

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

May 18, 2023

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, May 18, 2023 at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

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

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

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

Ms. Myers stated that Chairman Pryor would preside over the meeting and requested that any Commissioner or staff wishing to comment state their name prior to speaking and telephone participants to mute their phone when not speaking. She then invited Chairman Pryor to call the meeting to order.

A quorum being present, Chairman Pryor introduced himself and officially called the meeting to order at approximately 9:45 a.m. The Chairman then invited Ms. Ventura to proceed with the roll call of Commissioners in attendance.

Ms. Ventura conducted a roll call vote of Commissioners participating in the meeting. Commissioners participating were: Stefan Pryor; Brain Daniels, Interim Director of the Department of Administration; James Diossa, General Treasurer; Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation; Kevin Orth; Maria Barry; and Stephen P. McAllister.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Peter Pagonis, Director of Homeownership; Leslie McKnight, Deputy Assistant Director of Loan Servicing; Michael DiChiaro, Director of Leased Housing and Rental Services; Christine Hunsinger, Chief Strategy & Innovation

Officer; Anne Berman, Director of Real Estate Development; Bernadette MacArthur, Director of Finance; Amy Rainone, Director Government Relations and Policy; Elizabeth Bioteau, Director of Strategic Initiatives & Partnerships; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Steven Richard, Counsel to the Corporation, Reily Connaughton, Designee for Brian Daniels, Interim Director of the Department of Administration and Robert Craven, Designee for General Treasurer Diossa, were also present as were members of the public.

Governor Daniel J. McKee was also in attendance.

Ms. Ventura opened the meeting by welcoming Governor Daniel J. McKee. She thanked him for taking time out of his schedule to attend the Board Meeting.

The Executive Director then stated that the Board of Commissioners and staff were delighted that the Governor was able to join the meeting. Particularly as RIHousing is addressing a shared priority concerning the scarcity of affordable housing options in Rhode Island. The actions presented at the meeting have the potential to generate over 1,400 housing units for the state. That is a major undertaking and cause for celebration.

Ms. Ventura then invited Governor McKee to say a few words.

Governor's Remarks

Governor McKee began by thanking Ms. Ventura, Chairman Pryor, the Board of Commissioners, staff and partners for diligently working to address the shortage of affordable housing in Rhode Island. He thanked the Commissioners for tackling the mission of addressing the housing challenges in Rhode Island. He also thanked the RIHousing staff and the staff of the newly created Office of Housing. During the past few years, RIHousing has collaborated with the State on RentReliefRI, energy efficiency and other pandemic programs. The Governor wanted to recognize the challenging work involved in those initiatives and commend staff.

The Governor also noted that there are many levels of housing challenges in the state, but RIHousing has confronted those challenges in a positive manner. In order for Rhode Islanders to live, work and prosper in the state, it is the duty of everyone to address the availability of quality housing. That includes providing support for those experiencing homelessness to increasing affordable units, to ensuring the creation of additional workforce housing for the middle class population.

Historically, the state has underinvested in housing. The state needs to invest more and build more housing for its citizens. In partnership with the General Assembly, strides have been made to address the issue. However, Rhode Island still has a way to go. The Governor's office has made great progresses in addressing those concerns. With the assistance of the General Assembly, a permanent funding stream has been originated. Along with the permanent funding stream, the Governor's office proposed and passed a quarter of a billion dollar once in a generation investment for the creation of housing. Significant advancement has also been achieved with strategic partnerships.

Continuing, Governor McKee remarked that the agenda presented for consideration highlights the diverse geographic investments spanning the 39 cities, towns and municipalities. In total, more than

\$100 million is being invested for the creation and preservation of more than 1,400 units. There is still a lot of work needed, and as quickly as possible especially if an economic downturn happens.

The Governor mentioned that he is often asked for an update on the \$250 million of the funding approved the previous year. Governor McKee said that RIHousing is administering over \$200 million of those historic funds. That includes \$155 million reserved for housing production and preservation, \$30 million for downpayment assistance and \$20 million for community revitalization. The Governor underscored that this historic investment in housing is also putting people to work. Governor McKee emphasized that the work needs to happen as expeditiously and effectively as possible.

Finally, Governor McKee said that the vital work being done that day was an important piece of the economy. He thanked the Board, staff and partners for their time and for providing him an opportunity to address the meeting.

On behalf of RIHousing, the Board and staff, Chairman Pryor then expressed his appreciation for the Governor's comments.

The Governor left at this point of the meeting.

Approval of Minutes of Board Meeting held on April 20, 2023

Chairman Pryor asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on April 20, 2023. A motion was duly made by Commissioner Diossa and seconded by Commissioner McAllister.

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

The Commissioners unanimously voted to approve the minutes.

Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Board Meeting held on April 20, 2023 hereby are approved.

Chairman's Remarks

Chairman Pryor greeted everyone and began by underlining the auspicious and momentous authorizations presented for approval that will enable the production of over 1,400 affordable units. This is the first step in addressing the housing challenges in Rhode Island. However, it will be quite a few years before the units are completed. The Chairman mentioned that it is important to keep the momentum moving. Additionally, the challenge to house the homeless cannot wait for the new units to be constructed, but staff must advance with solutions to tackle those concerns. State and partners cannot rest on their laurels but must do more to explore solutions to mitigate those points.

Chairman Pryor then stressed that Governor McKee is profoundly committed to finding solutions for the issues and stated that there's an additional \$29 million earmarked in the Governor's budget to address the housing issues. Chairman Pryor said that the impetus has to keep moving and it will with everyone's commitment and assistance. He then applauded RIHousing on its endeavors.

Corine Myers, General Counsel noted that Commissioner Daniels was leaving the meeting and noted that Reily Connaughton was present to serve as his designee for the remainder of the meeting.

Commissioner Designee Connaughton then assumed his position as official designee for Commissioner Daniels.

Approval of External Charitable Donations and Contributions

Chairman Pryor announced that James Comer, Deputy Executive Director would give the presentation.

Mr. Comer said that the request was for approval and ratification of external Charitable Donations and Contributions of RIHousing pursuant to the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws (the “Act”).

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

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

An attachment setting forth events for which RIHousing has or will make a Charitable Donation or Contribution was included as part of the May 18, 2023 board package. The attachment identified the recipient of the expenditure, the amount of the expenditure, the nature of the event, the reason for supporting the event or recipient, each Commissioner or employee who will receive any benefit from the expenditure, and the general ledger account number where the expenditure will be recorded in RIHousing’s accounting system. None of these expenditures require any disclosure under the Rhode Island Code of Ethics.

RIHousing’s support of the work of the organization(s) listed on the attachment furthers our corporate purposes of encouraging and stimulating the development of housing to alleviate the shortage of safe and sanitary residential housing for low- and moderate-income persons as set forth in R.I.G.L. §42-55-2(a). For example, the Housing Network of Rhode Island (the “Housing Network”) is the state association of non-profit community development corporations. The Housing Network members have rehabilitated and developed thousands of affordable homes and initiated numerous revitalization efforts throughout the state. This year’s annual event will also recognize the dedication and commitment of Anne Berman, Director of Real Estate Development, with the Joseph A. Caffey Award. This award celebrates an individual who has demonstrated exemplary leadership and impact on the community development field in Rhode Island. Rhode Island Coalition to End Homelessness Courage Awards Event recognizes colleagues in the field who have demonstrated the

strength and resiliency of frontline service providers working day-in and day-out for our unhoused neighbors. This event is an important way to demonstrate support for these partners. Lastly, the Crossroads' Women Helping Women event helps support 1,000 women with access to education and employment services, housing, emergency shelter, Domestic Violence programs and more. Their mission directly supports the work that RIHousing performs.

In closing, Mr. Comer informed the Commissioners that Anne Berman, Director of Real Estate Development is being honored at the Housing Network's annual event on June 5, 2023. Mr. Comer congratulated Ms. Berman on the recognition.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of External Charitable Donations and Contributions.

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, IT IS HEREBY:

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

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

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

Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for Central Street Development (Pawtucket and Central Falls)

Chairman Pryor stated that Ms. Berman would present the request for the reservation of tax credits and financing for Central Street Development.

Prior to presenting the request, Ms. Berman provided a quick overview of both the 9% LIHTC and larger RFP review processes.

Ms. Berman stated that staff received nine (9) applications for 9% LIHTC requesting nearly \$12 million in credits. RIHousing has approximately \$3.19 million to allocate. Of the nine (9) applications received, eight (8) passed Threshold and the internal committee which included Credit Committee Chairman Orth is recommending three (3) projects for 9% credits.

Simultaneously, staff completed the review of the 57 applications that applied for the multiple funding opportunities in the recent RFP. RIHousing is bringing eight (8) tax exempt proposals forward for recommendation. Seven (7) are preliminary approval for new development projects and one (1) is for firm approval. The eight (8) projects will utilize \$83 million of tax-exempt bonds to leverage more than \$105 million of 4% LIHTC equity.

Next, Ms. Berman said that staff is also recommending funding for a number of other projects that do not fit into the two buckets above and do not require project specific board actions. In total, RIHousing is awarding more than \$100 million of funding to 21 projects. More than 350 of the units being funded will be available for households with incomes below 30% of area median income (AMI) or \$26,000 for a 3-person household.

Since the majority of the funding recommendations are for preliminary approval, staff will be working with the developers to move their projects through the due diligence phase and to firm approval as efficiently as possible. In general, the current underwriting for each of the projects conforms to the Corporation's requirements for DSC, LTV, reserves, etc. Staff discussed any underwriting deviations with the Credit Committee and a plan is in place to address them to ensure that RIHousing's exposure to lending risk is minimized.

Finally, Ms. Berman publicly thanked the Development staff on their efforts over the past several months. She acknowledged that the team consisted of 23 members that were tasked to undertake the review of the largest RFP ever undertaken for the Corporation. Staff performed an admirable job in

processing and reviewing the applications. She expressed her appreciation to the entire Development Division.

Ms. Berman then proceeded to give the presentation for Central Steet Development. She said that the request was for approval of a reservation of 2023 and/or 2024 9% Low-Income Housing Tax Credits (“LIHTC”) in an amount not to exceed \$1,126,600, as well as preliminary approval of a RIHousing taxable construction loan not to exceed \$11,000,000, of which \$3,200,000 will remain as a permanent loan, for Central Street Development (“Central Street” or the “Development”). The developer is Pawtucket Central Falls Development Corporation (“PCFDC” or the “Developer”).

The Development is a mixed-use, mixed-income project on 12 scattered sites in Pawtucket and Central Falls. 30 units of new construction and 32 rehabilitation units have been proposed. In addition, there are two proposed commercial units that will serve the residents of the Development. More specifically:

- The new construction will create 30 new units, of which 21 will be LIHTC units and 9 will be non-LIHTC units serving households with incomes at or below 80% of area median income (“AMI”). The 21 new LIHTC units will serve households earning 30% of AMI to 60% of AMI.
- The preservation component will consist of 32 units, of which 22 units will be LIHTC and 10 will be non-LIHTC units serving households with incomes at or below 80% of AMI.
- The two community service facility spaces will house a Homeownership Center and “Tech Hub” for resident and community use. The Homeownership Center will assist BIPOC families in Pawtucket and Central Falls with financial fitness, homebuyer education and affordable homeownership opportunities. The Tech Hub space, operated by the New England Institute of Technology, will connect local residents to high-speed internet as well as provide technical job training skills.

In the overall Development, 14 units restricted for households earning at or below 30% of AMI will be subsidized for youths aging out of foster care, and supportive services will be provided through a partnership with Foster Forward. Foster Forward will ensure that all 14 tenants have operating subsidies in the form of rental vouchers. Supportive services will include case management, resumé building, college prep/education counseling, employment counseling, and customized life coaching.

