

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

**October 21, 2021**

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Thursday, October 21, 2021 at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Library and via telephone conference call.

Carol Ventura, Executive Director, stated that this was an in-person meeting of the RIHousing board of Commissioners. As an additional means of promoting public participation, the meeting was also being made available via live teleconference. Ms. Ventura then introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

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

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. Additionally, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers stated that Chairman Retsinas would preside over the meeting and requested that any Commissioner or staff wishing to comment state their name prior to speaking and to mute the phone when not speaking. Ms. Myers also announced that RIHousing is returning to a voice vote for the actions. She then invited Chairman Retsinas to call the meeting to order.

A quorum being present, Chairman Retsinas introduced himself and officially called the meeting to order at approximately 9:37 a.m. The Chairman then invited Ms. Ventura to proceed with the roll call of Commissioners (in attendance).

Ms. Ventura conducted a roll call vote of Commissioners participating in the meeting. Commissioners participating were: Nicolas P. Retsinas; LeeAnn Byrne, Designee for General Treasurer Seth Magaziner; James Thorsen, Director of the Department of Administration; Elizabeth Tanner, Director of the Department of Business Regulation; 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; Claribel Shavers, Director of Leased Housing and Rental Services; Amy Rainone, Director Government Relations & Policy; 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 September 23, 2021**

Chairman Retsinas asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on September 23, 2021. A motion was made by Commissioner Designee Byrne and seconded by Commissioner Thorsen.

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

The commissioners voted to approve the minutes with five (5) votes in favor, Commissioners McAllister and Barry 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 September 23, 2021 hereby are approved.

**Chairman's Remarks**

Chairman Retsinas did not have anything to report.

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

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

**Homeownership.** Ms. Ventura reported that mortgage loan volume remains strong. RIHousing is on target to meet this year's goals and exceed last year's production.

**Loan Servicing.** Ms. Ventura was pleased to share that once again delinquencies have decreased for the month. In September RIHousing experienced a decrease in overall delinquency of 417 delinquent loans for a total of 1,437 delinquent loans out of the active portfolio of 11,214 loans. Additionally, 66% of the borrowers that requested forbearance agreements have reinstated mortgage payments.

**Development.** Ms. Ventura said that the RFP for the 2022 LIHTC was issued, and applications will be due December 17<sup>th</sup>. Staff continues to review several prospective 4% LIHTC deals as developers consider alternatives to the competitive 9% LIHTC round.

Continuing Ms. Ventura mentioned that staff is also reviewing 33 Building Homes Rhode Island (BHRI) applications submitted for funding. RIHousing expects that the Housing Resources Commission (HRC) will meet in early November to make recommendations.

**Leased Housing and Rental Services.** Ms. Ventura informed the Commissioners that staff has deployed approximately \$66 million in RentReliefRI funds. Additionally, significant outreach efforts are underway and have been scheduled at various community events to broaden and promote the benefits of the program.

Next, Ms. Ventura announced that the Homeowner Assistance Fund RI (HAF-RI) is another program to assist homeowners with their mortgage and utility payments. To date, over 1,289 people have signed up for updates, and notifications about the HAF-RI program are exhibited on the Corporation's new webpage ([www.HAF-RI.com](http://www.HAF-RI.com)). Staff is also considering launching a targeted pilot program to initiate and expedite the program.

Ms. Ventura was delighted to impart that RIHousing's Workforce Innovation Challenge (WHIC) program was selected as the recipient of a national award for program innovation from the National Council of State Housing Agencies (NCSHA). The award for 'Rental Housing: Encouraging New Construction' honors the WHIC program, which seeks to expand the range of housing options for Rhode Islanders. Ms. Ventura said that she was honored to accept such a prestigious national award during NCSHA's Annual Conference.

The Executive Director then informed the Commissioners that the House of Representatives' Special Commission to study land use policies in the state has begun meeting, and James Thorsen, Director of the Rhode Island Department of Administration, will represent RIHousing's Board of Commissioners on the Commission. Ms. Ventura expressed her appreciation to Commissioner Thorsen for graciously representing RIHousing.

