

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

A working session of the Rhode Island Housing and Mortgage Finance Corporation Board of Commissioners was held on Tuesday, January 17, 2006 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 and Jose Monteiro.

Not in attendance was Kevin Flynn, designee for Beverly E. Najarian, Director of Department of Administration.

Also in attendance were: Thomas F. Hogg, Chief Financial Officer; Susan Bodington, Deputy Director; Carol Ventura, Director of Development, 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. Richard Godfrey, Executive Director, was not in attendance for the discussion of the 2006 tax credit allocation process but joined the meeting for the discussion of the other financing activity.

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.

Discussion of 2006 Tax Credit Allocation Process and Applications

Susan Bodington and Carol Ventura gave an overview of the 2006 Tax Credit Process.

They noted that one of the applicants under the 2006 allocation round was SWAP, Inc., whose executive director is Mr. Godfrey's wife. In accordance with the Board's long-standing policy, which was approved by outside counsel and the Rhode Island Ethics Commission, Mr. Godfrey did not participate in any way in the evaluation of any of the funding proposals submitted to Rhode Island Housing. Commissioner Curley participated as a member of the committee that reviewed the proposals and made funding recommendations.

Ms. Ventura outlined the process followed by the committee, which was as follows: the committee met on two occasions to discuss the proposals. Committee members were provided breakdowns and analysis of each application prepared by a staff member assigned to review the application. In some cases, the committee asked that additional information on a particular application be obtained. Following review of the applications, each committee member ranked each application against the others on various criteria, such as sponsor capacity, financial feasibility, leveraging of Rhode Island Housing scarce resources, site and design, and the like. The committee then met to discuss the rankings and agreed on a recommendation of applications for funding.

Following the outline of the process, Ms. Bodington and Ms. Ventura made a brief presentation of each of the applications, the committee's recommendation on the applications.

A brief period of discussion followed. No votes or other formal action were taken.

Discussion of Other Financing Activity

Mr. Godfrey joined the meeting at this point.

Mr. Godfrey gave the Board a brief update on the status of the proposed sale of University Heights/Arbor Glen developments. The process continues to move forward and we expect that the closing will occur in March 2006.

Next, Mr. Godfrey gave the Board a brief overview of a multi-family rental housing funding model that we hope to begin using more frequently in 2006. The model involves tax-exempt financing for properties in which 20% of the units would be set aside for low and moderate income tenants with the balance at market rates. Typically, Rhode Island Housing will be the conduit issuer, with credit risk assumed during construction and permanent financing stages by a third party, such as Fannie Mae or Freddie Mac. The proposed The Groves at Johnston development will likely use this financing model.

A brief period of discussion followed. No votes or other formal actions were taken.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director