

**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, April 27, 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; Dennis F. Ziroli, designee for A. Michael Marques, Director of Department of Business Regulation; Kevin Flynn, designee for Beverly E. Najarian, Director of Department of Administration; George Carvalho, designee for General Treasurer Paul J Tavares; 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; Carol Ventura, Director of Development; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing; and Chris Barnett, Public Information Officer.

Jayne M. Donegan, 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 8:34 a.m.

Approval of Minutes of Board Meeting Held March 16, 2006

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

VOTED: That the Minutes of the Board Meeting held March 16, 2006 hereby are approved.

Chairman's Report

Chairman Marouchoc welcomed Dennis Ziroli to Rhode Island Housing's board meeting as designee for Michael Marques, Director of Department of Business Regulation.

Chairman Marouchoc congratulated Mr. Godfrey on his induction to the Providence Preservation Society as one of the 50 Most Influential People who has been instrumental in the revitalizing of Providence, Rhode Island.

Committee Reports

Chairman Marouchoc announced that the Human Resources Committee met on April 11, 2006 and that the recommendations would be part of item number 17 of the agenda. A Legislative Committee Meeting is also scheduled to be held after the Board meeting at approximately 9:30 a.m.

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 recognized and congratulated two outstanding members of Rhode Island Housing’s staff. Jim Vincent was the recipient of two honors; New England Citizen of Year by Omega Psi Phi Fraternity and the Metcalf Award for Diversity in the Media in Television; and Abdel El Idrissi earned an MBA while working full time, receiving top honors and being chosen valedictorian of the class.

Congratulations Jim and Abdel!

Final Approval of Financing for Northern Plaza

Mr. Godfrey made this presentation.

This Request for Action (RFA) is for Firm Approval of Permanent Loan Financing for Northern Plaza, an elderly development located in Pawtucket, Rhode Island which was originally financed by Rhode Island Housing.

Northern Plaza is an existing 100-unit development consisting of 90 one-bedroom units and 10 two-bedroom units. It was originally constructed and financed in 1985 and receives Section 8 rental assistance through a Housing Assistance Payment (HAP) contract. The current HAP contract expires in 2010. Upon the expiration of this contract, we expect that HUD will renew the assistance contract at a market rent. This contract renewal will likely be subject to annual appropriation in the Federal budget.

Upon a motion made by Commissioner Carvalho and seconded by Commissioner Monteiro the following resolution was unanimously 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 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 (“Applicant”) listed below has presented an application to Rhode Island Housing requesting tax-exempt financing for the acquisition and rehabilitation the property as set forth below:

Development	Applicant	First Mortgage
Northern Plaza	A to-be-formed Limited Partnership	\$4,150,000

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 approval for a tax-exempt first mortgage to the Borrower in an amount not to exceed \$4,150,000 for Northern Plaza located at 301 Main Street, Pawtucket, Rhode Island.

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements,
- Approval by Rhode Island Housing of construction plans and specifications, and construction documentation.
- FHA Risk-Sharing approval for a minimum of 50% of the permanent first mortgage.
- Appropriate assessment of the property by the City of Pawtucket reflective of the long-term affordability restriction placed upon the development.
- Approval of a new operating budget.
- Approval by Rhode Island Housing of all members of the development team including the contractor.
- Syndication equity from the sale of Low-Income Housing Tax Credits in an amount sufficient to achieve project feasibility
- Approval by bond underwriters and bond counsel that the loan will satisfy all required provisions for the issuance of tax-exempt bonds

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

Approval of Construction Loan Financing for SWAP

Susan Bodington, deputy director made this presentation. Mr. Godfrey recused himself from any involvement in the review and recommendations regarding this proposal since SWAP's executive director is Mr. Godfrey's wife.

This Request for Action is for a Revolving Construction Loan in the amount of \$3,000,000 for the construction of homeownership opportunities in South Providence and surrounding neighborhoods of Providence.

On May 20, 2004, the Board of Commissioners approved a \$2,000,000 revolving construction loan for Stop Wasting Abandoned Properties, Inc. ("SWAP"). This loan was the second such loan approved by Rhode Island Housing. Over the past seven years, this loan program and its predecessor, the Demonstration Home Development and Homeownership Loan Program, has allowed SWAP to finance the construction and permanent financing of 83 homes in South Providence that have been or will be sold to first time homebuyers. SWAP uses a combination of construction financing and City of Providence HOME funds to keep the homes affordable.

