

**MINUTES OF MEETING
OF THE
BOARD OF COMMISSIONERS**

A regular meeting of the Rhode Island Housing and Mortgage Finance Corporation Board of Commissioners was held on Thursday, June 21, 2012 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman James DeRentis; Vice Chairwoman Denise Barge; Neena Savage, designee for Paul McGreevy, Director of Department of Business Regulation; Joseph Pratt, designee for General Treasurer Gina Raimondo; Paul Dimeo and Jose Monteiro. Steven Costantino, designee for Richard Licht, Director of Administration was absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Susan Bodington, Deputy Director; Kara Lachapelle, Director of Finance and Technology; Amy Rainone, Director of Intergovernmental Relations; Carol Ventura, Director of Development; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing, Carlos Hernandez, Director of Resident Services, and Michael V. Milito, Corporation Counsel.

Steve Richard, 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 DeRentis called the meeting to order at approximately 8:30 a.m.

Approval of Minutes of Board Meeting Held on April 19, 2012

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

VOTED: That the Minutes of the Board Meeting held on April 19, 2012 hereby are approved.

Chairman's Report

Chairman DeRentis greeted and welcomed everyone to the meeting and to the first day of summer.

Committee Reports

There were no committee meetings held in May.

Executive Director's Report

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

Mr. Godfrey stated that the economic refunding of approximately \$123 million of outstanding bonds is close to completion. Series 61 of the Homeownership Opportunity Bonds closed on June 6 and Series 62 will close on July 3. In addition to the refunded bonds the Agency issued \$25,000,000 of new money. As a result of this economic refunding, the overall bond yield, which is a cost to Rhode Island Housing, fell from 5.037% to 3.776%, resulting in Gross PV Debt Service Savings of approximately \$12.0 million.

As part of the bond issuance process, both Moody's and S & P reviewed and affirmed Rhode Island Housing's single family bond ratings. S & P also performed a thorough analysis of Rhode Island Housing and confirmed overall Issuer's Credit Rating (ICR) of AA- with a stable outlook.

In order to address issues noted by S & P, Mr. Godfrey stated that management and staff commenced 5 major initiatives in January. Three of the initiatives focus on increasing profitability: implementing the Fannie Mae financing platform; improving customer and partner satisfaction with lending programs; and developing a mixed income apartment finance program. Two other initiatives focused on reducing non-performing assets in the single and multi-family portfolios. For each of these initiatives, staff has created specific goals, performance measures and action plans. A more complex strategic planning process is scheduled for the fall of 2012.

Also as part of the strategic planning process, Rhode Island Housing staff has created an intra-agency group to improve overall customer service. The team has developed a "RESPECT" campaign which we will be kicking off in early July. RESPECT is an acronym of the words: Responsive; Empathetic; Service-oriented; Professional; Ethical; Compassionate and Trustworthy.

Mr. Godfrey announced that staff is doing foundation work on the FY 2013 budget and intends to bring it to the Board in August.

On Monday June 18, Rhode Island Housing hosted Mary John Miller, Under Secretary for Domestic Finance for the U.S. Treasury, and Rhode Island's Congressional delegation. They toured the HHFRI Center as well as the HelpCenter. During the tour and follow-up press conference, Mr. Godfrey reinforced the strong relationship between Rhode Island Housing and Treasury. Mr. Godfrey stressed that it's not often that one is able to acknowledge such a valuable partnership with Treasury.

Mr. Godfrey also briefly touched on the long-term and future role of tax-exempt mortgage revenue bonds and affordable apartment lending.

Firm Approval of Financing for Babcock Village Apartments

Mr. Godfrey made this presentation.

This Request For Action (RFA) is for Firm Approval of taxable financing for Babcock Village Apartments (the "Development"), an existing elderly housing development originally financed

by Rhode Island Housing. In 1998, the development was refinanced under Rhode Island Housing's Preservation Program by New Babson Associates Limited Partnership, a Rhode Island Limited Partnership formed to acquire and refinance the property with 4% low income housing tax credits. Affordable Housing Strategies, Inc., ("AHS") a Rhode Island Corporation serves as the general partner. The tax credit compliance period will expire at the end of 2013.

Babcock Village is a 150-unit elderly development located in Westerly, RI. The development, composed of a single three-story building and associated parking, contains 135 one-bedroom units and 16 two-bedroom units. Section 8 rental assistance has been provided through a Housing Assistance Payment (HAP) contract. The HAP contract was renewed and runs until April 2031.

In 2010, Rhode Island Housing provided the owner a \$2,500,000 bridge loan in order to redeem the interest of the limited partner, SunAmerica Housing Fund 538, a Nevada Limited Partnership which sought to exit the partnership in advance of the expiration of the tax credit compliance period. Sun America is a subsidiary of AIG. They needed to liquidate its holdings in order to increase its cash position. By redeeming the interest of the limited partner in advance of the end of the tax credit compliance period, the owner was able to purchase the interest for a reasonable price. Affordable Housing Strategies, Inc. now holds both the general partner and the limited partner interest. AHS is a related party to Cathedral Development Group ("CDG"). The general partner received no proceeds in the bridge loan transaction.

