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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, December 19, 2013 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman Jim DeRentis; Louis DeQuattro designee for Paul McGreevy, Director of Department of Business Regulation; Christopher Feisthamel designee for General Treasurer Gina Raimondo; Jose Monteiro and Andrew L. Cortés. Steven Costantino, designee for Richard Licht, Director of Administration and Paul Dimeo were absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Kara Lachapelle, Director of Finance and Technology; Carol Ventura, Director of Development; Leslie McKnight, Director of Servicing; Carlos Hernandez, Director of Resident Services, Peter Walsh, Director of Homeownership and Customer Service and Michael Milito, Deputy Assistant Director.

Steven 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 8:35 a.m.

Approval of Minutes of Board Meeting Held on November 21, 2013

Upon a motion made by Commissioner DeQuattro and seconded by Commissioner Cortés the following was adopted with 3 votes in favor, none opposed, and one abstention by Commissioner Feisthamel.

VOTED: That the Minutes of the Board Meeting held on November 21, 2013 be and hereby are approved.

Chairman's Report

Chairman DeRentis greeted everyone and extended warm wishes for a wonderful, healthy and safe holiday season.

Committee Reports

Chairman DeRentis noted that a meeting of the Management and Budget Committee was held on November 21, 2013 and, as Chair of the Committee, provided a brief update on the meeting.

Chairman DeRentis stated that the Committee considered the evaluations of the Executive Director's job performance for FY 2012-13 submitted by members of the Board of Commissioners

and by Rhode Island Housing's Division Directors. Rhode Island Housing's outside General Counsel, Nixon Peabody, compiled the evaluations and presented them to the Committee for its review.

The Committee noted that all of the Board and senior staff evaluators gave the Executive Director positive assessments for his strong job performance and leadership, especially in light of the challenging times facing Rhode Island Housing. As an improvement to the evaluation process, Joseph Pratt suggested that the evaluation form completed by the Division Directors should also include a numerical ranking system. The Commissioners completed evaluation forms with numerical rankings, and consistency in the review process would be furthered by the senior staff likewise providing such rankings in their responses.

The Committee and Executive Director discussed the importance of Rhode Island Housing's continual enhancement of its communication channels with governmental officials, constituents, customers, and the public at large. The Committee indicated that, as a primary action item, the Executive Director should ensure that Rhode Island Housing maintains proper approachability and transparency in the fulfillment of its public mission.

Chairman DeRentis announced that there will be no adjustment to the Executive Director's annual salary in light of the general salary freeze at Rhode Island Housing.

Commissioner Monteiro arrived at this point of the meeting at approximately 8:42 a.m.

Executive Director's Review of Recent Activities and Trends

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

Mr. Godfrey was pleased to convey that December introduced the first round of RESPECT awards that were given to employees who give an extra special effort on behalf of others. Among the recognized efforts were an employee who provided shoes to a client who did not have any; an employee who provided food for a woman with three children who had not had a meal in 2 days; and an employee who, after performing an inspection at a client's home suspected a hoarding problem, worked with the client for several months to reduce the clutter.

Each year Rhode Island Housing sponsors a workplace charitable giving drive on behalf of the United Way and the Fund for Community Progress. Mr. Godfrey reported that even in these challenging times, Rhode Island Housing employees pledged an overwhelming total of \$34,321 to these organizations.

Mr. Godfrey also stated that the pricing model for TBA loans has been completed and release of new pricing is targeted for December 30. This new pricing will provide enhanced compensation to Rhode Island Housing's lender partners, and position Rhode Island Housing closer to the industry-standard compensation model in the secondary market. Mortgage origination activity has increased and is ahead of budget.

In an ongoing commitment to serving homebuyers throughout the state, Rhode Island Housing recently launched a new online Homebuyer Education program. This program, specifically designed

to meet the needs of first-time homebuyers, makes online homebuyer education classes available to Rhode Island homebuyers through the eHome America platform. Rhode Island Housing's homebuyer education classes have traditionally been structured as in-person classes, held at convenient locations throughout the state. This new, online option is a direct response to the needs of these customers, offering a more convenient alternative to the traditional class that still allows homebuyers to learn helpful information about purchasing a home. Mr. Godfrey stated customer response was extremely positive.

