

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

**October 20, 2022**

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, October 20, 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 9:32 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; Josh Saal, Secretary of Housing; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; Sara Cabral, Designee for Elizabeth Dwyer, Interim Director of the Department of Business Regulation; Kevin Orth; and Stephen P. McAllister. Maria Barry was absent.

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; Amy Rainone, Director of

Government Relations and Policy; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

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

### **Approval of Minutes of Board Meeting held on September 15, 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 September 15, 2022. A motion was duly made by Commissioner Designee Byrne 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 September 15, 2022 hereby are approved.

### **Remarks of Presiding Commissioner**

Vice Chairman Thorsen welcomed everyone to the Board meeting.

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

Carol Ventura, Executive Director, greeted everyone and announced that in lieu of her monthly report Kara Lachapelle, Chief Financial Officer would provide a presentation on the impact of rising interest rates. She encouraged the Commissioners to review her monthly report at their convenience.

Ms. Ventura then invited Kara Lachapelle to give the report on rising interest rates.

Ms. Lachapelle began by acknowledging that the Federal Reserve has steadily increased interest rates. RIHousing is sensitive to the issue, particularly the impact it has on its first-time home borrowers.

Ms. Lachapelle circulated a presentation and explained how RIHousing finances its mortgages, utilizing private activity mortgage revenue bonds and through the sale of loans and mortgage backed securities. For the private activity bond financing option, the loans remain on the Corporation's balance sheet providing income over the life of the loan. When utilizing the MBS secondary market financing, the loans are sold and risk of default or loss is minimized. Additionally, MBS do not use tax-exempt volume cap and it's a one-time up-front income to RIHousing's balance sheet. Investors pay more for low balance loans with secondary assistance.

RIHousing actively monitors the market to determine the best financing method to utilize to maximize funds. In the present economic climate, RIHousing will rely on issuing bonds to capitalize on the benefits of tax-exempt financing during a period of rising interest rates.

Ms. Lachapelle then directed the Commissioners to the charts on pages four (4) and five (5) of the presentation depicting single family production versus balance sheet size and the chart showcasing the historical rate comparison of federal funds versus mortgage rates.

Ms. Lachapelle also touched on the loss of borrowers' purchasing power when rates increase for first time homeowners. Along with the rising costs of homes, that translates to an immediate loss of significant dollars for the average borrower. Furthermore, the increase in rates creates an instant gap in financing for multifamily construction compounded by increases in material costs.

Next, Ms. Lachapelle referenced page seven (7) that showcased the current bond issuance that staff is presently executing. The chart highlighted the yield difference between the spread even within just a few months of issuing bonds. The chart depicted the average mortgage of the bond, the bond yield that RIHousing pays its investors along with the tax-exempt spread of the amount the Corporation expects to make during the life of the bond.

The CFO underlined the challenges associated with rising interest rates and strategies to mitigate those obstacles. Some of the potential challenges include reduced purchasing power for first-time homebuyers, the need for additional soft debt for multi-family developments, lower income for RIHousing and reduced income based on the decrease in interest spread yields.

Ms. Lachapelle noted that staff has investigated means to mitigate the rising rates by offering below market interest rates where possible, utilizing State/Treasury programs for down payment assistance and new programs for employing soft debt for multi-family developments. Finally, Ms. Lachapelle said that RIHousing will continue to manage its budget and programs to maximize programs, maintain stability and achieve its strategic goals.

Ms. Lachapelle then welcomed questions from the Commissioners.

Ms. Ventura stated that despite challenges in the present economic environment, RIHousing achieved a record month in September. The \$25,000 First Generation Downpayment Program has been a tremendous success for the Corporation. The infusion of additional funds to continue the initiative is a plus for Rhode Island first-time homeowners. Furthermore, the Corporation's ability to be flexible is a positive for financial strategic planning.

