

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, December 17, 2009 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman Mark Noble; Vice Chairwoman Denise Barge; General Treasurer Frank T. Caprio; Michael Marques, Director of Department of Business Regulation; Kevin Flynn, designee for Gary Sasse, Director of Department of Administration; Jose Monteiro and Perry Clough.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Susan Bodington, Deputy Director; Tom Hogg, 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 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 Noble called the meeting to order at approximately 8:30 a.m.

Approval of Minutes of Board Meeting Held on November 19, 2009

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

VOTED: That the Minutes of the Board Meeting held on November 19, 2009 hereby are approved.

Chairman's Report

Chairman Noble welcomed everyone to the board meeting.

Committee Reports

There were no committee meetings held during November.

Executive Director's Report

Mr. Godfrey deferred his report until after the action items and requested that agenda item 7, Approval of Transfer of Physical Assets for Pidge Manor be voted on first to accommodate for a presentation to be delivered by members of the ALCO team.

Approval of Transfer of Physical Assets (TPA) for Pidge Manor

Mr. Godfrey made this presentation.

Pidge Manor Apartments is an affordable family housing development located at 110 Pidge Avenue in Pawtucket. Pidge Manor Apartments is comprised of 12 two bedroom units, with eight townhouse-style apartments situated above four accessible flats. The development was an early tax credit deal, originally funded in part with Rhode Island Housing Targeted Loan Funds subordinate to the first mortgage which was provided by Fleet Bank.

In July of this year, the development was sold to The ARC of Blackstone Valley (the "ARC") utilizing financing from Rhode Island Housing. The refinance extended the affordability of the development, and enabled capital improvements including bringing the building into compliance with current fire codes, addressing drainage issues and upgrading units as necessary. The work is currently underway. Terms of the refinance also required the owner to establish a reserve sufficient to cover the costs of necessary upgrades and improvements forecasted in future years.

The ARC is a diverse organization primarily focused on providing services to clients with disabilities, with an annual budget of \$13.5 Million. As the ARC has increased its real estate activities it decided to establish a related entity, called Blackstone Valley Development Corporation ("BVDC"), to separate its real estate operations from its direct service functions. The original intention was to have the Pidge property close in the name of BVDC; however, the Pidge transaction contemplated a sale to a 501(c)(3) organization so that the seller could take a charitable donation as part of the sale. At the time of the closing, BVDC had not yet received its 501(c)(3) designation from the Internal Revenue Service so the ARC was the purchaser. Since then, the IRS approval has been granted and the ARC now desires to transfer Pidge to its development arm.

This request for approval of transfer involves the transfer of Pidge Manor from The ARC of Blackstone Valley to Pidge Manor LLC, a for-profit whose sole member is Blackstone Valley Development Corporation, a non-profit organization. The goal is to complete the transfer before the end of the calendar year. The new borrower will assume all of the obligations of the current borrower.

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

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

RESOLVED: That the transfer of Pidge Manor from The Arc of Blackstone Valley to Pidge Manor LLC of which Blackstone Valley Development Corporation will be the sole member, be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by the Corporation of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and the protection of the interests of the Corporation.
2. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of the Corporation with respect to the Housing Development.
3. The Borrower agrees to reimburse Rhode Island Housing for all costs associated with the transfer.

RESOLVED: That the Executive Director, and any Deputy Director, each acting singly, be and hereby is authorized to execute and deliver on behalf of the Corporation all documents necessary or advisable to consummate such transfer and to take such further actions as he or she shall deem necessary or advisable in connection therewith.

Preliminary Approval of Financing for ALCO's Box Car Lofts and the Flats

Mr. Godfrey presented background information on these requests and introduced members of ALCO's design and development team: Frank Shea, Steve Durkee, and Eric Bush who provided a detailed PowerPoint presentation giving an overview of the ALCO development effort for the site that included the Box Car Lofts and the Flats.

Steve Durkee presented the Commissioners with a hard copy of the PowerPoint presentation created for this meeting and praised the partnership efforts of the City of Providence, the Providence Housing Authority, LISC and Rhode Island Housing.

The multi-phased ALCO is a large-scale urban revitalization project which is transforming a former industrial site into a mixed-use neighborhood along the Woonasquatucket River on Valley Street in Providence. The ALCO redevelopment was first proposed by Struever Brothers Eccles and Rouse ("SBER") in 2006 following passage of Rhode Island's Historic Tax Credit program. The first phase of construction completed by SBER in 2007 included the historic rehabilitation of a number of dilapidated industrial buildings that date back to 1865 and once housed the American Locomotive Company. Utilizing state and federal historic tax credits along with federal New Market Tax Credits, the first phase created 200,000 square feet of commercial and office space.

