

Request for Action
by
Board of Commissioners

**Approval of Transfer of Physical Assets (TPA) for
Mount Hope Court Apartments (Providence)**

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Mount Hope Court Apartments (the “Development”), a 36-unit development consisting of 18 townhouse buildings located in Providence.

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 Mt. Hope Court Associates, LP (the “Borrower”). The current general partner of the Borrower is SHK Mt. Hope LLC (the “General Partner”), which holds a .01% interest in the partnership. The current investor limited partners in the Borrower are Countryside Corporate Tax Credits XXII Limited Partnership, which holds a 99.99% interest, and Michel Properties, LLC, which is a special limited partner who does not hold a percentage interest (collectively, the “Transferors”). The Transferors intend to withdraw and sell their partnership interests to Alpin Development, LLC. (“Alpin” or the “Transferee”) for \$1,325,000. The members of the Transferee are Kevin Baptista and Stephan Baptista, who are also the members of the General Partner.

The Development’s 15-year Compliance Period will end on October 31, 2028, and the Transferee has applied to RIHousing for a second mortgage to purchase the limited partnership interests. The Transferee will assume all existing obligations encumbering the Development. The Regulatory Agreement with RIHousing is in effect until September 2053.

The current property manager, Cornell Management Corp., is an affiliate of the Transferee. No change in the management agent is contemplated. Michel Properties, LLC will continue in a limited role to monitor Section 42 compliance for the outgoing investor, including collection and review of annual tax returns and audited financial statements through the 15-year Compliance Period.

3. Recommendation

The attached resolution approving the transfer of the limited partnership interests, 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: SHK Mt. Hope LLC seeks approval of the transfer of the limited partnership interests in Mt. Hope Court Associates, LP, the owner of Mount Hope Court Apartments (the “Development”), from Countryside Corporate Tax Credits XXII Limited Partnership and Michel Properties, LLC to Alpin Development, 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 interests in the Development from Countryside Corporate Tax Credits XXII Limited Partnership and Michel Properties, LLC to Alpin Development, 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 transfer Processing Fee, as defined in §3.4 of the TPA Regulations;
3. Approval and closing of second mortgage financing in the amount not to exceed \$1,625,000 from RIHousing; and
4. 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 transfer and to take such further actions as he or she shall deem necessary or advisable in connection therewith.