

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

May 19, 2022

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, May 19, 2022 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 Vice Chairman Thorsen 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 Vice Chairman Thorsen to call the meeting to order.

A quorum being present, Vice Chairman Thorsen introduced himself and officially called the meeting to order at approximately 9:45 a.m. The Vice 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: James Thorsen, Director of the Department of Administration; Elizabeth Tanner, Director of the Department of Business Regulation; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; Kevin Orth; Stephen P. McAllister and Maria Barry.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Lisa Primiano, Chief Operating Officer; Leslie McKnight, Assistant Deputy Director of Loan Servicing; Christine Hunsinger, Chief Strategy and Innovation Officer; Bernadette MacArthur, Director of Finance; Peter Pagonis, Director of Homeownership; Anne Berman, Director of Real Estate Development; Jessica Mowry, Assistant

Director of Leased Housing and Rental Services; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

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

Approval of Minutes of Board Meeting held on April 21, 2022

Vice Chairman Thorsen asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on April 21, 2022. A motion was duly made by Commissioner Designee Byrne and seconded by Commissioner Tanner.

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

The commissioners voted to approve the minutes with four (4) votes in favor, Commissioner Barry and Commissioner McAllister abstaining, and zero (0) nay votes. Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Board Meeting held on April 21, 2022 hereby are approved.

Remarks of Presiding Commissioner

Vice Chairman Thorsen welcomed everyone to the meeting by saying that it was a pleasure to be meeting back in person in the boardroom. The Vice Chairman noted that there's a lot of housing activity in the State and the coordination of the proposed programs will be a challenge. Vice Chairman Thorsen thanked RIHousing, the Board of Commissioners and the public for their interest and support for housing matters. Working together, Rhode Island has the capability to resolve a lot of housing issues.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, greeted everyone and gave an update on the Corporation's activities.

Homeownership. Ms. Ventura began by announcing that mortgage demand decreased slightly compared to the previous year. However, staff processed 465 loans through April 30th.

Ms. Ventura was pleased to share that over 1000 pre-approved loan applications were received for the FirstGenHomeRI Program. 277 applications have been approved and 72 are in the queue for authorization. Additionally, staff has closed on four (4) of those applications and nine (9) are in the pipeline.

Ms. Ventura next announced that RIHousing's collaboration with the Rhode Island Association of Realtors (RIAR) continues to grow. In late April, the Department of Business Regulation approved a new continuing education course entitled "Make a Splash with RIHousing Mortgage Lending Programs." The course will cover topics such as RIHousing's lending impact in 2021, homeownership products, down payment assistant options and best practices.

Loan Servicing. Ms. Ventura referred the Commissioners to the chart that furnished a breakdown of the number of delinquencies. She said that Loan Servicing continues to report a 2% decrease in overall delinquencies in all categories. In the seriously delinquent category, the loans are 4% lower than 2021. Staff continue to respond directly to borrowers to mitigate delinquencies.

Ms. Ventura then gave an update on the U.S. Treasury-funded Homeowner Assistance Fund (HAF-RI) Program. She said that 162 of the HAF applications received have been approved for over \$4 million in funding for Rhode Island customers.

Ms. Ventura said that she expects that the U.S. Treasury-funded Homeowner Assistance Fund (HAF-RI) program will greatly assist RIHousing borrowers.

Development. Ms. Ventura announced that Development received 52 applications under the Consolidated RFP. Staff received requests for approximately \$217 million of funding for \$55 million of available funds. Applications include requests for Housing Production Fund (“HPF”), Housing Production Fund for Operating Support (“HPF-ELI”), RI Rebounds Production Fund (“RIRPF”), Capital Magnet Fund (“CMF”), the Preservation Loan Fund (“PLF”), tax-exempt bond financing and Building Homes Rhode Island (“BHRI”) funds from the Housing Resources Commission (“HRC”) funds. Staff is actively reviewing the applications and expects to bring some funding recommendations to the June board meeting.

Leased Housing and Rental Services. The Executive Director confirmed that with collaboration of the Governor’s office, the RentReliefRI program will close to new applications on June 1, 2022. Staff has been undertaking extensive outreach efforts to notify Rhode Islanders of the closing date and encourage any renters who have not applied to submit an application by 11:59 pm on June 1, 2022. Sufficient applications are currently in process and anticipated over the next month that staff is confident that all RentReliefRI funds will be depleted based on the volume of applications and rate of approvals.

