

# **DRAFT**

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

A regular meeting of the Rhode Island Housing and Mortgage Finance Corporation Board of Commissioners was held on Thursday, March 17, 2005 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman Anthony Marouchoc; Vice Chairwoman Denise Barge; A. Michael Marques, Director of Department of Business Regulation; Kerrie Bennett, designee for General Treasurer Paul J. Tavares; Michael Tondra, designee for Beverly E. Najarian, Director of Department of Administration; Christine Curley and Jose Monteiro.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Thomas F. Hogg, Chief Financial Officer; Susan Bodington, Deputy Director; John Gordon, Director of Asset Management; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing; Erin Reedy, Director of Development; Michael V. Milito, Deputy Assistant Director of Law and Human Resources and Chris Barnett, Public Information Officer.

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

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation and at the second floor bulletin board in the State House.

Chairman Marouchoc called the meeting to order at approximately 8:30 a.m.

### **Approval of Minutes of Board Meeting Held February 17, 2005**

Commissioner Curley was not present to motion or vote on the minutes. Commissioner Curley arrived at 8:35 AM.

Upon a motion made by Commissioner Bennett and seconded by Commissioner Monteiro, the following was adopted:

VOTED: That the Minutes of the Board Meeting held February 17, 2005 hereby are approved.

### **Chairman's Report**

Chairman Marouchoc announced that the Senate had reconfirmed Commissioner Barge's appointment to the Rhode Island Housing's Board. Chairman Marouchoc also welcomed Michael Tondra as designee for Brian Stern to the meeting.

Chairman Marouchoc notified the commissioners that Stephen Richard, counsel to Rhode Island Housing is leaving the firm of Tillinghast Licht and that Susan Leach DiBlasio would be assisting Steve during the transition period. Chairman Marouchoc thanked Steve Richard for his hard work and dedication to Rhode Island Housing and extended the board and staff's best wishes for the future.

Chairman Marouchoc announced that the April Board meeting is cancelled.

## **Committee Reports**

Chairman Marouchoc announced that the Audit Committee will meet immediately following the board meeting at 9:30 a.m.

A Legislative Committee Meeting is scheduled to be held on Friday, March 18, 2005 and the Budget Committee will meet to interview Bond Underwriting firms on March 22, 2005.

## **Executive Director's Report**

Mr. Godfrey referred the Commissioners to the Executive Director's Report, which had been previously distributed and briefly commented on several items including the efforts that Bank RI and the Urban League are undertaking to form a pilot program to review the tax collection system.

## **Approval of HOME Awards**

Susan Bodington, Deputy Director for Policy and Programs, made this presentation. Mr. Godfrey did not participate in the evaluation or decision making regarding the HOME funding since an organization which his wife directs was one of the applicants for funding. Commissioner Curley participated in reviewing each of the proposals.

Rhode Island Housing has administered the HOME Investment Partnerships Program since 1992. This year, the Corporation anticipates executing a grant agreement with the United States Department of Housing and Urban Development (HUD) to disburse \$5,350,039 in FY 2005 HOME Program funds. In October 2004 the Board of Commissioners approved the funding of 14 projects totaling \$1,431,150.

Twenty-six (26) applications requesting more than \$6.8 million from the HOME Program were submitted to the Corporation on January 21, 2005. All applications were reviewed for eligibility, additional information was requested where necessary, and staff conducted site visits of selected proposals.

Representatives from each of the proposed recipients were present and available to respond to questions from the Commissioners.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge the following resolution was adopted:

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

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (the "Corporation") intends to enter into an agreement with the U.S. Department of Housing and Urban Development to administer the HOME Program and;

WHEREAS: The Corporation anticipates authorization to disburse \$2,546,413 in Federal Fiscal Year 2005 HOME funds to eligible entities in order to create affordable housing opportunities, and;

WHEREAS: The applicants listed in Attachment B have submitted applications which meet the requirements of the HOME Program and;

WHEREAS: Staff of the Corporation and the HOME Program Advisory Committee have reviewed each of the eligible applications submitted and the Advisory Committee has recommended that HOME funds be committed to the proposals in ttachment B;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Corporation anticipates authorization to commit \$2,546,413 in Fiscal Year 2005 HOME funds and program income, in accordance with the program description as approved by the United States Department of Housing and Urban Development, to the proposals as recommended by the HOME Program Advisory Committee in AttachmentB.

RESOLVED: That the Executive Director and the Deputy Director for Programs, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

### **Approval of Changes to HOME Regulations**

Mr. Godfrey gave an overview of these regulations.