A brief dialogue followed. Vice Chairman Thorsen stated that later in the week, the State will issue a 4% on a 20 year alternative on the volume cap for bonds. He asked Ms. Lachapelle to speak to RIHousing's prospective for sizing and corporate authority when issuing future bonds.

Ms. Lachapelle explained that staff looks at production in the pipeline, available funding and future needs to decide whether to utilize tax-exempt financing or to use the taxable option of the TBA market. Finance looks at the current rates, what impact a decrease or increase in the rates would mean for the Corporation whether if there's sufficient volume cap for funding and adjusts accordingly. Ms. Lachapelle acknowledged that increasing or decreasing the mortgage rates will have an immediate impact on registrations and production. RIHousing's mission is to serve its customers the best way possible, even if that requires a lower yield for the Corporation. Sizing of the bonds is based on the production available and the future needs of the Corporation.

Vice Chairman Thorsen then asked approximately what the size of the present bond is. Ms. Lachapelle responded that the present bond issuance is \$100 million for tax-exempt and another \$15 to \$20 million in taxable funding.

Commissioner Orth asked what the worst case scenario would be. He wondered what happens if staff issues the \$100 million and then the mortgage registrations do not materialize. Ms. Lachapelle replied that the bond attorneys and investors review the issuances prior to issuance. On average RIHousing has 50% to 60% confirmed loan registrations already in place prior to approval of the bonds. Typically, it takes RIHousing three (3) months to disburse the funds. If it takes longer than the three (3) months, then the Corporation is paying interest on the bonds and not collecting interest from the borrower.

Commissioner Orth also wanted to know if the borrower profile changed. He inquired who is still borrowing with the increased interest rates. Ms. Lachapelle responded staff must disclose the borrower profile for issuance purposes. For the latest bond, staff utilized data from the past two (2) to three (3) years to determine the borrower profile. The CFO explained that 70% of loans that RIHousing is issuing is for individuals at 80% AMI or below. Staff has seen a decrease in the percentage from the previous year where it was at 73%. The organization is noticing a slightly different profile with borrowers at a higher income bracket. The financing would still be affordable but include a higher income customer.

Commissioner Saal inquired what credit and profile is required for the FHA loans and what criteria RIHousing commands. Ms. Lachapelle explained that there is no set credit score or criteria required for FHA loans. It's typically based on income ratios, debt and borrower history. The mandatory credit score for RIHousing's first-time homebuyers is 660. Ms. Lachapelle then said that for FHA loans, RIHousing is 100% insured against any possible loss.

Commissioner Saal also mentioned the extension of the First Generation program and the Downpayment Assistance Program that includes a maximum of \$17,500 for the next three (3) years and asked how many households that will assist at the increased interest rate and if the statutory language needs to be revisited to adjust for the increasing rates.

Ms. Ventura responded that staff needs to review reservations and volume from the past few months to project a number. However, it will be difficult to predict that exact number. Increasing interest rates is not the only indicator of how many households can be assisted. Sale prices of homes and turnover of properties is another pointer to take into consideration. Ms. Ventura said she will have staff review information and provide a projection for the Commissioners.

Regarding the multi-family program and the example on page six (6) of the report showcasing the loss of purchasing power for tax credit transactions, Commissioner Saal speculated on potential LIHTC market fluctuations due to rising rates.

Ms. Ventura said that staff has not encountered a wholesale reduction for the tax credits and the investors are stable. The majority of the relationships between investors is driven by the non-profits and their stability, financial worth and how they manage their properties.

Mr. Comer further expounded by noting that any short fall will be made up from soft debt. Presently, tax credit pricing in Rhode Island remains constant.

Commissioner Orth commented that higher rates means that there will be more competition in the marketplace. He advised that there might be some pressure in the market, therefore, staff should closely monitor the market and trends.

Vice Chairman Thorsen noted that the rising interest rates are advantages for the tax-exempt bond market as those rates are lower. Ms. Lachapelle agreed.

Commissioner Saal referenced page five (5) of the slides, emphasizing RIHousing rates, FHA rates and the Fed funds and wanted to know why some rates increase more quickly than others.

