Request for Action
by
Board of Commissioners

Approval of Prepayment for Georgiaville Manor

1.   Summary of Issues

This Request for Action ("RFA") is for approval of the prepayment of the existing first mortgage loan of Georgiaville Manor (the "Development"), an affordable housing development for elderly and disabled households situated in Smithfield.

The Development consists of 54 apartment units with 50 one-bedroom and 4 two-bedroom units. All units receive project-based Section 8 rental assistance. The Development was most recently refinanced in 2007 with financing from Rhode Island Housing and Mortgage Finance Corporation ("RIHousing"). The Development's 40-year Regulatory Agreement expires in 2047.

Under RIHousing's Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (as amended, the "TPA Regulations"), project owners must obtain RIHousing's approval and comply with RIHousing's administrative procedures for the transfer of physical assets and prepayment of the mortgage before conveying, assigning, or transferring any ownership interest in a multifamily housing project.

2.   Discussion

The owner of the Development is Georgiaville Apartments, L.P. (the "Owner"). The Owner is refinancing the property with Rockport Mortgage Corporation using an FHA Section 223(f) insured loan. The proceeds from the refinancing will be used to pay off the existing first mortgage. RIHousing has determined there is no prepayment penalty associated with the loan payoff. No changes to the term or substance of the existing RIHousing Regulatory Agreements are contemplated.

The current property manager is KCEE Property Management, LLC ("KCEE"). The Owner and management company are affiliated entities. No change in the management agent is contemplated. The Development received an 88c on its most recent REAC score and KCEE provided a list of capital improvements made over the past few years.

3.   Recommendation

The attached resolution approving the prepayment of the existing mortgage, subject to the conditions contained therein, is recommended for approval.

4.   Attachments

     A)   Resolution

Attachment A

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

WHEREAS: under Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (as amended from time to time, the "TPA Regulations"), project owners must obtain RIHousing's approval and comply with RIHousing's administrative procedures for the transfer of physical assets before conveying, assigning, or transferring any ownership interest in a multifamily housing project; and

WHEREAS: Georgiaville Apartments, L.P., the owner of Georgiaville Manor (the "Development"), seeks approval of the prepayment of the existing first mortgage; and

WHEREAS: staff has reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements; and

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that the prepayment of the existing first mortgage currently encumbering Georgiaville Manor be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by RIHousing of all application materials required in Phases 2 and 3 of the TPA Regulations (see § 3.4 of the TPA Regulations) except for such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and protection of the interests of RIHousing;

2. Receipt by RIHousing of the Processing Fee, as defined in § 3.4 of the TPA Regulations; and

3. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of RIHousing with respect to the Development.

RESOLVED: that the Executive Director, Deputy Executive Director, and Director of Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.