

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Management Committee
June 6, 2022

A meeting of the Management Committee of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Board of Commissioners was held on Monday, June 6, 2022 at 3:00 p.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

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

Mr. Rotella stated that (i) this meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Mr. Rotella also asked that to prevent any feedback or background noise, telephone participants to please mute the telephone if not speaking. Additionally, Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Corinne Myers, General Counsel, provided additional guidance for the meeting. Ms. Myers stated that the meeting was being held in person with all members of the Management Committee appearing in person and specific RIHousing staff participating via teleconference. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Additionally, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers also stated that Committee Chairman Thorsen would preside over the meeting and requested that any Commissioner or staff member state their name prior to speaking for the benefit of listeners and to mute the phone when not speaking. She then invited Committee Chairman Thorsen to call the meeting to order.

A quorum being present, Committee Chairman Thorsen introduced himself and officially called the meeting to order at approximately 3:04 p.m. Committee Chairman Thorsen then invited Ms. Ventura to proceed with the roll call of Commissioners and RIHousing staff in attendance.

Ms. Ventura conducted a roll call of Commissioners participating in the meeting. Commissioners participating were: Committee Chairman Thorsen and LeeAnn Byrne, Designee for General Treasurer Seth Magaziner. Stephen P. McAllister was absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Anne Berman, Director of Real Estate Development; Christine Hunsinger, Chief Strategy and Innovation Officer; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Members of the public were also present via teleconference.

The following matters were then discussed by the Committee.

1. Approval of Minutes of the Management Committee Meeting Held on March 7, 2022

Committee Chairman Thorsen asked for a motion and a second for the approval of the minutes of the Management Committee meeting held on March 7, 2022. A motion was made by Commissioner Designee Byrne and seconded by Committee Chairman Thorsen.

There being no discussion, Corinne Myers, General Counsel conducted a voice vote of the Commissioners for the approval of the minutes of the Management Committee Meeting held on March 7, 2022. The commissioners unanimously voted to approve the minutes.

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

VOTED: That the minutes of the Management Committee Meeting held on March 7, 2022, are hereby approved.

2. Recommendation for Approval of FY2022 Community Development Program Funding Awards

Committee Chairman Thorsen introduced James Comer, Deputy Executive Director, who gave the presentation.

Mr. Comer said that this request was for approval of grant funding under the Community Development Program (“CDP”). The Board of Commissioners of RIHousing approved up to \$500,000 in CDP funding as part of the program budget for fiscal year 2022.

The RIHousing CDP provides funding for the following priority activities:

- Programs/projects that promote housing stability and increased economic self-sufficiency, such as financial literacy, homeownership education, work force development, tenant education, and health and wellness.
- Support for Resident Service Coordinators to address an increased need for tenant stability due to Covid-19 related stresses and challenges.
- Funds to sustain or expand innovative programming created or identified as needed in response to the pandemic, such as programs to address social isolation and access to healthy foods.

In a change from previous community development funding rounds, funds will be awarded as a three-year grant term to allow for increased sustainability and for the ability to do a longer-term assessment of program outcomes.

RIHousing issued a Request for Proposals (“RFP”) for an award of CDP funding in March 2022. The RFP was posted on the RIHousing website, the Rhode Island Division of Purchases website, social media, and sent to approximately 950 organizations, municipalities, property managers, developers and interested parties via an email announcement. RIHousing received 27 proposals in response to the RFP from 25 applicants consisting of housing developers, property managers, and community organizations. Funding requested from the 27 applications totaled \$3,737,235.

A committee consisting of the Deputy Executive Director, Chief Strategy and Innovation Officer, and staff from the Executive Division, Homeownership Division, Development 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. An attachment setting forth the projects and programs recommended for funding was included as part of the June 6, 2022 Management Committee meeting packet.

Following the presentation, Committee Chairman Thorsen asked for a motion and a second to recommend to the Board of Commissioners Approval of FY2022 Community Development Program Funding Awards.

A motion was duly made by Commissioner Designee Byrne and seconded by Committee Chairman Thorsen.

A brief discussion followed with Commissioner Designee Byrne noting the oversubscription of resources for the awards and wanted to know how many of the applications received were from new entities and how that impacts other agencies that were not funded this year but were awarded funds in previous years.

