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**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, February 17, 2011 at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman Mark Noble; Vice Chairwoman Denise Barge; Paul McGreevy, Director of Department of Business Regulation; Jose Monteiro and Perry Clough. Gina Raimondo, General Treasurer and Richard Licht, Director of Department of Administration; were absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Susan Bodington, Deputy Director; Tom Hogg, Deputy Director; John Gordon, Director of Asset Management; Carol Ventura, Director of Development; Amy Rainone, Director of Policy; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing, and Michael V. Milito, Corporation Counsel.

Edward Pare, 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 8:35 a.m.

Approval of Minutes of Board Meeting Held on December 16, 2010

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

VOTED: That the Minutes of the Board Meeting held on December 16, 2010 are approved.

Chairman's Report

Chairman Noble introduced and extended a warm welcome to Paul McGreevy; the Governor's appointee of Director of Business Regulations and Rhode Island Housing's new member of the board. Mr. Noble wished him success on his appointment.

Committee Reports

The Legislative Committee of the Board of Commissioners of Rhode Island Housing met on February 15, 2011 at 1 P.M. at the offices of Rhode Island Housing. In attendance were

committee members Denise Barge, Perry Clough, and Mark Noble. Staff attending was Susan Bodington, Amy Rainone, and Jessica Buhler. Commissioner Barge presented the Legislative Committee's recommendations to the board.

I. Rhode Island Housing

In the fall of 2009 through the spring of 2010 Rhode Island Housing was asked to present a complete overview of the agency's operations at a series of hearings of the House Government Oversight Committee. The presentation included questions about our scope of work, how Rhode Island Housing's programs impact for-profit lenders, and the agency's policies for hiring local Rhode Island based contractors and vendors.

The hearings provided an opportunity to better educate members of the Committee and others about the role we play and the programs and services we provide. Rhode Island Housing may be asked to present in front of the committees again this year.

A bill that deals directly with Rhode Island Housing was introduced in 2009 and may be reintroduced this session. The bill would provide that the appointment of the Executive Director of Rhode Island Housing would be for a term of 3 years and would be subject to the advice and consent of the senate.

Recommendation: Oppose the bill mentioned above and monitor other bills that may be forthcoming to ensure that they do not negatively impact Rhode Island Housing's ability to fulfill its mission in a fiscally responsible manner. Continue communication with House and Senate Government Oversight Committees.

II. Foreclosure/Tax Liens

➤ Madeline Walker Act:

The Madeline Walker Act of 2006 was named after an 81-year-old Providence woman who was evicted from her home in December 2005 because she had unknowingly failed to pay a sewer bill of \$496. Under the law, which was effective January 1, 2007, cities, towns, and other taxing authorities are required to notify Rhode Island Housing of delinquent liens prior to tax sale, and Rhode Island Housing is given a right of first refusal to purchase the lien on any owner-occupied 1-3 unit property. Under the statute, Rhode Island Housing may not file a petition for foreclosure of redemption for the tax liens it acquires for five years, as opposed to the one year redemption period allowed for all other purchasers of tax liens. The five-year redemption period is a major disincentive for Rhode Island Housing to purchase tax liens and has been particularly problematic when properties whose liens we have purchased end up being foreclosed upon or abandoned by their owners.

Recommendation: Support slightly amended legislation based on bills introduced from the last two years that amends the statute to allow Rhode Island Housing to foreclose the right of redemption on our lien after 1 year for foreclosed and abandoned properties and

3 years for all others, instead of the current 5 years. The bill also clarifies that municipalities may submit tax lien information to Rhode Island Housing electronically.

➤ **Foreclosure Prevention/Tenant Protections:**

Last year, Rhode Island Housing provided information and technical support for bills to reduce foreclosures and help tenants and owners stay in their homes.

This year advocacy groups may continue to push for deeper foreclosure protections that could include the establishment of a landlord/tenant relationship between the foreclosing lender and the existing tenant and bills that institute judicial foreclosure in Rhode Island.

Additional bills relating to foreclosure issues may also be introduced, including bills regarding requirements for servicers to communicate with mortgagors and seek modifications when possible, imposing a foreclosure moratorium, state preemption of municipal foreclosure ordinances, mortgage fraud, and foreclosed property maintenance.

Recommendation: Rhode Island Housing will continue to monitor and provide information and technical support for bills to reduce foreclosures and help tenants and owners stay in their homes.

III. Funding for Housing Programs

In November, Rhode Island Housing partnered with the United Way and the Rhode Island Foundation in convening Rhode Island housing and homelessness organizations to develop a coordinated plan for advocating for continued state investment in affordable homes. That group has continued to meet. The goals the group is supporting include:

- Restoring NOP funding to \$7.5 million
- Creating a permanent funding stream for homes affordable to a broad range of Rhode Islanders
- Support including a housing bond on the ballot in 2012.