Next, Ms. Ventura announced that the previous week, RIHousing released its 2021 Annual Report: *Housing in the Spotlight*. The report, available in electronic format, details how 2021 laid the groundwork for many exciting opportunities available to help residents and the state as a whole to move forward from the effects of the pandemic and decades of underproduction in affordable housing. With the ongoing support of the Congressional delegation and State leadership, RIHousing was able to successfully deliver primary homeownership, development and renter programs in 2021. At the same time, the Corporation implemented an array of state and federally-funded programs and initiatives that are designed to help change the housing landscape in Rhode Island.

Furthermore, Ms. Ventura mentioned that this coming year, RIHousing will celebrate its 50th anniversary with a number of exciting events. Staff is actively working on details and media messaging for the celebration next year. The Executive Director invited the Commissioners to participate in as many events as possible.

Next, Ms. Ventura stated that on April 25th, Finance successfully executed a new bond issuance for the Homeownership Opportunity Bond Program, selling just under \$100 million in tax-exempt and \$20 million in taxable bonds.

As with recent previous issuances, the tax-exempt bonds were designated as Social Bonds. The sale was once again marketed on the Corporation's investor webpage, rihousingbonds.com and garnered significant retail investor interest with over \$40 million in retail orders received.

Ms. Ventura also noted for the Commissioners that there are quite a few groundbreaking and ribbon cuttings scheduled for June.

In closing, Ms. Ventura was delighted to impart that Rhode Island Housing was selected as one of 2022's "Best Places to Work" by Providence Business News. The primary feedback was that the highpoints of working at RIHousing are the benefits, the mission and the people. An awards dinner will be held on June 8th with diverse representatives of staff attending.

Ms. Ventura then asked if anyone had any questions.

Commissioner Designee Byrne referenced the HAF chart included in the Director's report noting that the ratio in the denial column is much higher than the approval category. She asked if there's a common and particular reason for the denials.

Peter Pagonis, Director of Homeownership replied that most of the applications were denied because they were over the 150% of area median income program limit. Treasury has a mandate in place where RIHousing cannot exceed that limit. The program guidelines were extensively published, distributed and applicants were informed of the limits.

Commissioner Designee Byrne said with the projected closing of the RentRelief Program and based on the number of RentRelief applications presently pending review and/or approval how long would it take to process them. Ms. Hunsinger, Chief Strategy and Innovation Officer approximated that once the program closes on June 1st it will be a minimum of 60 to 90 days to clear the claims.

Commissioner Designee Byrne also wanted to know if certain applications will be given priority. Ms. Hunsinger replied that top priority will be designated for applicants who are facing eviction due to nonpayment of rent or utility shutoff disruptions. Staff's emphasis is to keep tenants in their home for as long as possible.

Commissioner Orth commented that he read an article claiming that commercial delinquencies for the over 90 category is 1.8%. RIHousing is showing the percentage between 5% to 8% for the 90 day delinquent loans. The Commissioner wanted to know if there's a reason for the divergence.

Leslie McKnight, Director of Loan Servicing explained that the report is not a valid comparison of loans. The report was probably published by the Mortgage Bankers Association (MBA) or CoreLogic. Those are national numbers for commercial real estate, jumbo loans, conventional loans etc. Additionally, they are not comparing apples to apples. RIHousing's loans are geared for low-to moderate income borrowers and do not perform on the same level as the MBA reported loans. RIHousing's FHA loans, however, are performing in line with other FHA loans. Some of those loans are protected by forbearance agreements. Staff closely watches those loans for exit issues and is promoting the utilization of the Homeowners Assistance Fund (HAF) program to mitigate the delinquencies.

Finally, Vice Chairman Thorsen asked for more information on the bond issuance. Kara Lachapelle, Chief Financial Officer said that due to the increase in interest rate, the bond offering wasn't as oversubscribed as previous issuances. Financial institutions have enjoyed several years of positive rates, but with interest rates creeping up, the levels will drop some. However, the bond offering was well received and successful.