Over \$80 million has been invested, including a significant amount of environmental remediation throughout the buildings and site. Roughly 10 acres of urban brownfields land have been reclaimed. Over 300 individuals currently work within the already completed space. The Rhode Island Economic Development Corporation, several small businesses and a restaurant were the first tenant's. In September 2009, United Natural Foods, the largest natural foods distributor in the US, moved its corporate headquarters to ALCO which has been recognized for its many green and sustainable attributes, as well as the smart growth elements of a dense, mixed use development.

In December of 2008 a Redevelopment Plan and Tax Stabilization Agreement were approved for the overall ALCO development via a series of Ordinances passed by the Providence City Council. The Ordinances provide for a unique method of funding the development of affordable housing and public infrastructure through the issuance of a \$7.3 million Tax Increment Financing ("TIF") bond. Roughly \$5.5 million (75%) of the TIF proceeds are targeted to the development of affordable housing at ALCO. Much of the remainder of the TIF will be used to build public amenities including a riverwalk and to improve an existing bike path.

ALCO has been designed with connective walkways and is located within walking distance of jobs, schools, shops, grocery, restaurants, entertainment, etc., and is accessible to public transportation, a bike path and a future river walk. The entire ALCO campus is registered as a LEED for Neighborhood Development and is seeking Silver Certification from the US Green Building Council. ALCO's mixed-use concept is a cornerstone of sustainable development and the overall project achieves all of the benchmarks in Rhode Island Housing's KeepSpace Communities initiative.

SBER has halted much of its development work in Rhode Island. Though the company will continue to have an ownership role in Phase I of ALCO, it will not be significantly involved in future phases. One of the limited partners in Phase I of ALCO was Chevron which purchased both the federal historic credits and the new markets credits. Chevron has committed to purchasing the housing tax credits for both Phase II (Boxcar Lofts) and Phase III of ALCO. MBS is a St. Louis based development company well versed in mixed-use, mixed income, urban revitalization projects. SBER invited MBS to initially partner with them two years ago. Based on SBER's withdrawal, MBS has stepped in as the sole developer of Phase II & III

Phases II and III will introduce housing to the ALCO site. Over two hundred residential units are planned, 120 of which will be affordable. Phase II, known as the Boxcar Lofts has been proposed with 124 residential units, while phase III to be known as the Flats at Iron Horse Way ("the Flats"), will be located on an adjacent vacant site and is currently planned to include 78 residential units within a newly constructed building. MBS has submitted a separate application to Rhode Island Housing for a forward allocation of a future year's 9% Housing Tax Credits for the Flats development.

The Boxcar Lofts proposal involves the historic rehabilitation of the former US Rubber vacant industrial buildings adjacent to Eagle Square on the corner of Valley and Eagle Streets. The project includes environmental remediation and restoration of two interconnected buildings totaling approximately 180,000 feet as well as parking, utilities and green space. One of the two

buildings (approximately 50,000 square feet) will be renovated for commercial use while the other building (approximately 130,000 square feet) will be converted into 124 mixed income apartments. The residential portion of the project has been awarded a grant to build a unique “green roof” and is currently designed to LEED for Homes criteria.

The commercial building will be developed independently with separate financing and will likely rely on New Market Tax Credits and historic credits as a funding source. The two buildings will have a courtyard between them but will not be physically connected when completed.

Of the 124 residential units proposed at Boxcar Lofts, 76 units will be restricted to households with incomes up to 60% of AMI. Because of layout constraints within the existing historic structure, the project is currently configured with 63 efficiencies, 42 one-bedroom and 19 two-bedroom units. It should be noted that many of the loft style efficiencies contain separate sleeping areas with partial walls. The efficiencies average 620 sq. ft; the one-bedroom units average 870 sq ft; and the 2 bedroom units average 1,172 sq ft.

A brief discussion followed the presentation. The Commissioners raised a number of points, including the anticipated strength of the residential market for phase 2, and the likely upturn of the commercial market for Phase 3. In addition, there was discussion regarding the conditions applicable to the proposed actions and Rhode Island Housing’s ability to recapture the forward commitment of tax credits if the project does not proceed as planned. Messrs. Shea, Durkee and Bush addressed the questions and concerns raised by the Commissioners.

Commissioner Flynn commended ALCO’s staff on their comprehensive presentation and congratulated them on their efforts.

