

**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, June 21, 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; Kevin Flynn, designee for Beverly E. Najarian, Director of Department of Administration; Michael Marques, Director of Department of Business Regulation; Jose Monteiro (arrived at 8:37 am) and Perry Clough.

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 Jo-Ann Ryan, Director of Marketing and Information.

Edward Pare, 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 May 17, 2007

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

VOTED: That the Minutes of the Board Meeting held May 17, 2007 hereby are approved.

Chairman's Report

Chairman Marouchoc did not have anything to report.

Committee Reports

The Human Resources Committee and Budget Committee met on June 14, 2007 to discuss the salary increases and related matters. The recommendations of the HR and Budget Committees will be presented during action item number 10 of the agenda. Copies of the minutes of the Human Resources and Budget Committees were provided in the board package.

Commissioner Monteiro arrived at this point; at approximately 8:37 a.m.

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 noted that the proposed FY 2008 State Budget includes a number of items that will impact programs supported and administered by Rhode Island Housing. The Legislative Report, which was provided to the Commissioners, provides a complete analysis of the 2008 State Budget and its impact on housing-related programs.
- Loan volume in single family program has increased dramatically since the beginning of the year. For the first 5 months of 2007 we closed 574 loans, representing almost \$120.0 million in volume, compared to 302 loans for approximately \$60.0 million for the first 5 months of 2006, 301 loans for \$54.8 million in 2005 and 273 loans for \$42.1 million in 2004. The dollar volume for 2007 is nearly three times greater than the 2004 volume during the same period.
- Rhode Island Housing is about to introduce an exciting initiative: **KeepSpace Communities: Where Neighbors Meet, People Work, Children Play**. The initiative is Rhode Island Housing's holistic approach to creating communities that are economically, environmentally and socially sustainable. Rhode Island Housing will soon issue an RFP under the initiative.
- As part of our continuing communications and marketing efforts, Rhode Island Housing has developed a newly designed marketing piece: the Rhode Island Housing Capabilities Kit. The kit allows us to effectively communicate the broad scope of our activities while enhancing our credibility with policy makers, partner agencies, business leaders, foundations, university presidents and other target audiences.

Final Approval of Preservation Financing for Bridgham Manor

Mr. Godfrey gave this presentation.

This Request for Action is for Preliminary Approval of financing for Bridgham Manor, an existing elderly housing development originally financed by Rhode Island Housing. The owners have requested new financing through the Preservation Program.

Mr. Godfrey recognized Sharon Pray, representing the sponsor of the development.

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

<u>Development</u>	<u>Applicant</u>	<u>Amount</u>
Bridgham Manor	Bridgham Manor Company, LLC	\$4,029,000

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, the Corporation hereby declares approval of the transfer of the General Partner Partnership interest in Bridgham Manor, a Rhode Island limited partnership, from the sole general partner, Orlando A. Andreoni, to Bridgham Manor Company, LLC or its assigns subject to the execution of an amendment to the existing Regulatory Agreement extending the affordability restrictions for 40 years from the date of closing for the acquisition of the General Partnership interest.

Resolved, That, subject to the special conditions listed below, the Corporation hereby declares preliminary approval for tax-exempt mortgage financing in an amount not to exceed \$4,029,000 for rental housing known as Bridgham Manor located at 359 Carpenter Street in Providence, Rhode Island.

Resolved: That the Corporation hereby declares that the preliminary commitment approval of financing for the Borrower constitutes the affirmative official act of the Corporation of its intention to issue bonds to finance up to \$4,029,000 in permanent mortgage funds and the related costs of issuance for the bond issue for the above-referenced Development 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 and 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.
- 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 satisfactory to Rhode Island Housing regarding the scope of any required life safety system upgrades.
- Receipt of an acceptable Phase I environmental report and any other environmental studies deemed necessary the Rhode Island Housing.
- Evidence that Fannie Mae and Freddie Mac will not be purchasing the LIHTC's as both entities are key buyers of Rhode Island Housing bonds and cannot participate in both sides of the transaction.

Resolved, That the transfer of the general partner interests of Orlando Andreoni in Bridgham Manor Associates to Bridgham Manor Company, LLC or its related entity, be, and hereby is, preliminarily approved, subject to the following conditions:

1. Execution Bridgham Manor Associates of an agreement, in form and substance satisfactory to Rhode Island Housing, to extend the affordability of each development.
2. 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 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.

3. Satisfaction of any additional requirements which 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, 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.

Preliminary Approval of Preservation Financing for Heritage Village 1 & 2

Mr. Godfrey presented this request.