Approval of External Charitable Donations and Contributions

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

Mr. Comer began by saying that this month's external donations and contributions were especially meaningful because they honored two (2) RIHousing staff.

Mr. Comer was delighted to report that Kara Lachapelle, Chief Financial Officer, has been selected by Providence Business News as the Government/Quasi-Government Industry Leader of the Year as part of their 2022 Women to Watch awards program. In addition, Christine Hunsinger, Chief Strategy and Innovation Officer, has been named "Friend of the Network" by the Housing Network of RI for her partnership and work regarding the RentReliefRI program. Mr. Comer then congratulated Ms. Lachapelle and Ms. Hunsinger on their awards.

Continuing, Mr. Comer then 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 19, 2022 Board package. The attachment identifies the recipient of the expenditure, the amount of the expenditure, the nature of the event, the reason for supporting the event or recipient, each Commissioner or employee who will receive any benefit from the expenditure, and the general ledger account number where the expenditure will be recorded in RIHousing's accounting system. None of these expenditures require any disclosure under the Rhode Island Code of Ethics.

RIHousing’s support of the work of the organization(s) listed on the attachment furthers the 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 milestone anniversary celebration will also recognize the dedication and commitment of Chief Strategy and Innovation Officer, Christine Hunsinger with the “Friends of the Network” award. Similarly, RIHousing Chief Financial Officer, Kara Lachapelle, will be honored at the PBN 2022 Annual Women’s Awards Luncheon under the category of Industry Leader in the area of Government/Quasi-Government. This event honors the success of women in a variety of industries and recognizes younger, professional women to watch as well as industry leaders. The recognition, exposure and networking opportunities that attendance at these events provides furthers and supports the mission of RIHousing.

Vice Chairman Thorsen thanked Mr. Comer for the presentation and 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 Orth.

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

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.

**Attachment A
Statement of Charitable Donations and Contributions**

Month	Event	Attendees	Reason	Cost	GL Account
May	Providence Business New's 2022 Business Women's Awards Luncheon-May 25, 2022- Tickets	Jessica Mowry, Peter Pagonis, Michael DiChiaro	Publicity	\$330.00	8308
June	Housing Network or Rhode Island 30th Anniversary Annual Meeting-June 13, 2022- Tickets	Eric Ethier, HeeJin Kim, Michael DiChiaro, Cori Myers, Kara Lachapelle, Jessica Mowry, Anne Berman, CJ Rotella, Brian DeChambeau, Marilena DiCristofano, James Comer, Nick Turcotte, Jamie Brelsford, Lisa Primiano	Partner	\$770.00	8308
Total				\$1,100.00	

Preliminary Approval of Financing for Bernon Mills (Woonsocket)

Vice Chairman Thorsen announced that Anne Berman, Director of Real Estate Development would give this presentation.

Ms. Berman said that the request is for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$11,560,000 for Bernon Mills (“BM”), of which \$2,160,000 would remain as a permanent first mortgage. Brisa Ventures LLC (“BVLLC”) is the developer.

BM is a historic mill located in Woonsocket, which will be redeveloped into 60 units of rental housing. Utilizing income averaging, all units will be restricted to households with incomes at or below 80% of Area Median Income (“AMP”). There will be a mix of efficiency, one-bedroom, and two-bedroom units. BVLLC is seeking eight project-based vouchers from the Woonsocket Housing Authority and has applied for eight HUD Section 811 vouchers from RIHousing.

BM is recorded as Woonsocket Company Mill Complex on the National Register of Historic Places and was originally built in 1827 for the manufacturing of cotton by the Russell Manufacturing Company. Prior to BVLLC’s involvement, BM went through several failed redevelopment attempts

including an effort to bring the Mills back to manufacturing use, and most recently a 2012 condominium redevelopment that was abandoned incomplete by the previous developer due to financial hardship.

BM consists of three historic buildings, two of which are in very poor condition primarily due to water infiltration, a collapsing and exposed roof, missing and broken windows, and deteriorating mortar between the exterior granite walls. An additional building is the partially finished condominium building with 12 occupied units that were converted to rentals several years ago.