The bridge loan had a three year term. The original financing from the 1998 transaction remained in first position. Currently there is approximately \$5.4 million in debt on the property. The owner is now seeking to refinance the entire transaction in order to undertake some rehabilitation and recover the equity used to buy out SunAmerica. CDG will be the developer for the refinance.

The Development is in good condition both financially and physically. While the developer originally planned to undertake a re-syndication of the Development at the end of the original tax credit compliance period in 2013, they have determined that such a transaction is unnecessary. The proposed refinance will payoff of the existing loans, permit approximately \$10,000 of rehabilitation per unit and re-establish the operating and replacement reserves.

A Capital Needs Assessment has been completed. The Development has had a positive cash flow over the past several years and the owners have used a portion of that cash flow to upgrade the site. A majority of the major systems have been upgraded in the past five years including the fire alarm system. The rehabilitation plan includes complete window replacement, siding replacement (a portion of which has been completed), repaving and sidewalks, replacement of all water closets and roof replacements. Once the rehabilitation is completed the building envelope and major systems will all have an expected useful life of more than 20 years. Analysis suggests that the initial deposit to the RR and future annual deposits will provide adequate funds for future repairs.

As part of the 1997 transaction, a Debt Service Reserve (DSR) was established as a hedge against the renewal of the HAP contract. The HAP contract was renewed in 2006 and was

renewed again in 2011 for 20 years. As part of this transaction, the DSR which has a balance of \$891,000 will be split 50/50 between the owner and the AHT. In addition, the owner will pay a preservation fee of \$100,000.

The primary source of financing for the transaction will two 30-year taxable mortgages from Rhode Island Housing based on the lower of current HAP rents at the time of closing or current market rents. Since this is a refinance transaction, HUD Risk Sharing insurance is only available for certain eligible project expenses and transactional costs. As such, staff has maximized the first loan to fall within the Risk Share restrictions and structured the remainder as an uninsured second mortgage. The first mortgage is \$7,700,000 and the second mortgage is \$2,500,000. Staff feels that the insurance on the first mortgage will provide a safeguard against HUD altering the terms of the Section 8 contract. A term sheet outlining the terms and conditions used as the basis for the development underwriting is included as Attachment B. Other sources include existing project reserves.

Upon a motion made by Commissioner Monteiro and seconded by Commissioner Pratt the following resolution was unanimously approved:

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

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

Whereas, The applicant (“Applicant”) listed below has presented an application to Rhode Island Housing requesting a First Mortgage to finance the acquisition of buildings as set forth below:

Development	Applicant	Total 1st & 2nd Mortgages
Babcock Village Apartments	New Babson Associates Limited Partnership	\$10,200,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby grants firm commitment for taxable mortgage loans to New Babson Associates

Limited Partnership (the “Borrower”) in an amount not to exceed \$10,200,000.00 for Babcock Village Apartments located at 122 Cross Street, Westerly, Rhode Island.

Resolved, That the foregoing resolution is subject to the following conditions:

- Completion of all items required for closing in accordance with normal underwriting and processing requirements.
- Acceptable appraisal by an independent appraiser demonstrating that the total amount of the first and second mortgages does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of the scope of the rehabilitation work.
- Final approval of the new operating budget.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage.

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

Preliminary Approval of Financing for Essex Village

Mr. Godfrey made this presentation.

This Request for Action (“RFA”) is for Preliminary Approval of financing for Essex Village Apartments (the “Development”), an existing elderly housing development built in 1979 and originally financed under a HUD mortgage program. Retirement Housing Foundation and Schochet Associates are the Co-Developers (the “Developer”).

Essex Village is an elderly development with 109 elderly apartments in North Kingstown, adjacent to the entrance to Quonset. The development, composed of garden style buildings and associated parking, contains 83 one-bedroom apartments and 26 two-bedroom apartments. Section 8 rental assistance has been provided through a Housing Assistance Payment (HAP) contract. The existing HAP contract for this site runs through 2016; however as part of this transaction the Developer will seek a 20 year renewal of the HAP. The original mortgage has matured and the development is no longer subject to a regulatory agreement. As part of this transaction, the borrower will sign a new 40 year use restriction assuring long term affordability.

The current ownership of these properties consists of a partnership between Schochet Associates (“Schochet”) of Boston, MA and entities controlled by Fundamental Advisors of New York, NY. The purchaser will be a yet to be formed single purpose entity whose general partner will be wholly owned by Retirement Housing Foundation (“RHF”) a non-profit developer located in Long Beach, CA. The property is currently managed by Federal

Management Company (“FMC”) of Boston, MA and will continue to be managed by FMC after acquisition by RHF. FMC is an affiliate of Schochet Associates.

Retirement Housing Foundation is a nonprofit, mission driven, affordable housing development and management organization. RHF celebrated its 50th anniversary last year. Since 1961, it has developed and now manages its own portfolio of 159 senior, family and skilled nursing facilities in 26 states, Washington D.C., Puerto Rico and the Virgin Islands. Schochet and RHF have recently collaborated on several projects in Boston, Leominster and Gardner Massachusetts. The acquisition of this facility will complement its mission through the acquisition of existing assisted housing in order to assure its affordability for the future.