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 Navigant Credit Union, which retains a security interest on portions of the ALCO Phase I project.

a. Preliminary Approval of Financing - Boxcar Lofts

This Request for Action (RFA) is for Preliminary Approval of tax-exempt financing for the Boxcar Lofts in Providence, Rhode Island. McCormack Baron Salazar (“MBS”) is proposing to develop 124 units of housing in one of two connected historic buildings as part of Phase II of the American Locomotive Works “ALCO” development.

The total development cost for the Boxcar residential project is currently projected at \$33 million or approximately \$271,000 per unit based on plans developed 18 months ago by SBER. The budget currently contains a sizeable funding gap. The developer believes that once the plans are completed and the project is bid competitively, the overall development costs will be lower thereby mitigating some or the entire funding gap.

Currently proposed funding sources include: (i) a Rhode Island Housing tax exempt mortgage; (ii) syndication proceeds from the sale of 4% HTC’s; (iii) Federal Historic Tax Credits; (iv) State

Historic Tax Credits; (v) Building Homes RI funds from the Housing Resources Commission (HRC); (vi) a green roof grant which has been awarded by the Rhode Island Department of Environmental Management (“RIDEM”); (vii) retained equity representing equity which will remain in the transaction based on costs incurred during the predevelopment of this phase; and (viii) other yet to be identified sources of funding necessary to achieve project feasibility.

This Request for Action is for preliminary approval of tax-exempt bond financing of \$16,750,000 of which \$12,370,000 shall be construction and \$4,380,000 will remain as permanent debt.

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 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 tax-exempt financing to acquire and rehabilitate the building as set forth below:

Development	Applicant	Tax Exempt 1st Mortgage	Tax Exempt Construction
The Boxcar Lofts	McCormack Baron Salazar, Inc.	\$4,380,000	\$12,370,000

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 loan to McCormack Baron Salazar, Inc., or an affiliated partnership (the “Borrower”) in an amount not to exceed \$16,750,000 of which \$12,370,000 shall be construction and \$4,380,000 will remain as 30 year permanent debt for rental housing to be located in Providence, Rhode Island and, to be known as the Boxcar Lofts.

Resolved, Rhode Island Housing hereby declares that 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 \$16,750,000 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:

- The financing and redevelopment of the commercial portion of Phase II shall be sufficiently underway as to have no negative impact on the Boxcar Lofts development.
- No later than the September 2010, sponsor will have commitment of all sources necessary for closing the Boxcar Lofts transaction including, but not limited to Firm Approval of tax exempt financing from Rhode Island Housing;
- FHA Risk Share or other credit enhancement for tax exempt first mortgage at a level deemed acceptable to Rhode Island Housing.
- A lien on the Flats site to secure the tax exempt financing for Boxcar Lofts.
- Approval by bond underwriter and bond counsel that the tax-exempt loan will satisfy all required bond provisions for the bond issue;
- Syndication equity from the sale of 4% Housing Tax Credits in amounts sufficient to achieve project feasibility;
- Acceptable final appraisal and market study by independent appraiser demonstrating that first mortgage loan does not exceed 85% of the as-stabilized value of the property (or such lower LTV as required for credit enhancement and financing) and that sufficient demand exists for the proposed market and affordable units to support projected rent up schedule;
- Approval by Rhode Island Housing of all management related issues including the Marketing and Lease-up Plans for affordable and the market rate units;

- Final approval by Rhode Island Housing of Borrower's operating budget for Borrower's fiscal year ending December 31, 2011;
- Final RIDEM approval of environmental remediation pursuant to an approved Remedial Action Work Plan (RAWP);
- Final approval from the City of Providence for all planning and zoning variances;
- The award of Building Homes RI funds and/or other sources in amounts sufficient to achieve project feasibility;
- Final approval of plans and specifications that meet Rhode Island Housing design criteria;
- Satisfactory and timely performance in accordance with the schedule established by Rhode Island Housing staff and sponsor;
- Approval by Rhode Island Housing of all operating and environmental guarantees;
- Execution and delivery by the Developer of a Construction Completion Guaranty in form and scope satisfactory to Lender.
- Commitment by the City of Providence of the TIF for site improvements and public amenities and modification of the TIF allocation as necessary to achieve project feasibility

Resolved: That the Executive Director, any Deputy Director and the Director of Development, each singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

b. Forward Reservation of 2012 or 2013 Tax Credits for the Flats

This Request for Action (RFA) is for a Forward Reservation of 2012 and/or 2013 Housing Tax Credits ("HTC's") for the Flats at Iron Horse Way ("the Flats") in Providence, Rhode Island. McCormack Baron Salazar ("MBS") is proposing to develop 78 units of housing in a newly constructed building as Phase III of the American Locomotive Works "ALCO" development.

