

**Request for Action
by
Board of Commissioners**

**Approval of Transfer of Physical Assets for
Coddington Point (Newport)**

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the managing member interest in Coddington Point (the “Development”), a 32-unit affordable housing development for families located in Newport.

Under the 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, 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 EAF Newport LLC (the “Borrower”). The current managing member of the Borrower is Dellbrook Manager Inc., a Massachusetts corporation that holds a .01% ownership interest in the Borrower. The current non-managing member of the Borrower is EAF North Newport LLC, which holds a 99.99% ownership interest. Dellbrook Manager Inc. (the “Transferor”) intends to withdraw and transfer its managing member interest to EAF North Newport LLC (the “Transferee”) such that the Transferee will be the sole member of the Borrower.

All existing obligations encumbering the Development will remain unchanged, and the Regulatory Agreement remains in place through 2049.

In addition, Peabody Properties, Inc. will withdraw as management agent and be replaced by Bay Management Corp., which is a management company affiliated with the Transferee. Bay Management Corp. has been involved in the development and management of multi-family residential properties for over fifty years. Its diverse portfolio ranges from affordable properties to luxury high-rises, suburban garden communities, and office, retail, and condominium amenities. Based in New York and Boston, Bay Management Corp. oversees properties across the East Coast. They currently manage two developments in Rhode Island: Oxbow Farms, a 300-unit development in Middletown, and Harbor Tower, a 190-unit high-rise in Portsmouth.

3. Recommendation

The attached resolution approving the transfer of the managing member interests, subject to the conditions contained therein, is recommended for approval.

4. Attachment

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;
- Whereas,** EAF Newport LLC seeks approval of the transfer of the managing member interest in EAF Newport LLC, the owner of Coddington Point (the “Development”), from Dellbrook Manager Inc. to EAF North Newport LLC; and
- Whereas,** staff has reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements.

NOW, THEREFORE, IT IS HEREBY:

- Resolved,** that the transfer of the managing member interest in the Development from Dellbrook Manager Inc. to EAF North Newport LLC 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 Real Estate Development each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.