

**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, November 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; Denis Zirolli, designee for Michael Marques, Director of Department of Business Regulation; Kevin Flynn, designee for Beverly E. Najarian, Director of Department of Administration; Perry Clough and Jose Monteiro.

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 Communications Director.

Brian P. Gallogly, 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 October 18, 2007 and Minutes of Working Session Held on September 20, 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 on October 18, 2007 and Minutes of Working Session Held on September 20, 2007 hereby are approved.

**Chairman's Report**

Chairman Marouchoc welcomed Denis Zirolli, designee for Michael Marques, Director of Department of Business Regulation to the board meeting.

**Committee Reports**

Chairman Marouchoc announced that the Audit Subcommittee is scheduled to meet on November 19, 2007 and November 20, 2007 to interview firms for Investment Banker Services.

**Executive Director’s Report**

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

**Reservation of Additional Tax credits for Broad Street Revitalization**

Mr. Godfrey, along with Ms. Ventura, presented this proposal.

This Request for Action (RFA) is for the reservation of up to \$254,802 in additional 9% Low Income Housing Tax Credits (LIHTC) and an additional \$157,400 of Targeted Loan financing for the Broad Street Revitalization development in Providence.

Chairman Marouchoc recused from the discussion, consideration and vote on this matter since his employer is a business associate of the sponsor of this development.

Upon a motion made by Commissioner Caprio and seconded by Commissioner Barge the above resolution was unanimously adopted by the voting members. Chairman Marouchoc did not participate in the consideration or the vote.

**Resolution of the Board of Commissioners of  
Rhode Island Housing Mortgage and 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,** The Applicant has previously received from the Corporation a reservation of 2007 Low Income Housing Tax Credits for the Development in the amount of \$537,958 and a preliminary commitment of Targeted Loan funding in the amount of \$722,600; and

**Whereas,** Due to the addition of three properties at 7, 43 and 55 Parkis Avenue the Applicant appears to be eligible for a reservation of additional 9% Low Income Housing Tax Credits for the development in the amount of \$254,802 and additional Targeted Loan funding in the amount of \$157,400 for the residential housing development as follows; 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 financing as follows

<u>Development</u>	<u>Applicant</u>	<u>Tax Credit Reservation</u>	<u>Targeted Loan</u>
<b>Broad Street Revitalization</b>	<b>Elmwood Foundation</b>	<b>\$792,760</b>	<b>\$880,000</b>

**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 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 \$537,958 in tax credits previously reserved, a tax credit reservation of \$254,802 in 2007 or 2008 tax credits, for a total of \$792,760 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.

**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 \$880,000 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:

- Sale of 7, 43, and 55 Parkis Avenue from GENS to the Elmwood Foundation for \$960,000 (adjusted for commercial property at 124 Elmwood Avenue)
- The award of Special Needs Rental Production Program Funds in the amount of \$450,000, 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;
  - Receipt of Federal and State Historic Tax Credits and syndication equity from the sale of Historic Tax Credits in an amount sufficient to achieve project feasibility;
  - The commitment of \$500,000 of HOME and \$819,516 of PEDP funding from the City of Providence;
  - The award of NOP and Building Homes RI funds in amounts sufficient to achieve project feasibility;
  - 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.

**Approval of Awards Funding for Special Needs Rental Production for West Elmwood Housing**

Mr. Godfrey and Carol Ventura made this presentation.

This Request for Action is for approval of funding under the Special Needs Rental Production Program (the “Program”) to West Elmwood Housing Development Corporation to provide housing and supportive services for refugees.

Chairman Marouchoc recused from the discussion, consideration and vote on this matter since his employer is a business associate of the sponsor of this development.

Sharon Conard-Wells, Executive Director of West Elmwood Housing, was present and available to respond to questions from the Commissioners.

Upon a motion made by Commissioner Flynn and seconded by Commissioner Barge the above resolution was unanimously adopted by the voting members. Chairman Marouchoc did not participating in the consideration or the vote.

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

WHEREAS: Rhode Island Housing has established the Special Needs Rental Production Program to create supportive rental housing for disabled, homeless and/or very low-income individuals and households, and;

WHEREAS: The applicant listed in Attachment A has submitted an application that meets the requirements of the Special Needs Rental Production Program and;

WHEREAS: Rhode Island Housing staff has reviewed the eligible application and recommends that Special Needs Rental Production funds be committed to the proposal in Attachment A;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That Rhode Island Housing commits \$150,000 in Special Needs Rental Production funds in accordance with the program description as approved by the Board of Commissioners of Rhode Island Housing to the applicant set forth in Attachment A.

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 actions necessary or desirable to carry out the foregoing resolution.

### **Approval of Habitat Loan Purchase Funding**

Mr. Godfrey gave this presentation.

This Request for Action is for authority to purchase up to \$1.0 million in new mortgages originated by Rhode Island affiliates of Habitat for Humanity International (“Habitat”).

Habitat is non-profit organization that seeks to eliminate poverty, housing and homelessness. Founded in 1976, Habitat has built more than 100,000 houses around the world, providing safe, decent, affordable shelter to 500,000 people in more than 2,000 communities.

Upon a motion made by Commissioner Caprio 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 has created the Rhode Island Housing/Habitat for Humanity Mortgage Purchase program (the “Habitat Loan Purchase Program”) to purchase mortgage loans originated by Rhode Island affiliates of Habitat for Humanity International; and

Whereas: Since the inception of the Habitat Loan Purchase Program Rhode Island Housing has purchase 57 mortgage loans from Rhode Island affiliates of Habitat for approximately \$3.1 million; and

Whereas: Rhode Island Housing seeks to acquire additional mortgage loans from Rhode Island Habitat affiliates;

Now, therefore, it is hereby

Resolved: That Rhode Island Housing be, and it hereby is, authorized to acquire additional mortgage loans from Rhode Island affiliates of Habitat under the Habitat Loan Purchase Program in a purchase amount not to exceed \$1,000,000.00.