➤ **Neighborhood Opportunities Program (NOP):**

The FY11 budget included \$1.5 million for the Neighborhood Opportunities Program for operational support. Funding for the Neighborhood Opportunities Program is crucial to support the development of housing affordable for our most vulnerable residents. The Governor has not yet submitted his FY12 budget.

Recommendation: Support funding at \$7.5 million for FY12 for NOP. Coordinate with the State Investment in Housing Working Group on efforts to support a permanent funding stream for the development of affordable homes.

➤ **Building Homes RI:**

The \$50 million in housing bond funds will be fully expended this year.

Recommendation: Coordinate with the State Investment in Housing Working Group on efforts to support a permanent funding stream for the development of affordable homes. Support including a housing bond on the ballot in 2012.

➤ **Level Fund the Housing Resources Commission (HRC):**

Funding for HRC includes funding for the State Lead Hazard Reduction Program and for critical homeless programs like Housing First and First Step. The Governor has not yet submitted his FY12 budget.

Recommendation: Support level funding for HRC programs.

➤ **Level Fund the Thresholds Program:**

The Thresholds Program provides funding to be used to develop housing for people with serious and persistent mental illness, and developmental disabilities. The Department of Behavioral Health, Developmental Disabilities and Hospitals (BHDDH), FY11 budget included \$500,000 for Thresholds.

Recommendation: Support level funding for the Thresholds Program.

➤ **State property sales and development:**

The FY10 Supplemental Budget included a provision to sell state land (“Old Training School”) to Rhode Island Housing, or another entity. Due to the results of an appraisal that placed the value of the property at less than the cost to make it reusable, the sale did not occur.

Recommendation: Monitor and provide information as needed.

IV. Development

➤ **Comprehensive Planning Act Amendments:**

The Department of Planning is recommending changes to the Comprehensive Planning and Land Use Act to make it consistent with the more recently adopted Rhode Island State Land Use Policy and Plan (Land Use 2025) and other planning and land use policies.

Recommendation: Support and provide information as needed.

➤ **Low and Moderate Income Housing Act Amendments:**

Legislation that expands the definition of “low and moderate income housing” that can be included in determining if municipalities have met the 10% low and moderate housing goal may be introduced again this year. Last year the Low and Moderate Income

Housing Act Oversight Commission was again reestablished as a means to bring all parties together to evaluate if changes to the Act are needed. Members of the Oversight Commission include Rhode Island Housing and representatives from municipalities and housing advocacy groups.

Recommendation: Transfer all related legislation to the Oversight Commission for review.

➤ **Real Estate Transfer Fees:**

The bill is intended to prevent sellers unhappy with the price they are getting for property from including re-sale kickers into contracts and cashing-in down the road on equity gained by others. However, monitoring agents of deed restricted affordable housing properties are also allowed to charge a fee for administrative costs associated with ensuring that the sales price is appropriate, the next buyer is income eligible and is properly educated as to the restrictions on the property.

Recommendation: Support with modification to language that will exempt properties determined affordable under RIGL 45-53.

Status:

H5062 (Gallison): Heard in House Judiciary and held for further study.

➤ **Green Building/Renewable Energy:**

Legislation may be introduced that requires higher green building and energy efficiency standards or creates new programs for individuals and agencies to increase “green” efforts.

Recommendation: Rhode Island Housing will monitor bills that may impact the financial feasibility of affordable housing developments or may offer greater opportunities to build “green”. Oppose or modify legislation that holds affordable housing to a higher standard than other developments or requires Rhode Island Housing to develop programs that are financially infeasible.

➤ **Prevailing Wage Requirements:**

Over the last few years legislation has been regularly introduced to expand the scope of state prevailing wage requirements. Some versions of this legislation would have required that any property assisted under any Rhode Island Housing program would have to be undertaken at prevailing wage.

Recommendation: Monitor bill action. Oppose changes to prevailing wage requirements which would significantly increase the cost of developing affordable housing.

V. Homelessness

➤ **Interagency Council on Homelessness:**

Chairman Tassoni has held a series of hearings on the growing homelessness problem and has indicated that he will be forming a working group to discuss solutions, including statutory changes. At the first hearing Richard Godfrey and Susan Bodington were asked to testify and Susan identified the need for the state's Interagency Council on Homelessness to be reconvened.

Recommendation: If introduced, support legislation to reconvene the Interagency Council on Homelessness.

