

MEMO

To: Board of Commissioners
From: Carol Ventura
Date: August 17, 2023
Subject: Monthly Update

PROGRAM NEWS

HOMEOWNERSHIP

Product	2022 Actual (units)	2023 Goals (units)	2023 Units (at 7/31/23)	2023 Funded (at 7/31/23)
	Closed/Funded			
<i>First Mortgage</i>	1,365	1,400	921	\$308.4 million
<i>Statewide DPA</i>	-	510	755	\$13.21 million
<i>FirstGenHomeRI</i>	36	-	11	\$275,000

Homeownership recorded strong production in July with 171 first mortgages funded and closed on volume of \$58 million. This production reflects an increase of 54% in unit production as compared to July 2022. For the seven months ended July 31, 2023, volume production increased 26.8% for the same period in 2022.

Homeowner Assistance Fund RI (As of 7/31/23)	
# of Applications Received	4205
# Funded	1773
\$ Amount Committed	\$45,244,263.60
\$ Amount Expended	\$40,385,058.00
\$ Amount Remaining	\$255,736.40

On July 25th, RIHousing closed the Homeowner Assistance Fund Rhode Island (HAF-RI) program to new applications. Launched in January 2022, HAF-RI provided much-needed financial assistance to eligible Rhode Island homeowners who struggled to pay their mortgage and/or other housing-related expenses due to the COVID-19 pandemic. Funded via the federal Homeowner Assistance Fund that was approved as part of the American Rescue Plan Act in spring 2021, Rhode Island received \$50 million in program funds.

LOAN SERVICING/ASSET MANAGEMENT

Program	As of 12/31/22	2022 Invested	As of 7/31/23	2023 Invested
RIH Single-Family Portfolio	20,774 loans	\$2.27 billion	21,208 loans	\$2.49 billion
Multi-Family Portfolio	701 loans	\$1.01 billion	725 loans	\$1.05 billion
MSS Single-Family Portfolio	6,481 Loans	\$637.51 million	6,500 Loans	\$660.17 million
Madeline Walker Portfolio	191 liens	\$1.30 million	167 liens	\$1.24 million
REO Portfolio	11 homes	\$.87 million	11 homes	\$1.49 million

LIHTC Portfolio			
TOTALS		\$3.81 billion	\$4.20 billion

**Includes loans serviced for others i.e., loans sold TBA, Federal Program loans, Conduit loans*

Delinquency Update:

	As of 7/31/23
# Overall Delinquent Loans	1,305
Total Active Portfolio	11,803
Delinquency Rate	11.06%
Seriously Delinquent (90+ days)	417 (3.53%)

DEVELOPMENT

Update on Implementation of State Appropriated Development Programs

Status of Previously Awarded State Fiscal Recovery Funds (SFRF)

PROGRAM	(As of 7/31/23)	\$ Available	\$ Committed	\$ Expended	Units Funded	Units Complete	Comments
RI Rebounds (SFRF)		\$ 20,000,000	\$ 14,750,000	\$ 4,973,426	550	36	7 projects under construction
ARPA Production Fund - DAH2 (SFRF)		\$ 75,000,000	\$ 57,072,817	\$ -	1042	0	"Units funded" are ARPA eligible units only.
Community Revitalization Program (SFRF)		\$ 20,000,000	\$ 16,413,250	\$ -	702	0	"Units funded" are ARPA eligible units only.
Middle Income Program (SFRF)		\$ 20,000,000	\$ 9,470,000	\$ -	132	0	"Units funded" are ARPA eligible units only.
Acquisition Revitalization Program		\$ 9,000,000	\$ 5,377,850	\$ -	124	0	Residential and Commercial, Units funded are ARPA Eligible units only.
Capital Magnet Fund		\$ 11,400,000	\$ 3,316,000	\$ -	472	0	
HOME-ARP (Production)		\$ 9,000,000	\$ 2,000,000	\$ -	7	0	
HOME Program		\$ 5,000,000	\$ 5,000,000	\$ -	44	0	
Housing Trust Fund		\$ 2,340,000	\$ 2,340,000	\$ -	15	0	
Site Acquisition I (SFRF)		\$ 15,000,000	\$ 14,494,732	\$ 13,641,405	569	26	
Site Acquisition II (SFRF)		\$ 10,000,000	\$ 6,413,750	\$ -	219	0	10 SAP II - Awarded since July 1st
Housing Production Fund		\$ 10,000,000	\$ 10,000,000	\$ 1,684,143	392	0	
					Units Anticipated		
Predevelopment (SFRF)		\$ 10,000,000	\$ 5,213,850	\$ -	980	0	Documents finalized; closing scheduled for Aug & Sept
HOME Program - Received an additional \$500K to the \$ available from previous rounds.							
HTF Program - Received an additional \$240K to the \$ available from previous rounds.							

