

**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, May 19, 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; and Christine Curley. Commissioner Jose Monteiro was absent.

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; Carol Ventura, Director of Development; Michael V. Milito, Deputy Assistant Director of Law and Human Resources and Chris Barnett, Public Information Officer.

Susan Leach DeBlasio, 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 March 17, 2005

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

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

Chairman's Report

Chairman Marouchoc congratulated Carol Ventura on her promotion as Director of Development and welcomed Ed O'Brien to RI Housing's Servicing Division's multifamily staff.

Chairman Marouchoc announced that the June Board meeting has been rescheduled for June 23, 2005.

Committee Reports

An Audit committee meeting was held on March 17, 2005; a Legislative Committee meeting on March 18, 2005 and an Investment Committee was held on March 22, 2005. Minutes of the respective meetings have been provided in the May 19, 2005 board package.

Executive Director’s Report

Mr. Godfrey referred the Commissioners to the Executive Director’s Report, which had been previously distributed and briefly commented on a few of the items.

Approval of Changes to HOME Regulations

Mr. Godfrey made this presentation.

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.

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

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

WHEREAS, Notice of the proposed Second Amendment to and Restatement of Rhode Island Housing and Mortgage Finance Corporation Rules and Regulations Applicable to the HOME Investment Partnerships Program (the “Amended Rules and Regulations”) has been given in accordance with the Administrative Procedures Act, as set forth in Chapter 42-35 of the General Laws of Rhode Island of 1956, as amended; and no comment or other response has been received by the Corporation from any person regarding the proposed Rules; and

WHEREAS, pursuant to the provisions of Section 42-35-3 of the General Laws of Rhode Island as amended, consideration has also been given in developing the Amended Rules and Regulations to any significant economic impact the Rules may have on small business as defined in Section 42-35-1(h) of the General Laws of Rhode Island, 1956, as amended, and to any adverse economic impact on any city or town and based on the information available, no significant economic impact on small business and no adverse economic impact on any city or town was identified.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Amended Rules and Regulations as attached hereto are hereby adopted in their entirety.

RESOLVED: That the Executive Director or his designee be, and hereby is, authorized, empowered and directed to file or cause to be filed the Amended Rules and Regulations in duplicate with the Secretary of the State of Rhode

Island (the "Secretary"), to execute or cause to be executed any and all certificates, instruments, letters of instruction and documents as shall be required to cause the filing of the Amended Rules and Regulations, and to take such further action as he, in his sole discretion, shall deem necessary or desirable to effectuate the Amended Rules and Regulations.

Approval of 2006 Youth Rap Applications

Mr. Godfrey gave an overview of these regulations.

In 1992, the Corporation initiated the Youth RAP (Y-RAP) to provide funds for youth activities at its family apartments. General revenues of the Corporation are budgeted for the program and all family developments that are, or have been, financed through RI Housing are eligible to participate. The development programs provide activities which meet these goals: 1) to provide youth with job readiness skills and/or employment opportunities, 2) to provide youth leadership development, self-esteem awareness programs, and academic achievement opportunities for youth residing in eligible housing developments, 3) to establish working partnerships and collaboratives with community agencies, 4) to strengthen relationships between development youth and the community, 5) to improve the quality of community life within the housing development, 6) to improve relationships between residents and management. Developments are requested to provide a 25% cash match which may be waived if adequate funds are not available.

In 2005, 33 developments participated and served over 950 youth. Also, RI Housing continued working to increase communication between Y-RAP program managers by again providing a resource sharing manual, and organizing the second annual "Showcase of Talents", where 130 YRAP children participated in showcasing their talents. By increasing communication between programs, this year's proposals show a marked increase in resource sharing, leveraging and cooperation between programs within and between management companies.

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

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

WHEREAS, Rhode Island Housing has financed the development and operations of apartments for families throughout Rhode Island; and

WHEREAS, Employment, education and enrichment activities for young people living in those apartments contribute to the quality of life of all apartment residents; and

WHEREAS, Owners of Rhode Island Housing financed apartments have submitted plans to provide such activities and, where possible, provided funds towards such activities.