The proposed capital structure for BM will consist of proceeds from the tax-exempt financing, sale of 4% low-income housing credits ("LIHTCs"), a HOME program loan from the City of Woonsocket, Building Homes Rhode Island Funds ("BHRI") previously awarded by the State of Rhode Island Housing Resources Commission, and gap funds from either the RI Rebounds Production Fund or the Housing Production Fund.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Preliminary Approval of Financing for Bernon Mills (Woonsocket).

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

A short discussion followed with Vice Chairman Thorsen noting that the project failed the second part of the bridge loan test. Ms. Berman stated that the issue was discussed at the Credit Committee where it was acknowledged that most tax credit transactions fail that test. Ms. Berman said that most 4% deals that require a bridge loan to meet IRS 50% test guidelines fail the second portion of the test as the tax-exempt loan is required to meet the requirement to generate the tax credits. However, staff has measures in place to mitigate the risk. RIHousing requires a 15% minimum amount of equity upfront and a construction completion guarantee. The Credit Committee also suggested requiring a larger amount of equity upfront or periodic installments during construction. Staff is researching the matter to determine what impact a larger infusion of funds would have on the overall success of deal.

Commissioner Orth confirmed that the Credit Committee examined the matter of the 50% test for bridge loans and considered the possibility of increasing the amount of equity required. The Committee also weighted the Developer's ability to repay the loan. The Committee felt that the developer has the capacity and capability to repay the loan and recommended approval.

Vice Chairman Thorsen asked Ms. Berman if the indicated rent amount of less than \$1,000 per month for the 60 units is correct. Ms. Berman confirmed that fact.

Commissioner Designee Byrne inquired whether the developer provides services for the very low-income residents. Ms. Berman responded that the 811 units do have services associated with the vouchers, however she did not know if other services were available. Ms. Berman offered to research the matter.

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 development.

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

Ms. Myers then officially announced that the following resolution was adopted with five (5) votes in favor, Commissioner Barry recusing and (0) nay votes.

**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 bonds at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

Whereas, Brisa Ventures LLC (“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>Mortgage</u>
Bernon Mills	Brisa Ventures LLC	\$11,560,000

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 \$11,560,000 for rental housing known as Bernon Mills located in Woonsocket, 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 up to \$11,560,000 in mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced Development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

- Approval of the project-based vouchers for eight units from the Woonsocket Housing Authority, and eight HUD 811 vouchers from RIHousing;
- Syndication equity from the sale of low-income housing tax credits and historic credits in amounts 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;
- A final appraisal and market study acceptable to RIHousing prepared by an independent appraiser demonstrating that the purchase price is supported and market oriented, and the first mortgage loan does not exceed 90% of the as stabilized value of the property;
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation;
- Approval by RIHousing of management documentation;
- Confirmation that Brisa Ventures LLC is registered to do business in Rhode Island;

- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by bond underwriter and bond counsel confirming the loans satisfy all required bond provisions for the bond issue;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing;
- Evidence of approval of income-averaging from the tax credit investor;
- FHA Risk-Sharing Program approval from HUD for a minimum of 50% of the first mortgage; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Firm Approval of Financing for 315 Park Avenue (Cranston)

Vice Chairman Thorsen instructed Anne Berman to present the request.

Ms. Berman commenced by stating that the request was for the firm approval of RIHousing taxable permanent financing in an amount not to exceed \$10,100,000 for 315 Park Avenue Apartments in Cranston (hereinafter referred to as “Park Avenue” or the “Development”). Providence Realty Investment, LLC is the developer (“PRI” or the “Developer”).

Park Avenue is a 71-unit age-restricted affordable housing complex with 63 one-bedroom and 8 two-bedroom units. The Section 8 HAP contract that covers all 71 units was recently renewed for 20 years.

In 2010 the Developer acquired the Development; at which time they undertook a moderate rehabilitation utilizing tax-exempt bonds and Low-Income Housing Tax Credits (“LIHTCs”). Prior to this proposed refinance the Developer will complete \$337,000 of critical and non-critical repairs identified in the RIHousing-commissioned capital needs assessment (“CNA”). To ensure that the replacement reserve balance remains positive through the first 15 years of the new loan, the Developer will deposit \$7,452 per unit in the replacement reserve at closing and \$400 per unit per annum. A new CNA will be required at year 10 to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time.