➤ **HEARTH Act:**

In 2009, Congress enacted changes to Federal Homelessness programs to streamline administration and improve outcomes. The regulations implementing those changes are expected to be released soon. In preparation, Rhode Island Housing staff is leading a subcommittee of the HRC's Office of Homelessness that will be reviewing the state's Continuum of Care structure and 10-year plan to end homelessness. Rhode Island Housing currently administers the state's Continuum of Care.

Recommendation: If statutory changes are needed to conform Rhode Island's Continuum of Care with the HEARTH Act, support those changes.

VI. Other

➤ **Global Medicaid Waiver/Assisted Living:**

Three years ago the Department of Human Services initiated an effort to transform the state's Medicaid system by applying for a "Global Waiver" through the federal government. Rhode Island Housing was successful in gaining protections for the assisted living facilities that were funded and made affordable through the use of Rhode Island Housing's Assisted Living Waiver Program.

Last year DHS approved a daily rate increase of \$5.84 for assisted living facilities; including those under Rhode Island Housing's Assisted Living Waiver Program. The new rate of \$42.16 was effective July 1, 2010.

However, the rates are still inadequate to cover operational costs. There has been a consultant hired by DHS that is looking at a potential payment reimbursement program based upon services provided to residents that require additional care. The consultant's report is expected to be submitted to DHS soon.

Recommendation: Support increased rates for the Rhode Island Housing Assisted Living Program facilities.

➤ **Charitable Donations:**

Legislation has been introduced in the past that would prohibit quasi public corporations of the state from making charitable donations or grants.

Recommendation: If introduced, amend this bill to tighten the definition of a grant to ensure that it does not impact the broad range of programs we administer in keeping with our mission.

➤ **Consultants:**

Legislation has been introduced in the past that would prohibit the hiring of consultants by state departments, agencies, public corporations, quasi-public corporations or entities.

Recommendation: Oppose.

➤ **Labor**

Legislation has been submitted that would authorize the labor board to certify and recognize union representatives of public and quasi-public employees and not require a representation election if at least seventy percent (70%) of its eligible employee members submit authorization cards.

Recommendation: Monitor

Status: H5134 (Blazejewski): Heard in House Labor and held for further study.

➤ **“Making RI Better for Business”**

Last year bills were introduced to encourage a business friendly environment in Rhode Island. These bills include provisions to prioritize selection of Rhode Island based businesses for state contracts.

Recommendation: Monitor.

Executive Director’s Report

Mr. Godfrey deferred his report until after the action items.

Informal Discussion and Introduction of New Board Members

Mr. Godfrey welcomed Paul McGreevy, Director of Business Regulation to Rhode Island Housing’s board and provided a brief synopsis of the Board’s composition. Mr. Godfrey explained that Rhode Island Housing’s board members comprise of 4 members that are appointed by the Governor and which 2, the Chair Mark Noble and Perry Clough, are serving expired terms and 3 ex-officio members. Joe Montiero and Denise Barge are serving terms expiring July 1 of 2011 and 2012 respectively. The General Treasurer is subject to re-election in

2014. The Directors of Administration and Business Regulation serve at the pleasure of the Governor. The ex-officio members may authorize designees to act in their stead.

Mr. Godfrey then asked that the directors introduce themselves and provide a brief description of their division and primary responsibilities.

Following the discussion, Mr. Godfrey introduced Frank Shea of Olneyville Housing Corporation, Joe Caffey of Omni Development Corporation and Joe Garlick of NeighborWorks Blackstone River Valley (“NBRV”) and their associates who provided informative presentations on their tax credit developments.

Preliminary Approval of Financing and 2011 Tax Credits for Olney Village Apartments

Mr. Godfrey made this presentation.

This Request for Action is for the reservation of up to \$990,288 in 2011 9% housing tax credits and Preliminary Commitment of up to \$125,000 of first mortgage financing for the Olney Village Apartments (the “Development”) in Providence. The sponsor is Olneyville Housing Corporation (“OHC”).

Olney Village Apartments is a scattered site development proposed by OHC as part of their KeepSpace affordable housing initiative. The proposal addresses the foreclosure crisis in the neighborhood and while the development consists of multiple properties, several are concentrated along a key section of Manton Avenue adjacent to St. Theresa’s Church and around the William D’Abate Elementary School. The remaining sites are strategically located to enhance previous investments made by OHC and Rhode Island Housing. Upon completion there will be 39 rental homes and 2 community spaces.

This neighborhood has been heavily impacted by the foreclosure crisis. OHC has been proactive in working with Rhode Island Housing to acquire key properties through the both the Rhode Island Housing and Neighborhood Stabilization Program (NSP) land bank. Seven of the buildings scheduled for rehabilitation were previously foreclosed properties. As part of the KeepSpace initiative as well as the LISC Community Engagement Process, addressing the large number of foreclosures in the neighborhood was identified as a priority. This Development will build upon OHC’s recent rehabilitation of 13 other properties using NSP and HOME funds within the vicinity of the Manton Avenue and Pope Street properties.

