

**REQUEST FOR ACTION  
BY  
BOARD OF COMMISSIONERS**

**Authorization to Issue Tax-Exempt Bonds to Support  
the Development of Parcel 9 II  
\$8,200,000**

**1. Summary of Issues**

This Request for Action is for approval of the issuance by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) of tax-exempt bonds in an amount not to exceed \$8,200,000 to be utilized in a tax-exempt private placement transaction with Millennium Corporation, a Massachusetts corporation and a wholly owned subsidiary of Eastern Bank (“Eastern”), to fund the construction financing for a portion of a multifamily rental housing development in Providence known as Parcel 9 II (“Parcel 9 II” or the “Development”).

Parcel 9 II will provide 29 units of housing of which 100% will be affordable to households whose incomes are at or below 60% of area median income. Parcel 9 II is a portion of the mixed use, 66-unit multifamily rental housing development known as Parcel 9 I & II. The developer, Pennrose, LLC (“Pennrose”), has formed a limited liability company, Parcel 9 Phase I-4 LLC (the “Borrower”), which will be the owner of the project and the recipient of the loan.

In accordance with the private placement structure, RIHousing will issue a tax-exempt note to Eastern evidencing the loan. RIHousing, in turn, will advance the loan proceeds to the Borrower under RIHousing’s tax-exempt bond volume cap. RIHousing and the Borrower will undertake all of the standard obligations related to a tax-exempt facility.

The loan will be non-recourse to RIHousing. RIHousing will only need to provide an assignment of its rights under the loan to Eastern. The Borrower note and mortgage will also be assigned to Eastern. RIHousing will receive a one-time origination fee of 1.0% of the principal amount of the loan, plus an annual servicing fee equal to 25 basis points of the outstanding loan balance.

**2. Recommendation**

RIHousing staff recommends approval of the attached resolutions authorizing the issuance of tax-exempt bonds up to an amount of \$8,200,000 to finance the acquisition and construction of Parcel 9 II pursuant to a private placement transaction with Eastern.

**3. Attachment**

- A. Authorizing Resolution

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

Resolution Authorizing the Issuance of  
Multifamily Mortgage Revenue Bonds (Parcel 9 Project - Phase I-4), Series 2023  
and approving a Trust Indenture and Certain Other Documents  
and Matters in Connection Therewith

Adopted March 16, 2023

---

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“*RIHousing*”) wishes to provide for the issuance of its Multifamily Mortgage Revenue Bonds (Parcel 9 Project - Phase I-4), Series 2023 in one or more series (the “*Bonds*”) for direct purchase in a private sale to Millennium Corporation, a Massachusetts corporation and a wholly owned subsidiary of Eastern Bank (the “*Purchaser*”), for the purpose of providing funds to finance the acquisition, construction and equipping of a portion of a mixed use, 66-unit multifamily rental housing development located in Providence, Rhode Island to be condominiumized and known as Parcel 9 Phase I, such portion to consist of 29 multifamily rental housing units (the “*Project*”), by Parcel 9 Phase I-4 LLC (herein referred to as the “*Borrower*”), a Rhode Island limited liability company whose managing member is Parcel 9 Phase I-4 MM LLC, the sole owner of which is Penrose Holdings, LLC; and

WHEREAS, RIHousing has determined that the Bonds should be secured pursuant to a Trust Indenture, a copy of the draft form of which has been presented to this meeting (the “*Trust Indenture*”), and wishes to authorize the execution and delivery of such Trust Indenture and related financing documents and the issuance of the Bonds in accordance therewith;

NOW THEREFORE, BE IT RESOLVED by the Commissioners of RIHousing as follows:

1. The Commissioners of RIHousing find, determine and declare as follows: (1) 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 Project; (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 Borrower undertaking the proposed Project in the State of Rhode Island will supply well-planned, well designed housing for persons or families of low and moderate income and the Borrower is a financially responsible institution; (4) the Project to be assisted pursuant to the provisions of Chapter 55 of Title 42 of the Rhode Island General Laws (1956), as amended (the “*Act*”), will be of public use and will provide a public benefit; and (5) the Project will be undertaken and the Borrower regulated pursuant to the authority and within the restrictions provided for by the Act.