Finally, Mr. Godfrey shared that he appeared on NBC 10's Business Lunch with Frank Coletta earlier in the week to provide a year-end review of housing matters in our state. Mr. Godfrey provided a copy of the Questions and Answers from that appearance.

Commissioner Monteiro arrived at this point of the meeting at 8:45 am.

Reservation of Tax Credits and Preliminary Approval of Financing for Ashton Village

Mr. Godfrey asked Ms. Ventura to make this presentation. Mr. Godfrey affirmed that in accordance with an Advisory Opinion from the Ethics Commission, he did not participate in the review and recommendation of the 2014 Tax Credit proposals since Mr. Godfrey's wife is the Executive Director of SWAP, one of the applicants for funding. Commissioner DeQuattro represented the Board during the review of the proposals.

Carol Ventura, Director of Development, gave this presentation.

This Request for Action ("RFA") is for reservation of \$795,227 of 2013 and/or 2014 Housing Tax Credits ("HTCs"), a Rhode Island Housing First Mortgage of \$1,350,000, and a revolving Construction Loan of \$11,500,000 for Ashton Village ("the Development"), a fifty-three unit family rental development in Cumberland, RI. The developer is Valley Affordable Housing Corporation ("VAHC", or the "Developer").

Ashton Village is a historic mill village located between Mendon Road and the Blackstone River Canal in Cumberland. The nine existing mill buildings which are the basis of the proposed development were a part of approximately 25 mill housing buildings built by the Lonsdale Company in 1867 to house the workers in the adjacent Ashton Mill. The housing was owned by the company until the 1930s, then a series of subsequent commercial and individual owners until the 1970s. VAHC purchased the property in 2012 from an individual who had owned the property for the past 40 years. The parcel is located in the Ashton Historic District and is on the National Register of Historic Places, which describes it as one of the most intact and exemplary remaining 19th century mill villages in Rhode Island, due in large part to the relative stability of ownership since its creation. VAHC's property includes over 40% of the original housing.

This design proposal includes a mix of one-, two-, three- and four-bedroom townhouses and flats contained in the nine existing historic buildings, and two new construction buildings designed to be complementary to the existing historic structures. At completion Ashton Village will consist of forty-two (42) substantially-rehabilitated apartments, and eleven (11) new construction apartments. In total there will be 15 one-bedroom, 9 two-bedroom, 27 three-bedroom and 2 four-bedroom apartments.

The Development exhibits many of the features of a KeepSpace neighborhood. There are potential job opportunities and services along Mendon Road close to the property. Multiple schools, parks and religious facilities are located a mile or less from the project site, and the Blackstone River and associated Blackstone River Bikeway are immediately west of the site. The mill itself was redeveloped in the early 2000s as the River Lofts at Ashton Mill, a market rate apartment development with high occupancy rates. Current proposed rents for the Development range from 52 – 58% AMI levels, providing the opportunity for the creation of a true mixed-income neighborhood encompassing the entire extant mill complex.

Ashton Village presently has 31 of the existing units occupied, scattered throughout the property. While the buildings themselves are in sound condition, the existing vacancies are due primarily to the present poor interior physical condition of the open units. The proposal will require relocation of existing residents to units both within and in some cases off site during construction. Rhode Island Housing staff will coordinate closely with VAHC and the contractor to ensure that necessary relocation is conducted in accordance with Uniform Relocation Act requirements.

The Town of Cumberland has agreed to assess the entire property, including the new construction units, at a rate equal to 8% of gross potential income. VAHC received Zoning Board of Review approval for all necessary variances on the site in May of 2013. In addition, the Mayor of Cumberland and State Senator Ryan Pearson have expressed their support for the Development.

