

**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, May 15, 2014 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman Andrew L. Cortés; Paul McGreevy, Director of Department of Business Regulation; Chris Feisthamel designee for General Treasurer Gina Raimondo (arrived at 8:34); Steven Costantino, designee for Richard Licht, Director of Administration and Stephen P. McAllister. Commissioners Monteiro and DeRentis were absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Kara Lachapelle, Director of Finance; Carlos Hernandez, Director of Resident Services; Carol Ventura, Director of Development; Leslie McKnight, Director of Servicing; 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 Cortés called the meeting to order at approximately 8:31 a.m.

Approval of Minutes of Board Meeting Held on April 17, 2014

Upon unanimous consent by the Board, the following was approved:

VOTED: That the Minutes of the Board Meeting held on April 17, 2014 be and hereby are approved.

Chairman's Report

Chairman Cortés deferred his report for discussion as part of item 13 of the agenda, Executive Session to discuss pending litigation.

Committee Reports

Chairman Cortés announced that the Legal and Intergovernmental Committee met on May 7, 2014 and asked Commissioner McAllister, as Chair of the Committee, to provide a brief recap of the meeting.

Commissioner McAllister reported that Staff made a presentation to the Committee regarding several broad policy areas affecting the activities of Rhode Island Housing, and recommended positions to be adopted by Rhode Island Housing for each. Following a period of discussion of each policy area, including consideration of any pending legislation, the Committee adopted the positions recommended by staff.

Mr. McAllister noted that the Committee may need to meet again as new bill introductions are posted to analyze individual pieces of legislation that address these policy areas and any other bills that may have an impact on the agency. Commissioner McAllister thanked Amy Rainone for the detailed synopsis she provided to the committee along with an overview and a history on the process of the bills.

Upon a motion made by Commissioner Costantino and seconded by Commissioner McGreevy, the minutes of the Intergovernmental Committee minutes were approved as presented.

Executive Director's Review of Recent Activities and Trends

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

Mr. Godfrey first addressed the quarterly dashboard report that shows activities through March 31, 2014. Delinquencies in the single family portfolio have declined although REO levels moved up slightly. Single-family loan volume is up and ahead of budget on a year to date basis. New mortgage registrations for April reached \$15,000,000, a level of registrations not seen since 2009, with a significant percentage of this activity coming from lender partners. Registrations year-to-date from all channels are ahead of last year by 36%; closed loans are ahead of last year by 24%. These numbers are in spite of difficult winter months and a statewide sales increase over the same period of less than 2%.

Multi-family lending is up slightly, and we expect further increased activity as the proceeds of the state bond issue become available.

Commissioner Feisthamel arrived at this point of the meeting at approximately 8:34 a.m.

The total number of housing choice vouchers under contract decreased slightly as voucher holders have moved out of our jurisdiction and been subsumed within local PHA portfolios. Bond refundings carried out last summer and fall have kept net income up and this is being supplemented by loan sale proceeds. Operating expenses have been kept within our restrained budget.

Mr. Godfrey emphasized that even as it was working on the strategic plan; staff was undertaking major operational initiatives that have increased mission related activities and financial performance. However, the overall housing finance sector remains stressed nationally and in Rhode Island. Unemployment, especially long-term unemployment, in the state remains a persistent problem. These factors weigh heavily on our performance because of the nature of our statutory mission and the populations Rhode Island Housing serves.

Mr. Godfrey reported that within the next few months work plans will be developed by the mission scan groups for the next phase of the 15-18-20 Strategic Plan. As those plans evolve, recommendations will be presented to the Commissioners.

Commissioner McGreevy commented that a reporting mechanism similar to the quarterly Dashboard report would be beneficial in recording progress on the strategic initiatives. Mr. Godfrey agreed that a similar report can be generated and periodically revised for the Board.

Finally, Mr. Godfrey was proud to share that on May 15 he presented five outstanding staff members with Rhode Island Housing's Quarterly RESPECT awards. Mr. Godfrey recognized Ingrid Campbell, Paul Russo, Antony Winchester, Greg Berard and Russ Johnson for going above and beyond their daily duties in providing extra assistance, superb customer service and expertise to customers and clients.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Costantino, the Executive Director's Report was approved as presented by Mr. Godfrey at the May 15, 2014 Board meeting.

Approval of HOME Funds Awards

Carol Ventura, Director of Development, made this presentation. In accordance with an Advisory Opinion from the Ethics Commission, Mr. Godfrey did not participate in the review and recommendation of the HOME proposals since Mr. Godfrey's wife is the Executive Director of SWAP, one of the applicants for funding. Chairman Cortés represented the Board during the review of the proposals.

Ms. Ventura gave a brief overview of the proposed projects. Representatives from each of the proposed recipients were present and available to respond to questions from the Commissioners.