Resolved: That the Executive Director, and Deputy Director and the Director of Loan Servicing, each acting singly, be, and hereby is authorized, empowered and directed to take all action as may be deemed necessary or advisable to carry out the foregoing resolution...

### **Approval of Transfer of Physical Assets for Eagle 3 Apartments**

Mr. Godfrey presented this request.

This Request for Action (“RFA”) is for approval of prepayment of the mortgage and transfer of ownership for Eagle 3 Apartments, an existing family development originally financed by Rhode Island Housing under the Low Income Housing Tax Credit Program.

Upon a motion made by Commissioner Caprio and seconded by Commissioner Clough 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 Targeted Loan and transfer of ownership for Eagle 3 Apartments be, and hereby is, approved, subject to the following terms and conditions:

1. Final approval of the sources and uses of the proposed transaction including funds for the installation of a fire alarm system and a capital deposit to the Replacement Reserve.
2. Assumption of the existing Regulatory Agreements satisfactory to Rhode Island Housing for the development.
3. Final approval of the application materials submitted under the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements that may be waived or modified by the Executive Director or any Deputy Director, consistent with the nature of this transaction and the protection of the interests of Rhode Island Housing.
4. Satisfaction of any additional requirements which the Executive Director or any Deputy Director believes to be necessary or advisable to protect the interests of Rhode Island Housing with respect to Eagle 3 Apartments.

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 of advisable in connection therewith.

**Approval of Proposed Response to Mortgage Foreclosure Crisis**

Mr. Godfrey and Mr. Milito, Deputy Assistant Director of Law and Human Resources explained this proposal.

A discussion followed the presentation with Mr. Godfrey, Mr. Milito and Ms. Bodington responding to questions from the Board and from the public.

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

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

**Whereas:** The mission of Rhode Island Housing is to ensure that every person who lives or works in Rhode Island can afford a safe, healthy home that meets their needs, and;

**Whereas:** Rhode Island Housing’s mission includes assisting Rhode Islanders to retain their homes for as long as they want, and;

**Whereas:** Most foreclosures result in immediate eviction of all residents and many of the current foreclosures are multiple family buildings resulting in the eviction of many innocent and financially responsible tenants, and;

**Whereas:** Foreclosures and evictions have generated a spike in homelessness, aggravating an already burdened system, and;

**Whereas:** Rhode Island Housing has the experience, expertise and perspective to propose policy approaches to address the problem of tenants facing eviction as a result of foreclosure.

**Now therefore, it is hereby**

**Resolved:** That the Board of Commissioners hereby finds that the increase in the foreclosure rates, particularly with respect to multi-family residential properties, results in the eviction of innocent and financially responsible tenants and threatens the stability of neighborhoods, especially in the metropolitan areas of the state.

**Resolved:** That a legislative response to this problem is necessary and appropriate for:

1. the retention and maintenance of multifamily residential housing in Rhode Island,
2. the prevention of homelessness, and
3. the prevention and elimination of blight.

**Resolved:** That the Board of Commissioners hereby authorizes, encourages and directs staff to develop, in coordination with tenant advocates and other interested and knowledgeable parties, legislative and policy proposals similar to the proposal set forth as Attachment A to address the issues described above.

**Resolved:** That the Executive Director or his designee, and any Deputy Director, each acting singly, be, and hereby is, authorized to take any and all action as may be necessary or desirable to carry out the foregoing Resolution.

### **Executive Director's Report**

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

In conjunction with the creation of our Housing Help Center, we have developed a new mortgage loan program: the HomeSaver Program. The program is designed to help low- to moderate-income Rhode Island homeowners seeking alternatives to high-interest, variable-rate or non-traditional mortgages.

Mr. Godfrey notified the Commissioners he traveled to Washington, DC in early November to meet with executive directors and representatives from other HFAs to review state responses to the sub-prime lending crisis. Many states are grappling with the issue of how to provide education, outreach and programs to assist homeowners in retaining their homes when they may be at risk of foreclosure. Several HFAs have already implemented refinancing programs, although to date only a small number of loans have closed.

On November 1, 2007, HousingWorks RI hosted a forum exploring the effectiveness of programs that help chronically homeless individuals live independent and stable lives. A new study released by HousingWorks demonstrates the effectiveness of supportive housing as a cost-effective solution to the problem of chronic homelessness in Rhode Island.

Applications in response to the KeepSpace RFP are due on Friday, November 16<sup>th</sup> and we are anticipating a wide range of proposals from throughout the state. After a presentation by Kip Bergstrom on the work of the Rhode Island Economic Policy Council in October, the KeepSpace Advisory Committee met this month to hear from Ken Payne about the state's water supply challenges.

The Vote Yes on 9 team recently celebrated the one-year anniversary of the passage of the \$50 million state housing bond on last November's ballot. Now known as Building Homes Rhode

Island (BHRI), the first \$10 million of the bond funds were recently awarded to 20 developments slated to bring 250 affordable homes to communities throughout the state.

The latest edition of Rhode Island Housing's newsletter, *Community Matters*, highlights many of our ongoing initiatives, including KeepSpace and the Housing Help Center. As always, we took the time to spotlight attention on our housing partners throughout the state, including updates on recent housing developments and their residents, our Realtor of the Quarter award, and a two-page spread on the Building Homes Rhode Island (BHRI) grant funds.

There being no further business to discuss, a motion was duly made by Commissioner Clough and seconded by Commissioner Caprio to adjourn the open meeting at approximately at 9:28 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.  
Secretary and Executive Director