

**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, December 15, 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; George Carvalho, designee for General Treasurer Paul J. Tavares; Kevin Flynn, designee for Beverly E. Najarian, Director of Department of Administration; Jose Monteiro and Christine Curley.

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

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 November 17, 2005**

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

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

**Chairman's Report**

Chairman Marouchoc wished the commissioners and staff a healthy and happy holiday and reminded the commissioners that an Audit Committee Meeting would be held immediately following the board meeting.

Chairman Marouchoc welcomed George Carvalho to Rhode Island Housing's board meeting as designee for Paul Tavares, Treasurer of the State of Rhode Island.

Commissioner Barge arrived at this point of the meeting; at approximately 8:42 a.m.

**Committee Reports**

No committee meetings were held in November.

**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.

Mr. Godfrey expressed his appreciation regarding employee participation in donating to numerous charities including the United Way, Fund for Community Progress and various other charities. Staff raised over \$33,000 for the charitable giving drive; an increase of 10% over 2004.

Mr. Godfrey announced that Rhode Island Housing is diligently working on a commission that is crafting a law to deal with predatory lending practices. On December 8, 2005 Mr. Godfrey testified on behalf of Rhode Island Housing on the deceptive practices of predatory lending.

### **Approval of Homeownership Opportunity Bonds Issue Series 51**

Mr. Godfrey made this presentation.

The Corporation regularly monitors loan origination activity for the single-family program to determine future funding needs and the timing and structure of bond issuance. In addition, staff tracks prepayment speeds of existing mortgages, upcoming maturity dates and optional call dates of notes and bonds, and associated volume cap in order to take full advantage of our authority to issue tax-exempt mortgage revenue bonds and maximize our flexibility and minimize our cost in providing mortgages to low and moderate income borrowers. Based on this analysis, staff recommends the issuance of fixed-rate bonds and notes under HOB Series 51 in an amount not to exceed \$100 million. The components of the bond structure are outlined below.

Existing bonds will be redeemed from mortgage prepayments, excess reserves and revenues soon after the issuance of the Series 51 bonds. To the extent possible, volume cap authority associated with these redemptions will be incorporated into the new Series 51 bonds, (i.e., a replacement refunding) and will allow us to recycle this bond authority into loans for new borrowers.

This structure will provide sufficient funds to cover projected mortgage funding needs of approximately \$65 million while also preserving approximately \$35 million in volume cap authority for future use.

Upon a motion made by Commissioner Marques and seconded by Commissioner Curley the resolution was adopted in the form presented at the meeting, which is attached as part of the December 15, 2005 board package.

### **Approval of Transfer of Physical Assets for Elmwood Commons Limited Partnership**

Mr. Godfrey made this presentation.

Elmwood Commons is an affordable family rental development in the Elmwood section of Providence. The development contains 30 permanent housing units of which all are affordable. Elmwood Commons was developed in 1998 with financing and tax credits from Rhode Island Housing. The original limited partner in the development was BankBoston. Due to various mergers and consolidations in the banking industry in Rhode Island, the limited partnership interest is presently held by Bank of America. Bank of America is curtailing its investments in tax credit properties and seeks approval to transfer its interest in the development to a nominee of Citigroup.

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**

RESOLVED: That the transfer of the limited partner interest in Elmwood Commons Limited Partnership by Bank of America, N.A. as successor to BankBoston, N.A, to U.S.A. Institutional Tax Credit Fund XLVIII L.P., Citigroup Inc.'s nominee, be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by the Corporation of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and the protection of the interests of the Corporation.
2. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of the Corporation with respect to the Housing Development.

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

**Approval of Transfer of Physical Assets for St. Elizabeth Assisted Living, LP**

Mr. Godfrey made this presentation.