Rhode Island Housing has administered the HOME Investment Partnerships Program since 1992. Rhode Island Housing expects to execute a grant agreement with the United States Department of Housing and Urban Development (HUD) for FY 2014 HOME Program funds. Rhode Island Housing's allocation of 2014 HOME funds will be \$3,017,887 of which \$2,565,205 will be available to fund proposals.

In anticipation of an award of HOME funds for FY 2014, Rhode Island Housing issued a Request for Proposal in December, 2013. Rhode Island Housing received 26 proposals requesting \$7.6 million in HOME funds in response to the RFP. All applications were reviewed by staff. Additional information was requested where necessary, and staff conducted site visits of selected proposals. Following this staff review, presentations are made to the HOME Advisory Committee (the "Committee") which makes recommendations for funding to the Rhode Island Housing Board of Commissioners. The Committee consists of representatives of the Housing

Resource Commission, LISC, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. In accordance with procedures adopted by the Board of Commissioners, the Executive Director did not participate in the review or consideration of any of the applications since his spouse is the Executive Director of one of the agencies seeking funding.

Following this review, all applications were rated based upon the scoring system in the Third Amendment of the Rules and Regulations of the HOME Program as adopted by the Board on December 21, 2006. In addition, staff considered the requirements for HOME funding issued by the Department of Housing and Urban Development in its 2013 Final HOME Rule. These impose new contractual deadlines and stipulate that applicants have all other funding sources secured, with a budget and schedule established, before HOME funds can be committed to a project.

Of the 26 proposals submitted, thirteen indicated that the Rhode Island Housing HOME Program funding was either the only source from which they were seeking project funds or that all other funds had been previously committed. The remaining 13 applications are seeking financing under the Building Homes Rhode Island (BHRI) Program. The Housing Resources Commission is expected to announce awards under BHRI shortly. Therefore, the Committee will delay consideration of the remaining HOME proposals until those awards are made.

The thirteen applications that have all necessary financing in place were submitted to the Committee for review. The Committee convened on April 22, 2014, and recommends four (4) proposals for funding commitment in the total amount of \$542,539.

The four applications recommended for funding commitment in this round were submitted by nonprofit organizations. Of these nonprofit organizations, two are Community Housing Development Organizations (CHDOs). The proposed project sites are located in Cumberland, Tiverton, and Warwick. HOME regulations require that all of the funded homes be occupied by families and individuals with incomes not exceeding 80% of the area median and that 90% of the rental apartments be occupied by tenants with incomes not exceeding 60% of the area median. In this round, 21 HOME-assisted apartments will serve families and individuals with incomes not exceeding 50% of area median income.

A total of \$542,539 is recommended to be committed at this time. This amount will directly fund 21 rental and two homeownership opportunities. The recommended developments will produce an additional 42 affordable homes that are not HOME-assisted.

With the approval of these proposals, 21% of FY 2014 HOME project funds will be committed. These recommendations would increase the commitment of HOME Program funds since 1992 to \$87,368,914 to produce 4,328 affordable homes in 587 developments.

Upon a motion made by Commissioner Feisthamel and seconded by Commissioner McAllister 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”) expects to enter into an agreement with the U.S. Department of Housing and Urban Development to administer the HOME Program and;
- WHEREAS: Rhode Island Housing anticipates authorization to disburse \$3,017,887 in Federal Fiscal Year 2014 HOME funds to eligible entities in order to create affordable housing opportunities, and;
- WHEREAS: The applicants listed in Attachment B as presented at this meeting have submitted applications which meet the requirements of the HOME Program and;
- WHEREAS: Staff of Rhode Island Housing and the HOME Program Advisory Committee have reviewed each of the eligible applications submitted and the Advisory Committee has recommended that HOME funds be committed to the proposals listed in Attachment B as presented at this meeting.

NOW, THEREFORE, IT IS HEREBY:

- RESOLVED: That Rhode Island Housing commit \$542,539 in Fiscal Year 2014 HOME program funds and program income, in accordance with the program description as approved by the United States Department of Housing and Urban Development, to the proposals as recommended by the HOME Program Advisory Committee in Attachment B.
- RESOLVED: That the Director of Development is hereby authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.
- RESOLVED: That the foregoing resolution is subject to receipt of sufficient HOME funding from the U.S. Department of Housing and Urban Development.

Preliminary Financing for Charlesgate Park Apartments

Mr. Godfrey made this presentation.

This Request for Action (“RFA”) is for a preliminary commitment of tax exempt financing for Charlesgate Park Apartments (“the Development”), an existing 100 unit elderly development in Providence. The developer is Davenport Associates, Ltd. (“Davenport” or the “Developer”).

