

**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, January 21, 2016 at 8:00 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were Chair Nicolas P. Retsinas; Vice Chair Macky McCleary, Director of Business Regulations (arrived at 8:13 a.m.); Michael DiBiase, Director of Administration; Seth Magaziner, General Treasurer; Stephen P. McAllister and Kevin Orth.

Also in attendance were: Barbara Fields, Executive Director; Carol Ventura, Deputy Director; Peter Walsh, Deputy Director; Kara Lachapelle, Director of Finance; Leslie McKnight, Director of Loan Servicing and Asset Management; Eric Shorter, Director of Development; Peter Pagonis, Director of Homeownership; Claribel Shavers, Director of Resident Services; and Michael Milito, Deputy Assistant Director and Counsel.

Steve Richard, Counsel to the Corporation was also present, as were members of the public.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation, and at the first floor bulletin board in the State House.

A quorum being present, Chairman Retsinas called the meeting to order at approximately 8:02 a.m.

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

Commissioner Orth requested that the minutes be amended to reflect that approval of the financing for Oxford Gardens/Oxford Place be additionally conditioned on the execution and delivery by the Developer of a construction completion guaranty in form and scope satisfactory to Rhode Island Housing.

Upon a motion made by Commissioner DiBiase and seconded by Commissioner McAllister, the following resolution was unanimously adopted, as amended:

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

Chair's Report

There was no Chair's report.

Executive Director's Review of Recent Activities and Trends

Ms. Field introduced and welcomed Fred Franklin, Rhode Island Housing's Chief Compliance Officer. She next announced that Nicole Clement accepted the General Counsel position and will be starting on March 1, 2016.

Ms. Fields referred the Commissioners to her written report and commented on a few topics of interest.

Homeownership. Ms. Fields noted that mortgage origination is at the highest level since 2007. For the year ending 12/31/15 mortgage volume has surpassed the 2014 volume of \$132 million by an increase of 62% totaling \$215 million. Additionally, the Ocean State Grad Grant program also finished the year strong with 68 homebuyers purchasing their first home in communities across the state.

Rhode Island Housing has also received authorization from the U.S. Treasury to use approximately \$2.7 million in recycled Hardest Hit Funds to provide down payment assistance for the purchase of foreclosed and distressed properties in 10 targeted communities. The program targets those communities in the state that were most impacted by the foreclosure crisis and will launch in the first quarter of 2016.

Commissioner McCleary arrived at this point at 8:13 a.m.

Loan Servicing. Ms. Fields gave an update on loan delinquencies. Staff continues to see positive signs regarding portfolio delinquency. Through December 2015, Rhode Island Housing experienced a reduction of 75 basis points on delinquencies.

Development. Ms. Fields noted that Rhode Island Housing is one of nine states approved to pilot the new Federal Financing Bank (FFB) multifamily risk-sharing loan program. Staff has identified an initial 20 developments and continues to work on closing its first FFB loan for Greenwood Terrace in Warwick. Staff also anticipates receiving firm commitment of financing on a second FFB loan facility in January 2016 and expects the loan to close in April 2016. An additional three loans with 409 units are approved and projected to close by July 2016.

Resident Services. In February 2015, Rhode Island Housing opened the Housing Choice Voucher Program (HCVP) waitlist to the homeless. To date, more than 80 applicants have received vouchers, 35 of which have successfully leased an apartment. During January and February another 80 vouchers are scheduled to be issued. Staff is engaged in discussions with the Providence Housing Authority on the coordination of a joint waitlist.

Ms. Fields informed that Commissioners that Continuum of Care Program Year 13 grants are closed. HCVP staff has processed and 419 invoices totaling \$2.7 million. All grant agreements for Program Year 14 grants have been provided to sub-recipients.

Staff has successfully filed the NOFA application for Program Year 2015 in November 2015 and renewal awards are anticipated in the spring.

Board Chair Retsinas and Ms. Fields are scheduled to meet with Governor Raimondo for a conversation about the agency's 2015 accomplishments, 2016 goals and the support the administration can provide Rhode Island Housing in achieving those goals. The discussion includes a request to provide a \$100 million housing bond and \$10 million for the Housing Preservation and Production Program in the Governor's FY17 budget.

Ms. Fields stated that she has been asked to serve on FHLB Boston Advisory Council, which advises the Bank on the administration of its housing and community development programs and includes representatives from each of the New England states.

