Rhode Island Chapter) (“APA RI”) is a non-profit public interest and research organization dedicated to urban, suburban, regional and rural planning. With over 150 members, APA RI is made up of planners at all governmental levels, private consultants, local planning board members, landscape architects, environmental scientists and other professionals dedicated to sound planning principals. Georgiaville Village Green, a RIHousing affordable rental projects located in Smithfield, Rhode Island, was honored at the APA RI annual awards event. The Greater Providence Chamber of Commerce (“GPCC”) is a business advocacy organization formed to ensure that businesses in the greater Providence area continue to expand and thrive. GPCC collaborates with many of RIHousing partners to foster business opportunities that create jobs, grow investment and improve the economic prosperity of the region. The 2020 Legislative Luncheon provides an opportunity to connect with business, House and Senate leaders to discuss the many critical issues facing the business community. The work of these organizations furthers and supports the mission of RIHousing.

Commissioner Smiley confirmed that the Management Committee reviewed the request and the Committee recommended approval.

Chairman Retsinas referenced the Annual Charitable Contributions summary and asked how 2019 compared to previous years. Ms. Lachapelle explained that the contributions have decreased slightly from 2018 and even more from 2017. Senior staff reviews the requests faithfully and only participates in the events that have merit.

Upon a motion made by Commissioner Smiley and seconded by Commissioner McAllister, the following resolution the following resolution was unanimously adopted:

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

Whereas, the legislative findings set forth in Rhode Island Housing and Mortgage Finance Corporation’s (“RIHousing”) enabling act (R.I.G.L. §42-55-2(a)) provide that the serious shortage of safe and sanitary residential housing leads to environmental decline, depreciated value, reduced tax-paying capacity and impaired investment in the communities of the state; and

Whereas, RIHousing is authorized by statute to take action to encourage new housing in an orderly and sustained manner and to encourage and stimulate the construction of such housing through public financial support; and

Whereas, the organization(s) set forth in Attachment A presented at this meeting have asked RIHousing to provide financial support of their activities as described in Attachment A; and

Whereas, the organization(s) set forth in Attachment A plays an important role in supporting community revitalization and the development of affordable homes for low- and moderate-income families and individuals and policies that impact RIHousing’s mission; and

Whereas, RIHousing staff has reviewed the request for financial support and determined that it is consistent with RIHousing’s legislative purposes; and

Whereas, Attachment A sets forth the information required by the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that the expenditure(s) set forth in Attachment A are consistent with and in furtherance of the mission and policy initiatives of RIHousing.

Resolved, the expenditure(s) set forth in Attachment A are hereby approved and ratified.

Resolved, that the Executive Director, Deputy Executive Director and the Chief Operating Officer, each acting singly, are hereby authorized and directed to take any and all actions they deem necessary and appropriate to carry out the forgoing resolutions.

Approval of the 2020 Mortgage Credit Certificate (MCC) Program and Allocation of Unused Private Activity Bond Authority

Peter Pagonis, Director of Homeownership, presented the request.

Mr. Pagonis began by saying that this request is for approval of the 2020 Mortgage Credit Certificate (MCC) Program and authorization to allocate up to \$75,000,000 in unused private activity bond authority to be issued as MCCs under Section 25 of the Internal Revenue Code (the “Code”).

Under state and federal law, Rhode Island Housing and Mortgage Finance Corporation (“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, the Student Loan Authority, the Airport Corporation and RIHousing. Because of low demand from other entities, we typically are assigned any unused state authority each year.

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

loans are not finance using tax-exempt bonds, this unused tax-exempt authority presents an opportunity for RIHousing to take advantage of an IRS program that will provide tangible benefits to low- and moderate-income first-time homebuyers in a way that will complement our current lending platforms.

Staff recommends that \$75,000,000 of our 2018 tax-exempt bonding allocation be converted into MCCs to provide additional funding for our MCC Program, which was reestablished by the Board of Commissioners in 2013. The MCC Program has been extremely 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. The 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 \$8000 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 ($\$8,000 \text{ interest deduction} \times 28\% \text{ tax rate}$) 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 ($\$10,000 \text{ interest deduction} \times 28\% \text{ tax rate}$). 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 Program. 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 has allocated a total of \$731,000,000 in unused private activity bond authority to be issued as MCCs to qualifying homebuyers since 2013.

Considering the continued demand for the product, and the availability of \$75,000,000 in private activity bond authority that is not necessary to fund our anticipated volume of tax-exempt mortgage loans, staff recommends approval of the allocation of up to \$75,000,000 of unused 2018 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 unused 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 unused 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 at little to no cost to RIHousing.

