

**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, September 28, 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; Noreen Shawcross, 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; Michael V. Milito, Corporation Counsel; Phil Campbell, Director of Marketing and Information and Chris Barnett, Director of Communications.

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 first 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 August 10, 2006

George Carvalho, designee for General Treasurer Tavares requested that the minutes be amended to note that he was not present at the August 10, 2006 board meeting.

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

VOTED: That the Minutes of the Board Meeting held August 10, 2006 hereby are approved as amended.

Vice Chair Denise Barge arrived at this point; at approximately 8:33 a.m.

Chairman's Report

Chairman Marouchoc stressed the importance of the \$50 million housing bond question on the November ballot and encouraged everyone to spread the word and to Vote Yes on question 9.

Committee Reports

There were no committee meetings held during the month of August.

Executive Director's Report

Mr. Godfrey announced that the November 16, 2006 board meeting has been canceled and deferred his report until the end of the action items.

Firm Commitment of Financing for Villita Apartments (a.k.a. The Colony)

Mr. Godfrey presented this request.

This Request for Action (RFA) is for firm commitment of first mortgage financing for Women's Development Corporation (WDC) to acquire and preserve the property located at 625 Public Street in Providence (The Colony Apartments). WDC has requested first mortgage financing to preserve the 17 unit Section 8 development. In addition, secondary financing has been approved through the Affordable Housing Trust.

Susan Aitcheson, of Women's Development Corporation expressed her gratitude to Rhode Island Housing for supporting this project.

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 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> |
|-----------------------|---------------------------------|-----------------------|
| The Colony Apartments | Women's Development Corporation | Up to \$375,000 |

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 Women's Development Corporation in an amount not to exceed \$375,000 for the preservation of The Colony Apartments located at 625 Public 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 and approval of a budget based rent increase by HUD.
- Final approval by Rhode Island Housing 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 Prepayment for Scituate Vista Apartments

Mr. Godfrey made this presentation.

This Request for Action (RFA) is for approval of prepayment of the mortgage for Meshanticut Vista Apartments an existing elderly development originally financed by Rhode Island Housing (RIH) under the Section 8 program.

Meshanticut Vista is a 140 unit Section 8 elderly apartment located on 225 New London Avenue in Cranston. The development was constructed in 1981 and financed with a Rhode Island Housing mortgage loan to Meshanticut Vista Associates, a Rhode Island limited partnership.

The General Partner, Alfred Carpionato, submitted an application for prepayment. He intends to refinance the property through a HUD Lender and undertake some moderate rehabilitation. Mr. Carpionato has committed to a new 40 year Regulatory Agreement upon refinance.

The Development division in consultation with Asset Management and Loan Servicing divisions has reviewed the request under the Rhode Island Housing Regulations Governing Proposed Prepayments or Transfers and has determined that the proposed transaction complies with these requirements. There are several outstanding capital improvement needs but it appears that these will be addressed during the rehabilitation. As part of the refinancing the new lender will require the capitalization of a replacement reserve to address future maintenance needs. National Investments, an identity of interest company of the General Partner will continue as the property manager. The existing ownership entity will remain in place. Both entities have the experience and financial capacity to successfully exercise ownership and control of the development. Finally, since the owner has agreed to execute a new Regulatory Agreement, the development will continue to be affordable to low and moderate income persons for forty (40) years.

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**

RESOLVED: That the prepayment of the existing first mortgage for Meshanticut Vista be, and hereby is, approved, subject to the following terms and conditions:

1. Approval by Rhode Island Housing of the plans and specifications of the proposed rehabilitation.
2. Final approval of the sources and uses of the proposed transaction including a commitment letter from the Lender with terms and conditions.
3. Execution of a new 40 year Regulatory Agreement satisfactory to Rhode Island Housing for the development.
4. Receipt by Rhode Island Housing of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements may be waived or modified by the Executive Director, consistent with the nature of this transaction and the protection of the interests of Rhode Island Housing.
5. Satisfaction of any additional requirements which the Executive Director believes to be necessary or advisable to protect the interests of Rhode Island Housing with respect to Meshanticut Vista.

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

Executive Director's Report

Mr. Godfrey announced that the FY 2006 financial audit has been completed and that a copy of the audit has been provided to the Commissioners and hand delivered to Governor, the Auditor General, General Treasurer, State Controller, President of the Senate, and the Speaker of the House. Tom Hogg, gave a brief recap of the financials and responded to questions from the Commissioners. The audit will be formally presented to the Audit Committee at a meeting next month.

Mr. Godfrey distributed a memo to the Commissioners that set forth Rhode Island Housing's policies regarding political activities. In virtually every instance, Rhode Island Housing does not take a formal position regarding candidates of ballot questions. Employees are free to engage in political activity on their own time but must take care to ensure that they are not seen as speaking on behalf of Rhode Island Housing.

In those rare situations where a question on the ballot goes to the core of Rhode Island Housing's statutory purposes, Rhode Island Housing may take a position on that question. In the upcoming election Question 9, which authorizes a \$50 million bond issue to support affordable housing development, falls into that category. In light of Rhode Island Housing's enabling act, which provides that one of Rhode Island Housing's corporate purposes is to increase the supply of affordable housing by leveraging public and private resources to support this activity, Rhode Island Housing will take a position to support the passage of Question 9.

Mr. Godfrey then outlined the campaign strategy that HousingWorksRI has developed, known as Vote Yes on 9, to encourage the passage of this question. Susan Bodington, Deputy Director gave a presentation of the Vote Yes on 9 web site and television, radio and billboard advertisements that are scheduled for October and early November.

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 9:26 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director