The primary source of financing for the transaction will be a 30-year tax-exempt bond funded mortgage. The mortgage will be supported by the lower of HAP or market rents to comply with HUD risk share requirements, and will be insured during construction due to the size of the loan. Additional sources include equity from the sale of 4% tax credits, deferred developer fee, and a short term construction loan provided by RHF to bridge a portion of the tax credit equity.

The use of risk share during construction will trigger Davis Bacon wages for all construction related activity and will require that the rehabilitation equal at least 15% of the completed value of the development, increasing the original rehab budget. However, due to the more extensive rehabilitation, the initial deposit to the replacement reserve can be reduced. A term sheet outlining the terms and conditions used as the basis for underwriting this transaction is included in Attachment B.

Ms. Ventura introduced Richard Henken, President, Federal Management Co., Inc., who attended the meeting to thank staff and the Commissioners for providing the opportunity of funding this development.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Barge the following resolution was unanimously approved:

**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 mortgage financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Permanent Mortgage</u>
Essex Village	Retirement Housing Foundation	\$10,280,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby declares preliminary approval for tax exempt mortgage financing in an amount not to exceed \$10,280,000 to Retirement Housing Foundation or an affiliated partnership (the “Borrower”). for rental housing known as Essex Village located on Newcomb Road in North Kingstown, Rhode Island.

Resolved, That Rhode Island Housing hereby declares that the preliminary approval of financing for the Borrower constitutes the affirmative official act of Rhode Island Housing of its intention to issue bonds to finance up to \$10,280,000 in permanent mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced develop pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.
- Acceptable appraisal by an independent appraiser demonstrating that the first mortgage does not exceed 90% of the as-stabilized value of the property.
- Completion of a Capital Needs Assessment.
- Completion of a Phase I environmental assessment and any such other environmental studies deemed necessary by Rhode Island Housing.
- Approval by Rhode Island Housing of Development Team members.
- Final approval of the new operating budget.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.

- Approval by bond underwriter and bond counsel that the loans will satisfy all required bond provisions for the bond issue.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage.

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

Preliminary Approval of Financing for King's Grant

Mr. Godfrey made this presentation.

This Request for Action (“RFA”) is for Preliminary Approval of financing for Kings Grant Apartments (the “Development”), an existing family housing development built in 1972 and originally financed under HUD’s Section 236 mortgage program. Retirement Housing Foundation and Schochet Associates are the Co-Developers (the “Developer”)

Kings Grant is a development with 156 apartments in North Kingstown, adjacent to the entrance to Quonset. The development, composed of garden style buildings and associated parking, contains 61 one-bedroom apartments and 95 two-bedroom apartments. Section 8 rental assistance for 104 apartments has been provided through a Housing Assistance Payment (HAP) contract.

The Kings Grant property is currently subsidized under the Section 236 program in combination with a HUD insured mortgage, and restricted under an ELIHPA contract. The ELIHPA restrictions will expire and the HUD mortgage will reach maturity in October 2012. Before the mortgage reaching maturity, the current owner intends to prepay the balance of the HUD insured Section 236 mortgage triggering the commencement of HUD Section 8 Enhanced Vouchers for the 52 apartments not covered under the project based Section 8 contract. (If the 236 loan fully matures, the 236 apartments will not be eligible for Enhanced Vouchers). The rents for these 52 apartments as well as the balance of the apartments covered under the Section 8 contract will be set at market rents per HUD Section 8 Rent Comparability Study guidelines. The developer will be requesting a new 20 year HAP contract for the 104 apartments currently receiving assistance. Once the developer pre-pays the mortgage, the development will no longer be subject to a regulatory agreement. As part of this transaction, the borrower will sign a new 40 year use restriction assuring long term affordability for the 104 apartments.

Over time, it is expected that the 52 residents with the Enhanced Vouchers will move from Kings Grant. Upon turnover, those apartments will become non-subsidized apartments and will be rented at the current market rent

The current ownership of these properties consists of a partnership between Schochet Associates (“Schochet”) of Boston, MA and entities controlled by Fundamental Advisors of New York, NY. The purchaser will be a to-be-formed single purpose entity whose general partner will be wholly owned by Retirement Housing Foundation (“RHF”) a non-profit

developer located in Long Beach, CA. The property is currently managed by Federal Management Company (“FMC”) of Boston, MA and will continue to be managed by FMC after acquisition by RHF. FMC is an affiliate of Schochet Associates.

Retirement Housing Foundation is a nonprofit, mission driven, affordable housing development and management organization. RHF celebrated its 50th anniversary last year. Since 1961, it has developed and now manages for its own account 159 senior, family and skilled nursing facilities in 26 states, Washington D.C., Puerto Rico and the Virgin Islands. Schochet and RHF have recently collaborated on several projects in Boston, Leominster and Gardner Massachusetts. The acquisition of this facility will complement its mission through the acquisition of existing assisted housing in order to assure its affordability for the future.