NOW THEREFORE IT IS HEREBY:

RESOLVED, The Corporation is authorized to spend up to \$475,000.00 for 2005-2006 Youth RAP activities including up to \$465,000.00 at 33 developments as shown in Attachment A, up to \$5,000 to Channel One to provide for youth resident activities to the REACH properties in Central Falls, and up to \$5,000 to provided

program wide activities including the talent show for youth in participating developments.

RESOLVED, That the Executive Director and any Deputy Director or Director, each acting singly, be and hereby is authorized and directed to undertake any and all actions reasonably necessary to carry out the foregoing resolutions.

Approval of Extra Funding for the Emergency Housing Assistance Program (EHAP)

Mr. Godfrey gave this presentation.

This Request for Action (RFA) is for approval of supplemental funding for the Emergency Housing Assistance Program (EHAP) for FY 2005.

EHAP is an initiative of Rhode Island Housing designed to provide temporary financial assistance to eligible residents of the State of Rhode Island for short-term emergency housing needs. Recipients are provided with a maximum of \$1,200 for two months of rent or mortgage payment. Since 1986, the Corporation has provided funds for EHAP. Although EHAP is funded by Rhode Island Housing the program is primarily administered by the Department of Human Services (DHS), which distributes the funds to the eight Community Action Agencies (CAP Agencies) serving the State of Rhode Island.

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

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

WHEREAS, Rhode Island Housing has funded EHAP in order to assist individuals and families throughout Rhode Island facing a housing crisis; and

WHEREAS, Additional funding is needed to meet the needs of the EHAP and its clients in FY 2005.

NOW THEREFORE IT IS HEREBY:

RESOLVED, Rhode Island Housing is authorized to provide supplemental funding up to \$110,000 of additional funds for EHAP for FY 2005.

RESOLVED, That the Executive Director and any Deputy Director or Director, each acting singly, be and hereby is authorized and directed to undertake any and all actions reasonably necessary to carry out the foregoing resolutions.

Approval of Newport Heights Phase III

Mr. Godfrey outlined this proposal.

This Request for Action (RFA) is for final commitment of tax credits, a taxable mortgage, a tax exempt mortgage and targeted loan financing for Phase 3 of Newport Heights, the revitalization of Tonomy Hill, a public housing development in Newport, Rhode Island. To meet HUD deadlines and avoid significant financing penalties, closing must occur prior to May 31, 2005.

Phase 3 received a preliminary reservation of 2006 and 2007 tax credits in January 2005. Based upon changes in the usage of previously allocated 2005 tax credits, and the projected schedule for placing Phase III units in service, Rhode Island Housing staff has determined that the most efficient use of its resources would be to allocate 2005 and 2006 tax credits to this property.

A brief discussion followed the presentation. Various representatives from the Newport Housing Authority, the Residents Services Council and the developer voiced their approval of the project.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge 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 (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 Applicant listed below has presented an application to the Corporation requesting an allocation of tax credits to acquire and rehabilitate a residential housing development as follows:

Development	Developer	9% LIHTC	Taxable Mortgage	Tax Exempt Mortgage	Targeted Loan
Newport Heights Phase 3	Trinity Financial, Inc.	\$926,500	\$1,100,000	\$5,000,000*	\$1,000,000

*\$5,000,000 construction loan, \$300,000 converts to permanent loan; balance repaid from equity