Report of Intergovernmental Relations Committee Meeting

Commissioner McAllister, Chair of the Intergovernmental Relations Committee, gave this report.

Commissioner McAllister noted that the Committee focused on four primary legislative priorities: passage of a Housing Bond; the \$10 million allocation for the Housing Preservation Program; technical amendments to the Madeline Walker Act; and restoration of state funding for NOP program.

Amy Rainone, Director of Government Relations and Policy, presented to the Committee material on the four legislative proposals submitted to Governor Raimondo and on the policy areas and recommendations for action set forth for each item.

Commissioner McAllister announced that the Committee requested that it be reconvened as necessary in the determination of staff once the 2016 session is underway to analyze individual pieces of legislation that address these policy areas and any other bills that may have an impact on the agency.

Approval of Engagement of Consultant Regarding the HOME Investment Partnership (HOME) Program

Carol Ventura, Deputy Director presented this request.

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 recommended 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. Towards that end, in February 2015 Rhode Island Housing issued a Request for Proposals (“RFP”) from qualified and experienced consultants to provide these services. In April, staff recommended and the Board of Commissioners authorized the engagement of Franke Consulting Group, at a cost of \$75,000, to produce a Policies and Procedures Manual (the “Manual”) by January 2016. The contract has been fulfilled and the Manual has been completed.

The changes to be implemented under the new HUD Regulations and the Manual are wide ranging and complex, involving organizational reassignments within and between departments, new positions and new legal documents. Therefore, staff recommends an implementation phase extension to the existing contract with the Franke Consulting Group for a period of 12 months at a cost not to exceed \$45,000. Under this extension, Franke will train new and existing staff, provide on-call consultation, review documents and provide advice on HOME policy changes as issued by HUD. Franke has similar ‘retainer’ contracts with several of the major state HOME grantees including New York and Michigan. He has worked under contract with HUD headquarters since 1991 and is currently helping HUD develop products to implement the 2013 HOME final rule.

Upon a motion made by Commissioner McCleary 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: The Franke Consulting Group has produced an extensive Policies and Procedures Manual for the HOME Program; and

WHEREAS: Training, document development and policy interpretation guidance are critical to ensuring successful and efficient implementation of the new policies and procedures and compliance with HUD regulations;

WHEREAS: Staff recommends an implementation phase extension to the existing contract with the Franke Consulting Group

NOW, THEREFORE IT IS HEREBY:

RESOLVED: That Rhode Island Housing be, and hereby is authorized, to extend the existing contract with the Franke Consulting Group to provide training,

document development and review, and on-call policy interpretation and guidance for a period of 12 months at a cost not to exceed \$45,000.

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.

Approval of Continuum of Care (CoC) Operating Deficit Fund Awards

Ms. Venture made this presentation.

Commissioner Magaziner recused from the discussion or vote of this matter based on his service as a board member of Crossroads Rhode Island, one of the potential recipients of the CoC operating deficit fund awards.

At its October 15, 2015 meeting, the Board of Commissioners approved the FY 2016 Program Budget, which included up to \$600,000 for agencies that have incurred operating deficits because of increased documentation standards for the Continuum of Care Program (“CoC”). On October 27, 2015, staff issued a Request for Proposals for assistance under the Operating Deficit Fund Program (the “Program”).

Five applications requesting \$248,816 from the Program were submitted on November 30, 2014. Staff reviewed all applications for eligibility and additional information was requested as necessary.

Staff recommends commitment of funding for the following five agencies in the amount of \$248,818 under the Rhode Island Housing Operating Deficit Fund.

Operating Deficit Fund Recommendations

Agency	Facility	Funding Recommendation
Operation Stand Down Rhode Island	Johnston & West Warwick	\$38,893
YWCA	Central Falls	\$11,013
Amos House	Providence	\$44,057
House of Hope	Warwick	\$41,298
Crossroads	Providence & West Warwick	\$113,555
	TOTAL	\$248,816

Commissioner DiBiase recognized and commended Ms. Ventura and Resident Services staff for their diligence and hard work in addressing the CoC issues.

Upon a motion made by Commissioner DiBiase and seconded by Commissioner McAllister the following resolution was approved with five votes in favor and none opposed. 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: Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) has established the Operating Deficit Program (the “Program”);

WHEREAS: The applicants listed in the Request for Action have submitted applications which meet the requirements of the Program and;

WHEREAS: Staff of Rhode Island Housing has reviewed each of the applications submitted and has recommended that Program funds be committed to the proposals in Attachment A;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That Rhode Island Housing be, and is hereby authorized, to commit \$248,816 in Fiscal Year 2016 Operating Deficit Program funds in accordance with the Program Regulations as approved by the Board of Commissioners of Rhode Island Housing to the applicants listed in Attachment A presented to the Board of Commissioners.

