

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

**June 17, 2021**

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, June 17, 2021 at 9:30 a.m. The meeting was held via telephone conference call pursuant to Executive Order 20-46 (extended by Executive Order 21-59).

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

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

Corinne Myers, Acting General Counsel, provided additional information for those participating in the meeting. Ms. Myers stated that (i) pursuant to Executive Order 20-46 (as extended by Executive Order 21-59, and as may be further amended or extended) the meeting was being held via teleconference, (ii) members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and (iii) in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers also stated that Chairman Retsinas would preside over the meeting and requested that any Commissioner or staff state their name prior to speaking and mute their telephone if not speaking. She then invited Chairman Retsinas to call the meeting to order.

A quorum being present, Chairman Retsinas introduced himself and officially called the meeting to order at approximately 9:34 a.m. Chairman Retsinas then invited Ms. Ventura to proceed with the roll call of Commissioners and RIHousing staff (in attendance).

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

LeeAnn Byrne, Designee for General Treasurer Seth Magaziner was also present.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Lisa Primiano, Chief Operating Officer; Leslie McKnight, Assistant Deputy Director of Loan Servicing; Bernadette MacArthur, Director of Finance; Christine Hunsinger, Chief Strategy and Innovation Officer; Barbara Farrand, Human Resources Director; Anne Berman, Assistant Director of Development; Corinne Myers, Acting

General Counsel; Anne Berman, Assistant Director of Development and Carl Rotella, Director of Information Technology.

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

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation, on the Corporation's web site [www.rihousing.com](http://www.rihousing.com) and at the following link: <https://www.rihousing.com/rihousing-board-meeting-june-17-2021/>.

### **Approval of Minutes of Board Meeting held on May 20, 2021**

Chairman Retsinas asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on May 20, 2021. A motion was made by Commissioner McAllister and seconded by Commissioner Barry. There being no discussion, Corinne Myers Acting General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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

VOTED: That the minutes of the Board Meeting held on May 20, 2021 hereby are approved.

### **Chairman's Remarks**

Chairman Retsinas did not have anything to report.

### **Executive Director's Review of Recent Activities and Trends**

Carol Ventura, Executive Director, greeted everyone, referred the Commissioners to her report and commented on a few items of interest on the Corporation's activities.

**Homeownership.** Ms. Ventura reported that the inventory of single-family homes is extremely tight. While the Homeownership Division's low mortgage interest rates continue to keep "affordability" at a reasonable level, low housing inventory and escalating sales prices continue to challenge RI and national first-time homebuyers. Multiple offers to purchase (including "escalation clauses" on sales contracts), waiving of contingencies, and sales prices exceeding list prices are commonplace in the local residential real estate markets.

Ms. Ventura also stated the HHFRI team is in the process of winding down foreclosure prevention loan operations for Rhode Island homeowners affected by the COVID-19 pandemic. In this phase, staff successfully received approval to repurpose administrative funds in July 2020 for program allocation. These efforts have assisted about 180 homeowners on total volume of approximately \$1.65

million. Loan underwriting will be completed by June 30, 2021 with final loan disbursements to borrowers around December 1, 2021.

**Loan Servicing.** Ms. Ventura reported that for the month, RIHousing experienced a slight increase of 40 basis points in overall delinquency. However, the 90-day delinquencies decreased. Additionally, of the borrowers that requested forbearance agreements, 949 have decided they no longer need assistance due to stimulus relief or have resumed their payments using a loss mitigation option.

**Development.** Ms. Ventura was pleased to relate that construction of affordable housing continues to be productive. This month, staff is recommending awards to four (4) projects totaling \$5,860,000 to support the development of 301 units of which 74 will be designated as workforce housing units.

**Leased Housing and Rental Services.** Ms. Ventura informed the Commissioners that RIHousing has accepted the budget authority to administer the 117 additional Emergency Housing Vouchers. Staff has reached out to the Corporation's partner agency, Providence Housing Authority to brainstorm on how to best deploy these vouchers. The Executive Director was happy to report that Providence Housing is willing to work with RIHousing in developing a plan that will include services and the sharing of a Housing Navigator position.

Next, Ms. Ventura announced that on Friday, June 18, Senator Reed will be holding a press event on the RentReliefRI program. Participants will include Governor McKee, Speaker Shekarchi, Senate President Ruggerio, Carol Ventura, ONE Neighborhood Builders and the Providence Housing Authority. The event is intended to celebrate this important resource and raise awareness about how to access the funding. The event will take place at 10 a.m. at ONE Neighborhood Builders' offices at 66 Chaffee Street, Providence.

Ms. Ventura then invited Christine Hunsinger, Chief Strategy & Innovation Officer to give a status report on the RentReliefRI program.

Ms. Hunsinger began by providing a brief overview of the program. As the Board is aware, RIHousing has been designated by the State to administer approximately \$200 million in federal emergency housing assistance under this new program to address the effects of the COVID-19 pandemic. RentReliefRI assists families who need temporary help paying rent, rent arrearages, utility arrearages, utility payments, and other expenses related to housing. RIHousing required a comprehensive software package to facilitate program administration and selected a vendor. RIHousing was able to meet its initial implementation deadline, but by April 8 technical issues forced the site to be shut down. The site was closed for ten (10) days and a new vendor was engaged.

Continuing, Ms. Hunsinger said that the new vendor was successful in designing and implementing a new platform. New applications along with the integration of previous applications were uploaded, but a backlog had accumulated. To mitigate the backlog, staff restructured the agreement with the call center. Presently 131 employees are staffing the call center and are on track to clear the backlog by early July.

Approximately thirty-three (33) applications are received daily and to date, staff has assisted 113 families and distributed over \$1 million dollars in rent relief funds. Additionally, staff has reviewed 70% of all applications in the portal.

Furthermore, RIHousing has added several partners to be on site at the Garrahy Judicial courthouse to educate tenants facing eviction. A daily report of the evictions slated to be processed that day are submitted to RIHousing so that partners can be on hand to offer assistance and guidance on utilizing the RentReliefRI program. In most cases, if a tenant is the process of applying for assistance, those hearings are postponed and/or dismissed. In the coming weeks, similar services are scheduled for the Kent County and Newport courthouses.

Finally, Ms. Hunsinger said that RIHousing has initiated a paid media campaign on RIPTA buses, on public radio stations in both English and Spanish, social media sites and is working on producing a film to educate the public. Moreover, RIHousing is planning virtual events, community engagement sessions in local libraries, community centers, town, and city council chambers, along with direct mailings. Rhode Island Legal Services and the Center for Justice will also be partnering with the Corporation to providing awareness and assistance in completing applications for funding.

Ms. Hunsinger then welcomed questions from the Commissioners.

General Treasurer Magaziner expressed his appreciation for the update and mentioned that he is concerned that once the eviction moratorium and utility assistance are lifted Rhode Islanders will lose their homes. His goal is for as many eligible Rhode Islanders as possible to be helped in a timely manner. The Treasurer then asked Ms. Hunsinger how many applications have been received and the amount of funds distributed.

Ms. Hunsinger reported that staff has produced a dashboard that will be available on the website with current statistics for the public to view. Presently 5,504 applications have been received and staff has reviewed 70% of those application. The total amount requested is \$23 million. Not all applicants have requested forward facing funds and a bulk of the requests are for utility payments.

