

**REQUEST FOR ACTION
BY
BOARD OF COMMISSIONERS**

*Authorization to Issue Tax-Exempt Bonds to Support
the Development of Bernon Mills
\$14,500,000*

1. Summary of Issues

This Request for Action is for approval of the issuance by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) of tax-exempt bonds in an amount not to exceed \$14,500,000 to be utilized in a tax-exempt cash collateralized transaction with Bank of America, N.A. (“BOA”) to fund the construction-to-permanent financing for a portion of the multifamily rental housing development in Woonsocket known as Bernon Mills.

Bernon Mills will provide 60 units of housing, of which 100% will be affordable to households whose incomes are at or below 80% of area median income. The developer, Brisa Ventures, LLC, has formed a limited partnership, Brisa Bernon Mills, LP (the “Borrower”), which will be the owner of the project and the recipient of the loan.

In accordance with the cash collateralized structure, RIHousing will deposit the bonds into a Collateral Fund to be held under the Trust Indenture for advances of proceeds made to the Borrower by BOA. BOA has agreed to provide a separate construction bridge loan to the Borrower, with the proceeds being used to cash collateralize the bonds. The loan will convert to permanent financing upon the completion of the Project. RIHousing and the Borrower will undertake all of the standard obligations related to a tax-exempt facility.

The permanent loan will be non-recourse to RIHousing. RIHousing will receive a one-time origination fee of 2% of the first \$5MM and then 1% of the remaining principal amount of the loan, plus an annual servicing fee equal to 25 basis points of the outstanding loan balance.

2. Recommendation

RIHousing staff recommends approval of the attached resolutions authorizing the issuance of tax-exempt bonds up to an amount of \$14,500,000 to finance the acquisition and construction of Bernon Mills pursuant to a private placement transaction with Bank of America, N.A.

3. Attachments

- A. Authorizing Resolution
- B. Form of Trust Indenture
- C. Form of Loan Agreement
- D. Form of Preliminary Official Statement