In total there are 15 buildings. This Development will include five newly constructed buildings containing 12 residential units and 10 substantially rehabilitated buildings containing 27 units. When the Development is completed it will provide 2 one-bedroom units, 14 two-bedroom units, 21 three-bedroom units and 2 four-bedroom units. Three units will be targeted to families with incomes below 40% Area Median Income (AMI) and will be subsidized with Neighborhood Opportunities Program (NOP) operating support. The remaining units will be targeted to tenants with incomes below 60% of AMI with rents set at the 50% level to increase affordability.

The Development will include two important community spaces that will greatly enhance opportunities in the neighborhood. At the Manton Avenue location, the first floor will provide an 1,800 square foot space for the food pantry that was located at St. Teresa's Church and that was displaced when the church closed in 2009. The food bank provides food and services to thousands of families in the area. The second community space will be located on the corner of Kossuth and Pope Streets and will house the "Manton Avenue Project", a youth arts program that provides after school activities in the creative arts. In addition, working in partnership with the D'Abate Elementary School, the large community gardens currently located at the site of one of the new construction properties will be relocated to the school grounds facilitating additional collaboration between the school and the neighborhood.

The Development is part of OHC's overall KeepSpace initiative and includes many elements identified as priorities within the state's Qualified Allocation Plan. Olney Village Apartments fits within OHC's wider neighborhood vision of incorporating KeepSpace goals to provide stable affordable housing stock, improve the health and safety of residents, facilitate connectivity within the neighborhood and serve as a lever to build up the economic purchasing power of Olneyville. Finally, the Development has significant support from LISC, the City of Providence and an array of neighborhood organizations.

OHC has taken several steps to insure that the Development is able to proceed within six months of the commitment of financing. OHC has site control for all properties. An application for various funding commitments has been filed and is under Rhode Island Housing review. CDBG funds from the City of Providence were awarded to the project in December 2010. Zoning issues include only minor setback approvals or dimensional variances. OHC intends to seek relief for these at the February 2011 City zoning meeting. All properties are zoned either R-M or C-2 both of which allow for multifamily residential housing. A Remedial Action Work Plan is expected to be approved in February by the Department of Environmental Management for the cleanup of a vacant lot at the corner of Manton Avenue and Pope Street.

The total development cost for this project is approximately \$9,600,000. Proposed sources of funding include: (i) a Rhode Island Housing first mortgage, (ii) HOME funds from either the City of Providence or Rhode Island Housing; (iii) equity from the sale of Housing Tax Credits; (iv) Building Homes Rhode Island funds; (v) Community Development Block Grant funds from the City of Providence; (vi) Rhode Island Housing Lead funds; and (vii) Neighborhood Stabilization Program funds.

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, The Housing Tax Credit Program (the "Program") was created as part of the Tax Reform Act of 1986 (the "Act"); and

Whereas, 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 the reservation of tax credits from the tax credit authority available in the calendar year 2011 ("the Tax Credit") as follows:

Development	Applicant	9%Tax Credits	First Mortgage
Olney Village Apartments	Olneyville Housing Corporation	\$990,288	\$125,000

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 enabling legislation, regulations, guidelines and policies;

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$990,288 of allocated 2011 housing tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of the Corporation applicable to the Allocation of Low-Income Housing Tax Credits (the “Rules and Regulations of the Corporation”), and that the Executive Director, either Deputy Director, or the Director of Development each acting singly be, and hereby is, authorized and empowered in the name of and on behalf of Rhode Island Housing to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

Resolved, That, subject to the special conditions listed below, the Rhode Island Housing hereby preliminarily approves financing for a taxable first mortgage loan to Olneyville Housing Corporation or an affiliated partnership (the “Borrower”) in an amount not to exceed \$125,000 (the “Loan”) for family housing located in Providence, Rhode Island.

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

1. The award of HOME, NOP, and Neighborhood Stabilization Program III funds to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
2. The award of Building Homes Rhode Island, and Lead Funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
3. Syndication equity from the sale of HTCs in amounts sufficient to achieve project feasibility;
4. Final approval of plans and specifications by Rhode Island Housing and final agreement with General Contractor on construction costs;
5. Acceptable final appraisal and market study by an independent appraiser demonstrating that the loans do not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units;
6. Approval by Rhode Island Housing of all management related issues;
7. Satisfactory and timely performance in accordance with the schedule established by the sponsor and approved by Rhode Island Housing;
8. Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements and the requirements established for previous phases.

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.