St. Elizabeth's is an assisted living facility located at the former St. Elizabeth nursing home in Providence. The development contains 69 permanent housing assisted living units of which 48 units are affordable and 21 are market rate units. St. Elizabeth's was redeveloped in 2002 with financing and tax credits from Rhode Island Housing. The original limited partner in the development was BankBoston. Due to various mergers and consolidations in the banking industry in Rhode Island, the limited partnership interest is presently held by Bank of America. Bank of America is curtailing its investments in tax credit properties and seeks approval to transfer its interest in the development to a nominee of Citigroup.

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**

RESOLVED: That the transfer of the limited partner interest in St. Elizabeth Assisted Living, LP by Bank of America, N.A. as successor to BankBoston, N.A, to U.S.A. Institutional Tax Credit Fund XLVIII L.P., Citigroup Inc.'s nominee, be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by the Corporation of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements as may be waived or modified by the Executive Director,

consistent with the nature of this transaction and the protection of the interests of the Corporation.

2. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of the Corporation with respect to the Housing Development.

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

### **Approval of Transfer of Physical Assets for Franklin Court (Bristol Assisted Living, LP)**

Mr. Godfrey outlined this request.

Franklin Court is an assisted living facility located at the former Kaiser Mill complex in Bristol. The development contains 96 permanent housing assisted living units of which 68 units are affordable and 24 are market rate units. Franklin Court was redeveloped in 1999 with financing and tax credits from Rhode Island Housing. The original limited partner in the development was BankBoston. Due to various mergers and consolidations in the banking industry in Rhode Island, the limited partnership interest is presently held by Bank of America. Bank of America is curtailing its investments in tax credit properties and seeks approval to transfer its interest in the development to a nominee of Citigroup.

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**

RESOLVED: That the transfer of the limited partner interest in Bristol Assisted Living L.P. by Bank of America, N.A. as successor to BankBoston, N.A, to U.S.A. Institutional Tax Credit Fund XLVIII L.P., Citigroup Inc.'s nominee, be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by the Corporation of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and the protection of the interests of the Corporation.
2. Written verification from Citigroup that they have reviewed the asset management conditions over the past three years of the development.
3. satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of the Corporation with respect to the Housing Development.

RESOLVED: That the Executive Director, and any Deputy Director, each acting singly, be and hereby is authorized to execute and deliver on behalf of the Corporation all documents necessary

or advisable to consummate such transfer and to take such further actions as he or she shall deem necessary of advisable in connection therewith.

**Approval of Bridge Loan Extension and Construction Operating Support for Crossroads**

Mr. Godfrey made this presentation.

This Request for Action (RFA) is for an extension of the interim bridge financing (“Bridge Loan”) made to Crossroads to assist in the conversion of a portion of 160 Broad Street into new operating space. In addition, Crossroads has requested \$100,000 in operating support to sustain the organization prior to the period when the facility is fully operational.

Ann Nolan and Howard Sutton of Crossroads expressed their gratitude and appreciation for the continued support from Rhode Island Housing.

Upon a motion made by Commissioner Flynn and seconded by Commissioner Carvalho the following resolution was adopted:

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

**Whereas,** Crossroads of Rhode Island (the “Applicant”) has applied to Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) and requested an extension to the existing \$2,500,000 Bridge Loan provided to fund construction and rehabilitation improvements for 160 Broad Street located in Providence, Rhode Island;

**Whereas,** The Corporation has a Homeless Shelter Capital Improvement Fund Program (the “Shelter Program”)

**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 is authorized to extend the Bridge Loan to Crossroads of Rhode Island for a period of 12 months.

**Resolved:** That the Corporation is authorized to grant Crossroads of Rhode Island \$100,000 in operating support.

**Resolved:** That the Executive Director and any Deputy Director, 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 carry out these resolutions.

**Resolved:** That the foregoing resolutions are subject to the normal closing requirements.

**Approval of Designation of Registered Agent by the Corporation**

Mr. Godfrey presented this item.

This Request for Action is for the designation of a registered agent and registered office for Rhode Island Housing.

