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, August 21, 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 Khamsyvoravong, designee for General Treasurer Frank T. Caprio; Michael Marques, Director of Department of Business Regulation; Kevin Flynn, designee for Jerome Williams, Director of Department of Administration; Jose Monteiro 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; 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 June 19, 2008

Upon a motion made by Commissioner Flynn and seconded by Commissioner Xay Khamsyvoravong the following was unanimously adopted:

VOTED: That the Minutes of the Board Meeting held on June 19, 2008 hereby are approved.

Chairman's Report

Chairman Marouchoc did not make a report.

Committee Reports

There were no committees meeting held in July.

Executive Director's Report

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

Approval of Interim Construction Bridge Loan for Bourne Mill

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

This Request for Action ("RFA") is for Firm Commitment of interim construction financing for the redevelopment of the Bourne Mill in Tiverton, Rhode Island. The developer Edward A. Fish Associates, LLC ("EA Fish") seeks bridge financing not contemplated at the time of firm approval of permanent financing for the project in June of 2008 in order to achieve construction cost savings and have units available for rent during the peak summer marketing season. EA Fish has commenced rehabilitation of the historic mill which will create 166 units of new rental housing, of which 66 will be affordable.

EA Fish seeks approval of an interim construction loan in an amount of up to $4,000,000 to finance ongoing construction costs until permanent closing, currently projected for October of 2008. The developer started construction prior to permanent closing in order to reach certain construction milestones before the onset of winter conditions and to achieve a construction schedule which will deliver completed units by the end of the summer of 2009. In particular, work to be completed prior to winter conditions include exterior masonry and concrete work relating to the foundation, roofing and installation of new windows to make the building weather tight, and site work, including environmental remediation/soil work as well as utilities, walks and exterior walls so that the sight will be ready for landscaping in the spring of 2009. Additional work relating to the shell and interior of the building that is currently under way or which is expected to be under way prior to the permanent financing closing includes demolition, lead and asbestos abatement, framing repairs including beams and floors, floor sanding and sealing, and metal stud installation in anticipation of rough work for mechanical/ plumbing systems and drywall installation.

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 ("Applicant") listed below has presented an application to Rhode Island Housing requesting interim construction financing to build an affordable residential housing development as set forth below:

Development	Applicant	Bridge Financing
Bourne Mill	Edward A. Fish Associates, LLC	$4,000,000.00

NOW, THEREFORE, IT IS HEREBY:

Resolved: That, subject to the special conditions listed below, Rhode Island Housing hereby declares firm commitment approval for a construction loan to Edward A. Fish Associates, LLC in an amount not to exceed $4,000,000, on such terms and conditions as the Executive Director determines to be in the best interests of Rhode Island Housing, for rental housing known as the Bourne Mill located in Tiverton, Rhode Island;

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

- A personal guaranty from Edward A. Fish and Edward A. Fish Associates, LLC for repayment in full of the bridge loan should the permanent financing closing not occur within twelve months of the date of this RFA.

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

Approval of Construction Loan for Olneyville Housing Corporation

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

This Request for Action is for authorization of a new three year revolving construction loan under the Home Development and Homeownership Loan Program (the "Program") to Olneyville Housing Corporation ("OHC") for the development of new homes and the rehabilitation of existing structures in the Olneyville neighborhood of Providence.

OHC has been working to revitalize the Olneyville neighborhood for over twenty years, and has developed approximately 65 rental units and 30 homeownership units. OHC's current construction loan has expired. This new loan will continue the work of OHC to stabilize the neighborhood, which is particularly important as a result of the foreclosure crisis.

Upon a motion made by Commissioner Marques 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 and Mortgage Finance Corporation ("Rhode Island Housing") is authorized to make loans to sponsors for such developments as in the judgment of Rhode Island Housing have promise of supplying well planned,

well designed single family and two family homes which will provide housing for low and moderate income persons or families or others in locations where there is a need for such housing;

Whereas, Rhode Island Housing is authorized to provide permanent financing with assistance, as applicable, to homebuyers;

Whereas, Olneyville Housing Corporation has presented an application to Rhode Island Housing requesting a revolving line of credit to construct residential housing as set forth in this Request for Action; and

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 Rhode Island Housing be and hereby is authorized to make a loan up to $500,000. The Loan will be structured generally in accordance with the description contained herein, with such changes as the Executive Director, either Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That the Executive Director, either Deputy Director or the Directors of Housing Development and Homeownership, each acting singly, be and hereby is authorized, empowered and directed to take any and all action to execute, file and deliver any contract, agreement or other instrument as each in his/her sole discretion shall deem necessary or advisable in connection with this loan.