RESOLVED: That the Executive Director and any Deputy Director, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary to carry out the foregoing resolution.

Approval of Engagement of Outside Legal Counsel

Michael Milito presented this request.

Commissioner Magaziner recused from the discussion or vote of this matter based on the Treasurer’s personal involvement with members of the legal firms recommended for engagement of service.

In late 2015, Rhode Island Housing issued a Request for Proposals from law firms interested in providing some or all of the following legal services to Rhode Island Housing for 2016 and 2017:

- General Counsel/Issuer’s Counsel
- Litigation Counsel
- Multi-Family Loan Closing Services
- Single Family Loan Closing /Services
- Foreclosure and Bankruptcy Services
- Tax Lien Foreclosure Services
- State Housing Appeals Board Counsel
- NSP/Land Bank Counsel

Notice of the RFP was posted on the web site maintained by the Division of Purchasing of the Department of Administration and Rhode Island Housing’s web site. In addition, notice of the RFP was provided to approximately 150 attorneys and law firms that had previously expressed an interest in providing legal services to Rhode Island Housing. Fifty-five firms submitted proposals in response to the RFP, several of which offered to provide services for more than one of the above substantive areas.

Several staff committees were established by the various business lines to review proposals for services within their respective areas. The proposals received were reviewed and evaluated in accordance with the RFP criteria.

Attachment A sets forth the evaluation summaries for the applicants for outside legal counsel.

On January 5, 2016, the Management Committee of the Board met and reviewed staff recommendations regarding engagement of outside legal counsel. The Committee voted to recommend that these recommendations for engagement of legal counsel be adopted by the Board of Commissioners.

Upon a motion made by Commissioner DiBiase and seconded by Commissioner Orth the following resolution was approved with five votes in favor and none opposed. Commissioner Magaziner. Commissioner Magaziner did not contribute in the discussion, consideration or vote on this resolution.

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

Whereas: Rhode Island Housing has a need for the services of attorneys to provide the following legal services:

- General Counsel/Issuer’s Counsel
- Litigation Counsel
- Multi-Family Loan Closing Services
- Single Family Loan Closing /Services
- Foreclosure and Bankruptcy Services

- Tax Lien Foreclosure Services
- State Housing Appeals Board Counsel
- NSP/Land Bank Counsel; and

Whereas: No legal personnel employed by the state on a full-time basis is available to provide such services; and

Whereas: Rhode Island Housing has budgeted sufficient funding in its annual budget for these services; and

Whereas: The attorneys proposed to be engaged to provide these services have the appropriate professional licenses, competence, as evidenced by their formal training, education and experience, and ability, as evidenced by the availability of adequate personnel, equipment and facilities, to perform the services competently and expeditiously.

Now, therefore, it is hereby

Resolved: That the following law firms be engaged to provide legal services to Rhode Island Housing for the disciplines set forth below:

General Counsel/Issuers Counsel

- Nixon Peabody, LLP

Litigation Services

- Adler Pollock and Sheehan
- Harrison Law Associates
- Higgins Cavanagh and Cooney
- Nixon Peabody, LLP

Mortgage Foreclosure and Bankruptcy Services

- Roberts Carroll Feldstein & Peirce
- Salter McGowan Sylvia & Leonard
- Shechtman Halperin Savage LLP

Tax Lien Foreclosure Services

- Roberts Carroll Feldstein & Peirce
- Madonna and Connors
- Andreoni Law Offices

Single Family Closing Services

- Lincoln Abstract
- LaPlante, Sowa and Goldman

- Accardo Law
- Ronald Markoff
- Glenn Andreoni
- Gerald Mosca
- Sleprow & Sleprow
- Michael Lima
- DeAngelis & McNamara
- Robert Ragosta
- James Caruolo
- Loffredo & Sciotti
- Hobson & Coutu
- McGunagle Hentz
- Thomas Madonna
- Miller, Scott & Holbrook
- Parnagian & Marinelli

Rental Development Loan Closing Services

- Brown Rudnick LLP

Land Bank/NSP Services

- McGunagle Hentz PC
- Roberts Carroll Feldstein & Peirce

State Housing Appeal Board Services

- Nixon Peabody, LLP

Resolved: That the Executive Director, or her designee, be and hereby is authorized to take any and all actions, including specifically the authority to engage any of these firms for such other legal assignments as may be in the best interests of Rhode Island Housing; to negotiate terms of the engagements that will standardize fees between firms for provision of similar services; to negotiate such other terms as she may determine are in the best interests of Rhode Island Housing; and to execute any and all agreements and to take such further actions as she deems necessary to carry out the forgoing resolutions.

