

**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, April 16, 2015 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were Vice Chair Macky McCleary, Director of Business Regulations (arrived at 8:34); Michael DiBiase, Director of Administration; Seth Magaziner, General Treasurer; James DeRentis; and Stephen P. McAllister. Joe Monteiro was absent.

Also in attendance were: Barbara Fields, Executive Director; Carol Ventura, Deputy Director; Gayle Corrigan, Deputy Director; Kara Lachapelle, Director of Finance; Leslie McKnight, Director of Servicing; Carlos Hernandez, Director of Resident Services; Peter Walsh, Director of Homeownership and Customer Service; Paige Bronk, Director of Development; 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.

As Vice Chair McCleary was running late, Commissioner Magaziner called the meeting to order at approximately 8:30 a.m. and noted that a quorum was present.

Approval of Minutes of Board Meeting Held on March 19, 2015

Upon a motion made by Commissioner DiBiase and seconded by Commissioner DeRentis, the following was unanimously adopted:

VOTED: That the Minutes of the Board Meeting held on March 19, 2015 be and hereby are approved.

Chair's Report

Commissioner Magaziner deferred this report until the arrival of Vice Chair McCleary.

Committee Reports

There were no committee meetings held in April.

Executive Director's Review of Recent Activities and Trends

Ms. Fields welcomed Ellen Balasco, of Commissioner McCleary's office and then referred the Commissioners to her written report and commented on a few topics of interest.

Ms. Fields noted that mortgage volume in 2015 continues to be ahead of 2014 on a YTD basis. Through March, registrations were up by 103% and originations by 140%. In the first three months of 2015, 237 mortgages were closed compared to 102 in 2014.

Ms. Fields next asked Ms. McKnight, Director of Servicing to comment on the single-family portfolio delinquency rates. Ms. McKnight stated that the delinquency chart compares March 2015 to February 2015 showing that the Agency had 140 fewer delinquent loans for a 2.56% reduction in total delinquency. While typically there is a reduction in delinquency in March (primarily due to income tax refunds), the report represents the lowest number of delinquent loans since March 2009 and the lowest delinquency percentage since April 2009.

Commissioner McCleary arrived at this point at 8:35 a.m.

Ms. Fields noted that the recent Realtor Breakfast once again broke attendance records, with 325 registrants in attendance to kick off the spring homebuying season. Rhode Island Housing recognized Coastway Community Bank as the top lender and HomeStar Mortgage as the top FirstHomes Tax Credit lender for 2014. State Senator Mark Gee also joined Ms. Fields at the breakfast.

Ms. Fields announced that the Rhode Island Housing HelpCenter received a clean Quality Control and Compliance Audit of its NeighborWorks NFMC Grant Rounds 6 & 7. This audit covered program administration review. Previously the Agency received a clean audit on a Full File Review. This grant provides partial funding for the HelpCenter to assist customers struggling to pay their mortgage. HelpCenter activity continues to be brisk, with 122 counseling sessions conducted in March. Also during the month, 33 modifications were approved, at an average savings to the borrowers of \$305 a month.

Ms. Fields next provided an update on the Rhode Island Continuum of Care activity. Michelle Brophy, Director of Policy Implementation with BHDDH, was elected Chairperson of the Continuum of Care. Staff continues to work with the State Office of Management & Budget (OMB) to review drawdown requests and is in the final weeks of the FY13 and FY14 re-budgeting presentations. It is expected that FY13 re-budgeting approvals will be finalized by the first week of May.

Ms. Fields noted that Kara Lachapelle, Rhode Island Housing's CFO, was named CFO of the year of a Rhode Island quasi-public agency by the Providence Business News. She will be honored at their upcoming awards ceremony and in a future supplement of PBN.

Ms. Fields stated that GrowSmart RI has selected North Cove in North Kingstown, one of the Agency's developments, for a Smart Growth Award. An awards ceremony is scheduled for May 21, 2015.

Finally, Ms. Fields invited the Commissioners to join her at the Lender Breakfast on April 24 at the Crowne Plaza. State Treasurer and Commissioners member Seth Magaziner will be speaking at the event.

Chair's Report

Vice Chair McCleary noted that Andrew Cortés had decided to resign from the Board. Vice Chair McCleary expressed his appreciation and gratitude to Mr. Cortes for his past leadership of Rhode Island Housing and his unqualified support and assistance during the transition period.

Vice Chair McCleary congratulated Kara Lachapelle on her recent award and commented on the depth of knowledge of the Agency and staff's dedication to the mission of affordable housing for all Rhode Islanders.

Approval of External Charitable Donations and Contributions

Ms. Fields made this presentation.

This Request for Action is for approval and ratification of Charitable Donations and Contribution of Rhode Island Housing pursuant to the Quasi-Public Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws (the "Act").

Rhode Island Housing is a public corporation of the State of Rhode Island. In carrying out its statutorily defined public purposes, Rhode Island Housing collaborates with a number of organizations that share and advance its mission.

In some instances, Rhode Island Housing is asked to financially support programs and activities of organizations engaged in activities that are consistent with and further our public purposes. We are often invited by our community partners to attend or gain recognition at community events, such as annual meetings or fundraisers, where our organizational presence is necessary or desirable.

At its meeting of December 11, 2014, the Board adopted the Handbook of Policies and Procedures to Ensure Accountability (the "Handbook") pursuant to the Act. Section C of the Handbook sets forth Rhode Island Housing's policy on charitable and civic donation. This Section provides that, consistent with the Act, all Charitable Donations and Contributions must be approved or ratified by the full Board at an open meeting.

Attachment A sets forth events for the months of April and May for which Rhode Island Housing has or will make a Charitable Donation or Contribution. This Attachment identifies the recipient of the expenditure, the amount of the expenditure, the nature of the event, each Board member of employee who will receive any benefit from the expenditure and the general ledger account number where the expenditure will be recorded in Rhode Island Housing's accounting system. None of these expenditures requires any disclosure under the Rhode Island Code of Ethics.

Rhode Island Housing's support of the work of the organizations listed on Attachment A further our corporate purposes encouraging and stimulate development of housing to alleviate the shortage of safe and sanitary residential housing for low- and moderate-income persons as set forth in R.I.G.L. §42-55-2(a). The Providence Chamber of Commerce events provide an opportunity to communicate with the Rhode Island Congressional delegation regarding federal housing policy and its impact on Rhode Island, and participate in a conversation at the state lever regarding the economic impact of housing development. AIDS Care Ocean State is the principal nonprofit in the state addressing the housing and supportive services needs of people in Rhode Island living with

HIV/AIDS. ACOS is an important partner of Rhode Island Housing's in meeting the housing needs of that population. The work of each of these organizations further and support Rhode Island Housing's mission.

Upon a motion made by Commissioner Magaziner and seconded by Commissioner McAllsiter, the following resolution was unanimously adopted.

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

Whereas, the legislative findings set forth in Rhode Island Housing's enabling act (R.I.G.L. §42-55-2(a)) provide that the serious shortage of safe and sanitary residential housing leads to environmental decline, depreciated value, reduced tax-paying capacity and impaired investment in the communities of the state; and

Whereas, Rhode Island Housing is authorized by statute to take action to encourage new housing in an orderly and sustained manner and to encourage and stimulate the construction of such housing through public financial support; and

Whereas, the organizations set forth in Attachment A presented at this meeting have asked Rhode Island Housing to provide financial support of their activities as described in Attachment A; and

Whereas, these organizations play an important role in community revitalization and the development of affordable homes for low and moderate income families and individuals and in influencing state policy that impact Rhode Island Housing's mission; and

Whereas, Rhode Island Housing staff has reviewed the requests for financial support and determined that it is consistent with Rhode Island Housing's legislative purposes; and

Whereas, Attachment A sets forth the information required by the Quasi-Public Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws

NOW, THEREFORE, IT IS HEREBY:

Resolved, that the expenditures set forth in Attachment A are consistent with and in furtherance of the mission of Rhode Island Housing.

