

**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, April 16, 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; Michael Solomon, designee for General Treasurer Frank T. Caprio; Michael Marques, Director of Department of Business Regulation; Gary Sasse 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; Carol Ventura, Director of Development; Leslie McKnight, Director of Servicing Michael V. Milito, Corporation Counsel and Jo-Ann Ryan Communications Director.

Brian 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 March 5, 2009

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 March 5, 2009 hereby are approved.

Chairman's Report

Chairman Marouchoc did not have anything to report.

Committee Reports

Chairman Marouchoc noted that the Legislative Committee met on April 1, 2009. Copies of the minutes of Legislative Committees were provided in the board package. Commissioner Barge gave a brief review of the outcome of Legislative Committee and Commissioner Clough commentated that the legislative report was well documented.

Executive Director's Report

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

Mr. Godfrey reported that there is a great deal happening on the Federal scene but little money flowing. The Neighborhood Stabilization Program (NSP) is underway even though we are still waiting for federal dollars. The purpose of the NSP is to assist in the revitalization of neighborhoods through the acquisition and redevelopment of foreclosed properties that might otherwise become abandoned and/or is a source of blight within their communities. Rhode Island was awarded \$19.6 million as part of the \$3.92-billion federal Program that was part of the Housing Economic and Recovery Act (HERA). The NSP funding will be leveraged with other available funding sources to protect neighbors, stimulate the Rhode Island economy and provide safe, sustainable, affordable homes. Rhode Island Housing will administer the Neighborhood Stabilization Program in cooperation with the Rhode Island Office of Housing and Community Development. On the tax credit assistance programs, staff is still waiting for guidance and is concerned about losing this summer for construction.

Mr. Godfrey announced that after much debate by the Senate and Congress, President Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, an act which hopes to create or save three-and-half million jobs over the next two years and includes a number of provisions for housing. On February 25, Senator Reed announced that the U.S. Department of Housing and Urban Development (HUD) is making over \$79 million available to Rhode Island through the ARRA.

Under the ARRA, Rhode Island Housing will administer the distribution of TCAP funds, under a competitive process, with priority going to housing developments that can begin construction immediately. Projects awarded housing credits in fiscal years 2007, 2008, or 2009 are eligible for funding, but priority will be given to those developments that are expected to be completed by February 2012. 75 percent of TCAP funds must be committed by February 2010. 75 percent must be expended by February 2011, and all of the funds must be expended by February 2012.

On the State level, the 2009 supplemental budget, which aims to close a projected \$357-million deficit in the state's \$7.2 billion current-year spending plan, was. Unlike the FY 2008 supplemental budget, which required Rhode Island Housing to transfer \$26 million to the State's general fund, this year's budget does not contemplate any transfers. However, Rhode Island Housing may be asked to assist the State, in conjunction with the Department of Administration, to explore ways to maximize the return on various state properties.

Foreclosure activity in Rhode Island for March 2009 showed that statewide the number of legally noticed foreclosures increased again in March by 3.8% to 459 initiations. Of the properties noticed for foreclosure, about half were located in Providence. Especially troublesome is the high number of foreclosures in Providence of multi-family homes. Multi-family housing accounted for just under half of the foreclosures initiations in the city for March 2009. In these instances, each foreclosure initiation threatens multiple households living within the same

building. The high number of foreclosures throughout the state has been directly linked to a recent increase in the number of homeless

A recent report from the National Center on Family Homelessness ranks Rhode Island #4 in the nation in preventing child homelessness. Based on data from 2005 and 2006 – prior to our current housing crisis, high unemployment rate and high rate of foreclosures – Rhode Island received high marks compared to other states. The fact that the numbers of children in the state facing homelessness was comparatively low is due to the collaborative efforts of many organizations working in concert to reduce the overall number of homeless. The decline in homeless numbers from 2006-2008 is the result of the success that state programs like Neighborhood Opportunities Program (NOP) and Housing First, and Rhode Island Housing’s RoadHome program have had on reducing the number of homeless, particularly the chronically homeless. This trend, however, has since reversed as a direct result of the foreclosure crisis and economic downturn.

Rhode Island Housing introduced two new programs: **FirstHomes100** and **FirstHomes100+** mortgages are fixed-rate, dependable loans that help Rhode Islanders buy – and keep – the home that is right for them. **FirstHomes100** offers low, fixed-rate, 30-year mortgages for single-family homebuyers with 100% financing. Rhode Island housing will service the loan, and provide free counseling, education and support. **FirstHomes100+** is a special loan package that provides all the benefits of FirstHome100 PLUS all the funds to complete essential repairs and upgrades to the home, and a consultant to consumers through the renovations - all in one low, fixed-rate loan.

