

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for Westfield Lofts Apartments

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Westfield Lofts Apartments (the “Development”), a mixed-income housing development for families located in Providence.

2. Discussion

The owner of the Development is Westfield Development Associates, L.P. The current general partner of the development is Rau Development Corporation which holds a .01% interest in the partnership. The current investor limited partner in the Development is Santander Bank, N.A. (the “Limited Partner”). The Limited Partner holds a 99.99% limited partner interest. The Limited Partner intends to withdraw and sell its partnership interest to Hope Renewed Realty Corporation (the “Transferee”) Both the current general partner and the Transferee are affiliated with West Elmwood Housing Development Corporation (“WEHDC”), the developer.

The current property manager is First Realty Management Corporation. The owner and management company are not affiliated entities. No change in the management agent is contemplated. Westfield Lofts has been well maintained and, 17 years following syndication, remains an attractive place to live with 22 affordable units and 47 market rate units. WEHDC has indicated that they plan a resyndication in the future; however, for the foreseeable future, they will continue to operate the building consistent with current operations.

The Transferee will assume all existing obligations encumbering the Development. Bank of America, N.A. (“BOA”) is the current permanent lender for this transaction and their loan matures this year. The initial compliance period expired in 2020. RIHousing has a Targeted Loan in second position. WEHDC is working on a refinance with Greystone Servicing Company, LLC that is expected to occur in the next several months. Our Targeted Loan will remain in second position.

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, West Elmwood Housing Development Corporation seeks approval of the transfer of the limited partnership interest in Westfield Development Associates, L.P., the owner of Westfield Lofts Apartments (the “Development”), from Santander Bank, N.A. to Hope Renewed Realty Corporation; 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. 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 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.