Resolved, the expenditures set forth in Attachment A are hereby approved and ratified.

Resolved, That the Executive Director and any Deputy Director, each acting singly, are hereby authorized and directed to take any and all actions they deem necessary and appropriate to carry out the forgoing Resolutions.

Convening of the Section 8 Committee

Upon a motion made by Commissioner Magaziner and seconded by Commissioner DeRentis the Board unanimously adopted a motion to convene a meeting of the Section 8 Committee of the Board of Commissioners to consider approval of the PHA 5 year and Annual PHA Plan. The Section 8 Committee Meeting was convened at 8:46 am.

Vice Chair McCleary introduced and welcomed Carol Baptista, a resident participant of the certificate and voucher program administered by Rhode Island Housing in its role as a Public Housing Authority as the Resident Member of the Section 8 Committee.

Approval of PHA 5 Year and Annual PHA Plan

Carlos Hernandez, Director of Resident Services gave this presentation.

Rhode Island Housing acts as a Public Housing Authority (PHA) with respect to its administration of the Section 8 tenant-based subsidy program. In accordance with section 5121 of the Quality Housing and Work Responsibility Act of 1998, Rhode Island Housing must annually adopt a PHA Five-Year and Annual Plan (the “PHA Plan”) for the Section 8 tenant-based program that establishes goals and objectives to meet the jurisdiction’s housing needs. The PHA Plan includes Rhode Island Housing’s strategies to achieve objectives in the areas of expanding the supply of assisted housing, promoting family self-sufficiency and ensuring equal opportunity in housing.

In order to comply with the requirements for the Quality Housing and Work Responsibility Act, program participants were randomly selected to review the plan, a public hearing was held and a forty-five day public comment period was scheduled. A review was done by our development staff to ensure consistency with the State’s comprehensive plan. The PHA Annual Plan must be approved by the Board of Commissioners, and be forwarded to the Department of Housing and Urban Development.

Attachment B sets forth the components of the Streamlined PHA 5-Year and Annual Plan for Fiscal Year 2013. The Plan, in its entirety, is available for review at Rhode Island Housing in the Resident Services Division Section 8 Department.

Upon a motion made by Commissioner McAllister and seconded by Commissioner DeRentis, the following resolution was unanimously adopted.

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

WHEREAS, Rhode Island Housing, in its capacity as a Public Housing Authority is required to adopt a PHA 5-Year and Annual Plan for the Section 8 Tenant-Based program to comply with section 511 of the Quality Housing and Work Responsibility Act of 1998.

NOW, THEREFORE, IT IS

RESOLVED, Rhode Island Housing, in its capacity as a Public Housing Authority, be and hereby is authorized to adopt the PHA 5-Year and Annual Plan for the Section 8 Tenant-Based Program substantially in the form as presented at this meeting to comply with the requirements of the Quality Housing and Work Responsibility Act of 1998.

RESOLVED, That the Executive Director, any Deputy Director, and the Director of Resident Services be, and is, authorized to take any action they deem necessary to carry out the foregoing resolution.

Upon a motion by Commissioner McAllister and seconded by Commissioner DeRentis, the Section 8 Committee adjourned at 8:51 a.m. and Vice Chair McCleary reconvened the full Board in open session.

Final Approval of Authorization to Repeal Regulations Governing Capital Fund Grants for Emergency Shelters

Mr. Milito, Deputy Assistant Director made this presentation.

Commissioner Magaziner recused from the discussion or vote of this matter due to fact the Treasurer is a board member of Crossroads, and agency that owns and manages emergency shelters subject to these regulations.

At the February 19, 2015 meeting of the Rhode Island Housing Board of Commissioners, the Board preliminarily approved the repeal of the Rules and Regulations of the Corporation Governing Capital Fund Grants for Emergency Shelters and authorized the publication of several required notices to such effect. Rhode Island Housing published the public notice of proposed rulemaking, concise summary of non-technical amendments, and the text of the proposed repeal on the Secretary of State's website on February 19th, which marked the start of a thirty-day public comment period. In accordance with R.I. Gen. Laws § 42-35-3, the public notice also invited interested persons and groups to request an oral hearing and provided instructions for making such requests.

No written comments were received from the public. Rhode Island Housing did not receive any requests for an oral hearing with respect to the repeal. As a result, pursuant to R.I. Gen. Laws § 42-35-3(a)(2), no hearing was required.

The repeal of the Rules and Regulations of the Corporation Governing Capital Fund Grants for Emergency Shelters 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 McAllister and seconded by Commissioner DeRentis the following resolution was approved with four votes in favor, none opposed and one recusal by Commissioner Magaziner. Commissioner Magaziner did not participate in the discussion, consideration or vote on this resolution.

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

WHEREAS, On February 19, 2015 the Board of Commissioners preliminarily authorized the repeal of the Rules and Regulations of the Corporation Governing Capital Fund Grants for Emergency Shelters (the "Rule"); and

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

WHEREAS, No comment or other response has been received by Rhode Island Housing from any person or group regarding the proposed repeal of the Rule; and

WHEREAS, Rhode Island Housing believes that it is necessary to repeal the Rule in order to prevent any actual or perceived duplication, overlap or obsolescence among the agency's published rules, which may arise from the adoption of replacement regulations, which became effective June 2014; and

WHEREAS, Pursuant to the provisions of section 42-35-3 of the Rhode Island General Laws, as amended, consideration has been given to any significant economic impact the proposed repeal may have on small business (as such term is defined in Section 42-35-1(9) of the General Laws), 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 Rules and Regulations of the Corporation Governing Capital Fund Grants for Emergency Shelters are hereby repealed in their entirety.

RESOLVED: That the Acting Executive Director and each Deputy Director, each acting singly, be, and hereby are, authorized and empowered and directed to file or cause to be filed the repeal of the Rule with the Office of the Secretary of State, 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 repeal of the Rule with such office, and to take such further action as she, in her sole discretion, shall deem necessary or desirable to effectuate the proposed repeal.

Firm Approval of Authorization to Repeal Regulations Governing the Cooperative Housing Demonstration Program

Mr. Milito, Deputy Assistant Director gave the presentation.

At the February 19, 2015 meeting of the Rhode Island Housing Board of Commissioners, the Board preliminarily approved the repeal of the Rules and Regulations of the Corporation Applicable to the Cooperative Housing Demonstration Program and authorized the publication of several required notices to such effect. Rhode Island Housing published the public notice of proposed rulemaking,

concise summary of non-technical amendments, and the text of the proposed repeal on the Secretary of State's website on February 19th, which marked the start of a thirty-day public comment period. In accordance with R.I. Gen. Laws § 42-35-3, the public notice also invited interested persons and groups to request an oral hearing and provided instructions for making such requests.

No written comments were received from the public. Rhode Island Housing did not receive any requests for an oral hearing with respect to the repeal. As a result, pursuant to R.I. Gen. Laws § 42-35-3(a)(2), no hearing was required.

The repeal of the Rules and Regulations of the Corporation Applicable to the Cooperative Housing Demonstration 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 McAllister and seconded by Commissioner DeRentis, the following resolution was unanimously adopted.

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

WHEREAS, On February 19, 2015 the Board of Commissioners preliminarily authorized the repeal of the Rules and Regulations of the Corporation Applicable to the Cooperative Housing Demonstration Program (the "Rule"); and

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

WHEREAS, No comment or other response has been received by Rhode Island Housing from any person or group regarding the proposed repeal of the Rule; and

WHEREAS, Rhode Island Housing believes that it is necessary to repeal the Rule in order to prevent any actual or perceived duplication, overlap or obsolescence among the agency's published rules; and

WHEREAS, Pursuant to the provisions of section 42-35-3 of the Rhode Island General Laws, as amended, consideration has been given to any significant economic impact the proposed repeal may have on small business (as such term is defined in Section 42-35-1(9) of the General Laws), 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 Rules and Regulations of the Corporation Applicable to the Cooperative Housing Demonstration Program are hereby repealed in their entirety.