This Request for Action is for preliminary commitment of financing for Heritage Village I and II, two existing developments located in North Kingstown. Both Heritage Village I and Heritage Village II were originally financed by Rhode Island Housing, and Heritage Village I was refinanced with Rhode Island Housing in 2005. Preservation of Affordable Housing (“POAH”) has proposed to purchase and refinance both developments and has requested financing through Rhode Island Housing’s Preservation Program.

Bart Lloyd, from POAH was present and available to respond to questions from the Commissioners.

Upon a motion made by Commissioner Marques 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 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, 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 tax-exempt financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Tax Exempt Financing</u>
Heritage Village I Heritage Village II	POAH, Inc.	\$15,600,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby preliminarily approves tax exempt mortgage financing to POAH and its to be formed limited partnership in an amount not to exceed \$15,600,000 for rental housing located in North Kingstown, Rhode Island to be financed by tax-exempt bonds;

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 a \$15,600,000 first mortgage, 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 with mutually acceptable documentation.
- Acceptable final appraisal by an independent appraiser demonstrating that the loan does not exceed 90% of the as-stabilized value of the property.
- An acceptable commitment letter from the equity provider for the transaction demonstrating syndication proceeds from 4% Low Income Housing Tax Credits in an amount sufficient to assure development feasibility. Syndicator must agree not to sell the tax credits to Fannie Mae or Freddie Mac.
- Approval by Rhode Island Housing of all members of the development team, including contractor, architect and management agent.
- Approval of a new operating budget including Mark Up to Market rents.
- Approval by Rhode Island Housing of construction plans and specifications, and construction documentation.
- FHA Risk-Sharing approval for 50% of the first mortgage.
- Approval by bond underwriter and bond counsel that the loan will satisfy all required bond provisions for the bond issue.

Reservation of 2007 Low Income Tax Credits

a. Broad Street Revitalization

This Request for Action is for the reservation of up to \$537,958 in 9% Low Income Housing Tax Credits (LIHTC), preliminary approval of \$160,000 of taxable first mortgage financing, and \$722,600 of Targeted Loan financing for the Broad Street Revitalization development in Providence.

Ms. Ventura, Director of Development, outlined the tax credit reservations and introduced Susanne Mark from the Elmwood Foundation who along with their consultant, Barbara Sokoloff, gave a presentation on the Broad Street Revitalization endeavor. Both Ms. Mark and Ms. Sokoloff thanked the commissioners for allowing them the opportunity to present the project.

Following a period of discussion, and upon a motion made by Commissioner Barge 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, 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 (“Rhode Island Housing”) has been designated the Administrator of the Program in the State of Rhode Island; and

Whereas, Staff for Rhode Island Housing 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, 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, 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; and

Whereas, The applicant has submitted an application to Rhode Island Housing for the reservation of tax credits from the tax credit authority available in the calendar year 2007 (“the Tax Credit”) and for taxable financing as follows:

<u>Development</u>	<u>Applicant</u>	9% Tax Credits	Taxable Mortgage	Targeted Loan
Broad Street Revitalization	Elmwood Foundation	\$537,958	\$160,000	\$722,600

Whereas, Rhode Island Housing staff has reviewed the submission, inspected the site, and determined that this development may qualify for financing and an allocation of Low Income Housing Tax Credits under Rhode Island Housing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$537,958 of allocated 2007 or 2008 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, Deputy Director and the Director of Housing 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, Rhode Island Housing hereby preliminarily approves a taxable first mortgage loan to the Elmwood Foundation, or an affiliated partnership (the “Borrower”) in an amount not to exceed \$160,000 for rental housing to be located in Providence, Rhode Island and to be known as Broad Street Revitalization.

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby preliminarily approves a Targeted Loan to the Elmwood Foundation, or an affiliated partnership (the “Borrower”) in an amount not to exceed \$722,600 for rental housing to be located in Providence, Rhode Island, and to be known as Broad Street Revitalization.

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

- The award of Special Needs Rental Production Program Funds in the amount of \$650,000, or the availability of alternative equity satisfactory to Rhode Island Housing;
- Syndication equity from the sale of LIHTC in an amount sufficient to achieve project feasibility;
- The commitment of \$300,000 of HOME and \$653,826 of PEDP funding from the City of Providence;
- The award of NOP and Building Homes RI funds in amounts sufficient to achieve project feasibility;
- The approval of financing for the commercial space in an amount of at least \$453,753;
- Development of plans and specifications that meet Rhode Island Housing design criteria;
- Acceptable final appraisal and market study by 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;

- Approval by Rhode Island Housing of all management-related issues;
- Satisfactory and timely performance in accordance with the schedule established by Rhode Island Housing staff and sponsor.