Periodically, Rhode Island corporations must inform the Secretary of State, Corporations Division, of the identity and address of its registered agent. Rhode Island Housing is now due for this filing. The Rhode Island Housing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws gives the Board of Commissioners authority to designate agents of the organization. Staff recommends that the Executive Director be designated as the registered agent for Rhode Island Housing.

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

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

Resolved: That Richard H. Godfrey, Jr., the Executive Director of Rhode Island Housing and Mortgage Finance Corporation, (the “Corporation”) be and hereby is designated as the registered agent of the Corporation with a registered address of 44 Washington Street, Providence, Rhode Island.

Resolved: That the Chairman of the Corporation, be and hereby is authorized to cause this designation to be filed with the Office of the Secretary of State and take such further actions as may be required in connection therewith.

**Approval of Fictitious Business Name Statement (DBA Statement)**

Mr. Godfrey gave this presentation.

This Request for Action is for the authority to file a Fictitious Business Name Statement for Rhode Island Housing.

Rhode Island Housing recently completed a communications audit and development of a communications plan. One of the recommendations of the communications audit and plan is that the Corporation should begin conducting its business as “Rhode Island Housing” instead of “Rhode Island Housing and Mortgage Finance Corporation” in order to create better brand awareness and limit the association of the organization with past events. In order to formally conduct business as Rhode Island Housing, we must file a Fictitious Business Name Statement with the Office of the Secretary of State, Corporations Division.

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**

Resolved: That the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) is authorized to file a Fictitious Business Name Statement with the Office of the Secretary of State for authority to transact its affairs under a fictitious business name, namely “Rhode Island Housing”.

Resolved: That the Executive Director of the Corporation, be and hereby is authorized to cause the Fictitious Business Name Statement to be filed with the Office of the Secretary of State and take such further actions as may be required in connection therewith.

**Approval of Thresholds Funding for Statewide Affordable Housing, Inc.**

Mr. Godfrey presented this request.

Since September 1994, Rhode Island Housing has managed the Thresholds Program under agreement with the Rhode Island Department of Mental Health, Retardation and Hospitals. The goal of the Thresholds Program is to increase the supply of housing affordable to people with serious mental illnesses. Some of this housing is supervised, but the majority of apartments are supportive housing. In supportive housing, a mental health agency provides its clients with the services they need to live independently in integrated settings. To date, Thresholds has provided financing for 282 units and has committed over \$10.3 million in program funds.

One (1) application requesting \$309,000 was submitted to the Thresholds Advisory Committee by Statewide Affordable Housing, Inc. for the rehabilitation of a masonry building of 1912 vintage, located at 171 Broadway, Newport, RI. This building has 12 one bedroom units with project based rental assistance, of which four (4) will be set aside for permanent supportive housing for persons with chronic mental illness. Without refinancing and renovation, this housing resource will be lost.

The Committee met on December 2, 2005 and recommended the full funding for the application. The Committee determined (1) that the recommended award would enable Thresholds to meet its goal of supplying housing linked to supportive services from a mental health center and (2) that the size of the award was justified and sufficient. The Department of Mental Health, Retardation and Hospitals (MHRH) has approved the recommendation.

Upon a motion made by Commissioner Barge 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: the Department of Mental Health, Retardation and Hospitals (MHRH) has entered into an agreement with the Corporation pursuant to which MHRH has delegated to the Corporation the administration of Thresholds funds;

WHEREAS, the proposal of Statewide Affordable Housing, Inc. meets the criteria for funding from Thresholds, and,

WHEREAS, the Thresholds Advisory Committee and the MHRH have both reviewed the proposals and recommend approval of the allocation of Threshold funds.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Corporation be, and it hereby is authorized, to commit \$309,000.00 in Thresholds funds, subject to approval by MHRH.

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

There being no further business to discuss, a motion was duly made by Commissioner Carvalho and seconded by Commissioner Marques to adjourn the open meeting at approximately at 9:13 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.  
Secretary and Executive Director