Ms. Ventura acknowledged that the 2020 Low-and-Moderate Income Housing Chart has been finalized and thanked Amy Rainone, Director of Government Relations and Policy on her efforts in assembling the data for the chart. In 2020, the state preserved 190 units statewide, while producing 177 new units. Overall, the state lost about 200 units due to expiring deed restrictions, foreclosure, and the state's relocation of group home beds.

Finally, Ms. Ventura stated that on September 15th, Finance successfully executed a new bond issuance for the Homeownership Opportunity Bond Program. The tax-exempt portion of the bond sale provides \$150 million for new first-time homebuyer mortgage loans, while the taxable series provides \$10 million to refund higher cost bonds and \$18.5 million to purchase previously modified loans. As with previous issuances, the bonds were designated as Social Bonds, including the taxable series.

Ms. Ventura then welcomed questions from the Commissioners.

Commissioner Desingee Byrne referenced the deadline for Treasury's recapture of unspent RentRelief funds and asked if RIHousing is subject to that recapture.

Christine Hunsinger, Chief Strategy & Innovation Officer said that even though Rhode Island did not achieve the 30% expenditure goal for the first deadline, Treasury will not recapture those funds as RentReliefRI was just shy of that mark. However, staff will have to submit a plan.

Commissioner Designee Byrne then asked for a breakdown of the current timeline for distribution of funds from inception of an application to final approval. Ms. Hunsinger explained that most cases are assigned within 30 days with an additional 10 days to final disposition. Once the application is approved, it takes an additional 10 to 14 days for the tenant or landlord to receive the check. That time is an average as it varies depending on the expediency of the postal service and other factors outside of RIHousing's control.

Commissioner Thorsen asked for clarification regarding total number of days from start to finish of a client's request for assistance. Ms. Hunsinger clarified that it takes approximately 50 days from when an account is created in the system to when the tenant or landlord receives the check.

Commissioner Barry referenced the Low-and-Moderate Income Housing Chart data showing the loss of nearly 200 affordable housing units and commented that many are not aware of this fact. Outreach efforts would assist in spreading the word that retaining those units is important and vital to the State's affordable housing stock.

Ms. Ventura noted that Brenda Clement, Executive Director of HousingWorks RI was in attendance at the meeting, and mentioned that the HousingWorks RI Fact Book discusses this issue.

Ms. Ventura introduced Ms. Clement, who explained that her team has furnished presentations to legislators, mayors, various associations, and community events, and continuously looks for opportunities to share data and educate the public.

Ms. Ventura said that she would be pleased to invite Ms. Clement to give a presentation at a future Credit Committee meeting.

Commissioner Thorsen said that he would also appreciate scheduling a presentation for the Department of Administration. Ms. Clement said she looks forward to giving presentations to RIHousing and Commissioner Thorsen's organization.

### **Revised Firm Approval of Financing for Lincoln Lofts (Lincoln)**

Chairman Retsinas introduced Anne Berman, Director of Real Estate Development who gave the presentation.

Ms. Berman said that this request is for revised firm approval for a previously funded RIHousing taxable first mortgage loan for Lincoln Lofts (the "Development"). The original amount of the loan was \$700,000.00; the new proposed loan amount is \$1,000,000.00. Dakota Partners, Inc. ("Dakota" or the "Developer") is the developer and LL Owner, LLC is the borrower ("LL Owner" or "Borrower").

Lincoln Lofts is a recently completed 45-unit affordable housing development in Lincoln, Rhode Island, which was an adaptive reuse historic mill conversion. Dakota previously received an allocation of 2018 Low-Income Housing Tax Credit and firm approval of a permanent RIHousing taxable first

mortgage loan, a HOME program loan, a Housing Trust Fund loan, and a Capital Magnet Fund (“CMF”) loan. Construction of Lincoln Lofts commenced in June 2018 and was completed in November 2020. The Development has been fully occupied since January 2021.

The final total development costs for Lincoln Lofts were \$735,557.00 more than projected when this project commenced in June 2019. The increase in development costs was the result of design and scope changes required by the State Historic Preservation Office to comply with the requirements of the Federal Historic Tax Credit program, lead paint remediation costs, and increased costs associated with subpar and incomplete work by framing and masonry subcontractors that were not recouped through arbitration or legal proceedings.

