

**Request for Action
by
Board of Commissioners**

**Approval of Reservation of Low-Income Housing Tax Credits and Firm Approval of
Financing for Joseph Caffey Apartments & Jordan Caffey Townhomes**

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 \$7,700,000.00, a HOME Investment Partnership Program (“HOME”) loan of \$1,600,000.00, a Capital Magnet Fund (“CMF”) loan of \$999,999.00, a permanent taxable loan in the amount of \$2,700,000.00 and a Housing Trust Fund (“HTF”) loan of \$1,960,000.00 for Jordan Caffey Townhomes (hereinafter referred to as “JCT”). This RFA also seeks approval of a reservation of \$1,298,250.00 in 2021 and/or 2022 9% Low-Income Housing Tax Credits (“LIHTC”) for the Joseph Caffey Apartments (hereinafter referred to as “JCA”). Omni Development Corporation and Wingate Capital Partners, LLC are the co-developers (“Omni/Wingate”) and have formed a joint venture partnership, Upper South Providence Partners, LLC (“USPP” or the “Developer”) to develop the site. Both JCT and JCA received approval of financing for LIHTC and preliminary approval for financing from the Board of Commissioners on May 20, 2021 (“Preliminary Approval”).

B. DISCUSSION

The development site, comprised of JCT and JCA, is formerly known as Barbara Jordan 2 Apartments (“BJ2”). BJ2 consisted of 74 units and has been vacant since 2015. The U.S. Department of Housing and Urban Development (“HUD”) foreclosed on the site several years ago and transferred the property to RIHousing in 2020. The development of JCT and JCA at the BJ2 site (the “Development”) entails the acquisition and demolition of BJ2 and the new construction of 79 affordable rental units in 11 buildings. The Developer is using a bifurcated 9%/4% structure to fund the Development. JCT will have 40 units and be funded with tax-exempt bonds and 4% LIHTC and JCA will contain 39 units and be funded with 9% LIHTC.

Financing has changed since Preliminary Approval. The total development cost of JCT and JCA has decreased approximately \$475,000.00 due primarily to lower acquisition costs. RIHousing carrying costs are lower than originally anticipated resulting in a lower sale price. JCT realized further savings from a decrease in projected interest expense. At Preliminary Approval, a tax-exempt loan of \$9,000,000.00 was approved for JCT. The JCT tax-exempt loan has been re-sized to \$7,700,000.00 and will be repaid at conversion. In addition, the RIHousing Deferred Payment Loan of \$222,723.00 approved at Preliminary Approval has been eliminated due to a combination of lower total development costs (“TDC”) and a larger permanent loan. RIHousing will now provide the permanent loan for JCT. For the JCA transaction, Citizens Bank will provide the construction financing and the City of Providence will remain the permanent lender.

This RFA requests firm approval of \$7,700,000.00 in tax-exempt financing, a HOME loan of \$1,600,000.00, a CMF loan of \$999,999.00, a permanent taxable loan of \$2,700,000.00 and an HTF loan of \$1,960,000.00 for JCT, and \$1,298,250.00 in 2021 and/or 2022 9% Low-Income Housing Tax Credits for JCA, all of which are subject to certain conditions as set forth in the attached Resolutions.

B. ATTACHMENTS

- A.** Credit Summary
- B.** Resolution for JCT
- C.** Resolution for JCA

Attachment A

Credit Summary

Approval Loan Recommendation Summary – Joseph Caffey Apartments & Jordan Caffey Townhomes

Preliminary _____

Firm X

Date: November 10, 2021

Project: The Development site is formerly known as Barbara Jordan 2 Apartments (“BJ2”). The BJ2 development consisted of 74 units and has been vacant since 2015. The U.S. Department of Housing and Urban Development (“HUD”) foreclosed on the site several years ago and transferred the property to RIHousing in 2020. RIHousing issued a Request for Proposals seeking a developer for BJ2 and ultimately selected the Omni/Wingate partnership to undertake the redevelopment. At closing, the site will transfer to USPP for approximately \$972,000.

Joseph Caffey Apartments (“JCA”) and Jordan Caffey Townhomes (“JCT”) entail the acquisition and demolition of BJ2, and the new construction of 79 affordable rental units in 11 buildings. The new building located at 16 Somerset Street will be a 54-unit four-story elevator building with parking and open space that will encompass an entire city block between Somerset and Portland Streets. The other buildings are townhome style with a mix of two- to six-unit buildings.

The Developer is using a bifurcated 9%/4% structure to fund the Development. JCA will contain 39 units and be funded under the 9% partnership and JCT will have 40 units and be funded with tax exempt bonds and 4% LIHTC.