Revised Firm Approval of Financing for Bourne Mill

Mr. Godfrey gave this presentation.

This Request for Action (“RFA”) is for revised firm approval of financing for the Bourne Mill in Tiverton in an amount not to exceed \$11,250,000, all of which will remain as permanent first mortgage debt and a Targeted Loan of \$1,000,000. This RFA reflects a change in the financing structure set forth in the June 19, 2008 Firm Approval of this development.

In June 2008, the Board provided Firm Approval for a trifurcated financing transaction for the Bourne Mill. The previously approved structure included a 9% Housing Tax Credit (“HTC”) component that included both affordable and market rate units, a second component using tax-exempt financing and 4% HTCs composed entirely of affordable units and a third component containing only market rate units. The project provided for a total of 166 units, of which 66 units were to be affordable.

Due to dramatic changes in the HTC equity markets the sponsor is currently unable to identify an HTC investor for the project. A previously proposed HTC syndicator, Consortium Structured Investments, LLC, an investment arm of Morgan Stanley, determined in the fall of 2008 that it would not invest in the project. At that time, the sponsor explored the possibility of a temporary self syndication of the HTCs with the goal of a subsequent tax credit transfer to another investor. However, due to the legal structure of the sponsor, such an approach was deemed incompatible with the proposed historic tax credit structure. Consequently, for

efficiency, the sponsor has combined the components of the trifurcated structure into a single tax exempt transaction. The project sponsor, Edward A. Fish Associates, LLC (“EA Fish”), is now requesting first mortgage financing of up to \$11,250,000. This is a reduction in first mortgage financing from the \$11,590,000 total amount originally approved in June of 2008.

The project continues to provide for the development of 166 residential units with an increase of one affordable unit for a total of 67 affordable units in the development. Collapsing the development into one project from three will simplify the operations of the project. Utilizing tax exempt financing will allow Bourne Mill to qualify for 4% tax credits for the affordable portion of the development. If equity from the sale of these credits is procured, it will reduce the amount of Exchange Program funds the sponsor will need. In addition, it will help ensure that the project is brought to completion in the summer of 2009. Bank of America will participate with Rhode Island Housing in providing construction financing in addition to serving as the investor for the Federal Historic Tax Credits. The sponsor has identified several investors for the State Historic Credits.

Construction has been ongoing for the past seven months and the project is approximately 70% complete. The sponsor has financed the work by using some of the previously authorized sources as well as a bridge loan from Rhode Island Housing and a \$7.25 million pre-development loan from EA Fish.

The \$7.25 million represents a slight increase in the amount of HTC equity anticipated in June at firm approval. EA Fish intends to apply for Tax Credit Exchange Program funds (the “Exchange Program”) authorized through the stimulus bill, the American Recovery & Reinvestment Act of 2009 (“ARRA”) or an equity infusion of some other form sufficient to take out the predevelopment loan and insure project feasibility. The sponsor is aware that that they must submit an application under a soon to be released Program Bulletin for the Exchange Program and that they are not guaranteed an award of funding.

The total development cost for the Phase I development is \$43,309,218 or \$260,898 per unit. The currently proposed funding sources include: (i) a Rhode Island Housing tax-exempt first mortgage; (ii) a substitute equity source for the previously proposed sale of 4% and 9% HTCs; (iii) Federal Historic Tax Credits; (iv) State Historic Tax Credits; (v) Building Homes RI funds from the HRC; (vi) Targeted Loan from Rhode Island Housing; (vii) Lead remediation funds from Rhode Island Housing; (viii) HOME funds from Rhode Island Housing; (ix) a deferred developer fee and sponsor equity; and (x) a loan from the developer to the Borrower.

Representatives from EA Fish were present and available to respond to questions from the Commissioners.

Commissioner Monteiro announced that he would not participate in the discussion, consideration or vote on this matter due to fact that he is an associate of Bank of America, which will be providing funding for the project.

Upon a motion made by Commissioner Marques and seconded by Commissioner Barge the following resolution was unanimously adopted by the voting members. Commissioner

Monteiro recused from the vote and did not participate in the discussion or consideration of this item.

