

THE MINUTES OF THE REGULAR MONTHLY MEETING
OF THE COMMISSIONERS OF THE HOUSING AUTHORITY
OF THE CITY OF NEWPORT, RHODE ISLAND
HELD ON THE TENTH DAY OF DECEMBER 2013

The Commissioners of the Housing Authority of the City of Newport, Rhode Island met in regular session in the Administration Building Newport, Rhode Island at 5:00 p.m. on December 10, 2013.

Roll call followed the Pledge of Allegiance and Silent Prayer:

PRESENT:

Chair	Frank Landry
Vice Chair	Frank Coleman
“	Cheryl Abney
“	Frank McCauley
“	Charles Laranjo

ABSENT: “ Nikki Vazquez

ALSO PRESENT: Attorney Joseph J. Nicholson, Jr.

Attorney Nicholson announced at the meeting that the matter regarding the two Pond Avenue residents will be heard at the January 2014 regular monthly meeting pending information requested from the Board of Tenant Affairs.

The monthly meeting began with James Reed presenting the “Way to Go” Awards to several HACN residents. These awards are in recognition to residents and/or invited guests for an achievement, an accomplishment and/or a noteworthy deed having a positive affect on them and on the community.

Upon a motion by Commissioner Abney, seconded by Commissioner Coleman, and unanimously carried, the minutes of the regular monthly meeting held on November 12, 2013 were approved.

Under communication to this month’s Board meeting, the Secretary presented the following progress updates: 1) HUD-RHF Grant Approval use of Funds – Park Holm 2) Church World Service, Inc. – Donation to Food Bank in the amount of \$417.50 3) Edgar Court Side Walk Bid Award.

Upon a motion by Commissioner Coleman, seconded by Commissioner Laranjo, and unanimously carried, communications were received as presented.

The Secretary requested authorization and approval of the monthly bills.

Upon a motion by Commissioner Abney, seconded by Commissioner Laranjo, and unanimously carried, payment of the bills was approved.

The Secretary requested authorization and approval of the following payment (s):

a). Authorization and approval for requisition for change order #2 to Stand Corporation for the Hillside Homes Project in the amount of \$15,043.40.

Upon a motion by Commissioner Laranjo, seconded by Commissioner Abney, and unanimously carried, authorization to pay change order #2 to Stand Corporation in the amount of \$15,043.40.

b). Authorization and approval for requisition for payment #7 to Stand Corporation for the Hillside Homes Project in the amount of \$123,677.93.

Upon a motion by Commissioner Laranjo, seconded by Commissioner Abney, and unanimously carried, authorization to pay requisition #7 to Stand Corporation in the amount of \$123,677.93.

c). Authorization and approval for requisition for payment to FJS Associates for the Hillside Homes Project in the amount of \$12,690.00.

Upon a motion by Commissioner Coleman, seconded by Commissioner Abney, and unanimously carried, authorization to pay FJS Associates in the amount of \$12,690.00.

Park Holm Redevelopment:

a). Authorization and approval for requisition for payment #16 to TAG Associates, Inc. for consulting work for the Park Holm Redevelopment Project in the amount of \$55,803.59.

Upon a motion by Commissioner Laranjo, seconded by Commissioner Abney, and unanimously carried, authorization to pay TAG Associates in the amount of \$55,803.59.

The following Resolution was introduced by Commissioner Abney, it being Resolution No. 1080. Same was read aloud and in full by Commissioner Laranjo, and considered by the Commissioners regarding Park Holm Phase 1 and 2.

**Park Holm Re-Development Phases I and II
Agreements, Financing and Guarentees
Resolution No. 1084**

WHEREAS, the Housing Authority of the City of Newport (“HACN”) has submitted a proposal to the U.S. Department of Housing and Urban Development (“HUD”) providing for the redevelopment of a portion of its property known as Park Holm (the land on which such redevelopment Development is to be developed being referred to below as the “Site”), to consist of the demolition of certain buildings containing in the aggregate 41 units of housing (subject to approval by HUD pursuant to the demolition/disposition application previously submitted), the construction of 60 new rental housing units, and the further rehabilitation of fifty-one (51) rental housing units previously renovated by HACN (such fifty-one (51) previously renovated units ad associated improvements being referred to as “Phase I” and the new rental housing units and associated improvements being referred to as “Phase II”). Of these 111 new and rehabilitated rental housing units, all of which shall be subject to restrictions under the Low Income Housing Tax Credit program, approximately 66 shall be public housing units, and approximately 27 shall receive rental assistance under the Development-based voucher program (collectively, the “Development”); and

WHEREAS, HACN intends to carry out the Development through a limited partnership (the “Partnership”) having as its general partner a business corporation (the “General Partner”) in which HACN holds a controlling interest, having HACN as its initial limited partner, and ultimately having as its limited partner an equity investor (the “Investor”) that will make capital investments in the Partnership; and

WHEREAS, HACN has submitted to HUD draft Evidentiary Materials for the Development and, upon HUD approval of the final Evidentiary Materials, HACN will then close the financial transactions attendant to such development of housing units; and

WHEREAS, while the Board of Commissioners of the Housing Authority of the City of Newport (the “Board”) has previously passed Resolutions 1076, 1077, and 1080 with respect to the Development, in connection with the closing of the financing of the Development, HACN respectfully requests that the Board vote on this Resolution, which constitutes an amended and restated vote containing all provisions of the resolutions previously passed by the Board with respect to the Development.