Treasurer Magaziner inquired where in the application process the problem exists. Ms. Hunsinger replied that documentation is a burden for applicants, but staff has reduced the documentation requirements. Additionally, once the application is uploaded it takes three (3) to four (4) times for staff to obtain all pertinent information to finalize the process. Once the application is completed disbursement of payments occurs within one (1) to three (3) weeks.

Treasurer Magaziner commented that the documentation requirements for residency and COVID hardship might be hindering the process. The Treasurer recommended lifting the requirements and allowing the tenants and landlords to self-attest to the hardship. Treasurer Magaziner felt that self-attestation must be made available to both tenants and landlords in place of documentation. The Treasurer stressed that the Corporation could allow applicants to provide self-attestations at the initial time of application and follow up with additional documentation at a later date.

Ms. Hunsinger acknowledged that sentiment and remarked that the program allows for five (5) to six (6) different means to provide the required documentation including self-attestation as the last option. RIHousing must balance its fiduciary obligations for proper use of federal dollars and serving the needs of the community.

Treasurer Magaziner was pleased to know that additional efforts are underway to market the program to increase awareness and stressed that time is of the essence.

Ms. Hunsinger assured the Treasurer and Board of Commissioner that efforts are underway for an aggressive public awareness campaign encompassing paid radio time, social media blasts, focus groups and community and partner engagement events.

Treasurer Magaziner then inquired on whether payments are paid directly to tenants or landlords. Ms. Hunsinger confirmed that payments are disbursed to landlords but within a few weeks, payments will be issued directly to tenants. The Treasurer emphasized that it's important that those funds can be made available to the tenants.

Chairman Retsinas informed the Commissioners that a RentReliefRI Advisory Committee is scheduled to convene and will address those recommendations.

In closing, Ms. Ventura stated that at this month's Credit Committee meeting, Commissioner Orth requested that staff incorporate a graph depicting the FY 2022 net revenue by division to the budget presentation. Ms. Veturra verified that the requested chart is included in the budget report.

### **Approval of Michael S. Van Leesten Memorial Awards**

Chairman Retsinas introduced Christine Hunsinger, Chief Strategy & Innovation Officer, who gave the presentation.

Ms. Hunsinger began by saying that this request is for approval of the Spring 2021 Michael S. Van Leesten Memorial Awards. The Michael S. Van Leesten Memorial Awards support students from diverse backgrounds to pursue academic fields or careers related to the housing industry.

This awards program honors the life and work of Michael S. Van Leesten. Born and raised in Providence, Van Leesten was dedicated to improving the lives of Rhode Islanders through his business leadership, civil rights activism, and public service. He was the founder and Executive Director of Opportunities Industrialization Center of Rhode Island, a non-profit offering career coaching, job training, and support for small businesses in urban communities. Van Leesten previously served as the Chairman of RIHousing, and also held leadership positions with the NAACP, Urban League, and the Black Heritage Society.

This awards program consists of a \$5,000 scholarship for a student pursuing a construction trade career; a \$5,000 scholarship for a student pursuing an academic degree related to the housing field; and a summer fellowship for a student to develop professional experience in housing policy, research and analysis through an in-depth project.

RIHousing released applications for the awards program on March 30, 2021. The applications were posted on the RIHousing website, social media, via a press release and sent to approximately 550 organizations, trade schools and colleges, and property managers via email announcements. All material was available in both English and Spanish. RIHousing received one application for the construction trade scholarship, six applications for the academic housing scholarship and no applicants for the fellowship.

A committee consisting of staff from the Development Division, Leased Housing and Rental Services Division, Finance Division, and Jill Van Leesten, Van Leesten's daughter, reviewed each proposal in accordance with scoring criteria. Upon review it was determined by the committee that the

construction trade scholarship applicant did not meet the threshold criterion of pursuit of a career in the construction trades. As a result, the committee recommended that two scholarships be awarded to applicants for students pursuing a degree related to housing, as described in an attachment to the Board package.

Chairman Retsinas then asked for a motion and a second for the Michael S. Van Leesten Memorial Awards.

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

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

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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

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

**WHEREAS:** Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) created the Michael S. Van Leesten Memorial Awards Program in memory of Michael S. Van Leesten; and

**WHEREAS:** pursuant to an open competitive process RIHousing invited applications for two scholarships and one fellowship to support students pursuing education and training related to housing; and

**WHEREAS:** RIHousing received one application for a construction trade scholarship and six applications for an academic housing scholarship; and

**WHEREAS:** a committee comprised of staff and a representative of Michael S. Van Leesten’s family reviewed the applications and have determined that two applicants best fit the award criteria.

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

**RESOLVED:** that the applicants set forth at Attachment A be, and hereby are approved for scholarship awards under the Michael S. Van Leesten Memorial Awards Program in the amounts specified at Attachment A.

**RESOLVED:** that all funds awarded hereunder shall be funded out of the FY 2021 budget of RIHousing.

**RESOLVED:** that the Executive Director and the Chief Strategy and Innovation Officer, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.

**Attachment A  
Proposed FY 2021 Michael S. Van Leesten Memorial Awards**

| <b>Name</b>         | <b>Scholarship</b>     | <b>Educational Program</b>   | <b>Award</b> |
|---------------------|------------------------|--|--------------|
| Temidayo Akinjisola | Academic Housing Award | Roger Williams University Law School   | \$5,000      |
| Diana Figueroa      | Academic Housing Award | Tufts University Master of Arts in Urban and Environmental Policy & Planning | \$5,000      |

**Firm Approval of Financing for Forest Farms Assisted Living (Middletown)**

Chairman Retsinas introduced Anne Berman, Assistant Director of Development, who presented the request.

Ms. Berman said that this request is for firm approval of financing for (i) a taxable first mortgage in the amount of \$2,500,000, (ii) a loan from the Capital Magnet Fund (“CMF”) in the amount of \$750,000, and (iii) a HOME Investment Partnerships Program loan (“HOME Program”) in the amount of \$850,000 for Forest Farm Assisted Living Limited Partnership (“FFAL” or the “Development”). Church Community Housing Corporation (“CCHC” or the “Developer”) is the developer of FFAL and proposing this refinancing to undertake a rehabilitation of the property.

FFAL is a licensed assisted living facility located in Middletown, Rhode Island originally constructed and financed by RIHousing in 1999 using LIHTCs and other financing. The property currently has 50 one-bedroom assisted living apartments contained in a single building of which 35 are LIHTC units and receive Medicaid waivers from the State of Rhode Island. The project reached the end of its initial compliance period in 2014 and the equity investor limited partner, National Equity Fund, exited the partnership in 2015.

In addition to the assisted living apartments, the building includes a commercial kitchen, dining room, library, and other common activity rooms typical for assisted living facilities to serve the needs of the residents. The building is attached to the Royal Middletown Nursing Center (formerly known as Forest Farm Health Care Center (“Royal”). FFAL and Royal have a contractual relationship in which an affiliate of Royal provides meals and assisted living services to the residents of FFAL. FFAL has engaged Phoenix Property Management as the property manager.

Many of the building systems and interior finishes that were installed in 1999 are at or nearing the end of their effective useful life and need replacement. CCHC is proposing over \$4,500,000 in

improvements to the property and the planned scope of the rehabilitation includes replacing the roof, installing solar panels, replacing the generator, and making site improvements. Interior work includes replacing boilers and hot water tanks; installing energy efficient heat pumps for each unit for improved heating and cooling; and upgrading the sprinkler and fire alarm systems to meet current code requirements and improve life safety. In addition, one market rate unit will be decommissioned in order to upgrade the commercial kitchen to allow for expanded kitchen operations with space for food preparation and storage.