Since its inception in 1992, the Rhode Island HOME Program has financed the acquisition, construction and rehabilitation of 2,350 affordable homes and apartments throughout the State. More than \$46 million in HOME Program funds have been committed by Rhode Island Housing. Annually, HOME funds invested in developments generate approximately \$27 million in other public funds and private financing. In January 2004 Rhode Island Housing staff reviewed the HOME Program Regulations adopted in 1992 for consistency with the goals of the State Consolidated Plan and the housing needs of low and very low-income individuals and families in Rhode Island and determined that certain changes were needed.

The proposed changes primarily involve the prioritization of activities submitted for funding. High funding priorities include the acquisition, rehabilitation and/or new construction of apartments and homes for low and very low-income individuals and families as well as special needs groups. Preservation of existing affordable homes and apartments and funding for elderly apartments remain a medium HOME priority. The amended HOME application scoring system now includes bonus points for projects being developed within designated areas of an approved City/Town Housing Plan.

Upon a motion made by Commissioner Barge and seconded by Commissioner Curley the following resolution was adopted:

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

Resolved: That the Corporation be and hereby is authorized and empowered to cause the proposed Amended HOME Program Regulations of the Corporation governing the HOME Investment Partnerships Program to be published in accordance with the applicable provisions of the Administrative Procedures Act, (the "Act") contained in Chapter 35 of Title 42 of the General Laws of Rhode Island 1956, as amended, and that the Executive Director, the Deputy Director for Programs, or his/her designee be, and hereby is, authorized to take any and all action as may be necessary or desirable to comply with applicable provisions of the Act.

### **Approval of Contract with Comprehensive Housing Strategy Consultant**

Mr. Godfrey gave this presentation.

The Housing Act of 2004 included a requirement that the Housing Resources Commission, in conjunction with Statewide Planning, develop a five-year strategic plan for housing to be adopted as an element of the state guide plan.

The United Way of Rhode Island and the Rhode Island Foundation have each committed \$50,000 to hire a consultant to assist in the development of the plan. Since the foundation funds must be granted to a nonprofit entity, Rhode Island Housing's nonprofit subsidiary, the Rhode Island Housing Development Corporation, will serve as the Fiscal Agent.

A Selection Committee was formed composed of the Chair of the Housing Resources Commission, the Co-Chairs of the Office of Policy and Planning, and representatives of Rhode Island Housing, the Rhode Island Foundation, the United Way, Statewide Planning, the Governor's office, and a Town Planner. A Request for Proposals (RFP) was advertised for professional consulting services to assist the Rhode Island Housing Resources Commission in developing the State Strategic Plan for Housing. In addition, the RFP was sent to over forty firms with experience in strategic planning. Five firms responded to the RFP; Abt Associates Inc., Daylor Consulting Group Inc., Economic & Policy Resources, Harrall-Michalowski Associates, and Antonio DiMambro + Associates, Inc.

After reviewing the applications, the Selection Committee selected two firms to invite for interviews, Abt Associates Inc. and Antonio DiMambro + Associates, Inc. Following the interviews, the Selection Committee recommended contracting with Abt Associates to develop the strategic plan based on the capacity and experience of the firm, their proposed approach, and budget. The budget proposed by Abt Associates is \$191,783. The Housing Resources Commission will be voting on approval of the consultant at their quarterly Board meeting on February 11<sup>th</sup> 2005.

Upon a motion made by Commissioner Barge and seconded by Commissioner Monteiro the following resolution was adopted subject to approval from the Housing Resources Commission:

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

RESOLVED: That the Corporation be, and it hereby is authorized, to engage Abt Associates Inc. to assist the Housing Resources Commission in the development a Five-Year Strategic Plan for Housing, contingent on funding availability.

RESOLVED: That the Executive Director and the Deputy Director for Programs, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

**Approval of Memorandum of Agreement with Housing Resources Commission**

Mr. Godfrey outlined this proposal.

The Rhode Island Housing Resources Act of 1998, (the "Act") Chapter 128 of Title 42 of the Rhode Island General Laws, established the Rhode Island Housing Resource Agency and the Housing Resources Commission (the "Commission"). The Act directed Rhode Island Housing and the Housing Resources Commission to develop and enter into a memorandum of agreement setting forth the fiscal, operational and programmatic relationship between these entities.