Charlesgate Park Apartments is located at 359 Montgomery Avenue in Providence. The Development consists of ninety-one (91) one bedroom and nine (9) two bedroom apartments in a single high-rise building that was constructed in 1978. The site was refinanced in 1997 using 9% housing tax credits. The initial compliance period ended in 2012 and the Developer is

seeking to refinance in order to take out the original investor limited partner and to rehabilitate the building. Since inception, Section 8 rental assistance has been provided for all 100 apartments through a Housing Assistance Payment (“HAP”) contract. A new 10-year HAP contract was executed in June 2008, and the development recently received a rent increase approval effective July 1, 2014.

The proposed transaction consists of the acquisition and moderate rehabilitation of the Development. Davenport Associates, Ltd. is the general partner of Charlesgate Park Affordable Housing Partners, L.P., (the current owner) and is responsible for the day-to-day operations of the development. A new limited partnership will be formed to purchase the property from the current owner. The new Limited Partnership will consist of an affiliate of Davenport Associates as general partner and a syndicator-sponsored tax credit fund as limited partner. The Developer will complete the renovations using the proceeds from the new loan and from the sale of housing tax credits to a new investor limited partner. Presently, proposed capital improvements include new roofing, upgraded kitchens and baths in all apartments, and upgraded elevator equipment. Rhode Island Housing staff will work with the Developer to prioritize upgrades and ensure consistency with an updated Capital Needs Assessment.

In addition to the revenue from the rental apartments, Charlesgate Park also receives revenue from three cell antenna leases (the “Antennae Lease Income”) associated with the building. The leases have been automatically renewed every 5 years since they were installed on the property in 2003. Recently, one was renewed in September 2013 and the other two were renewed in February and March 2014. The three leases result in net income to the property of approximately \$66,000 per year. Recognizing that technology can change quickly and there is risk associated with capitalizing debt using the Antennae Lease Income, Rhode Island Housing is discounting this income by 20% for underwriting purposes.

The Developer seeks a tax-exempt construction loan of \$5,900,000. Upon completion of construction, a portion of the tax-exempt first mortgage will be repaid with syndication proceeds. The mortgage will be underwritten to the lower of HAP or market rents (as determined by independent appraisal) plus the discounted Antennae Lease Income.

There is an Affordable Housing Trust (“AHT”) Note that was placed on the property in 1997 when the Development was initially preserved. This was early on in Rhode Island Housing’s efforts to preserve the larger Section 8 properties that were nearing the end of their original Regulatory Agreements. The AHT Note was employed to evidence the Partnership's obligation to pay 50% of syndication proceeds plus 50% of future available cash flow as consideration for the tax credits allocated in connection with enrolling in the Preservation Program. The amount of the AHT Note was calculated based on a reasonable estimate of expected syndication proceeds and future available cash flow and the AHT Note was assumed by the purchaser and included in the acquisition tax credit basis. The partnership has been making annual payments to pay down the Note. The Developer has requested that this AHT Note remain and be subordinated to the new financing.

Net sales proceeds from the transaction will be used to pay off the existing amortizing debt on the property as well as a loan from the existing partnership. The remaining amount after exit

taxes are paid will be distributed to the selling partners according to the terms of the existing limited partnership agreement.

The primary sources of funding are a first mortgage in the amount of \$5,900,000 and syndication equity from the sale of 4% housing tax credits. Other sources include existing reserves, a purchase note from the seller and the new partnership's assumption of the existing AHT Note. The permanent mortgage will be insured through FHA's Risk Share Program.

The Request for Action is for Preliminary Commitment of tax-exempt bond financing in an amount of \$5,900,000 of which \$4,100,000 will be permanent long term debt.

Upon a motion made by Commissioner Feisthamel and seconded by Commissioner Costantino 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: 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: Rhode Island Housing is authorized to issue bridge financing at an economically acceptable rate to promote the acquisition, rehabilitation or preservation of affordable housing;

Whereas: The applicant ("Applicant") listed below has presented an application to Rhode Island Housing requesting a mortgage financing to acquire and rehabilitate the development as set forth below (the "Development"):

<u>Development</u>	<u>Applicant</u>	<u>Tax Exempt Mortgage</u>
Charlesgate Park Apartments	Davenport Associates, Ltd.	\$5,900,000

Whereas: Staff has reviewed the submission and determined that the Development may qualify for financing under Rhode Island Housing’s enabling legislation, regulations, guidelines and policies.