The financing gap created by the additional total development costs is being filled with additional federal historic tax credit equity, a Lead Remediation loan of \$277,150.00 from RIHousing, additional deferral of developer fee of more than \$100,000.00, and the requested increase of \$300,000.00 for the first mortgage loan.

In closing Ms. Berman said that this request is for revised firm approval of the previously approved and funded taxable first mortgage loan from \$700,000.00 to \$1,000,000.00, subject to certain conditions as set forth in the attached Resolutions.

Following the presentation, Chairman Retsinas asked for a motion and a second for the Revised Firm Approval of Financing for Lincoln Lofts (Lincoln).

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

Commissioner Orth acknowledged that the Credit Committee reviewed and discussed the proposal. Commissioner Orth noted that it's not unusual when renovating historic mill projects to encounter additional unexpected expenses. The Committee also confirmed that the increase was not related to COVID issues. Commissioner Orth said that staff has proactively increased the hard debt and the Committee recommended approval.

Commissioner Thorsen referenced the Developer fee and asked if the owner has increased its portion to offset the debt. Commissioner Orth affirmed that the Developer has obligated another \$100,000 to offset the debt along with the \$300,000 increase of the first mortgage.

Commissioner Designee Byrne mentioned that she and the Treasurer recall that the Developer experienced a similar increase on another project and wanted to ensure that staff had done their diligence and scrutinized the estimates to make sure that the developer does not repeatedly underestimate costs. Commissioner Designee Byrne cautioned staff to be vigilant for patterns like this.

There being no further 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,** 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 loans shall have a term not to exceed forty (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 (“Applicant”) listed below presented an application to RIHousing requesting mortgage financing to acquire and/or rehabilitate the development as set forth below (the “Development”), which financing was approved by the RIHousing Board of Commissioners on February 21, 2019;

<b><u>Development</u></b>	<b><u>Applicant</u></b>	<b><u>Mortgage</u></b>
Lincoln Lofts	LL Owner, LLC	\$700,000.00

**Whereas,** the Applicant has presented and staff has reviewed a revised application to increase the permanent taxable mortgage from the previously approved amount of \$700,000.00 to \$1,000,000.00;

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

**Whereas,** RIHousing finds that:

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

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

(3) That the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons

or families of low and moderate income and that those sponsors are financially responsible;

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

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

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

**Resolved,** that subject to the special conditions listed below, RIHousing hereby declares firm commitment for an increase in the taxable first mortgage loan for LL Owner, LLC (the “Borrower”) originally approved by the Board on February 21, 2019 to a revised amount not to exceed \$1,000,000.00 for rental housing known Lincoln Lofts located in Lincoln, Rhode Island;

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

- Execution and delivery of such amended loan documents as shall be required by RIHousing to effectuate the increase in the principal loan amount as approved herein.
- Completion of all items required for closing in accordance with customary underwriting and processing requirements.

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

**Preliminary Approval of Financing for Factory and Main Street Apartments (Cumberland)**

Chairman Retsinas announced that Anne Berman would present this recommendation.

Ms. Berman said this request is for preliminary approval of a RIHousing tax-exempt construction loan in an amount not to exceed \$4,000,000.00 and a taxable permanent loan not to exceed \$300,000.00 for Factory and Main Street Apartments (“FM” or the “Development”). Valley Affordable Housing Corp. (“VAH” or the “Developer”) is the developer.

This preliminary approval will support the acquisition and rehabilitation of three existing portfolios, combining them into a single low-income housing tax credit (“LIHTC”) project. The 75 units are located in 18 buildings in scattered sites across a tight geographic area. The units and buildings are in average condition. Fifteen of the buildings were built in 1870 and three of the buildings were built in 2003.

VAH will undertake a moderate rehabilitation of the Development with both exterior and interior improvements. The scope of work for the renovation includes restoration of all deteriorated wood,

metal, masonry, and concrete items. Other items will include an improved dumpster enclosure, addition of gutters and downspouts, and privacy fencing. Thirty of the units will receive new kitchen cabinets, and all bathrooms will have subfloors replaced and tile flooring installed.