FFAL's operations have been inconsistent over the past 20 years. Much of the challenge is due to inconsistencies with the State's Medicaid waivers. While the State did set aside 151 Medicaid waivers for three assisted living facilities financed by RIHousing, the reimbursement rate was stagnant for more than 10 years even though costs, many mandated by the Rhode Island Department of Health, increased annually. In 2018, the reimbursement rate increased from \$43/day to \$69/day helping to stabilize operations. In September 2020, FFAL was awarded 30 project-based vouchers which significantly increased the revenue generated at the property. This increased revenue supports the proposed debt and ensures more stabilized operations going forward.

CCHC is proposing to refinance without undertaking a re-syndication given that assisted living transactions like FFAL are not attractive to syndicators. Proposed sources include: (i) a RIHousing taxable first mortgage insured under the FHA Risk Sharing Program, (ii) a Preservation Loan Fund Program loan from the Affordable Housing Trust, (iii) a CMF Loan, (iv) a Building Homes Rhode Island ("BHRI") loan from the State of Rhode Island Housing Resources Commission, (v) a grant from the Federal Home Loan Bank of Boston Affordable Housing Program ("AHP"), (vi) a HOME Loan, (vii) general partner capital in the form of existing reserves, (viii) the rollover of existing RIHousing debt, and (ix) a Renewable Energy Fund grant from Rhode Island Commerce Corporation. The BHRI loan and AHP subsidy have been secured.

As part of the approval process for rollover of existing debt, staff has determined that FFAL meets RIHousing's requirements. Broadly, the requirements include:

- Current on first mortgage or in compliance with forbearance agreement;
- No outstanding monitoring findings and no history of significant monitoring findings;
- Demonstrated responsible long-term ownership and management of the property;
- Plan to maximize the amortizing debt the property can support; and
- Borrower and/or key principals provide guarantees to cover any construction deficit shortfalls.

CCHC also intends to transfer the limited partnership interest in Forest Farms Assisted Living Limited Partnership (the "Borrower"), from CCHC to Mumford Housing Corporation, an affiliated entity.

Chairman Retsinas then asked for a motion and a second for the Firm Approval of Financing for Forest Farms Assisted Living (Middletown).

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

Commissioner Orth stated that the transaction was thoroughly reviewed by the Credit Committee, noting that in the past the development experienced some challenges regarding the Medicaid waivers but has since then been stable. The addition of thirty (30) project-based Section 8 vouchers helps mitigate any risks.



Additionally, separating the assisted living component from the operating revenue is a positive for the transaction. The Credit Committee recommends approval.

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

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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

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

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

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

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

**Whereas,** the applicant (“Applicant”) listed below has presented an application to RIHousing requesting mortgage financing to acquire and rehabilitate the Development as set forth below:

| <u>Development</u>          | <u>Applicant</u>                     | <u>Mortgage</u> | <u>Capital Magnet Fund</u> | <u>HOME Investment Partnerships Program</u> |
|-----------------------------|--------------------------------------|-----------------|----------------------------|---|
| Forest Farm Assisted Living | Church Community Housing Corporation | \$2,500,000     | \$750,000                  | \$850,000                                   |

**Whereas:** staff has reviewed the submission of the Applicant for mortgage financing and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; and

**Whereas,** RIHousing finds that:

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

(2) That 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) That 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) That the proposed housing development to be assisted pursuant to the provisions of this chapter will be of public use and will provide a public benefit;

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

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

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby gives firm approval of financing for a taxable first mortgage loan to Forest Farms Assisted Living Limited Partnership (“Borrower”), or an affiliated entity, in an amount not to exceed \$2,500,000 for rental housing known as Forest Farm Assisted Living in Middletown, Rhode Island, (the “Development”).

**Resolved:** that, subject to the special conditions listed below, RIHousing hereby authorizes firm approval of a Capital Magnet Fund loan in an amount not to exceed \$750,000 for the Development.

**Resolved:** that, subject to the special conditions listed below, RIHousing hereby authorizes firm approval of a HOME Investment Partnerships Program loan in an amount not to exceed \$850,000 for the Development.

**Resolved:** that, subject to the special conditions listed below, RIHousing hereby authorizes the transfer of the limited partnership interest in the Borrower from Church Community Housing Corporation to Mumford Housing Corporation.

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

- Approval of a Preservation Loan Fund loan from the Affordable Housing Trust in an amount sufficient to achieve project feasibility.
- FHA Risk-Sharing approval from the U.S. Department of Housing and Urban Development for a minimum of 50% of the first mortgage loan.
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- Approval by RIHousing of the amended assisted living services contract with Royal at Home RI, LLC.
- Approval by RIHousing of management documentation.
- 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 Development, each acting singly, are hereby authorized to take any and all actions they deem necessary to carry out the foregoing resolutions.

### **Preliminary Approval of Financing for Riveredge Apartments (Providence)**

Chairman Retsinas stated that Ms. Berman would also report on this request.

Ms. Berman introduced the request for preliminary approval of a RIHousing tax-exempt construction loan in the amount of \$16,100,000 for Riveredge Apartments (the “Development”), of which \$10,500,000 would remain as a permanent first mortgage. Cornell Management Corp. (“CMC” or the “Developer”) is the developer.

The current partnership acquired the property in February 2006 using bond financing and LIHTC through RIHousing. Moderate rehabilitation of about \$11,000 per unit was completed at that time. The existing limited partner, Richman Capital, has confirmed that the initial compliance period for the Development expired in December of 2020. Richman Capital has indicated a desire to exit the existing partnership and re-syndicate the new Development.

Riveredge Apartments is a six-story, steel-frame, concrete building originally constructed in 1980. It has 89 one-bedroom and 10 two-bedroom apartments for elderly and disabled households. Amenities include a community room, business center, outside patio and sitting areas. The Section 8 Housing Assistance Payments (“HAP”) contract, which covers all 99 units, was recently renewed for 20 years with rents marked up to market.

CMC will undertake a \$5,000,000 rehabilitation of the property as part of this proposed transaction. The scope includes renovation of 60 residential units with updates such as: energy efficient appliances, new kitchens, new bathrooms, new floor coverings, and refreshed paint. Additionally, all the common areas will be updated with fresh paint, floor coverings and new lighting. Improvements will be made to the existing mechanical, electrical, and plumbing systems as well as elevator upgrades. Exterior

repairs include new windows throughout the building, installation of a new roof and solar panels, and replacement of the exterior Dryvit and aluminum panels with new fiber cement panels. The net result of the completed proposed scope of work is expected to be a refreshed, energy efficient building that will extend the life of the Development well into the future.

The capital stack is comprised of the following sources: (i) a tax-exempt first mortgage, (ii) existing reserves, (iii) LIHTC equity, (iv) cash from operations, (v) a solar rebate, and (vi) a deferred developer fee.

Chairman Retsinas then asked for a motion and a second for the Preliminary Approval of Financing for Riveredge Apartments (Providence).

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

Commissioner Orth acknowledged that the Credit Committee reviewed and discussed the proposal. The Committee noted that this is a solid proposal with an established partner. The sponsor is undertaking a large renovation and is in line with stated priorities. The City of Providence is also in favor of the undertaking.