Kings Grant is a well-maintained, well-landscaped development on State Street in the Davisville area of North Kingstown. The location of the property is good, with immediate access to major transportation routes, shopping and recreational facilities. Though well maintained, the housing is 40 years old. Proposed rehabilitation will focus on upgrades of some older kitchens and baths, common areas, and heating systems. Energy efficiency measures will be implemented as well as some ADA improvements and exterior improvements. A Capital Needs Assessments will be commissioned to ensure that all necessary items are addressed and the new owner will establish a reserve to cover the costs of necessary upgrades and improvements forecasted in future years

The primary sources of financing for the transaction will be a 30-year tax-exempt bond funded mortgage. The mortgage will be supported by the lower of HAP or market rents to comply with HUD risk share requirements, and will be insured during construction due to the size of the loan. Additional sources include equity from the sale of 4% tax credits, deferred developer fee, a seller held note and a short term construction loan provided by RHF to bridge a portion of the tax credit equity.

The use of risk share during construction will trigger Davis Bacon wages for all construction related activity. It also requires that the rehabilitation equal at least 15% of the completed value of the development, increasing the original rehab budget. As a result the more extensive rehabilitation, the initial deposit to the replacement reserve can be reduced. A term sheet outlining the terms and conditions used as the basis for underwriting this transaction is included in Attachment B.

A brief discussion followed the presentation. Commissioner Dimeo noted that as the state’s economy is so distressed, he would prefer that consideration be given to local vendors. Albert Rochjer of Schochet Associates responded that the company does have an office in Newport and manages numerous properties in Rhode Island employing local talent.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Dimeo the following resolution was unanimously approved:

**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 mortgage financing to acquire and rehabilitate the building as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Permanent Mortgage</u>
Kings Grant	Retirement Housing Foundation	\$18,200,000

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby declares preliminary approval for tax exempt mortgage financing in an amount not to exceed \$18,200,000.00 to Retirement Housing Foundation or an affiliated partnership (the “Borrower”) for rental housing known as Kings Grant located Fischer Drive in North Kingstown, Rhode Island.

Resolved, That Rhode Island Housing hereby declares that the preliminary approval of financing for the Borrower constitutes the affirmative official act of Rhode Island Housing of its intention to issue bonds to finance up to \$18,200,000 in permanent mortgage funds, plus the required bond reserve funds, and the related costs of issuance for the bond issue for the above-referenced develop pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. This resolution shall take effect immediately upon adoption.

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

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.
- Acceptable appraisal by an independent appraiser demonstrating that the first mortgage does not exceed 90% of the as-stabilized value of the property.
- Receipt of 52 Enhanced Vouchers at rents sufficient to meet underwriting requirements
- Completion of a Capital Needs Assessment.
- Completion of a Phase I environmental assessment and any such other environmental studies deemed necessary by Rhode Island Housing.
- Approval by Rhode Island Housing of Development Team members.
- Final approval of the new operating budget.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- Approval by bond underwriter and bond counsel that the loans will satisfy all required bond provisions for the bond issue.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage.

Resolved, That the Executive Director, 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 Revolving Construction Loan for Omni Development

Mr. Godfrey gave this presentation.

This Request for Action is for a three year revolving construction loan for Omni Development Corporation (“ODC”) to support the development of new homes and the rehabilitation of existing structures in Providence and other areas of the state.

In October, 2001, the Board of Commissioners authorized the creation of the Home Development and Homeownership Loan Program (the “Program”). Over the past ten years, this Program and its predecessor, the Demonstration Home Development and Homeownership Loan Program, has allowed several non-profit organizations to finance the construction and permanent financing of over 150 homes that have been sold to homebuyers who qualify for Rhode Island Housing’s mortgage programs.

ODC is a statewide non-profit organization that has been working to revitalize various Providence neighborhoods for over twenty years. They have developed approximately 1,250 rental units and 46 homeownership units. Their most recent development project is Phoenix Apartments in the West End of Providence. It entails the revitalization of the former Medina Village, an 83 unit Section 8 development that was in deplorable condition.

ODC envisions undertaking single family home development primarily in locations that are either in or near neighborhoods where they have other investments to help strengthen those neighborhoods. However, they also want the flexibility to identify foreclosed properties or vacant parcel opportunities in other neighborhoods where opportunities may exist. This revolving loan will be used for construction costs relative to the development of new homes or rehabilitation of existing homes. OHC intends to use City of Providence HOME funds, City of Providence Neighborhood Stabilization Program (“NSP”) funds and City of Providence Lead Funds to make up the balance of the financing needed for each of the individual projects located in Providence. They will likely apply for Rhode Island Housing HOME funds for non-Providence properties. The Rhode Island Housing construction loan will be repaid from the proceeds realized from the sale of each property.

ODC has projected that it will undertake 4-6 properties a year as opportunities arise. We expect that most of these buyers will obtain permanent financing through Rhode Island Housing’s First Homes Programs. In the West End where ODC is working on the 83 unit Phoenix Apartments development, foreclosure activity has resulted in abandoned buildings and property value deflation. It is a direct threat to the neighborhood stability and sense of community that ODC is working hard to achieve. It is likely that some of their single family homes will be in this neighborhood in order to stabilize the investment in Phoenix.

The Development Division is recommending a revolving loan of \$600,000. Under the agreement, ODC will be able to develop up to four homes at any time, but no more than two rehabilitations at one time. At least three of the four homes must be pre-sold to qualified buyers prior to Rhode Island Housing making a construction loan, minimizing the risk of increased carrying costs due to the inability to sell the homes. The loan amount will be the lower of the appraised value (based on a Rhode Island Housing commissioned appraisal) or the sales price of the homes. ODC’s authority to borrow under this agreement will expire 36 months from initial closing of the master construction loan agreement.