The Developer will complete the acquisition and rehabilitation of the Development using the proceeds from this tax-exempt financing and the sale of LIHTCs, the taxable permanent loan, a preservation loan, a sponsor loan, and a seller loan. Michel Associates, LTD (“Michel”) will be the syndicator purchasing the 4% LIHTCs at \$0.905 per credit.

There is approximately \$2,936,000.00 of existing debt on these properties comprised of first mortgages with both RIHousing and other lenders, RIHousing Targeted Loans, and State of Rhode Island Housing Resources Commission loans. The first mortgages will be paid off at closing, but the subordinate debt will be assumed by the new borrower entity. As part of the approval process, staff has determined that the Development and sponsor meet RIHousing’s requirement for rollover of existing debt.

Following the presentation, Chairman Retsinas asked for a motion and a second for Preliminary Approval of Financing for Factory and Main Street Apartments (Cumberland).

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

Commissioner Orth confirmed that the Credit Committee discussed the request, granted that the Developer had some issues in the past but is well versed in this type of smaller scattered site deals. Overall, the structure is sound. The Committee did note that the bridge loan is slightly high but suggested that pay-in installments be implemented. The Committee recommended approval.

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

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

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

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

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

**Whereas,** said bonds shall have a term not to exceed 36 months and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

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

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

<u>Development</u>	<u>Applicant</u>	<u>Tax-Exempt Bonds</u>	<u>Taxable Permanent Mortgage</u>
Factory and Main Street Apartments	Valley Affordable Housing Corp.	\$4,000,000.00	\$300,000.00

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

**Whereas,** RIHousing finds that:

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

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

**Resolved,** that subject to the special conditions listed below, RIHousing hereby declares preliminary commitment for tax-exempt mortgage financing for the Applicant in an

amount not to exceed \$4,000,000.00 for rental housing known as Factory and Main Street Apartments located in Cumberland, 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 \$4,000,000.00 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 subject to the special conditions listed below, RIHousing hereby declares preliminary commitment for taxable permanent financing for the Applicant in an amount not to exceed \$300,000.00 for rental housing known as Factory and Main Street Apartments located in Cumberland, Rhode Island:

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

- Syndication proceeds from the sale of 4% LIHTCs in an amount sufficient to ensure development feasibility;
- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the purchase price is supported and market oriented, and the first mortgage loan does not exceed 90% of the as stabilized value of the property;
- Final approval by RIHousing of construction plans, specifications, and supporting construction documentation;
- Execution and delivery by the Applicant of a construction completion guaranty in form and substance satisfactory to RIHousing;
- Approval by RIHousing of management documentation;
- 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
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

**Firm Approval of Housing Trust Fund Program Funding for School Street Apartments (Central Falls)**

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

Ms. Berman introduced this topic by saying that this request is for firm approval of up to \$171,801.00 in Housing Trust Fund Program (“HTF Program”) funding for School Street Apartments (the “Development”), a six-unit affordable housing development owned and operated by the Central Falls Housing Authority (“CFHA”). CFHA has partnered with ONE Neighborhood Builders (“ONB”) to develop this property. School Street Apartments received preliminary approval for \$171,801.00 in HTF Program funds from RIHousing on September 17, 2020.

CFHA, in partnership with ONB, will construct a six-unit affordable housing development at 4 School Street in Central Falls. The new units will replace the existing two-unit building on the site, which will be demolished. Five units will be HOME Program-assisted. One one-bedroom unit will be HTF-assisted, restricted to 30% area median income, and have a project-based voucher. The ongoing underwriting for the entire transaction revealed a small financing gap of approximately \$227,203.00. However, due to HTF program requirements, the proposed HTF funding must be committed prior to October 23, 2021. Therefore, this RFA requests firm approval of HTF Program funding in an amount not to exceed \$171,801.00; approval for the balance of the funding will be sought at a later date.

Chairman Retsinas then asked for a motion and a second for the Firm Approval of Housing Trust Fund Program Funding for School Street Apartments (Central Falls).

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

Commissioner Orth announced that the Credit Committee observed that the Developer might be expanding its geographic footprint and also considered ways to close the gaps in funding. The Committee thought the project was sound and recommended approval.