RESOLVED: That the Acting Executive Director and each Deputy Director, each acting singly, be, and hereby are, authorized and empowered and directed to file or cause to be filed

the repeal of the Rule with the Office of the Secretary of State, 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 repeal of the Rule with such office, and to take such further action as she, in her sole discretion, shall deem necessary or desirable to effectuate the proposed repeal.

Approval of First Amendment to the Rules and Regulations of the Corporation Applicable to the Mortgage Certificate Program

Mr. Milito, Deputy Assistant Director made this presentation.

At the February 19, 2015 meeting of the Rhode Island Housing Board of Commissioners, the Board preliminarily approved the First Amendment to the Rules and Regulations of the Corporation Applicable to the Mortgage Credit Certificate Program and authorized the publication of several required notices to such effect. Rhode Island Housing published the public notice of proposed rulemaking, concise summary of non-technical amendments, and the text of the proposed amendment on the Secretary of State's website on March 2, which marked the start of a thirty-day public comment period. In accordance with R.I. Gen. Laws § 42-35-3, the public notice also invited interested persons and groups to request an oral hearing and provided instructions for making such requests.

No written comments were received from the public. Rhode Island Housing did not receive any requests for an oral hearing with respect to the Rule. As a result, pursuant to R.I. Gen. Laws § 42-35-3(a)(2), no hearing was required.

The First Amendment to the Rules and Regulations of the Corporation Applicable to the Mortgage Credit Certificate Program will become effective upon approval by the Rhode Island Housing 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 First Amendment to the Rules and Regulations of the Corporation Applicable to the Mortgage Credit Certificate Program.

Upon a motion made by Commissioner DeRentis 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, On February 19, 2015 the Board of Commissioners preliminarily authorized the adoption of the First Amendment to the Rules and Regulations of the Corporation Applicable to the Mortgage Credit Certificate Program (the "Rule"); and

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

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

WHEREAS, Rhode Island Housing believes that it is necessary to adopt the Rule in order to clarify, simplify, and improve the efficiency of the Mortgage Credit Certificate Program described therein; improve readability and correct typographical errors in the existing regulation; and enhance operational transparency; and

WHEREAS, Pursuant to the provisions of section 42-35-3 of the Rhode Island General Laws, as amended, consideration has been given to any significant economic impact the Rule may have on small business (as such term is defined in Section 42-35-1(9) of the General Laws), 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 First Amendment to the Rules and Regulations of the Corporation Applicable to the Mortgage Credit Certificate Program is hereby adopted in the form attached hereto.

RESOLVED: That the Acting Executive Director and each Deputy Director, each acting singly, be, and hereby are, authorized and empowered and directed to file or cause to be filed the Rule with the Office of the Secretary of State, 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 Rule with such office, and to take such further action as she, in her sole discretion, shall deem necessary or desirable to effectuate the proposed filing.

Preliminary Approval of Financing for Washington Valley Housing

Ms. Ventura, Deputy Director presented this request and welcomed Peter Bouchard, Executive Director of Valley Affordable Housing to the meeting.

This Request for Action (“RFA”) is for a preliminary commitment of tax-exempt financing for Washington Valley Housing (“the Development”), a 35-apartment development located in Charlestown. The co-developers are Washington County Community Development Corporation and Valley Affordable Housing (collectively the “Developer”).

Washington Valley Housing involves the construction of 33 new apartments and renovation of an existing duplex for a total of 35 apartments at two locations that are approximately 4 miles apart. The first site, known as Churchwoods (“CW”), is located on Old Post Road. It will provide 24 one-bedroom, age-restricted apartments for households with all members over the age of 55. The second site, known as Shannock Village Cottages (“SVC”), is located on Shannock Village Road. SVC will include nine new two-bedroom apartments and the renovation of an existing historic duplex structure. Shannock Village is an historic mill village that lies on both sides of the Pawcatuck River in Richmond and Charlestown. The renovation of the existing historic home will further the recent revitalization currently underway in Shannock Village to renew the town’s existing historic fabric.

Both sites have been designed to fit in with the immediate and surrounding community. The Town of Charlestown has granted Master Plan approval for both locations and has committed to taxing the Development at 8% of the gross potential income. The Town has further supported the Development by approving \$100,000 in predevelopment funding and \$600,000 toward the acquisition costs. Finally, the Town also supported a successful application to the state for \$4.4 million of HUD Community Development Block Grant (“CDBG”) Disaster Recovery funding that was available as a result of the 2010 floods. The Disaster Recovery funding is earmarked specifically for the 24 age-restricted apartments. By leveraging the Disaster Recovery funding along with tax-exempt bonds and low income housing tax credits (“LIHTC”), the Developer will also be able to build the 11 family apartments. In addition to the tax credits and Disaster Recovery funding, the Developer is seeking approval of HOME and Building Homes Rhode Island program funds.

The demand for affordable rental housing in Charlestown is significant. Currently only 2% of the town’s existing housing stock is considered affordable. Recent market studies confirm that there is significant demand for both family and senior housing. The rents for the proposed apartments are nearly 50% lower than the current market rents for comparable properties.

The Development is expected to generate 45 construction jobs. The overall construction costs are high for this Development because the Disaster Recovery funds require compliance with the Davis Bacon Act, which increases construction costs by approximately 20%. In addition, the rural location requires significant infrastructure development and the installation of septic systems at both locations.

While the sites have master plan approval from the Town, additional approvals from the Rhode Island Department of Environmental Management (“RIDEM”) and the Coastal Resources Management Council (“CRMC”) are required before final planning and zoning approvals can be granted by the Town.

The primary sources of funding are (i) a Rhode Island Housing tax exempt construction loan that will be fully repaid at project completion, (ii) syndication equity from the sale of 4% housing tax credits, (iii) Community Development Block Grant Disaster Recovery funding from the State of Rhode Island, (iv) Building Homes Rhode Island funds from the Rhode Island Housing Resources Commission, (v) Community Development Block Grant funds, (vi) Rhode Island Housing Lead Funds, and (vii) funds from the Town of Charlestown.

The Request for Action is for Preliminary Commitment of tax-exempt bond financing in an amount of \$5,000,000.

Treasurer Magaziner requested that a training session for Commissioners regarding the essentials of multi-family housing finance. Ms. Fields stated that we would be conducting a session soon for Commissioners.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Magaziner, 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 two (2) 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>
Washington Valley Housing	Washington County CDC and Valley Affordable Housing	\$5,000,000

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 Washington County Community Development Corporation and Valley Affordable Housing, in an amount not to exceed \$5,000,000 for rental housing to be known as Washington Valley Housing located in Charlestown, 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 \$5,000,000 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:

- The award of Rhode Island Housing HOME funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
- The award of Building Homes Rhode Island and Community Development Block Grant funds sufficient to make the project feasible, or the availability of alternative forms of equity satisfactory to Rhode Island Housing;
- 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.
- Final approval of plans and specifications by Rhode Island Housing and final agreement with General Contractor on construction costs;
- Approval of the proposed operating budget.
- Approval by Rhode Island Housing of all management related issues;
- Approval by bond underwriter and bond counsel that the loans will satisfy all required bond provisions for the bond issue

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

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

Approval of Reservation of Tax Credits and Preliminary Approval of Financing for Revitalize Southside

Ms. Ventura made this presentation and Mr. Bronk, Director of Development, provided additional comments.

This Request for Action (“RFA”) is for a reservation of \$639,268 of 2015 Housing Tax Credits (“HTCs”), and preliminary approval of a Construction Loan of \$5,500,000 for Revitalize SouthSide (“RSS” or the “Development”), a fifty-three unit family rental development in Providence, RI. The developer is S.W.A.P., Inc. (“SWAP”, or the “Developer”).

Revitalize SouthSide is the current phase of a 17-year plan by SWAP to revitalize Upper and Lower South Providence with affordable housing, commercial spaces, and community spaces. This phase incorporates elements of all three in mixed-use buildings at significant locations in the neighborhood and includes the preservation of Providence Tanner, an existing affordable housing development that provides large family apartments.