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$480,015 of allocated 2005 tax credits and \$446,485 of allocated 2006 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 the Executive Director, either Deputy Director and the Director of 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, subject to the special conditions listed below, the Corporation hereby approves a taxable first mortgage loan to Trinity Financial, Inc., or an affiliated partnership (the “Borrower”) in an amount not to exceed \$1,100,000 for rental housing to be located in Newport, Rhode Island and known as Newport Heights Phase 3A.
- Resolved,** That, subject to the special conditions listed below, the Corporation hereby declares firm commitment approval for a construction loan and mortgage to be financed by tax-exempt bonds, to Trinity Financial, Inc. or an affiliated partnership (the “Borrower”) in an amount not to exceed \$5,000,000 for rental housing to be located in Newport, Rhode Island and known as Newport Heights Phase 3B.
- Resolved,** The Corporation hereby declares that firm commitment approval of financing for the Borrower constitutes the affirmative official act of the Corporation towards the issuance of bonds to finance up to a \$5,000,000 mortgage, the required reserve funds, the related costs of issuance for the Bond issue for the above- named 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, the Corporation hereby approves a Targeted Loan to Trinity Financial, or an affiliated partnership (the “Borrower”) in an amount not to exceed \$1,000,000 for rental housing to be located in Newport, Rhode Island and known at Newport Heights Phase 3B.
- Resolved,** That, the foregoing resolutions are subject to the following conditions:
1. HUD approval of mixed financing proposal, including demolition and construction of new Tax Credit and market units within the existing Tonomy Hill neighborhood.
 2. A Regulatory and Operating (“R&O”) Agreement, acceptable to Rhode Island Housing, between HACN and Trinity Financial, Inc. regarding the public housing assisted units.
 3. Approval of a loan or grant from the City of Newport in the amount of \$400,000.
 4. Approval of other sources of Funds or the availability of alternative equity satisfactory to the corporation.
 5. Approval of NOP Funds from the Housing Resources Commission.
 6. DEM approval of an acceptable plan for addressing arsenic remediation or acknowledgement that no arsenic remediation is required.
 7. Final approval of plans and specifications by Rhode Island Housing and final agreement with General Contractor on construction cost.
 8. Final Approval by Rhode Island Housing of management documents and all management related issues.
 9. Approval by bond underwriter and bond counsel that the loan will satisfy all required bond provisions for the bond issue.
 10. Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements and the requirements established for Phase 3.

Approval of Construction Loan for DeGraide Farm

Mr. Godfrey outlined this proposal.

The Request for Action is for approval of a Demonstration Construction Loan to Sturbridge Home Builders, Inc., in an amount not to exceed \$1 million for the development of forty-three single family homes to be constructed under the Low and Moderate Income Housing Act.

Rhode Island Housing's Development and Homeownership Divisions have combined resources to create a Demonstration Construction Loan Program (the "Program") to finance the construction and permanent financing of homes that will be developed using the State of Rhode Island's Low and Moderate Income Housing Law. In order to qualify the affordable units under the Act, at least 20% of the units must be affordable and remain restricted to families earning less than 80% of median income. The Program will provide the required subsidy by providing below market construction financing. This Request for Action is to approve a pilot loan for the Ponds development at DeGraide Farm. This is the second request for approval of a loan under the Demonstration Program. Staff continues to work on proposed rules for a permanent construction loan program and anticipates presenting a proposal to the Board in the near future.

Upon a motion made by Commissioner Marques and seconded by Commissioner Curley 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 (the "Corporation") is authorized to make loans to sponsors for such developments as in the judgment of the Corporation have promise of supplying well planned and well designed single family homes which will provide housing for low and moderate income persons and families in locations where there is a need for such housing;

Whereas, The Corporation is authorized to provide permanent financing with assistance, as applicable, to homebuyers;

Whereas, Sturbridge Home Builders, Inc., has presented an application to the Corporation requesting a revolving line of credit to construct residential housing as set forth in this Request for Action; and

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That the Corporation be and hereby is authorized to make a revolving loan up to \$1,000,000 to Sturbridge Home Builders, Inc., for the construction of forty-three single family homes located at Blackrock Pond Road in Coventry, Rhode Island. The Loan will be structured generally in accordance with the description contained herein, with such changes as the Executive Director, Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That the Executive Director, any Deputy Director or the Directors of Development and Homeownership, each acting singly, be and hereby is authorized, empowered and directed to take any and all action to execute, file and deliver any contract, agreement or

other instrument as each in his/her sole discretion shall deem necessary or advisable in connection with this loan.

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.
- A demonstration by appraisal that that the first mortgage does not exceed 80% of the aggregate as-completed value of each home.
- A guaranty by the principal shareholder of Sturbridge Home Builders, Inc., in the minimum amount of \$1 Million.
- Loan agreements and documentation satisfactory to Rhode Island Housing.

Approval of Financing for Stillwater Mill (Harrisville)

Stillwater Mills was withdrawn from the agenda

Approval of Construction Bridge Loan for Riverside Gateway

Mr. Godfrey gave a review of this request.