Ms. Lachapelle explained that the Fed funds is a short term rate that financial institutions use to borrow funds. As that rate increases it eventually impacts the long term 30 year rate, which is longer than the short term rate. The municipal indexes influences the whole market and impact mortgages across the board. It's not an exact science and staff monitors all the rates closely.

Vice Chairman Thorsen thanked Ms. Lachapelle for the informative presentation.

### **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 the request is 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 October 20, 2022 board package. The attachment identified the recipients 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 the 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, House of Hope is a local non-profit organization that RIHousing often partners with. Their mission is to end homelessness in Rhode Island by providing and creating affordable housing and offering services in support to those experiencing chronic homelessness. Their annual fundraiser is an opportunity for RIHousing to solidify its partnership, strengthen relationship with colleagues working in adjacent fields and show support for the services they provide. Housing Works of Rhode Island at Roger Williams University is another important partner. Their annual Factbook and associated release event provides valuable data that RIHousing relies on throughout the year and which ultimately plays a part in our understanding of demographic and housing trends that affect our business. Attendance at these events provides information and networking opportunities that further 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 McAllister and seconded by Commissioner Designee Byrne.

Commissioner Designee Byrne acknowledged that she attended the House of Hope fundraiser but was not part of RIHousing's sponsorship.

Following the comment, 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.

**Firm Approval of Financing for Fifty Washington Square (Newport)**

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

Mr. Comer stated that the request was for firm approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$13,500,000, of which \$4,200,000 will remain as permanent debt; and a loan from the Capital Magnet Fund (“CMF”) program in the amount of \$750,000 for Fifty Washington Square (hereinafter referred to as the “Development”). Church Community Housing Corporation is the developer (“CCHC” or the “Developer”). The Development received preliminary approval for this financing from the Board of Commissioners on February 17, 2022 (“Preliminary Approval”).

Fifty Washington Square is on the National Register of Historic Places and is in the center of Newport’s historic and downtown commercial district. The structure was built in 1911 as the Army/Navy YMCA. In 1988, CCHC converted the structure into a mixed-use building using low-income housing tax credits (“LIHTC”) and other financing, which created LIHTC apartments, the 41 bed McKinney Cooperative Emergency Shelter, and commercial office space. Currently, the building has 93 apartments that are subsidized with project-based vouchers or Section 8 mod-rehab subsidies through the McKinney-Vento Program (“MVHAP Contract”). There are three different apartment types within the building: 55 small efficiencies, 15 large efficiencies, and 23 one-bedroom units. The Development was re-syndicated in 2004 and the 15-year compliance period has been completed.

Since preliminary approval, there have been several changes to the overall transaction to address budgetary issues. Most notably, CCHC has determined that it is more cost-effective to eliminate the RAD 2 conversion, which would have the effect of adding approximately \$5MM in additional labor cost based on the original scope of work. The impact of retaining the existing MVHAP contract for

the short term is nominal, and CCHC may pursue the RAD 2 conversion at a later time if economically advantageous.

CCHC will undertake an extensive rehabilitation of the Development with both exterior and interior improvements. New sustainable features will be introduced such as solar panels and a new energy-efficient HVAC system with heating and cooling mini splits in each apartment and common areas. General interior and exterior improvements include replacing and repairing masonry and terracotta building elements and refurbishing all wood windows and doors. The domestic hot water storage and boilers will be replaced, and a new roof will be installed on the building. Since preliminary approval, the scope of work has been modified to keep the construction costs in line with the budget. The primary change is that the unit upgrades to some of the residential units will no longer be included in the scope of work. The upgrades will be completed over the next few years as units turn over.