NOW, THEREFORE, BE IT RESOLVED, by the Housing Authority of the City of Newport, that the persons hereinafter named be authorized and instructed to take all steps necessary and appropriate to achieve the following:

- (i) enter into an Option Agreement (and any amendments thereto) with the Partnership pursuant to which the Partnership shall have the right to lease the Site under a ninety-nine (99) year ground lease and purchase a fee interest in the buildings and improvements comprising Phase I (the “Phase I Improvements”); the purchase price for the Phase I Improvements and the payments due under the ground lease to be based on the appraised value of the Improvements and the Site, respectively;

- (ii) enter into a Development Agreement with the Partnership pursuant to which the Partnership shall have the right and obligation to carry out the Development;
- (iii) make loans to the Partnership from its Capital Funds and/or Replacement Housing Factor Funds, and/or Central Office Cost Center Funds in an aggregate amount not to exceed \$6,000,000;
- (iv) provide seller financing for the Partnership's acquisition of a fee interest in the Phase I buildings and improvements and a leasehold interest in the Site in an amount of up to 95% of the sum of (a) the appraised value of the Phase I Improvements and (b) the appraised value of the Site (the "HACN Seller Loan");
- (v) submit to HUD such Evidentiary Materials as may be approved by James Reed, Executive Director (as the same may be modified, supplemented or amended from time to time thereafter) and obtain final HUD approval for the Development, including approval of the Evidentiary Materials;
- (vi) upon receipt of all required HUD approvals, consummate the financial closing with the Partnership and selected equity providers and debt providers in order to make available to the Partnership the required funds to carry out the Development;
- (vii) upon receipt of all required HUD approvals, enter into a long-term Ground Lease pursuant to which HACN shall lease the Site to the Partnership;
- (viii) upon receipt of all required HUD approvals, convey the Phase I Improvements to the Partnership for consideration in an amount equal to the appraised value of the Phase I Improvements, a portion of which shall be funded through the HACN Seller Loan;
- (ix) amend the Annual Contribution Contract of HACN to provide operating subsidy to the Partnership for the operation of all public housing units included within the Development, pursuant to the term and conditions of a Regulatory and Operating Agreement;
- (x) enter into a Cooperation Agreement with the City of Newport with respect to the Development;
- (xi) enter into a loan arrangement with the Partnership for a deferred developer fee loan in an amount to be mutually determined between HACN and the Partnership, but in any event no more than the amount of developer fee payable to HACN with respect to the Project;
- (xii) provide such guarantees and indemnities as may be required by the Investor or any party providing debt financing for the project, including without limitation a construction completion guarantee, operating deficit guarantee, and tax credit guarantee, subject to all applicable HUD restrictions on guaranties and indemnities by public housing authorities, including the following:
 - a. a guaranty to Citizens Bank, N.A., in connection with a construction loan to the Development in an amount of up to \$8,500,000;
 - b. a guaranty to Rhode Island Housing and Mortgage Finance Corporation, in connection with a construction loan to the Development in an amount of up to \$12,000,000; and
 - c. a guaranty to Rhode Island Housing and Mortgage Finance Corporation, in connection with a permanent loan to the Development in an amount of up to \$4,500,000; and
- (xiii) enter into a Regulatory and Operating Agreement, a Declaration of Restrictive Covenants, a Mixed-Finance ACC Amendment with respect to the Development; and
- (xiv) provide for, execute and deliver such other documents, contracts, certifications or other instruments which may be necessary or appropriate in order to facilitate the Closing;

provided that all such documents shall have been reviewed and approved by Klein Hornig LLP, as counsel to HACN, and Joseph Nicholson Jr. as local counsel, and provided further that final

changes to any and all documents be approved by the Executive Director and Board Chair, and provided further that all required HUD approvals have been received.

AND BE IT FURTHER RESOLVED that James J. Reed, in his capacity as the Executive Director of HACN, acting singly, or Frank D. Landry, in his capacity as Board Chair of HACN, also acting singly, is each hereby authorized, empowered, and instructed to enter into, acknowledge, amend and/or deliver on behalf of HACN any and all instruments and documents, and to take any other action, as may be necessary or appropriate, in either of their sole and continuing discretion, in order to effect the consummation of the transactions described above, and to achieve any and all financial closings which may be necessary with the Partnership, its equity providers and debt providers in order to finance the Development;

AND BE IT FURTHER RESOLVED that James J. Reed, in his capacity as the Executive Director of HACN, acting singly, is hereby authorized, empowered, and instructed to approve and cause to be funded requisitions properly submitted in accordance with the HACN loan documents, provided that (i) HACN shall have received the recommendations of Rhode Island Housing and Mortgage Finance Corporation and/or any other lenders providing construction financing for the Development, to fund the requisition, and (ii) HACN shall have requested and received funds from HUD in the amount required to fund the requisition.