Staff recommends the adoption of the attached resolution approving the 2020 MCC Program and authorizing the allocation of up to \$75,000,000 of unused private activity bond authority for the issuance of MCCs to qualified homebuyers.

Commissioner Smiley declared that the Management Committee reviewed the proposal and endorsed approval of the request.

A short discussion followed with Commissioner Orth observing that as these transactions are associated with the TBA (To Be Announced) market, if staff is finding it a bit more challenging to transition to the bond market. Ms. Lachapelle clarified that the Finance Department will continue to bond the loan if it is eligible. This supplements other financing options and is a very successful program. Commissioner Orth also asked if the bond market is competitive. Ms. Lachapelle affirmed that it is a competitive market, but staff reviews the rates religiously to make an informed decision on whether to use the TBA platform or the Bond market. However, she did stress that the MCC program is restricted to first time homebuyers.

Upon a motion made by Commissioner Smiley and seconded by Commissioner McAllister, 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 on 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 \$75,000,000 of private activity bonds which 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 2018; 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; and

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 \$75,000,000 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 \$75,000,000 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 2020 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, which attachment is included as part of the February 19, 2020 Board of Commissioner package. 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 any unused private activity bond volume cap allocated to RIHousing and previously carried forward for the calendar year 2018 in connection with the issuance of MCCs.

Section 7. The Executive Director, the Deputy Executive Director, the Chief Financial Officer and the Director of Homeownership, each acting singly, be, and hereby is 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.

At this point of the meeting, Secretary Pryor arrived at approximately 9:34 am. Chairman Retsinas acknowledged Secretary Pryor and asked the Secretary to provide a few remarks after the review of the agency performance goals.

Review of 2019 Agency Performance

Ms. Ventura reported on the 2019 Agency performance. She distributed a summary of the goals, the metrics and the accomplishments and then briefly described the key elements of 2019.

The Executive Director highlighted that Homeownership Division products are well utilized and extremely successful. All the programs were productive and resulted in increased revenue and housing units for the Corporation.

The Development Division is slightly off in its production goal, however is working on an investment fund for homeownership units. A RFP for a developer for the Barbara Jordan II Apartments is scheduled for distribution in April and staff has partnered with National Grid and Net Zero for the development.

The Loan Servicing Division has obtained approval as a FHLMC seller/servicer and has experienced a growth in the portfolio of approximately 900 loans.

Continuing, Ms. Ventura noted that the Leased Housing and Rental Services Division has incorporated 18 public housing authorities to the centralized wait list and transitioned 30 households from supportive to mainstream housing.

The Asset Management team has also rolled out a new compliance manual for tax credit owners/mangers. The manual won an award at the National Council of State Housing Agencies (NCSHA) and has received numerous positive remarks.

The Finance Department issued the first round of Multifamily “Sustainability Bonds” and is working on a Single Family “Sustainability Bonds”.

Next, Ms. Ventura affirmed that the Legal Department issued a RFP and approval of outside legal counsel roster that was completed in September 2019 giving the Corporation selected a total of 34 firms for its roster.

The Communications team designed and launched a new external, user friendly website. The website has proven to be a great tool for customers and developers.

Finally, Ms. Ventura reported that LEAN trainings have been initiated corporation wide, three in the Leased Housing and Services Division, and one in the Development Division - Lead Program. The results have streamlined numerous functions and processes across departments.

A short conversation followed. Commissioner McAllister asked if there were any surprises that differed from expectations. Ms. Ventura said that she anticipated a higher number of PHAs to participate in the centralized wait list. Ms. Ventura stated she had wished for a more robust involvement from the public housing authorities.

There were no votes taken regarding this item.

At this point of the meeting, Chairman Retsinas introduced and welcomed Secretary of Commerce, Stefan Pryor. The Chairman thanked the Secretary for attending and said that Secretary Pryor is a great colleague and a wonderful friend. The Chairman then invited Mr. Pryor to give his presentation on the economy and the Governor's FY 2021 budget projections.

Secretary Pryor thanked Chairman Retsinas for the invitation and extended his appreciation to Ms. Ventura. He remarked that it's a pleasure to work with the Chairman, Ms. Ventura and the Board. Secretary Pryor also extended a special endorsement to Commissioner Smiley and Claudia Wack of the Commerce Corporation for their work on behalf of the Governor and her budget. Mr. Pryor stated that the Governor is focused on the housing shortage and has included several proposals in her FY 2021 budget to address the issue.