The Developer will complete the acquisition and rehabilitation of the Development using proceeds from this tax-exempt financing and the sale of LIHTCs. The National Equity Fund, Inc. (“NEF”) will be the syndicator purchasing the 4% LIHTCs at \$0.91 per credit. The complete capital stack includes: (i) a RIHousing first mortgage loan, (ii) rollover of existing RIHousing debt, (iii) a Preservation Loan Program Fund Loan from the Affordable Housing Trust (“AHT”), (iv) two Building Homes Rhode Island loans, (v) a CMF loan, (vi) a Housing Production Fund (“HPF”) loan, (vii) proceeds from the sale of Federal Historic Tax Credits, (viii) two seller loans, (ix) a deferred developer fee, (x) a solar grant from Commerce RI, and (xi) a grant from the Federal Home Loan Bank of Boston’s Affordable Housing Program (“AHP”). All sources of funding have been secured.

Prior to closing for the refinance, CCHC intends to facilitate the transfer of the limited partnership interests in Fifty Square L.P., the current owner, from NEF Assignment Corporation and Fifty Square State Credit Investors, LLC to Church Community Housing Corporation. This transfer prior to closing will facilitate the acquisition and related seller loans to the new partnership.

There is approximately \$4,000,000 of existing RIHousing and AHT debt on the property, comprised of a RIHousing Targeted Loan, two AHT loans, a Threshold loan, a NOP loan, and accrued interest. As part of the approval process, staff has determined that the Development and sponsor meet the following RIHousing requirements for rollover of existing debt:

- Current on the first mortgage or in compliance with forbearance agreement;
- No outstanding monitoring findings and no history of significant monitoring findings;
- Demonstrated, responsible long-term ownership and management of the property;
- An equity pay-in schedule satisfactory to RIHousing;
- Maximization of amortizing debt able to be supported by the property; and
- Borrower-provided guarantees to cover any deficit shortfalls;

Staff requests firm approval of tax-exempt financing in an amount not to exceed \$13,500,000, of which \$4,200,000 will remain as permanent debt, and a CMF loan of \$750,000 subject to certain conditions as set forth in the attached Resolution.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Firm Approval of Financing for Fifty Washington Square (Newport).

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



Commissioner Orth announced that the Credit Committee discussed the postponement of the RAD conversion, noted that the developer is an experienced and capable entity. The Commissioner acknowledged that the transaction incorporates a complicated capital stack but the project is worthwhile and the Committee recommended approval.

Commissioner Designee Byrne referenced the permanent debt and increase in interest rate and wanted to know if staff is comfortable with the transaction. Mr. Comer assured the Commissioner that staff takes a conservative approach in underwriting the debt. The property is healthy, stable and the subsidy is sufficient for the debt.

Commissioner Saal acknowledged the successful partners in Newport that serve the most vulnerable population. The Commissioner was appreciative of the partnerships and noted the urgency on closing the transactions as soon as possible. Commissioner Saal said that 50 Washington Square was a great project.

Following the comments, 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 the purpose of financing qualified housing developments throughout the state;
- Whereas,** RIHousing is authorized to issue conduit tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;
- Whereas,** on February 17, 2022, the RIHousing Board of Commissioners granted preliminary approval of tax-exempt mortgage financing to Church Community Housing Corporation (“Applicant”) to rehabilitate the affordable housing to be known as Fifty Washington Square (the “Development”);
- Whereas,** the Applicant is requesting firm approval of tax-exempt mortgage financing for the Development as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Mortgage</u>	<u>Capital Magnet Fund</u>
Fifty Washington Square	Church Community Housing Corporation	\$13,500,000	\$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 Fifty Square L.P., or another affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$13,500,000 for rental housing known as Fifty Washington Square located in Newport, Rhode Island 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 tax-exempt bonds to finance up to \$13,500,000 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. This resolution shall take effect immediately upon adoption.

**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 the Borrower, in an amount not to exceed \$750,000 for rental housing known as Fifty Washington Square located in Newport, Rhode Island.

**Resolved,** that subject to the special conditions listed below, RIHousing hereby grants firm approval for the approval of transfer of the limited partnership interest in Fifty Square L.P. from NEF Assignment Corporation and Fifty Square State Credit Investors, LLC to Church Community Housing Corporation.