**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 taxable or 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 predecessor (Armory Revival Company) to the applicant (“Applicant”) listed below presented an application to Rhode Island Housing requesting tax-exempt first mortgage financing to acquire and rehabilitate the property set forth below. Edward A. Fish Associates LLC now seeks firm approval for taxable or tax-exempt first mortgage financing and a Targeted Loan as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>First Mortgage Financing</u>	<u>Targeted Loan</u>
Bourne Mill	Edward A. Fish Associates, LLC as successor to Armory Revival Company	\$11,250,000	\$1,000,000

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 declares firm commitment approval for a first mortgage loan to Edward A. Fish Associates, Inc. and its to be formed limited partnership in an amount not to exceed \$11,250,000 for rental housing to be located in Tiverton, Rhode Island and, to be known as Bourne Mill.

Resolved: That, subject to the special conditions listed below, Rhode Island Housing hereby declares firm commitment approval for a Targeted Loan to Edward A. Fish Associates, Inc. and its to be formed limited partnership 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.

Resolved: That Rhode Island Housing hereby declares that the firm commitment 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 \$11,250,000 in permanent mortgage funds and the related costs of issuance for the bond issue for the above-referenced Development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption and supplements and incorporates Rhode Island Housing's previously issued affirmative official act of June 21, 2007, of its intention to issue bonds to finance up to \$9,160,773 in permanent mortgage funds and related costs of issuance; and its previously issued affirmative official act of June 19, 2008, of its intention to issue bonds to finance up to \$6,000,000 in permanent mortgage funds and the related costs of issuance for this Development.

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

1. 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;
2. Syndication equity from the sale of housing and historic tax credits or a substitute source of equity in amounts sufficient to achieve project feasibility;
3. A minimum federal historic tax credit equity installment at closing of no less than 20% of the total amount of historic tax credit equity anticipated for the project;
4. Revised appraisal and market study by independent appraiser demonstrating that the loan does 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;
5. Approval by Rhode Island Housing of all management-related issues, including marketing and lease-up plans;
6. Execution and delivery by the Developer of a Construction Completion Guaranty in form and scope satisfactory to Rhode Island Housing;
7. FHA Risk-Sharing approval for 50% of the first mortgage;
8. Any private financing related to the acquisition of the property be subordinate to all Rhode Island Housing financing;
9. Execution of an acceptable Intercreditor Agreement between Rhode Island Housing and Bank of America;
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 for future development of a third phase of the overall project;
12. Completion of all items required for 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 Master Construction Loan for SWAP

Susan Bodington, Deputy Director, and Carol Ventura, Director of Development, made this presentation. In accordance with an Advisory Opinion from the Ethics Commission, Mr. Godfrey did not participate in the review and recommendation of the proposal since SWAP's Executive Director is Mr. Godfrey's wife. Commissioner Barge represented the board during the review of the proposal. In addition, Chairman Marouchoc noted his company has a relationship with SWAP and recused from consideration of and vote on this matter.

This Request for Action is for a Revolving Construction Loan in the amount of \$2,000,000 for the construction of homeownership opportunities in South Providence and surrounding neighborhoods of Providence.

On April 27, 2006 the Board of Commissioners approved a \$3,000,000 revolving construction loan for Stop Wasting Abandoned Properties, Inc. ("SWAP"). This loan was the third such loan approved by Rhode Island Housing. Over the past ten years, this loan program and its predecessor, the Demonstration Home Development and Homeownership Loan Program, has allowed SWAP to finance the construction and permanent financing of 92 homes in South Providence that have been or will be sold to first time homebuyers. SWAP uses a combination of construction financing and City of Providence HOME funds or similar subsidy funds to make the homes affordable for first time homebuyers.

SWAP has projected to construct 20 new homeownership units over the next twenty-four months with significant development in the successive two years. All of these homes will be sold to first time homebuyers and we expect that most of these buyers will obtain permanent financing through Rhode Island Housing's First Homes Programs. Borrowing authority under SWAP's current three-year loan expires in April 2009.

Given SWAP's past success, the Development Division is recommending a new \$2,000,000 revolving loan to fund SWAP's homeownership development projects. The existing loan will terminate upon closing of the new loan. Under the agreement, SWAP will be able to develop up to 12 homes and condominiums at any time; 6 homes must be pre-sold to qualified buyers. SWAP's authority to borrow under this agreement will expire in 24 months. These terms represent a decrease in the borrowing authority for the organization, in recognition that the housing market has contracted significantly during the past year. Throughout the duration of

the previous three loans, SWAP has shown that it has an excellent track record of borrowing and repaying the loans quickly and efficiently.

As with the previous loan programs, the Homeownership Division will pre-qualify applicants with purchase and sales commitments to purchase homes. The homes will be sold to first time low and moderate-income homebuyers at or below 80% of median income. A provision will be made to allow for the sale of homes to buyers with incomes at or below 115% of median if no HOME funds are used and an appraisal supports the higher loan and sales price.