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

1. Execution of a Master Loan Agreement by Olneyville Housing Corporation satisfactory to Rhode Island Housing.
2. Submission of all construction contracts, plans and specifications, marketing plans, construction budgets, schedule of payments, lien releases, gap HOME funds, home buyers applications and other documentation necessary for loan funding and construction loan and end loan approval.
3. Rhode Island Housing Homeownership Division approval of all end loans for homebuyers.

<u>Approval of Construction loan for North Glen Townhouses</u>

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

This Request for Action is for the commitment of construction financing under the Home Development and Homeownership Loan Program of up to $750,000 for the development of North Glen Townhouses on Pierce Street in the North End of Westerly.

In 2001, Rhode Island Housing acquired an historic property located at 72-74 Pierce Street through the Land Bank Program and in 2007 acquired an abutting structure at 76 Pierce Street also with historic significance. A master plan for the entire parcel encompassing almost four acres of land was prepared to allow for the construction of ten townhouses. The plan received unanimous approval from the Town of Westerly. The Town has committed significant Community Development Block Grant resources to the development and has agreed to waive building permits for the project. The project will provide ten new homeownership opportunities for first-time homebuyers in Westerly.

Jeff Gofton, acting director of Washington County CDC, was introduced and thanked the board and staff for their consideration of this funding.

Upon a motion made by Commissioner Flynn 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, Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") is authorized to make loans to sponsors for such developments as in the judgment of Rhode Island Housing have promise of supplying well planned, well designed single family and two family homes which will provide housing for low and moderate income persons or families or others in locations where there is a need for such housing;

Whereas, Rhode Island Housing is authorized to provide permanent financing with assistance, as applicable, to homebuyers;

Whereas, Washington County Community Development Corporation has presented an application to Rhode Island Housing requesting a revolving line of credit to construct residential housing as set forth in this Request for Action; and

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 Rhode Island Housing be and hereby is authorized to make a loan up to $750,000 to Washington County Community Development Corporation for the development of ten (10) condominium units located at 72-74 Pierce Street and 76 Pierce Street in Westerly, Rhode Island. The Loan will be structured generally in accordance with the description contained herein, with such changes as the either Executive Director, either Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That the Executive Director, either Deputy Director or the Directors of Development and Homeownership, each acting singly, be and hereby is authorized, empowered and directed to take any and all action to execute, file and deliver any contract, agreement or other instrument as each in his/her sole discretion shall deem necessary or advisable in connection with this loan.

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.
- Loan agreements and documentation satisfactory to Rhode Island Housing.

Preliminary Approval of Financing for Colonial Village

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

This Request for Action (RFA) is for Preliminary Approval of $3,455,000.00 in tax-exempt financing for Colonial Village Apartments (Colonial Village), an existing 75 unit elderly housing development located in North Smithfield and originally financed by the United States Department of Agriculture (USDA) under its Section 515 Rural Development production program.

Upon acquisition of the property, the new ownership entity will complete approximately $1.3 million in improvements. The improvements will include common area upgrades, unit upgrades including new kitchen cabinets and new unit doors, fire protection and mechanical system upgrades and exterior improvements including new windows, a new roof and parking lot resurfacing. A capital needs assessment was conducted and will be updated to determine the final scope of rehabilitation work. Based on this report, the new owner will establish a reserve to cover the costs of necessary upgrades and improvements forecasted in future years.

Rob Gaudreau of the sponsor was present to respond to questions from the Commissioners.

Upon a motion made by Commissioner Marques 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

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 thirty (30) 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:

Development	Applicant	Amount
Colonial Village Apartments	**Cathedral Development Group, Inc.**	**$3,455,000.00**

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 preliminary approval for tax exempt mortgage financing in an amount not to exceed $3,455,000 for rental housing known as Colonial Village Apartments located at 60 School Street, North Smithfield, 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 $3,455,000 in permanent mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced develop pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.
- Completion of a Capital Needs Assessment update.
- Completion of a Phase I environmental assessment and any such other environmental studies deemed necessary by Rhode Island Housing.
- Approval by Rhode Island Housing of Development Team members.
- Final approval of the new operating budget.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- Approval by Rhode Island Housing of the sizing of the rent subsidy reserve

to be used for the non USDA subsidized units.