Preliminary Approval of Financing and 2011 Tax Credits for Medina Village

Richard Godfrey presented this request.

This Request for Action is for a reservation of up to \$1,739,217 in 9% Housing Tax Credits (HTC) and Preliminary Commitment of up to \$2,000,000 of first mortgage financing and up to \$1,000,000 of Deferred Payment Loan for Medina Village Apartments (the “Development”) in Providence. The developer is a joint venture between Omni Development Corporation and Winn Development (“Omni/Winn”).

Medina Village is an existing scattered site family housing development consisting of twenty-two (22) walk-up apartment buildings on multiple streets in the West End of Providence. Rhode Island Housing acquired the properties and the associated Section 8 HAP contract for all eighty-three (83) units on July 20, 2010 immediately after the Department of Housing and Urban Development (HUD) foreclosed on the original owner. The acquisition price for the Development was \$1. Upon acquisition, Rhode Island Housing transferred the Development to its subsidiary, Rhode Island Housing Development Corporation.

Upon taking title to the Development, Rhode Island Housing (i) initiated a community engagement process; and (ii) issued a Request for Proposals (RFP) to identify a developer to acquire and re-develop all 83 apartments.

The current property addresses for the existing buildings are:

53, 58, 93, 101, 125, 130, 179 Althea Street
527, 531, 540, 574, 576.5 Cranston Street
137, 225 Bellevue Avenue
61,114, 148, 180 Waverly Street
134, 138, 149 Hanover Street
203 Waldo Street

As part of Rhode Island Housing's contract of sale with HUD, the selected development team must be approved by HUD and the re-development of the units must be completed by July 20, 2012. To expedite the developer selection process, Rhode Island Housing initiated a community engagement process to solicit input from community partners in developing a plan to create a safe and healthy neighborhood around the redevelopment of Medina Village. Valuable feedback was received during this process and it was used to help shape the criteria in an August 2010 RFP to select a developer.

Paramount among the resident and community concerns incorporated into the evaluation criteria for the RFP were the developer's ability to turn around under-performing properties as well as the quality and responsiveness of the property management entity.

Rhode Island Housing received four responses to its RFP. After review, analysis and consultation with two representatives from the neighborhood, at the October 2010 Board of Commissioners meeting, the Board designated Omni/Winn as developer for Medina Village Apartments.

All 83 units in the Development are in various states of disrepair but are generally uninhabitable due to years of deferred maintenance. They have been vacant and boarded for the past year which has led to further deterioration. The poor condition of these properties has contributed to the deterioration of the neighborhood. As a whole, the West End has been heavily impacted by the foreclosure crisis. Many of the Medina properties are surrounded by other foreclosures. In addition, past investment by Rhode Island Housing at several other developments such as Westside Apartments and Operation Hope Renewed as well as many homes financed through the FirstHomes program are located in close proximity to the Medina properties. Rhode Island Housing's objective is to create 83 new rental homes that are safe, healthy, and affordable that will contribute to the revitalization of the entire neighborhood

Each of the 83 units has Project Based Section 8 assistance (the "HAP Contract). The HAP Contract requires that upon redevelopment, the new Development must continue to be 83 apartments with the exact same bedroom count currently identified in the Section 8 contract. After detailed review of the properties by the developer and their architect, Omni/Winn proposes to rehabilitate 15 of the 22 existing buildings, demolish 7 buildings and build 5 new buildings on currently owned properties. As a result of the foregoing restructuring of the existing development site, the developer has submitted a plan detailing the acquisition of six additional foreclosed and/or blighted properties (with potential substitute properties) in the surrounding neighborhood which will either be rehabilitated or demolished and rebuilt to maintain the existing 83 unit count, including current bedroom counts, as required by HUD's transfer conditions.

The buildings to be demolished include properties that are structurally unsound so that rehabilitation is no longer financially feasible. Two of these sites will not be rebuilt in order to address inadequate parking for the existing units. As part of the gut rehabilitation of the existing structures, the developer will reconfigure certain units where current layouts are insufficient to meet Rhode Island Housing's Design and Construction Guidelines, particularly as they pertain to the larger family units. The proposed physical improvements will include gut rehabilitation of all units as well as landscaping/green space improvements, fencing, sidewalk repair, HardiePlank siding, tenant storage space, energy saving building techniques, and the addition of a community room and community laundry facility at 574 Cranston Street.

In addition to the physical transformation of the site, Omni/Winn has proposed funding of a resident services coordinator/community outreach specialist as well as the creation of a Tenant-Management Committee and Neighborhood Improvement Association. The addition of supportive services for the residents is expected to result in a more stable resident population that is actively engaged in the operations of the development. Omni and Winn have successfully collaborated in the past on resident initiatives which have assisted with the stabilization of neighborhoods. Omni/Winn has already begun the process of working with the Medina Village residents to determine a new name and identity for the Development.