The Flats is proposed as a mixed income development serving a range of incomes, ages and household types. Designed as workforce housing, 47 of the units will be affordable to households with incomes up to 60% of AMI. Thirty-one market rate units will serve higher income earners. The currently proposed unit mix calls for 28 one-bedroom; 15 two-bedroom; 31 three-bedroom and 4 four-bedroom units. The project as currently planned will incorporate green, healthy and energy efficient building techniques/products with the intention of meeting Energy Star Standards. The developer also has a goal of meeting universal design standards. Some of units are planned as walk-up units and ample parking will be provided. Given that the project design is conceptual at this time, the current development program remains subject to change.

The total development cost for the Flats residential project is currently projected at \$16.5 million or approximately \$211,530 per unit based on conceptual plans and the developer's experience in developing similar projects. The budget currently contains a funding gap. The developer

believes that once the plans are completed and the project is bid competitively, the overall development costs will be lower thereby mitigating some of or the entire funding gap.

Currently proposed funding sources include: (i) a Rhode Island Housing taxable first mortgage; (ii) syndication proceeds from the sale of 9% HTC's; (iii) a Deferred Payment Loan from Rhode Island Housing; (iv) Building Homes RI funds from the Housing Resources Commission (HRC); (v) TIF proceeds; and (viii) other yet to be identified sources of funding necessary to achieve project feasibility.

This Request for Action is for a Forward Reservation of up to \$956,316 in 2012 and/or 2013 9% HTC's.

Commissioner Monteiro recused himself from participating in the discussion, consideration or vote on this matter due to fact that he is an associate of Navigant Credit Union, which retains a security interest on portions of the ALCO Phase I project.

Upon a motion made by Commissioner Clough and seconded by Commissioner Flynn 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, The Low Income Housing Tax Credit Program (the "Program") was created as part of the Tax Reform Act of 1986 (the "Act"); and

Whereas, Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") has been designated the Administrator of the Program in the State of Rhode Island; and

Whereas, Staff for Rhode Island Housing has determined that the Applicant ("Applicant") listed below is eligible for the Program under the laws of the State of Rhode Island and the Federal Tax Code; and

Whereas, Rhode Island Housing is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of Rhode Island Housing have promise of supplying well-planned, well-designed apartment units which will provide housing for low and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing; and

Whereas, The applicant has submitted an application to Rhode Island Housing for a forward reservation of tax credits from the tax credit authority available in the calendar year 2012 or 2013 ("the Tax Credit") as follows:

<u>Development</u>	<u>Applicant</u>	<u>9% Tax Credits</u>
The Flats at Iron Horse Way	McCormack Baron Salazar	Up to \$956,320

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 \$956,320 of allocated 2012 or 2013 tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of Rhode Island Housing applicable to the Allocation of Low-Income Housing Tax Credits (the “Rules and Regulations of the Corporation”), and that the Executive Director, Deputy Director and the Director of Housing Development each acting singly be, and hereby is, authorized and empowered in the name of and on behalf of Rhode Island Housing to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

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

- No later than the September 2010, sponsor will have commitment of all sources necessary for closing the Boxcar Lofts transaction including, but not limited to Firm Approval of tax exempt financing from Rhode Island Housing;
- The Boxcar development will be required to achieve 90% occupancy prior to start of construction of the Flats project;
- Syndication equity from the sale of 9% HTCs in amounts sufficient to achieve project feasibility;
- Acceptable final appraisal and market study by independent appraiser demonstrating that first mortgage loan does not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed market and affordable units to support projected rent up schedule;
- Final approval by Rhode Island Housing of Borrower's operating budget for Borrower's fiscal year in which the building will be Placed in Service;
- Approval by Rhode Island Housing of all management related issues including the Marketing and Lease-up Plans for affordable and the market rate units;
- Final RIDEM approval of environmental remediation pursuant to an approved Remedial Action Work Plan (RAWP);

- Final approval from the City of Providence for all planning and zoning variances;
- The award of Building Homes RI funds or some other source in amounts sufficient to achieve project feasibility;
- Development of plans and specifications that meet Rhode Island Housing design criteria;
- Satisfactory and timely performance in accordance with the schedule established by Rhode Island Housing staff and sponsor;
- Approval by Rhode Island Housing of all operating and environmental guarantees.
- FHA Risk Share or other credit enhancement for tax exempt first mortgage at a level deemed acceptable to Rhode Island Housing;
- Execution and delivery by the Developer of a Construction Completion Guaranty in form and scope satisfactory to Lender.
- Commitment by the City of Providence of the TIF for site improvements and public amenities and modification of the TIF allocation as necessary to achieve project feasibility

Resolved: That the Executive Director, any Deputy Director and the Director of Development, each singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

Chairman Noble excused himself and respectfully requested that Vice Chairwoman Barge continue forward with the agenda. Accordingly, Vice Chairwoman Barge asked Mr. Godfrey to present his report.