Mr. Comer explained that the Corporation definitely was oversubscribed for the funding, however, this year's competition permitted funding for resident services coordinators and many of the respondents took the opportunity to apply for funding specifically for that use. Mr. Comer emphasized that there exists a great need for resident services coordination and those proposals were given preference.

Mr. Comer also noted that what staff has learned from this round is assistance for resident services coordination on a broader scale is essential. As the need for resident services is high, staff is strategizing for resources on a wider scale for struggling residents. That might necessitate leveraging funds and working with partners to provide support for those individuals.

Ms. Ventura remarked that the perfect solution would be to finance the resident services coordinator or capitalize the position at the project level. That is the optimal strategy for the initiative. Another method would be to match the set aside from surplus cash projected. Ms. Ventura did note that staff has not begun to explore those options but will be reviewing the subject.

Commissioner Designee Byrne then asked how many entities funded in previous years were recommended for this round of funding.

Mr. Comer stated that NeighborWorks RI is the only returning grantee. That is due to the fact that NeighborWorks has expanded their original program to address additional needs and added services as a natural extension of the program. They implemented a Salesforce package to identify opportunities and solicit constructive feedback on the program.

Continuing, Mr. Comer elaborated by stating that RIHousing modified the guidelines this year based on feedback received which is critical to properly addressing the focus of the awards.

Committee Chairman Thorsen recommended providing quarterly reports to the Board to review meaningful impacts of the program and challenges addressed by the awardees.

Mr. Comer informed the Committee previous grantees of the funds have done well and demonstrated a strong impact on how the funds have made a difference to the residents. Staff is reviewing

participants' rate of success with the program to ensure that the grantees are optimizing the awards. Mr. Comer and Ms. Ventura assured Vice Chairman Thorsen that quarterly reports can be furnished to the Committee.

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

Ms. Myers then officially stated that the recommendation for Approval of FY2022 Community Development Program Funding Awards was unanimously approved.

3. Recommendation for Approval of Engagement of Consultant for RentReliefRI Partners Capacity Building

Committee Chairman Thorsen invited Christine Hunsinger, Chief Strategy and Innovation Officer to give the presentation.

Ms. Hunsinger stated the request seeks authorization for RIHousing to engage BDO FMA (a part of BDO USA, LLP) to provide financial capacity building services to RentReliefRI's nonprofit partners. The goal of this engagement is to help partners build financial and grant management knowledge and skills as well as develop the fiscal infrastructure and practices necessary for long-term financial resilience. RIHousing has contracted with twenty-three (23) community partners to provide a variety of services related to RentReliefRI, including outreach, application assistance and legal counseling.

A Request for Proposals ("RFP") was issued in April 2022 seeking proposals from qualified consultants. One proposal was received in response to the RFP.

A review committee consisting of RIHousing staff reviewed the proposal in accordance with the RFP criteria and determined that BDO FMA was qualified to carry out the capacity building services. The committee reached this conclusion due to BDO FMA's past experience providing these services to similar organizations and the specificity of their response to the proposed scope of work. BDO FMA has a team of 96 dispersed across the country with significant concentrations of staff and clients in New York, Chicago, San Francisco, New England and Washington, D.C. They exclusively serve nonprofit and grantmaking organizations and aim to empower nonprofit leaders with the information and capacity needed to improve fiscal operations, manage resources effectively, and position themselves for stable, long-term impact.

The engagement is expected to begin in July 2022 and be complete by September 2022.

Committee Chairman Thorsen thanked Ms. Hunsinger for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of the Engagement of a Consultant for RentReliefRI Partners Capacity Building.

A motion was duly made by Commissioner Designee Byrne and seconded by Committee Chairman Thorsen.

Following the motion, Committee Chairman Thorsen asked if anyone had questions.

Commissioner Designee Byrne wanted to confirm that financing for the consultant is not sourced from RentReliefRI program dollars.

Ms. Hunsinger confirmed that the expenditure is from RIHousing’s budget. The goal is to be prepared for any new programs on the horizon that require outreach.

Commissioner Designee Byrne asked if the services are limited to present partners or to other entities that need assistance. Ms. Hunsinger explained that services are available to partners, other small businesses and state departments, such as the Department of Health, that require additional tools to promote their efforts.

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

Ms. Myers then officially stated that the recommendation for Approval of Engagement of Consultant for RentReliefRI Partners Capacity Building was unanimously approved.