As with previous loans under this loan program, the Homeownership Division will pre-qualify applicants with purchase and sales commitments to purchase homes. The homes will be sold to 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 3.5%, with a rate floor of 4% and cap of 7.00%. The rate for each individual mortgage will be set at closing.

Based on the qualifications of the developer and the progress to date, staff recommends approval of a \$400,000 revolving construction loan for Omni Development Corporation subject to the following conditions:

1. Execution of a Master Loan Agreement by Omni Development Corporation satisfactory to Rhode Island Housing.

2. Submission of all construction contracts, plans and specifications, marketing plans, construction budgets, schedule of payments, lien releases, gap funds, home buyers applications and other documentation necessary for loan funding and construction loan and end loan approval.
3. Rhode Island Housing Homeownership Division approval of all end loans for homebuyers

Mr. Godfrey introduced Larry Brown of Omni Development Corporation who thanked the board for their consideration.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Monteiro the following resolution was unanimously approved:

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

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

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

Whereas, Omni Development Corporation (ODC) has entered into a loan agreement with Rhode Island Housing under the Home Development and Homeownership Loan Program (the “Program”) for a revolving line of credit to construct residential housing in the Olneyville neighborhood of Providence; and

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

NOW, THEREFORE, IT IS HEREBY:

Resolved, That the Corporation be and hereby is authorized to make a revolving construction loan up to \$400,000 to Omni Development Corporation. The loan will be structured generally in accordance with the description contained herein, with such changes as the Executive Director, Deputy Director or the Director of Development may, in their sole discretion determine to be necessary or advisable.

Resolved, That the Executive Director, 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 Omni Development Corporation satisfactory to Rhode Island Housing.
2. Submission of all construction contracts, plans and specifications, marketing plans, construction budgets, schedule of payments, lien releases, gap funds, home buyers applications and other documentation necessary for loan funding and construction loan and end loan approval.
3. Rhode Island Housing Homeownership Division approval of all end loans for homebuyers.

Approval of Engagement of External Auditors

Mr. Godfrey presented this request.

Rhode Island Housing uses an external auditor to perform an audit of its consolidated financial statements as well as to provide a single audit report for its federally funded grant programs. Rhode Island Housing issued a Request for Proposals (“RFP”) for such services in early 2012. In order to solicit interest from a number of qualified audit firms, Rhode Island Housing advertised its RFP in the Providence Journal, on the Rhode Island Society of Certified Public Accountant’s website and on the Rhode Island Vendor Information Page of the State Department of Purchases website.

Proposals were received from four qualified firms to serve as auditor to the Corporation through June 2014. The respondents were KPMG, Grant Thornton, Braver, PC and LGC&D. Proposals were reviewed and evaluated by management. All firms were qualified, had experience with local municipalities and Quasi-state organizations, and had performed Single Audits in accordance with OMB Circular A-133.

LGC&D had the lowest overall bid. They most recently served as auditor for Rhode Island Housing from 2002 - 2009. Based on their knowledge of Rhode Island Housing, and experience in the industry it was determined that they were well qualified to complete the audit timely and efficiently.

In accordance with applicable Rhode Island statutes, the engagement of outside auditing firm must be approved by the State Auditor General and the Director of Administration. Both of these entities have approved the engagement of LGC&D.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Dimeo the following resolution was unanimously approved:

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

Resolved: That LGC&D be engaged as the external audit firm for Rhode Island Housing for the fiscal years ending June 30, 2012, 2013, and 2014.

Resolved: The Executive Director, Deputy Director and Director of Finance and Technology, each acting singly, be and hereby is authorized to take any actions they deem necessary to carry out the foregoing resolution.

Approval of Foundations of Senior Health (FOSH) Program Contracts

Mr. Godfrey made this presentation.

The Foundations of Senior Health (FOSH) Program provides direct support services to assist residents living in Rhode Island Housing financed elderly developments with their activities of daily living. These services help residents continue to live independently for as long as possible. On average, over 135 residents per month are serviced by the FOSH Program. Residents pay a nominal fee for the services with the remainder of the cost being split between the developments and Rhode Island Housing. For the past two years, services under the FOSH program have been provided by Homefront Health Care. The contract with this agency will expire on June 30, 2012.

Rhode Island Housing issued a Request for Proposals (RFP) in December 2011 to provide these services. Proposals were received from Homefront Health Care and ElderCare Consultants Home Care. The proposals were reviewed by a committee of staff and representatives from the management companies involved in the FOSH Program. Proposals were evaluated under the following criteria:

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

Following review of the proposals, the committee recommends that Homefront Health Care (Homefront) be engaged to provide FOSH services. Homefront's proposal most clearly and efficiently meets the specifications set forth in the RFP. Further, Homefront proposed the same rate as their previous contract and the organization is very familiar with the FOSH program and the participating developments, so there would be consistency and continuity for residents.