- Approval by bond underwriter and bond counsel that the tax exempt loan will satisfy all required bond provisions for the bond issue as well as assurance that the HTC investors will not also be involved in the transaction as purchasers of the Rhode Island Housing bonds used to fund the loan.
- Approval by the USDA of proposed rents at the market levels provided by an independent appraiser, the requested interest credit subsidy and the loan guarantee under USDA's 538 Program.

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 Financing for Kingstown Crossing I

Mr. Godfrey along with Ms. Ventura gave this presentation.

This Request for Action ("RFA") is for preliminary approval of tax-exempt bond financing for the Kingstown Crossings I project which will replace 58 existing housing units with 58 new permanent supportive family housing units. The site, currently known as "Navy Drive", is located in North Kingston and is operated by Crossroads Rhode Island ("Crossroads").

Located in North Kingstown, the existing Navy Drive site consists of obsolete military housing, retrofitted for civilian use. The proposed project, including planned future phases, will replace a blighted group of duplexes, monotonous in appearance, with a more vibrant "village" neighborhood environment.

Upon a motion made by Commissioner Flynn 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, 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 construct affordable housing on the existing Navy Drive property as set forth below:

Development	Applicant	Tax-Exempt Mortgage	Permanent Taxable Loan
Kingstown Crossings I	**Crossroads Rhode Island**	**$6,200,000**	**$3,600,000**

Whereas, Rhode Island Housing staff has reviewed the submission and determined that this development may qualify for non-recourse financing under Rhode Island Housing'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 a tax-exempt first mortgage loan to Crossroads Rhode Island, or an affiliated entity (the "Borrower") in an amount not to exceed $6,200,000 for rental housing to be located in North Kingstown, Rhode Island and, to be known as Kingstown Crossings I.

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 $6,200,000 in construction 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, in order to fund Rhode Island Housing's permanent loan to Crossroads with respect to Kingstown Crossing I, North Kingstown, Rhode Island, Rhode Island Housing may enter into a $3,600,000.00 loan arrangement (the "Loan") with Citizens Bank (the "Bank").

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

- Approval by bond underwriter and bond counsel that the tax-exempt loan will satisfy all required bond provisions for the bond issue as well as assurance that the HTC investors will not also be involved in the transaction as purchasers of the Rhode Island Housing bonds used to fund the loan.
- Syndication equity from the sale of low income housing tax credits in an amount sufficient to achieve project feasibility.
- The award of Building Homes Rhode Island funds in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to Rhode Island Housing

- The award of Affordable Housing Trust funds in an amount sufficient to achieve project feasibility
- Approval by Rhode Island Housing of Development Team members.
- Final approval by Rhode Island Housing of the projected operating budget.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- Acceptable final appraisal and market study by independent appraiser demonstrating that the loan will not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of all management-related issues.
- Execution and delivery by the Developer of a Construction Completion Guaranty in form and scope satisfactory to Rhode Island Housing.
- FHA Risk-Sharing approval for 50% of the first mortgage.
- Approval by the United States Department of Health and Human Services of the transfer of the property to the Sponsor.
- The award of AHP/Federal Home Loan Bank grant and interest subsidy funding in an amount to achieve project feasibility or the availability of alternative debt or equity satisfactory to Rhode Island Housing;
- Approval of a satisfactory arrangement with the Federal Home Loan Bank participating lender regarding the terms and servicing of the first mortgage.
- Approval by HUD of the transfer of the existing project based Section 8 vouchers from the Navy Drive units to the new Kingstown Crossings I units.
- 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.

Preliminary Approval of Financing for Coddington Point Apartments

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

This Request for Action ("RFA") is for preliminary commitment of tax exempt financing for Coddington Point ("the Development"), a thirty-two unit new construction family rental development in Newport, RI. The developer is the EA Fish Companies ("EA Fish").

Coddington Point is located directly across the street from Newport Heights and adjacent to the recently built CCRI campus. The Development was fully permitted as forty-one condominium units by the current owner. To date, nine units have been built and only seven have sold. Due to a lack of financing coupled with the downturn in the condominium market, the current owner has agreed to sell the Development to EA Fish or its designee. EA Fish is proposing to acquire the rights to construct the remaining thirty-two units and build out the site as affordable rental housing rather then condominiums. They would also purchase the two existing unsold

units and sell them as condominium units. EA Fish has entered into a Letter of Intent with the seller and expects to execute a full Purchase & Sales Agreement by mid-August.