The total development cost for the project is approximately \$19,800,000. Proposed sources of funding include: (i) a Rhode Island Housing first mortgage; (ii) a Rhode Island Housing Deferred Payment loan; (iii) syndication equity from the sale of Housing Tax Credits; (iv) HOME Funds; (v) Building Homes Rhode Island funds; (vi) Neighborhood Stabilization Program ("NSP") funds; and (vii) lead remediation funds.

Upon a motion made by Commissioner Monteiro 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, the 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, Rhode Island Housing staff has determined that the applicant ("Applicant") listed below is eligible for the Program under the laws of the State of Rhode Island and the Federal Tax Code; and

Whereas, The Applicant has submitted an application to Rhode Island Housing for the reservation of tax credits from the tax credit authority available in the calendar year 2011 ("the Tax Credit") and for mortgage financing as follows:

Applicant	Development	9%Tax Credits	1 st Mortgage	Deferred Payment
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				Loan
Omni Development Corporation/WinnDevelopment	Medina Village	\$1,739,217	\$2,000,000	\$1,000,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$1,739,217 of allocated 2011 tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of the Corporation applicable to the Allocation of Low-Income Housing Tax Credits (the “Rules and Regulations of the Corporation”), and that the Executive Director, either Deputy Director and the Director of Development each acting singly be, and hereby is, authorized and empowered in the name of and on behalf of Rhode Island Housing to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

Resolved, That, subject to the special conditions listed below, the Corporation hereby preliminarily approves financing for a taxable first mortgage loan to the Omni Development Corporation/WinnDevelopment team, or an affiliated partnership (the “Borrower”) in an amount not to exceed \$2,000,000 (the “Loan”) for family housing located in Providence, Rhode Island.

Resolved: That the Corporation hereby preliminarily approves up to \$1,000,000 of Deferred Payment Loan Funds for the Borrower.

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

- Approval by HUD of the transfer to Omni/Winn in accordance with the contract of sale between HUD and Rhode Island Housing;
- HUD approval of the final redevelopment plan including the demolition of existing units and replacement with “off-site” units;
- The developer and the approved development team must meet all HUD requirements as may be prescribed;
- The developer must take title to all additional acquired properties by April 30, 2011;
- Rhode Island Housing approval of all development team members;
- Rhode Island Housing approval of the plans and specifications, construction budget, scope of work, and construction contractor;

- A competitive bidding process for the selection of a General Contractor;
- Rhode Island Housing approval of the operating budget for the development;
- The developer assumes full responsibility for coordinating the return of temporarily relocated residents back to the rehabilitated properties upon completion;
- The developer and selected development team members will participate in the community engagement process;
- The developer agrees to assume all financial and programmatic obligations from prior loans and grants made to the development;
- The developer must include a resident services coordinator/community outreach specialist; Tenant Management Committee; and Neighborhood Improvement Association in the planning, implementation and operational phases of the re-development;
- The award of HOME, Building Homes Rhode Island and Lead funds in amounts proposed or the availability of alternative sources of equity satisfactory to Rhode Island Housing;
- Syndication equity from the sale of HTCs in amounts sufficient to achieve project feasibility;
- Acceptable final appraisal and market study by independent appraiser demonstrating that the loans do not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units;
- Approval by Rhode Island Housing of all management related issues including the Marketing and Tenant Selection Plans;
- Satisfactory and timely performance in accordance with the schedule established by Rhode Island Housing staff and sponsor.

Resolved: That the Executive Director, any 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.

Preliminary Approval of Financing and Forward Reservation of 2012 Tax Credits for Marshfield Commons

Mr. Godfrey gave this presentation.

This Request for Action is for a Forward Reservation of up to \$1,087,059 in 2012 9% Housing Tax Credits (HTC) and Preliminary Commitment of up to \$625,000 of first mortgage financing for Marshfield Commons (the “Development”) in North Smithfield. The sponsor is NeighborWorks Blackstone River Valley (“NBRV”).

Marshfield Commons is a new development comprised of 38 townhouse apartments on a six acre site along Mechanic Street in North Smithfield. The site is efficiently designed so that approximately 75% of the property will remain as open space. The Development will provide 1 one-bedroom unit, 17 two-bedroom units, and 20 three-bedroom units. One-half of the homes will have rents at the 50% of Area Median Income (AMI) level and the balance will have rents at

or near 60% AMI. The Development will have a central green space bounded by curb-less roads, grass-buffered walkways, and townhouse style buildings with front and backyards, carports, and driveways. Marshfield Commons will include rehabilitation of one historic house built in the 1800s, once owned by Dr. Melcalf Marsh, a social welfare and civil rights leader. There will be an on-site management office and small community space within this building. The construction of this Development will assist North Smithfield in exceeding its 10% goal for affordable housing, and it will provide the first affordable family rental homes in the community.