Specifically, RSS proposes (i) the preservation of Providence Tanner, a 27-unit LIHTC development that is at the end of its initial 15-year compliance period and (ii) the new construction of 26 apartments on four separate parcels, two of which will include a total of 2,400 square feet of commercial space. The proposed new buildings are all located on vacant lots that are in close proximity to other SWAP developments. Two of the new construction sites are currently under site control via the Rhode Island Housing Land Bank, one is controlled by SWAP as the Providence Redevelopment Authority’s Designee, and one is owned outright by SWAP.

The current application represents the second submission of the RSS proposal. SWAP originally submitted a similar proposal for the Development to Rhode Island Housing as a part of the 2014 Tax Credit application. The project did not receive funding at that time due to the need for zoning relief on two parcels. The Developer has used the intervening time to redesign the buildings and site plans, resulting in more compact buildings with efficient unit layouts, which can be built by right under Providence’s current zoning ordinances. The committee has determined that based on the strength of the application, Revitalize SouthSide has the second highest funding score in the 2015 Tax Credit round under the criteria outlined in the Qualified Allocation Plan (“QAP”).

While the project is a scattered site development, all sites are ideally located with access to essential services, including several schools from pre-kindergarten through high school, grocery stores, pharmacies, neighborhood restaurants, salons, clothing and sundry shops. The new Providence Community Health Center on Prairie Street is nearly adjacent to two of the proposed mixed-use sites. In addition, the city has recently acquired another site across from the proposed site at Prairie and Public for redevelopment that will further enhance the marketability of RSS. There are

employment opportunities throughout the neighborhood, and RIPTA bus service is readily accessible with all sites being within ¼ mile of a stop. It is anticipated that the Development will result in the creation of at least four new permanent jobs due to the combination of the creation of new commercial retail spaces and increased maintenance and management staffing needs. Additionally, SWAP is working with Stand Corporation, a Rhode Island general contractor with a strong record of accomplishment of local hiring and neighborhood outreach. Revitalize SouthSide is expected to generate 68 construction jobs.

Providence Tanner was originally developed in 1997 and the initial tax credit compliance period expired in 2012/2013. Providence Tanner continues to provide 27 units of important family housing. However, the apartments are tired and in need of a new infusion of capital in order to continue for another 15 plus years. Given changes in the syndication market, small stand-alone deals like Providence Tanner are difficult to preserve and re-syndicate. By incorporating Providence Tanner into RSS, SWAP is able to achieve economies of scale, maximize the value of the tax credits and leverage this development opportunity. At the February 2015 board meeting, the Board of Commissioners approved the transfer of the original limited partner interest to SWAP or an affiliated entity to assist in the redevelopment of the properties.

Although tenants have not been identified for the commercial spaces, tentative plans for programming include a mix of neighborhood businesses and community commercial. SWAP has had success in locating and leasing to commercial tenants in their other mixed-use projects and expects strong demand for the new commercial spaces. BankRI has provided a term sheet outlining a loan for the development of the commercial units. The Developer has outlined an aggressive but achievable timeline for getting to closing by the end of 2015.

At completion, the Development will consist of one efficiency, 5 one bedroom, 15 two bedroom, 29 three bedroom and three four bedroom apartments. RSS seeks to serve residents within a variety of affordable income levels. Six of the units will be set aside for households with incomes below 30% of area median income (“AMI”), with the balance targeted to households at 50-55% of AMI. As a result, the Development will generate very little cash flow. In order to ensure that the Development can maintain a positive cash flow through Year 15 and be an attractive investment for syndicators, the Development will carry no amortizing debt.

The National Equity Fund has provided a Letter of Interest to SWAP to purchase the Housing Tax Credits for RSS. SWAP anticipates pricing per credit of approximately \$0.95. It is expected that the Developer and its consultant will engage in discussions with other syndicators and investors to ensure the highest market value for the credits. The Developer is requesting a revolving construction loan in the amount of \$5,500,000 to bridge the syndication equity through construction.

The total development cost for the project is \$9,452,014. Proposed sources of funding include: (i) syndication equity from the sale of Housing Tax Credits; (ii) an Affordable Housing Program (“AHP”) grant from the Federal Home Loan Bank of Boston; (iii) a rollover of existing Providence Tanner debt; (iv) existing reserves from Providence Tanner; (v) CDBG funds; (vi) Rhode Island Housing Lead funds; (vii) a Building Homes Rhode Island (“BHRI”) grant from the Rhode Island Housing Resources Commission; and (viii) a commercial loan from BankRI to cover the build out of the proposed retail/community spaces.

The Request for Action is for a reservation of \$639,268 of 2015 Housing Tax Credits, and preliminary approval of a 24-month revolving construction loan of \$5,500,000 which will be repaid at construction completion.

Mr. Bronk recognized Carla DeStefano and Marilyn Carlson of SWAP who were present to answer questions from the Commissioners.

Upon a motion made by Commissioner DeRentis 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 calendar year 2015 (“the Tax Credit”) and for construction financing as follows:

Applicant	Development	9% HTC	Revolving Construction Loan
S.W.A.P., Inc.	Revitalize SouthSide	\$639,268	\$5,500,000

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 \$639,268 of allocated 2015 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, either Deputy Director and the Director of Housing Development each acting singly be, and hereby are, 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 Rhode Island Housing hereby preliminarily approves up to \$5,500,000 of Construction Loan funds for the Borrower.

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

- Approval by Rhode Island Housing of all members of the development team.
- Acceptable final appraisal by an independent appraiser commissioned by Rhode Island Housing supporting acquisition costs associated with the Revitalize SouthSide project.
- Syndication equity from the sale of Housing Tax Credits in an amount sufficient to achieve project feasibility.
- Approval by Rhode Island Housing of construction plans and specifications and

construction documentation.

- Approval by Rhode Island Housing staff of a final construction budget, to be consistent with comparable projects and with the Rhode Island Housing Design & Construction Guidelines.
- Approval of the proposed operating budget for the development.
- Approval from the City of Providence verifying real estate tax assessment at no more than 8% of Gross Potential Income.
- Confirmation that the project as proposed is allowed under by-right zoning or provision of evidence that necessary relief has been granted.
- Approval of BHRI and CDBG funds in amounts 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.
- Confirmation by Rhode Island Housing that the final Development budget, schedule and unit configuration presented for Firm Approval is consistent with SWAP's December 22, 2014 Application submission for 2015 tax credits.
- Satisfactory and timely performance in accordance with the schedule established by Rhode Island Housing staff.

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

Approval of Reservation of Tax Credits and Preliminary Approval of Financing for Greenridge Apartments

Mr. Bronk, Director of Development made this presentation.

This Request for Action is for a Reservation of \$1,072,000 in 2015 9% Housing Tax Credits (HTC), a Forward Reservation of \$1,072,000 in 2016 and/or 2017 9% Housing Tax Credits and Preliminary Commitment of up to \$1,900,000 in first mortgage financing for Greenridge Apartments (the "Development") in the Pascoag Village of Burrillville. The developer is NeighborWorks Blackstone River Valley ("NBRV" or the "Developer").

Greenridge Apartments is a 96 unit, two-site Development comprised of 75 newly constructed townhouse apartments on nine acres of land located on South Main Street ("Greenridge Common") and 21 apartments in three mixed-use buildings with commercial space on the first floor located approximately one mile away in the center of Pascoag Village ("Greenridge Downtown"). The current application represents the fourth submission of the Greenridge proposal

Greenridge Common is located between South Main Street and Reservoir Road. This 227-acre property is currently owned by the Rhode Island Housing Land Bank. NBRV has always envisioned both homeownership and rental homes on the overall site. The homeownership units, known as Fernwood, are located on the west end of the 227 acres along Reservoir Road. Greenwood Common is located at the east end of the overall parcel along South Main Street. Only the rental

homes are included in this proposed financing plan. Approximately 166 acres of the overall site will be preserved through a conservation easement.