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

- Syndication proceeds from the sale of 4% LIHTCs and federal historic credits in amounts sufficient to ensure development feasibility;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by RIHousing of construction plans and specifications and construction documentation including an acceptable reserve analysis for the rehabilitation item(s) not immediately undertaken following acquisition;
- Approval by RIHousing of all management related issues including the marketing and tenant selection plans;
- Execution and delivery by the Developer of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by bond underwriter and bond counsel that the loans will 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; and
- FHA Risk Sharing approval from HUD for a minimum of 50% of the first mortgage under the Risk-Sharing Initiative; and
- Approval by the Affordable Housing Trust Fund of a Preservation Loan Program Loan.

**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 Residences at Riverside Square (East Providence)**

Vice Chairman Thorsen instructed James Comer to present the request.

Mr. Comer began by noting that the request is for firm approval of RIHousing first mortgage taxable financing in an amount not to exceed \$725,000, a HOME Investment Partnerships Program (the “HOME Program”) loan in the amount of \$1,885,000, and a Housing Trust Fund Program (the “HTF Program”) loan in the amount of \$515,000 for The Residences at Riverside Square in East Providence (hereinafter referred to as the “Development”). Olneyville Housing Corporation d/b/a One Neighborhood Builders is the developer (“ONE/NB” or the “Developer”). The Development

received preliminary approval for HOME and HTF financing from the Board of Commissioners on May 20, 2021 (“Preliminary Approval”).

This firm approval will support the new construction and creation of 16 affordable rental units. ONE/NB was designated as developer by the City of East Providence to revitalize this long vacant and blighted property adjacent to the East Bay Bike Path. Upon completion, the 16 units will include 6 one-bedroom and 10 two-bedroom units serving residents with incomes that range from 30% AMI to 80% AMI.

The project has received approval from the East Providence Housing Authority (“EPHA”) to provide three project-based housing vouchers for the one-bedroom units serving residents with incomes at or below 30% of AMI. These housing vouchers will be coordinated with Foster Forward Youth Initiative (“FFYI”) and will provide supportive services for youths aging out of foster care.

Since preliminary approval of the soft loans in 2021, site engineering and plans have been completed and contractor pricing has been updated. Construction costs have increased by 40% and the small number of units impacts the economies of scale. The Developer will complete the Development using the proceeds from this taxable financing, a HOME Program loan, a Housing Trust Fund Loan, Building Homes Rhode Island funds from the RI Housing Resources Commission, and RI Rebounds Production Fund Program (“RIRPF”) funds which were approved on June 16, 2022.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Firm Approval of Financing for Residences at Riverside Square (East Providence).

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

Commissioner Orth said that the Credit Committee reviewed the increase in construction costs; acknowledging that the escalation was due to overall increases in material costs and in particular, environmental site issues. The Credit Committee recommended approval.

Mr. Comer then explained that even with the additional cost increases, the site is within RIHousing’s construction cost guidelines.

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,** On May 20, 2021, the RIHousing Board of Commissioners granted preliminary approval HOME program financing, and HTF Program financing to Olneyville Housing Corporation d/b/a One Neighborhood Builders (“Applicant”) to construct the affordable housing to be known as The Residences at Riverside Square (the “Development”);

**Whereas,** the Applicant is requesting firm approval of a taxable first mortgage, and HOME Program and HTF Program financing for the Development as set forth below:

<b>Applicant</b>	<b>Development</b>	<b>Taxable Mortgage</b>	<b>HOME</b>	<b>HTF</b>
Olneyville Housing Corporation d/b/a One Neighborhood Builders	The Residences at Riverside Square	\$725,000	\$1,885,000	\$515,000

**Whereas,** the RIHousing Board of Commissioners and staff have reviewed the submission of Applicant for first mortgage financing, HOME Program financing, and HTF Program 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, subject to the special conditions listed below, RIHousing hereby declares firm commitment for first mortgage financing for Olneyville Housing Corporation d/b/a One Neighborhood Builders or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$725,000 for rental housing to be located in East Providence and known as The Residences at Riverside Square.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves a HOME Investment Partnerships Program loan to the Borrower in an amount not to exceed \$1,885,000 for rental housing to be located in East Providence and known as The Residences at Riverside Square.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves a Housing Trust Fund loan to the Borrower in an amount not to exceed \$515,000 for rental housing to be located in East Providence and known as The Residences at Riverside Square.