Development Team

| | Name | Location | Risk Rating |
|----------------------------|---------------------------------------------------------------|-----------------|--------------------|
| Sponsor/Developer | Omni Development Corporation | Providence, RI | Low |
| | Wingate Capital Partners, LLC | Newton, MA | Low |
| Mortgagors | Jordan Caffey Townhomes, LLC Joseph Caffey Apartments, LLC | Providence, RI | Low |
| Architect | DVWV Architects, Inc. | Providence, RI | Low |
| General Contractor | Pezzucio Construction Inc. | Cranston, RI | Low |
| Legal – Real Estate | Chace Ruttenberg & | Providence, RI | Low |

| | | | |
|-------------------------|-------------------------------------|----------------|-----|
| | Freedman, LLP | | |
| Legal – LIHTC | Vorys, Sater, Seymour and Pease LLP | Washington DC | Low |
| Management Agent | Wingate Management Company, LLC | Newton, MA | Low |
| Consultant | Barbara Sokoloff Associates, Inc. | Providence, RI | Low |
| Syndicator | National Equity Fund, Inc. | New York, NY | Low |

Executive Summary - Joseph Caffey Apartments

| | | |
|------------------------------------------|--------------------|----------------|
| Property Address | 16 Somerset Street | Providence, RI |
| Proposed Loan Amount(s) and Terms | | |
| 9% Low Income Housing Tax Credits | \$1,298,250 | |

Construction financing is being provided by Citizens Bank and the City of Providence is providing the permanent financing.

Initially the Developer anticipated this project would utilize Income Averaging with rents between 30% and 80% Area Median Income (“AMI”). They have elected not to utilize Income Averaging but are still providing units between 30% and 80% AMI. There are 36 LIHTC units with rents at or below 60% AMI and 3 non-LIHTC units at 80% AMI.

I. Proposed Sources & Uses (JCA):

| Sources | Preliminary | | Delta | Firm | |
|------------------------|---------------------|------------------|-----------------|---------------------|------------------|
| | Amount | Per Unit | | Amount | Per Unit |
| First Mortgage | \$1,530,000 | \$39,231 | (\$245,000) | \$1,775,000 | \$45,513 |
| LIHTC Proceeds | \$12,202,330 | \$312,880 | \$97,359 | \$12,104,971 | \$310,384 |
| Deferred Developer Fee | \$244,310 | \$6,264 | \$244,310 | \$0 | \$0 |
| Total Sources | \$13,976,640 | \$358,375 | \$96,669 | \$13,879,971 | \$355,897 |

| Uses | Preliminary | | Delta | Firm | |
|------------------------------------|---------------------|------------------|-----------------|---------------------|------------------|
| | Amount | Per Unit | | Amount | Per Unit |
| Construction | \$9,758,089 | \$250,207 | (\$0) | \$9,758,089 | \$250,207 |
| Contingency | \$683,066 | \$17,515 | (\$0) | \$683,066 | \$17,515 |
| Acquisition | \$657,831 | \$16,867 | \$201,338 | \$456,494 | \$11,705 |
| Soft Costs | \$1,079,783 | \$27,687 | (\$71,439) | \$1,151,223 | \$29,519 |
| Financing | \$772,783 | \$19,815 | (\$36,405) | \$809,188 | \$20,748 |
| Developer Fee | \$762,300 | \$19,546 | \$0 | \$762,300 | \$19,546 |
| Operating Reserve | \$213,035 | \$5,462 | \$5,200 | \$207,835 | \$5,329 |
| Lease Up Reserve | \$0 | \$0 | \$0 | \$0 | \$0 |
| Replacement Reserve Year 1 Deposit | \$12,675 | \$325 | \$0 | \$12,675 | \$325 |
| Other Reserves | \$37,077 | \$951 | (\$2,024) | \$39,101 | \$1,003 |
| Total Uses | \$13,976,640 | \$358,375 | \$96,670 | \$13,879,971 | \$355,897 |