The 75 homes at Greenridge Common are designed primarily as attached and semi-attached staggered townhouses using slab on grade construction. The design takes into account the natural grade and landscape of the site and will blend with and complement adjacent neighboring houses. Several environmentally efficient elements are built into the design and the homes will comply with overall Energy Star ratings. Significant consideration has been given to site design including construction of the roads, efficient site drainage, and use of public water and sewer. Greenridge Common, when completed, will have a resident community center and small town green, which will provide a playground, sitting area and gardens for resident recreation.

Greenridge Downtown involves the development of three mixed-use buildings, with 8,300 square feet of ground floor commercial space and 21 rental apartments above. The Burrillville Redevelopment Authority (BRA) intends to sell the sites to NBRV for development and lease back the commercial space once construction is completed. Redevelopment will include the renovation of an existing building and construction of a new two-story building on the west side of Pascoag Main Street which in total will provide six new residential apartments. In addition, the Phase II renovation of a larger mixed use building on the east side of Main Street will provide additional commercial space on the first floor and 15 residential apartments above.

Overall, the Development will provide 18 one-bedroom, 25 two-bedroom and 53 three-bedroom homes. Of the total, 60 homes will be available to families with incomes below 50% AMI and 36 homes to families earning incomes below 60% AMI.

The Development exhibits many elements of comprehensive neighborhood revitalization. It will provide affordable homes within a moderately affluent suburb with median incomes above the State average and few affordable family rental homes. Burrillville will reach its goal of providing 10% of its housing stock defined as affordable with the completion of these 96 homes. The neighborhood is walkable and close to the center of Pascoag, which has municipal offices, retail and commercial businesses.

The site is also near Daniele, Inc., a producer of cured meats, which is constructing a new 300,000 square foot facility that will double its production capabilities and expand its existing workforce. Greenridge will potentially provide housing opportunities for some of the new and existing employees. Greenridge is expected to generate 125 construction jobs over the estimated three-year construction timeframe.

The Development is located near major interstate routes and public transportation is within walking distance. Several services are planned for tenants including job training, leadership training, counseling, financial fitness and literacy training through collaborations between the Town of Pascoag, Community Care Alliance, and staff of NBRV.

The Developer submitted an application for tax credits that assumed two different scenarios. The first scenario proposed a single 96-unit development funded with two years of tax credit allocations in a common financing plan. The second scenario proposed two distinct 48-unit developments with two separate tax credit allocations completed independently. In reviewing the development plans and the various committed financing sources, it became evident that the sponsor would likely lose at

least two sources of financing if the project were bifurcated into two separate distinct phases with two financing plans. The committee determined that because the overall proposal met Threshold Criteria and was the most highly scored application under the criteria outlined in the Qualified Allocation Plan (“QAP”) a forward commitment of HTC was warranted. The overall HTC per year will be limited to 40% of the state’s annual allocation as prescribed in the QAP. Rhode Island Housing reserves the right to divide the forward commitment between the 2016 and 2017 credit years to minimize the impact to future funding rounds.

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, all buildings in the Development will be treated as located in a difficult development area designated pursuant to said Section 42(d)(5) of the Code.

The tax credit syndicator will be Bank of America. NBRV anticipates pricing per credit of approximately \$.98. Citizens Bank (“Citizens”) is a member of the Federal Home Loan Bank of Boston (“FHLBB”). In conjunction with Citizens Bank, NBRV applied for and was awarded a subsidized advance and grant award (the “Subsidized Advance”) under the Affordable Housing Program (“AHP”) of the FHLBB. The Subsidized Advance allows Citizens to lower the interest rate and maximize the size of the first mortgage.

Because of the Housing Tax Credits and public subsidy dollars invested in the Development, Rhode Island Housing prefers to be in the first lien position in order to ensure compliance with the various program requirements. As we have done with other lenders, the Subsidized Advance will pass through Citizens, 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 Citizens to Rhode Island Housing will be non-recourse, and will be secured by a pledge of the loan documents in favor of Rhode Island Housing from the new Limited Partnership, which will own the Development.

The total development cost is approximately \$28 million. Sources of funding include: (i) a Rhode Island Housing first mortgage, via pass-thru from Citizens; (ii) HOME funds from Rhode Island Housing; (iii) a Rural Housing and Economic Development grant from HUD; (iv) equity from the sale of Housing Tax Credits; (v) Building Homes Rhode Island funds; (vi) an award of Affordable Housing Program grant funds from the Federal Home Loan Bank of Boston; (vii) Community Development Block Grant funds from the Town of Burrillville; and (viii) a deferred Developer Fee from NeighborWorks Blackstone River Valley.

The Request for Action is for a Reservation of \$1,072,000 in 2015 9% Housing Tax Credits, a Forward Reservation of \$1,072,000 in 2016 and/or 2017 9% Housing Tax Credits and Preliminary Commitment of up to \$1,900,000 in first mortgage financing for Greenridge Apartments

Mr. Bronk acknowledged Christian Caldarone who thanked the board for their consideration and expressed his gratitude and regard to Mr. Godfrey during his tenure as Executive Director.

A brief period of discussion followed. Vice Chair McCleary asked about the tie-in to this proposal and the expansion underway at the Danielle Foods company. Ms. Fields noted that some of the

employees of Danielle would be expected to live in this development. Commissioner DeRentis commended the Town of Burrillville for supporting this proposal and affordable housing in general.

Upon a motion made by Commissioner DeRentis and seconded by Commissioner Magaziner, 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 year 2015, 2016 and 2017 and for financing as follows:

Applicant	Development	9% HTC	RIH First Mortgage
NeighborWorks Blackstone River Valley	Greenridge Apartments	2,144,000	\$1,900,000

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 \$1,072,000 of allocated 2015 and \$1,072,000 of allocated 2016 and/or 2017 9% 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, either Deputy Director and the Director of Development hereby is, authorized and empowered in the name of and on behalf of Rhode Island Housing to take any and all action necessary to cause such reservation to be effective; and further, that a final allocation shall be made at such time as the applicant complies with the requirements of the Act and the Rules and Regulations.

Resolved, That, subject to the special conditions listed below, the Rhode Island Housing hereby gives preliminary approval of financing for a taxable first mortgage loan to NeighborWorks Blackstone River Valley or an affiliated partnership (the “Borrower”) in an amount not to exceed \$1,900,000 (the “Loan”) for family housing located in Burrillville, Rhode Island.

Resolved, That the Executive Director, any Deputy 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 Citizens Bank as Citizens Bank may require to evidence the 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:

- The award of Rhode Island Housing HOME funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
- The award of Building Homes Rhode Island and Community Development Block Grant funds sufficient to make the project feasible, or the availability of alternative forms of equity satisfactory to Rhode Island Housing;
- Syndication equity from the sale of HTCs in amounts sufficient to achieve project feasibility;
- The award of NeighborWorks America funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing.
- Final approval of plans and specifications by Rhode Island Housing and final agreement with General Contractor on construction costs;
- Acceptable final appraisal and market study by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units;
- Approval by Rhode Island Housing of all management related issues;
- Confirmation by Rhode Island Housing that the final Development budget, schedule and unit configuration presented for Firm Approval is consistent with NBRV's December 22, 2014 application submission which was scored for purposes of the receipt of Housing Tax Credits;
- Approval from the Town of Burrillville verifying real estate tax assessment at no more than 8% of Gross Potential Income;
- Agreement between Citizens Bank, NRBV and Rhode Island Housing as to a mortgage pass-thru structure that will allow Rhode Island Housing to be the first mortgage lender of record; and
- Satisfactory and timely performance in accordance with the schedule established by the sponsor and approved by Rhode Island Housing.

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

Approval of Reservation of Tax Credits and Preliminary Approval of Financing for Amherst Gardens

Mr. Bronk presented this request.

