

**Request for Action
by
Board of Commissioners**

Approval of Prepayment for Maple Gardens I

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the prepayment of the existing first mortgage loan of Maple Gardens I (the “Development”), an affordable housing development for elderly and disabled households situated in North Providence, Rhode Island.

The Development consists of 90 apartments with 84 one-bedroom and 6 two-bedroom units. All units benefit from project-based Section 8 rental assistance. The Development was most recently refinanced in 2006 with financing from Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”). The Development’s 40-year Regulatory Agreement expires in 2046.

Under RIHousing’s 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 Omni Maple Gardens, LLC (the “Owner”), which is wholly owned by Omni Development Corporation, a non-profit housing developer based in Providence. The Owner is refinancing the property with Berkadia Proprietary Holding LLC using an FHA Section 223(f) insured loan. The proceeds from the refinancing will be used to pay off the existing first mortgage and undertake approximately \$3,000,000 of repairs. RIHousing has determined there is a prepayment penalty associated with the loan payoff in the approximate amount of \$390,000. The Owner will execute a Prepayment Regulatory Agreement to ensure affordability remains in place.

The current property manager is Wingate Management Company, LLC. The Owner and management company are not affiliated entities. No change in the management agent is contemplated. The Development had a REAC on July 12, 2023, and the score was 95c.

3. Recommendation

The attached resolution approving the prepayment of the existing mortgage, 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: Omni Maple Gardens, LLC, the owner of Maple Gardens I (the “Development”), seeks approval of the prepayment of the existing first mortgage; 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 prepayment of the existing first mortgage currently encumbering Maple Gardens I 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 and Prepayment Fees, including any applicable fees 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.