SWAP has plans to build 29 new homeownership units in the next twelve months with significant development in the successive two years. All of these homes will be sold to first time homebuyers and we expect that most of these buyers will obtain permanent financing through Rhode Island Housing's First

Homes Programs. SWAP's current three-year loan is set to expire in April 2007. The borrowing authority outlined under the current loan is not sufficient to cover the proposed development schedule.

Given SWAP's past success, the Development Division is recommending a new \$3,000,000 revolving loan to fund SWAP's homeownership development projects. The borrowing authority under the existing loan will terminate upon closing of the new loan. Under the agreement, SWAP will be able to develop up to 20 homes and condominiums at any time; 15 homes must be pre-sold to qualified buyers. The loan will have a three-year term. These terms represent an increase in the borrowing authority for the organization and will result in an increase in the number of projects possible under this program. This increase in borrowing authority is justified due to the ongoing success SWAP has had in its homeownership initiatives. Throughout the duration of the demonstration and subsequent Master Loan programs, SWAP has demonstrated that it has an excellent track record of borrowing and repaying the loans quickly and efficiently

Carla DeStefano, Executive Director of SWAP, was present to answer questions from the Board.

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

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

Whereas, Rhode Island Housing (the "Corporation") is authorized to make loans to sponsors for such developments as in the judgement of the Corporation have promise of supplying well planned, well designed single family and two family homes and condominiums 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, Stop Wasting Abandoned Properties, Inc. ("SWAP") 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 construction loan of up to \$3,000,000 to SWAP. The loan will be structured generally in accordance with the description contained herein, with such changes as the either Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That any Deputy Director or the Directors of Housing 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:

1. Execution of a Master Loan Agreement by SWAP satisfactory to Rhode Island Housing.
2. Submission of all construction contracts, plans and specifications, marketing plans, construction budgets, schedule of payments, lien releases, gap HOME funds, home buyers applications and other documentation necessary for loan funding and construction loan and end loan approval.
3. Rhode Island Housing Homeownership Division approval of end loans for homebuyers.

Final Approval of Financing for Maple Gardens II

Mr. Godfrey gave background information regarding this proposal.

This Request For Action (RFA) is for Final Approval of financing for Maple Gardens II, an existing elderly housing development originally financed by Rhode Island Housing. The owners have requested new financing through the Preservation Program to preserve the property's long term affordability.

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 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 taxable bonds for the purpose of financing qualified housing developments throughout the state;

Whereas, Said bonds shall have a term not to exceed forty (40) 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 mortgage financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Total First and Second Mortgage Amount</u>
Maple Gardens II	Maple Housing Group	\$4,050,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, the Corporation hereby declares final approval for taxable mortgage financing in an amount not to exceed \$4,050,000 for rental housing known as Maple Gardens II located at 25 McGuire Road, North Providence, Rhode Island.

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

- Completion of all items required for closing in accordance with normal underwriting and processing requirements.
- Acceptable appraisal by an independent appraiser demonstrating that the total amount of the first and second mortgages does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of the scope of the rehabilitation work.
- Approval by Rhode Island Housing of Development Team members.
- Final approval of the new operating budget.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage.
- Evidence satisfactory to Rhode Island Housing that the development is eligible for the proposed HAP/Section 8 rents.

Resolved, That the Executive Director, either Deputy Director, and the Director of Development, each acting singly, are authorized to take any and all actions they deem necessary to carry out the foregoing Resolutions.

Approval of 2006 HOME Recommendations

Susan Bodington, deputy director, outlined these awards.

Mr. Godfrey recused himself from the review and recommendations regarding these proposals since SWAP, whose executive director is Mr. Godfrey's wife, submitted a proposal for funding. Commissioner Curley represented the board during the review 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) for \$5,065,753 in FY 2006 HOME Program Funds. Setting aside Administrative and CHDO operating funds, \$4,243,333 is available for affordable housing production.