This Request for Action is for a Reservation of up to \$827,255 in 2015 9% Housing Tax Credits (“HTC”) and Preliminary Commitment of financing of up to \$250,000 in first mortgage for Amherst Gardens Apartments (“Amherst Gardens” or the “Development”) in Providence. The Sponsor/Developer is Olneyville Housing Corporation (“OHC”).

Amherst Gardens is a scattered site development that continues OHC’s comprehensive neighborhood revitalization initiative to address the foreclosure crisis in the Olneyville neighborhood. Several of the properties included in the proposal are currently held in the Rhode Island Housing Land Bank. Amherst builds upon the recent success of Olney Village and other rental and homeownership projects completed by OHC over the past fifteen years. The current application represents the second submission of the Amherst Gardens proposal. It will provide 36 apartments and 2 commercial units at 13 strategically located properties. Five properties will be newly constructed, while eight existing properties will be fully rehabilitated. One-half of the apartments will be affordable to families with incomes below 50% of Area Median Income (“AMI”) with the remainder affordable to families with incomes slightly below the 60% income level.

Overall the development will provide 4 one-bedroom, 14 two-bedroom, 14 three-bedroom and 4 four-bedroom homes. Five apartments will be set aside for formerly homeless individuals or families. OHC and House of Hope will collaborate to ensure that these households receive supportive services as part of their tenancy. The two commercial spaces will be located at the 8 Hyat Street property located along the commercial/retail zone of Manton Avenue. The commercial units will be on the first floor and the residential apartments will be above, returning the property to its original configuration.

OHC and their partners received a HUD Choice Neighborhoods Initiative (CNI) Planning Grant and see Amherst Gardens as a catalyst in the community’s efforts toward receiving a CNI Implementation Grant award. OHC is collaborating with Trinity Financial Corporation and the Providence Housing Authority in this larger neighborhood effort. The CNI is aimed at the transformation of the 330-unit Manton Heights public housing development as well as the development of additional mixed income housing in the Olneyville neighborhood. Approval of Amherst Gardens may assist the CNI team’s competitiveness in securing an additional \$30 million of federal financing through the CNI program.

The Development is within walking distance to social and commercial services including schools, churches, businesses, the bike path, a large city park and public transportation. OHC targeted corner locations for redevelopment because of their high visibility and impact on the balance of the surrounding properties. All 13 of the buildings included in Amherst Gardens are distressed properties requiring immediate and significant redevelopment. Six are foreclosed and vacant, five

are blighted and vacant, and two are severely distressed. These properties were selected due to their nuisance effect in the neighborhood, the high visibility of several buildings located at street corners, their proximity to previously developed OHC sites and the positive impact their redevelopment can have on surrounding homes. Several of the properties will be demolished to allow for new construction. OHC employed a similar strategy in their Olney Village development completed in 2013, which was focused on the area surrounding the D'Abate Elementary School. The redevelopment of those streets has resulted in significant improvement of the area as well as a renewed interest in the welfare of the school by local businesses, the City of Providence and the neighborhood. Amherst Gardens is expected to create 47 construction jobs.

Amherst Gardens has received several letters of interest from syndicators for purchase of the tax credits but has not yet selected a syndicator. OHC anticipates pricing per credit of approximately \$.95 and intends to solicit formal bid proposals once the development has received preliminary commitment. OHC has firm commitments for several other sources of funding, including a Federal Home Loan Bank Affordable Housing Program ("AHP") award, a Building Homes Rhode Island ("BHRI") award and a City of Providence Eagle Square TIF award. Citizens Bank is the AHP member bank and they have committed to an \$8,200,000 bridge loan to finance construction.

OHC anticipates closing this project in December 2015 and completing construction within 18 months from start of construction. The Funding Committee has determined that Amherst Gardens meets all of the criteria outlined in the Qualified Allocation Plan ("QAP").

The total development cost for this project is \$9,672,089. Proposed sources of funding include: (i) a Rhode Island Housing first mortgage; (ii) HOME funds from either Rhode Island Housing or the City of Providence; (iii) syndication equity from the sale of Housing Tax Credits; (v) Building Homes Rhode Island funds; (vi) a Federal Home Loan Bank AHP award; (vii) Rhode Island Housing Lead funds; and (viii) Eagle Square TIF funds.

This Request for Action is for a Reservation of 2015 9% Housing Tax Credits in the amount of \$827,255 as well as Preliminary Commitment of a taxable first mortgage of up to \$250,000.

Ms. Fields and the Commissioners congratulated Ms. Hawkins on securing the HUD Housing Choice Initiative project.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Magaziner, 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 year 2015 and for financing as follows:

Applicant	Development	9% HTC	RIH First Mortgage
Olneyville Housing Corporation	Amherst Gardens	\$827,255	\$250,000

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 \$827,255 of allocated 2015 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, any Deputy Director and that the Director of Development 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, Rhode Island Housing hereby gives preliminary approval of financing for a taxable first mortgage loan to Olneyville Housing Corporation or an affiliated partnership (the “Borrower”) in an amount not to exceed \$250,000 (the “Loan”) for family housing located in Providence, Rhode Island.

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

- The award of either Rhode Island Housing or City of Providence HOME funds and Rhode Island Lead Safe Homes funds sufficient to make the project feasible, or the availability of alternative equity satisfactory to Rhode Island Housing;
- Syndication equity from the sale of HTC's in amounts sufficient to achieve project feasibility;
- Final approval of plans and specifications by Rhode Island Housing and final agreement with General Contractor on construction costs;
- Acceptable final appraisal and market study by an independent appraiser demonstrating that the first mortgage loan does not exceed 90% of the as-stabilized value of the property and that sufficient demand exists for the proposed units;
- Approval by Rhode Island Housing of all management related issues;
- Confirmation by Rhode Island Housing that the final Development budget, schedule and unit configuration presented for Firm Approval is consistent with OHC's December 22, 2014 Application submission which was scored for purposes of the receipt of Housing Tax Credits;
- Satisfactory and timely performance in accordance with the schedule established by the sponsor and approved by Rhode Island Housing;
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Approval of the Sale of 85 Slater Street

Mr. Bronk made this presentation.

This Request for Action is for the sale of property located at 85 Slater Street (Plat 52, Lot 874) in Pawtucket (the “Property” or “Slater Street”). The Property was previously owned by the Urban League of Rhode Island and was used as supportive housing for homeless and disabled persons. In August 2014, Rhode Island Housing assumed ownership of the Property through a deed in lieu of foreclosure. In April 2014, staff commissioned an appraisal of the property. Andolfo Appraisal Associates, Inc. conducted the appraisal and valued the Property at \$350,000.

In November 2014, Rhode Island Housing issued a Request for Proposals (“RFP”) for the acquisition and redevelopment of the Property. Slater Street consists of a 9,606 square foot former religious convent and chapel situated on 40,369 square feet of land. The Property was originally developed with federal HOME funds, state Thresholds and Neighborhood Opportunities Program funding.

Three proposals were received by the January 5, 2015 deadline. The respondents were Pawtucket Central Falls Development Corporation (“PCFDC”), Crossroads Rhode Island, and Community Resources for Justice (“CRJ”). Each proposal is described briefly below.

Crossroads Rhode Island:

Crossroads proposed to purchase, renovate, and operate the property as affordable supportive housing. The proposal included the redevelopment of the Property to create efficiency and one-bedroom apartments for homeless individuals and homeless veterans.

Pawtucket Central Falls Development Corporation (“PCFDC”):

PCFDC proposed to partner with the Pawtucket Housing Authority (as property manager) and Riverwood Mental Health Services (providing case management and mental health services) to create 22 to 17 affordable apartments. The Pawtucket Housing Authority indicated it would move several administrative offices from Fogarty Manor to the Property.

Community Resources for Justice (“CRJ”):

CRJ proposed a “Residential Reentry Center” (“RRC”) for Rhode Island residents returning from federal prison. CRJ stated they would provide a safe, structured, supervised environment and offer housing, employment, finances, counseling and treatment for mental and addiction issues. CRJ emphasized their long, successful history with operations and projects (since 1878). The organization operates in Massachusetts, Connecticut, New Hampshire and New York.