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

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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

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

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

**Whereas:** RIHousing intends to issue tax-exempt bonds for financing qualified housing developments throughout the state;

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

**Whereas:** RIHousing is also authorized to issue bridge financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

**Whereas,** the applicant (“Applicant”) listed below has presented an application to RIHousing requesting mortgage financing to acquire and/or rehabilitate the development as set forth below (the “Development”):

| <u>Development</u>   | <u>Applicant</u>         | <u>Mortgage</u> |
|----------------------|--------------------------|-----------------|
| Riveredge Apartments | Cornell Management Corp. | \$16,100,000    |

**Whereas:** staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies;

**Whereas,** RIHousing finds that:

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

(2) That 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) That 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) That the proposed housing development to be assisted pursuant to the provisions of this chapter will be of public use and will provide a public benefit;

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

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

**Resolved,** that subject to the special conditions listed below, RIHousing hereby declares preliminary commitment for tax-exempt mortgage financing for Cornell Management Corp. or an affiliated entity (the “Borrower”) in an amount not to exceed \$16,100,000

for rental housing known as Riveredge Apartments located in Providence, Rhode Island to be financed, in part, by tax-exempt bonds;

**Resolved:** that RIHousing hereby declares that this preliminary commitment of financing for the Borrower constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance up to \$16,100,000 in mortgage funds, 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. This resolution shall take effect immediately upon adoption;

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

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the purchase price is supported and market oriented and the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Syndication equity from the allocation of low-income housing tax credits in an amount sufficient to achieve project feasibility.
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation.
- Execution and delivery by the Developer of a construction completion guaranty in form and substance satisfactory to RIHousing.
- Approval by RIHousing of management documentation.
- Approval by bond underwriter and bond counsel that the loans will satisfy all required bond provisions for the bond issue.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage loan.
- 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 Development, each acting singly, are hereby authorized to take any and all actions they deem necessary to carry out the foregoing resolutions.

**Approval of Transfer of Physical Assets and Prepayment (TPA) for Cove Properties of Wickford, LP (North Kingstown)**

Chairman Retsinas asked Anne Berman, Assistant Director of Development to present the request.

Ms. Berman said that this request was for approval of the transfer of the limited partnership interest in Cove Properties (the “Development”), an affordable housing development for families located on Huling Road in North Kingstown, and the prepayment of the first mortgage loan of the Development.

The Development consists of 18 apartment units in 14 buildings and associated parking. Originally developed as affordable housing in 1992, the Development was financed utilizing the LIHTC Program and financing from RIHousing. The Development’s 30-year Regulatory Agreements expire in 2023.

Under RIHousing's 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 and prepayment of the mortgage before conveying, assigning or transferring any ownership interest in a multifamily housing project.

The owner of the Development is Cove Properties of Wickford, L.P. ("Cove LP"). Cove Properties of Wickford, Inc. ("Cove Inc."), the general partner of the Development and a Rhode Island domestic profit corporation, holds a 1% interest in the partnership. The current investor limited partner in the Development is the Rhode Island Housing Equity Pool, L.P. (the "Equity Pool"), which holds a 99% limited partner interest. Cove LP has requested RIHousing's approval of the transfer of the limited partnership interest currently held by the Equity Pool, to Cove Inc. or its nominee (the "Transferee"). The Transferee will assume all existing obligations encumbering the Development. The transfer would be consistent with the planned dissolution and liquidation of the Equity Pool as established by September 18, 2014 resolution of the general partner of the Equity Pool, the RIH Equity Corporation. The RIH Equity Corporation then delegated broad decision-making authority to RIHousing officers pursuant to a resolution dated September 17, 2020.

Immediately after the transfer of the limited partnership interest, Cove LP will sell the Development to Valley Affordable Housing Corporation ("VAH"), a state-wide non-profit developer based in Cumberland. As part of the acquisition, VAH intends to prepay the first mortgage, which has a remaining principal balance of approximately \$140,000, repay the accrued interest on the existing Targeted Loan of approximately \$323,000, and assume the principal balance of the Targeted Loan in the approximate amount of \$250,000. Repayment of the first mortgage is subject to RIHousing approval.

The staff of the Asset Management Department and Development Division jointly reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements. VAH will operate the Development under the existing regulatory agreements and is considering several alternatives for refinance and long-term positioning as affordable housing.

VAH's affiliate Pinnacle Property Management LLC ("Pinnacle") will take over as property manager. Pinnacle manages multiple properties in the RIHousing portfolio, including the recently completed Reynolds Farm Senior Housing, which is approximately one mile from this Development. The transfer of the limited partnership interest in the Development will allow Cove, Inc. to (i) buy out the limited partner after the limited partner's tax credits have been fully utilized but before the initial compliance period expires, and (ii) sell the Development to VAH, a non-profit housing developer committed to the long-term preservation of affordable housing.

Following the presentation, Chairman Retsinas asked for a motion and a second for the Approval of Transfer of Physical Assets and Prepayment (TPA) for Cove Properties of Wickford, LP (North Kingstown).

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

Commissioner Orth confirmed that the Credit Committee discussed the request, acknowledged that the transaction complies with TPA requirements and that Valley Affordable Housing Corporation is an experienced and professional organization. The Credit Committee recommended approval.

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

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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

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

WHEREAS: under Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (as amended from time to time, the “TPA Regulations”), project owners must obtain RIHousing’s approval and comply with RIHousing’s administrative procedures for the transfer of physical assets before conveying, assigning or transferring any ownership interest in a multifamily housing project; and

WHEREAS: Cove Properties of Wickford, L.P. (“Cove LP”), the owner of Cove Properties (the “Development”), seeks approval of the transfer of the limited partnership interest in Cove LP from Rhode Island Housing Equity Pool, L.P. (the “Equity Pool”) to Cove Properties of Wickford, Inc. (“Cove Inc.”) or its nominee; and

WHEREAS: Cove LP seeks approval of the prepayment of the existing first mortgage; and

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

WHEREAS: staff has determined this approval would be consistent with the Delegation of Corporate Authority granted by the RIH Equity Corporation, the general partner for the Equity Pool, on September 17, 2020.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the transfer of the limited partnership interest in the Development from the Equity Pool to Cove Inc. or its nominee be, and hereby is, approved, subject to the following terms and conditions; and



RESOLVED: that the prepayment of the existing first mortgage currently encumbering the Development 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; and
2. Receipt by RIHousing of the transfer Processing Fee, as defined in § 3.4 of the TPA Regulations; and
3. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of RIHousing with respect to the Development.

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

### **Approval of the Draft 2022 Qualified Allocation Plan (QAP)**

Chairman Retsinas announced that Anne Berman would also present this recommendation.

Ms. Berman began by mentioning that the 2022 proposed changes are to better align the Plan to trends in the construction industry and challenges in the rising costs of materials and services.

Continuing, Ms. Berman said that pursuant to the Revenue Reconciliation Act of 1989, each LIHTC allocating agency must adopt a Qualified Allocation Plan (the “Plan” or “QAP”) that establishes the priorities and criteria for both allocating and monitoring LIHTCs. The allocating agency must conduct a public hearing and a subsequent public comment period on the Plan prior to the Plan being finalized and presented to the Governor for approval.

RIHousing has administered the LIHTC program in Rhode Island under a Plan that was first adopted in January 1990. The Plan was last amended in August 2020. The 2022 Plan is being adopted as a guidance document in accordance with the Rhode Island Administrative Procedures Act. Rather than being filed with the Office of the Secretary of State, the Plan will be immediately available on the RIHousing website.