This Request for Action is for a Construction Bridge Loan of up to the amount of \$300,000 for the Riverside Gateway development in Providence.

In March of 2005 Riverside Gateway received a firm commitment of 9% LIHTC of \$527,218 and first and second mortgage financing. This bridge loan will be available to Riverside Gateway, LP during construction to bridge the syndication proceeds. The loan will be paid off in full within 24 months of the construction start date. The borrower will pay 6%, interest only, on the outstanding principal balance.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge 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 (“ Rhode Island Housing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of the Rhode Island Housing have promise 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 the Rhode Island Housing requesting a construction bridge loan financing as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Amount</u>
Riverside Gateway	Olneyville Housing Corporation	\$300,000

Whereas, Rhode Island Housing has awarded final approval of (i) a RIH first mortgage, (ii) a RIH Targeted Loan, (iii) Low Income Housing Tax Credits, (iv) HOME Funds, (v) Lead Funds, and (vi) NOP funds to Riverside Gateway on March 17, 2005;

Whereas, Rhode Island Housing staff has reviewed the submission and determined that this development may qualify for financing under the 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, the Rhode Island Housing hereby declares a commitment approval for construction bridge loan financing to Riverside Gateway, LP in an amount not to exceed \$300,000 for rental housing known as Riverside Gateway in Providence, Rhode Island;

Resolved, This resolution shall take effect immediately upon adoption.

NOW, THEREFORE, IT IS HEREBY:

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

1. Final approval of plans and specifications;
2. Satisfactory and timely performance in accordance with the schedule established by corporation staff and sponsor;
3. Completion of all items required for closing;;
4. Rhode Island Housing reserves the right to rescind this Loan if the sponsor does not close by June 15, 2005.

Final Approval of Construction Loan for Block Island

Mr. Godfrey outlined this request.

The Request for Action is for approval of a Construction Loan for the development of twenty single-family homes on Block Island in an amount not to exceed \$1.5 million.

In September 2004, Rhode Island Housing acquired 5.4 acres of vacant land located at West Side Road on Block Island for \$2.1 million. The property was land banked on behalf of Block Island Economic Development Foundation, Inc. (BIED) which proposes to develop twenty single-family homes in partnership with Rhode Island Housing or its subsidiary. The Development, Policy and Homeownership Divisions will combine resources to finance the construction and permanent financing of the twenty single-family homes.

Upon a motion made by Commissioner Marques and seconded by Commissioner Bennett 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 (the “Corporation”) is authorized to make loans to sponsors for such developments as in the judgment of the Corporation have promise of supplying well planned, well designed single family homes which will provide housing for low and moderate income persons or families or others in locations where there is a need for such housing;

Whereas, The Corporation is authorized to provide permanent financing with assistance, as applicable, to homebuyers;

Whereas, The Corporation or its subsidiary will enter into a Development Agreement with Block Island Economic Development Foundation, Inc. to develop twenty affordable single family homes in New Shoreham;

Whereas, The Corporation is requesting a revolving line of credit to develop the residential housing as set forth in this Request for Action; and

Whereas, Corporation staff has reviewed the project, inspected the site and determined that this development may qualify for financing under the Corporation’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That the Corporation be and hereby is authorized to make a loan up to \$1,500,000 for the development of twenty (20) single-family homes located at West Side Road in New Shoreham, Rhode Island. The Loan will be structured generally in accordance with the description contained herein, with such changes as either the Executive Director, Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That the Executive Director, any Deputy Director or the Directors of Development and Homeownership, each acting singly, be and hereby is authorized, empowered and directed to take any and all action to execute, file and deliver any contract, agreement or other instrument as each in his/her sole discretion shall deem necessary or advisable in connection with this loan.

Final Approval of Financing for Williams Wood Place

Mr. Godfrey gave an overview of this proposal.

This Request for Action (“RFA”) is for firm commitment of up to \$908,691 of 2004 and \$44,928 of 2005 9% tax credits, first mortgage and targeted loan financing for the Williams-Woods Place development in Providence.

A brief discussion followed the presentation where Mr. Godfrey introduced Steve O’Rourke of the Providence Housing Authority and members of Project Basic who spoke on behalf of the project.