Authorization for Adoption of Multi-Family Development Bond General Resolution and Supplemental Resolution for Series 2016

Kara Lachapelle, CFO delivered this presentation.

This Request for Action seeks approval of authority to issue up to \$140,000,000 in bonds under the Multi-Family Development Bond General Resolution.

Rhode Island Housing finances its multi-family loans by issuing bonds identified for that purpose. Rhode Island Housing has approximately \$90 million of multifamily loans in process or closed that may require bond financing during the next year. At this time, it is necessary to issue bonds to finance loans closing in the next few months, as well as to provide anticipatory funding for upcoming loan production. Sizing of the issuance would also include required debt service reserves. In addition, due to the current low interest rate environment, Rhode Island Housing may have the opportunity to refund approximately \$50 million of previously issued multifamily bonds at lower rates.

This authorization will permit Rhode Island Housing to fund the loans in process and refund the previously issued multifamily bonds.

Upon a motion made by Commissioner McCleary and seconded by Commissioner Magaziner the resolution was unanimously adopted in the form presented to the meeting, which the Authorization to Issue Multi-Family Development Bond Series 2016 is attached as part of the January 21, 2016 board package.

Approval of Final Repeal of the HOME Rules and Regulations

Ms. Ventura made this presentation.

At the November 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 HOME Investment Partnership 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 November 23, 2015, 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 HOME Investment Partnership 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 DiBiase and seconded by Commissioner McCleary, the following resolution was unanimously adopted.

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

- WHEREAS, On November 19, 2015 the Board of Commissioners preliminarily authorized the repeal of the Rules and Regulations of the Corporation Applicable to the HOME Investment Partnership 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 so as to avoid overlap or duplication, or any appearance thereof, between agency regulations and regulations promulgated by the U.S. Department of Housing and Urban Development; 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 HOME Investment Partnership Program are hereby repealed in their entirety.

RESOLVED: That the 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 Firm Commitment of Financing for Washington Hill Apartments

Eric Shorter, Director of Development presented this request. Commissioner Orth, Chair of the Credit Committee, provided additional comments.

This Request For Action (“RFA”) is for Firm Approval of a taxable refinancing in the amount of \$11,400,000 for Washington Hill Apartments (“Washington Hill” or the “Development”), an existing elderly housing development originally financed by Rhode Island Housing. SHP Acquisitions, LLC (“SHP”) is the developer.

Washington Hill, located in Lincoln, RI, consists of four 3-story apartment buildings containing 121 apartments, including one non-subsidy market apartment. There are 108 subsidized one-bedroom apartments, 12 two-bedroom subsidized apartments and 1 non-subsidized two-bedroom apartment. The development has received Section 8 rental assistance through a Housing Assistance Payment (“HAP”) contract from initial occupancy in 1980. The current HAP contract was renewed in 2011 and runs through 2031. The Development requested and has received approval for a rent increase effective April 2016.

In 2003, the Development was refinanced under Rhode Island Housing’s Preservation Program by WHG-ACD, LLC (“WHG”) a Maine limited liability company of which Chris Bowden, Daniel Smith and Michael Burnham are the sole partners. WHG was formed to acquire and refinance the property using tax-exempt financing. SHP undertook a moderate rehabilitation including new siding and roofing as part of this transaction.

Over the past three years, the property has had an active capital improvement program using both cash flow and existing reserves. The recent work consisted primarily of sidewalk replacement, community room upgrades, parking lot repairs, exterior painting and kitchen cabinet replacements in the residential apartments. A Capital Needs Assessment (“CNA”) was commissioned in September 2015 to assess the physical condition of the property and determine immediate and long-term rehabilitation needs of the Development. The proposed work scope includes replacement of the site’s electric panels and switch gear, replacement of the emergency generator, ADA retrofit for 6 apartments to meet current code, minor exterior wood soffit and concrete retaining wall repairs, and some additional sidewalk repairs. An architect will be engaged to provide drawings and specification for the ADA and electric/mechanical upgrades. The repairs will be completed by the management company and their subcontractors.