4. Recommendation for Approval of the Public Housing Authority (PHA) Annual Plan

Committee Chairman Thorsen asked Mr. Comer to give the presentation.

Mr. Comer explained that RIHousing acts as a public housing authority (“PHA”) with respect to the administration of Section 8 tenant-based rental subsidies provided by the U.S. Department of Housing and Urban Development (“HUD”) through the Housing Choice Voucher Program. In accordance with Title V of the Quality Housing and Work Responsibility Act of 1998 (the “Act”), RIHousing must adopt a streamlined annual PHA plan for this program that establishes goals and objectives for meeting the housing needs of the corporation’s jurisdiction (the “Annual Plan”). The Annual Plan includes RIHousing’s strategies for expanding the supply of assisted housing, promoting family self-sufficiency, and ensuring equal opportunity in housing. The Annual Plan must be approved by the Board of Commissioners and forwarded to HUD.

In accordance with the requirements of the Act, the Annual Plan was circulated to a Resident Advisory Board for review. In addition, a forty-five-day public comment period was advertised culminating in a public hearing on May 23, 2022. One comment regarding community harmony was received from a member of the Resident Advisory Board. No comments were received from the public. Finally, RIHousing’s Government Relations & Policy staff has reviewed the Annual Plan to ensure consistency with the State’s Consolidated Plan.

Finally, Mr. Comer said that staff recommends the approval of the adoption of the Annual Plan substantially as presented in an attachment included as part of the June 6, 2022 Management Committee package.

Following the presentation, Committee Chairman Thorsen asked for a motion and a second to recommend to the Board of Commissioners Firm Approval of the Public Housing Authority (PHA) Annual Plan.

A motion was duly made by Commissioner Designee Byrne and seconded by Committee Chairman Thorsen.

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

Ms. Myers then officially stated that the recommendation for Approval of the Public Housing Authority (PHA) Annual Plan was unanimously approved.

5. Recommendation for Approval of Healthy Housing, Healthy Communities Funding

Mr. Comer provided information on the recommendation for the Healthy Housing, Healthy Communities Funding.

Mr. Comer stated the approval was for an allocation of funds in the amount of \$1,000,000 from RIHousing for the purpose of funding the Healthy Housing, Healthy Communities (“H3C”) Initiative. The requested funding will leverage an investment by Blue Cross Blue Shield of Rhode Island (“BCBSRI”) in the amount of \$4,000,000 (“the BCBSRI award”) to Local Initiatives Support Corporation (“LISC”) in November 2021.

The purpose of the BCBSRI award is to fund projects that support innovative financing to produce and preserve housing, provide down payment assistance, and invest in community facilities to support our most vulnerable Rhode Islanders. As part of this initiative, the LISC Rhode Island Office has reached out to community partners, including RIHousing, to supplement the BCBSRI award with additional funding to increase its impact. Senior staff at RIHousing has been working to identify a potential avenue for support which best aligns with its mission and furthers its goals of providing high-quality affordable housing for all Rhode Islanders.

Through its membership in the National Council of State Housing Finance Agencies (“NCSHA”) RIHousing was invited to respond to a H3C Request for Proposals (“RFP”) issued by NCSHA in partnership with the Robert Wood Johnson Foundation (“RWJF”). The H3C RFP sought proposals to apply for grant funding and technical assistance to promote the development of partnerships with health-related organizations and/or systems. On May 4, 2022, NCSHA notified RIHousing of a successful proposal, including a \$150,000 award and technical assistance to identify partnerships and other innovative approaches to align housing and healthcare investments (“the H3C grant funds”).

Using the H3C grant funds, and the award contemplated in this action (“the RIHousing funds”), RIHousing will partner with LISC-RI and with five Health Equity Zones (“HEZ”) throughout the state to build the HEZ’s capacity to address housing issues impacting the health of their communities. This H3C Initiative will include but is not limited to: the identification and development of affordable housing for members of the HEZ communities (a population which encompasses extremely low-income individuals and families), those experiencing or at risk of experiencing homelessness, those experiencing mental health or substance use issues and those with developmental, intellectual or physical disabilities.

A committee consisting of the Executive Director, Deputy Executive Director and staff from the Development Division and the Leased Housing and Rental Services Division of RIHousing will lead the work of this initiative and work with the LISC Rhode Island Office and each participating HEZ to ensure the RIHousing funds are being used to create greater housing opportunities for those most in need and to develop projects that meet the expanding needs of Rhode Islanders.