Thirty applications were received, one application was ineligible and one was withdrawn. Twenty-eight applications requesting more than \$10 million from the HOME Program were reviewed by staff. 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.

Commissioner Flynn recused himself from consideration of this request since in his capacity of planning director for the City of Cranston, Commissioner Flynn worked with Cerebral Palsy in the acquisition of this property.

Upon a motion made by Commissioner Monteiro 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") anticipates entering 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 \$5,065,753 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 Attachment B;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Corporation commits \$3,519,754 in Fiscal Year 2006 HOME funds and program income, subject to the receipt of funding, 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 Attachment B.

RESOLVED: That the Executive Director, the Deputy Director for Programs and the Director of Development, 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.

Commitment of PILOT Funds for AS220 (Dreyfuss Hotel)

Mr. Godfrey made this presentation.

This Request for Action is for the commitment of PILOT funds of \$290,000 for 2005 to be used for the development of the Dreyfuss Hotel at 121 Washington Street, Providence.

Rhode Island Housing entered into an agreement with the city of Providence in June of 1997 providing for payment in lieu of taxes (PILOT) for properties in the City owned by Rhode Island Housing. Under

this agreement, Rhode Island Housing agreed to make payments of \$290,000 per year to be used to create housing units in Providence. The City is responsible for selecting projects eligible to receive funds and for notifying Rhode Island Housing of its selections for the funds.

Upon a motion made by Commissioner Carvalho and seconded by Commissioner Flynn 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 entered into an agreement with the City of Providence regarding payment in lieu of taxes on certain properties owned by Rhode Island Housing in the City of Providence (the “PILOT Agreement”); and,
- Whereas,** Pursuant to the PILOT Agreement, Rhode Island Housing agreed to the creation of a Providence Housing Program under which Rhode Island Housing would make available the sum of \$290,000 per year which would be used to assist in the creation of housing units in the City; and,
- Whereas,** Funds to be made available under the PILOT Agreement may be used for providing below-market rate gap financing on flexible terms and conditions based upon the specific needs of each project; and,
- Whereas,** The Department of Planning and Development (DPD) for the City of Providence is responsible for selecting the projects eligible for funding under the PILOT Agreement and establishing the terms and conditions of such assistance; and,
- Whereas,** DPD has notified Rhode Island Housing that it has selected The Dreyfuss Hotel, 121 Washington Street, Providence to receive \$290,000 in 2005 PILOT Agreement funds.

NOW THEREFORE IT IS HEREBY

Resolved: That subject to the following conditions, Rhode Island Housing hereby commits \$290,000 in 2005 PILOT Agreement funds to the 121 Washington Street Limited Partnership for the development of the Dreyfuss Hotel

1. The DPD shall determine the terms and conditions of the funds to be provided hereunder, and Rhode Island Housing shall structure the financing in accordance with that structure.
2. If the DPD determines that the financing hereunder shall be secured by a mortgage, the Corporation shall hold such mortgage.
3. Any financing to be provided hereunder will be made available only upon final closing of sufficient financing to complete the project and as the funds would be due and payable under the PILOT Agreement.

Resolved: That the Executive Director, any Deputy Director and the Director of Development, each acting singly be and hereby is, authorized and empowered to take any and all such actions, and to execute, file and deliver any and all documents, in the name of and on

behalf of Rhode Island Housing as they may deem necessary or advisable to carry out the foregoing resolutions.

PCDC – Construction Loan for Callaghan Gardens

Mr. Godfrey presented this proposal.

This Request for Action is for the commitment of construction financing of up to \$2,000,000 for the development of Callaghan Gardens in the Barton Street neighborhood of Pawtucket.

In 1998, the Board of Commissioners approved a Demonstration Home Development and Homeownership Program. The Program was made permanent and regulations were approved in August 2001. The high cost of developing housing across the State combined with the low incomes of first-time homebuyers was the impetus for creating the loan program. The Program is designed to provide below market financing for non-profit developers who are building new homes or rehabilitating existing properties for sale to first-time homebuyers. To date, 79 homes have been developed through the Program. The development of these homeownership opportunities also assists in strengthening and stabilizing neighborhoods.

Nancy Whit, executive director of Pawtucket Citizens Development Corporation thanked the board for their generosity.