The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. The collective capital stack for the Development is anticipated to consist of (i) the permanent loan from RIHousing contemplated herein, (ii) proceeds from the sale of 9% LIHTC, (iii) a Community Revitalization Program (“CRP”) grant, (iv) a Capital Magnet Fund (“CMF”) loan, (v) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds, and (vi) a Middle Income Program loan.

The Funding Committee, which is comprised of senior RIHousing staff and a member of the RIHousing Board of Commissioners, awarded Central Street the highest score in the 2023 9% LIHTC round based on the strength of the application and the criteria outlined in the State of Rhode Island 2023 Qualified Allocation Plan (“QAP”).

Finally, Ms. Berman said that staff requests a reservation of 2023 and/or 2024 9% LIHTC in an amount not to exceed \$1,126,600, as well as preliminary approval of a taxable construction loan in an

amount not to exceed \$11,000,000, of which \$3,200,000 will remain as a permanent loan, for Central Street, subject to certain conditions.

Ms. Berman informed the Commissioners that Linda Weisinger, Executive Director of Pawtucket Central Falls Development Corporation was present at the meeting.

After the presentation, Chairman Pryor asked for a motion and a second for Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for Central Street Development (Pawtucket and Central Falls).

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

Commissioner Orth, Chair of the Credit Committee reiterated Ms. Berman’s sentiments regarding the amount of work associated with the RFP. He mentioned that Development staff, Design and Construction and Asset Management were instrumental in reviewing the applications for operating expenses, overall design feasibility and underwriting to ensure that the funding was reasonable and cost appropriate. The Review Committee then evaluated the overall financial structure of the project and recommended approval.

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

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

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

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

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

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

Whereas, staff for RIHousing has determined that Pawtucket Central Falls Development Corporation (“Applicant”) is eligible for the Program under the laws of the State of Rhode Island and the federal tax code;

Whereas, the Applicant has submitted an application to RIHousing for the reservation of low-income housing tax credits (“LIHTC”) available in calendar year 2023 and/or 2024, as well as a taxable construction loan, as follows:

Applicant	Development	9% LIHTC	Taxable Loan
Pawtucket Central Falls Development Corporation	Central Street Development	\$1,126,600	\$11,000,000

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

Whereas, RIHousing finds that:

- (1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;
- (2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;
- (3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;
- (4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and
- (5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that up to \$1,126,600 of allocated 2023 and/or 2024 LIHTC be reserved for the Applicant or an affiliated entity of the Applicant (the “Borrower”) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the applicant complies with the requirements of the Act and the RIHousing Regulations.

Resolved, that, subject to the special conditions listed below, RIHousing hereby approves a preliminary commitment of a taxable construction loan in an amount not to exceed \$11,000,000, of which \$3,200,000 will remain as permanent debt, to the Borrower for rental housing known as Central Street Development to be located in Pawtucket and Central Falls, Rhode Island.

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

- Final appraisals and market studies acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the Development and that sufficient demand exists for the proposed units;
- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval from the Cities of Pawtucket and Central Falls verifying real estate tax assessment at no more than 8% of gross potential income;
- Execution and delivery by the Borrower of a construction completion guaranty in in form and substance satisfactory to RIHousing and any lender;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Approval of the proposed operating budget for the development;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Confirmation by RIHousing that the final development budget, schedule, and unit configuration presented for approval are consistent with Borrower's application submission for 2023 and/or 2024 LIHTC;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenant and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for Rosebrook Commons (Middletown)

Chairman Pryor once again invited Ms. Berman to give the presentation.

Ms. Berman said the transaction was for approval of a reservation of 2023 and/or 2024 9% Low-Income Housing Tax Credits ("LIHTC") in an amount not to exceed \$1,088,685, as well as preliminary

approval of a RIHousing taxable construction loan in an amount not to exceed \$11,895,000, of which \$3,659,000 will remain as permanent debt, and a HOME Investment Partnerships Program (“HOME”) loan in the amount of \$1,000,000 for Rosebrook Commons (the “Development”). The developer is Mesolella Development Corp. (the “Developer”).

Rosebrook Commons is a proposed mixed-income, mixed-use development located at 1747 West Main Road in Middletown that will be developed in two phases. Phase I, the subject of this RFA, consists of two buildings comprised of 64 residential units and 23,000 square feet of ground floor commercial space. Of the 64 units, 51 will be LIHTC units and the remaining 13 units are slated as middle income with rents up to 120% of area median income (“AMI”). The unit sizes vary from one to three bedrooms. Of the 51 LIHTC units, 13 will be affordable to households with incomes below 30% of AMI and 38 will be affordable to households with incomes below 60% of AMI. The Developer has requested HPF-ELI funds to provide operating support for the 30% AMI units.

As currently contemplated, the Development will be condominiumized so that the commercial space will be a separate condo from the residential units and will, therefore, be financed separately. Accordingly, the commercial space is not reflected in the sources and uses contemplated herein. The entire Development has been granted a Comprehensive Permit and received final plan approval from the Middletown Planning Board on January 9, 2023.

The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. The collective capital stack for the Development is anticipated to consist of (i) the permanent loan from RIHousing contemplated herein, (ii) proceeds from the sale of 9% LIHTC, (iii) the HOME loan contemplated herein, (iv) a Middle Income Program loan, and (v) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds.

The Funding Committee, which is comprised of senior RIHousing staff and a member of the RIHousing Board of Commissioners, awarded Rosebrook Commons the second highest score in the 2023 9% LIHTC round based on the strength of the application and the criteria outlined in the State of Rhode Island 2023 Qualified Allocation Plan (“QAP”).

Staff requests a reservation of 2023 and/or 2024 9% LIHTC in an amount not to exceed \$1,088,685, as well as preliminary approval of a taxable construction loan in an amount not to exceed \$11,895,000, of which \$3,659,000 will remain as permanent debt, and a HOME loan in the amount of \$1,000,000 for Rosebrook Commons, subject to certain conditions as set forth in the resolution.

Ms. Berman then noted that Vincent and Derek Mesolella, of Mesolella Development were present at the meeting.

After the presentation, Chairman Pryor asked for a motion and a second for Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for Rosebrook Commons (Middletown.).

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing the development.

A motion was duly made by Commissioner Diossa and seconded by Commissioner Designee Connaughton.

Commissioner Orth acknowledged that the Credit Committee discussed the tax equity pricing of .89 cents, mentioning that it's a bit lower than normal but the developer plans to go to bid for higher pricing options. The Committee approved the recommendation. He also mentioned that it's a fantastic mixed use, mixed income project and the Committee was excited to see it come to fruition.

There being no other comments, Corinne Myers, General Counsel conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

Ms. Myers then officially announced that the following resolution was adopted:

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

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

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

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

Whereas, staff for RIHousing has determined that Mesolella Development Corp. (“Applicant”) is eligible for the Program under the laws of the State of Rhode Island and the federal tax code;

Whereas, the Applicant has submitted an application to RIHousing for the reservation of low-income housing tax credits (“LIHTC”) available in calendar year 2023 and/or 2024, as well as additional financing, as follows:

Applicant	Development	9% LIHTC	Taxable Loan	HOME Program
Mesolella Development Corp.	Rosebrook Commons	\$1,088,685	\$11,895,000	\$1,000,000

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies

for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

Whereas, RIHousing finds that:

- (1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;
- (2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;
- (3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;
- (4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and
- (5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that up to \$1,088,685 of allocated 2023 and/or 2024 LIHTC be reserved for the Applicant or an affiliated entity of the Applicant (the “Borrower”) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the applicant complies with the requirements of the Act and the RIHousing Regulations.

Resolved, that, subject to the special conditions listed below, RIHousing hereby approves preliminary commitment of up to \$11,895,000 of taxable construction financing, of which \$3,659,000 will remain as a permanent debt, to the Borrower for rental housing known as Rosebrook Commons to be located in Middletown, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby approves a preliminary commitment of a HOME Investment Partnerships Program Loan in an amount not to exceed \$1,000,000 to the Borrower for rental housing known as Rosebrook Commons to be located in Middletown, Rhode Island.

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

- Final appraisals and market studies acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loans do not exceed 90% of the as-stabilized value of the Development and that sufficient demand exists for the proposed units;
- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval from the Town of Middletown verifying real estate tax assessment at no more than 8% of gross potential income;
- Execution and delivery by the Borrower of a construction completion guaranty in in form and substance satisfactory to RIHousing and any lender;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Approval of the proposed operating budget for the development, including a detailed secondary budget outlining the provision of supportive services;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Confirmation by RIHousing that the final development budget, schedule, and unit configuration presented for approval are consistent with Borrower’s application submission for 2023 and/or 2024 LIHTC;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenant and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for Southpoint Commons (Westerly)

Chairman Pryor stated that Anne Berman would present the request.

Ms. Berman said that the request was for approval of a reservation of 2023 and/or 2024 9% Low-Income Housing Tax Credits (“LIHTC”) in an amount not to exceed \$1,200,000, as well as preliminary approval from RIHousing of a HOME Investment Partnerships Program (“HOME”) loan in the amount of \$1,000,000 and a HOME Investment Partnerships American Rescue Plan (“HOME-ARP”) loan in the amount of \$2,000,000 for Southpoint Commons (the “Development”). The developer is Dakota Partners, Inc. (“Dakota” or the “Developer”).

Southpoint Commons is a proposed mixed-income development comprised of 72 new construction units on Route 1 in Westerly. The site is controlled by the Developer via a purchase option, and the Developer expects to purchase the property once the U.S. Department of Housing and Urban Development (“HUD”) Environmental Review is completed in late May 2023. The site has no frontage to provide access, however, prior to the Developer’s purchase of the site, the seller will form a land condominium to provide access via an easement across the adjacent land condominium unit. The improvements will consist of 2 three-story residential buildings and an additional community building containing office space, a clubhouse and other project amenities. There will be 36 one-bedroom, 28 two-bedroom, and 8 three-bedroom units. The project will be affordable to tenants at a range of income levels, with 16 units available to households at or below 30% of area median income (“AMI”), 41 units available to households at or below 60% of AMI, and 15 market rate units.

The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. Development Division staff carefully reviewed construction costs and total development costs given that previous Dakota projects have experienced cost increases between preliminary and firm approval. The RIHousing Design & Construction staff concluded that proposed construction costs for Southpoint Commons in this application are “reasonable” based on today’s environment and compare to similar recently priced projects. The collective capital stack for the Development is anticipated to consist of (i) a permanent loan from a third-party lender, (ii) proceeds from the sale of 9% LIHTC, (iii) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds; (iv) the HOME loan contemplated herein; (v) the HOME-ARP loan contemplated herein, and (vi) a deferred developer fee.

The Funding Committee, which is comprised of senior RIHousing staff and a member of the RIHousing Board of Commissioners, awarded Southpoint Commons the third highest score in the 2023 9% LIHTC round based on the strength of the application and the criteria outlined in the State of Rhode Island 2022 Qualified Allocation Plan (“QAP”).

Staff requests a reservation of 2023 and/or 2024 9% LIHTC in an amount not to exceed \$1,200,000, as well as preliminary approval of a HOME loan in the amount of \$1,000,000 and a HOME-ARP loan in the amount of \$2,000,000 for Southpoint Commons, subject to certain conditions as set forth in the in the resolution.

Ms. Berman recognized Roberto Arista of Dakota Partners who was representing the developer for Southpoint Commons.

After the presentation, Chairman Pryor asked for a motion and a second for Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for Southpoint Commons (Westerly).

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

Commissioner McAllister was pleased to note that the overall proposed projects span geographically diverse communities throughout Rhode Island. He commended that practice.

Commissioner Orth commented that the Credit Committee reviewed the application, mentioning that 50% of surplus cash will go to repay the Production fund account at 0% interest. The Committee approved the transaction.