The scope of work to be completed pre-closing includes addressing a variety of accessibility, fire- and life-safety issues, and site work. Post-closing PRI will complete repairs to the elevator, roofing, drainage, and exterior walls.

Finally, Ms. Berman said that the request was for approval of a taxable permanent loan in an amount not to exceed \$10,100,000, which will be funded through the Federal Financing Bank Risk-Sharing Initiative.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Firm Approval of Financing for 315 Park Avenue (Cranston).

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

Commissioner Orth commented that he was very pleased that the Federal Financing Bank Risk-Sharing Initiative (FFB) program was restored. Particularly as the funding allows RIHousing to be much more competitive in the marketplace.

Commissioner Orth did share that the Credit Committee assessed the proposal and recommended approval. An inspection was performed on the development demonstrating that it's in good physical shape requiring only minimal rehabilitation. Furthermore, another CNA is expected at year 10 to adjust for any needs that require addressing. Commissioner Orth further explained that 1.5% of the new loan amount will be repaid to the Affordable Housing Trust (AHT).

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

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan 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: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	RIHousing 1 st Mortgage
Providence Realty Investment, LLC	Park Avenue RIH, LLC	\$10,100,000

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 the Risk-Sharing Initiative and 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 subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Park Avenue RIH, LLC or an affiliated entity (the “Borrower”) in an amount not to exceed \$10,100,000, funded through the Risk-Sharing Initiative, for rental housing known as 315 Park Avenue Apartments located in Cranston, Rhode Island;

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

- Approval by RIHousing of the final scope of the rehabilitation work and completion of work completed prior to closing.
- Approval by RIHousing of construction plans and specifications, as well as related

construction contract documentation.

- Final confirmation of the HAP Contract rents consistent with underwriting.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Firm Approval of Financing for Metcalf Courts II Apartments (Providence)

Vice Chairman Thorsen stated that Anne Berman would also give this presentation.

Ms. Berman said that this transaction was for the firm approval of RIHousing taxable permanent financing in an amount not to exceed \$20,600,000 and a Capital Magnet Fund (“CMF”) Loan of \$100,000 for Metcalf Courts II Apartments in Providence (hereinafter referred to as (“Metcalf Courts” or the “Development”). Providence Realty Investment, LLC is the developer (“PRI” or the “Developer”).

Metcalf Courts consists of three residential buildings located in Providence at 70 Wild Street, 555 Veazie Street, and 210 Woodward Road. The properties were built circa 1977. The Development has 140 one-bedroom and 8 two-bedroom apartments for elderly and disabled households. Amenities include an outdoor communal patio, community room with a kitchen, common laundry room, solarium, and management office. Metcalf Courts has three Section 8 HAP contracts that cover all 148 units and were recently renewed.

In 2010 the Developer acquired three developments, Metcalf I, Metcalf II and Veazie Street, and refinanced as a single-asset entity now known known as Metcalf Courts. At that time, they undertook a moderate rehabilitation utilizing tax-exempt bonds and Low-Income Housing Tax Credits (“LIHTCs”). Prior to this proposed refinance, the Developer will complete approximately \$50,000 of non-critical repairs identified in the RIHousing-commissioned capital needs assessment (“CNA”). To ensure that the replacement reserve balance remains positive through the first 15 years of the new loan, the Developer will deposit more than \$8,218 per unit in the replacement reserve at closing and \$500 per unit per annum. A new CNA will be required at year 10 to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time.

The scope of work to be completed pre-closing includes addressing a variety of accessibility, fire- and life-safety issues, and parking lot resurfacing. Post-closing PRI will replace three hot water tanks at Metcalf and Etta and perform masonry work, window replacement, and dumpster enclosure replacement at Etta.

After the presentation, Vice Chairman Thorsen asked for a motion and a second for Firm Approval of Financing for Metcalf Courts II Apartments (Providence).

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

Committee Chairman Thorsen referenced the projected higher vacancy rate noting that it differs from the appraisal evaluation. Ms. Berman said that Metcalf Courts enjoys the benefits of a HAP contract that supports 100% of the units. She explained that the vacancy rate for the development is under 2% and the standard is 5%. RIHousing is underwriting to a 4% vacancy rate which is more than adequate.