The contract period is for two years, subject to funding availability. The maximum possible amount to be funded by Rhode Island Housing under the contract is \$83,000 per year. The actual cost to Rhode Island Housing is projected to be \$49,200 per year, and will depend on the actual hours of service provided to the residents and the residents' actual co-pay. This projection is based on a utilization rate of eighty percent (80%) and an average co-pay of \$6.00.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Barge the following resolution was unanimously approved:

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

WHEREAS: Rhode Island Housing requires the services of a home health care agency to continue the delivery of homemaker/personal care services to the residents of participating developments under the Foundations of Senior Health Program (FOSH); and

WHEREAS: Homefront Health Care has the experience and capability to provide such FOSH services.

NOW THEREFORE, it is hereby:

RESOLVED: That Rhode Island Housing is authorized to enter into a contract with Homefront Health Care for the provision of services as set forth in the proposals submitted by the agency on April 20, 2012 and modified to reflect the hours and developments as set forth in Attachments B and C, and with such modifications, including the amount, as the Executive Director or the Deputy Director of Programs may deem necessary or advisable. The contract shall be subject to annual availability of funds.

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

Approval of Draft 2013 Qualified Allocation Plan (QAP)

Mr. Godfrey made this presentation.

Pursuant to the Revenue Reconciliation Act of 1989, each Housing Credit allocating agency must adopt a Qualified Allocation Plan (the "Plan") that establishes the priorities and criteria for both allocating and monitoring Housing 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 the Housing Credit program in Rhode Island under a Plan that was first adopted in January 1990. The Plan was last amended in June 2011.

Staff has proposed changes to the following sections of the Plan. These changes seek to amplify and explain our goals and procedures.

Section I.A	Overview
Section I.C.3	Housing Needs
Section I D.1	Lock –In of Applicable Credit Percentages
Section I E.3.a	Income Restrictions
Section I.L.2	LEP Limited English Proficiency
Section III.A.3	Creditworthiness and Good Standing
Section III.B.3.a & d.	Satisfaction of State Housing Need
Section III.B.4	Site Design Factors
Section III.B.7	Leveraging/Cost Effectiveness
Section III.B.8.f.	Prohibiting Smoking in Units Policy
Section III.E	Supportive Housing
Section VII	Compliance Monitoring
Section VII.A.6, 7 & 8	Recordkeeping and Record Retention
Section VII.B	Certifications and Reporting
Section VII.C	Records Review
Section VII.G	Annual Compliance Training

The most substantive changes and/or additions to the Qualified Allocation Plan are as follows:

Section I D.1 Lock-In of Applicable Credit Percentages – On December 31, 2013 the 9% applicable credit percentage established under HERA will expire. Applications for 2013 housing credits will be required to value the 9% housing tax credit by using the present value yield.

Section I.L.2 LEP Limited English Proficiency – Staff recommends the inclusion of LEP language to comply with Title VI of the Civil Rights Act of 1964 to ensure that persons with limited English proficiency have access to and benefit from federally assisted programs. This requires that tenant selection plans for Rhode Island Housing financed developments include a plan for assisting LEP persons.

Section III.A.3 Creditworthiness and Good Standing – HUD now requires Rhode Island Housing to obtain credit reports for all principals of for-profit developers participating in the tax credit program and for which Rhode Island Housing’s first mortgage financing is insured through FHA.

Section III.B.8.f Prohibiting Smoking in Units Policy – Staff recommends including a priority for developments which prohibit smoking in units and common spaces to facilitate a healthy and safe living environment for all residents of Rhode Island Housing financed developments.

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.

The public comment period will begin on or about June 24, 2012. The public hearing will be held on or about August 1, 2012. Final approval by the Board of Commissioners will be on or about August 16, 2012.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Dimeo, the following resolution was unanimously adopted in the form presented to the meeting, with the draft Qualified Allocation Plan which is attached as part of the June 21, 2012 board package.

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

WHEREAS, 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 Housing Credit allocating agencies to allocate Housing Credits according to a Qualified Allocation Plan (the “Plan”);

WHEREAS, The Plan must establish priorities and criteria for allocating the Housing 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: 2011-2015.

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.

Commissioner Monteiro left at this point of the meeting at approximately 9:18 a.m.

Firm Approval of Financing for Glenark Landing and Ashley Court

Mr. Godfrey provided background information on this request.

This Request for Action is for firm approval of tax exempt financing for the re-development of Glenark Landing (“Glenark”) and Ashley Court (“Ashley”), (collectively the “Development”). Both properties are currently controlled by affiliates of Rhode Island Housing. At the March 15, 2012, the Board approved the designation of Trinity Financial, Inc (“Trinity”) as the developer for the redevelopment of the Development.

Glenark is an existing affordable housing development located at 104 Sayles Street in Woonsocket containing 67 apartments in the following configuration, 21 one-bedroom apartments, 34 two-bedroom apartments and 12 three-bedroom apartments.

The property was built in 1865 as a manufacturing mill and rehabilitated in 1990 when it was redeveloped as residential housing using Housing Tax Credits and financing from Rhode Island Housing. The initial tax credit compliance period ended in 2005. The property is listed on the Historic Registry as an historic structure. In 2000, with delinquency in mortgage payments and the development in financial/operational jeopardy, the Rhode Island Housing Board of Commissioners authorized staff to negotiate an agreement with the owner entity to obtain control of the property. Rhode Island Housing Development Corporation, a subsidiary of Rhode Island Housing was designated to take over as the general partner and the limited partner which occurred in 2000 and 2001 respectively. Rhode Island Housing has been operating Glenark ever since. Glenark is currently on Rhode Island Housing's books as an REO property in the amount of \$2,694,297.