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

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

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

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) administers the HOME Investment Partnerships Program (“HOME Program”) and the Housing Trust Fund Program (“HTF Program”) funds by agreement with the U.S. Department of Housing and Urban Development;

WHEREAS, RIHousing is authorized to issue HTF Program funds to promote the acquisition, rehabilitation or preservation of affordable housing;

WHEREAS, RIHousing has preliminary committed \$171,801 in HTF Program funds to the School Street Apartments located in Central Falls (the “Development”);

WHEREAS, upon review of the document submission provided by Central Falls Housing Authority (“CFHA”), RIHousing staff has determined that the project is ready to proceed to construction and recommends firm approval of HTF Program funding;

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

WHEREAS, RIHousing finds:

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

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

(3) that the housing 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 Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing hereby authorizes firm approval of up to \$171,801.00 in HTF Program funds for the development of one HTF Program-assisted unit at the Development in accordance with the HTF Program regulations established by the U.S. Department of Housing and Urban Development;

RESOLVED, that the foregoing resolution is subject to completion of all items required for closing in accordance with normal underwriting and processing and HTF Program requirements; and

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

### **Approval of Transfer of Physical Assets (TPA) for Newport Heights**

- a. Newport Heights Phase 1A (Newport)
- b. Newport Heights Phase 1B (Newport)

Chairman Retsinas instructed Anne Berman to present the request.

Ms. Berman introduced the request by noting that it was an administrative matter that would be addressed in two (2) actions.

Ms. Berman stated that the first action would be for approval of the transfer of the limited partnership interest in Newport Heights Phase 1A (the “Development”), an affordable housing development for families located in Newport.

The owner of the Development is Trinity Newport Limited Partnership. The current general partner of the development is Trinity Newport, Inc. and it holds a .01% interest in the partnership. The two current limited partners in the Development are Garnet LIHTC FUND XXXII, LLC, the investor limited partner, and Transamerica Affordable Housing, Inc., the special limited partner (collectively, the “Transferor”). Collectively, the Transferor holds a 99.99% limited partner interest. The Transferor intends to withdraw and sell its partnership interests to Trinity Financial Asset LLC, an entity jointly owned by James G. Keefe and Patrick A.T. Lee, both affiliates of the general partner (collectively, the “Transferees”).

No new financing is currently anticipated. The Transferees are purchasing the partnership interest for \$1.00. The Transferees will assume all existing obligations encumbering the Development. The initial compliance period for the Development expired in 2019. Accordingly, the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor. The transfer will coincide with the completion of the initial compliance period for the low-income housing tax credits.

The current property manager is Trinity Management LLC, an affiliate of the Transferees and Trinity Financial, Inc., the developer. No change in the management agent is contemplated.

Chairman Retsinas thanked Ms. Berman for the presentation and asked for a motion and a second for the Approval of Transfer of Physical Assets (TPA) Newport Heights Phase 1A (Newport).

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

Commissioner Orth verified that the Credit Committee reviewed the request, acknowledged that the transaction complies with TPA requirements and there are no substantive issues with Phases 1A or 1B of Newport Heights.

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

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

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

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

WHEREAS: Trinity Newport Limited Partnership, the owner of Newport Heights Phase 1A (the “Development”), seeks approval of the transfer of its limited partnership interest from Garnet LIHTC FUND XXXII, LLC, the investor limited partner, and Transamerica Affordable Housing, Inc., the special limited partner, (collectively, the “Transferor”) to Trinity Financial Asset LLC; and

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

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the transfer of the limited partnership interest in the Development from Garnet LIHTC FUND XXXII, LLC, and Transamerica Affordable Housing Inc. be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by RIHousing of all application materials required in Phases 2 and 3 of the TPA Regulations (see § 3.4 of the TPA Regulations) except for such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and protection of the interests of RIHousing; and
2. Receipt by RIHousing of the transfer Processing Fee, as defined in § 3.4 of the TPA Regulations; and
3. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of RIHousing with respect to the Development.

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

- b. Newport Heights Phase 1B (Newport)

Ms. Berman then provided details of the transfer of physical assets for Newport Heights Phase 1B.