Upon a motion made by Commissioner Curley and seconded by Commissioner Flynn 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 and two 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, Pawtucket Citizens Development Corporation 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 loan up to \$2,000,000 to Pawtucket Citizens Development Corporation for the development of fourteen (14) condominium units located at Barton and Olive Streets in Pawtucket, Rhode Island. The Loan will be

structured generally in accordance with the description contained herein, with such changes as the either Executive Director, either 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.
- Acceptable appraisal by an independent appraiser demonstrating that the first mortgage does not exceed 90% of the as-stabilized value of the property.
- Loan agreements and documentation satisfactory to Rhode Island Housing.

Reservation of Additional Tax Credits for Parkis Avenue

Mr. Godfrey made this presentation.

This Request for Action is for reservation of an additional \$179,820 in 2006 Low Income Housing Tax Credits (LIHTC) for Greater Elmwood Neighborhood Services (GENS).

GENS received a reservation of \$398,462 in 9% LIHTCs in January 2006 for the Parkis Avenue/North Elmwood Revitalization Project. The project involved the new construction of twenty-nine (29) apartments located at vacant lots on Parkis Avenue, Stanwood Street and Broad Street in South Providence. Since the filing of the tax credit application, GENS has been pursuing redevelopment of two additional properties located at 47 Parkis Avenue and 57 Parkis Avenue. These two sites are comprised of thirteen (13) apartments with commercial space. One structure, 47 Parkis, is eligible for historic tax credits.

Cynthia Langely was present to answer questions from the commissioners.

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, 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 previously received from the Corporation a reservation of 2006 Low Income Housing Tax Credits for the Development in the amount of \$398,462;

Whereas, Due to the addition of two properties at 47 Parkis Avenue and 57 Parkis Avenue the Applicant appears to be eligible for an allocation of additional 9% Low Income Housing Tax Credits for the development in the amount of \$179,820 for the residential housing development as follows:

Development	Applicant	Original 9% Reservation	Additional 9% Reservation	Total Reservation
Parkis Avenue/North Elmwood Revitalization	Greater Elmwood Neighborhood Services	\$398,462	\$179,820	\$578,282

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That subject to the rules and regulations of the Corporation applicable to the Low Income Housing Tax Credit Program (the “Rules and Regulations of the Corporation”), and subject to the special conditions listed below, and in addition to the \$398,462 in tax credits previously reserved, a tax credit reservation of \$179,820 in 2006 tax credits, for a total of \$578,282 in tax credits be and hereby is 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.

NOW, THEREFORE, IT IS HEREBY:

Resolved: That the Executive Director, any 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 the above resolutions to be effective; and

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

1. The award of HOME Program funds in the amount of \$500,000 or the availability of alternative equity satisfactory to Rhode Island Housing;
2. The award of NOP funds in the amount of \$555,000 or the availability of alternative equity satisfactory to the Corporation;
3. The award of Lead funds in the amount of \$100,000 or the availability of alternative equity satisfactory to the Corporation;

4. The award of first mortgage and targeted loan funds from Rhode Island Housing;
5. Syndication equity from the sale of LIHTCs in amounts sufficient to achieve project feasibility;
6. Development of plans and specifications that meet Rhode Island Housing design criteria;
7. Acceptable final appraisal and market study by an 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;
8. Approval by Rhode Island Housing of all management related issues;
9. Satisfactory and timely performance in accordance with the schedule established by the sponsor and approved by Rhode Island Housing.

Final Approval of Financing for 754 Broad Street

Mr. Godfrey presented this proposal.

This Request for Action (RFA) is for approval of financing for Crossroads Rhode Island to develop property located at 754 Broad Street in Providence. Crossroads has requested first mortgage and targeted loan financing to develop a family shelter and five units of permanent supportive housing at the site.

In 2004, Crossroads was forced to close its family shelter located at Jefferson Boulevard in Warwick. The site was leased from the Warwick House of Hope which developed the facility into permanent supportive housing. Crossroads conducted an extensive search for alternative locations to site the shelter and was able to acquire the Pearson Funeral Home property at 754 Broad Street in Providence for \$850,000 using the Rhode Island Housing Land Bank Program.