\$1,298,250 LIHTC @ \$.933/credit

II. Unit Distribution and Revenue (JCA):

| Unit | Rent Type | Number of Units | Gross Rent | Gross Rent as a | | Discount from Market Rent |
|--------------|---------------|-----------------|-------------|-----------------|---------------------|---------------------------|
| | | | | LIHTC Max Rent | % of LIHTC Max Rent | |
| 1 | 50% | 2 | \$ 811.00 | \$ 815.00 | 100% | 56.0% |
| 2 | 50% | 2 | \$ 973.00 | \$ 978.00 | 99% | 54.1% |
| 3 | 50% | 1 | \$ 1,125.00 | \$ 1,131.00 | 99% | 35.6% |
| 1 | 60% | 3 | \$ 953.00 | \$ 978.00 | 97% | 47.0% |
| 2 | 60% | 12 | \$ 1,139.00 | \$ 1,174.00 | 97% | 44.8% |
| 3 | 60% | 8 | \$ 1,317.00 | \$ 1,357.00 | 97% | 22.4% |
| 2 | 30% | 5 | \$ 1,317.00 | \$ 587.00 | 224% | 34.8% |
| 3 | 30% | 3 | \$ 1,670.00 | \$ 678.00 | 246% | -1.8% |
| 1 | 80% Non-LIHTC | 2 | \$ 1,135.50 | \$ - | 0% | 35.4% |
| 2 | 80% Non-LIHTC | 1 | \$ 1,363.00 | \$ - | 0% | 32.3% |
| Total | | 39 | | | | 35.5% |

Market rents were determined by a RIHousing commissioned market study and appraisal. PBV rents are set at 1.10 times the Fair Market Rents (“FMR”) established by HUD.

Executive Summary - Jordan Caffey Townhomes

| | | |
|------------------------------------------|---------------------------------|-------------------------------------------|
| Property Address | Complete List at end of Summary | Providence, RI |
| Proposed Loan Amount(s) and Terms | | |
| Tax Exempt Loan - Construction | \$7,700,000 | 3.0%/30 months |
| Permanent Loan | \$2,700,000 | 3.0%/40 years |
| HOME Loan | \$1,600,000 | Deferred |
| Capital Magnet Fund | \$999,999 | Deferred payable from 50% of surplus Cash |
| HTF Loan | \$1,960,000 | Deferred |

At Preliminary it was anticipated the City of Providence would provide the permanent financing, however, it was determined during underwriting that RIHousing will be the permanent lender.

I. Proposed Sources & Uses (JCT):

| Sources | Preliminary | | Delta | Firm | |
|---------------------------|---------------------|------------------|------------------|---------------------|------------------|
| | Amount | Per Unit | | Amount | Per Unit |
| RIH First Mortgage | \$2,345,000 | \$58,625 | (\$355,000) | \$2,700,000 | \$67,500 |
| RIH HOME Loan | \$1,600,000 | \$0 | \$0 | \$1,600,000 | \$40,000 |
| Capital Magnet Fund | \$999,999 | \$0 | \$0 | \$999,999 | \$25,000 |
| Housing Trust Fund | \$1,960,000 | \$0 | \$0 | \$1,960,000 | \$49,000 |
| Providence HOME | \$880,000 | \$0 | \$0 | \$880,000 | \$22,000 |
| LIHTC Proceeds | \$6,452,277 | \$161,307 | \$102,942 | \$6,349,335 | \$158,733 |
| Deferred Developer Fee | \$405,001 | \$10,125 | \$405,001 | \$0 | \$0 |
| RIH Deferred Payment Loan | \$222,723 | \$5,568 | \$222,723 | \$0 | \$0 |
| Total Sources | \$14,865,000 | \$371,625 | \$375,666 | \$14,489,334 | \$362,233 |

| Uses | Preliminary | | Delta | Firm | |
|------------------------------------|---------------------|------------------|------------------|---------------------|------------------|
| | Amount | Per Unit | | Amount | Per Unit |
| Construction | \$10,250,411 | \$256,260 | \$0 | \$10,250,411 | \$256,260 |
| Contingency | \$717,529 | \$17,938 | \$0 | \$717,529 | \$17,938 |
| Acquisition | \$674,699 | \$16,867 | \$206,500 | \$468,199 | \$11,705 |
| Soft Costs | \$1,111,038 | \$27,776 | (\$65,494) | \$1,176,531 | \$29,413 |
| Financing | \$932,778 | \$23,319 | \$235,597 | \$697,181 | \$17,430 |
| Developer Fee | \$891,500 | \$22,288 | \$0 | \$891,500 | \$22,288 |
| Operating Reserve | \$237,025 | \$5,926 | \$3,478 | \$233,547 | \$5,839 |
| Replacement Reserve Year 1 Deposit | \$13,000 | \$325 | \$0 | \$13,000 | \$325 |
| Other Reserves | \$37,022 | \$926 | (\$4,415) | \$41,436 | \$1,036 |
| Total Uses | \$14,865,000 | \$371,625 | \$375,666 | \$14,489,334 | \$362,233 |