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 declares preliminary approval for tax-exempt mortgage financing to a limited partnership to be formed by Davenport Associates, Ltd., in an amount not to exceed \$5,900,000 for rental housing known as Charlesgate Park Apartments located in Providence, Rhode Island to be financed, in part, by tax-exempt bonds;

Resolved: That Rhode Island Housing hereby declares that the preliminary commitment approval of financing for the Borrower constitutes the affirmative official act of Rhode Island Housing of its intention to issue bonds to finance up to a \$5,900,000 loan plus the required bond reserve funds and the related costs of issuance for the bond issue for the above-referenced Development pursuant to the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder;

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

- Acceptable final appraisal by an independent appraiser demonstrating that the new first mortgage does not exceed 90% of the as-stabilized value of the property.
- Approval by Rhode Island Housing of all members of the development team.
- Syndication equity from the sale of Housing Tax Credits in an amount sufficient to insure development feasibility.
- Approval by Rhode Island Housing of proposed capital improvements, construction plans, and specifications and construction documentation.
- Approval of the proposed operating budget.
- 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 50% of the permanent First Mortgage.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved: That the Executive Director, or the Director of Development, each acting singly, shall take any and all action they deem necessary to carry out the foregoing resolutions.

Approval of Second Mortgage for Esmond Village

Mr. Godfrey presented this request.

This Request for Action (“RFA”) is for approval of a second mortgage (the “Second Loan”) of \$900,000 for Esmond Village (the “Development”) an existing elderly development located in Smithfield. The developer is Manhattan Housing Specialists, Inc. (the “Developer”). The funds will be used to address capital needs of the Development.

Esmond Village is a garden-style apartment complex with 140 apartments, comprised of 122 one-bedrooms and 18 two-bedrooms in six three-story buildings along with an associated one-story office and common area building containing no dwellings. It was originally constructed and financed in 1978, refinanced in 1994 and again in 2003 under the Rhode Island Housing Preservation Program. There are 140 project-based Section 8 certificates assigned to the property on an annual basis. In addition to a full-time on-site property manager and maintenance supervisor, the property benefits from a resident services coordinator 20 hours per week funded by Rhode Island Housing’s Foundations of Senior Health (“FOSH”) Program.

The Development is managed efficiently and is generally well-maintained. The project is adequately meeting all existing financing obligations; however, HAP rents have historically been low and cash flow has not been sufficient in recent years to provide the owner with the funds necessary to address some capital needs, particularly building envelope work, replacement of some aging mechanical systems, and parking area resurfacing Esmond Village recently completed a rent comparability study and received approval for an increase in the HAP rents

that will allow them to amortize a loan for capital improvements. A Capital Needs Assessment (“CNA”) has been completed. Rhode Island Housing staff has worked with the Developer to arrive at plan to finance the necessary improvements identified in the CNA through an amortizing second loan and a portion of the existing Replacement Reserves

There is an existing Rhode Island Housing first mortgage (“First Loan”) with a principal balance of approximately \$4,825,000 that is insured under the FHA Risk Share program. The proposed Second Loan will amortize coterminous with the existing Rhode Island Housing First Loan, which is approximately 22 years. The Second Loan will not have mortgage insurance. Rhode Island Housing will commission an appraisal to ensure that the combined debt does not exceed 90% loan to value. The combined Debt Service Coverage (“DSC”) on the First and Second Loans will be at or above 1.10 in the first year and increase thereafter. The DSC on the insured First Loan is 1.3. All affordability provisions associated with the 2003 refinance will remain in place, which run through January 8, 2043.

Total development costs for the upgrades are approximately \$1,141,000. Proposed sources of funding for the improvements are (i) the Second Loan in the amount of \$900,000; (ii) Replacement Reserves totaling approximately \$207,000; and (iii) Deferred Developer Fee of \$34,028. Planned renovations to the Development include full siding replacement, full boiler replacement, replacement of existing toilets with low-flow units, and re-paving of parking areas.

The Request for Action is for Firm Approval of a taxable loan of up to \$900,000 with a term coterminous with the remaining term of the existing First Loan.

Upon a motion made by Commissioner McAllister and seconded by Commissioner McGreevy 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 Second Loan financing to complete necessary capital improvements as set forth below:

Development	Applicant	Second Loan
Esmond Village Apartments	Manhattan Housing Specialists, Inc.	\$900,000

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 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 approval of a Second Loan financing to HEALYN Properties, LLC (the “Borrower”) in an amount not to exceed \$900,000 for Esmond Village Apartments located at 75 Sebille Road, Smithfield, Rhode Island 02895.

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

- Approval by Rhode Island Housing of plans and specifications, construction contractor, construction contract and all construction documentation.
- Acceptable appraisal by an independent appraiser demonstrating that the existing first mortgage and proposed second 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.
- HUD approval of the modification of the First Loan.
- Completion of all items required for closing in accordance with normal underwriting and processing requirements.

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

Final Approval of Financing for Ashton Village Apartments

Mr. Godfrey delivered this presentation.