A committee composed of internal Rhode Island Housing staff and external partners, including representatives of the City of Pawtucket, Rhode Island Department of Behavioral Healthcare, Developmental Disabilities & Hospitals (“BHDDH”), Rhode Island Department of Administration, and the Local Initiatives Support Corporation (“LISC”) (collectively, the “Committee”) evaluated the proposals against the following criteria set forth in the RFP.

- Creativity and feasibility of the proposed project, as set forth in the narrative description; suitability of the proposed use(s) to meet the needs of the community;
- Evidence of the availability of debt and equity sources to fund acquisition and rehabilitation of the Property, if applicable, and the ability to obtain subsidies and resources other than those offered by Rhode Island Housing;
- Efficiency of the use of Rhode Island Housing resources and effective leveraging of other funding sources;
- The applicant's experience (including roles and outcomes) carrying out property redevelopment transactions;
- Past experience owning and/or developing multifamily properties; in particular, experience owning and managing housing for special needs populations and the homeless;
- The development experience and financial capacity of the applicant and other development team members;
- The applicant's prior effective working relationship with Rhode Island Housing and other community lenders;
- The quality of the Management Plan and draft Affirmative Fair Housing Marketing Plan; ability to reach out to a diverse community, attract qualified and eligible residents and maintain a high percentage of occupancy;
- The quality of the building and site security plans for the property;
- The applicant's ability and commitment to establish and maintain strong community relations and to create a high quality housing environment for the residents of the property, surrounding property owners, and community partners; and
- The quality of the services plan if the respondent proposes to provide permanent supportive housing.

The evaluation process included the development of proposal summary sheets. Each proposer was invited to make a presentation to the Committee, and the Committee collectively evaluated the proposals by applying the review criteria.

Following this evaluation process, the Committee determined that the CRJ proposal was the most responsive to the RFP and represents the preferable redevelopment strategy for the site. The proposal requires no subsidy financing for acquisition, redevelopment or operations. Fourteen full-time jobs will be created by this project. Additionally, this will be the first facility of its type in Rhode Island. The proposal has the full support of the City of Pawtucket Planning Department.

Staff conducted due diligence on references provided by CRJ, the "Residential Re-entry Center" concept, and the zoning process within Pawtucket. CRJ will acquire the property for \$500,000 with a closing proposed within 60-90 days including standard due diligence requirements such as completion of a satisfactory building inspection. The acquisition price will allow for repayment of substantially all federal and state funding used for the development of the property.

Staff recommends that the Property be sold to Community Resources for Justice (CRJ) for the purchase price of \$500,000 to redevelop 85 Slater Street, Pawtucket legally referenced as Plat 52, Lot 874 on the City of Pawtucket's Tax Assessor's map.

Upon a motion made by Commissioner Magaziner 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,** In August 2014, Rhode Island Housing assumed ownership of property located at 85 Slater Street (Plat 52, Lot 874) in Pawtucket, RI (the “Property”); and
- WHEREAS,** Rhode Island Housing issued a Request for Proposals (“RFP”) seeking a developer to acquire and redevelop the Property; and
- WHEREAS,** Rhode Island Housing received three proposals in response to the RFP; and
- WHEREAS,** a Committee consisting of Rhode Island Housing staff and external partners has completed a thorough evaluation of the three proposals submitted for the redevelopment; and
- WHEREAS,** the Committee determined that the Community Resources for Justice proposal was most responsive to and best meets the criteria established in the RFP.

NOW, THEREFORE, IT IS HEREBY:

- RESOLVED,** Rhode Island Housing hereby is authorized to enter into a development agreement with Community Resources for Justice for the purchase and redevelopment of the Property for \$500,000, upon such additional terms and conditions as the Executive Director, or her designee, determines to be in the best interests of Rhode Island Housing.
- RESOLVED,** That the Executive Director, any Deputy Director and the Director of Development, each acting singly, be, and each hereby is, authorized to take any and all actions, and execute any and all documents, instruments and other agreements as he or she deems necessary or appropriate to carry out the above resolution.

Approval of Transfer of Physical Assets (TPA) for Parkview Terrace

Ms. Ventura made this presentation.

This Request for Action is for approval of the sale of Parkview Terrace (the “Development”), an affordable family housing development located on Gough Avenue in West Warwick. The Development was originally constructed in 1993 under the Low Income Housing Tax Credit (“LIHTC”) program and utilized financing from Rhode Island Housing. The Development contains 83 apartments in three buildings. The largest building contains 75 apartments; the other two contain two and five apartments respectively. Sixty-two of the apartments are affordable under the tax credit program. The other 21 are market rate with rents just above the 60% tax credit rents.

The initial 15 year compliance period for the Development expired at the end of 2009. The current owner of the Development is 72 Gough Avenue Housing Associates, L.P. (“72 Gough”). Affiliates of Picerne Development (“Picerne”) own both the general and limited partner interests of 72 Gough. Picerne has entered into a purchase and sales contract with Peak Capital Partners, LLC (“Peak Capital”) to sell the Development. Under Rhode Island Housing’s Regulations Governing Proposed Prepayments or Transfers (“TPA”), Rhode Island Housing must approve the sale of the property and subsequent prepayment of the existing mortgage.

Peak Capital is a Utah-based real estate private equity firm that owns and operates multifamily properties primarily in the southeast and western regions of the US. To date, Peak Capital has acquired 80 multi-family properties with approximately 13,000 units. They primarily purchase existing assets with operating histories. Their focus is B-class apartments “in strong urban submarkets close to employment centers where new supply is limited.” Since 2009, Peak Capital has purchased 18 existing LIHTC properties in six states that have completed their initial 15 year compliance period. Parkview will be Peak Capital’s first property in New England.

Parkview Terrace is currently encumbered with several affordability use restrictions. The restrictions require (i) that for the remaining term of the original 30 year mortgage period which expires in 2024, 75% of the units must remain affordable to families with household incomes less than 60% of the area median income (“AMI”), and (ii) in perpetuity, 25% of the units must remain affordable to families with household incomes less than 50% of AMI. These restrictions run with the property and will ensure that the Development remains affordable for the long term.

One of the regulatory documents, the Affordable Housing Restriction Agreement (“AHRA”), provides Rhode Island Housing with a Right of First Refusal (“ROFR”) to purchase the property should 72 Gough receive a bona fide offer to purchase the Development. After careful review of the Development, its operating history, current physical condition and the long term restrictions that will remain after the sale, Rhode Island Housing chose to waive its ROFR subject to Peak Capital’s satisfaction of our TPA Regulations.

Peak Capital has established an affiliate, PC Parkview Terrace, LLC (“PC Parkview”) which will own the Development. They are seeking a loan from Greystone Servicing Corporation under the Fannie Mae Delegated and Underwriting and Servicing (“DUS”) Loan Program. The loan is limited to 80% of the appraised value. The balance of the purchase and associated costs will be an equity investment by Peak Capital. Staff review of recent financials for Peak Capital and its managing partners suggest that it is financially stable and qualified to take on this investment.

Rents have been stagnant at the site and Picerne’s recent operating budgets have not provided the capital necessary to undertake a comprehensive repair program. Operating expenses have outpaced revenue growth and the physical condition of the development has deteriorated over the past few years. Peak Capital intends to undertake approximately \$400,000 of immediate capital needs at the property. The preliminary exterior scope includes repaving parking areas, siding repairs, painting, and general maintenance. Interior scope includes new flooring and appliances, some kitchen upgrades and window replacement. While the proposed scope is not extensive, it will address some of the site’s immediate needs and help stabilize operations going forward. Peak Capital is projecting small rent increases after renovations are completed, however the rents will remain affordable under the LIHTC program and are less than other comparable properties without restrictions.

PC Parkview will engage The Schochet Companies (“Schochet”) as their property manager. Schochet is a Massachusetts based developer and management company with RI roots. Schochet currently manages a large portfolio of affordable housing with LIHTC restrictions, several of which are in Rhode Island Housing’s portfolio. Schochet is experienced with the requirements of the LIHTC program, which provides staff with an assurance that the on-going use restrictions will be maintained.