Recently, the Governor established the Office of Housing and Community Development within the Department of Administration. This Office will consolidate the state's housing initiatives and provide

additional staff support to the Housing Resources Commission through the hiring of an Executive Director. The administrative operations of the Commission staff will be overseen by an Associate Director for Planning in the Department of Administration. The Housing Resources Commission continues to have responsibility for housing policy and planning.

Upon a motion made by Commissioner Marques and seconded by Commissioner Curley the following resolution was adopted:

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

Whereas: the Housing Resources Act of 1998 requires that Rhode Island Housing and the Housing Resources Commission enter into a Memorandum of Agreement, and;

Whereas: the Coordinating Committee of the Housing Resources Agency has approved the Memorandum of Agreement as set forth in Attachment A, and;

Whereas: the Memorandum of Agreement has been approved by the Housing Resources Commission;

Now, therefore, it is hereby;

Resolved: That Rhode Island Housing and Mortgage Finance Corporation is authorized to enter into the Memorandum of Agreement, substantially in the form set forth in Attachment A;

Resolved: That the Executive Director and the Deputy Director for Programs, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

**Approval of Contract with Organizational Consultant**

Mr. Godfrey outlined this proposal.

Rhode Island Housing is in the process of updating its Strategic Plan to respond to changes in the affordable housing environment nationally and in Rhode Island, so that it can continue to fulfill its mission. Past and anticipated future changes at Rhode Island Housing have increased the need for the management, staff and Board of Commissioners to be more proactively involved in the administration of the organization to meet anticipated challenges.

Staff determined that outside assistance was needed to address the following critical components of staff development and strategic planning:

- Enhancing Management Capabilities
- Designing and Conducting Leadership Development Programs
- Developing and Facilitating Board and Staff Retreats
- Providing Individual Coaching for Executive Management Group
- Engaging External partners in agency mission

The exact services will be discussed and designed from time to time during the term of the engagement between Rhode Island Housing and the provider.

On February 11, 2005 Rhode Island Housing issued a Request for Proposals (RFP) from experienced organizational development consultants to assist it in the effective and efficient implementation of our Strategic Plan and vision for the future. The RFP was sent to six organizational consulting firms and posted on the website maintained by the Rhode Island Division of Purchasing.

The following firms submitted proposals:

- New Commons
- Hay Group, Inc.
- Cope & Associates

Following evaluation of each proposal, staff recommends that New Commons be engaged to provide organizational development services. New Commons was chosen because it was the lowest bid, is a local firm and its principal is familiar with Rhode Island Housing.

Upon a motion made by Commissioner Curley and seconded by Commissioner Monteiro the following resolution was adopted:

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

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) intends to engage in strategic planning and organizational development; and

WHEREAS: The activities will occur over a two year period; and

WHEREAS: Staff recommends awarding the Organizational Development Consultant Contract to New Commons for an estimated annual amount of \$40,000; and

NOW, THEREFORE IT IS HEREBY:

RESOLVED: That the Corporation be, and it hereby is authorized, to award a contract to New Commons for the performance of strategic planning and organizational development consultant services.

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

**Approval of Preservation Financing for Riveredge**

Mr. Godfrey gave this presentation.

This Request for Action (RFA) is for preliminary approval of financing for Riveredge Village Apartments, an existing elderly development originally financed by Rhode Island Housing (RIH). The new owners have requested new financing through RIH’s Preservation Program to preserve the property’s long-term affordability.

Mr. Godfrey recognized Mr. Baptista who thanked the commissioners for their consideration for this request.

Upon a motion made by Commissioner Curley and seconded by Commissioner Monteiro the following resolution was adopted:

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

- Whereas,** Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of the Corporation have promise of supplying well-planned, well-designed apartment units which will provide housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;
- Whereas,** the Corporation intends to issue tax-exempt bonds for the purpose of financing qualified housing developments throughout the state;
- Whereas,** said bonds shall have a term not to exceed thirty (30) 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 has presented an application to the Corporation requesting tax-exempt financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Tax Exempt Financing</u>
Riveredge Village Apartments	Manton/River Associates, L.P.	\$3,312,000

- Whereas,** Corporation staff has reviewed the submission and determined that this development may qualify for non-recourse financing under the Corporation’s enabling legislation, regulations, guidelines and policies.