Commissioner Caprio left at this point of the meeting; at 9:15 a.m.

b. The Bourne Mill

This Request for Action (RFA) is for reservation of up to \$670,000 in 9% Low Income Housing Tax Credits (LIHTC) and preliminary approval of tax-exempt first mortgage financing, taxable first mortgage financing, and Targeted Loan financing for the redevelopment of the Bourne Mill in Tiverton, Rhode Island.

Ms. Ventura introduced Jan Brady of the Armory Rival Company who gave a presentation on the Bourne Mill development.

A brief discussion followed the presentation with Mr. Godfrey, and Ms. Ventura and Jan Brady responding to questions from the Board.

Upon a motion made by Commissioner Monteiro 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

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 (“Rhode Island Housing”) has been designated the Administrator of the Program in the State of Rhode Island; and

Whereas, Staff for Rhode Island Housing 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, 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, 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; and

Whereas, The applicant has submitted an application to Rhode Island Housing for the reservation of tax credits from the tax credit authority available in the calendar year 2007 (“the Tax Credit”) and for taxable financing as follows:

<u>Development</u>	<u>Applicant</u>	<u>9% Tax Credits</u>	<u>Taxable Mortgage</u>
Bourne Mill	Armory Revival Company	Up to \$670,000	\$5,996,600

Whereas, Rhode Island Housing staff has reviewed the submission, inspected the site, and determined that this development may qualify for financing and an allocation of Low Income Housing Tax Credits under Rhode Island Housing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That up to \$670,000 of allocated 2007 or 2008 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, Deputy Director and the Director of Housing 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, Rhode Island Housing hereby preliminarily approves a taxable first mortgage loan to the Armory Revival Company, or an affiliated partnership (the “Borrower”) in an amount not to exceed \$5,996,600 for rental housing to be located in Tiverton, Rhode Island, and to be known as Bourne Mill A.

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

1. Final RIDEM approval of an acceptable Remedial Action Work Plan (RAWP) for environmental remediation and wetlands protection;
2. Final approval from the Town of Tiverton for all planning and zoning variances;
3. Approval by bond underwriter and bond counsel that the tax-exempt loan will satisfy all required bond provisions for the bond issue;.
4. Syndication equity from the sale of 4% and 9% LIHTC in amounts sufficient to achieve project feasibility;
5. The award of HOME funds in the amount of \$500,000 or the availability of alternative equity satisfactory to Rhode Island Housing;;
6. The award of NOP and Building Homes RI funds in amounts sufficient to achieve project feasibility;
7. The award of Lead Hazard Reduction funds in an amount sufficient to achieve project feasibility;

8. The award of financing for the commercial space in an amount sufficient to achieve project feasibility;
9. Development of plans and specifications that meet Rhode Island Housing design criteria;
10. Acceptable final appraisal and market study by 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 including vacancy rates acceptable to Rhode Island Housing;
11. Approval by Rhode Island Housing of all management-related issues;
12. Satisfactory and timely performance in accordance with the schedule established by Rhode Island Housing staff and sponsor;
13. FHA Risk-Sharing approval for 75% of the first mortgages;
14. Award of \$300,000 of Affordable Housing Program grant by Federal Home Loan Bank or the availability of alternative equity satisfactory to Rhode Island Housing;
15. Any private financing related to the acquisition of the property be subordinate to all Rhode Island Housing financing;
16. Approval by Rhode Island Housing of the condominium ownership structure for the Bourne Mill site;
17. Approval by Rhode Island Housing of all operating and environmental guarantees.

Commissioner Caprio left the meeting at this point at approximately 9:35 am.

Final Approval of Amended Predevelopment Loan Program Regulations

Mr. Godfrey presented this proposal.

This Request for Action is for final approval of amendments to the Predevelopment Loan Program Regulations. Rhode Island Housing provided notice of its intention to adopt these amendments in accordance with the Administrative Procedures Act. No comments were received from any interested parties.

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, notice of the proposed Second Amendment to Rhode Island Housing and Mortgage Finance Corporation Rules and Regulations Applicable to the Predevelopment Loan Program (the “Amended Rules and Regulations”) has been given in accordance with the Administrative Procedures Act, as set forth in Chapter 42-35 of the General Laws of Rhode Island of 1956, as amended; and no changes have been effected by Rhode Island Housing; and

WHEREAS, pursuant to the provisions of Section 42-35-3 of the General Laws of Rhode Island as amended, consideration has also been given in developing the Amended Rules and Regulations to any significant economic impact the Rules may have on small business as defined in Section 42-35-1(h) of the General Laws of Rhode Island, 1956, as amended, and to any adverse economic impact on any city or town and based on the information available, no significant economic impact on small business and no adverse economic impact on any city or town was identified.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Amended Rules and Regulations as attached hereto are hereby adopted in their entirety.