Development Pipeline: Staff continues to meet with developers on a regular basis to ensure transactions are moving forward and will achieve firm commitment and closing within required timelines. We are beginning to hear from syndicators that credit pricing may be dropping due to the bank failures in the spring, the abundance of deals seeking syndication across the region and higher interest rates which trigger syndicators to require higher yields.

Staff is updating the Developer’s Handbook, Proforma and One Stop Application for the next Consolidated Funding Round. The goal is to issue the next Request for Proposals for tax credits and gap financing in late September.

Other SFRF Funded Programs:

- **PHA Pilot Program:** (\$10 million) To date, we have received 4 applications for assistance under the PHA Pilot Program.
- **Predevelopment:** (\$10 million available) \$5.2 million has been approved as of 7/31/23.

- **Home Repair Program:** (\$5 million) Program is being designed and implemented by the Department of Housing

Housing Production Fund (\$25 million)

- **HPF:** (\$10 million) Fully obligated. Financing 7 developments which will include 360 affordable units and 32 market rate units. One project is complete, four projects are under construction, and the remaining 2 projects are projected to close in late August and October respectively.
- **HPF-ELI:** (\$10 million) In total \$5.594 million been obligated to support 77 30% AMI units. HPF-ELI will be included in the next Consolidated RFP.

Other updates

Housing Investment Fund (HIF): The RFP was issued in early July. To date we have received 5 applications which are currently under review. Applications are being accepted on a rolling basis.

LEASED HOUSING AND RENTAL SERVICES

Updates:

- Welcome Katie Michaud, Assistant Director who joined us in July.
- A program bulletin was sent to all of our property management partners formally introducing Procorem, our new online communication tool for our multifamily asset management and compliance portfolio. Partners are gaining access to the system and full implementation will begin in the next two months.
- Our private vendor consultant completed review of our Housing Choice Voucher tenant files and reports that 92% of files reviewed had zero observations. Current processes are being reviewed and staff will be making recommendations to our HCVP software vendor to remedy some minor system related workflow concerns that were identified.

COMMUNICATIONS

MEDIA COVERAGE

- **Providence Business First:** Pennrose breaks ground on Fox Point apartment building (Jul 27)
- **WPRI:** RI launches new website to aid in search for affordable housing (July 19)
- **Boston Globe:** R.I. launches website to centralize search for affordable housing (July 19)
- **New England Real Estate Journal:** Dakota Partners receives funding from RIHousing for Southpoint Commons (July 14)
- **Moody's Investors Service:** RHODE ISLAND HMFC - HOMEOWNERSHIP OPPORTUNITY BONDS -- Moody's assigns Aa1 to RI Housing's HOB Series 80-A and 80-T-1 (July 10)
- **What's Up Newp:** Legislation to spur housing development across Rhode Island signed into law (July 5)
- **WPRI:** Short-term housing secured for Johnston complex fire victims (June 28)
- **Providence Business News:** \$35.7M Paragon Mill apartment project completed in Providence (June 22)
- **Providence Journal:** State funding helped office building conversion in downtown Providence to tiny apartments (June 14)
- **What's Up Newp:** Rhode Island General Assembly passes bill sponsored by Sen. Euer that extends foreclosure protections (June 12)
- **ABC6:** Providence leaders cut the ribbon on The Studley Building (June 12)

- **Boston Globe:** Number of Rhode Islanders experiencing homelessness during annual winter count up 15 percent over last year (June 6)

COMMUNICATIONS & OUTREACH

305 Owen Avenue Ribbon Cutting (August 7th): RIHousing joined Pawtucket Central Falls Development (PCFD) for a ribbon cutting for 305 Owen Avenue. This homeownership opportunity utilized the Site Acquisition Program to purchase and rehabilitate a vacant single-family house in Pawtucket. The first-time homebuyers, the Lobo family, purchased the home for \$249,000 and was present at the ceremony.

Parcel 9 Phase I Groundbreaking (July 27th): RIHousing joined Pennrose and the I-195 Redevelopment District on a groundbreaking of Parcel 9 Phase I in Providence. The new construction, mixed-use, mixed-income development will provide a total of 66 units as well as a childcare facility. The project is a “twinning” deal that includes both 4% and 9% housing credits.

Homeowner Assistance Fund Rhode Island Closed to New Applicants (July 25th): The Homeowner Assistance Fund Rhode Island (HAF-RI) program has closed to new applications after successfully helping more than 1,700 homeowners. Remaining HAF-RI funds are projected to be depleted in the coming weeks through the applications in process. Homeowners who have applied for assistance but have not yet been approved will be notified about the status of their application.

Affordable Housing Online Database Launched (July 18th): During the 2022 session, the Rhode Island GA passed legislation (H-7944A/ S3051) calling for the creation of a new online database to be managed by RIHousing. The online searchable database includes information on low-income rental units across the state, including contact information for developments, application information as available, and information relative to key populations a development may serve. The online database is an expansion of the pre-existing housingsearchri.org.