Ms. Berman reiterated that the owner of the Development is Trinity Newport Four Limited Partnership. The current general partner of the development is Trinity Newport Four, Inc. and it holds a .01% interest in the partnership. The two current limited partners in the Development are Garnet LIHTC FUND XXXII, LLC, the investor limited partner, and Transamerica Affordable Housing, Inc. the special limited partner (collectively, the “Transferor”). Collectively, the Transferor holds a 99.99% limited partner interest. The Transferor intends to withdraw and sell its partnership interest to Trinity Financial Asset LLC, an entity jointly owned by James G. Keefe and Patrick A.T. Lee, both affiliates of the general partner (collectively, the “Transferees”).

No new financing is currently anticipated. The Transferees are purchasing the partnership interest for \$1.00. The Transferees will assume all existing obligations encumbering the Development. The initial compliance period for the Development expired in 2019. Accordingly, the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor.

The current property manager is Trinity Management LLC, an affiliate of the Transferees and Trinity Financial, Inc., the developer. No change in the management agent is contemplated.

Chairman Retsinas then asked for a motion and a second for the Approval of Transfer of Physical Assets (TPA) for Newport Heights Phase “B”.

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

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

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

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

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

WHEREAS: Trinity Newport Four Limited Partnership, the owner of Newport Heights Phase 1B (the “Development”), seeks approval of the transfer of its limited partnership interest from Garnet LIHTC FUND XXXII, LLC, the investor limited partner, and Transamerica Affordable Housing, Inc., the special limited partner, (collectively, the “Transferor”) to Trinity Financial Asset LLC; and

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

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the transfer of the limited partnership interest in the Development from Garnet LIHTC FUND XXXII, LLC, and Transamerica Affordable Housing, Inc. be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by RIHousing of all application materials required in Phases 2 and 3 of the TPA Regulations (see § 3.4 of the TPA Regulations) except for such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and protection of the interests of RIHousing; and
2. Receipt by RIHousing of the transfer Processing Fee, as defined in § 3.4 of the TPA Regulations; and
3. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of RIHousing with respect to the Development.

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

**Approval to Provide Mortgage Loan Sub-Servicing and Document Custodian Services to Maine State Housing Authority**

Chairman Retsinas announced that Leslie McKnight, Assistant Deputy Director of Servicing, would present this recommendation.

Ms. McKnight said that the request was for authorization for RIHousing to continue to provide mortgage loan sub-servicing and document custodian services with respect to Maine State Housing Authority's ("Maine Housing's") residential loan portfolio for an additional three (3) year period (with a two (2) year renewal option). RIHousing believes that a continued sub-servicing arrangement with Maine Housing will provide a public benefit, serve to support housing for low- and moderate-income persons, and enhance RIHousing's ability to fulfill its obligations to the residents of the State of Rhode Island.

On August 18, 2016, RIHousing's Board of Commissioners authorized RIHousing to provide mortgage loan sub-servicing and document custodian services to Maine Housing and to enter a Sub-Servicing Agreement. Pursuant to that authority, on January 1, 2017, RIHousing entered into a Sub-Servicing Agreement with Maine Housing and began sub-servicing the portfolio. The Portfolio consists of approximately 6,600 loans secured by liens on single and multi-family homes, condominium units, and mobile homes located throughout the State of Maine. RIHousing's responsibilities under the Sub-Servicing Agreement include, among others:

- Collecting customers' monthly mortgage payments and remitting those payments to Maine Housing;

- Providing customers with requisite state and federal notices and other documents, such as tax reports and payoff statements;
- Performing escrow administration functions and monitoring and maintaining insurance coverage on the properties that constitute the Portfolio's collateral;
- Reporting loan-level data to credit reporting bureaus, responding to customer inquiries, and resolving reporting disputes; and
- Serving as Maine Housing's document custodian.

The Sub-Servicing Agreement will expire on December 31, 2021, and Maine Housing has expressed a desire to continue the sub-servicing relationship with RIHousing.

RIHousing staff, including the Chief Financial Officer, Chief Operating Officer, Director of Finance, and Assistant Deputy Director of Loan Servicing, have evaluated and analyzed the existing sub-servicing arrangement with Maine Housing, including pricing under the existing Sub-Servicing Agreement and relevant industry-standards, and have developed a proposal for the continuation of the sub-servicing relationship.