The Governor's proposal includes a new \$25 million housing bond to support new construction and preservation of affordable and workforce housing, the creation of a permanent funding stream, which will fund new affordable housing production and incentives to cities and towns along with changes to eliminate the double taxation of certain low-income housing tax credit (LIHTC) transactions.

Secretary Pryor also announced that the Governor has proposed changes to the administrative structure of the state's housing agencies and commissions, replacing the Housing Resources Commission (HRC) with two new entities. Those entities are: The Housing Resources Coordinating Council and the Housing Strategy Steering Committee. The Executive Director of the Coordinating Council and the Chairperson of the Steering Committee shall serve as non-voting ex-officio members of the RIHousing Board of Commissioners.

Continuing, Mr. Pryor gave a brief highlight of the State's economic environment. He was excited to report that the unemployment rate has significantly decreased where it is at the lowest point in history. He noted that employment is at its peak with 496,600 citizens productively in the workforce.

Secretary Pryor mentioned that housing production directly contributes to the increase in job growth and employment opportunities and RIHousing directly impacts the industry. For the Corporation's efforts, Mr. Pryor publicly thanked Ms. Ventura and the Board.

He noted that housing production has not increased at a sustainable level to meet housing needs, therefore housing costs have risen. Production of affordable housing is an important factor for growth in the State and that the Governor recognized the supply and demand for those units.

Secretary Pryor then talked about the proposed housing bond, the dedicated funding stream for housing and creating incentives to cities and towns to facilitate the production of housing. He also explained the recommended restructuring of the state housing agencies and commissions to streamline services, promote collaboration and sharing of information and data.

Finally, Secretary Pryor thanked the Chairman and Ms. Ventura for the partnership and the opportunity to address the Board. He then encouraged questions from the Board.

Commissioner Orth thanked Mr. Pryor for the presentation and commended Secretary Pryor and the Governor for recognizing the importance of housing. Commissioner Orth applauded the notion of a dedicated funding stream and said that it will allow for better planning for the future. Another indirect benefit of the proposal is that it will build up the development capacity in the State.

Commissioner Designee Byrne mentioned that the Treasurer's perspective for housing is on all income levels and tiers and wondered if the housing bond is geared just for the lower income bracket. Mr. Pryor explained that the bond will include the 30% income level along with the higher income spectrum. Commissioner Designee Byrne also asked if consideration has been given to how increased housing will impact school districts and education. Secretary Pryor mentioned that staff has explored that situation and research shows that the impact is minimal. Also, a plan will be explored where the State will provide some assistance to the cities and towns.

Chairman Retsinas inquired if metrics have been assigned to the programs to track the success of the initiatives. Secretary Pryor confirmed that the vision incorporates benchmarking and tracking if the proposals pass. He also believes that the establishment of those parameters should be the purview of the new HRC steering committee, the stakeholders and RIHousing.

Secretary Pryor introduced Claudia Wack, Housing/Policy Counsel for the Rhode Island Commerce Corporation and questioned if staff has started analyzing metrics. Ms. Wack responded that staff is presently consumed with deliverables and outlining the categories, however the subject has been part of the conversation and is on the agenda.

In closing, the Chairman expressed his and the Board's appreciation for the Secretary's time and efforts.

Executive Session Pursuant to R.I.G.L. Sec. 42-46-5(a)(1) to review the 2020 Performance Goals of the Executive Director

Chairman Retsinas called for a closed session pursuant to R.I.G.L. Section 42-46-5 (a)(1) to review the 2020 performance goals of the Executive Director. Chairman Retsinas then asked for a motion to convene the closed session. A motion to convene the closed session was made by Commissioner Smiley and seconded by Commissioner McAllister.

Nicole Clement, General Counsel, 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 Smiley	Aye
Commissioner Orth	Aye

Commissioner Designee Byrne Aye
Commissioner McAllister Aye

Ms. Clement noted that the Executive Director, who is the subject of the closed session pursuant to Sec. 42-46-5(a)(1), had 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.

The Board of Commissioners entered in closed session at approximately 10:15 a.m. The Board of Commissioners invited Secretary Pryor to stay for the closed session.

The Commissioners reviewed and considered the 2020 performance goals of the Executive Director and discussed those goals with Ms. Ventura.

The closed session ended at approximately 10:26 a.m., and Chairman Retsinas reconvened the Board of Commissioners into open session. Chairman Retsinas stated that no votes or other actions had been taken in closed session.

There being no further business to discuss, a motion was duly made by Commissioner McAllister and seconded by Commissioner Smiley to adjourn the meeting at approximately 10:27 a.m.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director