Parcel 6 Ribbon Cutting (June 22nd): RIHousing joined the Governor, I-195 Redevelopment District, D+P Real Estate and others in a ceremonial ribbon cutting of Parcel 6, a mixed-use and mixed-income development. The development includes three buildings, including a grocery store and two mixed-use buildings with 62 housing units of which 31 are workforce housing for residents with incomes between 80-120% AMI.

50 Mavis Ribbon Cutting (June 16th): RIHousing joined Pawtucket Central Falls Development (PCFD) for a ribbon cutting for 50 Mavis Street in Pawtucket. The development involves the new construction of 5 townhouse condominium homeownership units. The project received funding through the Homeownership Investment Fund.

UPCOMING EVENTS

390 Pine Street Ribbon Cutting (August 28th): RIHousing will join Pawtucket Central Falls Development (PCFD) for a ribbon cutting for 390 Pine Street, also known as Shri Studios. The development involved the rehabilitation of a historic textile mill in Pawtucket. The renovated building will now serve as the home for local businesses, organizations and social enterprises, as well as 5 rental units affordable to residents up to 120% AMI and 3 market-rate units.

Pineview Apartments Ribbon Cutting (August 23rd): RIHousing will join Women’s Development Corp. in a ribbon cutting for Pineview Apartments. The newly constructed apartments provides 40 additional affordable units to the town of Exeter, increasing the percentage of affordable housing in the town to nearly 4%. The homes are affordable to residents with incomes up to 60% AMI.

GOVERNMENT RELATIONS

FEDERAL

FY2024 Senate Omnibus Appropriations Bill: The House and Senate Appropriations Committees have passed their FY24 Transportation, Housing and Urban Development (T-HUD) Appropriations bills which fund most housing programs. The House bill provides \$68.2 billion in funding for HUD and proposes significant cuts to some programs including a \$1 billion cut to the HOME program. The Senate bill provides just over \$70 billion for HUD, maintaining or slightly increase funding for a number of HUD programs, including level funding of \$1.5 billion for the HOME program. The Senate bill also includes language advocated for by Senator Reed which authorize HUD to use cooperative agreements and a Notice of Funding Opportunity (NOFO) to select performance-based contract administrators (PBCAs) and directs HUD to allow PHAs to apply on a state by state basis, with selection criteria emphasizing experience in administering rental assistance, preservation, and addressing the concerns of low-income tenants. The path forward for enacting FY24 appropriations legislation remains unclear, however, with the House and Senate advancing widely divergent bills in terms of both funding and policy. Congress has until September 30th to enact funding bills through regular order, pass a continuing resolution, or face a government shutdown.

STATE

FY2024 Final Budget: On June 16th, Governor McKee signed the \$14 million FY24 RI Ready budget. The bill language can be accessed here: [FY2024 Revised Budget Bill](#). The final budget accepts most of the initial housing related proposals made by the Governor. Additions were made to the initial federal State and Fiscal Recovery Funds allocated to housing related initiatives. The total SFRF funds allocated to housing and homeless programs is now \$321.5 million. The budget also includes funds to create a new state housing tax credit program to be administered by the Department of Housing and provided start-up funding for a new subsidiary organization of RIHousing to support “proactive housing development”.

End of Session: The 2023 General Assembly session saw significant new investments in housing and homeless programs as well as an unprecedented volume of housing related bills. The FY24 budget included \$101.5 million in new housing investments including \$1.4M for proactive housing development through a new RIHousing subsidiary organization, and \$30 million for a new state low-income housing tax credit. This year’s investments brings the total of State Fiscal Recovery Funds (SFRF) allocated to housing and homeless programs to \$321.5 million, of which RIHousing is administering \$206.4 million.

On the legislative side, RIHousing staff tracked 322 bills this session. The Foreclosure Mediation Bill (H5761/S2163), the only legislation requested by RIHousing, was passed resulting in the foreclosure mediation program being made permanent. Speaker Shekarchi took the lead on a package of 14 bills designed to remove barriers to housing development and streamline the approval process. All but one of those bills became law. RIHousing is providing assistance through the Municipal Technical Assistance Program we are administering to help municipalities implement the changes required under these bills. Several bills were passed to augment protections against lead hazards including legislation eliminating the exemption of owner occupied 2-3 unit properties from the state’s lead laws, a bill establishing a registry of rental properties including certificates of conformance with the lead law where applicable, and legislation establishing a lead water supply replacement program for public and private service lines.

Municipal Technical Assistance Program: On June 8th, RIHousing launched the Municipal Technical Assistance Program (MTAP) which is funded through the State’s Housing Production Fund. Through the program, municipalities can secure technical assistance from a pool of 11 consultants for a range of eligible activities designed to reduce barriers to housing development. To date we have approved 3 applications for assistance totaling up to \$205,600 and provided preliminary approval for 17 additional applications. We have also contracted with one of the consultants, Weston & Sampson, to create a set of template documents to assist municipalities in implementing the package of land use and planning bills passed by the General Assembly this year. Those template documents should be available to all municipalities by mid-September.