

Request for Action
by
Board of Commissioners

**Approval of Transfer of Physical Assets (TPA)
for Marvin Gardens Apartments**

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Marvin Gardens Apartments (the “Development”), an affordable housing development for families located at 157 Willow Street in Providence, Rhode Island.

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 MG Apartments, LP. The current general partner of the Development is Marvin Street LLC, a Rhode Island limited liability company that holds a .01% interest in the partnership. The two current investor limited partners in the Development are Countryside Corporate Tax Credits XIX Limited Partnership and Michel Properties, LLC (collectively, the “Transferor”). Collectively, the Transferor holds a 99.9% limited partner interest. The Transferor intends to withdraw and sell their partnership interests (the “Partnership Interests”) to MG Investor, LLC (the “Transferee”).

The Transferee will pay the sum of \$2,033,305 to purchase the Partnership Interests. The Transferee will assume all existing obligations encumbering the Development. The initial compliance period for the Development ends in 2025, however, the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor.

The current property manager is Property Advisory Group, Inc., an affiliate of MG Investor, LLC. No change in the management agent is contemplated.

3. Recommendation

The attached resolution approving the transfer of the limited partnership interest, subject to the conditions contained therein, is recommended for approval.

4. Attachment

A) Resolution

Approval of Transfer of Physical Assets (TPA) for
Marvin Gardens Apartments

November 18, 2022

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, Marvin Street LLC seeks approval of the transfer of the limited partnership interest in MG Apartments, LP, the owner of Marvin Gardens Apartments (the “Development”), from Countryside Corporate Tax Credits XIX Limited Partnership and Michel Properties, LLC to MG Investor, 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 limited partnership interest in the Development from Countryside Corporate Tax Credits XIX Limited Partnership and Michel Properties, LLC to MG Investor, 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.