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, 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 the Corporation have promise of supplying well-planned, well-designed apartment units which will provide housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;

Whereas, 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") has presented an application to Rhode Island Housing requesting Low Income Housing Tax Credits ("Tax Credits") that meets the requirements of the Qualified Allocation Plan and Tax Credit rules;

Whereas, The applicant ("Applicant") listed below has presented an application to Rhode Island Housing requesting a first mortgage to acquire and rehabilitate the building as set forth below:

Development	Applicant	First Mortgage
Codington Point	**EA Fish Development**	**$3,150,000**

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby declares firm approval for tax-exempt mortgage financing to EA Fish Development and its to be formed limited partnership in an amount not to exceed $3,150,000 for rental housing located at 231 Maple Avenue in Newport, Rhode Island;

Resolved, Rhode Island Housing hereby declares that the preliminary approval of financing for the Borrower constitutes the affirmative official act of Rhode Island Housing towards the issuance of bonds to finance up to a $3,150,000 mortgage, the required reserve funds, the related costs of issuance for the Bond issue for the above- named 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:

- Approval of Project Based Section 8 Contract for thirty-two units.
- Acceptable final appraisal by an independent appraiser demonstrating that the new first mortgage does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of all members of the development team.
- Syndication equity from the sale of low income housing tax credits in an amount sufficient to insure the development's feasibility.
- The award of Building Homes Rhode Island funds in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to Rhode Island Housing
- Approval by Rhode Island Housing of construction plans and specifications and construction documentation.
- Approval of operating budget for the development.
- FHA Risk-Sharing approval for 50% of the First Mortgage.
- Approval by bond underwriter and bond counsel that the loans for each development will satisfy all required bond provisions for the bond issue as well as assurance that the HTC investors will not also be involved in the transaction as purchasers of the Rhode Island Housing bonds used to fund the loan.
- Completion of all items required for firm commitment and closing in accordance with 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

Preliminary Approval of Sale and Financing for 11 Properties to Rhode Island Homes, LLC

Mr. Godfrey presented this request and Ms. Ventura identified the various properties involved.

Rhode Island Homes, LLC is seeking preliminary approval for tax exempt first mortgage financing to purchase eleven properties comprised of 1,026 units of elderly and family apartments from Subsidized Housing Partners, II (SHP). The eleven properties are Bear Hill Apartments, Etta Apartments, Gatewood Apartments, Hardig Brook Apartments, Indian Run,

Metcalf I, Metcalf II and 315 Park Avenue, Maple Gardens II, Plaza Village and Chateau Clare. Nine of the properties are currently financed by Rhode Island Housing.

SHP has owned the majority of these developments since the early 1990s. They are the managing general partner on 9 of the properties and the co-managing partner on 2 of the sites. In early 2008, SHP made a decision to sell a portion of their portfolio in the Northeast and Mid-Atlantic area. They engaged Cushman Wakefield, Inc. to market approximately 6,500 units of housing in 6 states. SHP received 8 offers on their Rhode Island portfolio and after some negotiation reached an agreement with Rhode Island Homes, LLC to sell these eleven properties.

Upon a motion made by Commissioner Khamsyvoravong 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

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 in Schedule 1 (the "Developments"):

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.

NOW, THEREFORE, IT IS HEREBY:

Resolved: That, subject to the special conditions listed below, Rhode Island Housing hereby declares preliminary commitment approval for tax-exempt mortgage financing to limited partnerships to be formed by Rhode Island Homes, LLC, for each of the developments listed on Schedule 1 in amounts not to exceed the amounts listed in Schedule 1 for rental housing located in Rhode Island to be financed, in part, by tax-exempt bonds;

Resolved: That Rhode Island Housing hereby declares that the preliminary commitment approval of financing for the Borrower for each of the developments listed in Schedule 1 constitutes the affirmative official act of Rhode Island Housing of its intention to issue bonds in an aggregate amount to finance up to a $70,915,560 loan 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;

