

**MINUTES OF MEETING
OF THE
BOARD OF COMMISSIONERS**

November 18, 2022

The Regular Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Friday, November 18, 2022 at 10:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

Carol Ventura, Executive Director, opened the meeting and introduced Carl Rotella, Director of Information Technology, who summarized the parameters of the meeting.

Mr. Rotella stated that (i) this meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Mr. Rotella also asked that to prevent any feedback or background noise, telephone participants to please mute their telephone if not speaking. Additionally, Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Corinne Myers, General Counsel, then provided additional guidance for the meeting. Ms. Myers stated that the meeting was being held in hybrid fashion with all members of the Board of Commissioners appearing in person and specific RIHousing staff participating via teleconference. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Furthermore, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers stated that Vice Chairman Thorsen would preside over the meeting and requested that any Commissioner or staff wishing to comment state their name prior to speaking and telephone participants to mute their phone when not speaking. She then invited Vice Chairman Thorsen to call the meeting to order.

A quorum being present, Vice Chairman Thorsen introduced himself and officially called the meeting to order at approximately 10:32 a.m. The Vice Chairman then invited Ms. Ventura to proceed with the roll call of Commissioners in attendance.

Ms. Ventura conducted a roll call vote of Commissioners participating in the meeting. Commissioners participating were: James Thorsen, Director of the Department of Administration; Charon Rose, Designee for General Treasurer Seth Magaziner; Sara Cabral, Designee for Elizabeth Dwyer, Interim Director of the Department of Business Regulation; Josh Saal, Secretary of Housing and Kevin Orth. Stephen P. McAllister and Maria Barry were absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Lisa Primiano, Chief Operating Officer; Anne Berman, Director of Real Estate Development; Peter Pagonis, Director of Homeownership; Christine Hunsinger, Chief Strategy and Innovation Officer; Amy Rainone, Director of Government

Relations and Policy; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Steven Richard, Counsel to the Corporation, was present as were members of the public.

Approval of Minutes of Board Meeting held on October 20, 2022

Vice Chairman Thorsen asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on October 20, 2022. A motion was duly made by Commissioner Designee Cabral and seconded by Commissioner Orth.

There being no discussion, Corinne Myers, General Counsel of RIHousing, conducted a voice vote of the Commissioners.

The Commissioners voted to approve the minutes with four (4) votes in favor, Commissioner Designee Rose abstaining, and zero (0) nay votes. Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Board Meeting held on October 20, 2022 hereby are approved.

Vice Chairman Thorsen then complimented staff on the detailed and comprehensiveness of the meeting minutes.

Remarks of Presiding Commissioner

Vice Chairman Thorsen welcomed everyone to the Board meeting and announced that housing is at the top of the agenda for the Legislature and the Governor. The Vice Chairman said that he asked Commissioner Saal to provide an overview of the functions of the newly formed Department of Housing. Vice Chairman Thorsen said that the Office of Housing is charged with coordinating a housing plan for the State and that the Housing Secretary is spearheading the effort.

Vice Chairman Thorsen then invited Commissioner Saal to proceed with an update on the Office of Housing's strategies for housing initiatives.

Commissioner Saal began by noting the major initiatives for his department. Creating a State housing plan, housing the homeless and generating affordable housing solutions are top priorities for the Department of Housing. Commissioner Saal stated that he has been working with partners, the League of Cities and Towns, DBR, the Land Use Commission and other State departments to collaborate on means to access subsidies to encourage more developers to engage in the construction of affordable units.

Regarding strategies for combating homelessness, the Commissioner stated that in conjunction with the Department of Health and Human Services, they are exploring a path for permanent housing for those exiting institutional settings. Presently, the focus is on temporary shelters but the ultimate goal is building affordable units that incorporate needed services.

Additionally, the Commissioner is collaborating the with Land Use Commission on legislation to eliminate taxing zoning laws that impact and restrict the production of affordable housing.