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

- Resolved,** That, subject to the special conditions listed below, the Corporation hereby preliminarily approves tax exempt mortgage financing to Manton/River Associates, L.P. in an amount not to exceed \$3, 312,000 for rental housing located in Providence, Rhode Island to be financed by tax-exempt bonds;
- Resolved,** That the Corporation hereby declares that the preliminary approval of financing for the Borrower constitutes the affirmative official act of the Corporation of its intention to issue bonds to finance up to a \$3,312,000 first mortgage, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced develop pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.
- Resolved,** That the foregoing resolutions are subject to the following conditions:
- An executed Purchase and Sale Agreement.
  - Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

- Acceptable final appraisal by an independent appraiser demonstrating that the loan does not exceed 90% of the as-stabilized value of the property.
- Provision of an acceptable letter of commitment from the equity provider for the transaction demonstrating equity proceeds from 4% Low Income Housing Tax Credits in an amount sufficient for development feasibility.
- Approval by RIH of all members of the development team, including contractor and management agent.
- Approval of a new operating budget.
- Approval by RIH of construction plans and specifications, and construction documentation.
- FHA Risk-Sharing approval for up to 50% of the first mortgage.
- Approval by bond underwriter and bond counsel that the loan will satisfy all required bond provisions for the bond issue.

**Approval of Refinancing of Maple Gardens I**

Mr. Godfrey gave a review of this request.

This request for action (RFA) is for preliminary approval of financing for Maple Gardens I, an existing elderly development originally financed by Rhode Island Housing (RIH). The new owners have requested new financing through RIH’s Preservation Program to preserve the property’s long-term affordability.

Joe Caffey, of Omni Development was present to answer questions from the commissioners.

Upon a motion made by Commissioner Monteiro and seconded by Commissioner Barge the following resolution was adopted:

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

- Whereas,** Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of the Corporation have promise of supplying well-planned, well-designed apartment units which will provide housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;
- Whereas,** the Corporation intends to issue tax-exempt bonds for the purpose of financing qualified housing developments throughout the state;
- Whereas,** said bonds shall have a term not to exceed thirty (30) 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 has presented an application to the Corporation requesting tax-exempt financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Tax Exempt Financing</u>
Maple Gardens I	Omni Development Corporation.	\$3,250,000

**Whereas,** Corporation staff has reviewed the submission and determined that this development may qualify for non-recourse financing under the Corporation's enabling legislation, regulations, guidelines and policies.

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

**Resolved,** That, subject to the special conditions listed below, the Corporation hereby preliminarily approves tax exempt mortgage financing to Omni Development Corporation in an amount not to exceed \$3,250,000 for rental housing located in North Providence, Rhode Island to be financed by tax-exempt bonds;

**Resolved,** That the Corporation hereby declares that the preliminary approval of financing for the Borrower constitutes the affirmative official act of the Corporation of its intention to issue bonds to finance up to a \$3,250,000 first mortgage, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced develop pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.
- Acceptable final appraisal by an independent appraiser demonstrating that the loan does not exceed 90% of the as-stabilized value of the property.
- Approval by RIH of all members of the development team, including contractor and management agent.
- Approval of a new operating budget.
- Approval by RIH of construction plans and specifications, and construction documentation.
- FHA Risk-Sharing approval for up to 50% of the first mortgage.
- Approval by bond underwriter and bond counsel that the loan will satisfy all required bond provisions for the bond issue.
- The establishment of an escrow, to be held by Rhode Island Housing, of no less than \$1,500,000 for the refinancing of Omni Point

**Approval of Sale of Arbor Glen and University Heights**

Mr. Godfrey presented this submission.

This Request for Action is for approval of the Corporation to enter into Purchase and Sale Agreements with Fairfield Residential LLC for the purchase of University Heights and Arbor Glen.

University Heights is a 349 unit mixed-income development located on the East Side of Providence. University Heights Apartments, L.P., an affiliate of Rhode Island Housing, has owned University Heights since 1993 when the Corporation accepted a deed in lieu of foreclosure. Since that time, the Corporation has acted as owner of the site and been responsible for its management and financial performance.

Arbor Glen is a 144 unit mixed-income development also located in Providence which was financed by Rhode Island Housing in 1992. In 1999, the owners became delinquent on the mortgage and the

property began to fall into disrepair. In lieu of foreclosure, the Rhode Island Housing Development Corporation (RIHDC) took the place of the existing General Partner.

