

DRAFT

**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 19, 2008, 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; Xay Khamsyvovong, designee for 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 Perry Clough. Jose Monteiro 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 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 May 15, 2008

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

VOTED: That the Minutes of the Board Meeting held on May 15, 2008 hereby are approved.

Chairman's Report

Chairman Marouchoc did not have anything to report.

Committee Reports

There were no committees meeting held in June.

Executive Director's Report

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

Approval of Special Needs Rental Production Funds for Urban League and East Bay Community Action Program

Richard Godfrey and Ms. Ventura, Director of Development, made this presentation.

Rhode Island Housing established the Special Needs Rental Production Program (the "Program") to provide resources for the production of rental housing for homeless, disabled and/or very low-income individuals and families. Under the Program, Rhode Island Housing provides amortizing and deferred loans to developers for the acquisition and development of housing with supportive services for special needs populations. In fiscal years 2007 and 2008 the Board authorized a \$4 million budget.

Applications are accepted on a rolling basis and are reviewed by a committee comprised of Development and Policy staff. To date, the Board of Commissioners approved funding totaling \$2,608,441 for projects with a combined total of 78 permanent supportive rental units for homeless, disabled and very low-income households.

Two new applications have been received for review. The applications were reviewed by the committee and are now recommended for funding.

The Urban League of Rhode Island, a non-profit multi-service agency, has submitted an application to acquire four newly-constructed 3-bedroom units to provide housing and supportive services for very low-income homeless households. Supportive services provided to the tenants include assistance with budgeting and parenting skills as well as GED and job training.

East Bay Community Action Program, also a non-profit multi-service agency, has submitted an application to acquire and rehabilitate a former convent/geriatric center into six rental units for homeless women and their families. The ground floor will be leased to the Head Start Program. East Bay CAP provides case management that may include substance abuse prevention, child care, parenting classes and job training.

Dennis Langley from the Urban League, Councilman Aponte, and Diane Smith from East Bay Community Action were present and available to respond to questions from the Commissioners.

Chairman Marouchoc noted that due to the fact that the Urban League of Rhode Island is his employer and the recipient of funding under this action, he recused from the discussion, consideration or vote on this matter.

Upon a motion made by Commissioner Clough and seconded by Commissioner Flynn the following resolution was unanimously adopted by the voting members. Chairman Marouchoc recused from the discussion, consideration and vote on this resolution:

**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 applicants listed in Attachment A have submitted an application that meets the requirements of the Special Needs Rental Production Program and;

WHEREAS: Rhode Island Housing staff has reviewed the eligible applications 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 \$456,762 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 applicants 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.

Revised Firm Approval of Douglas Manor Apartments

Mr. Godfrey made this presentation and Ms. Ventura gave a brief overview of the project

This Request For Action (RFA) is for Revised Firm Approval of financing for Douglas Manor Apartments (Douglas Manor), an existing elderly housing development originally financed by Rhode Island Housing in 1977.

Robert Gaudreau was introduced and thanked the board and staff for their consideration of this funding.

Upon a motion made by Commissioner Marques and seconded by Commissioner Khamsyvoravong 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>Permanent Mortgage</u> |
|--------------------|---|-------------------------------|
| Douglas Manor | Cathedral Development Group, Inc. | \$5,115,000.00 |

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 revised firm approval for tax exempt mortgage financing in an amount not to exceed \$5,115,000.00 to Douglas Manor Apartments, L.P. 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 revised firm 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 \$5,115,000.00 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 closing in accordance with normal underwriting and processing requirements.

- Final approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- Approval by bond underwriter and bond counsel that the loan(s) will satisfy all required bond provisions for the bond issue as well as assurance that the LIHTC investors will not also be involved in the transaction as purchasers of the Rhode Island Housing bonds used to fund the loan(s).
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the permanent first mortgage.

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 Refinancing for Restore Apartments

Richard Godfrey and Ms. Ventura, Director of Development, made this presentation.

This Request for Action (RFA) is for Preliminary Approval of tax-exempt bond financing for Restore Apartments, an existing 25 unit scattered site housing development originally financed by Rhode Island Housing using low income housing tax credits and restructured in 1998 to address immediate physical needs. The Sponsor, Realty Endeavors for Affordable Community Housing (REACH), will form a new limited partnership to purchase the property from the existing owner, Restore Apartments LP. The prospective owner has requested tax exempt financing along with 4% tax credits to preserve the property’s long term affordability and intends to acquire and develop eleven additional affordable apartments to increase the total number of units in the development to 36.

Barbara Sokoloff and William Seimers were present and available to respond to questions from the Commissioners.