Rhode Island Housing has the authority to designate projects as difficult to develop in order to increase a project's eligible basis by up to 30%. Rhode Island Housing has designated the buildings in the Development as requiring the increase in basis described in Section 42(d)(5)(B) of the Internal Revenue Code of 1986, as amended (the "Code") in order to be financially feasible as part of a qualified low-income housing project, and, as such, the buildings in the Development will be treated as located in a difficult development area designated pursuant to Section 42(d)(5) of the Code

As a result of the Housing and Economic Recovery Act of 2008, the 9% Applicable Credit Percentage was fixed at 9% for developments funded with 2013 or prior Housing Tax Credits (Section 42(b)(2)). This legislation expires on December 31, 2013. Rhode Island Housing has approximately \$670,000 of "full-value" 2013 9% tax credits to allocate for the Development.

The Richman Group has provided a Letter of Interest to VAHC to purchase the Housing Tax Credits for Ashton Village. Since a portion of the requested allocation will be comprised of 2013 9% HTCs, a sufficient number of units will need to be completed and placed in service ("PIS") by December 31, 2015 to preserve the "full-value" of the 2013 credits. The development team, led by VAHC, has presented Rhode Island Housing with a credible schedule to meet the PIS requirement. It is anticipated that the Developer and its consultant will engage in discussions with other syndicators and investors to ensure the highest market value for the credits, which should be enhanced by the inclusion of the scarce 2013 HTCs.

The proposed permanent first mortgage for this project will involve a pass through arrangement with BankRI, a Federal Home Loan Bank of Boston ("FHLBB") member bank. VAHC was awarded a subsidy (the "Subsidized Advance") from the FHLBB for Ashton Village. The Subsidized Advance will pass through BankRI, a FHLBB member bank, to Rhode Island Housing, which will in turn fund the first mortgage loan to the development. The cost of the Subsidized Advance is less than Rhode Island Housing's usual cost of capital and allows for a mortgage at a

reduced interest rate. The loan from BankRI to Rhode Island Housing is non-recourse, and is secured by a pledge of the loan documents from Rhode Island Housing to the new Limited Partnership.

The total development cost for the project is \$14,017,401. Proposed sources of funding include: (i) a Rhode Island Housing first mortgage; (ii) syndication equity from the sale of Housing Tax Credits, Federal Historic Tax Credits and State Historic Tax Credits; (iii) Federal Home Loan Bank Affordable Housing Program interest rate subsidy and grant funds; (iv) a Building Homes Rhode Island ("BHRI") grant from the Rhode Island Housing Resources commission; (v) a Thresholds loan; and (vii) Deferred Developer Fee.

Ms. Ventura introduced Peter Bouchard, Executive Director of Valley Affordable Housing Corporation, his staff and consultant Barbara Sokoloff who expressed his appreciation for the Board's consideration of his development.

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

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

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

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 (the "Corporation") 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, 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 years 2013 and 2014 ("the Tax Credit") and for permanent financing as follows:

Applicant	Development	9% HTC	First Mortgage	Revolving Construction Loan
Valley Affordable Housing Corporation	Ashton Village	\$795,227	\$1,350,000	\$11,500,000

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; and

Whereas, Rhode Island Housing finds that:

- (1) That there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of low or moderate income can afford within the general housing market area to be served by the proposed housing development;
- (2) That private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;
- (3) That the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons or families of low and moderate income and that those sponsors are financially responsible;;
- (4) That the proposed housing development to be assisted pursuant to the provisions of this chapter will be of public use and will provide a public benefit;
- (5) That the proposed housing development will be undertaken and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That \$795,227 of allocated 2013 and/or 2014 housing tax credits be reserved for the Applicant pursuant to Section 3 of the Rules and Regulations of Rhode Island Housing applicable to the Allocation of Housing Tax Credits (the “Rules and Regulations of the Corporation”), and that the Deputy Director and the Director of Housing Development each acting singly be, and hereby is, authorized and empowered in the name of and on behalf of Rhode Island Housing to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

Resolved, That, subject to the special conditions listed below, the Corporation hereby approves financing for a taxable First Mortgage loan to Valley Affordable Housing Corporation or an affiliated partnership (the “Borrower”) in an amount not to exceed \$1,350,000 (the “Loan”) for family housing located in Cumberland, Rhode Island.