Michelle Wilcox of Crossroads Rhode Island expressed her appreciation for the continued support of Rhode Island Housing’ board and staff.

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 and designed apartments which will provide housing for low and moderate-income persons or families in locations where there is a need for such housing; and

Whereas, the applicant (“Applicant”) listed below has presented an application to Rhode Island Housing requesting financing to acquire and rehabilitate the property as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>First Mortgage</u>	<u>Targeted Loan</u>
754 Broad Street, Providence	Crossroads Rhode Island	Up to \$300,000	Up to \$67,600

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That subject to the special conditions listed below, Rhode Island Housing hereby declares firm commitment approval for a first mortgage loan to Crossroads Rhode Island in an amount not to exceed \$300,000 for development of a family shelter and permanent supportive housing located at 754 Broad Street in Providence, Rhode Island;

Resolved, That subject to the special conditions listed below, Rhode Island Housing hereby declares firm commitment approval for a targeted loan in an amount not to exceed \$67,600 to Crossroads Rhode Island for development of a family shelter and permanent supportive housing located at 754 Broad Street in Providence, Rhode Island;

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements with mutually acceptable documentation.
- Final approval of an operating budget.
- Final approval by RIH of construction plans and specifications, and construction documentation.
- Evidence that all other financing sources are committed.

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

Approval of Annual PHA Plan

A meeting of the Section 8 Committee of the Board of Commissioners was then convened to run concurrently with the open meeting of the Board of Commissioners. Chairman Marouchoc introduced and welcomed Allison Nugent, a resident participant of the certificate and voucher program administered by Rhode Island Housing in its role as a Public Housing Authority as the Resident Member of the Section 8 Committee.

In accordance with section 511 of the Quality Housing and Work Responsibility Act of 1998, the Public Housing Authority (Rhode Island Housing) must adopt an annual PHA Plan for the Section 8 Tenant-Based Program which establishes goals and objectives to meet the jurisdiction's housing needs. The Agency Plan includes Rhode Island Housing's strategies in achieving objectives in the areas of expanding the supply of assisted housing, promoting family self-sufficiency and ensuring equal opportunity in housing.

In order to comply with the requirements for 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, and be forwarded to the Department of Housing and Urban Development.

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

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

WHEREAS, Rhode Island Housing, 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: Rhode Island Housing, 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.

At approximately 9:20 a.m. upon a motion made by Commissioner Curley and seconded by Commissioner Barge, the Meeting of the Section 8 Committee adjourned and at this time Chairman Marouchoc resumed the Rhode Island Housing regular Board meeting.

Approval of Memorandum of Agreement with the Housing Resources Commission

Mr. Godfrey along with Ms Bodington explained the memorandum.

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.

Last summer the Governor established the Office of Housing and Community Development within the Department of Administration. This Office consolidated the state’s housing initiatives and provides additional staff support and an Executive Director to the Housing Resources Commission. The administrative operations of the Commission staff are overseen by the Associate Director for Planning in the Department of Administration. The Housing Resources Commission continues to have responsibility for state housing policy and planning.

This reorganization necessitated some amendments to the Memorandum of Agreement that were incorporated in March, 2005. Rhode Island Housing no longer has responsibility for oversight of the Commission staff and no longer provides an Executive Director to the Commission. However, Rhode Island Housing continues to administer the Lead Hazard Reduction Program and the Neighborhood Opportunities Program for the Commission. The proposed Memorandum of Agreement provides for continued compensation to Rhode Island Housing for administration of these programs at the same rate.

The Coordinating Committee, consisting of the chair of the Housing Resources commission, a designee of the Chair of Rhode Island Housing, Executive Director of Rhode Island Housing, and designee of the

Director of the Department of Administration, met to review the agreement and recommends its approval. The recommended Memorandum of Agreement has been approved by the Housing Resources Commission at its quarterly meeting of April 7, 2006.

Chairman Marouchoc announced that as a member of the Housing Resources Committee he has delegated Mr. Godfrey or Ms. Bodington as his designee for the HRC Commission.

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: 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 Draft 2007 Tax Credit Qualified Allocation Plan

Mr. Godfrey presented this request.

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 administered its tax credit program under a Plan that was first adopted in January, 1990. The Plan was last amended in June 2005.

