

**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, March 15, 2007, 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; General Treasurer Frank T. Caprio; Michael Marques, Director of Department of Business Regulation; Kevin Flynn, designee for Beverly E. Najarian, Director of Department of Administration; and Jose Monteiro. Christine Curley 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; Amy Rainone, Director of Policy; Carol Ventura, Director of Development; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing; Michael V. Milito, Corporation Counsel and Phil Campbell, Director of Marketing and Information.

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 on January 18, 2007

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

VOTED: That the Minutes of the Board Meeting held January 18, 2007 hereby are approved.

Chairman's Report

Chairman Marouchoc did not have any items to report.

Committee Reports

There were no committee meetings held during February. A Legislative Committee meeting is scheduled to follow the board meeting at 9:30 AM.

Executive Director’s Report

Mr. Godfrey deferred his report until the end of the action items.

Preliminary Approval of Financing for Douglas Manor

Carol Ventura, Director of Development made this presentation.

This Request for Action (RFA) is for Preliminary Approval of financing for Douglas Manor Apartments (Douglas Manor), an existing elderly housing development originally financed by Rhode Island Housing. In 1991, the development was refinanced by D.M. Associates, L.P., a Rhode Island Limited Partnership formed to acquire and refinance the property with 4% low income housing tax credits. Given that the tax credit compliance period has expired, the owners are now requesting new financing under Rhode Island Housing’s Preservation Program.

Upon a motion made by Commissioner Caprio 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 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, Rhode Island Housing 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 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 Rhode Island Housing requesting mortgage financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Amount</u>
Douglas Manor	Cathedral Development Group, Inc.	\$4,900,000

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 declares preliminary approval for tax exempt mortgage financing in an amount not to exceed \$4,900,000 for rental housing known as Douglas Manor located at 1155 Douglas Avenue in North Providence, Rhode Island.

Resolved, That Rhode Island Housing hereby declares that the preliminary approval of financing for the Borrower constitutes the affirmative official act of Rhode Island Housing of its intention to issue bonds to finance up to \$4,898,000 in permanent mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced develop 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:

- 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.
- Completion of a Capital Needs Assessment.
- Completion of a Phase I environmental assessment and any such other environmental studies deemed necessary by Rhode Island Housing.
- 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.
- Approval by bond underwriter and bond counsel that the loans will satisfy all required bond provisions for the bond issue.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage.
- Evidence that neither Fannie Mae nor Freddie Mac will not be purchasing the LIHTC's as Fannie Mae and Freddie Mac may be key buyers of Rhode Island Housing bonds and cannot participate in both sides of the transaction.

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

Firm Approval of Financing for Parkis Place

Mr. Godfrey, along with Carol Ventura, Director of Development, made this presentation.

This Request for Action is for firm commitment of up to \$571,417 in 2006 9% tax credits, bridge loan financing, first mortgage and targeted loan funds for the North Elmwood Revitalization (“NER”) development in Providence. The Sponsor, Greater Elmwood Neighborhood Services (“GENS”), has proposed a 40-unit development in South Providence comprised of several scattered properties.

A representative of Davenport Associates was present to answer questions from the Board.

Upon a motion made by Commissioner Flynn 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:

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 ("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 2006 ("the Tax Credit") as follows:

Applicant	Development	First Mortgage	Targeted Loan	9% LIHTC	Bridge Loan
Greater Elmwood Neighborhood Services	North Elmwood Revitalization	\$75,000	\$495,000	\$571,417	\$5,300,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$571,417 of allocated 2006 tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of Rhode Island Housing 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 Rhode Island Housing 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 financing for a bridge loan to North Elmwood Revitalization Limited Partnership (the "Borrower") in an amount not to exceed \$5,300,000 (the "Loan") for family housing located in Providence, Rhode Island

Resolved, That, subject to the special conditions listed below, the Corporation hereby approves financing for a taxable first mortgage loan to North Elmwood Revitalization Limited Partnership (the "Borrower") in an amount not to exceed \$75,000 (the "Loan") for family housing located in Providence, Rhode Island.

Resolved: That the Corporation hereby reserves up to \$495,000 in Targeted Loan funds for the Borrower.

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

- Evidence of HOME, NOP, and Lead funds in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to Rhode Island Housing;
- Syndication equity from the sale of LIHTCs and federal and state historic tax credits in an amount sufficient to achieve project feasibility;
- Final approval of plans, specifications and construction documentation;
- Acceptable final appraisal by independent appraiser demonstrating that the loans do not exceed 90% of the as-stabilized value of the property ;
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements with mutually acceptable documentation.

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

Memorandum of Agreement with the Housing Resources Commission (HRC)

Mr. Godfrey, along with Ms. Bodington, Deputy Director, made this presentation.

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.

This proposed Memorandum of Agreement provides for continued responsibility and compensation to Rhode Island Housing for administration of the Lead Hazard Reduction Program and the Neighborhood Opportunities Program. In addition, amendments to the Memorandum of Agreement assign responsibility to Rhode Island Housing for implementation of the funding decisions of the Housing Resources Commission with regard to the new Building Homes Rhode Island Bond Program. Rhode Island Housing will also assume responsibility for disbursement of supportive services matching funds from advances from the Housing Resources Commission.

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 was presented to the Housing Resources Commission at its quarterly meeting of March 9, 2007.

Upon a motion made by Commissioner Barge and seconded by Commissioner Monteiro the resolution was unanimously adopted in the form presented to the meeting, which Memorandum of Agreement is attached as part of the March 15, 2007 board package.

**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 is authorized to enter in 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 Resolutions.

Executive Director's Report

Mr. Godfrey referred the Commissioners to his memo, which had been previously distributed and briefly commented on several topics of interest.

Mr. Godfrey announced that the April 19, 2007 board meeting has been rescheduled to Thursday, April 26, 2007.

Mr. Godfrey announced that Rhode Island Housing is the recipient of NCSHA's Legislative Award and thanked Rhode Island Housing's staff for contributing to its success.

Mr. Godfrey also announced that staff continues to move forward on the Strategic Planning initiatives and goals but is also diligently working on HUD's Super NOFA of grant awards.

Executive Session pursuant to R.I.G.L. Sec. 42-46-5(a)(5) Regarding Acquisition of Interest in Real Property for Public Purposes

Chairman Marouchoc called for a closed session at 9:21 a.m. pursuant to R.I.G.L. Section 42-46-5 (a) (5) to discuss the interest of acquisition of real property.

Upon a roll call vote the commissioners unanimously voted in favor of the closed session.

The closed session ended at 10:06 a.m. and Chairman Marouchoc reconvened the Board in open session. No votes were taken in closed session and upon motion which was unanimously adopted the minutes were sealed.

There being no further business to discuss, a motion was duly made by Commissioner Flynn and seconded by Commissioner Curley to adjourn the open meeting at approximately at 9:24 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director