Chairman Retsinas thanked Ms. McKnight for the presentation and asked for a motion and a second for the Approval to Provide Mortgage Loan Sub-Servicing and Document Custodian Services to Maine State Housing Authority.

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

Commissioner Thorsen requested some information on the history of RIHousing's relationship with Maine Housing. Ms. McKnight responded that the relationship is excellent. She believes Maine Housing is extremely satisfied with the service RIHousing provides and with the open lines of communication at all levels of the Corporation.

Ms. McKnight mentioned that Maine's executive Director is very pleased with the service and relationship that RIHousing provides.

Commissioner Orth remarked that in 2016 the Corporation viewed this endeavor as a potential new line of business. The Commissioner wanted to know if RIHousing is planning to grow the business and service other States. Ms. Ventura responded that the Corporation also services the loans in the context of the Clean Water program. Staff is researching if there's an appetite among other State HFAs for similar services, but other HFAs seem to require a different level of servicing (master loan servicing versus sub-servicing). RIHousing has the capacity and know-how to service similar entities as Maine Housing.

Chairman Retsinas asked if there are other State HFAs that provide servicing to other housing agencies. Ms. McKnight responded that Idaho and Alabama service other States, however they are focused on the TBA servicing whereas the Corporation's emphasis is on the Mortgage Revenue Bonds mortgages. Ms. McKnight did maintain that she is open to servicing other portfolios if the opportunity surfaces.

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

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

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

Whereas, Pursuant to the Sub-Servicing Agreement entered into by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) and Maine State Housing Authority (“Maine Housing”) on January 1, 2017, RIHousing currently sub-services and provides document custodian services with respect to Maine Housing’s residential loan portfolio (the “Portfolio”); and

Whereas, The Sub-Servicing Agreement will terminate on December 31, 2021; and

Whereas, Maine Housing would like to continue to engage RIHousing to provide it with the aforementioned services; and

Whereas, RIHousing finds:

- (1) that continuing to sub-service the Portfolio will provide a public benefit, serve to support housing for low- and moderate-income persons, and enhance RIHousing’s ability to fulfill its public obligations to the residents of the State of Rhode Island; and
- (2) that RIHousing, in the legitimate exercise of its business judgment and public mission, has determined that continuing to sub-service the Portfolio will be synergistic with RIHousing’s capabilities, staffing, and resources; and
- (3) that continuing to sub-service the Portfolio and entering a Sub-Servicing Agreement with Maine Housing is within its authority and consistent with the provisions of the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That RIHousing be and hereby is authorized to provide mortgage loan sub-servicing and document custodian services to Maine Housing, and enter a Sub-Servicing Agreement with Maine Housing, structured generally in accordance with the description contained herein, with such changes as the Executive Director, Deputy Executive Director, Chief Financial Officer, and Chief Operating Officer may, each in his or her sole discretion, determine to be necessary or advisable.

Resolved, that the Executive Director, Deputy Executive Director, Chief Financial Officer, Chief Operating Officer, and the designee of any such person, each acting singly, be and hereby are authorized and directed to execute and deliver any agreements, documents,

or other instruments necessary for RIHousing to effectuate the sub-subservicing of the Portfolio.

Resolved, that the Executive Director, Deputy Executive Director, Chief Financial Officer, Chief Operating Officer, and the designee of any such person, each acting singly, be and hereby are authorized and directed to perform any action he or she deems necessary and in the best interests of RIHousing to carry out the foregoing resolutions.

Resolved, that all actions previously taken by the Executive Director, Deputy Executive Director, Chief Financial Officer, Chief Operating Officer, and/or the designee of any such person regarding the sub-servicing of the Portfolio be and are hereby ratified.

There being no further business to discuss, Chairman Retsinas asked for a motion to adjourn the Board of Commissioners meeting. A motion was duly made by Commissioner Designee Byrne and seconded by Commissioner Barry 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 next announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:13 a.m.

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

Respectfully submitted,

Carol Ventura  
Secretary and Executive Director