

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for Newport Heights Phase 1A

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Newport Heights Phase 1A (the “Development”), an affordable housing development for families located in Newport.

2. Discussion

The owner of the Development is Trinity Newport Limited Partnership. The current general partner of the development is Trinity Newport, Inc. and it holds a .01% interest in the partnership. The two current limited partners in the Development are Garnet LIHTC FUND XXXII, LLC, the investor limited partner, and Transamerica Affordable Housing, Inc., the special limited partner (collectively, the “Transferor”). Collectively, the Transferor holds a 99.99% limited partner interest. The Transferor intends to withdraw and sell its partnership interests to Trinity Financial Asset LLC, an entity jointly owned by James G. Keefe and Patrick A.T. Lee, both affiliates of the general partner (collectively, the “Transferees”).

No new financing is currently anticipated. The Transferees are purchasing the partnership interest for \$1.00. The Transferees will assume all existing obligations encumbering the Development. The initial compliance period for the Development expired in 2019. Accordingly, the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor. The transfer will coincide with the completion of the initial compliance period for the low-income housing tax credits.

The current property manager is Trinity Management LLC, an affiliate of the Transferees and Trinity Financial, Inc., the developer. No change in the management agent is contemplated.

2. Recommendation

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

3. 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; and

WHEREAS: Trinity Newport Limited Partnership, the owner of Newport Heights Phase 1A (the “Development”), seeks approval of the transfer of its limited partnership interest from Garnet LIHTC FUND XXXII, LLC, the investor limited partner, and Transamerica Affordable Housing, Inc., the special limited partner, (collectively, the “Transferor”) to Trinity Financial Asset 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 Garnet LIHTC FUND XXXII, LLC, and Transamerica Affordable Housing Inc. 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; and
2. Receipt by RIHousing of the transfer 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, the Deputy Executive Director, or the 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.