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

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

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

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

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

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

Whereas, staff for RIHousing has determined that Dakota Partners, Inc. (“Applicant”) is eligible for the Program under the laws of the State of Rhode Island and the federal tax code;

Whereas, the Applicant has submitted an application to RIHousing for the reservation of low-income housing tax credits (“LIHTC”) available in calendar year 2023 and/or 2024, as well as additional financing, as follows:

Applicant	Development	9% LIHTC	HOME	HOME-ARP
Dakota Partners, Inc.	Southpoint Commons	\$1,200,000	\$1,000,000	\$2,000,000

Whereas, the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

Whereas, RIHousing finds that:

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

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, that up to \$1,200,000 of allocated 2023 and/or 2024 LIHTC be reserved for the Applicant or an affiliated entity of the Applicant (the “Borrower”) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the applicant complies with the requirements of the Act and the RIHousing Regulations.

Resolved, that, subject to the special conditions listed below, RIHousing hereby approves preliminary commitment of a HOME Investment Partnerships Program Loan in an amount not to exceed \$1,000,000 to the Borrower for rental housing known as Southpoint Commons to be located in Westerly, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby approves preliminary commitment of a HOME Investment Partnerships American Rescue Plan Program Loan in an amount not to exceed \$2,000,000 to the Borrower for rental housing known as Southpoint Commons to be located in Westerly, Rhode Island.

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

- Final appraisals and market studies acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loans do not exceed 90% of the as-stabilized value of the Development and that sufficient demand exists for the proposed units;

- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval from the Town of Westerly verifying real estate tax assessment on affordable units at no more than 8% of gross potential income;
- A taxable construction loan from an acceptable lender in an amount sufficient to achieve project feasibility;
- Execution and delivery by the Borrower of a construction completion guaranty in in form and substance satisfactory to RIHousing and any lender;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Approval of the proposed operating budget for the development, including a detailed secondary budget outlining the provision of supportive services;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Confirmation by RIHousing that the final development budget, schedule, and unit configuration presented for approval are consistent with Borrower's application submission for 2023 and/or 2024 LIHTC;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenant and Regulatory Agreement in form(s) acceptable to RIHousing;
- Confirmation that the construction costs at firm commitment and closing are within 5% of the Borrower's application submission for 2023 and/or 2024 LIHTC;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Preliminary Approval of Financing for Reynolds Farm Senior Housing II (North Kingstown)

Chairman Pryor stated that Anne Berman would again present the request.

Ms. Berman said that the request was for or preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$7,500,000, a taxable permanent loan equal to \$200,000, a HOME Investment Partnerships Program ("HOME") loan equal to \$1,000,000, and a Housing Trust Fund ("HTF") loan equal to \$1,340,000 for Reynolds Farm Senior Housing II (the "Development"). Valley Affordable Housing Corp. ("VAHC" or the "Developer") is the developer.

VAHC is proposing 40 units of new construction in North Kingstown to be known as Reynolds Farm Senior Housing II. The project will be restricted to residents aged 55+ and all 40 units will be affordable. The units are a combination of 31 one-bedroom units and 9 two-bedroom units. Eleven

of the units will be affordable to households with incomes below 30% of Area Median Income (“AMI”), and the Developer has requested HPF-ELI funds to provide operating support for these 30% AMI units. There will also be multiple community spaces in the building, including space specifically designed for providing social services to the residents. In addition, all of the units are designed with universal access in mind. This project is the second of two affordable housing projects within the larger Reynolds Farm property. Phase I, which also contains 40 units, was completed in the spring of 2021.

The larger Reynolds Farm project, a market rate planned community, is a three-phase planned development located on 78 acres. The site is located just south of the junction of Route 1 (Post Road) and Route 403. Quonset Point is located to the north and there are a variety of commercial and retail amenities along Post Road. Upon completion, the Reynolds Farm project will provide more than 600 homes using a mix of single-family homes, rental apartments and townhomes. Phases I & II of Reynolds Farm Senior Housing comprise the majority of the affordable homes required as part of the Town’s approval of the Reynolds Farm project.

The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. The collective capital stack for the Development is anticipated to consist of (i) the permanent loan from RIHousing contemplated herein; (ii) proceeds from the tax-exempt financing and the sale of 4% low-income housing tax credits (“LIHTC”); (iii) the HOME loan contemplated herein; (iv) the HTF loan contemplated herein; (v) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds; and (vi) a deferred developer fee.

Staff recommends the resolution providing preliminary approval of \$7,500,000 in tax-exempt construction financing, a taxable permanent loan equal to \$200,000, a HOME loan equal to \$1,000,000, and a HTF loan equal to \$1,340,000 for Reynolds Farm Senior Housing II, subject to certain conditions be approved.

In closing, Ms. Berman stated that Peter Bouchard was present representing Valley Affordable Housing.

Following the presentation, Chairman Pryor asked for a motion and a second for Preliminary Approval of Financing for Reynolds Farm Senior Housing II (North Kingstown).

A motion was duly made by Commissioner Barry and seconded by Commissioner Designee Connaughton.

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 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 three years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

Whereas, Valley Affordable Housing Corp. (“Applicant”) has presented an application to RIHousing requesting mortgage financing to acquire and develop the development as set forth below (the “Development”):

<u>Development</u>	<u>Applicant</u>	<u>Construction Loan</u>	<u>Permanent Loan</u>	<u>HOME Loan</u>	<u>HTF Loan</u>
Reynolds Farm Senior Housing II	Valley Affordable Housing Corp.	\$7,500,000	\$200,000	\$1,000,000	\$1,340,000

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; 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 will be of public use and will provide a public benefit; and

(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 the Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$7,500,000 for rental housing known as Reynolds Farm Senior Housing II located in North Kingstown, Rhode Island to be financed, in part, by tax-exempt bonds.

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

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a permanent taxable loan to the Borrower in an amount not to exceed \$200,000 for rental housing known as Reynolds Farm Senior Housing II located in North Kingstown, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a HOME Investment Partnerships Program loan to the Borrower in an amount not to exceed \$1,000,000 for rental housing known as Reynolds Farm Senior Housing II located in North Kingstown, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a Housing Trust Fund loan to the Borrower in an amount not to exceed \$1,340,000 for rental housing known as Reynolds Farm Senior Housing II located in North Kingstown, Rhode Island.

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

- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- A final appraisal and market study acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property and sufficient demand exists for the proposed units;

- Approval of DAH-2 funds from RIHousing in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by the bond underwriter and bond counsel confirming the loans satisfy all required bond provisions for the bond issue;
- Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Preliminary Approval of Financing for Broad Street Homes (Central Falls)

Chairman Pryor once again instructed Anne Berman, to give the presentation.

Ms. Berman said that the approval was for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$11,000,000 and a taxable permanent loan in an amount not to exceed \$825,000 for Broad Street Homes (the “Development”). Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“ONENB” or the “Developer”) is the developer.

ONENB and the City of Central Falls, through its Redevelopment Agency (the “City”), have partnered to develop 47 affordable apartments in downtown Central Falls to be known as Broad Street Homes. The proposed development site is made up of three proximate lots along Broad Street in Central Falls adjacent to City Hall. A development agreement between ONENB and the City has been executed which designates ONENB as the exclusive developer for these properties and details the collaborative relationship. The unit sizes will vary from efficiencies to three bedrooms. Six of the units will be restricted to households with incomes below 30% of Area Median Income (“AMI”), and the Developer has requested HPF-ELI funds to provide operating support for these 30% AMI units.

The City utilized the RIHousing Site Acquisition Program (“SAP”) for the acquisition of the three properties. The properties include a historic former police station and courthouse, a blighted former Dunkin Donuts that will be demolished, and a municipal parking lot.

The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. The collective capital stack for the Development will consist of (i) the permanent loan from RIHousing contemplated herein, (ii) proceeds from the tax-exempt

financing and the sale of 4% low-income housing tax credits (“LIHTC”), (iii) Community Revitalization Program (“CRP”) funds, (iv) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds, (v) Federal Appropriations funds, and (vi) a deferred developer fee.

Staff recommends approval of the resolution providing preliminary approval of \$11,000,000 in tax-exempt financing and a taxable permanent loan in an amount not to exceed \$825,000 for Broad Street Homes, subject to certain conditions.

Ms. Berman noted that Jennifer Hawkins, Executive Director of ONE Neighborhood Builders was present at the meeting.

Following the presentation, Chairman Pryor asked for a motion and a second for Preliminary Approval of Financing for Broad Street Homes (Central Falls).

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing of the project.

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

Commissioner Orth acknowledged that the project is extremely interesting. The Credit Committee reviewed the bridge loan that is a common feature for most of the transactions. The \$10 million bridge loan initiated during construction is to unlock the 4% the tax credit equity. The concept is progressive and he applauded Finance and Development for working together on the strategy to ensure the project is achieved with limited risk. The Committee was pleased to approve the transaction.

There being no other comments, Corinne Myers, General Counsel conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

Ms. Myers then announced that the following resolution was 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 36 months and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

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

Whereas, Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“Applicant”) 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>Tax-Exempt Loan</u>	<u>Permanent Loan</u>
Broad Street Homes	Olneyville Housing Corporation d/b/a ONE Neighborhood Builders	\$11,000,000	\$825,000

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; 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 will be of public use and will provide a public benefit; and
- (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 the Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$11,000,000 for rental housing known as Broad Street Homes located in Central Falls, 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, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$11,000,000 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. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a permanent taxable loan to the Borrower in an amount not to exceed \$825,000 for rental housing known as Broad Street Homes located in Central Falls, Rhode Island.

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

- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- A final appraisal and market study acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the Development and that sufficient demand exists for the proposed units;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by the bond underwriter and bond counsel confirming the loans satisfy all required bond provisions for the bond issue;
- Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance

with normal underwriting and processing requirements.

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

Preliminary Approval of Financing for Ade Bethune House (Portsmouth)

Chairman Pryor invited Anne Berman to present the request.

Ms. Berman stated that the request was for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$10,284,000, of which \$3,200,000 will remain as a permanent first mortgage, as well as a HOME Investment Partnerships Program (“HOME”) loan in an amount not to exceed \$1,000,000 and a Housing Trust Fund (“HTF”) loan in an amount not to exceed \$1,000,000 for Ade Bethune House (the “Development”). Church Community Housing Corporation (“CCHC” or the “Developer”) is the developer.

Ade Bethune House is a new construction project located at 110 Bristol Ferry Road in Portsmouth that consists of a single building with 54 units of affordable, age-restricted housing and a new Senior Center. The new housing and Senior Center will share amenities. The Developer has proposed 6 one-bedroom units for households with incomes at or below 30% of Area Median Income (“AMI”), and the Developer has requested HPF-ELI funds to provide operating support for these 30% AMI units. The remaining 34 one-bedroom and 14 two-bedroom units are proposed for households with incomes at or below 60% of AMI.

The Developer will enter into a 99-year ground lease with the Town of Portsmouth, as Lessor. The building will be set up as a condominium and, at completion, the Town of Portsmouth will purchase the Senior Center for \$1 million, as described in the capital stack below.

The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. Originally submitted as a 9% low-income housing tax credits (“LIHTC”) deal, the proposal did not score high enough to receive a 9% allocation and, therefore, is being recommended as a 4% transaction. The proposed collective capital stack for the Development will consist of (i) the permanent loan from RIHousing contemplated herein, (ii) proceeds from the sale of tax-exempt 4% LIHTCs, (iii) a Capital Magnet Fund (“CMF”) loan, (iv) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds, (v) the HOME loan contemplated herein, (vi) the HTF loan contemplated herein, and (vii) proceeds from the sale of the Senior Center to the Town of Portsmouth.

Staff recommends approval of the resolution providing preliminary approval of \$10,284,000 in tax-exempt financing, of which \$3,200,000 will remain as a permanent first mortgage, as well as a HOME loan in an amount not to exceed \$1,000,000 and an HTF loan in an amount not to exceed \$1,000,000 for Ade Bethune House, subject to certain conditions.

