Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for
Greenwood Terrace Apartments (Warwick)

1. Summary of Issues

This Request for Action ("RFA") is for approval of the transfer of ownership interests in Greenwood Terrace Apartments (the "Development"), 93 units of family housing located at 2426 Post Road in Warwick.

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, 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 Greenwood Apartments, LP (the "Partnership"). The current general partner is Greenwood GP, LLC (the "Current GP"), which holds a .01% interest in the Partnership. The sole member of the Current GP is Cathedral Development Group, Inc. (the "GP Managing Member"). The current investor limited partner is Countryside Corporate Tax Credits XXV Limited Partnership (the "Current LP"), which holds a 99.98% interest in the Partnership. In addition, Michel Properties, LLC is a Special Limited Partner (the "Special LP"), which does not hold a percentage interest, and there are three Class A Limited Partners that hold a collective .01% interest (the "Class A Partners").

The GP Managing Member intends to sell 49% of its interest in the Current GP to RI Portfolio CDG Preservation LLC, an affiliate of Belveron Partners ("Belveron"), and the Class A Partners intend to sell their collective interest to Belveron RI Tax Credit Member, LLC ("Belveron TCM"). These two transfers will result in Belveron affiliates owning 49% of the Current GP and a .01% Class A limited partnership interest.

Belveron is a privately held company specializing in affordable housing. Currently, they have an ownership interest in almost 30,000 units in 14 states. According to the application, Belveron has raised more than $1.2 billion since 2006 to "improve housing opportunities for lower income and working families across the country." The managing partner of Belveron is Paul Odland, and they have offices in New York, California and Texas.

The management agent is Property Advisory Group, Inc., a Rhode Island corporation affiliated with the Current GP. No change in the management agent is contemplated.

3. Recommendation

The attached resolution approving the transfer of an ownership interest, 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;

WHEREAS: Greenwood Apartments, LP (the "Borrower") seeks approval of the transfer of 49% of the ownership interest in the general partner, Greenwood GP, LLC, to RI Portfolio CDG Preservation LLC;

WHEREAS: the Borrower also intends to transfer .01% of the ownership interests in the Borrower from certain Class A limited partners to Belveron RI Tax Credit Member, 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 49% of the ownership interest in the general partner of the Borrower, Greenwood GP, LLC, to RI Portfolio CDG Preservation LLC, be, and hereby is, approved, subject to the following terms and conditions.

RESOLVED: that the foregoing transfer 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 Transfer Fee and 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, the Deputy Executive Director, or the Director of Real Estate Development, each acting singly, be and hereby are authorized to execute and deliver on behalf of RIHousing all documents necessary or advisable to consummate

such transfers and to take such further actions as he or she shall deem necessary or advisable in connection therewith.