This Request for Action (“RFA”) is for a reservation of \$696,842 of 2013 and \$98,385 of 2014 Housing Tax Credits (“HTCs”) and firm commitment of a Rhode Island Housing First Mortgage of \$1,300,000 for Ashton Village (“the Development”), a family rental development with 53 apartments in Cumberland, RI. The developer is Valley Affordable Housing Corporation (“VAHC”, or the “Developer”).

Ashton Village received preliminary approval for a 2013 and/or 2014 HTC reservation and associated financing at the December 2013 Board meeting. 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 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 2012. VAHC purchased the property in 2012 from an individual who had owned the homes 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. One of the buildings owned by VAHC is being retained by VAHC as part of a potential collaboration with the Rhode Island Historical Preservation & Heritage Commission to develop a museum on mill 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 newly constructed 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 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. 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 mill complex.

Much progress has been made since the preliminary approval was granted in December. Construction pricing is now firm, an updated Phase I environmental review was received, and lead, asbestos and radon testing have been completed. Minor lead and asbestos remediation has been incorporated into the scope of work. Required relocation of existing residents to apartments both on and off site during construction has begun. Rhode Island Housing staff has been working closely with VAHC and the contractor to ensure that necessary relocation is being 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

The Developer and its consultant sought proposals from several potential syndicators and investors to ensure the highest market value for the credits. Red Stone Equity Partners was selected as the syndicator. Since a portion of the requested allocation will be comprised of 2013 9% HTC's, 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 as allowed under the Housing and Economic Recovery Act of 2008. This legislation fixed the rate at 9% for developments funded with 2013 or prior Housing Tax Credits. The development team, led by VAHC, has presented Rhode Island Housing with a credible schedule to meet the PIS requirement. Pending firm commitment the Developer is set to close the loan and begin construction by summer.

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 \$14,398,191. 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; (vi) Community Development Block Grant funds for softs costs awarded through the Town of Cumberland; (viii) Lead funds; and (viii) Deferred Developer Fee.

The Request for Action is for a reservation of \$795,227 of 2013 and/or 2014 Housing Tax Credits and firm commitment of a first mortgage in the amount of \$1,300,000.

Upon a motion made by Commissioner Costantino and seconded by Commissioner McAllister 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
Valley Affordable Housing Corp.	Ashton Village	\$795,227	\$1,300,000

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

Resolved, That, subject to the special conditions listed below, the Corporation hereby 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 \$1,300,000 (the “Loan”) for family housing located in Cumberland, Rhode Island.

Resolved, That, in order to fund the Loan to Ashton Village, Rhode Island Housing may enter into a \$1,300,000 loan arrangement with BankRI (the “BankRI Loan”) substantially in accordance with the terms outlined in the Request for Action to which this Resolution is attached; and

Resolved, That Rhode Island Housing may secure the BankRI Loan by granting to BankRI security or other interests in certain of Rhode Island Housing’s assets, including, without limitation, an assignment of Rhode Island Housing’s loan documents with Ashton Village; and

Resolved, That the Executive Director or the Director of Development (each, an “Authorized Officer”), acting singly, be and each hereby is authorized to enter into such documents with BankRI as it may require to evidence the BankRI Loan, including, without limitation, a loan agreement, special obligation note, and pledge and security agreement, each containing such terms and conditions as the Authorized Officer shall approve, each such determination to be conclusively evidenced by his/her execution thereof and each such determination is hereby fully and completely approved and adopted as the valid action of and by Rhode Island Housing, approved in all respects by the Commissioners of Rhode Island Housing;

Resolved, That the Authorized Officers be, and each of them hereby is, authorized, empowered and directed to take any and all action necessary to effectuate the purpose and intent of the foregoing resolutions, including, without limitation, (i) the execution and delivery on behalf of Rhode Island Housing of all such other agreements, documents and instruments and the performance by Rhode Island Housing thereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, and (ii) the consummation of the transactions contemplated hereby and the performance by Rhode Island Housing as required hereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, each such determination pursuant to the immediately preceding clauses (i) and (ii) to be conclusively evidenced by the taking of any such action by any Authorized Officer and each such determination is hereby fully and completely approved and adopted as the valid action of and by Rhode Island Housing, approved in all respects by the Board of Commissioners; and

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

- Final 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.

- 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.
- Final approval by Rhode Island Housing of construction plans and specifications and construction documentation.
- Approval of the proposed operating budget for the development.
- Receipt 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.

Resolved, That the Executive 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 Selection of Third Party Vendors for MAP Originated Loans

Mr. Godfrey provided an overview of this request.

This Request for Action (“RFA”) seeks approval to create an approved list of qualified vendors to prepare third party reports for the Development Division required in our role as an approved HUD Multifamily Accelerated Processing (“MAP”) lender to support the agency’s lending activities under various HUD/FHA loan programs.