Staff recommends the approval of a transfer of funding in the amount of \$1,000,000 over four years in accordance with the schedule as provided in an attachment to the June 6, 2022 Management Committee package.

Following the presentation, Committee Chairman Thorsen asked for a motion and a second to recommend to the Board of Commissioners Approval of Healthy Housing, Healthy Communities Funding.

A motion was duly made by Commissioner Designee Byrne and seconded by Committee Chairman Thorsen.

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

Ms. Myers then officially stated that the recommendation for Approval of Healthy Housing, Healthy Communities Funding was unanimously approved.

6. Discussion:

a. General Discussion of Affirmatively Furthering Fair Housing

Committee Chairman Thorsen invited Corinne Myers, General Counsel to give the presentation.

Ms. Myers began by reminding the Committee that affirmatively furthering fair housing had recently come up in response to proposed financing for a development that was presented for approval to the Board of Commissioners in April.

Ms. Myers noted that the Affirmatively Further Fair Housing (AFFH) is part of the Fair Housing Act.

Ms. Myers went on to explain that the Fair Housing Act requires proactive measures for furthering housing opportunity, a requirement commonly referred to as Affirmative Furthering Fair Housing. That means taking meaningful action to overcome patterns of segregation and transform areas of racial density.

In addition, Ms. Myers gave a brief summary of AFFH and outlined the major components of the requirement. The Department of Housing and Urban Development (HUD) promotes AFFH by implementing an Interim Final Rule that specifies two (2) factors. Those elements are (i) incorporating a voluntary fair housing planning process where HUD provides technical assistance; and (ii) requiring that program participants such as RIHousing certify in their Consolidated Plan, Annual Action Plan, and the PHA Plan that they are affirmatively furthering fair housing. However, the Interim Rule does not contain strong enforcement mechanisms. The Rule focuses on planning procedures and technical assistance on HUD's part rather than enforcement tools.

Following the summary, Ms. Myers explained how RIHousing meets the Rule's obligations. The general idea is to use a careful and well balanced selection criteria to harmonize investing in historically underdeveloped areas and promoting free movement into areas not historically concentrated by poverty, race, ethnicity and promote integration.

Ms. Myers also briefly outlined how each of the Corporation's programs address those issues. She noted that for the Consolidated Plan, (ConPlan) RIHousing is the lead agency on behalf of the State. RIHousing administers and deploys certain federal formula grant funds. Some of those programs include HOME and HTF. RIHousing identified seven (7) local racial and ethnically concentrated areas of poverty (RECAP). Those areas include communities in Providence, Pawtucket, Woonsocket

and South Kingstown. The communities identified are where housing agencies strive to be proactive on promoting fair housing activities to promote integration and reduce segregation. The ConPlan expresses a high statewide priority to remove barriers to fair and affordable housing. At the same time, the ConPlan shows that insufficient housing stock and elevated prices depress affordable housing choice. The message conveyed by the ConPlan is that almost any endeavor made to develop and preserve affordable housing will further fair housing. Other strategies include collaborating on fair housing educational activities, legislative efforts and strategies to eradicate NIBYism.

The Action Plan speaks to the strategies that further the Consolidated Plan and how resources are deployed. The Action Plan specifies geographic selection criteria to balance the reality of the statewide housing shortage against the fair housing interest in AFFH. RIHousing's selection method incorporated in its RFPs for HOME and HTF awards are meant to mirror the findings of the Action Plan.

The scoring for the HOME and HTF funds favors communities that have not achieved the minimum 10% affordability rate for year round housing stock. Jurisdictions that have achieved the 10% rate for affordable housing include Providence and Woonsocket. The rationale to prioritize communities that are below the 10% mandate comes directly from the legislative findings of the Low- and Moderate Income Act; where the General Assembly finds an acute shortage of affordable, accessible and sanitary housing. It places an imperative on every city and town to create low and moderate affordable housing.

The other geographic related selection criteria is for project features that promote future economic opportunities for its residents such as accessibility to transit, employment centers, high performing schools and other community services. Taken together, the idea is to promote and transform racially or ethnically concentrated areas of poverty into areas of opportunity, which is one of the main goals of the Fair Housing Act.

At this point of the discussion, Ms. Myers paused for questions.