Upon a motion made by Commissioner Marques 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 Applicant listed below has presented an application to the Corporation requesting an allocation of tax credits to construct 65 units of residential housing;

Whereas, 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 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:

Applicant	Development	LIHTC Reservation	First Mortgage	Targeted Loan
Winn Development/ Providence Housing Authority	<u>Williams-Woods Place</u>	\$953,619	\$2,538,000	\$750,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$953,619 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”), and that either Deputy Director and the Director of Development each acting singly be, and hereby are 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 subject to compliance with the requirements of the Act and the Rules and Regulations.

Resolved, That, subject to the special conditions listed below, the Corporation hereby approves financing for a taxable first mortgage loan to Winn Development, or an affiliated partnership (the “Borrower”) in an amount not to exceed \$2,538,000 (the “Loan”) for family housing located in Providence, Rhode Island.

Resolved, That the Corporation hereby reserves up to \$750,000 of Targeted Loan Funds for the Borrower.

Resolved, That the foregoing resolution is subject to the following conditions:

- The award of HOME funds in the amount of \$500,000;
- The award of Lead funds in the amount of \$200,000 or the availability of alternative equity satisfactory to Rhode Island Housing;
- Syndication equity from the sale of LIHTCs in amounts sufficient to achieve project feasibility;
- Final approval of plans and specifications;
- Approval of a Remedial Action Work Plan by RIDEM;
- 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;
- Approval by Rhode Island Housing of all management related issues;
- Completion of all items required for closing.

Approval of Bridge Loan for the Acquisition of Anchorage

Mr. Godfrey gave an overview of this proposal.

This Request for Action is for approval of a Bridge Loan to Church Community Housing Corporation (“CCHC”) in an amount not to exceed \$15 million for the acquisition of certain real estate located on West Main Road and Coddington Highway in Middletown, Rhode Island and referred to as “the Anchorage”. The request came in as a Land Bank request; however the size of the loan, exceeds the Land Bank capacity.

Steve Ostiguy, of Church Community Housing was present to answer questions from the Commissioners. Bob Sable and Steve Fisher were also present on behalf of Jim Reed, executive director of the Newport Housing Authority.

Upon a motion made by Commissioner Marques and seconded by Commissioner Bennett 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 may 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, to pay the costs of issuance, to

fund a Capital Reserve Fund, and to provide capitalized interest if determined to be necessary;

Whereas, the applicant (the "Applicant") listed below has presented an application to the Corporation requesting taxable or tax exempt bond financing to fund a first mortgage to acquire the Anchorage, as set forth below:

Whereas, Corporation staff has reviewed the submission, inspected the site, and determined that this development may qualify for 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 approves financing for a bridge loan to Church Community Housing Corporation, or an affiliated partnership (the "Borrower") in an amount not to exceed \$15,000,000 (the "Bridge Loan") in either taxable or tax exempt debt for property located at West Main Road and Coddington Highway in Middletown, Rhode Island.

Resolved, The Corporation hereby declares that the approval of financing for the Borrower constitutes the affirmative official act of the Corporation towards the issuance of bonds sufficient to finance up to a \$15,000,000 first mortgage, plus the required reserve funds, and the related costs of issuance for the Bond issue for the above named development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

1. Acceptable final appraisal and market study by independent appraiser demonstrating that the bridge loan does not exceed the current value of the property; and that the proposed loans for the build out of the new plan does not exceed 90% of the of the as-stabilized value of the property as proposed.
2. Acceptable commitment from the Town of Middletown to approve water and sewer connections for the Anchorage site to the Town's systems.
3. Approval of the transfer of the sewer allocation from the Navy to the Town of Middletown.
4. Disclosure and acceptable remediation plan of any environmental issues.
5. Approval of plans and specifications for proposed rehabilitation.
6. Approval of a new zoning ordinance that allows Buyer's new redevelopment plan to be implemented as a matter of right.
7. Subject to clear, insurable and marketable title.
8. Acceptable commitment of other financing sources necessary for the proposed Anchorage development.

Approval of Draft 2006 QAP Publication for Comment

Mr. Godfrey gave an overview of this proposal.