Rhode Island Housing was approved as a MAP Lender by HUD in September 2013. Under the MAP Program, Rhode Island Housing as lender is required to engage third party vendors to provide an array of lending-related services. In March, Rhode Island Housing issued four Request for Proposals (“RFP”) seeking proposals from qualified firms to undertake the following activities required under the MAP program:

- Project Capital Needs Assessments (“PCNA”)
- Architectural Analysis
- Cost Analysis
- Environmental Assessment

Based on the responses, Rhode Island Housing seeks to establish lists of qualified firms for each required report, and will select firms on a project-by-project basis from the list of pre-qualified firms. The costs of these services will be paid by the borrower.

The RFPs were posted on both the Rhode Island Housing and State Purchasing websites. The RFPs were similar in regards to the submission requirements which focused on general firm information, resume of experience /resources, sample reports, proposed fee structure and required certifications.

Each of the four RFPs included an exhibit with a required Scope of Work specifically tailored to each of the reports.

After the RFPs were issued several questions were received in writing from entities interested in submitting responses. All questions and answers were posted on our website and the state's purchasing website so that all potential respondents had the same information as they prepared their submissions.

Three firms with a national reach, each responded at least two of the RFPs. In addition, 3 local firms responded to the Environmental Assessment RFP.

The RFP Review Committee, comprised of Rhode Island Housing staff from the Development Division, reviewed the proposals in accordance with the following evaluation and selection criteria:

- Qualifications
- Professional experience including experience with HUD and other MAP lenders
- Work samples
- Review of client list
- References
- Previous work performance with properties directly related to Rhode Island Housing lending, underwriting and disposition efforts, including quality of work and turnaround time
- Fee structure
- Ability to meet timelines
- Other pertinent information submitted

Because Rhode Island Housing is new to the MAP process and HUD/MAP requirements are demanding, previous experience in this area received the highest emphasis. Sample reports were reviewed for consistency and adherence to MAP program requirements. References were checked. A significant portion of the business model of the three national firms includes working for FHA, Fannie Mae and Freddie Mac multifamily lenders. Their experience with the MAP program will be useful to Rhode Island Housing.

The Committee recommends that the firms identified in Attachment B, be qualified to provide third party reports to Rhode Island Housing. One of the local firms which has experience with MAP requirements is recommended for Environmental Assessments. Two firms were not recommended for inclusion because (i) they have no experience in providing required reports to

other HUD/MAP lenders; and (ii) their fee structures were based on hourly rates however they did not include an estimate of the total hours for a typical assignment.

Upon a motion made by Commissioner McGreevy and seconded by Commissioner McAllister the following resolution was unanimously adopted with Attachment B as presented at the May 15, 2014 meeting.

**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 independent real estate evaluations for lending, construction review, purchase and disposition decisions and:

Whereas: Rhode Island Housing has solicited proposals from firms to qualify said firms in order to engage Project Capital Needs Assessments, Architectural Analysis, Cost Analysis and Environmental Assessments for multi-family developments; and

Whereas: Staff of Rhode Island Housing has reviewed each of the submitted proposals and recommends that the firms listed in Attachment B be deemed qualified to provide such services;

NOW, THEREFORE, IT IS HEREBY:

Resolved: That Rhode Island Housing is authorized to engage the firms listed in Attachment B for preparation of third party reports associated with its multi-family lending activity.

Resolved: That the Executive Director and the Director of Development, each acting singly be, and is hereby authorized to take any and all actions, including specifically the authority to solicit bids from the qualified firms and negotiate engagements of said firms as he or she may determine is in the best interest of Rhode Island Housing, and to execute any and all agreements and to take such further actions as he or she deems necessary to carry out the above resolution.

Final Approval of the Amended Rules and Regulations of the Corporation Applicable to the Rental Housing Capital Improvement Program

Ms. Ventura presented this request. In accordance with an Advisory Opinion from the Ethics Commission, Mr. Godfrey recused and did not participate in the review or recommendations of the Program. SWAP’s Executive Director, who is Mr. Godfrey’s wife, provided comments on the Program and therefore Mr. Godfrey recused from discussion of this request.

At the March 20, 2014 meeting, the Rhode Island Housing Board of Commissioners preliminarily approved and authorized publication of Amended Rules and Regulations of the

Corporation Applicable to the Rental Housing Capital Improvement Program (the "Regulations"). Rhode Island Housing posted the proposed Regulations to the Rhode Island Housing and Secretary of State's website and provided notice of a public hearing to be held on May 2nd. In addition, notice of the proposed Regulations was sent electronically to interested parties and our partners.

A public hearing was held at the offices of Rhode Island Housing on Friday, May 2, 2014. No one from the public attended the public hearing. One written comment was received on the proposed Regulation from SWAP, Inc.