Commissioner Orth said that the Credit Committee reviewed the transaction and said that the project is similar to the previous approval where the owner is a long-term entity with a proven track record. The small amount of CMF dollars allocated for the project allows RIHousing to utilize the CMF program for larger transactions. As the guidelines require the funds to be allocated in distressed areas, Metcalf Courts was the perfect candidate for the funding.

There being no other comments, Corinne Myers, General Counsel, conducted a roll call 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 provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: said loan shall be financed utilizing the Federal Financing Bank Risk-Sharing Initiative, a partnership between the U.S Department of Housing and Urban Development (“HUD”) and the U.S. Department of the Treasury Federal Financing Bank (“FFB”), under which FFB provides capital for multifamily loans insured under the Federal Housing Administration's Risk-Sharing program (the “Risk-Sharing Initiative”);

Whereas: said loan 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: the Applicant listed below has presented an application to RIHousing requesting mortgage financing to rehabilitate the Development as set forth below:

Applicant	Development	1 st Mortgage	Capital Magnet Fund
Providence Realty Investment, LLC	Metcalf Courts II RIH, LLC	\$20,600,000	\$100,000

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 the Risk-Sharing Initiative and 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 subject to the special conditions listed below, RIHousing hereby declares firm commitment for taxable financing for Metcalf Courts II RIH, LLC or an affiliated entity (the “Borrower”) in an amount not to exceed \$20,600,000, funded through the Risk-Sharing Initiative, for rental housing known as Metcalf Courts II Apartments located in Providence, Rhode Island;

Resolved: that subject to the special conditions listed below, RIHousing hereby declares firm commitment for a Capital Magnet Fund loan for Borrower in an amount not to exceed \$100,000 for rental housing known as Metcalf Courts II Apartments located in Providence, Rhode Island;

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

- Approval by RIHousing of the final scope of the rehabilitation work and completion of work completed prior to closing.
- Approval by RIHousing of construction plans and specifications, as well as related construction contract documentation.
- Final confirmation of the HAP Contract rents consistent with underwriting.
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing.
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Approval of Bridging the Digital Divide Program Funding Awards

Vice Chairman Thorsen invited Mr. Comer to present the request for the Digital Divide Program Funding Awards.

Mr. Comer said that the recommendation was for approval of grant funding under the Bridging the Digital Divide Program (“Digital Divide”). The Board of Commissioners of RIHousing approved up to \$450,000 in Digital Divide funding as part of the program budget for fiscal year 2022.

The RIHousing Digital Divide program provides funding for organizations expanding or providing low-cost internet access for low- and-moderate income Rhode Islanders.

RIHousing issued a Request for Proposals (“RFP”) for awards of Digital Divide funding in December 2021. The RFP was posted on the RIHousing website, the State of Rhode Island Division of Purchases website, social media, and sent directly to approximately 850 organizations, municipalities, property managers, developers and interested parties via an email announcement. A press release was also issued to local media outlets. RIHousing received 10 proposals in response to the RFP from 10 applicants representing housing developers, property owners and managers and public housing authorities. Funding requested totaled \$494,594.21.

A committee consisting of the Deputy Executive Director and staff from the Executive Division, Development Division, and Leased Housing and Rental Services Division conducted a review of each proposal in accordance with the ranking criteria set forth in the RFP. The committee is recommending funding be awarded to the projects and programs described at Attachment A.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Approval of Bridging the Digital Divide Program Funding Awards.

Commissioner Designee Byrne recused from the discussion or vote of this item as the Treasurer serves on the Board of Directors of Crossroads RI.

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

Commissioner McAllister asked about the geographic eligibility for applications. The Commissioner wanted to know if it's open to all communities. Mr. Comer confirmed that the program was open statewide and available in all counties.

Commissioner McAllister noted that 10 proposals were received but only nine are recommended for funding. He wanted to know why the 10th one was disqualified. Mr. Comer responded that the application was not consistent with the guidelines of the program. Commissioner McAllister also wanted to know if this was the second year for funding the initiative. Mr. Comer confirmed that detail.

Commissioner Tanner inquired whether RIHousing has plans to follow up on the applications to ensure they are completed and the dollars spent wisely. Mr. Comer responded that the Corporation requires quarterly reports from each grantee prior to RIHousing dispersing funds.