Staff has proposed the changes summarized below to the following sections of the Plan. These changes seek to amplify and explain our goals and procedures.

| <b>SECTION</b>                        | <b>CHANGE</b>  | <b>REASON</b>   |
|---------------------------------------|--|---|
| Introduction and Section I(A)         | Modified program overview language   | To update language, ensure consistency of terms   |
| Section I(B)                          | Updated annual allocation  | To reflect most current available data and accommodate future changes to federal regulations  |
| Section I(C)(2)-(3)                   | General information updated; housing needs updated                                   | To reflect the proposed consolidated plan for 2020-2024, current information and current state data   |
| Section I(D)                          | Deleted floating 4% rate references  | To reflect change in federal law fixing the 4% rate   |
| Section I(E)-(O)                      | Updated language   | To conform to current practice; ensure uniform consistency of terms   |
| Section II(A)                         | Updated funding round schedule   | To reflect current year   |
| Section II(B)                         | Provided additional information relative to the QAP and Developer's Handbook         | To ensure applicants are familiar with the most current requirements  |
| Section II(C)                         | Deleted reference to set-aside   | No set-asides proposed for current QAP  |
| Section III                           | Increased maximum unweighted total development cost (TDC) to \$385,000               | To reflect current volatility in the building construction industry   |
| Section III(A)(1)-(4)                 | Ministerial corrections  | To clarify and promote consistency  |
| Section III(B) - Financial Leveraging | Eliminated reserves from TDC calculation   | To reflect that reserves are operating costs, not capital costs, required by lenders and syndicators, and are not controlled by applicant   |
| Section III(B) - Financial Leveraging | Modified the building types for determining weighted TDC                             | To better represent the types of buildings being proposed   |
| Section III(B) – Financial Leveraging | Deleted points associated with the request for State and RIHousing resources         | To reflect (i) the overall increase in project costs due to volatility in market, and the need for soft sources given the 40% per project cap on LIHTC and (ii) the acknowledgement that the State and RIHousing have additional resources to allocate for production of affordable homes |
| Section III(B) – Financial Leveraging | Added points for the production of 3-bedroom or larger family units                  | To create scoring parity for larger units   |
| Section III(B) – General Points       | Added clarification that homeless families must come from the Coordinated Entry List | To provide an incentive to utilize the HUD 811 voucher program  |

|   |   |   |
|---|---|---|
| Section III(B) – General Points                       | Added language that discourages applicants who do not have zoning approval from applying for LIHTC                              | To support that applicants without zoning approval typically do not pass the readiness to proceed requirements  |
| Section III(B) – General Points                       | Moved points for projects located in an Opportunity Zone to this section and increased points for projects leveraging OZ equity | To encourage development in Opportunity Zones   |
| Section III (B) - Comprehensive Community Development | Reoriented criteria to focus on Transit and Connectivity, Areas of Opportunity, Engagement and Services                         | To delete outmoded criteria and better incentivize applications that align with state goals.  |
| Section III(B) Transit and Connectivity               | Added Walk Score  | To consolidate several existing components focused on walkability and access to transportation and resources  |
| Section III(B) Transit and Connectivity               | Added Transit scoring system  | To align with “Transit Forward RI 2040” goals and incentivize development of projects with good access to transit options   |
| Section III(B) - Areas of Opportunity                 | Added scoring for developments located in high-performing school districts  | To incentivize development in areas with high-performing schools recognizes that education can lead to lower poverty rates and increased college attendance and earning power         |
| Section III(B) - Areas of Opportunity                 | Modified amount and type of commercial square footage   | To (i) incentivize non-residential square footage that better serves the community and (ii) recognize that there is currently a surplus of commercial space due to the COVID pandemic |
| Section III(B) - Areas of Opportunity                 | Added GIS Mapping   | To help steer development to communities that most need affordable housing to better align with state goals   |
| Section III(B) - Engagement and Services              | Modified requirements for public engagement process   | To make the process more meaningful by requiring engagement to be conducted within 12 months of the application submission, and allow for multiple platforms for engagement           |
| Section III(B) Engagement and Services                | Added points for the provision of free broadband access to residential developments   | To minimize the digital divide and ensure connectivity for residents of LIHTC units   |

|  |   |  |
|--|---|--|
| Section III(B) - Engagement and Services | Added points and criteria for provision of services to residents                        | To consolidate several existing components focused on service provision and incentivize services that will most benefit the specific resident population |
| Section III (B) - Community              | Added points for development in census tracts with an average AMI that exceeds 100% AMI | To incentivize development in low-poverty locations in exempt communities  |
| Section III (B) - Community              | Modified definition for infill lots   | To accommodate a more comprehensive review of infill in less urban communities   |
| Section III (B) - Efficiency             | Increased points for Net Zero or Passive Housing  | To recognize the additional cost associated with the development of energy efficiency and reward developers accordingly                                  |
| Section III (B) - Efficiency             | Reduced the points for Utility Benchmarking (UB)  | To recognize that UB is more common in the industry  |
| Section III (B) – Negative Points        | Eliminated 12 month waiting period for applicants assessed negative points              | To eliminate additional penalty  |
| Section III(C)                           | Updated narrative detail to the criteria in the scoring section                         | To conform with changes to the Comprehensive Community Development Criteria and scoring  |
| Section VII                              | Updated compliance monitoring requirements  | To comply with Treasury Regulations and references to the RIHousing Compliance Monitoring Handbook   |

Staff held three (3) meetings with stakeholders to discuss current trends in the construction industry, market challenges, community needs, challenges associated with both urban and non-urban development, as well as differing community needs. The 2022 Plan seeks to focus on several areas: the increased cost of development, incentivizing the development of units to serve a broader spectrum of households, and better alignment of the QAP with the goals of other state planning documents.

The proposed Plan was included as part of the June 17, 2021 Board of Commissioners meeting package.

The 2022 Plan will become final upon (i) the expiration of the public comment period; (ii) final approval by the Board of Commissioners of the 2022 Plan (including any changes reflective of public comments received and/or comments from the Credit Committee); (iii) approval by the Governor; and (iv) posting to the RIHousing website.

The public comment period will begin on or about June 22, 2021. A public hearing will be held following the publication of the proposed 2022 Plan, with final submission to the Board of Commissioners expected in August 2021.

Chairman Retsinas commended Ms. Berman on the presentation and asked for a motion and a second for the Approval of the Draft 2022 Qualified Allocation Plan (QAP).

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

Commissioner Orth announced that staff has spent a lot of time and effort to refine the QAP. Various stakeholder meetings were held to better meet the needs of the industry. Committee Chairman Orth commented that the participants were enthusiastic, actively discussed the cost containment matter, increases in the building trade and addressed fair housing issues. The Credit Committee highly recommends approval of the proposed QAP.

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

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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

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

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the Governor as the principal housing finance agency and tax credit allocating agency for the State of Rhode Island (the “State”);

WHEREAS, the Revenue Reconciliation Act of 1989 requires low-income housing tax credit allocating agencies to allocate low-income housing tax credits according to a Qualified Allocation Plan (the “Plan”);

WHEREAS, the Plan must establish priorities and criteria for allocating low-income housing tax credits that best meet the housing needs of the State and must be adopted pursuant to a public hearing and comment period; and

WHEREAS, the housing needs for the State have been established pursuant to the proposed Rhode Island Consolidated Plan: 2020-2024.