The proposed Regulations require that a development proposed for assistance have first mortgage financing from Rhode Island Housing. SWAP, Inc. has commented that although some developments may not have first mortgage financing with Rhode Island Housing, there may have been significant investment of other resources by Rhode Island Housing in these transactions, and that such a development should be eligible for assistance under the Program. Staff agrees that prior significant investment by Rhode Island Housing should be considered when providing CIP resources to a development. Staff recommends that the first mortgage financing requirement be eliminated from the proposed Regulations to allow Program assistance to be provided to developments that do not have first mortgage financing with Rhode Island Housing.

The Amended Rules and Regulations of the Corporation Applicable to the Rental Housing Capital Improvement Program will become effective after approval by the Board of Commissioners and 20 days after filing with the Secretary of State.

Staff recommends that the Board of Commissioners approve the attached Resolution adopting the Amended Rules and Regulations of the Corporation Applicable to the Rental Housing Capital Improvement Program.

Upon a motion made by Commissioner McAllister and seconded by Commissioner McGreevy the following resolution was unanimously adopted:

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

WHEREAS, Rhode Island Housing on April 17, 2014 authorized the promulgation of the Amended Rules and Regulations of the Corporation Applicable to the Rental Housing Capital Improvement Program (the "Regulations"); and

WHEREAS, notice of the proposed Regulations has been given in accordance with the Administrative Procedures Act, as set forth in Chapter 42-35 of the General Laws of Rhode Island of 1956, as amended; and

WHEREAS, Rhode Island Housing received one comment regarding the proposed Regulations, which suggestion has been adopted and incorporated in the proposed Regulations; and

WHEREAS, Rhode Island Housing has determined that there is no alternative approach among the alternatives considered during the rulemaking proceeding which would be as effective and less burdensome to affected private persons; as another regulation, and that the proposed Regulations do not overlap or duplicate any other state regulation; and

WHEREAS, Rhode Island Housing believes that it is necessary to adopt the proposed Regulations to provide financing for the existing Rhode Island Housing-financed portfolio of multi-family rental developments that are in need of capital improvements to insure that residents are housed in a safe and healthy environment; and

WHEREAS, pursuant to the provisions of Section 42-35-3 of the General Laws of Rhode Island as amended, consideration has also been given in developing the proposed Regulations to any significant economic impact the proposed Regulations may have on small business as defined in Section 42-35-1(h) of the General Laws of Rhode Island, 1956, as amended, and to any adverse economic impact on any city or town and based on the information available, no significant economic impact on small business and no adverse economic impact on any city or town was identified.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Amended Rules and Regulations of the Corporation Applicable to the Rental Housing Capital Improvement Program as attached hereto are hereby adopted in their entirety.

RESOLVED: That the Executive Director or his designee be, and hereby is, authorized, empowered and directed to file or cause to be filed the proposed Regulations in duplicate with the Secretary of the State of Rhode Island (the "Secretary"), to execute or cause to be executed any and all certificates, instruments, letters of instruction and documents as shall be required to cause the filing of the proposed Regulations with the Secretary, and to take such further action as he, in his sole discretion, shall deem necessary or desirable to effectuate the proposed Regulations.

Final Approval of the Amended Rules and Regulations of the Corporation Applicable to the Homeless Facility Improvement and Operating Deficit Program

Mr. Godfrey presented this item.

At the March 20, 2014 meeting, the Rhode Island Housing Board of Commissioners preliminarily approved and authorized publication of the Amended Rules and Regulations of the Corporation Applicable to the Homeless Facility Improvement and Operating Deficit Program. Rhode Island Housing published the proposed amended regulations to the Rhode Island

Housing and Secretary of State's website and provided notice of a public hearing to be held on May 2nd. In addition, notice of the proposed amended regulations was sent electronically to interested parties and our partners.

A public hearing was held at the offices of Rhode Island Housing on Friday, May 2, 2014. No one from the public attended the public hearing. No written comments were received from the public.

The Amended Rules and Regulations of the Corporation Applicable to the Homeless Facility Improvement and Operating Deficit Program will become effective upon approval by the Rhode Island Housing Board of Commissioners and 20 days after filing with the Secretary of State.