A brief discussion followed the presentation where interested parties expressed their views on the sale of the properties.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge the following resolution was adopted:

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

**WHEREAS,** Rhode Island Housing and Mortgage Finance Corporation offered University Heights and Arbor Glen up for sale through CB Richard Ellis, a real estate broker; and

**WHEREAS,** The Corporation received seven (7) offers to purchase University Heights and Arbor Glen ; and

**WHEREAS,** Staff, with the assistance of CB Richard Ellis, has completed a thorough evaluation of all offers received to purchase the properties; and

**WHEREAS,** Staff, in deliberation with CB Richard Ellis has determined that Fairfield Residential LLC presented the highest quantitative proposal for both properties and is the highest ranking proposal for both properties after considering all of the selection factors specified in the Request for Proposals;

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

**Resolved,** That Rhode Island Housing be authorized to enter into a Purchase and Sale Agreement, in substantially the form attached, which includes a purchase price of \$25 million, financing with RIH through a loan guaranteed by Fannie Mae or Freddie Mac, \$6.3 million in improvements to the property, a long-term commitment to maintaining a mixed income community within the property and a concurrent purchase of Arbor Glen, with Fairfield Residential LLC, or its related assignee, for the purchase of University Heights; and

**Resolved,** That Rhode Island Housing be authorized to enter into a Purchase and Sale Agreement in substantially the form attached, which includes a purchase price of \$2.5 million, financing with RIH through a loan guaranteed by Fannie Mae or Freddie Mac, \$4.1 million in improvements to the property, and a long-term commitment to maintaining low and moderate income community within the property, with Fairfield Residential LLC, or its related assignee, for the purchase of Arbor Glen; and

**Resolved,** That the Executive Director or each Deputy Director be, and each hereby is, authorized to take any and all actions, including specifically the authority and to execute any and all agreement and to take such further actions as he deems necessary to carry out the above resolution.

**Final Approval of Riverside Gateway**

Mr. Godfrey updated the Commissioners on this request

This Request for Action is for the reservation of up to \$527,218 in 9% tax credits, approval of a \$500,000 first mortgage, and a \$744,602 Targeted Loan for the Riverside Gateway development in Providence.

The Sponsor, Olneyville Housing Corporation (“OHC”), proposes to develop a 31-unit scattered site development in the Olneyville neighborhood of Providence. OHC is requesting a combination of 9% Low Income Housing Tax Credits (LIHTC), first and second mortgage financing, and HOME funds to undertake the proposed rehabilitation and new construction.

Mr. Godfrey introduced Frank Shea of Olneyville Housing who expressed his gratitude to staff and the board.

Upon a motion made by Commissioner Bennett and seconded by Commissioner Curley the following resolution was adopted:

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

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

**Whereas,** Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) has been designated the Administrator of the Program in the State of Rhode Island; and

**Whereas,** Staff for the Corporation has determined that the Applicant (“Applicant”) listed below is eligible for the Program under the laws of the State of Rhode Island and the Federal Tax Code; and

**Whereas,** The Applicant has submitted an application to the Corporation for the reservation of tax credits from the tax credit authority available in the calendar year 2004 or 2005 (“the Tax Credit”) as follows:

<b>Applicant</b>	<b>Development</b>	<b>9% Tax Credits</b>
Olneyville Housing Corporation	Riverside Gateway	\$527,218

**Whereas,** Corporation staff has reviewed the submission, inspected the site, and determined that this development may qualify for an allocation of LIHTC under the Corporation’s enabling legislation, regulations, guidelines and policies;

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

**Resolved,** That \$527,218 of allocated 2004 or 2005 tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of the Corporation applicable to the Allocation of Low-Income Housing Tax Credits (the “Rules and Regulations of the Corporation”), and that either Deputy Director and the Director of Housing Development each acting singly be,

and hereby is, authorized and empowered in the name of and on behalf of the Corporation to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

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

1. Syndication equity from the sale of LIHTC in amounts sufficient to achieve project feasibility;
2. Acceptable final appraisal and market study by independent appraiser demonstrating that the loans do not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units;
3. Final approval of plans and specifications;
4. Approval by Rhode Island Housing of all management related issues;
5. Satisfactory and timely performance in accordance with the schedule established by corporation staff and sponsor;
6. Execution of the construction contract at the approved budget amount no later than April 15, 2005;
7. Rhode Island Housing reserves the right to rescind this award of LIHTC if the sponsor does not close by June 1, 2005.

#### **Final Approval of Preservation Financing for Centredale Manor**

Mr. Godfrey outlined this request.

This Request for Action (RFA) is for firm commitment of financing for Centredale Manor, an existing elderly development originally financed by Rhode Island Housing. The owners have requested new financing through Rhode Island Housing's Preservation Program to preserve the property's long term affordability. In addition, this new financing would enable the development and its ownership to be released as a Potentially Responsible Party (PRP) for a Superfund liability declared by the United States Environmental Protection Agency (EPA).