The interest rate for each mortgage under the Master Loan will be set at the one-month LIBOR plus 3%, with a rate floor of 4% and cap of 7.00%. The rate for each individual mortgage will be set at closing.

Upon a motion made by Commissioner Monteiro and seconded by Commissioner Solomon the following resolution was unanimously adopted by the voting members. Chairman Marouchoc did not participate in the discussion, consideration or vote on this resolution:

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

Whereas, Rhode Island Housing (the “Corporation”) is authorized to make loans to sponsors for such developments as in the judgment of the Corporation have promise of supplying well planned, well designed single family and two family homes and condominiums 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, The Corporation is authorized to provide permanent financing with assistance, as applicable, to homebuyers;

Whereas, Stop Wasting Abandoned Properties, Inc. (“SWAP”) has presented an application to the Corporation requesting a revolving line of credit to construct residential housing as set forth in this Request for Action; and

Whereas, Corporation staff has reviewed the submission, will inspect the sites and will determine that these developments may qualify for financing under the Corporation’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That the Corporation be and hereby is authorized to make a revolving construction loan up to \$2,000,000 to SWAP. The loan will be structured generally in accordance with the description contained herein, with such changes as the Chairman of the Board of Commissioners or his/her designee, either Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That the Chairman of the Board of Commissioners or his/her designee, any 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 SWAP 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 or equivalent financing, 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 end loans for homebuyers.

Approval of SNRP Funding for OMNI Development Corporation 1380 Broad Street

Mr. Godfrey presented this proposal.

Chairman Marouchoc and Commissioner Barge announced that they would not participate in the discussion, consideration or vote on this matter due to their relationship with Omni Development Corporation. Commissioner Clough represented the board during the presentation of this proposal.

This Request for Action is for approval of \$562,126 in Special Needs Rental Production Program (the "Program") funds to Omni Development Corporation for the acquisition, rehabilitation and new construction of a property located at 1380 Broad Street in Providence to house homeless veterans.

Rhode Island Housing established 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. To date, the Board of Commissioners approved funding totaling \$3,195,203 for projects with a combined total of 91 permanent supportive rental units for homeless, disabled and very low-income households.

Applications are accepted on a rolling basis and are reviewed by a committee comprised of Development and Policy staff. Omni Development Corporation submitted an application for funding, which was reviewed by the committee and is recommended for funding.

The applicant is the designated developer of a former commercial and residential property that is currently owned by the Providence Economic Development Corporation. Omni Development Corporation intends to demolish two existing buildings and rehabilitate a third to create 14 residential units for veterans who are homeless or at risk of homelessness. Commercial space on the ground floor of the new property will house a police sub-station and the developer's offices. Supportive services for the residents will be provided by the Rhode Island Veterans Action Center. The applicant has received capital and operating funds from HUD's Supportive Housing Program.

Joe Caffey of Omni Development was introduced and thanked the board Carol Ventura and staff for their consideration.

Upon a motion made by Commissioner Marques and seconded by Commissioner Monteiro the following resolution was unanimously adopted by the voting members. Chairman Marouchoc and Commissioner Barge recused from the vote and did not participate in the discussion of or vote on this matter.

**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: Omni Development Corporation has submitted an application that meets the requirements of the Special Needs Rental Production Program and;

Whereas: Rhode Island Housing staff has reviewed the application and recommends that Special Needs Rental Production Program funds be committed to the proposal;

NOW, THEREFORE, IT IS HEREBY:

Resolved: That Rhode Island Housing commits \$562,126 in Special Needs Rental Production funds in accordance with the program description as approved by the Board of Commissioners of Rhode Island Housing to Omni Development Corporation for the acquisition, rehabilitation and new construction of property located at 1380 Broad Street, 24-26 Calla Street and 19 Morton Street in Providence.

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 2010 YouthRap Awards

Susan Bodington, deputy director, and Amy Rainone, Director of Policy, presented these awards.

Mr. Godfrey was not involved in the consideration or recommendation regarding this matter since his wife is the Executive Director of SWAP, one of the applicants for funding under the program. Chairman Marouchoc noted that he serves on the Board of Directors of House of Hope, one of the potential recipients of funding under this action, and therefore he would recuse from the discussion, consideration or vote on this matter.

This Request for Action is for funding for Youth RAP (Y-RAP) activities for FY 2010.