Finally, Ms. Berman recognized and acknowledged Christian Belden, Executive Director of Church Community Housing.

Chairman Pryor thanked Ms. Berman and asked for a motion and a second for Preliminary Approval of Financing for Ade Bethune House (Portsmouth).

A motion was duly made by Commissioner Designee Cabral and seconded by Commissioner Designee Connaughton.

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

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

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

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

Whereas, 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 tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

Whereas, Church Community Housing Corporation (“Applicant”) has presented an application to RIHousing requesting mortgage financing to acquire and/or develop the development as set forth below (the “Development”):

<u>Development</u>	<u>Applicant</u>	<u>Tax-Exempt Loan</u>	<u>HOME Loan</u>	<u>HTF Loan</u>
Ade Bethune House	Church Community Housing Corporation	\$10,284,000	\$1,000,000	\$1,000,000

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; 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 will be of public use and will provide a public benefit; and
- (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 the Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$10,284,000 for rental housing known as Ade Bethune House located in Portsmouth, 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, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$10,284,000 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. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a HOME Investment Partnerships Program loan to the

Borrower in an amount not to exceed \$1,000,000 for rental housing known as Ade Bethune House located in Portsmouth, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a Housing Trust Fund loan to the Borrower in an amount not to exceed \$1,000,000 for rental housing known as Ade Bethune House located in Portsmouth, Rhode Island.

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

- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- Final appraisal and market study acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loans do not exceed 90% of the as-stabilized value of the Development and that sufficient demand exists for the proposed units;
- Approval of subordinate funds in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- RIHousing approval of the purchase and sales agreement for the completed Senior Center between CCHC and the Town of Portsmouth;
- Approval by the bond underwriter and bond counsel confirming the loans satisfy all required bond provisions for the bond issue;
- Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by RIHousing of all management -related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Preliminary Approval of Financing for Potters Tigray Apartments (Providence)

Chairman Pryor again acknowledged Anne Berman who gave the presentation.

Ms. Berman said that the request was for a for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$9,500,000 and a taxable permanent loan in an amount

not to exceed \$500,000 for Potters Tigray Apartments (the “Development”). S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY) (the “Developer”) is the developer.

This 57-unit development is comprised of two separate components located on scattered sites in South Providence. One component of the Development, known as Potters Avenue, is an existing post-year-15 LIHTC project in need of some capital improvements. 37 existing units are located in 16 buildings and range in size from one to four bedrooms. These units are slated to undergo a moderate rehabilitation of \$3.54 million, or \$96,000 per unit.

The Developer also owns multiple vacant sites located in South Providence. The other component of this Development is the Developer’s proposal to construct an additional 20 apartments in 11 buildings on these vacant sites. The 20 new units will range in size from one to three bedrooms and are proposed to serve tenants earning between 30% and 60% of area median income (“AMI”).

Together, the two components will be a single economic unit known as Potters Tigray Apartments. The “Tigray” in the Development’s name is in honor of Asata Tigray, a housing advocate who has worked in this neighborhood for decades. The Developer submitted its proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. The collective capital stack for the Development is anticipated to consist of (i) the permanent loan from RIHousing contemplated herein, (ii) proceeds from the tax-exempt financing and sale of 4% low-income housing tax credits (“LIHTC”), (iii) a Capital Magnet Fund (“CMF”) loan, (iv) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds, (v) Community Revitalization Program (“CRP”) funds, (vi) existing replacement and operating reserves from Potters Avenue, and (vii) rollover of existing soft debt on the Potters Avenue properties.

Finally, Ms. Berman stated that staff recommends for approval the resolution providing preliminary approval of \$9,500,000 in tax-exempt financing and a taxable permanent loan of \$500,000 for Potters Tigray Apartments, subject to certain conditions as set forth therein.

Ms. Berman then stated that Carla DeStefano, Executive Director of S.W.A.P was present for the meeting.

Chairman Pryor thanked Ms. Berman and asked for a motion and a second for Preliminary Approval of Financing for Potters Tigray Apartments (Providence).

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

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

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

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

Whereas, 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 36 months and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

Whereas, RIHousing is also authorized to issue tax-exempt at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

Whereas, S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY) (“Applicant”) 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>Construction Loan</u>	<u>Permanent Loan</u>
Potters Tigray Apartments	S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY)	\$9,500,000	\$500,000

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

Preliminary Approval of Financing for The Avenue (Providence)

Chairman Pryor announced that Anne Berman, Director of Real Estate Development would give the presentation.

The request was for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$15,500,000, of which \$3,600,000 will remain as a permanent first mortgage, for The Avenue (the “Development”). Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“ONE NB” or the “Developer”) is the developer.

The Development consists of two separate components that will comprise one single economic entity. One component, Elmwood Neighborhood Revitalization II (“ENR II”), is an existing post-year-15 low-income housing tax credit (“LIHTC”) project for families. ENR II contains 46 units located on scattered sites in the Elmwood neighborhood of Providence. The units range in size from one to four bedrooms. ENR II has historically run with a 2% vacancy rate. The units need a moderate rehabilitation to ensure they are maintained as safe, affordable housing for families in Providence.

The second component is the new construction of 39 units of housing on a vacant site located at 434 Atwells Avenue in the Federal Hill neighborhood of Providence. The residential units will be located on floors 2-5 with commercial space and project amenities located on the first floor. 22 of the new units will be LIHTC units restricted to households with incomes at or below 60% of area median income (“AMI”) and 17 units will be non-LIHTC units restricted to households with incomes up to 80% of AMI. The 39 new units will range in size from studios to three-bedrooms. The plans are 90% complete and all planning and zoning approvals are in place.

The Development was previously awarded Building Homes Rhode Island (“BHRI”) funds, Preservation Loan Funds (“PLF”) and an initial allocation of Capital Magnet Fund (“CMF”) funding. The Developer submitted their proposal for the balance of funding needed to complete their capital stack in response to the Request for Proposals issued by RIHousing in November 2022. The collective capital stack for the Development is anticipated to consist of (i) the permanent loan contemplated herein; (ii) proceeds from the tax-exempt financing and sale of 4% LIHTC; (iii) BHRI funds; (iv) CMF funding; (v) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds; (vi) Community Revitalization Program (“CRP”) funds; (vii) Middle Income (“MI”) Program funds; (viii) PLF funding; (ix) the rollover of existing soft debt on the ENR II properties; (x) existing ENR II reserves and escrows; and (xi) a deferred developer fee.

Next, Berman said that staff recommends the resolution providing preliminary approval of \$15,500,000 in tax-exempt financing, of which \$3,600,000 will remain as a permanent first mortgage, for The Avenue, subject to certain conditions as set forth therein.

Following the presentation, Chairman Pryor asked for a motion and a second for Preliminary Approval of Financing for The Avenue (Providence).

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing of the project.

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

There being no questions or comments, Corinne Myers, General Counsel conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

Ms. Myers then announced that the following resolution was 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 tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

Whereas, Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“Applicant”) 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>Tax-Exempt Loan</u>
The Avenue	Olneyville Housing Corporation d/b/a ONE Neighborhood Builders	\$15,500,000

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; 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 will be of public use and will provide a public benefit; and

(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 the Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$15,500,000 for rental housing known as The Avenue 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 Applicant constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$15,500,000 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. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

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

- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- Acceptable final appraisal by an independent appraiser that supports the purchase price and demonstrates that the permanent loan does not exceed 90% of the as-stabilized value of the property, and sufficient demand exists for the proposed units;
- Approval of subordinate funding in amounts sufficient to achieve project feasibility or the availability of alternative loans satisfactory to RIHousing;
- Approval by the bond underwriter and bond counsel confirming the loan satisfies all required bond provisions for the bond issue;
- Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and

- construction documentation;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Preliminary Approval of Financing for Summer Street Apartments (Providence)

Chairman Pryor once again bade Ms. Berman to give the presentation.

Ms. Berman began by saying that the request was for the preliminary approval of RIHousing tax-exempt financing in an amount not to exceed \$39,500,000, of which \$9,625,000 will remain as a permanent first mortgage, and a HOME Investment Partnerships Program (“HOME”) loan in an amount not to exceed \$1,000,000 for Summer Street Apartments (the “Development”). Crossroads Rhode Island (“Crossroads” or the “Developer”) is the developer.

The Development will consist of 176 new units on a vacant lot adjacent to the property known as The Tower at 160 Broad Street in Providence. The Development is the first phase of Crossroads’ overall plan to renovate the area around The Tower, including the area where the Crossroads administrative offices are located. The site is conducive to a residential development as it is within a Transit Oriented Development (TOD) overlay zone, which has been identified by the City of Providence as a priority for high density growth because of its proximity to transit and neighborhood amenities, residential services and a commercial corridor.

The original proposed plan for the Development was to construct a single 176-unit building as a bifurcated 9%/4% Low Income Housing Tax Credits (“LIHTC”) transaction with two legal owners. Summer Street I was initially awarded 9% LIHTC in the spring of 2022; however, it was subsequently determined that a single 176 unit 4% LIHTC development would raise more equity than a bifurcated development. In addition, it was determined that eliminating the bifurcated structure will reduce the overall amount of soft money required, reduce the total development costs (“TDC”), and is projected to reduce operating costs. Therefore, Crossroads has returned the 9% LIHTC award and has reapplied for the tax-exempt financing contemplated herein, in addition to the required soft debt needed to complete the single project capital stack.

All 176 units will be one-bedroom units and will be available to households with incomes at or below 30% of area median income (“AMI”), which will allow the Development to serve extremely low-income residents. The existing McKinney-Vento contract in The Tower will be transferred to the Development and converted into a Rental Assistance Demonstration (“RAD”) contract. The RAD contract, a Project Based Voucher (“PBV”) Contract, and a HUD Section 811 Voucher Contract will provide operating subsidies to 168 of the 176 units. The remaining units will be self-pay. The RAD conversion will trigger prevailing wages, which leads to an increase in the overall TDC.

The Developer submitted their proposal for the Development in response to the Request for Proposals (“RFP”) issued by RIHousing in November 2022. Since their original preliminary commitment last spring, the Developer has secured other external sources which, in turn, further reduced their overall request in response to the RFP. The capital stack for the Development is anticipated to consist of: (i) construction to permanent financing utilizing tax-exempt bonds; (ii) equity from the allocation of 4% LIHTC; (iii) a deferred developer fee; (iv) various sponsor loans; (v) the HOME loan contemplated herein; (vi) a RI Rebounds loan; (vii) a Building Homes Rhode Island loan; (viii) a City of Providence HOME Investment Partnerships Loan; (ix) a Federal Appropriations loan; (x) Office of Housing and Community Development State and Local Fiscal Recovery Fund loans; (xi) a City of Providence Housing Trust Fund loan; (xii) a Federal Home Loan Bank award from Washington Trust; (xiii) Community Revitalization Program funds; and (xiv) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds.

Staff recommends for approval the resolution providing preliminary approval of \$39,500,000 in tax-exempt financing, of which \$9,625,000 will remain as a permanent first mortgage, and a HOME loan in an amount not to exceed \$1,000,000 for Summer Street Apartments, subject to certain conditions.

Anne Berman then declared that Michelle Wilcox, representing Crossroads Rhode Island was in attendance at the meeting.

Following the presentation, Chairman Pryor asked for a motion and a second for Preliminary Approval of Financing for Summer Street Apartments (Providence).

Commissioner Barry and Commissioner Diossa recused from the discussion or vote of this application.

A motion was duly made by Commissioner Orth and seconded by Commissioner Designee Connaughton.

Commissioner Orth stated that the Credit Committee discussed the complicated capital stack and financial structure to ensure the stability of the project. Additionally, the RAD conversion provides long term sustainability for the development. Commissioner Orth was excited to see the project move forward and noted that the financing is the last portion to complete the capital stack. The Committee approved the transaction.