Upon a motion made by Commissioner McGreevy and seconded by Commissioner McAllister the following resolution was unanimously adopted:

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

WHEREAS, Rhode Island Housing on April 17, 2014 authorized the promulgation of the Amended Rules and Regulations of the Corporation Applicable to the Homeless Facility Improvement and Operating Deficit Program (the "Regulations"); and

WHEREAS, notice of the proposed Regulations has been given in accordance with the Administrative Procedures Act, as set forth in Chapter 42-35 of the General Laws of Rhode Island of 1956, as amended; and

WHEREAS, no comment or other response has been received by Rhode Island Housing from any person regarding the proposed Regulations; and

WHEREAS, Rhode Island Housing has determined that there is no alternative approach among the alternatives considered during the rulemaking proceeding which would be as effective and less burdensome to affected private persons; as another regulation, and that the proposed Regulations do not overlap or duplicate any other state regulation; and

WHEREAS, Rhode Island Housing believes that it is necessary to adopt the proposed Regulations to provide financing for Homeless shelters and transitional housing developments in Rhode Island that are in need of significant upgrades to insure that residents are housed in a safe and healthy environment; and

WHEREAS, pursuant to the provisions of Section 42-35-3 of the General Laws of Rhode Island as amended, consideration has also been given in developing the proposed Regulations to any significant economic impact the proposed Regulations may have on small business as defined in Section 42-35-1(h) of the General Laws of Rhode Island, 1956, as amended, and to any adverse economic impact on any city

or town and based on the information available, no significant economic impact on small business and no adverse economic impact on any city or town was identified.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Amended Rules and Regulations of the Corporation Applicable to the Homeless Facility Improvement and Operating Deficit Program as attached hereto are hereby adopted in their entirety.

RESOLVED: That the Executive Director or his designee be, and hereby is, authorized, empowered and directed to file or cause to be filed the proposed Regulations in duplicate with the Secretary of the State of Rhode Island (the "Secretary"), to execute or cause to be executed any and all certificates, instruments, letters of instruction and documents as shall be required to cause the filing of the proposed Regulations with the Secretary, and to take such further action as he, in his sole discretion, shall deem necessary or desirable to effectuate the proposed Regulations.

Approval of Draft 2015 Qualified Allocation Plan (QAP)

Mr. Godfrey presented this item.

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 allocating agency must conduct a Public hearing and a subsequent public comment period on Plan 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 July 2013.

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

Section I.C.3	Housing Needs
Section II.B	Project Selection Process
Section III.A.,B,C	Tax Credit Review Criteria
Section VI.B	Underwriting Fee

The most substantive change to the Plan is at Section III. Following a request from the Board and our partners, staff researched national practices and developed a scoring system for evaluation of applications for Housing Tax Credits. An external committee was formed to solicit feedback on the proposed scoring system. The committee included: Joseph Garlick,

Executive Director of NeighborWorks Blackstone River Valley; Sharon Wells, Executive Director of West Elmwood Housing Development Corporation; Barbara Sokoloff of Barbara Sokoloff Associates; Jeanne Cola, Executive Director of LISC; Paul Dimeo, Vice Chair of the Board of Commissioners; Blake Collins, designee for Beth Cotter House Oversight; and Andrew Cortes, Chairman of the Board of Commissioners.

Two meetings were conducted with the external committee and the participants provided feedback on the application process and the scoring metrics. In addition, on March 13, 2014 Rhode Island Housing staff presented the revised Housing Priorities, Threshold Criteria and Scoring to external partners for questions and comments. After extensive engagement with our partners, Rhode Island Housing staff has developed the Housing Priorities, Threshold and Scoring Criteria for the review of applications and award of Housing Tax Credits under the state's Qualified Allocation Plan.

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 1, 2014. The public hearing will be held on or about July 8, 2014. Final submission to the Board of Commissioners will be on or about August 21, 2014.

Staff recommends that the Board of Commissioners approve the attached Resolution authorizing publication of Rhode Island Housing's notice of its intent to approve and adopt the Plan as set forth in Attachment C.

Chairman Cortés thanked Ms. Ventura and staff for the excellent work in drafting and incorporating the public's input into the Plan. The Chairman also applauded Jeanne Cola, Executive Director of LISC for her insights and assistance.

Upon a motion made by Commissioner Costantino and seconded by Commissioner McGreevy 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 May 15, 2014 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 of the state 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.

Executive session pursuant to RI Gen Laws 42-46-5(a)(2) for the purpose of discussing the litigation matter captioned Gayle Corrigan v. Rhode Island Housing and Mortgage Finance Corporation and Richard H. Godfrey, Jr., C.A. No. 14-54-S (U.S. Dist. Ct.) with outside legal counsel.

Chairman Cortés called for a closed session at approximately 9:12 a.m. pursuant to R.I.G.L. Section 42-46-5 (a) (2) to discuss litigation matters. The motion was made by Commissioner McAllister and seconded by Commissioner McGreevy.

Upon a roll call vote each of the commissioners voted in favor of the motion for a closed session.

The closed session ended at approximately 9:36 a.m. and Chairman Cortés reconvened the Board in open session.

A motion to seal the minutes of the closed session was duly made by Commissioner McAllister and seconded by Commissioner McGreevy, which was unanimously adopted by the Commissioners.

There being no further business to discuss, the open meeting was adjourned at approximately 9:37 a.m.

Respectfully submitted,

Richard Godfrey
Secretary and Executive Director