Resolved, That Rhode Island Housing hereby preliminarily approves up to \$11,500,000 of Construction Loan funds for the Borrower.

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

- Agreement between BankRI, VAHC and Rhode Island Housing as to a mortgage pass-through structure that will allow Rhode Island Housing to be the first mortgage lender of record
- Approval by Rhode Island Housing of all members of the development team.
- Acceptable final appraisal by an independent appraiser commissioned by Rhode Island Housing demonstrating that the Ashton Village first mortgage does not exceed 90% of the as-stabilized value of the property.
- Syndication equity from the sale of Federal Historic Tax Credits, State Historic Tax Credits, and Housing Tax Credits in amounts sufficient to achieve project feasibility.
- Approval by Rhode Island Housing of construction plans and specifications and construction documentation.
- Approval of the proposed operating budget for the development.
- Approval of BHRI, Thresholds and AHP funds in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to Rhode Island Housing.
- Approval by Rhode Island Housing of 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 including a schedule that will assure sufficient units are placed in service by December 31, 2015 to preserve the 2013 credits, with all remaining units placed in service by December 31, 2016.
- Firm approval by the April 2014 Board Meeting.

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

Approval of Financing for Fire Code Upgrades and Installation of Sprinkler System at Charlesgate North Apartments

Mr. Godfrey made this presentation.

This Request for Action (“RFA”) is for approval of a second mortgage (the “Loan”) for Charlesgate North (the “Development”) an existing development originally financed by HUD under the Section

236 Program and refinanced with tax exempt bonds and housing tax credits from Rhode Island Housing in 2001. The Loan will be used to finance the installation of a new fire safety and sprinkler system.

Charlesgate North is an existing high-rise apartment building with 200 apartments, comprised of 100 efficiency and 100 one-bedrooms. A Housing Assistance Payment Contract (“HAP Contract”) provides rental assistance for 157 apartments and 25 apartments are subsidized with Project Based Housing Choice Vouchers. The 2001 transaction set aside 25% of the apartments (50 units) as assisted living. The facility became known as the Charlesgate Senior Living Center. The idea was that by incorporating assisting living services into this Development, the owner began to bridge the gap in the housing continuum at the Charlesgate complex, which consists of 4 buildings and which offers both independent elderly housing and skilled nursing care.

The services for assisted living qualified residents include meals, housekeeping, laundry, and assistance with activities of daily living (“ADLs”), in addition to medication monitoring, transportation, nutrition services, emergency response and social/recreational programs. The cost of these services is funded under Rhode Island’s Residential Care/Assisted Living Supplemental Security Income Benefit program administered by the Department of Elderly Affairs.

In January 2012 the Board approved the prepayment of the existing debt so that the Charlesgate North Affordable Housing Partners, L.P. (the “Owner”) could refinance the property with HUD to complete the fire code work. Despite their best efforts, the Owner has been unable to complete a transaction with HUD. The main difficulty the Owner encountered was that of the 4 different HUD-insured loan programs for which they applied, none could accommodate a housing project that also provided assisted living services. Programs that were available to re-finance housing would not permit licensed assisted living units, and programs that would re-finance nursing care would not permit projects unless all of the units were licensed for assisted living. In each case, the application process involved submitting a formal loan application with updated third-party reports. Pursuing four successive loan applications was costly and time-consuming and each application was ultimately denied either by the local, regional or national HUD offices.