When originally financed in 1990, Glenark was awarded a twenty-year State Rental Assistance Program ("RAP") contract that provided rental assistance for all 67 apartments. Currently 59 of the apartments are still receiving RAP subsidy. However, as apartments turn over, apartments are being rented without RAP subsidy. A key component of the redevelopment of the site is the successful transition from RAP to non-RAP apartments in a manner that ensures a financially successful transaction for the developer, residents and Rhode Island Housing while simultaneously lifting the financial burden of the RAP subsidy from Rhode Island Housing.

Ashley Court is an existing affordable housing development for families located at 78 Oak Street in Woonsocket containing 22 apartments in two buildings. There are 6 two-bedroom and 16 three-bedroom apartments. The apartments are spacious and well laid out, however the apartments and overall site need to be upgraded.

Developed in 1989 using housing tax credits and financing from Rhode Island Housing, Ashley is currently controlled by the RIH Equity Corporation, a subsidiary of Rhode Island Housing and the general partner of the Rhode Island Housing Equity Pool, LP ("RIH Equity Pool"). The RIH Equity Pool served as the original limited partner in the Ashley Estates Limited Partnership ("AELP"), the owner entity of Ashley. In 1997, due to AELP's default under the financing documents, the RIH Equity Pool exercised its right to remove the original general partner of AELP (Ashley Realty Associates, Inc.) and designated RIH Equity Corporation to act as the general partner of the limited partnership and has remained in that capacity to this date. The current outstanding principal loan balance is \$1,166,805.

Both sites currently meet the basic needs of their target population for accessible and convenient housing, but the properties suffer from deferred maintenance. Trinity proposes to extensively rehabilitate both properties in order to significantly improve the living conditions for the residents through interior and exterior upgrades as well as improved safety and security at each development. The target population will remain family households with incomes below 60% of area median income ("AMI"). The current population at Glenark consists primarily of low income families with incomes below 50% of AMI utilizing rental subsidies under the RAP

program. As apartments turn over, they will be rented to tax credit eligible tenants who have the ability to pay the tax credit rents without the benefit of the RAP subsidy. Trinity is aware that Rhode Island Housing will not provide future rental subsidies at unit turnover. Consequently, over time, the expectation is that all RAP subsidy payments will cease at Glenark. There are no RAP apartments at Ashley where rents have been low because of the poor condition of the apartments.

The expectation is that rents at the sites can be increased once the buildings are renovated. Rhode Island Housing commissioned a market study to determine the post rehabilitation market rents for both sites. The one-bedroom market rents at Glenark are slightly lower than the 50% tax credit rents while the two and three bedroom rents at both sites are slightly higher than the 50% rents. .

Upon completion of a capital needs assessment and due diligence by the architect, contractor, owner and Rhode Island Housing staff, the rehabilitation cost has been set at approximately \$54,000 per unit. Rehabilitation plans call for exterior renovation of the buildings including roof replacement, masonry repairs at Glenark, siding replacement at Ashley, new windows at both sites, doors and site work improvements. Interior plans will include mechanical and electric upgrades, upgrade of the fire alarm system at Glenark and the installation of an alarm system and sprinklers at Ashley, kitchen and bathroom renovations at both sites and elevator upgrades at Glenark. Glenark's site plan poses challenges for the contractor in regards to exterior repairs. The south side of the building is on (in) the Blackstone River making masonry repairs and window replacement more complicated. In addition, two underground storage tanks were found at Glenark that need to be removed and there is some contaminated soil at Ashley that must be remediated.

In order to ensure a successful transition from RAP to non-RAP apartments, attention is also being paid to improving the curb appeal of both sites to attract residents who have choices in where they can choose to live. Trinity is making improvements to the security systems to address chronic security problems at Glenark. The plans include a new security system with access controls and cameras as well as a significant upgrade to the intercom system.

In addition to the security system upgrades, Trinity will bring in a new management company at both sites. One of the reasons that Trinity was selected was because of their proposed management and security plans for both sites. Their proposal stressed resident involvement and development of positive management/resident relations. They intend to form a Resident Security Council to participate with Management in monitoring the effectiveness of Glenark's safety and security programs. However, in order to set the tone and to stabilize Glenark through the transition, they may use security forces on an as-needed basis to exhibit to the community their "No tolerance" policy for mischief, vandalism or intentional malice.

Trinity sought proposals from several potential syndicators and investors to ensure the highest market value for the tax credits. Enterprise Community Investment Inc ("Enterprise") was selected as the syndicator, with final pricing of \$1.005 per credit for both the housing tax credits and the federal historic credits.

The total development cost will be approximately \$12.6 million. The primary sources of financing for the transaction will be (i) a 30-year tax-exempt first mortgage from Rhode Island Housing; (ii) equity from the sale of 4% housing tax credits and federal historic tax credits; (iii) a Loan from the Affordable Housing Trust; (iv) a deferred developer fee; (v) existing project reserves; and (vi) assumption of existing debt secured by the property to be repaid from a portion of net cash flow. Trinity will sign a 40-year use agreement ensuring long term affordability.