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

- Acceptable final appraisals by an independent appraiser demonstrating that the new first mortgage does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of all members of the development team.
- Syndication equity from the sale of housing tax credits in an amounts sufficient to insure each development's feasibility.
- Approval by Rhode Island Housing of construction plans and specifications and construction documentation including acceptable reserve analyses for the rehabilitation items not immediately undertaken following acquisition.
- Approval of a new operating budget for each development.
- FHA Risk-Sharing approval for 50% of the First Mortgage for each development.
- Approval by bond underwriter and bond counsel that the loans for each development will satisfy all required bond provisions for the bond issue as well as assurance that the HTC investors will not also be involved in the transaction as purchasers of the Rhode Island Housing bonds used to fund the loan.
- Completion of all items required for firm commitment and closing in accordance with 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 action they deem necessary to carry out the foregoing resolutions.

Approval of FOSH Contracts

Mr. Godfrey made this presentation. Ms. Rainone, Director of Policy, provided additional information regarding the program and the proposed vendors.

The Foundations for Senior Health (FOSH) Program has been operating in selected Rhode Island Housing developments for the elderly and persons with disabilities since 1989. The program was designed to allow the elderly to age in place through the provision of homemaker and home health aide services. Initiated through a Robert Wood Johnson Foundation Grant, the program benefits over 200 residents per month who receive homemaker assistance through the program. Residents pay a nominal fee for the services with the remainder of the cost being split between the developments and Rhode Island Housing. This program is very much in line with efforts on the part of the Governor and the Long-Term Care Coordinating Council to provide frail and elderly Rhode Islanders with less restrictive and costly community based alternatives to nursing home care.

For the past two years, services under the FOSH program have been provided by two homecare agencies: Homefront Health Care and Alternative Care Medical Services. The contracts with these agencies will expire on August 31, 2008.

Rhode Island Housing issued a Request for Proposals (RFP) in February 2008. The RFP was sent to sixty home health agencies. Six proposals were received and reviewed by a committee of seven persons: the Corporation's Supportive Services Program Coordinator and six representatives from various management companies involved in the FOSH Program. Proposals were evaluated under the following criteria:

(i) Cost
(ii) Professional Experience/Qualifications
(iii) Capacity to meet the scope of services statewide
(iv) Quality and breadth of policies and procedures
(v) Licensing review
(vi) Rate of homemaker turnover
(vii) Capacity to meet the scope of services

Following review of all proposals, the Committee determined that the proposals submitted by Homefront Health Care and Bayada Nurses Home Care Specialists most clearly and efficiently met the specifications set forth in the RFP.

Rhode Island Housing staff in the Policy Division reviewed the Committee's analysis and agrees with its recommendations. The proposals submitted by these organizations were cost-competitive; moreover, these organizations are very familiar with the FOSH program and the other participants involved in the program, so there would be consistency and continuity for residents.

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's Foundations of Senior Health Program (FOSH) requires the services of a home health care agency to continue the delivery of

homemaker/personal care services to the residents of participating developments.

NOW THEREFORE, it is hereby:

RESOLVED: That Rhode Island Housing is authorized to enter into a contract with Homefront Health Care and Bayada Nurses Home Care Specialists for the provision of services as set forth in the proposals submitted by the agencies on April 11, 2008 and modified to reflect the hours and developments as set forth in Attachments B and C, and with such modifications, including the amount, as the Executive Director or the Deputy Director of Programs may deem necessary or advisable. The contract shall be subject to annual availability of funds.

RESOLVED: That the Executive Director, or the Deputy Director for Programs, and each hereby, is authorized to execute (or cause to be executed) any and all contracts, purchase orders, certificates, instruments, letters of instructions, and documents as shall be required to effectuate the aforementioned contract for homemaker services, and to take such further action in connection therewith as they deem necessary or advisable.

Approval of RoadHome Regulatory Changes

Mr. Godfrey, along with Ms. Rainone, made this presentation.

This Request for Action is for the approval of substantial changes to the RoadHome regulations to (1) respond to unmet needs identified in the first year of the program's operation, and (2) consolidate assistance currently provided under the Emergency Housing Assistance Program ("EHAP") in order to more efficiently use Rhode Island Housing resources. A copy of the proposed regulations was distributed to the Board.