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

- 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;
- Execution of an Agreement to Enter into a Housing Assistance Payments (“AHAP”) contract with the East Providence Housing Authority;
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation;
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Recordation of a RIHousing Regulatory Agreement in a form acceptable to RIHousing;
- Approval by RIHousing of management documentation; 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 Development each acting singly, be and hereby are empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

**Firm Approval of Financing for Riverside Landing (Coventry)**

Vice Chairman Thorsen stated that Mr. Comer would also present the request for Riverside Landing.

Mr. Comer said the transaction was for firm approval of RIHousing first mortgage taxable financing in an amount not to exceed \$165,000, for Riverside Landing in Coventry (hereinafter referred to as the “Development”). Coventry Housing Associates, Corporation is the developer (“CHAC” or the “Developer”).

This firm approval will support the adaptive reuse of two structures located along the Pawtuxet River that will provide six townhouse-style two-bedroom units, plus two single level two-bedroom units. All units will be income restricted to 50% AMI.

Originally purchased over 10 years ago by Omni Development Corporation (“Omni”), the development process for this project has been stalled due to several factors including flood plain issues. Those issues have been resolved, and Omni sold the property to CHAC using Site Acquisition Funds to develop.

CHAC will complete the new construction of the Development using the proceeds from this taxable financing, BHRI funds in the amount of \$2,713,357, and \$374,750 from the RI Rebounds Production Fund Program (“RIRPF”) which was approved on June 16, 2022.

After the presentation, Vice Chairman Thorsen asked for a motion and a second for Firm Approval of Financing for Riverside Landing (Coventry).

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

Commissioner McAllister applauded the development of the site. He was pleased to see new construction of affordable housing in that area.

Commissioner Saal referenced the capital stack, the unit price and amount of soft funds associated with the project and wanted to know if adaptive reuse of the development was the best option for the property.

Mr. Comer explained that considering the specific site and construction market, the architect did contemplate all options including demolition, but felt that adaptive reuse of the property was the preeminent decision for the development.

Ms. Ventura expounded that the structural character of the buildings on a historic mill site is an important consideration of the rehab. Additionally, it provides a cost savings to Coventry Housing Associates.

Following the comments, 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 provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

**Whereas,** Coventry Housing Associates, Corporation (the “Applicant”) is requesting firm approval of taxable first mortgage for the Development as set forth below:

<b>Applicant</b>	<b>Development</b>	<b>Taxable Mortgage</b>
Coventry Housing Associates, Corporation	Riverside Landing	\$165,000

**Whereas,** the RIHousing Board of Commissioners and staff have reviewed the submission of Coventry Housing Associates, Corporation for first 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 subject to the special conditions listed below, RIHousing hereby declares firm commitment for first mortgage financing for Coventry Housing Associates, Corporation or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$165,000 for first mortgage financing for rental housing known as Riverside Landing located in Coventry, Rhode Island.



**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;
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation;
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Recordation of a RIHousing Regulatory Agreement in a form acceptable to RIHousing;
- Approval by RIHousing of management documentation; 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 Development each acting singly, be and hereby are empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

#### **Approval of Healthy Housing, Healthy Communities Consulting Services**

Vice Chairman Thorsen stated that Jessica Mowry, Assistant Director of Leased Housing and Rental Services, would report on the Healthy Housing, Healthy Communities recommendation.

Ms. Mowry said that the request was for approval to engage a consultant to provide project management services for the Healthy Housing, Healthy Communities (“H3C”) Initiative.