In 1990, Rhode Island Housing initiated Y-RAP to provide funds for youth activities at its family apartments. General revenues of the Agency are budgeted for the program. All family developments that have been financed through Rhode Island Housing are eligible to participate. Youth RAP programs provide activities which meet these goals: 1) to provide youth with job readiness skills and/or employment opportunities, 2) to provide programs which promote youth leadership development, self-esteem, and academic achievement, 3) to establish working partnerships with community agencies, 4) to strengthen relationships between development youth and the community, 5) to improve the quality of community life within the housing development, and 6) to improve relationships between residents and management. Developments are requested to provide a 25% cash match which may be waived if adequate funds are not available.

In program year 08-09, 34 programs served over 1,900 individual youth, more than double the number of participating youth in the previous year. Every program with a tutoring component reported stronger report cards. Work programs have grown beyond providing 'make work' for the youth, with one development having the youth developing businesses. The annual December Y-RAP jewelry sale at Rhode Island Housing has become a holiday favorite. Rhode Island Housing continued working to increase communication between Y-RAP program managers and strengthening the programs by providing networking tools and organizing the sixth annual "Showcase of Talents". This year the talent show is scheduled to take place on April 16, 2009, with participation anticipated to match last year's 150 children from 15 developments. The June 2008 retreat gave an opportunity for newly hired Youth RAP coordinators to 'learn' the ropes from seasoned coordinators and for all to learn about innovative youth programs being held around the State.

Rhode Island Housing distributed a Request for Proposals to all eligible family developments and received applications from 35 developments, including 1 new application. A review committee of Rhode Island Housing staff evaluated the applications and is recommending funding for 33 developments. A list of the proposed program awards is included as attachment A. The total cost of the proposed programs to Rhode Island Housing is \$534,995.00 and developments will contribute an additional \$140,870.00 in matching funds. Eight developments have requested a waiver of the match requirement and one a partial waiver.

Two applications were not recommended for funding because of their failure to meet reporting requirements and provide programs that are consistent with Y-RAP goals. In addition we are once again requesting \$10,000 to support program wide activities including the “Showcase of Talents” Talent Show, the Y-RAP Coordinator Training Retreat and a special literacy activity for the winter holidays.

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

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

Whereas, Rhode Island Housing has financed the development and operation of apartments for families throughout Rhode Island; and

Whereas, Employment, education and enrichment activities for young people living in those apartments contribute to the quality of life of all apartment residents; and

Whereas, Owners of Rhode Island Housing financed apartments have submitted plans to provide such activities and, where possible, will provide funds towards such activities.

NOW THEREFORE IT IS HEREBY:

Resolved, The Corporation is authorized to spend up to \$545,000 for 2009-2010 Youth RAP activities including up to \$535,000 for programs in 33 developments as shown in Attachment A, and up to \$10,000 to provide program wide activities including the talent show for youth in participating.

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 resolutions.

Approval of Draft 2010 Tax Credit Qualified Allocation Plan (QAP)

Mr. Godfrey gave this presentation.

Pursuant to the Revenue Reconciliation Act of 1989, each tax credit allocating agency must adopt a Qualified Allocation Plan (the “Plan”) that establishes the priorities and criteria for both allocating and monitoring low-income housing tax credits. The Plan must receive a Public hearing and a subsequent public comment period prior to being finalized and presented to the Governor for approval.

In accordance with these requirements, Rhode Island Housing has administered its tax credit program under a Plan that was first adopted in January, 1990. The Plan was last amended in June 2007.

Staff has proposed the following changes to the Plan.

Section I.C.	Tax Credit Requirements
Section III	Tax Credit Review Criteria
Section III.B.3	Site and Design Factors
Section III.B.4.a.	Management Plan/Operating Budget
Section III.B.6	Leveraging/Cost Effectiveness
Section III.B.7.e.1	KeepSpace Communities
Section III.C.	Non-Profit Set-Aside, 9% Credits

A black-lined draft of the Plan was attached as Attachment B and a clean version was attached as Attachment C.

The Plan will become effective after (i) the expiration of the public comment period; (ii) final approval by the Board of Commissioners of the Plan (including any changes, pursuant to public comments); and (iii) approval by the Governor.

Upon a motion made by Commissioner Barge 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”) 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 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 be, and hereby is, authorized to publish notice of its intent to approve and adopt the proposed Qualified Allocation Plan, substantially in the form attached hereto as Attachment C.

There being no further business to discuss, a motion was duly made by Commissioner Clough and seconded by Commissioner Solomon to adjourn the open meeting at approximately at 9:29 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director