NOW, THEREFORE, BE IT RESOLVED, that the Park Holm Phase 1 and 2 Resolution 1084 be approved and signed by the Chairman and attested to by the Executive Director.

AYES	NAYS
Chair Landry	None.
Vice Chair Coleman	
Commissioner Abney	
“ McCauley	
“ Laranjo	
“ Vazquez	Absent.

The Chairman thereupon declared said motion carried and said Resolution adopted with attached documents.

The following Resolution was introduced by Commissioner McCauley, it being Resolution No. 1083. Same was read aloud and in full by Commissioner Laranjo, and considered by the Commissioners the Park Holm Phase III-HUD RAD Applications.

PARK HOLM III – HUD RAD APPLICATIONS

RESOLUTION NO. 1083

A Resolution – Ratifying the Executive Director’s decision to Submit an application to HUD to participate in the Rental Assistance Demonstration (RAD) for one of HACN’s public housing communities

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") is accepting applications for a new initiative called the Rental Assistance Demonstration ("RAD"), which allows housing authorities to convert public housing units to units covered by a Housing Assistance Payment Contract under either of two RAD components: Project Based Vouchers ("PBV") or Project Based Rental Assistance ("PBRA"); and

WHEREAS, the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011) established a limit of 60,000 units nationally for which HUD can accept applications, or reserve units, for conversion under RAD through December 31, 2013, which number of units may be further increased as part of future appropriations ; and

WHEREAS, RAD is intended to provide housing authorities the opportunity and structure needed to rehabilitate public housing developments that have or are likely to have in the future substantial capital needs; and

WHEREAS, the Housing Authority of The City of Newport ("HACN") has identified 8 public housing units, which are part of the Park Holm Phase III (the “Project”) redevelopment consisting of the rehabilitation of 44 total units, as suitable for conversion under RAD due to the size and condition of such Project; and

WHEREAS, HACN staff intends to determine the Project for which it will submit a RAD application this year for HUD approval and the Project(s) for which it will submit this year for HUD authorization to reserve units under RAD for next year; and

WHEREAS, HACN staff has discussed converting the Project under RAD with the Resident Advisory Board Executive Board and Policy Committee; staff who are assigned, or provide direct service, to the Project; and residents at proposed RAD development.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Newport:

1. The Executive Director is hereby authorized to submit an application to HUD for RAD conversion of the public housing development (referred to as the "Project") set forth on Exhibit A attached to this Resolution and made a part hereof.
2. The Executive Director is hereby authorized to update, revise or correct any project information, as appropriate, in connection with submitting the application for RAD to HUD.
3. The Executive Director is hereby authorized to take any and all appropriate actions, and execute all appropriate documents to carry out the Resolution consistent with its terms.

AYES	NAYS
Chair Landry	None.
Vice Chair Coleman	
Commissioner Abney	
“ McCauley	
“ Laranjo	
“ Vazquez	Absent.

The Chairman thereupon declared said motion carried and said Resolution adopted with attached documents.

The Secretary presented to the Commissioners the collection loss report requesting a write off in the amount of \$1,913.20 as uncollectible and classified as bad debt.

Upon a motion by Commissioner Laranjo, and seconded by Commissioner Abney, and unanimously carried, the write off in the amount of \$1,913.20 was approved.

The Secretary submitted to the Board the Consent Calendar items which included the C.O.P. Report, Occupancy, Applications, & Section 8 Report, Resident Services Report, Actual YTD Expenses, Operating Reserve Analysis and Collection & Loss payment in the amount of \$81.00.

Upon a motion by Commissioner Coleman, seconded by Commissioner Abney, and unanimously carried, the above Consent Calendar items were received as presented.

The Secretary presented to the Board an updated Capital/ARRA Projects report regarding the Hillside Homes, Energy Performance Contract, Park Holm, Florence Gray Center, Edgar Court, Donovan Manor and Fire Inspections.

Upon a motion by Commissioner Abney, seconded by Commissioner McCauley, and unanimously carried, the report regarding the Capital/ARRA Project (s) updates were received as presented.

The Secretary presented to the Board the Newport Resident Council monthly report to be received.

Upon a motion by Commissioner McCauley, seconded by Commissioner Abney, and unanimously carried, that the monthly report regarding the Newport Resident Council was received as written.

Upon a motion by Commissioner Coleman, seconded by Commissioner Abney, and unanimously carried, the meeting adjourned at 5:55 p.m.