RESOLVED: That the Executive Director, and any Deputy Director be, and hereby is, authorized, empowered and directed to file or cause to be filed the Amended Rules and Regulations in duplicate with the Secretary of the State of Rhode Island (the "Secretary"), to execute or cause to be executed any and all certificates, instruments, letters of instruction and documents as shall be required to cause the filing of the Amended Rules and Regulations, and to take such further action as he, in his sole discretion, shall deem necessary or desirable to effectuate the Amended Rules and Regulations.

Approval of 2008 Qualified Allocation Plan

Mr. Godfrey made this presentation.

At the April 26, 2007 meeting, the Rhode Island Housing Board of Commissioners preliminarily approved and authorized publication of Rhode Island Housing's intent to adopt the 2008 Qualified Allocation Plan (the "Plan") governing the allocation of low income housing tax credits. Rhode Island Housing published notices of the public hearing and availability of the Plan on Thursday, May 3, 2007 in the Providence Journal and the Providence American; and on Friday, May 4, 2007 in the Providence En Espanol.

The public hearing was held at the offices of Rhode Island Housing on Thursday, May 31, 2007. No interested parties attended the hearing and no comments were received.

On Friday, June 1, 2007, we received correspondence from the National Housing Trust, Inc. suggesting that Rhode Island Housing establish a set aside of 9% tax credits for preservation of existing Section 8 developments.

Staff has considered the proposal and has decided not to establish a preservation set aside. Rhode Island Housing has preserved over 8,500 Section 8 units with 40-year Regulatory Agreements using a combination of taxable and tax exempt financing, 4% tax credits that come from tax exempt financing and other Rhode Island Housing resources. Rhode Island is a national leader in the preservation of existing Section 8 developments and has successfully preserved approximately 72% of the Section 8 inventory using this model. Moreover, Rhode

Island, as a small state, receives the minimum amount of allocated 9% tax credits and uses this resource to create new rental units. Establishing a preservation set aside would diminish our ability to create new affordable units.

In light of the success of our current model and the need to create additional affordable units, staff believes that creating a preservation set aside is unnecessary at this time.

Staff recommends that the Board of Commissioners approve the attached Resolution adopting the Plan and recommending the Plan for approval and endorsement by the Governor.

Upon a motion made by Commissioner Marques and seconded by Commissioner Flynn the following resolution was adopted along with the 2008 Qualified Allocation Plan which is attached as part of the June 21, 2007 board package.

**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, as amended, 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 adopt the attached 2008 Qualified Allocation Plan for the State of Rhode Island, and hereby recommends the Plan be approved and endorsed by the Governor of the State of Rhode Island and Providence Plantations.

RESOLVED: That Rhode Island Housing develop and distribute a Request for Proposals (RFP) soliciting applications for 2008 tax credits pursuant to the Plan.

Approval of Fiscal Year 2008 Budget

Commissioner Marques, Chair of the Budget Committee made this presentation, with additional information provided by Mr. Hogg, CFO.

Commissioner Marques highlighted the significant elements of the FY 2008 budget and referred to comparative analyses to the prior year budget. Mr. Hogg provided an explanation for significant changes from the prior year budget and outlined the assumptions underlying the current income and expense budget. Of particular note is the effect of a significant increase in single family mortgage production. This increase, combined with continued preservation financing activity in the multifamily portfolio, has continued to help increase the trend line for Corporation net interest income and net revenue.

The FY 2008 Budget was reviewed by the Budget Committee on June 14, 2007. Minutes of the Budget Committee were provided to the Commissioners. The Committee recommended that the FY 2008 budget be adopted as presented.

Chairman Marouchoc along with Commissioner Marques commended staff on the excellent quality and consistency of work.

Upon a motion made by Commissioner Clough 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

Resolved: That the fiscal year 2008 Budget of the Corporation as set forth in Attachment B hereto is hereby approved.

There being no further business to discuss, a motion was duly made by Commissioner Monteiro and seconded by Commissioner Flynn to adjourn the open meeting at approximately at 9:50 a.m.

Respectfully submitted,

Richard Godfrey
Secretary and Executive Director