NOW, THEREFORE, BE IT:

RESOLVED: that RIHousing be, and hereby is, authorized to publish notice of its intent to approve and adopt the proposed 2022 Qualified Allocation Plan, substantially in the form attached hereto as Attachment B; and

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

Treasurer Magaziner announced that he needed to leave the meeting and noted that LeeAnn Byrne, the Treasurer's designee was present for the rest of the meeting. The Treasurer left at this point of the meeting at approximately 10:32 a.m.

### **Approval of Community Development Program Funding Awards**

Chairman Retsinas invited Mr. Comer to present the Community Development Program Funding awards.

Mr. Comer said that this recommendation was for approval of grant funding under the Community Development Program ("CDP"). The Board of Commissioners of RIHousing previously approved up to \$500,000 in CDP funding as part of the program budget for fiscal year 2021.

The RIHousing CDP provides funding for the following priority activities:

- support the viability of housing financed by RIHousing;
- promote homeownership opportunities, especially those with outreach strategies to increase racial and ethnic diversity or those that help homebuyers become "mortgage ready";
- promote energy efficiency and environmental sustainability;
- stabilize housing for Rhode Islanders;
- broadening inclusivity and creating opportunity within low-income and/or racially and ethnically diverse communities.

RIHousing issued a RFP for an award of CDP funding in January 2021. The RFP was posted on the RIHousing website, the State of RI Division of Purchasing website, social media, and sent to approximately 800 organizations, municipalities, property managers, developers and interested parties via an email announcement. RIHousing received 18 proposals in response to the RFP from 18 applicants consisting of service and community organizations and housing developers. One application was determined to be ineligible for funding. Funding requested from the 17 eligible applications totaled \$742,594.

A committee consisting of the Executive Director, Deputy Executive Director, Chief Strategy and Innovation Officer, and staff from the Communications Division, Homeownership Division and Leased Housing and Rental Services Division conducted a review of each proposal in accordance with the ranking criteria set forth in the RFP. The committee recommended funding be awarded to the projects and programs described in an attachment to the Board package.

Following the presentation, Chairman Retsinas asked for a motion and a second for Approval of Community Development Program Funding Awards.

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

Commissioner McAllister confirmed that the Management Committee reviewed the request and approved the recommendation. Commissioner McAllister remarked that the Committee was impressed with the diverse programs represented.

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

|                             |     |
|-----------------------------|-----|
| Chairman Retsinas           | Aye |
| Commissioner Barry          | Aye |
| Commissioner Designee Byrne | Aye |
| Commissioner McAllister     | Aye |
| Commissioner Orth           | Aye |
| Commissioner Thorsen        | Aye |

Ms. Myers confirmed 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”) created the Community Development Program to support the viability of RIHousing financed housing; to promote homeownership opportunities; to promote energy efficiency and environmental sustainability; to stabilize housing for Rhode Islanders; and to broaden inclusivity and creating opportunity within low-income and/or racially and ethnically diverse communities; and

**WHEREAS:** RIHousing issued a Request for Proposals under a competitive process to seek applications for Community Development Program grant funding; and

**WHEREAS:** RIHousing received seventeen (17) proposals eligible for Community Development Program funding; and

**WHEREAS:** staff reviewed the proposals according to the ranking criteria outlined in the Request for Proposals and have determined that six (6) of the proposed programs and/or projects best fit the priority activities and criteria of the program.

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

**RESOLVED:** that the projects and programs set forth at Attachment A be, and hereby are approved for grant funding under the Community Development Program in the amounts specified at Attachment A, subject to any administrative adjustments as the Executive Director determines to be in the best interests of RIHousing, provided that the total amount awarded to all recipients shall not exceed \$297,766.

**RESOLVED:** that all funds awarded hereunder shall be funded out of the FY 2021 budget.

**RESOLVED:** that the Executive Director and the Deputy Executive Director, each acting singly, be and hereby is authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.

**Attachment A**

**Proposed FY 2021 Community Development Program Funding Awards**

| <b>Organization</b>                               | <b>Program or Project</b>  | <b>Location</b>                                    | <b>Award</b>     |
|---|--|--|------------------|
| Amos House  | Financial Opportunity Center/Housing Program Advocate  | Providence   | \$50,000         |
| Comprehensive Community Action Program            | Financial literacy and tenant education  | Based in Cranston; working with partners statewide | \$47,766         |
| Impact RI   | Education and training for homebuyers; real estate professionals; first time developers; homeless prevention       | Providence   | \$50,000         |
| NeighborWorks Blackstone River Valley             | Data Rich Comprehensive Community Development Initiative - Centralized customer relationship manager (Salesforce)  | Woonsocket   | \$50,000         |
| Rhode Island Office of Postsecondary Commissioner | Medical assistance training program  | Central Falls                                      | \$50,000         |
| Woonasquatucket River Watershed Council           | New Voices: Eight-month bilingual leadership development initiative for frontline watershed residents and students | Providence   | \$50,000         |
|   |  | <b>TOTAL</b>                                       | <b>\$297,766</b> |

**Approval of Engagement of Post-Closing Quality Control Vendor**

Chairman Retsinas stated that Lisa Primiano, Chief Operating Officer would report on this request.

Ms. Primiano stated that staff was seeking authorization for RIHousing to enter into a multi-year contract with TENA Companies, Inc. (“TENA”) to provide post-closing quality control audits for its single-family loan portfolio.

To comply with investor and insurer requirements, RIHousing engages a quality control vendor to perform audits on a sample of loans originated by both RIHousing and its correspondent lenders. These services are currently performed by a third-party quality control vendor.



In February 2021, RIHousing issued a RFP seeking responses from qualified vendors to provide the aforementioned services. The RFP was posted on RIHousing’s website and the website maintained by the State of Rhode Island Department of Administration, Division of Purchases. Four (4) vendors submitted proposals in response to the RFP.

A selection committee comprised of RIHousing staff reviewed and evaluated the written proposals in accordance with the criteria set forth in the RFP and employed a weighted average scoring model to compare them. The committee assigned TENA’s proposal a weighted average score of 9 out of 10.

TENA’s test scripts meet the requirements of Federal Housing Administration, Veterans Benefit Administration, United States Department of Agriculture-Rural Development, Federal National Mortgage Association, Freddie Mac and state and federal requirements. TENA also maintains an in-house legal department and a dedicated Rules and Compliance team to ensure that its content reflects current investor, insurer, and regulatory requirements. For these reasons, RIHousing seeks approval to engage TENA as its quality control vendor for a term of three (3) years, with an option to renew the contract for an additional two (2) years.

Following the presentation Chairman Retsinas asked for a motion and a second to recommend to the Board of Commissioners the Approval of Engagement of Post-closing Quality Control Vendor.

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

Commissioner McAllister declared that the Management Committee evaluated the proposal and the Committee endorsed approval of the procurement of the quality control vendor. Commissioner McAllister emphasized that this recommendation is for a new vendor and the score card presented validated the reasons for the change.

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

|                             |     |
|-----------------------------|-----|
| Chairman Retsinas           | Aye |
| Commissioner Barry          | Aye |
| Commissioner Designee Byrne | Aye |
| Commissioner McAllister     | Aye |
| Commissioner Orth           | Aye |
| Commissioner Thorsen        | Aye |

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

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

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

**Whereas:** RIHousing seeks to engage a quality control vendor to perform post-closing quality control audits for its single-family mortgage loan portfolio; and

**Whereas,** in February 2021, RIHousing issued a Request for Proposals (“RFP”) for quality control services; and

**Whereas:** a selection committee comprised of RIHousing staff reviewed the proposals and evaluated them in accordance with criteria outlined in the RFP.