In May 2022 RIHousing was awarded \$150,000 by the National Council of State Housing Finance Agencies (“NCSHA”) in partnership with the Robert Wood Johnson Foundation (“RWJF”) for planning and technical assistance to identify partnerships and other innovative approaches to align housing and healthcare investments.

Known as the H3C Initiative, the planning effort will culminate in a Housing, Health and Equity Partnership Plan. To support the process, RIHousing issued a Request for Proposals (“RFP”) seeking consultants to conduct project management and planning services in coordination with RIHousing staff.

RIHousing received four (4) proposals. A committee consisting of RIHousing staff from the Leased Housing and Rental Services and Government Relations Divisions reviewed and scored each proposal. The highest scoring proposal was submitted by HCH Enterprises, LLC (“HCH”).

HCH is a Rhode Island firm specializing in public sector consulting, workforce agility and managed services. The firm has extensive experience with Rhode Island’s Health Equity Zone model and stakeholder engagement.

In closing, Ms. Mowry said that the project is expected to begin October 31, 2022 and run through December 31, 2023.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Approval of Healthy Housing, Healthy Communities Consulting Services.

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

Commissioner Designee Byrne expressed her concern regarding the planning process and wanted to know if RIHousing coordinated with the Department of Health and their Health Equity Zone initiative to ensure that services are not redundant or duplicated.

Ms. Mowry said that she does not believe that it is redundant but it will be a valuable discussion to pursue. Especially as the process is a component of the larger community based effort.

Ms. Ventura stated that Ms. Mowry has partnered with the Providence community, Department of Health and the community on the H3C model. It's an invaluable model that RIHousing would like to replicate in other communities. Additionally, the leadership team at the Department of Health are part of the H3C Steering Committee.

Commissioner Designee Byrne then speculated that one third of the grant is for the planning process and wanted to know if that included writing of the plan or if staff envisions engaging another consultant to perform that task. Ms. Mowry confirmed that the fee includes the execution of the plan. RIHousing will not need to engage a separate consultant for the final plan.

Commissioner Saal said that the grant is for \$150,000 for which a third is for the consultant and the remaining funds designated for RIHousing's support of the initiative. He mentioned that addressing the homeless issue has been fragmented and as his office is charged with addressing the homeless issue, the Commissioner wanted to ensure that efforts were coordinated with the Department of Housing. He plans to direct the efforts to determine there are no duplication of processes to maximize services to ensure housing stability for the homeless.

Following the discussion, 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:** the enabling act of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) provides the agency with all the powers to make and execute contracts necessary for the exercise of its functions under the Rhode Island Housing and Mortgage Finance Corporation Act, R.I. Gen. Laws §42-55-5(6); and
- WHEREAS:** RIHousing was awarded a Healthy Housing, Healthy Communities grant to further the alignment between investments in housing and healthcare for vulnerable Rhode Islanders; and

**WHEREAS:** following an open competitive process for the receipt of proposals from qualifying firms, RIHousing seeks to engage HCH Enterprises, LLC for consulting services in support of the Healthy Housing, Healthy Communities grant.

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

**RESOLVED:** that the RIHousing Board of Commissioners is hereby authorized, to engage HCH Enterprises, LLC for a fee not to exceed \$60,000 for consulting services described in the scope of work set forth at Attachment B; and

**RESOLVED:** that engagement be subject to available funding and any administrative adjustments as the Executive Director determines to be necessary and reasonable, provided that the total fee shall not exceed \$60,000; and

**RESOLVED:** that the Executive Director and Deputy Executive Director of RIHousing, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions, including without limitation the authority to negotiate such terms of the engagement as she or he may determine are in the best interests of RIHousing, and to execute any and all agreements or documents as she or he deems necessary to carry out the foregoing.

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 Designee Byrne 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 officially announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:20 a.m.

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

Respectfully submitted,

Carol Ventura  
Secretary and Executive Director