The existing Rhode Island Housing 1st and 2nd mortgages mature in November of 2014. The first mortgage is the original HUD 236 loan and the second is a fully collateralized loan from the 2002 refinance. The initial compliance period for the low income housing tax credits (“HTC”) ends in 2017. The Loan will be structured so that is it interest only for the first year. Upon expiration of the existing Rhode Island Housing mortgage, the Loan will begin to amortize over a five year term. The Owner intends to undertake a full refinancing at the end of the initial compliance period with a new tax credit investor.

As part of the Owner’s efforts to refinance with HUD, an appraisal was completed in October 2013. The value at that time was approximately \$12.75 million. The current principal balance on the existing Rhode Island Housing mortgages is approximately \$1.4 million. Debt Service Coverage is over 1.7. Once the existing loans are paid off and the new proposed Loan begins to amortize the DSC will be in excess of 1.4. Existing operating and replacement reserves are adequately funded.

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

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

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

Whereas, The applicant (“Applicant”) listed below has presented an application to Rhode Island Housing requesting financing to make necessary life safety improvements

Development	Applicant	Bridge Loan
Charlesgate North Apartments	Charlesgate North Affordable Housing Partners, L.P	\$1,050,000

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

Whereas, Rhode Island Housing finds that:

- (1) That there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of low or moderate income can afford within the general housing market area to be served by the proposed housing development;
- (2) That private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;
- (3) That the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons or families of low and moderate income and that those sponsors are financially responsible;;
- (4) That the proposed housing development to be assisted pursuant to the provisions of this chapter will be of public use and will provide a public benefit;
- (5) That the proposed housing development will be undertaken and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That, subject to the special conditions listed below, Rhode Island Housing hereby grants taxable Bridge Loan financing to Charlesgate North Affordable Housing Partners, L.P (the “Borrower”) in an amount not to exceed \$1,050,000 for Charlesgate North Apartments located at 670 North Main Street, Providence, Rhode Island.

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

- Approval by Rhode Island Housing of plans and specifications, construction contract and all construction documentation.
- Acceptable appraisal by an independent appraiser demonstrating that the existing first mortgage and proposed bridge loan together do not exceed 90% of the as-is value of the property.
- Legal fees and any other costs incurred by the Lender in connection with the transaction to be paid by the Borrower.
- Completion of all items required for closing in accordance with normal underwriting and processing requirements.

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 Bridge Loan Financing for Bradford Court Apartments

Mr. Godfrey presented this request.

This Request for Action (“RFA”) is for Firm Approval of Bridge Loan financing for Bradford Court Apartments (“Bradford Court”), an existing elderly housing development originally financed by Rhode Island Housing. In 2003, the development was refinanced under Rhode Island Housing’s Preservation Program by Bradford Court Associates LP, a Rhode Island Limited Partnership formed to acquire and refinance the property with 4% low income housing tax credits. Cathedral Development Group, a Rhode Island Corporation serves as the general partner. The tax credit compliance period will expire at the end of 2018.

Bradford Court is a 98-unit elderly development located in Pascoag, RI. The development, contains 88 one-bedroom units and 10 two-bedroom units. Section 8 rental assistance has been provided through a Housing Assistance Payment (HAP) contract. The current HAP contract was renewed in 2011 and runs through April of 2031.

The owner has requested a \$2,000,000 bridge loan (the “Bridge Loan”) in order to redeem the interest of the limited partner, which seeks to exit the partnership in advance of the expiration of the tax credit compliance period and take out a portion of the of equity that has built up in the property. The current redemption price is less than what the redemption price would likely be if this transaction were to occur at the end of the tax credit compliance period and is predicated on a closing in early 2014.

The redemption cost is \$1.5 million and the equity take out is \$500,000. Allowing some equity take out in this transaction, will result in a more insurable FHA loan for Rhode Island Housing when the borrower undertakes a full refinancing in the next 12-24 months.