**NOW THEREFORE, IT IS HEREBY:**

**Resolved:** That RIHousing be, and hereby is authorized, to engage TENA Companies, Inc. to provide post-closing quality control audits for RIHousing’s single-family mortgage loan portfolio;

**Resolved:** That the Executive Director, Deputy Executive Director, and Chief Operating Officer, each acting singly, be, and hereby are, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions, including without limitation the authority to negotiate terms of the engagement and approve change orders 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.

**Approval of Engagement of Compensation Consulting Firm**

Chairman Retsinas announced that Barbara Farrand, Human Resources Director would report on the engagement of a compensation consulting firm.

Ms. Farrand began by stating that the request was for authorization to engage a consulting firm to provide services related to RIHousing’s comprehensive classification and compensation plan. Specifically, staff was seeking approval to engage the firm of MGT of America Consulting, LLC (“MGT”) to assist with RIHousing’s goal of offering market-competitive compensation to agency employees.

To attract and retain a high performing workforce, RIHousing offers its employees a market competitive job classification and compensation program. To keep pace with the changing employment market, RIHousing retains consultant services to provide a comparative study of its positions and classifications. A compensation study was last completed in 2016. RIHousing generally looks to finance industry companies, government agencies and other state housing finance agencies for a relevant market for comparison.

The consultant services will include the following deliverables:

- Review and analysis of RIHousing’s current compensation structure; recommendation for compensation method with rationale; and determination of equitable and appropriate levels of pay.
- Performance of a market salary survey of local, statewide, and national companies and agencies with comparable positions to determine reasonably competitive salary levels for all positions.

- Review of RIHousing’s job descriptions for opportunities to combine similar positions into the same classification.
- Recommendations for incorporating required soft skills into job descriptions.
- Ongoing meetings and final presentation to Senior Management team, Directors, Human Resources, and other stakeholders to review the study, process, and outcomes.
- Recommendation of changes to the compensation plan, including pay grades, pay levels, placement scales, pay bands/ranges, appropriate titles, and career ladders.

In March 2021, RIHousing issued an RFP from qualified firms to provide the comprehensive classification and compensation study services described above. Notice of the RFP was posted on RIHousing’s website and the website maintained by the State of Rhode Island Department of Administration’s Division of Purchases. Additionally, the Human Resources Department reached out to several firms with expertise in providing these services.

Three firms submitted proposals in response to the RFP. An internal selection committee reviewed the submissions and evaluated them in accordance with criteria outlined in the RFP. The selection committee scored the responses based upon the firm’s professional capacity, fee structure, experience, continuity and expertise of account team, experience with firms of similar size with similar benefits and goals, recommendations by references, capacity to offer services directly rather than through subcontractors, firm minority status and affirmative action program or activities.

Based upon the selection committee’s evaluation of all proposals, MGT was determined to be best qualified to provide comprehensive compensation study consulting services to RIHousing with a score of 93.5 out of a possible 100.

MGT was established in 1974 as a full-service management consulting firm, providing high quality management consulting services to public sector clients nationwide. MGT staff includes nearly 220 professionals and administrative staff to support their clients’ success. Their corporate office is in Tampa, FL with additional offices around the country. The MGT Human Capital team has an impressive track record of providing customized solutions, objective research, creative recommendations, and quality products that respond to each client’s unique needs and time requirements. In addition to the requested services, MGT will provide RIHousing with on-going training and advisory services for one year following the completion of the engagement.

Chairman Retsinas then asked for a motion and a second for the Approval of Engagement of a Compensation Consulting Firm.

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

Commissioner McAllister pointed out that the last time a compensation study was commissioned was in 2016. He asserted that the Management Committee endorsed approval of the engagement.

Commissioner Barry remarked that it’s an excellent idea to review the compensation scales and to focus on the affordable housing sector. There exists a need for specific talent in the market and to locate jobs that are comparable must be a challenge. Ms. Farrand agreed that RIHousing is a unique

entity, but the consultant has clients nationwide to poll from and has done a lot of work in the public sector, including studies for Providence Housing. Ms. Farrant was confident in the firm's abilities.

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

|                         |     |
|-------------------------|-----|
| Chairman Retsinas       | Aye |
| Commissioner Barry      | Aye |
| Treasurer Magaziner     | Aye |
| Commissioner McAllister | Aye |
| Commissioner Orth       | Aye |
| Commissioner Thorsen    | Aye |

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 to make and execute contracts necessary to exercise the powers and functions provided to it under that act (R.I. Gen. Laws §42-55-5(6)); and

**Whereas,** RIHousing seeks to offer an excellent market competitive compensation program to its employees with the assistance of experienced compensation consulting services; and

**Whereas,** in March 2021, RIHousing issued a Request for Proposals ("RFP") from qualified firms to perform brokerage and consulting services with respect to RIHousing's employee benefit programs including health and welfare and retirement plans; and

**Whereas,** an internal selection committee reviewed all proposals and evaluated them in accordance with criteria outlined in the RFP; and

**Whereas,** based upon the scoring evaluations, staff recommends the engagement of the employee benefits brokerage and consulting firm of MGT of America Consulting, LLC to provide all services as detailed in the RFP.

**NOW THEREFORE, IT IS HEREBY:**

**Resolved,** that RIHousing be, and it is hereby authorized, to engage the compensation services and consulting firm of MGT of America Consulting, LLC; and

**Resolved,** that the Executive Director, Deputy Executive Director, Chief Finance Officer, Chief Operating Officer, and Director of Human Resources, 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 specifically, the authority to negotiate fees and such other terms of the engagements as he or she may determine are in the

best interests of RIHousing, to execute any and all agreements, and to take such further actions as he or she deems necessary and in the best interests of RIHousing.

### **Approval of Engagement of Software Vendor for the Homeowner Assistance Fund Program**

Chairman Retsinas noted that Peter Pagonis, Director of Homeownership would present this request.

Mr. Pagonis informed the Board of Commissioners that this request was for authorization to engage HOTB Software Solutions, LLC (“HOTB”) to provide software in support of the Homeowner Assistance Fund Program (the “Program”), a foreclosure prevention program funded by the U.S. Department of the Treasury (“Treasury”).

To operate the Program efficiently and in compliance with Treasury’s requirements, RIHousing requires a comprehensive software solution that contains a customer-facing portal through which homeowners may submit Program applications as well as a management component that will allow RIHousing to administer the Program internally.

RIHousing issued a RFP in May 2021. The RFP was posted on RIHousing’s website and the website maintained by the Rhode Island Department of Administration’s Division of Purchases. Six (6) firms submitted proposals in response to the RFP. A selection committee composed of staff from the Homeownership and Loan Servicing Divisions, the Information Technology Department, and the Hardest Hit Fund Rhode Island program (“HHFRI”) reviewed the proposals and evaluated them in accordance with the criteria set forth in the RFP. Evaluation scores ranged from 34.6 to 56.4 (out of a possible 68) with HOTB registering the highest point total. An evaluation summary of the proposals was included with the Board package.

HOTB provides software solutions to the non-profit sector with a focus on housing, development, and grant management. A number of housing finance agencies currently utilize HOTB’s software in the administration of their Hardest Hit Fund programs. Since 2016, HHFRI staff have used HOTB’s “Counselor Direct” program and have been impressed by both the program and the quality of the customer service that they received from HOTB.