2. The issuance, sale and delivery of the Bonds upon the terms and conditions and for the purposes described in this resolution and the Trust Indenture are hereby authorized. The Chairman, Executive Director, Deputy Executive Director, Chief Financial Officer, Director of Finance, General Counsel or Manager of Treasury and Capital Planning of RIHousing, or any person serving in any of the foregoing positions in an “Interim” or “Acting” capacity at the direction of the Commissioners (each an “*Authorized Officer*”), are each hereby authorized to determine (a) the principal amount of each series of the Bonds, provided that the aggregate principal amount of the Bonds shall not exceed Eight Million Two Hundred Thousand Dollars (\$8,200,000); (b) the dated date or dates of the Bonds; (c) the interest rate with respect to the Bonds, provided that such interest rate (or initial interest rate if variable rate bonds) shall not exceed fifteen percent (15%) per annum; (d) the date or dates on which the Bonds will mature, provided that no maturity date of any Bond shall exceed forty (40) years from its date of issuance; (e) provisions regarding redemption of the Bonds, if any, and the redemption dates and prices; (f) the interest payment dates for the Bonds; (g) the form of the Bonds; (h) any restrictions on transfer of the Bonds, and (i) any other provisions deemed advisable by an Authorized Officer of RIHousing not in conflict with the provisions this resolution.

3. Any Authorized Officer is hereby further authorized to execute and deliver, in the name and on behalf of RIHousing, the Trust Indenture in substantially the form presented at this meeting, with such changes, additions and deletions thereto as may be approved by said Authorized Officer and not contrary to the terms of this resolution.

4. Any Authorized Officer is hereby authorized to execute and deliver, in the name and on behalf of RIHousing, an agreement, if any, providing for the purchase of the Bonds by the Purchaser as may be approved by said Authorized Officer, in a form approved by such Authorized Officer, setting such matters as such Authorized Officer shall determine, including the purchase price to be paid by the Purchaser for the Bonds, and to take such action in connection therewith necessary or proper for carrying out, giving effect to and consummating the financing and transactions contemplated by this resolution, the Trust Indenture and the other documents and instruments authorized by this resolution, and not contrary to the terms of this resolution and the Trust Indenture.

5. Any Authorized Officer is hereby authorized to execute and deliver, in the name and on behalf of RIHousing, a Financing Agreement with the Borrower providing for the loan of the proceeds of the Bonds to the Borrower for the purpose of financing the Project (the “*Financing Agreement*”), in such form and containing such terms and conditions as approved by said Authorized Officer and not contrary to the terms of this resolution and the Trust Indenture.

6. The Commissioners hereby ratify and confirm the official intent of RIHousing to issue the Bonds to finance up to \$8,200,000 of Project costs and any related reserves and costs of issuance of the Bonds, and to reimburse qualified expenditures incurred by the Borrower and RIHousing in advance of the issuance of the Bonds, pursuant to the Internal Revenue Code of 1986, as amended (the “*Code*”) and the regulations promulgated thereunder. The intent to reimburse the aforementioned Bond-funded costs is intended to satisfy the requirements of Section 1.150-2 of the United States Treasury Regulations. Any Authorized Officer is hereby further authorized to execute and deliver a certification as to its reasonable expectations regarding the amount and use of the proceeds of the Bonds to evidence compliance

with Section 103, 148 and other related provisions of the Code and any Treasury regulations relating thereto.

7. Any Authorized Officer is hereby authorized to execute and deliver, in the name and on behalf of RIHousing, a Regulatory Agreement with the Borrower and such other agreements, documents, certificates, and instruments required to be executed and delivered in connection with the financing of the proposed loan to the Borrower, including any extensions and modifications thereof, with such provisions as said Authorized Officer shall deem advisable and not contrary to the terms of this resolution and the Trust Indenture.

8. Any Authorized Officer is hereby authorized, at any time after the receipt of all necessary consents, proceedings and approvals, to have the Bonds prepared and to execute and authorize the delivery of the Bonds to the Purchaser upon receipt of the purchase price thereof plus accrued interest, if any, and to do and perform all acts and things and execute and deliver any and all documents in the name of RIHousing necessary, useful or convenient to the issuance and sale of the Bonds by RIHousing to the Purchaser. Each authorization conferred upon Authorized Officers by this resolution shall be deemed to be an authorization of each Authorized Officer to act singly and independently with respect to such authorization. Execution and delivery of any document authorized by this resolution by an Authorized Officer shall constitute conclusive evidence of RIHousing's due authorization and approval of said document.

9. Limitations (whether expressed as a dollar amount or percentage) on: (i) the amount of the Borrower's equity in the Project that the Borrower may distribute in any one year to its members from the income or earnings derived from its ownership and operation of the Project or (ii) the return on any such member's investment in the Project, shall be determined by the Purchaser of the Bonds, its successors or, in the case of a transfer of a majority in principal amount of the outstanding Bonds in accordance with the provisions of the Indenture, such transferee.

10. This resolution shall take effect immediately.