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

| Development | Applicant | Tax-Exempt Mortgage | Targeted Loan |
|---------------------------|------------------|----------------------------|----------------------|
| Restore Apartments | REACH | \$2,700,000* | \$273,400 |

*** \$500,000 of the tax exempt mortgage will remain as permanent debt.**

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 \$2,700,000 for rental housing known as Restore Apartments located in Central Falls, 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 \$2,700,000 in permanent mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced 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 Rhode Island Housing hereby reserves up to \$273,400 of Targeted Loan funds for the Borrower.

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.
- Evidence of HOME, SNRP, CDBG, BHRI and AHT funding 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 in an amount sufficient to achieve project feasibility.
- 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 new Capital Needs Assessment.
- 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.

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.

Preliminary Approval of Refinancing of Riverview and Blackstone Apartments

Mr. Godfrey and Ms. Ventura, Director of Development presented this request.

This Request for Action is for Preliminary Approval of Preservation Financing for Blackstone Valley Apartments (“Blackstone”) and Riverview Terrace (“Riverview”), together known as “Blackstone/Riverview”, two existing Section 202 developments located at in Pawtucket and currently owned by affiliates of The Arc of Blackstone Valley (“BVArc”). Upon refinancing, the sites will operate as one development consisting of 103 apartments.

Bill Gordon, consultant of the recipients was available to respond to questions from the Commissioners.

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 (“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: Rhode Island Housing is authorized to issue bridge financing at an economically acceptable rate to promote the acquisition, rehabilitation or preservation of affordable housing;

Whereas: The applicants (“Applicants”) listed below have presented an application to Rhode Island Housing requesting a mortgage financing to acquire and rehabilitate the development as set forth below (the “Development”):

| <u>Development</u> | <u>Applicant</u> | <u>Permanent Mortgage</u> | <u>Bridge Loan</u> |
|--------------------------|---------------------------------|---------------------------|--------------------|
| Blackstone/ Riverview | The Arc of Blackstone Valley | \$5,200,000 | \$800,000 |

Whereas: Staff has reviewed the submission and determined that the Development may qualify for financing under Rhode Island Housing’s enabling legislation, regulations, guidelines and policies.

Firm Approval of Financing and Tax Credits for Broad Street Revitalization

Mr. Godfrey gave this presentation.

This Request for Action is for final commitment of up to \$792,760 in 2007 and 2008 9% tax credits, first mortgage and targeted loan financing for the Broad Street Revitalization (“BSR”) development in Providence. BSR will consist of 47-units in South Providence comprised of seven scattered properties on Broad Street and Parkis Avenue.

Ms. Ventura, Director of Development, outlined the tax credit reservations and introduced Cynthia Langley from GENS, Kyle McDonald from the Elmwood Foundation and their consultant, Barbara Sokoloff, to the Board of Commissioners. Ms. Langley, Ms. McDonald and Ms. Sokoloff thanked the commissioners for allowing them the opportunity to move forward on the project.

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, the Applicant listed below has presented an application to Rhode Island Housing requesting an allocation of tax credits to acquire and rehabilitate a residential housing development as follows:

Whereas, Rhode Island Housing has been designated the Administrator of the Program in the State of Rhode Island; and

Whereas, Rhode Island Housing staff 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 Rhode Island Housing for the reservation of tax credits from the tax credit authority available in the calendar year 2007 and 2008 ("the Tax Credit") as follows:

| Applicant | Development | Construction Bridge Loan | First Mortgage | Targeted Loan | 9% LIHTC |
|------------------|------------------------------------|---------------------------------|-----------------------|----------------------|------------------|
| GENS | Broad Street Revitalization | \$7,700,000 | \$120,000 | \$892,600 | \$792,760 |

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 \$792,760 of allocated 2007 and 2008 low income housing 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 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, Rhode Island Housing hereby approves financing for a taxable first mortgage loan to GENS, or an affiliated partnership (the "Borrower") in an amount not to exceed \$120,000 (the "Loan") for family housing located in Providence, Rhode Island.

Resolved: That Rhode Island Housing hereby reserves up to \$892,600 of Targeted Loan Funds for the Borrower.

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby approves financing for a short-term construction bridge loan to GENS or an affiliated partnership (the “Borrower”) in an amount not to exceed \$7,700,000 (the “Bridge Loan”) for family housing located in Providence, Rhode Island.

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

- Evidence of HOME, NOP, SNRP, BHRI, City of Providence, NEF and Home Depot financing in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to Rhode Island Housing;
- The award of 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 low income housing tax credits and , federal and state historic equity in an amount sufficient to achieve project feasibility;
- Approval of construction loan terms and conditions;
- 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 ;
- Final approval of the transfer of the Parkis Avenue sites by GENS to the project.
- Rhode Island Housing approval of to be formed entity resulting from merger between Elmwood Foundation and Greater Elmwood Foundation.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements with mutually acceptable documentation

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

Firm Approval of Financing for Bourne Mill

Mr. Godfrey along with Ms. Ventura outlined this proposal.