For this engagement, HOTB has proposed one-time implementation fee of \$40,000 (which includes fees related to project management, system configurations, and training) and a \$50,000 license fee (which includes up to 5,000 transactions) for the first year of the contract. Thereafter, starting in month 13 of the contract, HOTB has proposed a fixed monthly cost of \$3,000 (which includes 20 transactions per month) and an additional fee of \$10 per transaction if production exceeds 20 transactions per month). The final cost of the engagement will be determined based on the number of transactions processed; however, we presently estimate a five-year cost of \$423,000 based on an estimated 2,125 transactions over the five (5) year period. The pricing set forth in the other proposals varied greatly, including estimated costs of \$604,000, \$1 million, and \$1.15 million over the same period.

Chairman Retsinas then asked for a motion and a second for the Approval of Engagement of a Software Vendor for the Homeowner Assistance Fund Program.

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

Commissioner McAllister affirmed that the Management Committee had no comments and endorsed approval.

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

|                             |     |
|-----------------------------|-----|
| Chairman Retsinas           | Aye |
| Commissioner Barry          | Aye |
| Commissioner Designee Byrne | Aye |
| Commissioner McAllister     | Aye |
| Commissioner Orth           | Aye |
| Commissioner Thorsen        | Aye |

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

**WHEREAS**, RIHousing has been selected by the State of Rhode Island to administer \$50 million in federal funds under the Homeowner Assistance Fund Program of the U.S. Department of the Treasury; and

**WHEREAS**, RIHousing requires a comprehensive software solution in order too administer the Homeowner Assistance Fund Program efficiently and effectively and, in May 2021, issued a Request for Proposals for such solutions; and

**WHEREAS**, a selection committee comprised of RIHousing staff reviewed the proposals that it received and evaluated them in accordance with the criteria set forth in the solicitation.

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

**RESOLVED**, that RIHousing be, and hereby is, authorized to engage HOTB Software Solutions, LLC to provide it with software to enable RIHousing to manage the Homeowner Assistance Fund Program; and

**RESOLVED**, that the Executive Director, Deputy Executive Director, Chief Operating Officer, and the Director of Homeownership, each acting singly, be, and hereby is, 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 such terms of the engagements as she or he may determine are in the best interests

of RIHousing, and to execute any and all agreements or documents as she or he deems necessary to carry out the foregoing.

### **Approval of Fiscal Year (FY) 2022 Operating Budget**

Chairman Retsinas acknowledged Carol Ventura, Executive Director who presented the request.

Ms. Ventura said that she was pleased to present the approval of the Fiscal Year (FY) 2022 operating budget for RIHousing.

Ms. Ventura mentioned that the Finance Department staff worked with each Division Director to compile revenue and expense estimates for FY 2022. The Director noted that the FY22 budget projects bottom line net revenue of \$8.0 million, which is an increase over the prior year net revenue budget of \$7.7 million. The increase is primarily the result of the administration of the new federal programs along with increases in operating expenses and staffing.

Continuing, Ms. Ventura said that the final operating budget reflects the continued financial strength of the corporation and investment in housing programs. New single-family loans and multi-family taxable loans are estimated to increase based on current year experience and continued low interest rates. Operating expenses reflect increases primarily relating to new federal grant programs for both rental and homeownership assistance that RIHousing is administering on behalf of the State.

Additionally, the Corporation continues to invest in technology to support staff working remotely. The budget also includes a merit increase for staff and an increase in health care expenses.

Ms. Ventura then stated that the FY22 budget also reflects an increase in loan loss reserves. Staff currently reserves \$47 million for loan losses but believes it to be prudent to provide an additional \$3 million for losses. Staff also reviewed the provision for loan loss reserves with the auditors and determined that \$3 million is an adequate amount for that line item.

Ms. Ventura said that RIHousing continues to fund critical housing programs that include increasing digital equity/broadband service for low income Rhode Islanders, expanding the downpayment assistance program to more borrowers, and creating a reserve for first-time homeowners to assist with unexpected emergencies. Ms. Ventura was also pleased to share that the Corporation will continue to fund LISC NDF programs.

Ms. Ventura remarked that an attachment included as part of the June 17, 2021 Board of Commissioner package includes a detailed presentation of the FY22 operating budget.

Ms. Ventura then announced that the budget was reviewed and discussed in detail at both the Management and Credit Committees. Furthermore, per the request of Commissioner Orth, staff added a net revenue by division graph to the budget presentation for this Board meeting.

After the presentation, Chairman Retsinas asked for a motion and a second for the Approval of Fiscal Year (FY) 2022 Operating Budget.

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

Commissioner McAllister affirmed that the Management Committee engaged in a productive discussion on the merit of the budget. The Committee supported the investment in technology, especially the remote work policy. That component is important in today's climate and the Committee applauded the inclusion.

Commissioner Orth commented that the Credit Committee also had an opportunity to review and discuss the proposed budget. The Committee appreciated the time and information presented. Commissioner Orth did ask if there is a benchmark available to compare the Corporation with the other 50 plus HFA agencies and their budget allocations.

Ms. Lachapelle explained that NCSHA initiates a general survey for the HFAs, however some of the other HFAs are state entities while others are more independent. RIHousing is unique in that the Corporation originates loans in-house and has a servicing department. Most HFAs do not originate or service their loans. Moreover, not all HFAs offer as many programs as RIHousing.

Ms. Lachapelle also acknowledged that a corporate-wide comparative analysis is performed by the Corporation's rating agencies on a routine basis.

Commissioner Orth suggested that it would be helpful if NCSHA initiated some surveys to determine how HFAs compare.

Ms. Ventura mentioned that it will be a challenge to locate organizations that offer multi-family, single family, homeownership, Section 8 and servicing programs. However, she offered to connect with NCSHA.

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

|                             |     |
|-----------------------------|-----|
| Chairman Retsinas           | Aye |
| Commissioner Barry          | Aye |
| Commissioner Designee Byrne | Aye |
| Commissioner McAllister     | Aye |
| Commissioner Orth           | Aye |
| Commissioner Thorsen        | Aye |

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

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

**Whereas,** Pursuant to the provisions of the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws, Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") has the authority to adopt an annual budget and disburse funds; and

**Whereas,** the Management Committee of the Board of Commissioners (the "Committee") provided the opportunity for the staff to present and discuss the proposed FY 2022 operating budget; and



**Whereas,** staff recommended that the proposed FY 2022 operating budget be presented to the Board of Commissioners for approval and adoption.

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

**Resolved,** that the proposed FY 2022 Operating Budget of RIHousing as presented to the Committee and as set forth at Attachments A is hereby approved; and

**Resolved,** that the Executive Director, Deputy Executive Director, and Chief Financial Officer, each acting singly, be and hereby are authorized, empowered and directed to take any and all actions they shall deem necessary or advisable to carry out the foregoing resolution.

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

Corinne Myers, Acting General Counsel then conducted a roll call vote of the Commissioners, eligible to vote, in response to a vote for adjournment. The Commissioners voted as follows:

|                             |     |
|-----------------------------|-----|
| Chairman Retsinas           | Aye |
| Commissioner Barry          | Aye |
| Commissioner Designee Byrne | Aye |
| Commissioner McAllister     | Aye |
| Commissioner Orth           | Aye |
| Commissioner Thorsen        | Aye |

Ms. Myers announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:59 a.m.

Chairman Retsinas then thanked everyone for participating in the telephonic Board meeting. The Chairman mentioned that the Affordable Housing Trust would immediately follow and invited the Commissioners to participate if interested.

Respectfully submitted,

Carol Ventura  
Secretary and Executive Director