Another directive for the Office of Housing is outreach for the opioid crisis. A pilot program is proposed that provides respite care facilities that are less restrictive for the residents. Staff is exploring all interdisciplinary options to facilitate that initiative.

In closing, Commissioner Saal stated that his team is looking at the state's property portfolio with the thought that some of those buildings can be converted and utilized for affordable housing. The State Department of Housing is exploring all possibilities and avenues to achieve that objective. Staff is also looking at sources to leverage funds. The Site Acquisition and Predevelopment Programs along with the Downpayment Assistance Program are some of the aids already in place.

However, the Department of Housing plans to do more by investigating energy saving options and home repair programs to keep as many residents housed as possible.

Commissioner Saal also mentioned that he collaborated and will be working with RIHousing on many of the programs and thanked staff for their partnership.

Vice Chairman Thorsen thanked Commissioner Saal for the update and said he looks forward to hearing more on the Department of Housing's endeavors.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, greeted everyone and proceeded with an update on the Corporation's activities.

Homeownership. Ms. Ventura began by announcing that that first mortgage closings increased for the sixth consecutive month with October registering 136 units on volume of \$46.5 million. This is the highest volume recorded since December 2021.

Ms. Ventura also shared that on October 3, 2022, RIHousing reopened its HAF-RI application portal to Rhode Islanders who had started their application but did not complete their application prior to the March 14, 2022 suspension date. Staff anticipates it will relaunch the program later this year to deploy the balance of funding available under the program.

Development. Ms. Ventura then informed the Board that on November 3rd, RIHousing issued an RFP for 2023 9% LIHTC, Tax Exempt bonds and 4% LIHTC, and 9 additional gap funded programs. This round set a record for the number of sources available for distribution and number of applications received. The deadline for underwriting for the application is January 12th.

In addition, the RFP includes \$9MM in funding for HPF-ELI, which will provide operating subsidy grants for developments serving households with income below 30% of area median income.

Leased Housing and Rental Services. The Executive Director announced on that October 18th, RIHousing, the CoC's designated Collaborative Applicant agency, submitted an application to HUD for the Special NOFO released to Address Unsheltered and Rural Homelessness. This special funding opportunity aims to reduce unsheltered homelessness. On behalf of the RICoC, RIHousing was eligible to apply for \$10.5M, and submitted a request for \$10,118,371. The effort was spearheaded by Elizabeth Bioteau, Continuum of Care Planner/Program Manager.

Furthermore, RIHousing, submitted an application to HUD for the annual NOFO competition. This year's application was for \$11,853,016, which is an increase from the FY21 funding award of \$10,405,306 and includes 42 new and renewal projects

Ms. Ventura declared that RIHousing held a networking event for participating lender partners and real estate professionals at the Crowne Plaza Hotel in Warwick. Over 200 attendees registered to preview RIHousing's new homeownership ad campaign, network and learn more about the current housing market. This is the first in-person lender-realtor event held since spring 2019.

The Executive Director also relayed that on November 15th, RIHousing hosted its annual meeting with the District Directors of RI's Congressional delegation to update them on the Corporation's activities and accomplishments. The meeting was held at Southside Community Land Trust's new Healthy Food Hub on Broad Street in Providence, which was developed with financing through the Acquisition Revitalization Program (ARP). The meeting concluded with a tour of Joseph Caffey Apartments and Jordan Caffey Townhomes which is under construction.

Next, the Executive Director informed the Commissioners that on October 19th, Finance successfully executed a new bond issuance for the Homeownership Opportunity Bond Program, selling \$113 million in tax-exempt and \$15 million in taxable bonds. The tax-exempt portion of the bond sale provides funding for new first-time homebuyer mortgage loans. The taxable portion provides funding that will allow RIHousing to temporarily step away from a dislocated TBA market to provide mortgages to non-MRB qualifying borrowers.