Following the comment, Corinne Myers, conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with five (5) votes in favor, Commissioners Barry and Diossa recusing and (0) nay votes.

Ms. Myers then announced that the following resolution was 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 the purpose of 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 authorized to issue tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation or preservation of affordable housing;

Whereas, Crossroads Rhode Island (“Applicant”) 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>Tax-Exempt Bonds</u>	<u>HOME Loan</u>
Summer Street Apartments	Crossroads Rhode Island	\$39,500,000	\$1,000,000

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; 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 will be of public use and will provide a public benefit; and

(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 Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$39,500,000 for rental housing known as Summer Street 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 Applicant constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$39,500,000 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. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants preliminary approval for a HOME Investment Partnerships Program loan in an amount not to exceed \$1,000,000 to Borrower for rental housing known as Summer Street Apartments.

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

- A final appraisal and market study acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property, and sufficient demand exists for the proposed units;
- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- Approval of subordinate funding in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by the bond underwriter and bond counsel confirming the loans satisfy all required bond provisions for the bond issue;
- Execution and delivery by the Borrower and Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing ;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;

- Approval by RIHousing of a separate budget for all supportive services which shall be separate from the operation of the real estate;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenant and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Preliminary Approval of Financing for Lockwood Plaza Phase I (Providence)

Anne Berman gave the presentation.

Ms. Berman stated that the request was for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$11,900,000, of which \$3,000,000 will remain as a permanent tax-exempt first mortgage, for Lockwood Plaza Phase I (the “Development”). WinnCompanies LLC is the developer (“Winn” or the “Developer”).

Lockwood Plaza is a 209-unit development in Providence that was built in 1979 and last renovated in 2011. It is located at and around 50 Prairie Avenue and consists of 108 townhouses in 17 garden-style townhouse buildings as well as a 101-unit high-rise building. This RFA for Phase I is for the townhouse units only as the high-rise component will be completed in a subsequent phase. The Phase I units cater to families and offer a combination of one-, two-, three- and four-bedroom units restricted for households with incomes at or below 60% of area median income (“AMI”). With just eight years remaining in its current affordability term, the Developer seeks to extend the affordability term for another forty years. Approximately 88% of the units are supported by Section 8 housing choice vouchers (“HCV”) and provide homes for residents below 50% of AMI and often below 30% of AMI.

Many of the systems for the Phase I units are near the end of their useful life. The scope of rehabilitation work includes interior upgrades, including upgrades to kitchens and baths in all units, upgrades to the to the heating/ventilation systems, plumbing and hot water systems, as well as ADA improvements. Exterior improvements include, but are not limited to, envelope upgrades such as repointing the brick facades, as well as upgrades to the roads/walkways and additional site improvements.

Winn has partnered with RIHousing and Citizens Bank, N.A. to create an Economic Mobility Program, which employs a full-time financial coach to help residents and families build financial capacity. Similar to the U.S. Department of Housing and Urban Development (“HUD”) Family Self-Sufficiency Program, with assistance from Citizens Bank, participating residents will receive escrow account deposits based on increases in their income and, subsequently, their rent. Citizens Bank has committed \$750,000 in Economic Opportunity Funds (“EOF”) to support this initiative.

The Developer submitted their proposal for the Development in response to the Request for Proposals issued by RIHousing in November 2022. Originally submitted as one project, it was determined that the phased approach will allow for a more practical deployment of resources. The collective capital stack for the Development is anticipated to consist of (i) the permanent loan from RIHousing contemplated herein, (ii) proceeds from the sale of tax exempt 4% low-income housing tax credits (“LIHTC”), (iii) a Capital Magnet Fund (“CMF”) loan, (iv) Development of Affordable Housing 2 (“DAH-2” also known as ARPA Production Fund) funds, (v) a loan from the City of Providence, (vi) the rollover of existing debt from the Providence Housing Authority, (vii) cashflow from operations, (viii) Citizens Bank EOF funds, and (ix) a deferred developer fee.

Ms. Berman then said that staff recommends for approval the resolution providing preliminary approval of \$11,900,000 in tax-exempt financing, of which \$3,000,000 will remain as a permanent loan, for Lockwood Plaza Phase I, subject to certain conditions.

Continuing, Ms. Berman announced that Adam Stein on behalf of WinnCompanies was present at the meeting.

Following the presentation, Chairman Pryor asked for a motion and a second for Preliminary Approval of Financing for Lockwood Plaza Phase I (Providence).

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

Chairman Pryor had a generic question regarding the tax credit pricing. As the pricing can differ per transaction, he wanted to know what the average price is. Ms. Berman responded that the average pricing staff is seeing in the market is between .92 to .94 cents. Certain projects gender more equity. The reason could be attributed to the fact that they have more CRA capability, or be based on relationships with the developers, location and motivation by the investors that can move the pricing higher or lower.

Chairman Pryor mentioned that the State has proposed a Low Income Housing Tax Credit funding that has a redemption option of the full 100 cents on the dollar so that the credit does not lose any value.

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

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

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

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

Whereas, 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 tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

Whereas, WinnCompanies LLC (“Applicant”) has presented an application to RIHousing requesting mortgage financing to rehabilitate the development as set forth below (the “Development”):

Development	Applicant	Tax-Exempt Financing
Lockwood Plaza Phase I	WinnCompanies LLC	\$11,900,000

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; 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 will be of public use and will provide a public benefit; and

(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 the Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$11,900,000 for rental housing known as Lockwood Plaza Phase I 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, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$11,900,000 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. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

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

- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property.
- Approval of subordinate funds in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by the bond underwriter and bond counsel confirming the loans satisfy all required bond provisions for the bond issue;
- Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in

accordance with normal underwriting and processing requirements.

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

Commissioner Diossa left at approximately 10:39 a.m. and Commissioner Designee Robert Craven took over for the Treasurer.

Firm Approval of Financing for Copley Chambers II & III (Providence)

Chairman Pryor announced that Ms. Berman would give the presentation. He also asked Ms. Berman and Commissioner Orth to report on the revision recommended at the Credit Committee regarding the developer fee and the outcome of discussion with the developer.

Ms. Berman commenced by noting that following the discussion at the Credit Committee meeting and Commissioner's Orth recommendation regarding the developer fee, staff collaborated with the developer to revise the financing structure to generate cost savings.

Ms. Berman also recognized Harry Angevine of Marathon Development for his cooperation during the discussions.

Ms. Berman then said that the request was for firm approval of RI Housing tax-exempt financing in an amount not to exceed \$23,000,000 as well as firm approval of (i) a Capital Magnet Fund ("CMF") Loan in an amount not to exceed \$750,000; (ii) an Acquisition Revitalization Program ("ARP") Loan in an amount not to exceed \$1,377,850; (iii) Community Revitalization Program ("CRP") funds in an amount not to exceed \$2,000,000; and (iv) a Development of Affordable Housing 2 ("DAH-2" also known as ARPA Production Fund) Loan in an amount not to exceed \$1,500,000 for Copley Chambers II & III (hereinafter referred to as the "Development"). Marathon Development, LLC is the developer (the "Developer"). The Development received preliminary approval from the Board of Commissioners on November 18, 2022 ("Preliminary Approval").

The Development will be comprised of 124 newly constructed units of affordable housing and 6,800 square feet of ground floor commercial space in Providence. The Development will consist of 2 five-story podium constructed buildings on adjacent lots. Collectively, there will be 12 efficiency units, 87 one-bedroom units, and 25 two-bedroom units. All the dwelling units will be restricted to individuals or households earning at or below 80% of area median income ("AMI").

These buildings are the second and third phase of the Copley Chambers project. Copley Chambers I completed construction in Q1 of 2023 and is 100% leased.

Marathon Development, LLC has partnered with Adoption Rhode Island ("Adoption RI"), House of Hope ("HOH") and Providence Community Health Center ("PCHC") to provide supportive services to residents of the Development. MOUs between the Developer and the aforementioned service providers have been executed. Adoption RI will provide educational advocacy, career readiness services, and life skills development while HOH will screen and assist in the placement of individuals and families experiencing homelessness to units within the Development. PCHC and the Developer

have negotiated a lease for the ground floor commercial space in which PCHC will provide healthcare services to tenants as well as the surrounding community.

This is a conduit transaction in which Citizens Bank, N.A. will provide the capital for RIHousing's tax-exempt issuance. The proceeds will be loaned as a construction loan to the Borrower (the "Construction Loan"). The funding for the Construction Loan is non-recourse to RIHousing and the only security to be provided by RIHousing will be an assignment of RIHousing's rights under the Construction Loan. The Construction Loan will be a recourse loan as to the Borrower and any guarantors. Berkeley Point Capital LLC, d/b/a Newmark Capital ("Newmark") will act as the DUS lender to provide the permanent loan in conjunction with Freddie Mac (the "Permanent Loan"). Upon completion, Freddie Mac will step in as the Permanent Loan funder. Newmark will service the Permanent Loan on behalf of Freddie Mac who will bear the financial risk should the Borrower default on the Permanent Loan. RIHousing will charge a one-time issuer fee of 1% and an annual servicing fee of 25 basis points on the Construction and Permanent Loan.

Since preliminary approval, the Developer has executed an MOU with PCHC, secured eight project-based vouchers from the Providence Housing Authority, and secured financing from Citizens Bank, Newmark/Freddie Mac, and the Providence Redevelopment Agency.

It is of note that the original syndicator withdrew from the transaction, which created a gap in the capital stack. National Equity Fund ("NEF") has stepped in as the new syndicator; however, pricing has dropped from \$1.19 per credit to NEF's \$0.95 per credit. In addition, the Developer's request for tax abatement was limited to the standard 8% of gross potential income, which is higher than originally underwritten. To fill this gap, the Developer anticipates receipt of an additional \$3,818,000 from the City of Providence and is seeking a total of \$5,627,850 in gap funds through the Request for Proposal issued by RIHousing in November 2022. In addition, the Developer will defer additional developer fee.

Ms. Berman then underscored that in response to comments from the Credit Committee, the proforma was revised to reflect that the developer fee has decreased by \$1 million, the deferred fee has increased by \$700,000 and the ARP loan has been reduced by \$622,150. Additionally, staff has increased the construction interest reserve as the amount of the loan increased and as the original interest was not accounted for. As a result of the changes proposed, RIHousing is confident that the developer fee is consistent with RIHousing guidelines and the subsidy request is consistent with other requests presented for approval.

In closing, Ms. Berman said that staff requests firm approval of an amount not to exceed \$23,000,000 in tax-exempt financing as well as firm approval of (i) a CMF Loan in an amount not to exceed \$750,000; (ii) an ARP Loan in an amount not to exceed \$1,377,850; (iii) CRP funds in an amount not to exceed \$2,000,000; and (iv) a DAH-2 Loan in an amount not to exceed \$1,500,000 for Copley Chambers II & III, subject to certain conditions as set forth in the resolution.

Following the presentation, Chairman Pryor asked for a motion and a second for Firm Approval of Financing for Copley Chambers II & III (Providence).

A motion was duly made by Commissioner Barry and seconded by Commissioner Designee Connaughton.

Commissioner Orth commended staff on quickly and efficiently collaborating with the developer to review fees and subsidies to provide cost savings. Staff and the developer were proactive to ensure that the subsidies and the developer fee were consistent with regulations and other transactions. The Commissioner was pleased with the changes, allowing that the project is not over-subsidized. He appreciated staff's responsiveness and efforts.

Chairman Pryor reiterated Commissioner's Orth's sentiments and thanked staff for rapidly finding an alternate solution to the matter.

