

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for The Tower Apartments (Providence)

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in The Tower Apartments (the “Tower” or the “Development”), a 192-unit housing development located in Providence.

Under RIHousing’s 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 Travelers Aid Housing, L.P. (the “Limited Partnership”). The current general partner of the Limited Partnership is TA Housing Inc. (the “General Partner”), which holds a .01% interest. The current investor limited partner of the Limited Partnership is Santander Bank, N.A. (formerly Sovereign Bank) (the “Limited Partner”), which holds a 99.99% interest. The Limited Partner intends to withdraw and sell its partnership interest to Crossroads Rhode Island, or an affiliated entity (the “Transferee”). The current General Partner is wholly owned by the Transferee.

The Transferee intends to build a new property adjacent to the Tower to be known as Summer Street, which received firm approval for RIHousing financing in November 2023. Since the 15-year Low Income Housing Tax Credit compliance period for the Tower ended in 2019, and the Development is near the end of its useful life, the Transferee intends to relocate the existing residents of the Tower to the new Summer Street property. As part of the Summer Street transaction, the current rental subsidy contracts for the Tower will be assigned to the Summer Street owner. During construction, there will be a Master Lease between the Summer Street owner and the Limited Partnership to ensure that the existing Tower residents remain in place. Upon completion of the new Summer Street property, the existing residents will be relocated to the new building and the Master Lease will be terminated. The current Limited Partner seeks to exit the Limited Partnership prior to the execution of the Master Lease.

Once the new Summer Street property is complete, the Transferee intends to renovate the Tower and convert the units, which are currently Single Room Occupancy units, into 87 apartments, each of which will contain a kitchen and bathroom. The Transferee will assume all existing obligations encumbering the Tower, and the Regulatory Agreement with RIHousing will remain in effect until 2033.

The current property manager is Crossroads Rhode Island. No change in the management agent is contemplated.

3. Recommendation

The attached resolution approving the transfer of the limited partnership interest, 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, Crossroads Rhode Island seeks approval of the transfer of the limited partnership interest in Travelers Aid Housing, L.P., the owner of The Tower Apartments (the “Development”), from Santander Bank, N.A. to Crossroads Rhode Island or an affiliated entity; 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 Santander Bank, N.A. to Crossroads Rhode Island or an affiliated entity 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, 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.