Staff has proposed the following changes to the Plan that are the result of 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 and the Rhode Island Five Year Strategic Housing Plan: 2006-2010.

Other than a few stylistic language changes and corrections of typos, the following sections of the Plan are affected by the aforementioned:

Section I. C. 2)	Local Criteria
Section I. E. 7), 9) – 12)	Updates
Section I. G. 2)	Developer Fees
Section II. A.	Funding Rounds
Section II. C. 2. c)	Site and Design Factors
Section II. C. 2 e) 3), 4) 5)	Satisfaction of State Housing Needs
Section II. C. 2 f)	Leveraging/ Cost Effectiveness
Section V.	Fee Structure

The Plan will become effective after (i) the expiration of the public comment period; (ii) final approval by the Board of Commissioners of the Plan (including any changes, pursuant to public comments; and (iii) approval by the Governor.

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 (“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 Rhode Island Five Year Strategic Housing Plan: 2006 – 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; which is part of the April 27, 2006 board package.

Approval of YouthRap Allocation

Ms. Bodington made this presentation. Mr. Godfrey recused himself on the basis that SWAP submitted an application for consideration of the program. Chairman Marouchoc also recused himself because he is a board member of House of Hope.

This Request for Action is for funding for Youth RAP (Y-RAP) activities for FY 2007.

In 1990, Rhode Island Housing initiated 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 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 2005-6, 33 developments participated and served over 500 youth. Also, RI Housing continued working to increase communication between Y-RAP program managers by again providing a resource sharing manual, and organizing the third annual "Showcase of Talents" which is scheduled to take place on April 20, 2006. Last year 130 children participated in the Y-RAP "Showcase of 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.

The Corporation distributed a Request for Proposals to all eligible family developments and received 32 applications requesting a total of \$522,054.50 with the total program cost at \$764,255.26. A review committee of Rhode Island Housing staff evaluated the applications and is recommending funding 31 programs at a total cost to Rhode Island Housing of \$465,000. A list of the proposed programs is included as attachment A. Developments will contribute an additional \$126,396 in matching funds. Nine developments have requested a waiver of the match requirement. In addition we are requesting \$5,000 to support program wide activities including the "Showcase of Talents" Talent Show, which will be held in April, 2007 and \$5,000 to provide participating development coordinators with program tracking training. The tracking and training funds will be used to improve and bring consistency to participating agency's outcome performance measurements. The total funding request is \$475,000, the same amount budgeted for youth programs in the FY 2006 budget.

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 has financed the development and operation 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, will provide funds towards such activities.

NOW THEREFORE IT IS HEREBY:

RESOLVED, The Corporation is authorized to spend up to \$475,000 for 2006-2007 Youth RAP activities including up to \$465,000 at 31 developments as shown in Attachment A, and up to \$5,000 to provided program wide activities including the talent show for youth in participating developments and \$5,000 to provide participating development coordinators with program tracking training.

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 Executive Director's Contract and Compensation

Chairman Marouchoc informed the Board that Mr. Godfrey had been previously notified but has elected to waive his right to an Executive Session to discuss his compensation.

Chairman Marouchoc related the outcome of the Human Resources Committee meeting held on April 11, 2006 regarding Mr. Godfrey's performance review and relayed the committee's recommendations regarding compensation.

Chairman Marouchoc commended Mr. Godfrey on his achievements through 2005 and applauded the outstanding work he performs as Executive Director.

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**

RESOLVED: That the Executive Director's contract, be renewed for two years, ending April 30, 2008 on the same general terms and conditions of the current employment contract.

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**

RESOLVED: That the Executive Director's salary for the period May 1, 2006 to April 30, 2007 be \$157,200, representing an increase of approximately 3.5% from the annualized salary immediately preceding.

Upon a motion made by Commissioner Curley and seconded by Commissioner Barge the following resolution was approved on a 6 to 1 vote with Commissioner Carvalho voted in the negative:

RESOLVED: That, in recognition of his outstanding performance in achieving the goals of the Corporation for the period November 1, 2004 through December 31, 2005, the

Executive Director be granted a performance payment of \$3,000 payable immediately.

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 9:40 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director