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

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

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

Whereas, 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 the purpose of financing qualified housing developments throughout the state;

Whereas, RIHousing is authorized to issue tax exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation or preservation of affordable housing;

Whereas, in November 2022, the RIHousing Board of Commissioners granted preliminary approval of tax-exempt mortgage financing to Marathon Development, LLC (“Applicant”) listed below to acquire and/or rehabilitate the development as set forth below (the “Development”):

<u>Development</u>	<u>Applicant</u>	<u>Tax-Exempt Bonds</u>	<u>DAH-2</u>	<u>ARP</u>	<u>CRP</u>	<u>CMF</u>
Copley Chambers II & III	Marathon Development, LLC	\$23,000,000	\$1,500,000	\$1,377,850	\$2,000,000	\$750,000

Whereas, said bonds shall have a term not to exceed 35 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 RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that subject to the special conditions listed below, RIHousing hereby declares firm commitment for tax-exempt mortgage financing for Copley Chambers II & III LLC or an affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$23,000,000 for rental housing known as Copley Chambers II & III located in Providence to be financed in part with tax-exempt bonds.

Resolved, that RIHousing hereby declares that this firm commitment of financing for the Borrower constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance, and to reimburse qualified expenditures incurred by the Borrower or RIHousing in advance of the issuance of the bonds, up to \$23,000,000 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. The intent to reimburse the aforementioned bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. This resolution shall take effect immediately upon adoption.

Resolved, that, in order to fund the loan to the Development, RIHousing may enter into a loan arrangement with Citizens Bank, N.A. (“Citizens” and the aforementioned loan arrangement, the “Citizens Loan”) and Berkeley Point Capital LLC d/b/a Newmark Capital (“Newmark” and the aforementioned loan arrangement, the “Newmark Loan”) substantially in accordance with the terms outlined in the Request for Action to which this resolution is attached.

Resolved, that the Executive Director, Deputy Executive Director, or Director of Finance (each, an “Authorized Officer”), acting singly, be and each hereby is authorized to enter into such documents with Citizens and Newmark as they may require to evidence the Citizens Loan and Newmark Loan, including, without limitation, a funding loan agreement, note, and pledge and security agreement, each containing such terms and conditions as the Authorized Officer shall approve, each such determination to be conclusively evidenced by his/her execution thereof and each such determination is hereby fully and completely approved and adopted as the valid action of and by RIHousing, approved in all respects by the Board of Commissioners of RIHousing.

Resolved, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed to take any and all action necessary to effectuate the purpose and intent of the foregoing resolutions, including, without limitation, (i) the execution and delivery on behalf of RIHousing of all such other agreements, documents, and instruments and the performance by RIHousing thereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate, or advisable, and (ii) the consummation of the transactions contemplated hereby and

the performance by RIHousing as required hereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate, or advisable, each such determination pursuant to the immediately preceding clauses to be conclusively evidenced by the taking of such action by any Authorized Officer and each such determination is hereby fully and completely approved and adopted as the valid action of and by RIHousing, approved in all respects by the Board of Commissioners.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants firm approval for a Capital Magnet Fund Loan to Borrower in an amount not to exceed \$750,000 for rental housing known as Copley Chambers II & III located in Providence, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants firm approval for an Acquisition Revitalization Program Loan to Borrower in an amount not to exceed \$1,377,850 for rental housing known as Copley Chambers II & III located in Providence, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants firm approval for Community Revitalization Program funds to Borrower in an amount not to exceed \$2,000,000 for rental housing known as Copley Chambers II & III located in Providence, Rhode Island.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants firm approval for a Development of Affordable Housing 2 Loan to Borrower in an amount not to exceed \$1,500,000 for rental housing known as Copley Chambers II & III located in Providence, Rhode Island.

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

- Syndication proceeds from the sale of 4% LIHTCs in an amount sufficient to ensure development feasibility;
- Final approval of funding from the Providence Redevelopment Agency in amounts sufficient to achieve project feasibility or alternative equity satisfactory to RIHousing;
- Final approval of subordinate financing from RIHousing in an amount sufficient to achieve project feasibility or alternative equity satisfactory to RIHousing;
- Approval by RIHousing of construction plans and specifications and construction documentation;
- Executed lease agreement from Providence Community Health Center for the proposed commercial space;
- Approval by bond counsel that the proposed conduit loan will satisfy all required bond requirements;
- RIHousing approval of all Newmark loan documents;
- RIHousing approval of all Citizens Bank loan documents;
- The Mortgagor shall be in good standing with the State of Rhode Island and Notice of Revocation shall be resolved;

- Approval by RIHousing of management related documentation including marketing and tenant selection plans;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Authorization to Issue Tax-Exempt Loan to Support Construction of Copley Chambers II & III \$23,000,000 (Providence)

Once again Anne Berman gave the presentation.

Ms. Berman stated that as part of the process of financing the construction of Copley Chambers II & III in Providence, staff has requested the Board of Commissioners to approve the issuance by RIHousing of a tax-exempt note not to exceed \$23,000,000. Copley Chambers II & III will provide 124 units of housing, of which 100% will be affordable to households with incomes at or below 80% of area median income. The developer, Marathon Development, LLC (“Marathon”), has formed a limited liability company, Copley Chambers II & III LLC (the “Borrower”), which will be the owner of the project and the recipient of the loan.

The request was for authorization to enter into a tax-exempt private placement back-to-back loan structure with Citizens Bank, N.A. (“Citizens”) to fund the loan for Copley Chambers II & III.

Citizens will make a direct loan to RIHousing and RIHousing will issue a tax-exempt note to Citizens evidencing the loan. RIHousing, in turn, will advance the loan proceeds to the Borrower under the agency’s tax-exempt bond volume cap that will otherwise go unused. The back-to-back loan proceeds will be deemed tax-exempt. RIHousing and the Borrower will undertake all of the standard obligations related to a tax-exempt facility. Upon construction completion, Freddie Mac will step in as the Permanent Loan funder. Because the loan is considered to be a tax-exempt financing, the Development will be eligible to receive 4% low-income housing tax credits and generate approximately \$27 million in equity to fund development costs.

The loan will be non-recourse to RIHousing. RIHousing will only need to provide an assignment of its rights under the loan to Citizens. The Borrower note and mortgage will also be assigned to Citizens and, subsequently, Freddie Mac. Berkeley Point Capital LLC d/b/a Newmark Capital (“Newmark”) will act as the DUS lender and will service the permanent loan for Freddie Mac. During construction and prior to conversion to the permanent loan, Citizens will bear the financial risk. Freddie Mac will bear the financial risk on the permanent loan.

This structure provides a number of advantages to the participants. The Borrower receives a better interest rate, reduced transaction fees and a more expedited closing process. Citizens is able to record this transaction as a loan for purposes of its evaluation under the Community Reinvestment Act. RIHousing will receive a one-time origination fee of 1.0% of the principal amount of the loan, plus

an annual issuer fee equal to 25 basis points of the outstanding loan, without having to service the loan to the Borrower or bearing any financial risk from the Borrower's default. Marathon will pay all costs associated with the transaction.

RIHousing staff recommends approval of the resolutions as presented to the May 18, 2023 Board meeting authorizing a loan from Citizens in an amount up to \$23,000,000 to finance a tax-exempt loan to the Borrower for the acquisition and rehabilitation of Copley Chambers II & III, and the execution of the loan agreements.

Following the presentation, Chairman Pryor asked for a motion and a second for Authorization to Issue Tax-Exempt Loan to Support Construction of Copley Chambers II & III \$23,000,000 (Providence).

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

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 announced that the resolution was unanimously adopted in the form presented at the May 18, 2023 Board of Commissioners meeting.

Approval of Development of Affordable Housing 2 Program (DAH-2) Funding Awards

Chairman Pryor mentioned that Anne Berman would present the request.

Ms. Berman began by noting that the Development of Affordable Housing 2 Program ("DAH-2"), which is also known as the ARPA Production Fund Program and in previous rounds has been referred to as the RI Rebounds Production Fund, is funded with State and Local Fiscal Recovery Funds ("SFRF") appropriated to the United States Department of Treasury ("Treasury") through the American Rescue Plan Act of 2021 for the production of affordable housing for households with incomes at or below 80% of area median income ("AMI"). RIHousing was authorized to implement and administer the DAH-2 using approximately \$75,000,000 in funds for the new production of affordable housing for rental opportunities.

In November 2022, RIHousing issued a Request for Proposals ("RFP") for DAH-2 funds from qualified applicants as part of a consolidated funding round. In response, RIHousing received 31 proposals requesting \$99,730,162 in DAH-2 funds. All applications were reviewed by Development Division staff in accordance with the published Program Review Criteria, as amended to remove the initial per project cap on assistance, to evaluate whether the applications contained the following required DAH-2 threshold criteria for awards:

1. Applicant must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment.
2. Applicant must demonstrate that the development is financially feasible for (i) the overall development costs of the project and (ii) the long-term operation of the proposed development.

3. Applicant must demonstrate that the development has a reasonable likelihood that it will achieve sustainable occupancy of 95% within six months of construction completion. For mixed income proposals, the applicant must submit a third-party market study that includes an absorption schedule, lease-up reserve and identifies the timeline for achieving 95% occupancy.
4. The developer must have experience in the successful development and operation of affordable housing of similar scope and complexity.

Development staff scored only those applications that passed the threshold analysis.

RIHousing staff recommends approval of funding for fifteen proposals in the amount of \$57,072,817. The recommended awards were described in an attachment that was included as part of the May 18, 2023 board package. All such awards are contingent upon the applicant's ability to secure additional committed funding and close by May 31, 2024 or sooner, as outlined in the attachment. These DAH-2 awards will directly fund 1,042 units for households with incomes at or below 80% of AMI, of which 348 units will be for households with incomes at or below 30% of AMI. Including market rate units, these 15 developments will create or preserve 1,085 units of housing. An attachment summarizing the individual awards was included as part of the May 18, 2023 board package.

Finally, Ms. Berman said that staff recommends authorizing the allocation of up to \$57,072,817 in DAH-2 funds contingent upon on (i) receipt of the DAH-2 funds from the State of Rhode Island; (ii) the availability of all other funding for each project; and (iii) compliance with DAH-2 guidelines.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of Development of Affordable Housing 2 Program (DAH-2) Funding Awards.

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing one of the developments.

A motion was duly made by Commissioner Designee Craven and seconded by Commissioner Designee Connaughton.

Commissioner Designee Connaughton referenced that the program has strict obligations and wanted to know what the process is for the distribution of the remaining funds and if there's some flexibility if a project requires changes.

Mr. Comer, Deputy Executive Director said that there is an historic amount of funding available and staff anticipates that the remainder of the funds will be allocated during the next comprehensive round in September. The deadline to award the funds is 2024 and 2026 to expend the funds. In the event that a project does not move forward, RIHousing has the capability to quickly recapture and re-issue those funds for other projects. Furthermore, if timeline issues arise, staff can proactively work with the developer to structure the financing to allocate the DAH-2 funds first to maximize efforts.

Following the question, Corinne Myers, conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

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

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

WHEREAS, The State of Rhode Island has established the Development of Affordable Housing 2 Program (“DAH-2”), which is also known as the ARPA Production Fund Program, using State and Local Fiscal Recovery Funds appropriated to the U.S. Department of Treasury under the American Rescue Plan Act of 2021 to provide funding for the development of new multifamily units for households with incomes below 80% of Area Median Income;

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the State of Rhode Island to administer DAH-2, including the award of DAH-2 funds to projects that develop newly created non-LIHTC multifamily units;

WHEREAS, the applicants listed in Attachment A have submitted applications that meet the threshold requirements of DAH-2;

WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that DAH-2 funds be committed to the proposals listed in Attachment A; and

WHEREAS, RIHousing staff and the Advisory Committee have reviewed the submissions and determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing is authorized to commit up to \$57,072,817 in DAH-2 funding in compliance with DAH-2 guidelines, subject to certain conditions as well as the receipt of other sources of funds, for the proposals reviewed by staff, as set forth in Attachment A; and

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

Approval of Middle Income Program Funding Awards

Chairman Pryor invited Anne Berman to report on the Middle Income Program awards. The Chairman asked Ms. Berman to give a brief clarification regarding that the previous approvals as those were project specific versus these awards.

