

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for Pocasset Manor Apartments

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Pocasset Manor Apartments (the “Development”), an affordable housing development for elderly and disabled households located in Providence.

2. Discussion

The owner of the Development is Pocasset Preservation Associates Limited Partnership. The current general partner of the development is POAH Pocasset Apartments, LLC which holds a .01% interest in the partnership. The two current investor limited partners in the Development are PNC Multifamily Capital Institutional Fund XXXI Limited Partnership and the special limited partner Columbia Housing SLP Corporation (collectively the “Limited Partners”). The Limited Partners hold a 99.99% limited partner interest. The Limited Partners intend to withdraw and sell their partnership interests to Preservation of Affordable Housing, LLC (the “Transferee”). Both the current general partner and the Transferee are affiliated with Preservation of Affordable Housing, Inc. (“POAH”) the developer.

No new financing is currently anticipated. The Transferee will assume all existing obligations encumbering the Development. As part of its application, POAH requested a waiver of the transfer fee associated with their request. Staff reviewed the request to waive the transfer fee and consistent with its practice of waiving the transfer fee for non-profit sponsors who are applying for the transfer of ownership to take-out the limited partner investors, granted the waiver.

The current property manager is POAH Communities, LLC. The owner and management company are affiliated entities. No change in the management agent is contemplated. The Development received a 97b on its most recent REAC score and POAH provided a list of capital improvements made over the past few years. The transfer will allow the Transferee to buy out the limited partners now that the initial compliance period has ended.

2. Recommendation

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

3. Attachment

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, Preservation of Affordable Housing, Inc., seeks approval of the transfer of the limited partnership interest in Pocasset Preservation Associates Limited Partnership, the owner of Pocasset Manor Apartments (the “Development”), from PNC Multifamily Capital Institutional Fund XXXI Limited Partnership and Columbia Housing SLP Corporation to Preservation of Affordable Housing, 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 PNC Multifamily Capital Institutional Fund XXXI Limited Partnership and Columbia Housing SLP Corporation 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 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.