The Request for Action is for Firm Commitment of permanent tax-exempt bond financing of up to \$7,000,000 of which, \$1,500,000 will remain as permanent first mortgage debt.

Upon a motion made by Commissioner Dimeo and seconded by Commissioner Pratt the following resolution was approved:

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

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, Rhode Island Housing intends to issue tax-exempt bonds for the purpose of financing qualified housing developments throughout the state; and

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, to pay the costs of issuance, to fund a Capital Reserve Fund, and to provide the capitalized interest if determined to be necessary; and

Whereas, the Applicant listed below has presented an application to Rhode Island Housing requesting mortgage(s) consisting of tax-exempt financing to acquire and rehabilitate a residential housing development as follows:

Development	Applicant	Tax Exempt Mortgage
Glenark Landing & Ashley Court	Trinity Financial, Inc.	\$7,000,000

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, subject to the special conditions listed below, Rhode Island Housing hereby approves a first mortgage loan to be financed by tax-exempt bonds in an amount up to \$7,000,000 to Trinity Financial, Inc., or an affiliated partnership (the “Borrower”) for rental housing to be located on Sayles and Oak Streets in Woonsocket, Rhode Island.

Resolved, Rhode Island Housing hereby declares that the firm 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 \$7,000,000 first 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 developer’s satisfaction, in the sole judgment of Rhode Island Housing, of all terms and conditions set forth in the RFP;
- The developer must include a Resident Security Council in the implementation and operational phases of the re- development of Glenark Landing;
- Acceptable final appraisal by independent appraiser that demonstrates that the new first mortgage does not exceed 90% of the as-stabilized value of the property.
- Provision of acceptable letter of commitment from an equity provider for the transaction demonstrating syndication proceeds from 4% Housing Tax Credits and federal Historic Tax Credits in amounts sufficient to assure development feasibility.
- Approval of the operating budget.
- Approval by Rhode Island Housing of construction plans and specifications, and construction documentation.
- Approval by bond underwriter and bond counsel that the loans will satisfy all required bond provisions for the bond issue.
- FHA Risk-Sharing approval for a minimum of 50% of the permanent first mortgage.
- Approval by Lender of all management related documents including, without limitation, marketing and tenant selection plans.
- Financing approval from the Affordable Housing Trust.

- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved, That the Executive Director, Deputy Director and the Director of Development be, and each hereby is, authorized to take any and all actions, including specifically the authority to execute a development agreement, as

well as any and all documents, instruments and other agreements and to take such further actions as he or she deems necessary to carry out the above resolutions.

Resolved, That all actions and deeds heretofore done by the Executive Director or Deputy Director on behalf of Rhode Island Housing in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed in all respects.

Convening of the Rhode Island Housing Development Corporation

Chairman DeRentis recessed the open meeting at 9:18 a.m. at which point a meeting of the Rhode Island Housing Development Corporation was convened.

Commissioner Monteiro returned at this point of the meeting at approximately 9:20 a.m.

Convening of the RIH Equity Corporation

At approximately 9:30 a.m. the meeting of the Rhode Island Housing Development Corporation was adjourned and the RIH Equity Corporation meeting was convened.

At approximately 9:35 a.m. the meeting of the RIH Equity Corporation was adjourned and the Rhode Island Housing Board meeting was reconvened.

Approval of Executive Director's Compensation

Chairman DeRentis gave this presentation.

The Executive Director's prior employment agreement expired on April 30, 2012. In accordance with standard practice, the Human Resources (HR) Committee of the Board of Commissioners met on April 5, 2012 and April 16, 2012 to consider whether the employment agreement should be renewed, and if so, the compensation to be offered. Commissioners present included Chairman DeRentis and Commissioner Monteiro.

The HR Committee recommended that the Executive Director's contract be renewed for a two year term expiring on April 30, 2014, and that his compensation be increased by approximately 3.0%. These recommendations were presented to the full Board for action at its meeting of April 19, 2012.

At the April 19 meeting, the Board adopted a resolution approving the recommendation that the Executive Director's employment agreement be renewed for an additional two-year term expiring on April 30, 2014. The proposed resolution to adopt the HR Committee's recommendation regarding compensation was tabled for future consideration.

In response to various concerns raised at the April 19 meeting, the resolution regarding the Executive Director's compensation has been amended.

The HR Committee recommends that the attached resolutions establishing the compensation of the Executive Director be approved.

Commissioner Pratt recognized the professionalism involved in the review process and commended Rhode Island Housing and staff.

Chairman DeRentis also notified the Board that Mr. Mito, Corporation Counsel has initiated the process of seeking proposals for compensation consultants for Executive Directors' Compensations. Mr. Mito stated that responses are expected by the end of the month.

Upon a motion made by Commissioner Monteiro and seconded by Commissioner Barge the following resolution was approved with 5 votes in favor, none opposed, and one abstention by Commissioner Savage.

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

RESOLVED: That the Executive Director's salary for the period beginning July 1, 2012 be \$180,250, representing an increase of approximately 3.0% from the current salary.

There being no further business to discuss, a motion was duly made by Commissioner McGreevy and seconded by Commissioner Dimeo to adjourn the open meeting at approximately at 9.43 a.m.

Respectfully submitted,

Richard Godfrey
Secretary and Executive Director