Pursuant to the Revenue Reconciliation Act of 1989, each tax credit allocating agency must adopt a Qualified Allocation Plan (the "Plan") that establishes the priorities and criteria for both allocating and

monitoring low-income housing tax credits. The Plan must receive a Public hearing and a subsequent public comment period prior to being finalized and presented to the Governor for approval.

In accordance with these requirements, Rhode Island Housing has proposed certain amendments to the Plan arising from recommendations from the Internal Revenue Service (the “IRS”) that were brought to light at recent NCSHA conferences and workshops, including a Private Letter Ruling and changes that HUD has made in Qualified Census Tracts and Difficult to Develop Areas. Both a black-lined draft of the Plan and a clean version were presented to the Board at the meeting.

The Plan will become effective only after (1) the public comment period has expired; (2) The Rhode Island Housing Board of Commissioners has voted final approval of the Plan (including any changes, pursuant to public comments; and (3) the Governor has signed the Plan.

Upon a motion made by Commissioner Bennett and seconded by Commissioner Curley 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 (“Rhode Island Housing”) has been designated by the Governor as the Principal Housing Agency and Tax Credit Allocation Agency for the State of Rhode Island (the “State”);

WHEREAS, The Revenue Reconciliation Act of 1989 requires tax credit allocating agencies to allocate low-income housing tax credits according to a Qualified Allocation Plan (the “Plan”);

WHEREAS, The Plan must establish priorities and criteria for allocating the tax credits that best meet the housing needs and must be adopted pursuant to a public hearing and comment period; and

WHEREAS, Housing needs for the State of Rhode Island have been established pursuant to the State of Rhode Island Consolidated Plan covering the period from March 1, 2005 to February 28, 2010.

NOW, THEREFORE, BE IT:

RESOLVED: That Rhode Island Housing be, and hereby is, authorized to publish notice of its intent to approve and adopt the proposed Qualified Allocation Plan, substantially in the form attached hereto as Attachment B.

Approval of Draft 2006 PHA Plan Publication for Comment

Mr. Milito made this presentation.

Rhode Island Housing serves as a Public Housing Authority (PHA) regarding the Section 8 Tenant-Based Program for those areas of the state that are not served by an independent PHA. This Request for Action is for approval of a 5 Year Plan for administration of the Section 8 Tenant-Based Program. The Plan includes Rhode Island Housing’s strategies for achieving objectives in the areas of expanding the supply of assisted housing, promoting family self-sufficiency and ensuring equal opportunity in housing.

Federal law and HUD regulations require that at least one resident who is directly assisted by the Public Housing Authority must be part of the PHA governing board (Resident Member) when the board makes decisions related to the administration, operation and management of the Section 8 tenant-based rental assistance programs. Rhode Island Housing has met these requirements by the establishment of a committee of the Board known as the Section 8 Committee. The Section 8 Committee has been delegated the authority to make decisions related to the administration, operation, and management of all Federal public housing programs and Section 8 tenant-based programs with which Rhode Island Housing is or may be involved.

Mr. Milito introduced Allison Nugent, a Section 8 recipient, as the proposed Resident Member of the Section 8 Committee. Upon a motion made by Commissioner Curley and seconded by Commissioner Bennet, the following resolution was adopted:

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

RESOLVED: That Allison Nugent be appointed to the Section 8 Committee for a three year term effective May 19, 2005.

A meeting of the Section 8 Committee of the Board of Commissioners was then convened.

In accordance with section 511 of the Quality Housing and Work Responsibility Act of 1998, the Public Housing Authority (Corporation) must adopt a 5 Year PHA Plan for the Section 8 Tenant-Based Program which establishes goals and objectives to meet the jurisdiction's housing needs.

In order to comply with the requirements of the Quality Housing and Work Responsibility Act, program participants were randomly selected to review the plan, two public hearings were held and a forty-five day public comment period was scheduled.

The Agency Plan must receive the approval of the Board of Commissioners, through the Section 8 Committee, and be forwarded to the Department of Housing and Urban Development.

Mr. Godfrey introduced Carlos Hernandez who manages the Section 8 Voucher Program. Mr. Hernandez outlined the pertinent provisions of the Plan.

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

**Resolution of the Section 8 Committee
of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS, The Corporation, in its capacity as a Public Housing Authority is required to adopt the PHA Annual Plan for the Section 8 Tenant-Based Program to comply with section 511 of the Quality Housing and Work Responsibility Act of 1998.