\$666,314 LIHTC @ \$.953/credit

II. Loan to Value Test (JCT):

| | Appraisal | Per Unit | Variance | Current UW | Per Unit |
|----------------------|-------------|----------|-------------|-------------|----------|
| NET OPERATING INCOME | \$188,105 | \$4,703 | (\$38,698) | \$149,407 | \$3,735 |
| Appraisal Cap Rate | 5.35% | | | 5.35% | |
| Valuation | \$3,515,000 | \$87,875 | (\$722,354) | \$2,792,646 | \$69,816 |
| Loan Principal | \$2,700,000 | \$67,500 | | \$2,700,000 | \$67,500 |
| LTV | 76.81% | | 20% | 96.68% | |

- RIHousing used a 6.6% vacancy vs. appraiser's 3%
- RIHousing used more conservative operating expenses

III. Underwriting Metrics (JCT):

| Metric | Amount | Comment |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Total Development Cost Per Unit | \$362,233 | |
| Residential Vacancy Rate | 6.6% | |
| DCR Yr 1 | 1.29 | |
| DCR Yr 15 | 1.23 | |
| NOI | \$149,407 | |
| Income Trending | 2% | |
| Expense Trending | 3% | |
| Loan to Value | 76.8% | |
| Initial Installment (%) of syndication proceeds | 15% | |
| Acquisition Price equal to or less than Appraised value | No \$170,000.00 Appraised Value vs. \$468,166.00 in projected PP. | RIHousing is the seller. Sales price is based on carrying costs since acquisition. |
| Operating Reserve (Amt and confirm consistency with UW requirements) | \$233,547.00 | Consistent with RIHousing requirements. |
| Replacement Reserve (Amt and confirm consistency with UW requirements) | \$13,000.00 | Consistent with RIHousing requirements. |

IV. Deviations from standard underwriting (JCT) – YES

A 7% construction contingency was utilized, versus 10%. Considering the project is new construction and the geotechnical survey met the requirements of RIHousing Design and Construction staff this is considered an acceptable deviation.

Fails Part 2 of the Bridge Loan Test – This is a tax-exempt transaction. The Bridge Loan is sized at the minimum amount required to ensure that 50% of the aggregate basis of the project is funded with tax-exempt bond proceeds as required by the applicable tax code provisions.

V. Unit Distribution and Revenue (JCT):

| Unit | Rent Type | Number of Units | Gross Rent | Gross Rent as a | | |
|--------------|-----------|-----------------|-------------|-----------------|---------------------|---------------------------|
| | | | | LIHTC Max Rent | % of LIHTC Max Rent | Discount from Market Rent |
| 1 | 60% | 3 | \$ 953.00 | \$ 973.00 | 98% | 47.0% |
| 2 | 30% | 4 | \$ 1,334.00 | \$ 584.00 | 228% | 34.8% |
| 2 | 60% | 7 | \$ 1,156.00 | \$ 1,168.00 | 99% | 44.8% |
| 2 | 60% | 5 | \$ 1,156.00 | \$ 1,168.00 | 99% | 44.8% |
| 3 | 60% | 8 | \$ 1,338.00 | \$ 1,350.00 | 99% | 54.3% |
| 3 | 30% | 1 | \$ 1,691.00 | \$ 675.00 | 251% | 40.1% |
| 3 | 30% | 3 | \$ 1,691.00 | \$ 675.00 | 251% | 40.1% |
| 3 | 60% | 3 | \$ 1,338.00 | \$ 1,350.00 | 99% | 54.3% |
| 4 | 60% | 6 | \$ 1,474.00 | \$ 1,506.00 | 98% | 53.3% |
| Total | | 40 | | | | 47.4% |

Market rents were determined by a RIHousing commissioned market study and appraisal. PBV rents are set at 1.10 times the Fair Market Rents (“FMR”) established by HUD.

| Property Addresses | | |
|--------------------|----------------------------------------------------|----------------|
| | 224 Pearl Street | Providence, RI |
| | 242 Pearl Street | Providence, RI |
| | 18-24 Portland Street | Providence, RI |
| | 102 Chester Avenue | Providence, RI |
| | 23 Somerset Street | Providence, RI |
| | 14-16 Linden Street | Providence, RI |
| | 6 Taylor Street | Providence, RI |
| | 14-22 Taylor Street | Providence, RI |
| | 2 Harvard Street | Providence, RI |
| | 34 Taylor Street | Providence, RI |
| | 16 Somerset Street (4 th Floor Only) | Providence, RI |