Rhode Island Housing’s Design staff has toured the property, and reviewed and approved the proposed scope of work. The borrower will seed a new Replacement Reserve account with \$242,000 or \$2,000 per unit. In addition, they will make annual deposits into the Replacement Reserve in an amount sufficient to address potential rehabilitation over the next 20 years.

Rhode Island Housing currently holds the first mortgage on the Development, which matures in 2037. In addition to the rehabilitation, SHP will withdraw a portion of accrued equity in the Development as part of the refinancing. As part of the approval process, staff has determined that the Development and owner meet Rhode Island Housing’s requirements for participating in this refinance/equity take-out program. Broadly, this review includes:

- Compliance with HUD’s requirements

- Demonstrated responsible long-term ownership and management of the property
- A long term HAP contract
- Well-funded reserves
- Low vacancy rates
- Consistency with Rhode Island Housing’s standard underwriting requirements
- Financially beneficial to Rhode Island Housing
- Execution of a new 40-year affordability agreement.

Rhode Island Housing commissioned an appraisal seeking the as-is value assuming the lower of current market rents or the recently approved HAP rents which will be effective as of April 2016. The proposed loan is underwritten to the approved HAP rents, which are lower than the current market rents.

The primary sources of funding are a first mortgage in the amount of \$11,400,000 and existing project reserves.

The Request for Action is for Firm Commitment of a taxable loan of up to \$11,400,000, which will be funded through the U.S. Department of the Treasury -HUD Federal Financing Bank (“FFB”) HFA Multifamily Risk Sharing Loan Financing Initiative.

Ms. Fields recognized Eric Shorter and the Development team for embracing this new product and creating a new tool for financing deals. Commissioner McCleary also commended staff on implementing the program and suggested that it merited a press opportunity.

Commissioner Orth, Chair of the Credit Committee concurred and encouraged staff to continue developing the program.

Upon a motion made by Commissioner Orth 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 provide taxable loan funds for the purpose of financing qualified housing developments throughout the state;

Whereas: Said loans shall have a term not to exceed forty (40) years and shall be in the approximate amount sufficient to finance the mortgage, pay the costs of issuance, fund a capital reserve fund and to provide the capitalized interest if determined to be necessary;

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

<u>Development</u>	<u>Applicant</u>	<u>Mortgage</u>
Washington Hill	SHP Acquisitions, LLC.	\$11,400,000

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 firm approval for first mortgage financing to WHG-ACD, LLC, a limited liability company, in an amount not to exceed \$11,400,000 for rental housing known as Washington Hill Apartments located in Lincoln, Rhode Island to be financed, in part, with taxable funds made available through the Treasury-HUD Federal Financing Bank HFA Multifamily Risk Sharing Loan Financing Initiative;

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

- Approval by Rhode Island Housing of the scope of the rehabilitation work.
- Approval by Rhode Island Housing of construction plans, specifications, and supporting construction documentation.
- FHA Risk-Sharing approval from HUD for a minimum of 50% of the first mortgage.
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

Strategic Topic: Presentation: Review and Discussion of Principal Sources of Revenue

Ms. Fields introduced Stephen Geremia, CPA, Principal of Lefkowitz, Garfinkel, Champi & DeRienzo P.C. to present a broad overview of Rhode Island Housing's operating structure and sources of income.

Steve Geremia, Principal of Lefkowitz, made the presentation and provided the Commissioners an overview of Rhode Island Housing's financial structure, focusing on the major income-producing divisions: Development, Loan Servicing and Asset Management, Homeownership and Resident Services. His presentation addressed the various functions and funding streams of each division, He provided the Commissioners a copy of his presentation.

A brief discussion followed the presentation with the Commissioner DiBiase stating that the audited financials do not provide a breakdown of the profitability of the organization by division and line of business. Mr. Geremia replied that the audited financial statement is designed to provide a picture of the overall organization, but is not designed to provide operating results on a division and program basis. Ms. Lachapelle stated that staff is working on developing a report that will provide that level of analysis and detail to the Board.

Chairman Retsinas thanked Mr. Geremia for the presentation and report.

There being no further business to discuss, a motion was duly made by Commissioner McAllister and seconded by Commissioner Orth to adjourn the open meeting at approximately at 9:15 a.m.

Respectfully submitted,

Barbara G. Fields
Secretary and Executive Director