Commissioner Monteiro was not present to motion or vote on this proposal.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge the following resolution was adopted:

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

**Whereas,** Rhode Island Housing is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of Rhode Island Housing have promise of supplying well-planned, well-designed apartment units which will provide 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,** Rhode Island Housing intends to issue taxable bonds for the purpose of financing qualified housing developments throughout the state;

**Whereas,** said bonds shall have a term not to exceed thirty (30) 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 has presented an application to the Corporation requesting taxable financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Taxable Financing</u>
Centredale Manor	Centredale Manor Associates Limited Partnership/Cornerstone Corporation	\$6,846,400

**Whereas,** Rhode Island Housing staff has reviewed the submission and determined that this development may qualify for financing under Rhode Island Housing’s enabling legislation, regulations, guidelines and policies; and

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

**Resolved,** That, subject to the special conditions listed below, Rhode Island Housing hereby declares firm approval of taxable mortgage financing to Cornerstone Corporation and Centredale Manor Associates Limited Partnership (or a re-formed partnership) in an amount not to exceed \$6,846,400 for rental housing located at 2074 Smith Street in North Providence, Rhode Island to be financed by taxable bonds;

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.
- Acceptable final appraisal by an independent appraiser demonstrating that the loan does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of all members of the development team, including contractor and management agent.
- Approval of a new operating budget.
- Approval by Rhode Island Housing of construction plans and specifications, and construction documentation.
- FHA Risk-Sharing approval for a minimum of 50% of the first mortgage.
- Approval by HUD for the release of project reserves.
- Approval by bond underwriter and bond counsel that the loan will satisfy all required bond provisions for the bond issue.
- Entry of a final, non-appealable order by the Federal Court for the District of Rhode Island releasing the development, its owners and Rhode Island Housing from any future liability for environmental contamination on the site.

**Resolved,** That the Executive Director and any Deputy Director, each acting singly, shall take any and all actions they deem necessary to carry out the forgoing resolutions.

**Final Approval of Preservation Financing for Brook Village**

Mr. Godfrey gave an overview of this proposal.

This Request For Action (RFA) is for firm commitment of financing for Brook Village Apartments, an existing elderly development originally financed by Rhode Island Housing. The owners have requested new financing through Rhode Island Housing’s Preservation Program to preserve the property’s long term affordability. In addition, this new financing would enable the development and its ownership to be released as a Potentially Responsible Party (PRP) for environmental hazards identified by the United States Environmental Protection Agency (EPA).

Upon a motion made by Commissioner Bennett and seconded by Commissioner Curley the following resolution was adopted:

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

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

**Whereas,** The applicant (“Applicant”) listed below has presented an application to Rhode Island Housing requesting first and second mortgages to refinance and rehabilitate the buildings as set forth below:

<b>Development</b>	<b>Applicant</b>	<b>Taxable Financing</b>
<b>Brook Village</b>	<b>Brook Village Associates</b>	<b>\$4,505,600</b>

**Whereas,** Rhode Island Housing staff has reviewed the submission and determined that this development may qualify for financing under Rhode Island Housing’s enabling legislation, regulations, guidelines and policies; and

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

**Resolved,** That, subject to the special conditions listed below, Rhode Island Housing hereby grants firm commitment for taxable mortgage loans to Brook Village Associates or an affiliated partnership (the “Borrower”) in an amount not to exceed \$4,505,600 for rental housing located at Brook Village, 2072 Smith Street in North Providence, Rhode Island.

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.
- Acceptable final appraisal by an independent appraiser demonstrating that the loan does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of all members of the development team, including contractor and management agent.
- Approval of a new operating budget.
- Approval by Rhode Island Housing of construction plans and specifications, and construction documentation.
- FHA Risk-Sharing approval for a minimum of 50% of the first mortgage.

- Entry of a final, non-appealable order by the Federal Court for the District of Rhode Island releasing the development, its owners and Rhode Island Housing from any future liability for environmental contamination on the site.

**Resolved,** That the Executive Director and any Deputy Director, each acting singly, shall take any and all actions they deem necessary to carry out the forgoing resolutions.

There being no further business to discuss, a motion was duly made by Commissioner Curley and seconded by Commissioner Barge to adjourn the open meeting at approximately at 9:45 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.  
Secretary and Executive Director