Finally, Ms. Ventura said that the National Council of State Housing Agencies (NCSHA) Annual Meeting was in Houston, Texas. Several staff members attended. Ms. Ventura was delighted to announce that RIHousing was selected as the recipient of two national awards for program excellence which are given out annually at the conference. The competitors for the national awards were each of the 50 states' HFAs plus four territories and districts. The following RIHousing programs were selected for recognition:

1. Zero Energy for the Ocean State (ZEOS): A new multi-agency effort that helps to protect the environment, reduce utility costs for property owners and their tenants and provides operational benefits to property owners and managers. With the launch of our Zero Energy for the Ocean State (ZEOS) program, RIHousing is helping to support affordable housing and environmental efforts while providing operational benefits and cost savings.
2. Source of Income (SOI) Discrimination: Working with a broad coalition of over 40 member organizations focused on ending Source of Income discrimination, Rhode Island has become the 16th state in the nation to pass legislation to protect voucher holders from this type of discrimination. Fittingly, passage of the legislation occurred during National Fair Housing Month.

Ms. Ventura stated that to win such prestigious national awards is an incredible honor, especially as they come from peers. Ms. Ventura congratulated Anne Berman, Director of Real Estate Development, and her team, in particular Hayley Kenyon, Manager Construction, for her administration of the ZEOS program. She also congratulated Amy Rainone, Director of Government

Relations and Policy, and her team for their efforts to remove barriers to rental housing for Housing Choice Voucher holders through Source of Income legislation.

Moreover, RIHousing received a certificate of recognition and congratulations from Treasurer Magaziner acknowledging RIHousing's achievement as a finalist in the Providence Journal 2022 Community Choice Award "Mortgage Lending Company" Division. The Executive Director congratulated Peter Pagonis, Director of Homeownership and his staff on the accomplishment.

Ms. Ventura then asked if anyone had any questions.

Vice Chairman Thorsen thanked Ms. Lachapelle for the thorough and informative presentation.

Approval of External Charitable Donations and Contributions

Vice Chairman Thorsen introduced James Comer, Deputy Executive Director, who gave the presentation.

Mr. Comer began by saying that the request is for approval and ratification of external Charitable Donations and Contributions of RIHousing pursuant to the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws (the "Act").

RIHousing is a public corporation of the State of Rhode Island. In carrying out its statutorily-defined public purposes, RIHousing collaborates with a number of organizations that share and advance its mission. In some instances, RIHousing is asked to financially support programs and activities of organizations engaged in activities that are consistent with and further its public purposes. RIHousing is often invited by its community partners to attend or gain recognition at community events, such as annual meetings or fundraisers, where our organizational presence is necessary or desirable.

At its meeting of December 11, 2014, the Board of Commissioners adopted the Handbook of Policies and Procedures to Ensure Accountability (the "Handbook") pursuant to the Act. Section C of the Handbook sets forth RIHousing's policy on charitable and civic donation. This Section provides that, consistent with the Act, all Charitable Donations and Contributions must be approved or ratified by the full Board of Commissioners at an open meeting.

An attachment setting forth events for which RIHousing has or will make a Charitable Donation or Contribution was included as part of the November 18, 2022 board package. The attachment identified the recipient of the expenditure, the amount of the expenditure, the nature of the event, the reason for supporting the event or recipient, each Commissioner or employee who will receive any benefit from the expenditure, and the general ledger account number where the expenditure will be recorded in RIHousing's accounting system. None of these expenditures require any disclosure under the Rhode Island Code of Ethics.

RIHousing's support of the work of the organization(s) listed on the attachment furthers the corporate purposes of encouraging and stimulating the development of housing to alleviate the shortage of safe and sanitary residential housing for low- and moderate-income persons as set forth in R.I.G.L. §42-55-2(a). For example, the Rhode Island Mortgage Bankers Association (RIMBA) has been an important trade group for RIHousing over the years and Peter Pagonis, Director of Homeownership,

currently serves as a director. As a leader in the mortgage industry, RIHousing typically finds it beneficial to have a presence at the Annual Dinner and Installation of Officers.