Ms. Ventura also noted that staff will be on site to confirm each applicants' progress.

Vice Chairman Thorsen wondered what happens after the first year as the services are limited for a certain period and the funds are depleted. Mr. Comer said that it depends on the individual entities and financing opportunities that are available and what other options grantees are exploring. Furthermore, evidence of sustainability must be provided for any new initiatives that might be on the horizon. Opportunities are coming up on the State and Federal level for affordable connectivity and grantees are encouraged to apply. The President's focus does include increased emphasis on affordable connectivity to qualified residents and this program is a starting point for future programs.

Commissioner Barry applauded the efforts and wanted to know if staff had any best practices to share.

Mr. Comer replied that listening to partners and the needs of the community is very important. As RIHousing is not an expert in the internet field, soliciting feedback from partners and internet experts was important. Stacy Wasserman, Innovation Program Manager who administers the program continually remains in contact with the grantees and internet providers to coordinate services and with State leadership to inform the work.

Commissioner Barry remarked that typically discounted programs are limited and there are challenges and obstacles associated with access to the programs, especially for low-income residents. Mr. Comer agreed and mentioned that the sentiment is particularly valid for populations where English is not the primary language. That is the reason that communication and partnerships with the Public Housing Authorities (PHAs) and other community partners is imperative.

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

Ms. Myers then announced that the following resolution was adopted with five (5) votes in favor, Commissioner Designee Byrne recusing and (0) nay votes.

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

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) created the Bridging the Digital Divide Program to expand internet access for low-and-moderate income Rhode Islanders; and

WHEREAS: RIHousing issued a Request for Proposals under a competitive process to seek applications for Bridging the Digital Divide Program grant funding; and

WHEREAS: RIHousing received ten (10) complete proposals for Bridging the Digital Divide Program funding; and

WHEREAS: staff reviewed the proposals according to the ranking criteria outlined in the Request for Proposals and have determined that nine (9) of the proposed programs best fit the criteria of the program.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the programs set forth at Attachment A be, and hereby are approved for grant funding under the Bridging the Digital Divide Program in up to the amounts specified at Attachment A, subject to any administrative adjustments as the Executive Director determines to be in the best interests of RIHousing, provided that the total amount awarded to all recipients shall not exceed \$450,000.

RESOLVED: that all funds awarded hereunder shall be funded out of the FY 2022 budget.

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

**Attachment A
Proposed FY 2022 Bridging the Digital Divide Program Funding Awards**

Organization	Program or Project	Location	Grant Term	Award
AS220	System improvements and 1 year of resident service costs.	Providence	1 year	\$39,480
William J. Canning Management, LLC	Devices and Wi-Fi for community rooms; digital literacy training	Providence and Hopkinton	1 year	\$29,959.21

Church Community Housing Corporation	44 hotspots and 3 years unlimited internet service.	Newport County	3 years	\$18,469
Central Falls Housing Authority	Hire staff to help residents sign up for Verizon and Cox Affordable Connectivity Program plans	Central Falls	1 year	\$75,000
Crossroads Rhode Island	Parts, labor and installation of technology for in unit internet at Summer Street I & II	Providence	1 year	\$61,940
Fifty Square L.P.	Labor, install, access points for free wireless	Newport	1 year	\$20,000
McAuley Ministries	Internet access; Computer, monitor, printer in each apartment; and internet in common areas.	Providence	2 years	\$56,765.79
POAH, Inc.	Startup costs for providing free wifi to all units at Oxford Place & Gardens	Providence	1 year	\$75,000
Providence Housing Authority	High speed internet to community rooms and digital literacy training; 107 residents get devices and internet access	Providence	1 year	\$73,386
		TOTAL		\$450,000

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

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

Ms. Myers then announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:24 a.m.

In closing, Ms. Ventura announced that the June Board of Commissioners meeting will involve a very robust agenda and advised the Commissioners to block out additional time for that meeting. Additionally, a meeting of the Trustees of the Affordable Housing Trust (AHT) will also be scheduled in June.

Vice Chairman Thorsen then thanked everyone for participating in the Board meeting.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director