This Request for Action (“RFA”) is for firm approval of a reservation of up to \$670,000 in 9% Low Income Housing Tax Credits (LIHTCs), tax-exempt bond financing of up to \$6,000,000, of which \$1,240,000 will remain as permanent debt, taxable financing of \$10,350,000, and a Targeted Loan of \$1,000,000 for the redevelopment of the Bourne Mill in Tiverton. This RFA reflects significant changes in the financial structuring and development team members from that set forth in the preliminary approval.

Mr. Godfrey recognized and thanked Anne Berman, David Hanifin, Rick Hartley and Tom Hogg for their dedication and time spent on this project.

Upon a motion made by Commissioner Marques 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’s predecessor (Armory Revival Company) submitted an application to Rhode Island Housing for a reservation of tax credits from the tax credit authority available in the calendar year 2007 (“the Tax Credit”) and was approved for taxable financing. Edward A. Fish Associates LLC seeks approval for the previous reservation of tax credits as well as for taxable financing for the 9% and market components as follows:

| <u>Developmen t</u> | <u>Applicant</u> | <u>9% Tax Credits</u> | <u>Taxable Mortgage</u> | <u>Targeted Loan</u> |
|-------------------------|---|---------------------------|-----------------------------|--------------------------|
| Bourne Mill 9% | Edward A. Fish Associates LLC successor to Armory Revival Company | Up to \$670,000 | \$5,850,000 | \$1,000,000 |

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 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 grants firm approval of a taxable first mortgage loan to Edward A. Fish Associates, LLC, or an affiliated entity (the “Borrower”) in an amount not to exceed \$5,850,000 for rental housing to be located in Tiverton, Rhode Island, and to be known as Bourne Mill 9%.

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby preliminarily approves a Targeted Loan to the Edward A. Fish Associates, LLC, or an affiliated entity (the “Borrower”) in an amount not to exceed \$1,000,000 for rental housing to be located in Tiverton, Rhode Island, and to be known as Bourne Mill 9%.

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

1. Syndication equity from the sale of 9% LIHTCs and state and federal historic tax credits in amounts sufficient to achieve project feasibility;
2. Final approval of development of plans and specifications that meet Rhode Island Housing design criteria;
3. 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;
4. Approval by Rhode Island Housing of all management-related issues;
5. Execution and delivery by the Developer of a Construction Completion Guaranty in form and scope satisfactory to Rhode Island Housing;
6. FHA Risk-Sharing approval for 50% of the first mortgages relating to the 9% component;
7. Any private financing related to the acquisition of the property be subordinate to all Rhode Island Housing financing.
8. Approval by Rhode Island Housing of the condominium ownership structure for the Bourne Mill site.

9. Approval by HUD of any required waivers relating to the applicability of project based Section 8 vouchers to a portion of the units in the 9% component.
10. Approval by Rhode Island Housing of all operating and environmental guarantees.
11. Provisions in the financing documents acceptable to Rhode Island Housing staff providing for additional security for Rhode Island Housing secondary debt in the form of a secured interest in that portion of the site being held by Armory Revival Company for future development of a third phase of the overall project.
12. Approval by Rhode Island Housing of the transfer of ownership from Armory Revival Company to EA Fish including receipt and approval of such transfer from other lending and permitting entities.
13. Completion of all items required for firm commitment and closing in accordance with Rhode Island Housing normal underwriting and processing requirements.

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.

Approval of Selection of Residential Real Estate Brokerage Firms

Mr. Godfrey presented this request.

This Request for Action seeks approval to engage Residential Real Estate Brokerage Firms to provide property management services as well as assist in the disposition of corporate owned, one to four family, REO and various Landbank properties. These brokerage firms will provide services primarily to the Homeownership Division in conjunction with our FIRST HOMES and Community Lending Programs. Other Divisions requiring brokerage services are the Servicing and Development Divisions.

In March, Rhode Island Housing issued a Request for Proposals (RFP) seeking bids from qualified brokerage firms. Ten firms responded to the RFP, including some firms on our current approved list. The RFP Review Committee, comprised of Rhode Island Housing staff, reviewed the proposals and the anticipated level of brokerage services required by the Homeownership, Servicing and Development Divisions.

Based on this projected volume, the Committee recommends that the 7 firms identified in Attachment B be engaged to provide brokerage services to Rhode Island Housing.