The buildings are designed primarily as attached and semi-attached staggered townhouses using slab on grade construction. The design takes into account the natural grade and landscape of the land and will blend in and accent adjacent neighboring houses. Several environmentally efficient elements are built into the design and the project will comply with overall Energy Star ratings. Significant consideration has been given to site design including construction of the road, efficient site drainage, and hookups to town water and sewer. Previous designs used wells and/or septic systems which limited design options. The Developer will apply to the Town of North Smithfield for Community Development Block Grant (CDBG) funding to defray a portion of the budgeted utility connection costs.

NBRV has previously submitted applications under the HTC Program for Marshfield Commons but was not recommended for funding due primarily to lack of zoning approval. This year's application met the Qualified Allocation Plan's (QAP) Threshold Criteria and ranked well in terms of the Comparative Criteria. Since initial submission of the project four years ago, the Developer has received approval of a comprehensive permit application from the Town of North Smithfield, a Wetlands Insignificant Alteration Permit from the Department of Environmental Management, approvals to tie into existing town sewer and water lines, and has improved the design of buildings and roadway that maximizes the number of units on the site. Bank of America has provided a Letter of Interest for the purchase of the tax credits and to provide construction financing. The project has also been awarded a Federal Home Loan Bank Affordable Housing Program grant award. Given the considerable progress made but recognizing that the NBRV still has several funding sources pending approval, Marshfield Commons is recommended for a Forward Reservation of 2012 HTC.

This Development exhibits many KeepSpace qualities. It will provide affordable homes within a relatively affluent suburb where median incomes are above the State average and in which there are virtually no affordable family rental homes. The neighborhood is walkable and within proximity to the center of Slatersville which has offices, retail and commercial businesses. The Development is located near major interstate routes and public transportation is within walking distance. Several services are planned for tenants including job training, leadership training, counseling, financial fitness and literacy training through collaborations between the Town of North Smithfield, Family Resources Community Action, the property manager and staff of NBRV. The Development is compact and rehabilitates a significant historic building. The provision of a new water line will provide an opportunity for existing homeowners adjacent to Marshfield whose wells have been found to be contaminated to tie into the new water service (at their expense).

The total development cost for this project is approximately \$11,000,000. Sources of funding include: (i) a Rhode Island Housing first mortgage; (ii) HOME funds from Rhode Island

Housing; (iii) a loan from NeighborWorks America (iv) equity from the sale of Housing Tax Credits; (v) Building Homes Rhode Island funds; (vi) an award of Affordable Housing Program grant funds from the Federal Home Loan Bank (sponsored by Citizens Bank); (vii) Community Development Block Grant funds from the Town of North Smithfield; and (viii) a sponsor loan from NeighborWorks Blackstone River Valley.

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

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

Whereas, The Housing Tax Credit Program (the "Program") was created as part of the Tax Reform Act of 1986 (the "Act"); and

Whereas, 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 the forward reservation of tax credits from the tax credit authority available in the calendar year 2012 ("the Tax Credit") as follows:

Development	Applicant	9%Tax Credits	First Mortgage
Marshfield Commons	NeighborWorks Blackstone River Valley	\$1,087,059	\$625,000

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 enabling legislation, regulations, guidelines and policies;

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$1,087,059 of allocated 2012 housing tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of the Corporation applicable to the Allocation of Low-Income Housing Tax Credits (the "Rules and Regulations of the Corporation"), and that the Executive Director, either Deputy

Director, or the Director of Development each acting singly be, and hereby is, authorized and empowered in the name of and on behalf of Rhode Island Housing to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

Resolved, That, subject to the special conditions listed below, the Rhode Island Housing hereby preliminarily approves financing for a taxable first mortgage loan to NeighborWorks Blackstone River Valley or an affiliated partnership (the “Borrower”) in an amount not to exceed \$625,000 (the “Loan”) for family housing located in North Smithfield, Rhode Island.