Vice Chairman Thorsen thanked Mr. Comer for the presentation and asked for a motion and a second for Approval of External Charitable Donations and Contributions.

A motion was duly made by Commissioner Designee Rose and seconded by Commissioner Orth.

There being no questions, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage Finance Corporation**

Whereas, the legislative findings set forth in Rhode Island Housing and Mortgage Finance Corporation’s (“RIHousing”) enabling act (R.I.G.L. §42-55-2(a)) provide that the serious shortage of safe and sanitary residential housing leads to environmental decline, depreciated value, reduced tax-paying capacity and impaired investment in the communities of the state; and

Whereas, RIHousing is authorized by statute to take action to encourage new housing in an orderly and sustained manner and to encourage and stimulate the construction of such housing through public financial support; and

Whereas, the organization(s) set forth in Attachment A presented at this meeting have asked RIHousing to provide financial support of their activities as described in Attachment A; and

Whereas, the organization(s) set forth in Attachment A plays an important role in supporting community revitalization and the development of affordable homes for low- and moderate-income families and individuals and policies that impact RIHousing’s mission; and

Whereas, RIHousing staff has reviewed the request for financial support and determined that it is consistent with RIHousing’s legislative purposes; and

Whereas, Attachment A sets forth the information required by the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that the expenditure(s) set forth in Attachment A are consistent with and in furtherance of the mission and policy initiatives of RIHousing.

Resolved, the expenditure(s) set forth in Attachment A are hereby approved and ratified.

Resolved, that the Executive Director, Deputy Executive Director, and Chief Operating Officer, each acting singly, are hereby authorized and directed to take any and all actions they deem necessary and appropriate to carry out the forgoing Resolutions.

Approval of Transfer of Physical Assets (TPA) for Bridgham Manor (Providence)

Vice Chairman Thorsen announced that Anne Berman, Director of Real Estate Development would give the presentation.

Ms. Berman began by noting that the request is an administrative action. Ms. Berman then said that the request was for firm approval of approval of the transfer of the limited partnership interest of Bridgham Manor (the “Development”), an affordable housing development for the elderly located at 359 Carpenter Street in Providence, Rhode Island.

Under 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.

The owner of the Development is Bridgman Associates, L.P. The current general partner of the Development is RIBM Management, LLC, a Rhode Island limited liability company that holds a 9.99% interest in the partnership. The two current investor limited partners in the Development are Alliant Credit Facility ALP, LLC and Alliant Credit Facility, LTD. (collectively, the “Transferor”). Collectively, the Transferor holds a 90.01% limited partner interest. The Transferor intends to withdraw and sell their partnership interests (the “Partnership Interests”) to RIBM Management, LLC (the “Transferee).

The Transferee will pay the sum of \$2,750,000 to purchase the Partnership Interests. The Transferee will assume all existing obligations encumbering the Development. The initial compliance period for the Development ended in October 2022 and the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor.

The current property manager is SHP Management Corp., an affiliate of RIBM Management, LLC, the general partner. No change in the management agent is contemplated.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Approval of Transfer of Physical Assets (TPA) for Bridgham Manor (Providence).

A motion was duly made by Commissioner Orth and seconded by Commissioner Saal.

Commissioner Orth inquired if the transaction meets all TPA requirements. Ms. Berman confirmed that fact.

Following the comment, Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage 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, RIBM Management, LLC seeks approval of the transfer of the limited partnership interest in Bridgman Associates, L.P., the owner of Bridgman Manor (the “Development”), from Alliant Credit Facility ALP, LLC and Alliant Credit Facility, LTD. to RIBM Management, 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 Alliant Credit Facility ALP, LLC and Alliant Credit Facility, LTD. to RIBM Management, 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.

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

Vice Chairman Thorsen once again invited Ms. Berman to present the request.

Ms. Berman said this transaction was also an administrative matter. Ms. Berman then explained that the request was 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 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.

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.

Following the presentation, Vice Chairman Thorsen asked for a motion and a second for Approval of Transfer of Physical Assets (TPA) for Marvin Gardens Apartments (Providence).