Staff has reviewed the request under the Rules and Regulations Governing Proposed Prepayments or Transfers and has determined that the proposed sale of the property complies with these requirements. The Loan Servicing, Development and Legal divisions have reviewed this application. The Development does have some outstanding capital improvement needs and as mentioned has struggled financially. While Picerne has been managing the property prudently given the financial constraints and has been able to address the most significant issues, the sale to Peak Capital will provide an injection of capital for immediate repairs. It will also bring in a new management company that may be able introduce operating efficiencies at the site. PC Parkview will assume all of the obligations under the existing regulatory agreements and the sale will satisfy all of Rhode Island Housing’s existing debt on the property.

Upon a motion made by Commissioner McAllister and seconded by Commissioner DeRentis, the following resolution was unanimously adopted.

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

RESOLVED: That the transfer of 72 Gough Avenue Housing Associates, L.P. to PC Parkview Terrace, LLC, be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by the Corporation of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and the protection of the interests of the Corporation.
2. Assumption by PC Parkview Terrace, LLC of the Affordable Housing Restriction Agreement, the Declaration of Land Use Restrictive Covenants and surviving provisions of the Regulatory Agreement.
3. Receipt by Rhode Island Housing of the Transfer Fee as required by the TPA Regulations.
4. Full repayment of the existing Rhode Island Housing mortgages on Parkview Terrace.
5. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of the Corporation with respect to the Development.

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

Approval of Selection of Consultant for HOME Policy and Procedures Manual

Mr. Bronk made this presentation.

Since 1992, Rhode Island Housing has invested over \$90 million in affordable housing production through its administration of the state's HOME Investment Partnerships Program. Over 4,400 new affordable homes have been created in Rhode Island through this essential resource, funded by the US Department of Housing and Urban Development (HUD).

The HOME Program regulations were substantially amended in July 2013, when HUD issued the HOME Final Rule, an updated, modified set of regulatory requirements. Since adoption, HUD has gradually issued administrative guidance to HOME Participating Jurisdictions ("PJ") on the new regulations, and indicates that further direction is forthcoming.

In order to meet its responsibilities as the state PJ and to ensure continued compliance with new HUD regulations, staff recommends that an outside consultant be engaged to evaluate Rhode Island Housing's current HOME policies and procedures and to produce a comprehensive policies and procedures manual incorporating HUD regulatory requirement.

In February 2015, Rhode Island Housing issued a Request for Proposals ("RFP") from qualified and experienced consultants to provide these services. The RFP was posted on the Rhode Island Housing website and the Rhode Island Department of Administration's Division of Purchases website. Notice of the posting was forwarded to all Rhode Island Housing partners through electronic mail. Finally, at the suggestion of the Boston HUD field office, the RFP also was sent directly to several firms with experience in this sort of assignment.

In response to the RFP, Rhode Island Housing received proposals from the following six firms by the deadline:

- The Cloudburst Group, of Landover, MD
- Community Outcomes, of Springfield, MA
- Franke Consulting Group, of Saratoga, NY
- ICF Incorporated, of Fairfax, VA
- TDA Consulting, of Laurinburg, NC
- WFN Consulting, of Marietta, GA

A letter of interest was also sent by Dan Cahill and Associates, a Providence firm, but no formal proposal was submitted.

A committee of HOME and senior staff members evaluated the proposals for: fee structure, professional capacity, soundness and thoroughness of the proposed scope of work, professional references, and the ability to perform the required work within time and budget constraints.

Following the review, the committee narrowed the pool to two finalists for further consideration: The Cloudburst Group and Franke Consulting Group.

The Cloudburst Group, based in Landover, MD, was established in 2006 and has a staff of sixty. Over its nine year history, the firm has received more than twenty HUD contracts, providing technical assistance (TA) on HOME, CDBG and other community development programs to San Antonio, TX, New Orleans, LA, Prince George's County, MD and other jurisdictions throughout the country. For Rhode Island, Cloudburst proposed a four person team, two of whom are HOME-certified TA providers. Cloudburst proposed one two day on-site visit, with the majority of the activity conducted off-site, with updates and reviews in regular conference calls and remote working sessions. All services, including the final HOME Policies and Procedures manual, are scheduled to be completed by January 2016. Cloudburst proposed a fee of \$50,913.

Franke Consulting Group is a sole-proprietorship based in New York and established in 1995 by Monte Franke. Franke is a recognized expert in the HOME program, having delivered hundreds of HOME trainings and written numerous HUD publications on HOME and other CPD programs. Franke has worked under contract with HUD headquarters since 1991 and is a certified HOME trainer in all aspects of the program: regulations, administration, rental compliance, and the Integrated Disbursement and Information System (IDIS). Franke has assisted jurisdictions throughout the country and is currently helping HUD develop products to implement the 2013 HOME final rule. Franke proposes a detailed course of work for Rhode Island, including six 2.5 day visits to Providence. All services, including delivery of the HOME manual, are scheduled for completion no later than December 2015. Franke proposed a fee of \$89,000, with a modified scope of work to reduce the budget to \$75,000.

After reviewing the proposals of the finalists, and evaluating references, the committee recommends that the Franke Consulting Group be engaged to undertake this assignment. Although Franke's proposed bid was higher than Cloudburst's, the committee believes that Franke's knowledge of the HOME Program, his demonstrated ability in producing handbooks, guides and training documents on a wide range of HUD program components, and his experience as an advisor to HUD's headquarters in Washington, D.C. are superior to those of the other applicants and justify the requested fee.

Upon a motion made by Commissioner Magaziner 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 intends to evaluate the strength of its HOME Program and systematically update and formalize its HOME policies and procedures in the form of a written manual;

WHEREAS: Such activities are intended to enhance Rhode Island Housing's administration of the State HOME Program and ensure its continued compliance with HUD regulations; and

WHEREAS: Staff recommends engagement of Franke Consulting Group to provide HOME program development consulting services to Rhode Island Housing;

NOW, THEREFORE IT IS HEREBY:

RESOLVED: That Rhode Island Housing be, and hereby is authorized, to engage the Franke Consulting Group to provide HOME program development consulting services as set forth in the Request for Proposals and the proposal submitted in response thereto, in an amount not to exceed \$75,000.

RESOLVED: That the Executive Director, any Deputy Director and the Director of Development each acting singly, be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution, including without limitation the authority to negotiate terms of the engagement as he or she may determine are in the best interests of Rhode Island Housing, and to execute any and all agreements or documents as he or she deems necessary to carry out the foregoing.

Ms. Fields then returned to a continuation of her Executive Director report, and gave a brief update on the preliminary report from Seasoned Partners, the consultants that are conducting an organization assessment of Rhode Island Housing.

The preliminary report indicates that the organization could benefit from providing additional focus on the following areas:

- Internal Controls
- Public Sector Opportunities
- Private Sector Partnerships
- Program Structure
- Research & Policy

Ms. Fields stated that the final report would be provided to the Board when it was completed.

A brief discussion followed the presentation. Vice Chair McCleary recommended that the Board would benefit from viewing the data behind the report. Ms. Fields agreed and suggested scheduling a session with Seasoned Partners to discuss the accompanying data of the report.

Executive Session Pursuant to RI General Laws 42-46-5(a)(2) for the purpose of discussing a potential litigation matter with outside legal counsel

Vice Chair McCleary called for a closed session at approximately 9:35 a.m. pursuant to R.I.G.L. Section 42-46-5 (a)(2) to discuss potential litigation matters.

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 10:00 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 Magaziner and seconded by Commissioner DiBiase, which was unanimously adopted by the Commissioners on a roll call vote.

There being no further business to discuss, a motion was duly made by Commissioner Roos and seconded by Commissioner McAllister to adjourn the open meeting at approximately at 10:01a.m.

Respectfully submitted,

Barbara G. Fields
Secretary and Executive Director