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, Rhode Island Housing adopted on December , 2007 the Rules and Regulations applicable to the RoadHome Program (the "Rules and Regulations") in order to prevent Rhode Island families and individuals from becoming homeless, and to return those who do become homeless to permanent housing; and

WHEREAS, Rhode Island Housing intends to amend and restate the Rules and Regulations in order to better use Rhode Island Housing resources to meet the needs of Program participants and to increase coordination, flexibility and efficiency of the Program.

NOW THEREFORE IT IS HEREBY:

RESOLVED: That Rhode Island Housing is authorized to publish for public comment the First Amendment and Restatement of the Rules and Regulations Applicable to the RoadHome Program, substantially in the form presented, in accordance with the State of Rhode Island Administrative Procedures Act;

RESOLVED, That the Executive Director and any Deputy Director or Director, each acting singly, be and hereby is authorized and directed to undertake any and all actions reasonably necessary to carry out the foregoing resolution.

Distribution and Overview of the Fiscal Year 2009 Budget

Mr. Godfrey provided the Commissioners with a draft of the proposed 2009 budget. The Budget Committee is scheduled to review and discuss the proposed budget and make a recommendation regarding the proposed budget for consideration at the September 18, 2008 board meeting.

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.

Standard & Poors, a national bond rating agency, recently completed its annual review of Rhode Island Housing. After examining every aspect of the agency, S&P affirmed our current bond rating. Rhode Island Housing is a well operated and managed firm; however S&P cautioned that all of its mortgage assets are in a state with a very weak economy, suffering a major real estate recession. S&P also highlighted the recent appropriation of $26 million from Rhode Island Housing to fill the State's budget gap, and noted that additional appropriations could affect Rhode Island Housing's financial outlook.

Mr. Godfrey noted that the first 7 months of 2008 have witnessed a stabilization in activity in our single family loan portfolio. We are not seeing the dramatic increases witnessed in 2007, but are on track to come close to 2006 production numbers. Rhode Island Housing will likely surpass the production numbers achieved in 2004 and 2005. To date, we have closed on a total of 565 loans in 2008, with a value of $102,330,359, and an $181,715 loan average.

The federal housing rescue bill aimed at sparing hundreds of thousands of homeowners from foreclosure and bolstering troubled mortgage lenders Fannie Mae and Freddie Mac was passed by the Senate on July 26, on a vote of 72-13. Known as the Housing and Economic Recovery Act, the bill is expected to help hundreds of thousands of Americans who are struggling to keep their homes, as well as countless homeowners and communities who are already experiencing the devastating effects of foreclosure. Rhode Island Housing is researching the impact of the Act on our programs.

We continue to reach out to property owners experiencing financial difficulties to assist them in navigating through the myriad issues they face. Since the opening of our Housing HelpCenter in November 2007, we have been contacted by 1,863 Rhode Island homeowners seeking our

assistance. Each person who contacts us receives a financial analysis questionnaire, which provides a critical first step in obtaining information and evaluating the homeowner's current situation and allows us to present them with reasonable options.

Foreclosure activity in Rhode Island for July 2008 shows that statewide the number of legally noticed foreclosures increased significantly over the prior two months. In total, 3,791 properties were noticed for foreclosure in the one-year period from August 2007 – July 2008. Of the 423 properties noticed for foreclosure in July 2008, 243 of these were located in Providence. Legally noticed foreclosures in July represent the highest number since we began tracking in August 2006.

Mr. Godfrey explained that as more Rhode Islanders face rising costs in their day-to-day lives, we are seeing an up tick in the number of mortgage loan delinquencies in our portfolio. A review of data from the last few years shows that the overall number of loans in delinquency has raised slightly compared to 2006 and 2007 but are well in line with prior levels and ahead of 2004 and 2005. We have also seen an increase in both foreclosure activity and the number of REOs in our portfolio over boom year levels, but the numbers of REOs are significantly lower than in the ten years prior to 2002. Loan Servicing staff continue to work with borrowers to prevent foreclosure and find viable solutions to their financial difficulties

Since the inception of the Madeline Walker Program on January 1, 2007, we have provided outreach to 7,504 Rhode Island homeowners in 66 taxing authorities. To date we have purchased 499 tax liens totaling $1,796,596. We have successfully worked with 210 of these homeowners to assist them in redeeming their property for a total redemption amount of $779,026. We continue to work with the remaining homeowners through their current financial hardships.

There being no further business to discuss, a motion was duly made by Commissioner Marques and seconded by Commissioner Flynn to adjourn the open meeting at approximately at 9:40 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director