Committee Chairman Thorsen commented that the current rate of unemployment is 4% where one would assume that an individual seeking a position would be able to get one. However, the issue is that even if residents are employed, affording and being able to locate housing is the issue. The Committee Chairman felt that the two matters along with educational opportunities are interrelated. Regrettably, one cannot make someone wealthy by providing cash or make everyone a homeowner by providing them with a home.

Committee Chairman Thorsen then asked how this program integrates with other programs to lift individuals out of poverty and provide them with opportunities to be successful.

Ms. Ventura explained that AFFH is just one piece of the puzzle. The purpose of the Housing Resources Commission (HRC) is to bring together other industry sectors and various state departments and partners to coordinate that effort. RIHousing does its best to contribute in any way possible.

Committee Chairman Thorsen hopes that this coordinated effort works.

Commissioner Designee Byrne asked for confirmation that when RIHousing submitted its required plans that the Corporation has not received any concerns or feedback from HUD that the Corporation has not met the goals for HOME and HTF programs. Ms. Ventura and Ms. Myers confirmed that no feedback along these lines has been received from HUD.

Ms. Myers then explained that the PHA Plan sets forth policies for public housing authorities to meet and further fair housing. That plan also includes a certification that the PHA will affirmatively further fair housing in its operations.

RIHousing promotes AFFH by furnishing tenant subsidies that expand resident choice, participating in the centralized wait list, and providing a briefing program for new participants on how to use vouchers inside and outside RIHousing's jurisdiction. The briefing booklet includes maps that show neighborhoods outside of poverty and minority areas. The booklet also depicts characteristics of the communities such as job centers, schools and transportation.

The PHA Plan also includes a certification for review for consistency with the Consolidate Plan so that decisions are made in alignment with all programs, data and policy objectives.

To this vein, the IRS has taken the position that the QAP should also further AFFH, even though the tax credit program is not a HUD funding program. In recognition of the IRS interpretation, RIHousing's QAP presents a balance approach in making funding decisions.

The QAP recognizes the importance of the AFFH; specifically, the part of the tax code that requires that preference be given to developments that serve the lowest income population and are located in qualified census tracts (QCT). Qualified Census tracts are where 50% of residents earn less than 60% of AMI or where the poverty rate exceeds 25%. To ensure that RIHousing does not further the concentration of poverty, RIHousing gives its QAP preference only where projects would confer an added benefit to the neighborhood; striving to ensure a holistic approach to housing. RIHousing requires that the added benefit be spelled out in a Concerted Community Revitalization Plan (CCRP). The CCRP is a bonafide preexisting planning document that explains the need for revitalization in a particular geographic area. It also identifies strategies for bringing non-housing amenities to the neighborhood. This approach allows RIHousing to target developments that will transform legacy low incomes areas into areas of opportunity and disrupt a past pattern of segregation.

Commissioner Designee Byrne inquired on who writes the CCRP plan. Ms. Myers replied that the applicant provides the plan to demonstrate that their proposal fits in to the preexisting municipal plans.

Commissioner Designee Byrne also wanted to know if the zoning documents are provided by the applicant or the Planning Department. Anne Berman, Director of Real Estate Development said that the zoning documents are provided by the Planning Department. RIHousing requires that the CCRP cannot be specific to a piece a property but must be an existing document prepared for the community.

Ms. Ventura mentioned that most applicants perform a decent job outlining the communities and amenities surrounding their project areas.

Ms. Berman also explained that in 2017 the National Council of State Housing Agencies (NCSHA) issued best practices for the CCRP. That is when RIHousing officially included the recommendation in the QAP.

Ms. Ventura then informed that Committee that staff had an opportunity to meet with representatives from South Providence Neighborhood Association regarding concerns about a Crossroads development. The meeting was informative and extremely productive. Additionally, staff has invited Crossroads RI to also discuss the matter.

There were no votes taken regarding this item.

Adjournment

There being no further business to discuss, Committee Chairman Thorsen asked for a motion to adjourn the meeting. A motion was duly made by Commissioner Designee Byrne and seconded by Committee Chairman Thorsen to adjourn the meeting.

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

The Commissioners unanimously voted to adjourn the meeting at approximately 3:44 p.m.

In closing, Committee Chairman Thorsen thanked everyone for participating.

Respectfully submitted

Carol Ventura
Secretary and Executive Director