A motion was duly made by Commissioner Orth and seconded by Commissioner Designee Cabral.

Commissioner Orth once again asked if the action meets all TPA requirements. Ms. Berman confirmed that the development received a REAC score of 97% and meets all program guidelines.

Following the comment, Corinne Myers, General Counsel, conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
Of Rhode Island Housing and Mortgage 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.

Preliminary Approval of Financing for Copley Chambers II & III (Providence)

Vice Chairman Thorsen stated that Ms. Berman would also present the request for Copley Chambers II & III.

Ms. Berman said the transaction was for preliminary approval of RIHousing tax-exempt financing in an amount not to exceed \$20,700,000 for Copley Chambers II & III (the “Development”). Marathon Development, LLC (the “Developer”) is the developer.

The Development is the new construction of 124 units of affordable housing and 6,800 square feet of ground floor commercial space in Providence, Rhode Island. The Development will consist of 2 five-story podium constructed buildings on adjacent lots. Collectively, there will be 12 efficiency units,

87 one-bedroom units, and 25 two-bedroom units. All the dwelling units will be restricted to individuals or households earning at or below 60% of area median income.

These buildings are the second and third phase of the Copley Chambers project. Copley Chambers I is under construction and will be completed in the first quarter of 2023.

Marathon Development, LLC has partnered with Adoption Rhode Island (“Adoption RI”) and House of Hope (“HOH”) to provide supportive services to residents. The Developer plans to work with both organizations to house individuals aging out of the foster care system as well individuals and families experiencing homelessness. MOUs between the Developer and the service providers have been executed. Adoption RI will provide educational advocacy, career readiness services, and life skills development while HOH will screen and assist in the placement of individuals and families experiencing homelessness to units within the Development.

This is a conduit transaction in which Citizens Bank, N.A. will provide the capital for RIHousing’s tax-exempt issuance. The proceeds will be loaned as a construction loan to the Borrower (the “Construction Loan”). The funding for the Construction Loan is non-recourse to RIHousing and the only security to be provided by RIHousing will be an assignment of RIHousing’s rights under the Construction Loan. The Construction Loan will be a recourse loan as to the Borrower and any guarantors. Berkeley Point Capital LLC, d/b/a Newmark Capital (“Newmark”) will act as the DUS lender to provide the permanent loan in conjunction with Freddie Mac (the “Permanent Loan”). Upon completion, Freddie Mac will step in as the Permanent Loan funder. Newmark will service the Permanent Loan on behalf of Freddie Mac who will bear the financial risk should the Borrower default on the Permanent Loan. RIHousing will charge a one-time issuer fee of 1% and an annual servicing fee of 25 basis points on the Construction and Permanent Loan.

Other funding sources for the Development include the sale of low-income housing tax credits (“LIHTCs”), a loan from the Providence Redevelopment Agency, a sponsor loan, and a deferred developer fee. Massachusetts Housing Investment Corporation (“MHIC”) will be the syndicator purchasing the 4% LIHTCs at \$1.19 per credit.

Ms. Ventura expounded by mentioning that the development has received tremendous support from numerous organizations in South Providence. Marathon Development has actively engaged with the community and partners to foster an inclusive, open and collaborate environment for the construction of the development.

After the presentation, Vice Chairman Thorsen asked for a motion and a second for Preliminary Approval of Financing for Copley Chambers II & III (Providence).

A motion was duly made by Commissioner Orth and seconded by Commissioner Designee Rose.

Vice Chairman Thorsen commented that the transaction is straightforward with no deviations presented.

Commissioner Saal stated that it’s an exciting project and inquired if staff expects changes to the allocation of tax credits prior to firm approval.

Ms. Berman explained that typically deals often change in some form. However, RIHousing has procured a letter of intent from the syndicator and does not anticipate any significant changes in pricing.

Commissioner Saal asked about the extent to which homeless families and foster care families would benefit from the proposed housing units that are underwritten at below 60% AMI, and wanted to know what funding was allocated for services.