RESOLVED: The Corporation, in its role as a Public Housing Authority, be and hereby is authorized to adopt the PHA Annual Plan for the Section 8 Tenant-Based Program to comply with the requirements of the Quality Housing and Work Responsibility Act of 1998.

After the vote, Chairman Marouchoc thanked Ms. Nugent for her participation in the meeting.

Approval of Bond Underwriters

Mr. Godfrey gave an overview of this proposal.

Rhode Island Housing and Mortgage Finance Corporation's current engagements with its Underwriters have reached maturity and selection of firms to provide these services going forward is now needed. In order to solicit interest from a broad group of investment banks, the Corporation advertised its Request for Proposals for senior managers and co-managers in The Bond Buyer, the national daily newspaper for the governmental bond industry.

The Corporation received proposals from most of the major investment banking firms as well as several local/regional firms. The Selection Review Committee, composed of members of the Board and staff, reviewed proposals and conducted oral interviews with four firms.

Based upon written proposals and the oral interviews it was agreed that the Co-Senior Managing Underwriters for the Corporation should be the firms of Goldman, Sachs & Co. and UBS Financial Services Inc. It is also recommended that the Co-Managing Underwriters for the Corporation will be comprised of the following firms: Advest, Banc of America Securities, Bear Stearns, Carolan & Co., Citigroup, First Southwest Company, Janney Montgomery Scott, Merrill Lynch & Co., M.R. Beal and Co., RBC Dain Rauscher, Roosevelt & Cross, and Siebert

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

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

Resolved: That Goldman, Sachs & Co. and UBS Financial Services Inc. be, and hereby are, appointed Co-Senior Managing Underwriters for the Rhode Island Housing and Mortgage Finance Corporation for the fiscal years 2006 and 2007.

Resolved: That Advest, Banc of America Securities, Bear Stearns, Carolan & Co., Citigroup, First Southwest Company, Janney Montgomery Scott, Merrill Lynch & Co., M.R. Beal and Company, RBC Dain Rauscher, Roosevelt & Cross, and Siebert Brandford Shank may serve as Co-Managing Underwriters for Rhode Island Housing and Mortgage Finance Corporation for the fiscal years 2006 and 2007.

Resolved: That the Executive Director be, and hereby is authorized to take any and all actions, including specifically the authority to negotiate terms and fees of the engagements as he may determine are in the best interests of the Corporation, and to execute any and all agreements and to take such further actions as he deems necessary to carry out the above resolutions.

Resolved: That the Executive Director be, and hereby is, authorized to determine the composition of the underwriting team from the selected senior and co-managers for each of the Corporation's future financings, and may make additions or effect removals from the co-manager group as circumstances may warrant.

Resolved: That the Executive Director be, and hereby is, authorized upon consultation with the Chairman, to replace a senior manager with another of the approved co-managers if he deems it to be in the best interest of the Corporation to do so.

Approval of Multi-family Bond Financing – \$120 Million

Mr. Godfrey outlined this request.

The Corporation has approved a significant number of multi-family mortgage loans for developing and preserving affordable rental housing. While some of the smaller loans will be funded from the Corporation's general funds, the bulk of the financing must be provided by issuing tax-exempt and taxable bonds.

Presently, the Development Division is working on approximately twenty transactions for which closing documentation is expected to be finalized and which may need an initial loan disbursement within the next two to six months. In addition, existing multifamily bonds that carry higher interest rates than current market and have reached their optional call dates will be considered for economic refunding. Bonds in a principal amount of up to \$120 million accommodate these transactions. These bonds will include both tax-exempt and taxable components.

Staff recommends that the Board of Commissioners authorize an amount of up to \$120 million of bonds to finance multi-family developments and refunding, including possible reserves and issuance costs, in one or more series or subseries.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge the resolution was adopted in the form presented to the meeting, which Resolution is attached as part of the May 19, 2005 board package.

Approval of Financing for University Heights

Mr. Godfrey gave an overview of this proposal.