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 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 Upper South Providence Partners, LLC, a joint venture partnership between Omni Development Corporation and Wingate Capital Partners, LLC (“Applicant”) to acquire and/or rehabilitate the affordable housing then referred to as Joseph Caffey Apartments Phase B and now known as Jordan Caffey Townhomes (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>HOME Funds</u> | <u>CMF Funds</u> | <u>Taxable Loan</u> | <u>HTF</u> |
|-------------------------|--------------------------------------|-------------------------|-------------------|------------------|---------------------|-------------|
| Jordan Caffey Townhomes | Upper South Providence Partners, LLC | \$7,700,000 | \$1,600,000 | \$999,999 | \$2,700,000 | \$1,960,000 |

- Whereas,** said bonds shall have a term not to exceed 40 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 Jordan Caffey Townhomes, LLC, or other affiliated entity of Applicant (the “Borrower”) in an amount not to exceed \$7,700,000.00 for rental housing known as Jordan Caffey Townhomes located in Providence 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 \$7,700,000.00 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 the Executive Director, Deputy Executive Director, Director of Finance, General Counsel, and the Manager of Treasury and Capital Planning (each, an “Authorized Officer”) 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 permanent taxable loan to the Borrower, in an amount not to exceed \$2,700,000.00 for rental housing known as Jordan Caffey Townhomes located in Providence.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants firm approval for a HOME Investment Partnerships Program loan to the Borrower, in an amount not to exceed \$1,600,000.00 for rental housing known as Jordan Caffey Townhomes located in Providence.

Resolved, that, subject to the special conditions listed below, RIHousing hereby grants firm approval for a Housing Trust Fund loan to the Borrower, in an amount not to exceed \$1,960,000.00 for rental housing known as Jordan Caffey Townhomes located in Providence.

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 \$999,999.00 for rental housing known as Jordan Caffey Townhomes located in Providence.

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

- Syndication equity from the allocation of LIHTC credits in amounts sufficient to achieve project feasibility;
- Approval of HOME Investment Partnerships Program loan from the City of Providence in an amount sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by RIHousing's bond underwriter and bond counsel that the tax-exempt loan will satisfy all required financing provisions as well as assurance that the equity investors will not also be involved in the transaction as purchasers of the RIHousing bonds used to fund the loan;
- The simultaneous closing of both phases of the Development including construction financing and all condominium related documentation;
- Construction completion and repayment guarantees from the Borrower, Upper South Providence Partners, LLC, and each general partner; All liquidity requirements will be equal to those required by Citizens Bank for their construction loan on the Joseph Caffey Apartments;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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

ATTACHMENT C

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, the Low-Income Housing Tax Credit Program (the “Program”) was created as part of the Tax Reform Act of 1986, as amended (the “Act”);

Whereas, RIHousing has been designated the administrator of the Program in the State of Rhode Island;

Whereas, staff for RIHousing has determined that the applicant listed below (“Applicant”) is eligible for the Program under the laws of the State of Rhode Island and the federal tax code;

Whereas, on May 20, 2021, the RIHousing Board of Commissioners granted preliminary approval of a reservation of low-income housing tax credits available in calendar years 2021 and/or 2022 (the “Tax Credits”) to Upper South Providence Partners, LLC, a joint venture partnership between Omni Development Corporation and Wingate Capital Partners, LLC to acquire and/or rehabilitate the affordable housing then referred to as Joseph Caffey Apartments Phase A and now known as Joseph Caffey Apartments (the “Development”);

Whereas, the Applicant is requesting firm approval of 9% Low Income Housing Tax Credits for the Development as set forth below:

| Applicant | Development | 9% LIHTCs |
|--------------------------------------|--------------------------|------------------|
| Upper South Providence Partners, LLC | Joseph Caffey Apartments | \$1,298,250.00 |

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; and

Whereas, RIHousing finds that:

- (1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford

within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that up to \$1,298,250.00 of allocated 2021 and/or 2022 Tax Credits be reserved for the Applicant (or an affiliate of Applicant) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and that the Executive Director, Deputy Executive Director, and the Director of Development, each acting singly be, and hereby are, authorized and empowered in the name of and on behalf of RIHousing to take any and all actions necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the applicant complies with the requirements of the Act and the RIHousing Regulations.

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

- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing;
- Approval by RIHousing of all management related issues including the marketing and tenant selection plans;
- Approval by RIHousing of design and construction plans, specifications and construction documentation;

- Execution and delivery by the Applicant of a Construction Completion Guaranty in form and substance satisfactory to RIHousing and any lender;
- The simultaneous closing of both phases of the Development including construction financing and all condominium related documentation;
- A taxable construction loan from Citizens Bank or another lender in an amount sufficient to achieve project feasibility;
- Commitment of permanent loan funds from the Providence Redevelopment Authority or another lender in an amount sufficient to achieve project feasibility; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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