Ms. Berman said she would review the information for the Commissioners. Ms. Berman did clarify that the development does expect project-based vouchers from the Providence Housing Authority and the Continuum of Care (CoC) program will support the units at 30% AMI. Additionally, the development will utilize the Coordinated Entry System.

Following the comments, Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

**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 financing qualified housing developments throughout the state;

Whereas, RIHousing is authorized to issue conduit tax-exempt financing at an economically acceptable rate to promote the acquisition, rehabilitation, or preservation of affordable housing;

Whereas, Marathon Development, LLC (“Applicant”) has presented an application to RIHousing requesting conduit tax-exempt financing to construct the development known as Copley Chambers II & III (the “Development”), as set forth below:

<u>Development</u>	<u>Applicant</u>	<u>Tax-Exempt Bonds</u>
Copley Chambers II & III	Marathon Development, LLC	\$20,700,000

Whereas, said bonds shall have a term not to exceed 35 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;

Whereas, staff has reviewed the submission and determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines, and policies; and

Whereas, RIHousing finds that:

(1) That there exists a shortage of decent, safe, and sanitary housing at rentals 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) That 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) That 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) That the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) That 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, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that subject to the special conditions listed below, RIHousing hereby declares preliminary commitment for tax-exempt mortgage financing for the Applicant or other affiliated entity of the Applicant (the “Borrower”) in an amount not to exceed \$20,700,000 for rental housing known as Copley Chambers II & III located in Providence, Rhode Island to be financed, in part, by tax-exempt bonds;

Resolved, that RIHousing hereby declares that this preliminary commitment of financing for the Applicant constitutes the affirmative official act of RIHousing of its intention to issue bonds to finance up to \$20,700,000 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, in order to fund the loan for the Development, RIHousing may enter into a loan arrangement with Citizens Bank, N.A. (the “Citizens Loan”) substantially in

accordance with the terms outlined in the Request for Action to which this resolution is attached;

Resolved, that the Executive Director, Deputy Executive Director or the Director of Finance (each, an “Authorized Officer”), acting singly, be and each hereby is authorized to enter into such documents with Citizens Bank, N.A. as it may require to evidence the Citizens Loan, including, without limitation, a funding loan agreement, note, and pledge and security agreement, each containing such terms and conditions as the Authorized Officer shall approve, each such determination to be conclusively evidenced by his/her execution thereof 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 of RIHousing;

Resolved, that the Authorized Officers 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 (i) and (ii) to be conclusively evidenced by the taking of any 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 the foregoing resolutions are subject to the following conditions:

- Syndication proceeds from the sale of 4% LIHTCs in an amount sufficient to ensure development feasibility;
- Final approval of gap financing in amounts sufficient to achieve project feasibility or alternative equity satisfactory to RIHousing;
- Approval by RIHousing of construction plans and specifications and construction documentation;
- Acceptable final appraisal by an independent appraiser demonstrating that the loan does not exceed 90% of the as-stabilized value of the property;
- Executed lease agreement from Providence Community Health Center for the proposed commercial space;
- Approval by bond counsel that the proposed conduit loan will satisfy all required bond requirements;
- RIHousing approval of all Permanent Loan documents from Newmark;
- RIHousing approval of all Citizens loan documents;
- Approval by RIHousing of management documentation;

- Recordation of a RIHousing Declaration of Land Use Restrictive Covenants and Regulatory Agreement in form(s) acceptable to RIHousing; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

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.

There being no further business to discuss, Vice Chairman Thorsen asked for a motion to adjourn the Board of Commissioners meeting. A motion was duly made by Commissioner Designee Rose and seconded by Commissioner Designee Cabral to adjourn the meeting.

Corinne Myers, General Counsel then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to adjourn the meeting.

Ms. Myers then officially announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 11:09 a.m.

Vice Chairman Thorsen then thanked everyone for participating in the Board meeting and extended his best wishes for a Happy Thanksgiving.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director