The Bridge Loan will amortize based on a 15 year term to maintain a solid debt service coverage. As a result of the 2003 preservation transaction, there is an existing Rhode Island Housing first mortgage (“First Loan”) with a principal balance of approximately \$2.03 million. The combined Debt Service Coverage (“DSC”) on the existing First Loan and the Bridge Loan will be 1.22 and increase thereafter. All existing terms and condition associated with the 2003 closing including all of the affordability provisions will remain in place. The owner expects to complete a full refinance of the Development in the next couple of years.

Upon a motion made by Commissioner DeQuattro and seconded by Commissioner Cortés the following resolution was unanimously adopted:

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

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

Whereas, The applicant (“Applicant”) listed below has presented an application to Rhode Island Housing requesting Bridge Loan financing to secure limited partnership interests in the development as set forth below:

Development	Applicant	Bridge Loan
Bradford Court Apartments	Cathedral Development Group	\$2,000,000

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 taxable Bridge Loan financing to Bradford Court Associates LP (the “Borrower”) in an amount not to exceed \$2,000,000.00 for Bradford Court Apartments located at 251 Main Street, Pascoag, Rhode Island.

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

- Acceptable appraisal by an independent appraiser demonstrating that the existing first mortgage and proposed bridge loan together do not exceed 90% of the as-is value of the property.
- Legal fees and any other costs incurred by the Lender in connection with the transaction to be paid by the Borrower.
- Completion of all items required for closing in accordance with normal underwriting and processing requirements.

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 Engagement of HUD-Approved Property Inspection Firms

Mr. Godfrey made this presentation.

This Request for Action seeks approval to contract with HUD-Approved Consultants to perform comprehensive inspections of one- to four-family properties for Rhode Island Housing. These HUD-Approved Consultants are required primarily for use by the Homeownership Division in conjunction with our FirstHomes 203(k) purchase rehab mortgage program. Our Loan Servicing Division also may require third-party property inspections from time to time.

In November, Rhode Island Housing issued a Request for Proposals (RFP) seeking bids from qualified HUD-Approved Consultants. The RFP was sent to firms that provide these services and was also posted on the state's purchasing web site and Rhode Island Housing's website.

The RFP required that the responding firms must identify staff that was certified by HUD to complete inspections in accordance with FHA's 203 (k) program and Rhode Island Housing's FirstHomes100+ program.

Three firms responded to the RFP. The RFP Review Committee, comprised of Rhode Island Housing staff, reviewed the proposals and the anticipated level of inspection services of the Homeownership and Loan Servicing Divisions.

Based on this projected volume, the Committee recommends that the 3 firms identified in Attachment B be engaged to provide inspections as needed to Rhode Island Housing.

Proposed fees for these services are identified in Attachment C. Proposed fees for typical HUD consultants were determined through the bid process; however, all fees associated with the home inspection process for a 203(k) loan are set by HUD.

Upon a motion made by Commissioner Cortés and seconded by Commissioner DeQuattro the following resolution was unanimously adopted:

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

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) requires that various Divisions procure third-party inspections for lending, foreclosure, purchase and disposition decisions; and

WHEREAS: Rhode Island Housing has solicited proposals from HUD-Approved Consultants to provide such property inspection services; and

WHEREAS: Staff of Rhode Island Housing have reviewed each of the submitted proposals and recommend awarding the contract to three firms listed in Attachment B;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That Rhode Island Housing is authorized to engage the HUD-Approved Consultant property inspection firms listed in Attachment B as presented at this meeting.

RESOLVED: That the Executive Director, the Director of Administration and Homeownership, the Director of Servicing and the Real Estate Manager, each acting singly be, and hereby is, authorized to take any and all actions, and to execute any and all agreements and to take such further actions as he or she deems necessary to carry out the above resolutions, including specifically, and without limitation, the authority to negotiate terms of the engagements that will standardize fees between firms for similar services, and such other terms as he or she may determine are in the best interests of Rhode Island Housing.

There being no further business to discuss, a motion was duly made by Commissioner Monteiro and seconded by Commissioner Cortes to adjourn the open meeting at approximately at 9:00 a.m.

Respectfully submitted,

Richard Godfrey
Secretary and Executive Director