

**Request for Action
by
Board of Commissioners**

Firm Approval of Financing for Braeburn Chatham Apartments

A. PROJECT SUMMARY

This Request for Action (“RFA”) is for the firm approval of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) tax-exempt financing in an amount not to exceed \$19,500,000, of which \$13,250,000 would remain as a permanent first mortgage, and a Capital Magnet Fund (“CMF”) loan for \$500,000 for Braeburn Chatham Apartments (hereinafter referred to as “Braeburn Chatham” or the “Development”). BLVD Capital is the developer (“BLVD” or the “Developer”). The Development received preliminary approval for this financing from the Board of Commissioners on May 20,2021.

This firm approval will support the acquisition and rehabilitation of two existing Section 8 developments known as Braeburn Apartments (“Braeburn”) and Chatham Village (“Chatham”), which are both located in Providence. Braeburn and Chatham will be combined into one development owned by a single asset entity with 91 units of affordable rental housing. Braeburn, which was developed as affordable housing in the late 1970s, is comprised of 51 units in four buildings and Chatham, which was built in 1997, is comprised of 40 units in seven buildings. Both sites were purchased by entities related to BLVD in 2016. Each property benefits from a project-based housing assistance payments (“HAP”) contract for 100% of the units. RIHousing is the HAP contract administrator. Both properties are in fair condition with some deferred maintenance.

BLVD will undertake a substantial renovation of both properties with the scope of work for the renovation including new roofs, windows, siding, entry doors and exterior lighting. Additionally, the mechanical, electrical, and fire alarm systems will be replaced or upgraded. Finally, all of the unit interiors will be completely renovated with new kitchen cabinets, plumbing fixtures, flooring, paint, and appliances.

The Developer will complete the acquisition and rehabilitation of the Development using the proceeds from this tax-exempt financing through a back-to-back transaction with Citibank, the sale of LIHTCs, the CMF loan, and a loan from the Affordable Housing Trust. Boston Financial Investment Management (“BFIM”) will be the syndicator purchasing the 4% LIHTCs and is paying \$.90 per credit.

This RFA requests firm approval of \$19,500,000 in tax-exempt financing, of which \$13,250,000 will remain as permanent debt, and a CMF loan for \$500,000 for Braeburn Chatham, subject to certain conditions as set forth in the attached Resolution.

B. ATTACHMENTS

- A.** Credit Summary
- B.** Resolution

Attachment A

Credit Summary

Attachment B

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

- Whereas:** Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve 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:** RIHousing intends to issue tax-exempt bonds for the purpose of financing qualified housing developments throughout the state;
- Whereas:** RIHousing is authorized to issue conduit tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;
- Whereas:** on May 20, 2021 the RIHousing Board of Commissioners granted preliminary approval of tax-exempt mortgage financing to BLVD Capital (“Applicant”) to acquire and/or rehabilitate the affordable housing to be known as Braeburn Chatham Apartments (the “Development”);
- Whereas:** the Applicant is requesting firm approval of tax-exempt mortgage financing for the Development as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Tax- Exempt Bonds</u>	<u>Capital Magnet Fund</u>
Braeburn Chatham Apartments	BLVD Capital	\$19,500,000	\$500,000

- Whereas:** said bonds shall have a term not to exceed 35 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; and
- Whereas:** the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies.

NOW, THEREFORE, IT IS HEREBY:

- Resolved:** that subject to the special conditions listed below, RIHousing hereby declares firm commitment for tax-exempt mortgage financing for Braeburn Chatham,

LP or an affiliated entity (the “Borrower”) in an amount not to exceed \$19,500,000 for rental housing known as Braeburn Chatham Apartments located in Providence, Rhode Island to be financed in part with tax-exempt bonds;

Resolved: that RIHousing hereby declares that this firm commitment of financing for the Borrower constitutes the affirmative official act of RIHousing of its intention to issue tax-exempt bonds to finance up to \$19,500,000 in mortgage funds, 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. This resolution shall take effect immediately upon adoption;

Resolved: that, in order to fund the loan to the Development, RIHousing may enter into a loan arrangement with Citibank, N.A. (the “Citibank Loan”) substantially in accordance with the terms outlined in the Request for Action to which this resolution is attached;

Resolved: that the Executive Director, Deputy Executive Director, Director of Finance, General Counsel, and the Manager of Treasury and Capital Planning (each, an “Authorized Officer”), acting singly, be and each hereby is authorized to enter into such documents with Citibank, N.A as it may require to evidence the Citibank Loan, including, without limitation, a funding loan agreement, 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 RIHousing, approved in all respects by the Board of Commissioners of RIHousing;

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 RIHousing of all such other agreements, documents, and instruments and the performance by RIHousing 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 RIHousing 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 to be conclusively evidenced by the taking of 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 RIHousing, approved in all respects by the Board of Commissioners;

Resolved: that, subject to the special conditions listed below, RIHousing hereby grants firm approval for a Capital Magnet Fund loan to the Borrower, in an amount not to exceed \$500,000 for rental housing known as Braeburn Chatham Apartments located in Providence, Rhode Island;

Resolved: that the foregoing resolutions are subject to the following special conditions:

- HUD approval of the Borrower's rent request and waivers;
- Evidence of the availability of a 20-year HAP contract for the Development at rent levels that, in the judgment of RIHousing, are sufficient to ensure project feasibility;
- Syndication proceeds from the sale of 4% LIHTCs in an amount sufficient to ensure development feasibility;
- Approval of a Preservation Loan Program Fund loan from the Affordable Housing Trust;
- Approval by RIHousing of construction plans and specifications and construction documentation including an acceptable reserve analysis for the rehabilitation items not immediately undertaken following acquisition;
- Approval by bond counsel that the proposed conduit loan will satisfy all required bond requirements;
- RIHousing approval of all Citibank loan documents;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing; and
- Completion of all items required for closing in accordance with normal underwriting and processing requirements.

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