Brokerage fees for services shall remain the same as our current fee schedule.

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

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

Whereas,: Rhode Island Housing requires that various Divisions procure the services of real estate agents for property management and assistance in the disposition of corporate owned property and;

Whereas, Rhode Island Housing has solicited proposals from residential real estate brokerage firms and is authorized to enter into contractual agreements for brokerage services and;

Whereas,: Staff of Rhode Island Housing have reviewed each of the submitted services proposals and recommend awarding the contract to seven (7) firms listed in Attachment B;

NOW, THEREFORE, IT IS HEREBY:

Resolved: That Rhode Island Housing is authorized to engage the residential real estate brokerage firms listed in Attachment B.

Resolved: That the Executive Director, the Director of Administration and Homeownership, Director of Development and the Real Estate Manager, each acting singly be, and hereby is, authorized to take any and all actions, including specifically the authority to negotiate terms of the engagements that will standardize fees between firms for similar services and such other terms as he or she may determine are in the best interests of Rhode Island Housing and to execute any and all agreements and to take such further actions as he or she deems necessary to carry out the above resolutions.

Final Approval of 2009 Qualified Allocation Plan

Mr. Godfrey made this presentation.

At the April 10, 2008 meeting, the Rhode Island Housing Board of Commissioners preliminarily approved and authorized publication of Rhode Island Housing's intent to adopt the 2009 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 Wednesday, May 14, 2008 in the Providence Journal and Thursday, May 15, 2008 in the Providence American; and on Friday, May 16, 2008 in the Providence En Espanol.

The public hearing was held at the offices of Rhode Island Housing on Thursday, June 5, 2008. No interested parties attended the hearing and no comments were received.

On Thursday, June 5, 2008, 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 7,720 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. An additional 2,125 units have been preserved with our 40 year restrictions through other lenders. Rhode Island is a national leader in the preservation of existing Section 8 developments and has successfully preserved approximately 70% of its Section 8 inventory using this model. Moreover, Rhode Island, as a small state, receives the minimum amount of 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 Resolution adopting the Plan and recommending the Plan for approval and endorsement by the Governor.

Upon a motion made by Commissioner Clough and seconded by Commissioner Marques the following resolution was unanimously adopted along with the 2009 Qualified Allocation Plan which is attached as part of the June 19, 2008 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 2009 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 2009 tax credits pursuant to the Plan.

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.

Mr. Godfrey announced that on June 12, we hosted a Realtor Breakfast at the Radisson Airport Hotel as part of our 2008 Partner Breakfast Series. Over 150 realtors attended the breakfast to learn about our FirstHomes programs with 100% financing and job-loss protection. The event's high attendance made it our most well-attended breakfast since we began the Breakfast Series in 2004.

Foreclosure activity in Rhode Island for May 2008, shows that statewide the number of legally noticed foreclosures decreased significantly in May to 231 initiations from April's 399 initiations (42% decrease). In total, 3,324 properties were noticed for foreclosure in the one-year period from June 2007 – May 2008. Of the properties noticed for foreclosure in May 2008, 127 of these were located in Providence, a decrease of 42% over the number of foreclosure initiations in Providence in April. Both Cranston and Warwick experienced similar decreases in their initiations. Mr. Godfrey noted that despite the decrease in foreclosure initiations this month, the trend of actual foreclosures continues to rise with a 43% increase this month over March.

Rhode Island Housing's HelpCenter continues to serve as a resource to Rhode Islanders in need, helping homeowners facing foreclosure and inability to pay their mortgages find the assistance and answers they need. Since the program's inception in November 2007, 1,679 Rhode Island homeowners have contacted our Housing HelpCenter seeking assistance. We have sent questionnaires to all of them and have met face-to-face with 838 homeowners. We are tracking data on each of the homeowners we assist in order to identify any trends and better anticipate and respond to the needs of Rhode Island homeowners.

Mr. Godfrey was pleased to report that House and Senate tax committee leaders have nearly concluded their negotiations on the tax component of the housing stimulus bill, and so far, NCSHA's Housing Bond and Credit priorities have fared very well. The agreement still faces the hurdle of the Senate floor, where it may encounter opposition from Republicans. It is not clear yet whether that opposition will be enough to block its passage.

Mr. Godfrey shared a report on Rhode Island Housing Legislative Priorities, which details the status of numerous bills at both the state and national levels which relate to housing and community development. We continue to advocate for funding and initiatives to assist communities in the development of affordable housing, foreclosure prevention measures, renewable energy programs and fair lending practices.

In closing, Mr. Godfrey thanked Rhode Island Housing staff for their continued dedication and commitment to the mission during this extremely challenging economy. .

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

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director