Ms. Berman stated that the previous financing requests were project specific because they included 9% tax credits or tax-exempt financing. Many of the transactions did include various other financing therefore, staff felt that it was more efficient to bring the approvals to the Board on an individual basis. Ms. Berman did stress that all the awards are for preliminary approval and will be subject to firm

approval by RIHousing if the Corporation is the lender or a completed capital stack if a different lender is involved.

Ms. Berman then said that the Middle Income Loan Program (the “MI Program”) is funded with State and Local Fiscal Recovery Funds (“SFRF”) appropriated to the United States Department of Treasury (“Treasury”) through the American Rescue Plan Act of 2021 for the production of affordable housing for households with incomes between 80% and 120% of area median income (“AMI”). RIHousing was authorized by the State of Rhode Island to implement and administer the MI Program using approximately \$20,000,000 in funds for the new production of affordable housing for both rental and homeownership opportunities.

In November 2022, RIHousing issued a Request for Proposals (“RFP”) for MI Program funds from qualified applicants as part of a consolidated funding round. In response, RIHousing received 17 proposals requesting approximately \$23,900,000 in MI Program funds. All applications were reviewed by Development Division staff in accordance with the published Program Review Criteria to evaluate whether the applications contained the following required MI Program threshold criteria for awards:

1. At least 20% of the entire project’s units must be affordable to residents earning less than 100% of AMI.
2. A rental project must include at least 10 units.
3. Applicant must demonstrate site control.
4. Applicant must demonstrate experience and capacity to develop and operate the development.
5. Applicant must demonstrate that the project can close on all equity, construction, and permanent financing no later than December 31, 2024 and can expend the entire MI Program loan by December 31, 2026.

Development Division staff scored only those applications that passed the threshold analysis. Proposals submitted in response to the consolidated RFP that did not initially apply for MI Program funding, but were otherwise eligible and met the threshold criteria, were scored under the MI Program criteria as well.

RIHousing staff recommends approval of funding for seven (7) proposals in the amount of \$9,470,000. The recommended awards were included in an attachment that was part of the May 18, 2023 Board package. All MI Program awards are contingent upon the applicant’s ability to secure additional committed funding and close by May 31, 2024 or sooner, as outlined in the attachment. These MI Program awards will directly fund 132 units restricted for households with incomes between 80% and 120% of AMI, of which 116 units will be for households with incomes below 100% of AMI. Including affordable and market rate units, these seven (7) developments will create 447 units of housing.

The resolution authorizing the allocation of up to \$9,470,000 in MI Program funds is recommended for approval, contingent upon (i) receipt of the MI Program funds from the State of Rhode Island; (ii) the availability of all other funding for each project; and (iii) compliance with the MI Program guidelines.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of Middle Income Program Funding Awards.

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing one of the developments.

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

Chairman Pryor asked Ms. Berman what the mandate of readiness to proceed means in these situations. Ms. Berman responded that the criteria for this program is that the capital stack must be completed within nine (9) months.

Chairman Pryor wondered if there is anything that staff is hearing from developers regarding the pragmatic parameters of the awards. Ms. Berman replied that in this circumstance, these funds complete the capital stacks.

Mr. Comer reiterated that the middle income funding is the last portion to complete the capital stacks. Mr. Comer said that as with the Workforce Housing program, staff was able to work with new developers in the market that the Corporation does not typically partner with. The benefit of these programs is that they offer an opportunity for RIHousing to build new relationships and partnerships.

Commissioner Orth mentioned that the program allows for both rental and homeownership opportunities. The prospect to actively provide subsidy to homeowners is a positive feature. He highlighted Georgiaville Manor and the subsidies that they were able to achieve.

Following the brief discussion, Corinne Myers, conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioners Barry recusing and (0) nay votes.

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

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

WHEREAS, The State of Rhode Island has established the Middle Income Loan Program (the “MI Program”) using State and Local Fiscal Recovery Funds appropriated to the United States Department of Treasury under the American Rescue Plan Act of 2021 to provide funding for the development of new multifamily rental and homeownership units for households with incomes between 80% and 120% of Area Median Income;

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the State of Rhode Island to administer the MI Program, including the award of MI Program funds to projects that develop newly created non-LIHTC multifamily units and homeownership opportunities;

WHEREAS, the applicants listed in Attachment A have submitted applications that meet the threshold requirements of the MI Program;

WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that MI Program funds be committed to the proposals listed in Attachment A; and

WHEREAS, RIHousing staff have reviewed the submissions and determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing is authorized to commit up to \$9,470,000 in MI Program funds in compliance with the MI Program guidelines, subject to certain conditions and the receipt of other sources of funds, for the proposals reviewed by staff, as set forth in Attachment A; and

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

Approval of Community Revitalization Program (CRP) Funding Awards

Chairman Pryor again instructed Anne Berman to present the request.

Ms. Berman stated that the Community Revitalization Program (“CRP”) is funded with State and Local Fiscal Recovery Funds (“SFRF”) appropriated to the United States Department of Treasury (“Treasury”) through the American Rescue Plan Act of 2021 for the production of affordable housing for households with incomes at or below 80% of area median income (“AMI”). RIHousing was authorized to implement and administer CRP using approximately \$20,000,000 in funds for the acquisition and redevelopment of blighted properties in order to increase the development of affordable housing. CRP funds may be used for projects that include commercial or community spaces that are ancillary to the housing and serve residents of affordable housing.

Pursuant to CRP Summary Guidelines established by RIHousing (the “Guidelines”), CRP funding must be fully expended by December 31, 2026 and will be awarded as a grant with a deed restriction requiring affordability for not less than 30 years. The Guidelines restrict occupancy of the new rental units to households with incomes at or below 80% of AMI.

In November 2022, RIHousing issued a Request for Proposals (“RFP”) for CRP funds from qualified applicants as part of a consolidated funding round. In response, RIHousing received 13 proposals requesting \$18,106,852 in CRP funds. After an initial review of the applications, Development Division staff requested clarifying information from applicants regarding apparent deficiencies. Following receipt of the additional information from the applicants, all applications were reviewed by Development Division staff in accordance with the published Program Review Criteria to evaluate whether the applications contained the following required CRP threshold criteria for awards:

1. Applicant must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment.
2. Applicant must demonstrate that the development is financially feasible for (i) the overall development costs of the project and (ii) the long-term operation of the proposed development.
3. Applicant must demonstrate that the development has a reasonable likelihood that it

will achieve sustainable occupancy of 95% within six months of construction completion. For mixed-income proposals, the applicant must submit a third-party market study that includes an absorption schedule, lease-up reserve and identifies the timeline for achieving 95% occupancy.

4. The developer must have experience in the successful development and operation of affordable housing of similar scope and complexity.

Of the original 13 CRP proposals received, 5 CRP proposals did not meet threshold requirements or did not qualify for CRP funding. Development Division staff scored only those applications that passed the threshold analysis. Proposals submitted in response to the consolidated RFP that did not initially apply for CRP funding, but were otherwise eligible and met the threshold criteria, were scored under the CRP criteria as well.

RIHousing staff recommends CRP funding for 10 proposals in the amount of \$16,413,250. The recommended awards were summarized in an attachment that was included as part of the May 18, 2023 Board package. The CRP awards are contingent upon the applicant's ability to secure additional committed funding and close by May 31, 2024 or sooner, as outlined in the attachments. The CRP awards will directly fund 810 units, of which 701 will be reserved for households with incomes at or below 80% of AMI.

Finally, Ms. Berman stated that the resolution authorizing the allocation of up to \$16,413,250 in CRP funds is recommended for approval, contingent upon (i) receipt of the CRP funds from the State of Rhode Island; (ii) the availability of all other funding for each project; and (iii) compliance with CRP guidelines.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of Community Revitalization Program (CRP) Funding Awards.

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing of some of the applications.

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

There being no questions, Corinne Myers, conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

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

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

WHEREAS, the Community Revitalization Program ("CRP") was created using State and Local Fiscal Recovery Funds appropriated to the United States Department of Treasury ("Treasury") through the American Rescue Plan Act of 2021 to provide funding for the acquisition and redevelopment of blighted properties to increase the development of affordable housing for households with incomes at or below 80% of Area Median Income;

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by Treasury and the State of Rhode Island to administer the CRP, including the award of CRP funds to projects that develop newly created non-LIHTC multifamily units;

WHEREAS, the applicants listed in Attachment A have submitted applications that meet the threshold requirements of CRP;

WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that CRP funds be committed to the proposals listed in Attachment A; and

WHEREAS, RIHousing staff have reviewed the submissions and determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing is authorized to commit up to \$16,413,250 in CRP funds in compliance with CRP guidelines, subject to certain conditions as well as the receipt of other sources of funds, for the proposals reviewed by staff, as set forth in Attachment A; and

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

Approval of Capital Magnet Fund Awards

Anne Berman reported on the request for the Capital Magnet Fund awards.

Ms. Berman said that RIHousing has received four awards of Capital Magnet Funds (“CMF”) from the Community Development Financial Institutions Fund, an arm of the U.S. Department of Treasury. The 2021 CMF Grant award was \$12,000,000 and was received in June 2022. An Assistance Agreement was executed in December 2022. Pursuant to program requirements, the 2021 CMF Grant Award must be fully committed by December 2027. There is approximately \$11,400,000 in CMF available.

In November 2022, RIHousing issued a Request for Proposals (“RFP”) for CMF funds from qualified applicants as part of a consolidated application for a number of funding sources. In response, RIHousing received 17 proposals requesting \$15,155,325 in CMF funding. After an initial review of the applications, Development Division staff requested clarifying information from applicants regarding apparent deficiencies. Program Review Criteria, as outlined below, was used to evaluate whether the applications contained the required threshold criteria for awards:

1. Applicant must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment.

2. Applicant must demonstrate that the development is financially feasible for (i) the overall development costs of the project and (ii) the long-term operation of the proposed development.
3. Applicant must demonstrate that the development has a reasonable likelihood that it will achieve sustainable occupancy of 95% within six months of construction completion. For mixed-income proposals that meet the 20% at 50% or 40% at 60% set asides, the applicant must submit a third-party market study that includes an absorption schedule and a lease-up reserve as well as identifies the timeline for achieving 95% occupancy.
4. The developer must have experience in the successful development and operation of affordable housing of similar scope and complexity.

Those applications that passed threshold were further reviewed by Development Division staff in accordance with the program criteria to evaluate whether the applications met the required CMF priorities for awards as follows:

- Proposals that provide for the highest leveraging of other federal, state and private resources.
- Proposals located in Areas of Economic Distress and Qualified Census Tracts.
- Proposals that require at least 40% of the units to provide housing for households with incomes below 50% of area median income (“AMI”).
- Proposals that address critical housing needs, including addressing housing obsolescence.
- Preservation of existing affordable housing stock.

Development Division staff met with senior RIHousing staff to review the applications based on the threshold and scoring criteria. Proposals submitted in response to the consolidated RFP that did not initially apply for CMF funding, but were otherwise eligible and met the threshold criteria, were reviewed as well. As a result of that combined review, 7 CMF proposals seeking program resources in the amount of \$3,316,000 are being recommended for approval at this time. An attachment summarizing the recommended developments was included as part of the May 18, 2023 Board package. Collectively, the awards will help build or preserve 510 units, 472 of which will be CMF-assisted.