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

1. The award of Rhode Island Housing HOME funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
2. The award of Building Homes Rhode Island and Community Development Block Grant funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
3. Syndication equity from the sale of HTCs in amounts sufficient to achieve project feasibility;
4. The award of NeighborWorks America funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing.
5. Final approval of plans and specifications by Rhode Island Housing and final agreement with General Contractor on construction costs;
6. Acceptable final appraisal and market study by an independent appraiser demonstrating that the loans do not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units;
7. Approval by Rhode Island Housing of all management related issues;
8. Firm Commitment for Financing from Rhode Island Housing Board no later than September 30, 2011 at overall development costs that do not exceed those presented in the 2011 RFP Application. If this benchmark is not achieved, the Forward Reservation will be rescinded and NBRV will need to reapply for housing tax credits in the next competitive funding cycle;
9. Agreement between Citizen’s Bank, NRBV and Rhode Island Housing as to a mortgage pass-thru structure that will allow Rhode Island Housing to be the first mortgage lender of record;
10. Developer works with the Town of North Smithfield to undertake an income survey for those North Smithfield residents who will directly benefit from the installation of water and sewer lines to assist in the submission of the town’s CDBG application;
11. Satisfactory and timely performance in accordance with the schedule established by the sponsor and approved by Rhode Island Housing;

12. 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, or the Director of Development each acting singly, shall take any and all actions they deem necessary to carry out the forgoing Resolutions.

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. Mr. Godfrey also announced that General Treasurer Raimondo and Director Licht were absent to avoid conflicts of interest resulting from Crossroads and ALCO respectively. Mr. Godfrey did note that he had met with both General Treasurer Raimondo and Director Licht and provided them with briefing materials on Rhode Island Housing and its programs and initiatives.

Mr. Godfrey announced that John Gordon, Director of Asset Management planned to retire on June 30, 2011. Mr. Godfrey thanked Mr. Gordon for 33 years of dedicated service to Rhode Island Housing and on behalf of staff and the board of commissioners expressed best wishes for the future.

Mr. Godfrey referred the Commissioners to a listing of 2010 accomplishments outlining the numerous successes that Rhode Island Housing experienced despite the difficult economic and housing conditions. As detailed in the report, not only did Rhode Island Housing continue with its existing programs and initiatives, but in several instances created entirely new programs and initiatives to respond to the ever-changing housing climate in the state, as well as the availability of federal stimulus funding. Mr. Godfrey stressed that the many successes of Rhode Island Housing in 2010 can be directly attributed to the hard work and commitment of staff as well as the leadership and support from the Board.

HHFRI staff continues outreach efforts which includes a public service campaign on local radio, TV and print ads in English and Spanish, social media and targeted direct mail. The public awareness campaign is supported by grassroots multi-lingual community outreach activities. Rhode Island Housing has hosted 26 community meetings throughout the state and has created HHFRI informational materials in multiple languages, including English, Spanish, Portuguese, Vietnamese, Cambodian, Laotian and Hmong. Outreach and promotional efforts have increased HHFRI program awareness and demand for assistance.

On January 11, the Senate Housing and Municipal Government Committee held a hearing to discuss homelessness issues in Rhode Island. Richard Godfrey, Susan Bodington and several homeless prevention and affordable housing advocates and constituents testified on the status of the homeless crisis in Rhode Island and the short- and long-term plans to remediate it. The Committee continued to hear testimony from additional providers, advocates, and constituents at a second hearing on January 20 and a third on February 8. At the most recent hearing it was announced that the Governor is reactivating the Governor's Interagency Council on Homelessness.

Each year, Rhode Island Housing submits the State of Rhode Island's Continuum of Care application to HUD for a grant in which partner service agencies are provided with funding for a wide array of programs. This year Rhode Island was awarded a total of \$4.7 million in grants to help keep over 40 Rhode Island homeless assistance programs operating throughout the state. HUD's Continuum of Care grants are awarded competitively and fund programs ranging from providing permanent and transitional housing to homeless persons to important supportive services such as job training, mental health counseling, and substance abuse treatment.

Mr. Godfrey congratulated Jim Vincent, Rhode Island Housing's Manager of Constituent Advocacy, on being named President of the NAACP - Providence Branch. He will serve as President for a two-year term. As President, Jim hopes to increase membership of the NAACP's Providence Branch to better reflect the diversity of Rhode Island's population, and coordinate with regional and national offices on major public issues as well as sponsor events locally. Prior to being named the Providence Branch's President, Jim served as the Second Vice President for many years.

Executive Session Pursuant to R.I.G.L. Sec. 42-46-5(a)(1) to Discuss Personnel Matters

Chairman Noble called for a closed session at 10:05 a.m. pursuant to R.I.G.L. Section 42-46-5 (a) (1) to discuss personnel matters.

Upon a roll call vote the commissioners unanimously voted in favor of the closed session.

The closed session ended at 10:30 a.m. and Chairman Noble reconvened the Board in open session. No votes were taken in closed session and upon motion which was unanimously adopted the minutes were sealed.

There being no further business to discuss, a motion was duly made by Commissioner Clough and seconded by Commissioner Barge to adjourn the open meeting at approximately at 10:32 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director