Executive Director's Report

Mr. Godfrey referred the Commissioners to his written report which included numerous attachments and briefly commented on several topics of interest.

Chairman Noble rejoined the meeting at this time.

Mr. Godfrey announced that the House Separation of Powers Committee of the General Assembly held its second hearing on Rhode Island Housing on December 15. The first hearing consisted of a programmatic overview and review of the overall operating structure of the agency. At the request of committee members, Rhode Island Housing staff provided additional information to the Committee in response to several specific questions relating to employee salary and benefits, plus grantees, borrowers, contractors and sub-contractors. The second meeting focused on finances and operating procedures. Mr. Godfrey also distributed a copy of the table of contents provided to the committee for the December 15, 2009 hearing.

Mr. Godfrey noted that current economic conditions indicate that the overall economic climate and the economic climate in Rhode Island look to remain very difficult throughout 2010. The state's unemployment crisis weighs heavily on the housing market and foreclosures continue at unsettling high levels. As the State's budget shortfalls continue to build the Governor's staff is

finalizing its versions of both the Supplemental 2010 and new 2011 state budgets. The concept of selling state land to Rhode Island Housing for future development has surfaced again as the state deficits become more difficult to erase. Rhode Island Housing has advised the budget staff that its capacity to undertake such activity has been severely compromised by broad economic factors, its own financial challenges and the state's prior appropriation of funds. The Agency's ability to undertake any such transaction is very limited. However, obtaining real estate at fair value for cash has far less impact on the mission and financial situation than other options. The plans may be discussed by the Governor as early as Monday, December 14, 2009.

Commissioner Caprio stated that he would be like to participate in the discussions with the Governor's budget office regarding acquisition of state-owned land and requested that staff keep his office informed of the situation.

Mr. Godfrey noted that bond issuance under the recently adopted program involving the Department of Treasury, Fannie Mae and Freddie Mac was successfully completed. As a result of this issuance, Rhode Island Housing will have access to mortgage funding at favorable rates through 2010 for both single-family home purchases and multi-family rental development.

Mr. Godfrey reported that data on foreclosure activity in Rhode Island illustrates that the number of foreclosure initiations in the state continues to remain at historically high levels. Based on October foreclosure initiation activity, there was an increase of 4.3% over September to 890 initiations. It is the second consecutive monthly increase since August. Providence saw a 36.8% increase since September, unlike the previous month's decrease of 23.6%. Of the 890 initiations listed during October, Rhode Island's NSP communities accounted for 78.4% of total initiations in the state, a 2.0% increase since September. The top four cities of Providence, Pawtucket, Warwick, and Cranston represent just over half of statewide initiations at 51.8%, a 4.6% increase compared to September. Of the 561 listings that show complete lending information, 14.4% were 80/20 finance deals for purchase, and approximately 58.1% were refinances. Of the refinancing activity, 25.4% of the loans were for double or more the original purchase price. Data shows that the impact of foreclosures is widespread throughout the state and is impacting both homeowners and renters.

Mr. Godfrey introduced Peter Walsh, Rhode Island Housing's Director of External Relations to the Commissioners. Mr. Walsh's primary focus will be to build and solidify relationships with the banking and mortgage lender industry across the state.

Commissioner Flynn noted that Rhode Island Housing received an award from the Rhode Island Chapter of the American Planning Association (RIAPA). RIAPA selected two initiatives in which Rhode Island Housing was involved for recognition at its Annual Awards program. KeepSpace was chosen for the award for Outstanding Comprehensive Planning Project by the RI APA. The award acknowledges the KeepSpace process goals of creating viable and sustainable neighborhoods through collaboration and partnerships among all the stakeholders, including the community, developers, municipalities and state and local regulators.

Sandywoods Farm was chosen as the recipient of the award for Mixed Use development. Sandywoods was recognized as a unique, sustainable development concept combining agricultural uses, the arts, open space preservation and housing choices.

Chairman Noble congratulated Mr. Godfrey and Rhode Island Housing on the awards, thanked everyone and extended best wishes to the board and staff for a joyous and healthy holiday season.

There being no further business to discuss, a motion was duly made by Commissioner Barge and seconded by Commissioner Caprio to adjourn the open meeting at approximately at 10:06 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director