The resolution authorizing the allocation of up to \$3,316,000 in CMF is recommended for approval, contingent upon completion of each project’s capital stack and final approval of all financing for each project. Project-specific requests for firm approval will be presented to the Board of Commissioners upon completion of final underwriting.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of Capital Magnet Fund Awards.

Commissioner Barry again recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing of one of the awards.

A motion was duly made by Commissioner Designee Craven and seconded by Commissioner Designee Connaughton.

Corinne Myers then conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

Ms. Myers then announced that the following resolution was 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 entered into an agreement with the U.S. Department of Treasury Community Development Financial Institutions Fund to administer a FY 2021 Capital Magnet Fund Award (“CMF”);
- Whereas,** RIHousing is authorized to make investments of CMF proceeds to promote the acquisition, rehabilitation, creation or preservation of affordable housing;
- Whereas,** the applicants listed in Attachment A have submitted applications, which meet the requirements of the CMF Program;
- Whereas,** staff of RIHousing have reviewed each of the eligible applications submitted and recommend that CMF resources be preliminarily reserved to the proposals listed in Attachment A;
- Whereas,** staff of RIHousing have determined that the recommended proposals may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and
- Whereas,** RIHousing finds:
- (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 sponsors undertaking the proposed housing developments 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 developments to be assisted will be of public

use and will provide a public benefit; and

(5) that the proposed housing developments will be undertaken, and the housing sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing is authorized to commit up to \$3,316,000 in CMF proceeds in compliance with CMF program guidelines, subject to certain conditions and the receipt of other sources of funds, for the projects set forth in Attachment A.

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

Approval of Housing Production Fund Extremely Low-Income Operating Reserve (HPF-ELI) Awards

Chairman Pryor introduced Michael DiChiaro, Director of Leased Housing and Rental Services who made the presentation.

Mr. DiChiaro announced that the Housing Production Fund (“HPF”) was established by the State of Rhode Island General Assembly in June 2021 by amendment to Rhode Island General Laws Section 42-128, known as the Housing Resources Act of 1998, to provide funding for the planning, production, and preservation of affordable housing. RIHousing was authorized by the General Assembly to administer HPF program funds for a range of housing production initiatives. The enabling legislation for the HPF specifically establishes a priority for households either exiting homelessness or earning not more than thirty percent (30%) of area median income.

In conjunction with the Rhode Island Housing Resources Commission Coordinating Committee, RIHousing has established program guidelines for the Housing Production Fund - Extremely Low-Income Operating Reserve (“HPF-ELI”) Program to support units serving households earning 30% AMI or below; and the General Assembly has appropriated \$10,000,000 for this purpose. Under the HPF-ELI Program, funds will be awarded to capitalize a project operating reserve to ensure that developers can create and preserve affordable rental housing for families and individuals with very low income, including those who are homeless or at risk of being homeless. These funds will bridge the gap between residents’ ability to pay 30% of their gross household income toward rent and the established 50% Low-Income Housing Tax Credit rents for the applicable unit size.

In August 2022, RIHousing approved the allocation of \$1,004,880 of HPF-ELI funds; leaving approximately \$9,000,000 for additional projects. In November 2022, RIHousing issued a Request for Proposals (“RFP”) for HPF-ELI funds as part of a consolidated funding round from qualified applicants. In response, RIHousing received 12 proposals requesting \$8,527,000 in HPF-ELI funds. Staff from the Development and Leased Housing and Rental Services Divisions reviewed applications in accordance with the published program review criteria.

Of the 12 proposals received, staff recommends funding for 7 HPF-ELI proposals in the amount of \$4,589,280. The HPF-ELI awards will support 62 newly created 30% AMI residential units to be funded with low-income housing tax credits (“LIHTC”) for 15 years. The 15-year term coincides with the initial compliance period of the LIHTC program. Staff will continue its review and analysis of the remaining applications and expects to bring additional awards for approval at a later date. An attachment underlining the recommended awards was included as part of the May 18, 2023 Board package.

The resolution authorizing the allocation of up to \$4,589,280 in HPF-ELI funds is recommended for approval, contingent on (i) receipt of the HPF-ELI funds from the State of Rhode Island; (ii) the availability of all other funding for transactions that have not yet closed; and (iii) compliance with HPF-ELI guidelines.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of Housing Production Fund Extremely Low-Income Operating Reserve (HPF-ELI) Awards.

Commissioner Barry recused from the discussion or vote of this application as her employer, Bank of America, may be involved in the financing one of the projects.

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

Commissioner Orth remarked that the awards are impactful as they are subsidizing the difference in rent between the 30% to 50% AMI population and are not income based. He wanted to know if that was correct.

Mr. DiChiaro confirmed that fact. He explained that the awards are awarded in quarterly increments and staff will monitor the developments to ensure compliance to regulations.

Following the comment, Corinne Myers, conducted a voice vote of the Commissioners. The Commissioners voted to approve the resolution with six (6) votes in favor, Commissioner Barry recusing and (0) nay votes.

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

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

WHEREAS, Pursuant to title 42, chapter 128, section 2.1 of the Rhode Island General Laws, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the Rhode Island General Assembly to administer a Housing Production Fund (“HPF”) to assist in the development of new affordable housing and the preservation of existing affordable units, with priority given to households exiting homelessness or earning not more than thirty percent (30%) of area median income;

WHEREAS, the State of Rhode Island General Assembly passed a state budget bill authorizing the appropriation of \$10,000,000 to support HPF housing production initiatives for extremely low-income families and individuals (the “HPF-ELI Funds”);

WHEREAS, the applicants listed in Attachment A have submitted applications that meet the requirements set forth in HPF-ELI program guidelines duly established by RIHousing with the collaboration of the Rhode Island Housing Resources Commission Coordinating Committee;

WHEREAS, staff of RIHousing have reviewed each of the eligible applications and recommend that HPF-ELI Funds be committed to the proposals listed in Attachment A; and

WHEREAS, RIHousing staff have determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing is authorized to commit up to \$4,589,280 in HPF-ELI Funds in compliance with HPF-ELI program guidelines and subject to certain conditions, as set forth in Attachment A.

RESOLVED, that the Executive Director, Deputy Executive Director, Director of Leased Housing and Rental Services, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolution.

Approval of ARPA Predevelopment Program (APP)

Chairman Pryor announced that James Comer, Deputy Executive Director would give the presentation.

Mr. Comer remarked that the request was for authorization to establish and implement the ARPA Predevelopment Program (the “Program”) on behalf of the State of Rhode Island. The Program is funded by State and Local Fiscal Recovery Funds (“SFRF”) appropriated to the United States Department of Treasury (“Treasury”) through the American Rescue Plan Act of 2021 (“ARPA”). RIHousing has been authorized to implement and administer the Program using \$10,000,000 in funds to help qualified developers pay for predevelopment costs associated with the development of affordable housing.

In December 2022, Treasury and the State of Rhode Island authorized RIHousing to implement and administer the Program to deploy \$10,000,000 in SFRF funds on behalf of the State of Rhode Island. The goal of the Program is to provide upfront capital to address the difficulties encountered by housing sponsors in raising capital necessary to determine the feasibility of prospective affordable housing development projects. The Program funds will advance potential projects so as to increase the supply of supportive housing and affordable rental and homeownership opportunities across the state.

RIHousing staff has developed the Program Guidelines that were include as an attachment to the May, 18, 2023 Board package, outlined the details of the Program. In accordance with SFRF requirements, funding under the Program will be provided as a grant to eligible developers. The maximum grant amount under the Program will be limited to \$100,000 for projects with total development costs under \$1,000,000 and \$250,000 for projects with total development costs over \$1,000,000. Developments may be located across the state. Developers must commit to serve households at or below 80% of area median income, and RIHousing will enforce affordability requirements pursuant to a deed restriction for a minimum of 30 years.

In November 2022, RIHousing issued a Request for Proposals (“RFP”) for Program funds from qualified applicants. All applications will be reviewed by Development Division staff in accordance with the published Program Guidelines, as amended to allow for grant awards rather than long-term loans, in order to evaluate whether the applications contain the required Program threshold criteria for awards.

Staff recommends approval of the ARPA Predevelopment Program to deploy up to \$10,000,000 in SFRF funding on behalf of the State of Rhode Island for eligible developers. Applications under the Program will be accepted on a rolling basis and will be underwritten in accordance with the Program Guidelines, program priorities and evaluative criteria as set forth in the Request for Proposals.

Following the presentation, Chairman Pryor asked for a motion and a second for Approval of ARPA Predevelopment Program (APP).

A motion was duly made by Commissioner Barry and seconded by Commissioner Designee Connaughton.

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

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

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

Whereas, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make grants to developers for projects that in the judgment of RIHousing will provide decent and safe affordable housing for low and moderate income persons or families;

Whereas, RIHousing has been authorized to establish and implement the ARPA Predevelopment Program on behalf of the State of Rhode Island; and

Whereas, RIHousing finds that:

- (1) There exists a shortage of decent, safe, and sanitary housing at rental levels or sales prices which persons and families of low or moderate income can afford within the state;

(2) The proposed activities to be undertaken under the Program will provide a public benefit;

(3) That the activities that will be undertaken under the Program will be under the authority of and consistent with the provisions of the Rhode Island Housing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that RIHousing be and hereby is authorized to establish and administer the ARPA Predevelopment Program, structured generally in accordance with the description contained in the Program Guidelines attached hereto, with such changes as the Executive Director, Deputy Executive Director, and Director of Real Estate Development may, in their sole discretion, determine to be necessary or advisable;

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, be and hereby are authorized to approve grants on terms and conditions and for eligible borrowers and activities consistent with the terms of the Program Guidelines; and

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, be and hereby are authorized, empowered and directed to take any and all actions as each, in his/her sole discretion, shall deem necessary or advisable to carry out the foregoing resolutions.

Authority to Issue Homeownership Opportunity Bonds - \$400,000,000

Chairman Pryor invited Kara Lachapelle, Chief Financial Officer to present the request.

Ms. Lachapelle said that staff continuously monitors single-family loan origination activity; prepayment speeds of existing mortgages; refunding, recycling and optional redemption opportunities for existing bond offerings; bond market tone; short and long interest rates and available tax-exempt volume cap. All of these activities have the objective of maximizing our lending flexibility and minimizing our net interest costs in order to provide mortgages to low- and moderate-income homebuyers.

The single-family bonding program provides funding for first time homebuyers. At the same time, the program strengthens the future financial sustainability of the corporation by increasing the balance sheet and creating a reliable future annuity stream.

RIHousing's last single-family bond issue was executed in February 2023 with proceeds expected to be utilized by the end of June 2023. Based on the current pipeline of registrations and production estimates, staff anticipates issuing approximately \$400 million of single-family bonds to fund new first-time homebuyer mortgages and/or refund existing bonds to lower interest costs over the next 12-18 months.

The resolution authorizes the issuance of up to \$400 million of bonds under various series and tax plan components depending on market conditions and fund delivery requirements. The authority expires June 30, 2024.

Finally, Ms. Lachapelle said that staff recommends the issuance of up to \$400 million of bonds to fund the Homeownership Opportunity Bond Program.

Following the presentation, Chairman Pryor asked for a motion and a second for Authority to Issue Homeownership Opportunity Bonds - \$400,000,000.

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

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

Ms. Myers then announced that the resolution was unanimously adopted in the form presented at the May 18, 2023 Board of Commissioners meeting.

In closing, Ms. Ventura thanked staff, board members and partners for the incredible amount of work involved in moving the applications forwards. This is the first step in the process and the Director is looking forward to when shovels hit the ground and construction commences. She applauded everyone on their efforts.

Chairman Pryor thanked Ms. Ventura and staff for the remarkable work performed. He shared her sentiments saying that a significant step forward has been taken, but there's more to accomplish.

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

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

Ms. Myers then announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 11:11 a.m.

Chairman Pryor then thanked everyone for participating in the Board meeting.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director