At the March 2005 Board Meeting, the Board of Commissioners authorized Rhode Island Housing to enter into a Purchase and Sale contract with Fairfield Residential, LLC ("Fairfield") for the sale of University Heights Apartments in Providence. The P&S has been executed and Fairfield is undertaking their due diligence. This RFA is for approval of a resolution evidencing Rhode Island Housing's intent to issue tax-exempt bond financing for University Heights.

Upon a motion made by Commissioner Curley and seconded by Commissioner Marques 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 (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, to pay the costs of issuance, to fund a Capital Reserve Fund, and to provide capitalized interest if determined to be necessary;

Whereas, the applicant (the "Applicant") listed below has presented an application to the Corporation requesting tax exempt bond financing to fund a first mortgage to acquire and rehabilitate University Heights Apartments, as set forth below:

Development	Applicant	First Mortgage
University Heights	Fairfield Residential, LLC	Not to exceed \$30 million

Whereas, Corporation staff has determined that this development may qualify for conduit 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 approves a first mortgage loan to Fairfield Residential, LLC., or an affiliated partnership (the "Borrower") in an amount not to exceed \$30,000,000 for rental housing to be located at University Heights Apartments in Providence, Rhode Island to be financed by tax-exempt bonds.

Resolved, The Corporation hereby declares that the approval of financing for the Borrower constitutes the affirmative official act of the Corporation towards the issuance of bonds sufficient to finance up to a \$30,000,000 first mortgage, plus the required reserve funds, and the related costs of issuance for the Bond issue for the above named development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

1. Receipt of acceptable documentation for the financing guarantees being provided by Freddie Mac, a LOC Provider with a AA rating and Fairfield Residential, LLC.
2. Final approval of all financing terms and tenant protection by RIH staff.

Approval of Financing for Arbor Glen

Mr. Godfrey gave an overview of this proposal.

At the March 2005 Board Meeting, the Board of Commissioners authorized Rhode Island Housing to enter into a Purchase and Sale contract with Fairfield Residential, LLC ("Fairfield") for the sale of Arbor Glen Apartments in Providence. The P&S has been executed and Fairfield is undertaking their due diligence. This RFA is for approval of a resolution evidencing Rhode Island Housing's intent to issue tax-exempt bond financing for Arbor Glen.

Upon a motion made by Commissioner Marques and seconded by Commissioner Barge 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 (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, to pay the costs of issuance, to fund a Capital Reserve Fund, and to provide capitalized interest if determined to be necessary;

Whereas, the applicant (the "Applicant") listed below has presented an application to the Corporation requesting tax exempt bond financing to fund a first mortgage to acquire and rehabilitate Arbor Glen Apartments, as set forth below:

Development	Applicant	First Mortgage
Arbor Glen	Fairfield Residential, LLC	Not to Exceed \$8 million

Whereas, Corporation staff has determined that this development may qualify for conduit 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 approves a first mortgage loan to Fairfield Residential, LLC., or an affiliated partnership (the "Borrower") in an amount not to exceed \$8,000,000 for rental housing to be located at Arbor Glen Apartments in Providence, Rhode Island to be financed by tax-exempt bonds.

Resolved, The Corporation hereby declares that the approval of financing for the Borrower constitutes the affirmative official act of the Corporation towards the issuance of bonds sufficient to finance up to a \$8,000,000 first mortgage, plus the required reserve funds, and the related costs of issuance for the Bond issue for the above named development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

3. Receipt of acceptable documentation for the financing guarantees being provided by Freddie Mac, a LOC Provider with a AA rating and Fairfield Residential, LLC.
4. Final approval of all financing terms and tenant protection by RIH staff.

Distribution of FY 2006 Budget

Mr. Godfrey provided the Commissioners with a draft of the proposed 2006 budget. A Budget Committee will be scheduled in June to review and discuss the budget.

Executive Session for the Purpose of Discussing Litigation

Chairman Marouchoc called for a closed session at approximately 9:50 a.m. pursuant to R.I.G.L. Section 42-46-5 (a) (2) to discuss a litigation in the Boehler matter. A roll call vote was taken and each Commissioner voted in favor of the closed session.

The closed session ended at 10:30 a.m. No votes or other action was taken in closed session. Chairman Marouchoc reconvened the Board in open session.

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 10:35 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director