

**Request for Action
by the Trustees of the
Affordable Housing Trust Fund**

Firm Approval of Financing for Wickford Village

A. PROJECT SUMMARY

This Request for Action (“RFA”) is for firm approval of Affordable Housing Trust Fund (“AHT”) taxable second mortgage financing in an amount not to exceed \$950,000 for Wickford Village (hereinafter referred to as the “Development”). North Dartmouth Properties, Inc. is the developer (the “Developer”).

B. DISCUSSION

Located in North Kingstown, Wickford Village is a 129-unit development consisting of 70 one-bedroom units, 27 two-bedroom units, and 32 three-bedroom units. The Development was originally constructed and financed in 1976 and has received Section 8 rental assistance through a Housing Assistance Payment (“HAP”) contract for all 129 units. The Development was refinanced in 2006 using tax exempt bonds and 4% Low Income Housing Tax Credits (“LIHTC”) as well as a deferred AHT loan. A significant rehabilitation was undertaken subsequent to that refinance.

The Development has passed the 15-year LIHTC compliance period and the investors, Nationwide Affordable Housing Fund 32-Apollo Tax Credit Fund, L.L.C. and RBC Community Investments Manager II, Inc. (the “Investors”), are seeking to exit the partnership. The Investors have agreed to a purchase price for their interests of \$855,000, which is well below market value, as well payment of approximately \$15,000 in asset management fees. The current first mortgage, with a current balance of approximately \$7,298,000, and the AHT cash flow loan, totaling \$856,500 with approximately \$684,000 of outstanding interest, will remain in place. The Developer intends to initiate a full refinance with RIHousing once the Investors have exited the partnership, at which time the existing and proposed loans will be repaid.

This RFA requests firm approval of up to \$950,000 in taxable second mortgage financing for Wickford Village, subject to certain conditions as set forth in the attached Resolution.

C. ATTACHMENTS

- A.** Credit Summary
- B.** Resolution

Attachment A

Credit Summary

Approval Loan Recommendation Summary – Wickford Village

Preliminary _____

Firm X

Date: June __, 2023

Project: 129-unit development consisting of 70 one-bedroom units, 27 two-bedroom units, and 32 three-bedroom units.

Development Team

	Name	Location (city/state)	Risk Rating (low/med/high)
Developer/ Management Agent	North Dartmouth Properties, Inc.	Dartmouth, MA	Medium
Mortgagor	Wickford Village Realty, LP	Dartmouth, MA	Low
Architect	N/A		
General Contractor	N/A		
Legal	Chace Ruttenberg & Freedman, LLP	Providence, RI	Low
Consultant	FJS Associates, Ltd.	Newport, RI	Low

Executive Summary

	Address	City
Property Address	58 Intrepid Drive	North Kingstown
Proposed Loan Amount(s) and Terms		
	Amount	Interest rate/Term
AHT Taxable – 2 nd Mortgage	Up to \$950,000	6.2%, 30 year term with 1 year balloon

Note: Interest rates are subject to change based on market conditions and deal specifics

Proposed Sources & Uses:

Sources	Firm	
	Amount	Per Unit
RIH Second Mortgage	\$950,000	\$7,364
Total Sources	\$950,000	\$7,364

Uses	Firm	
	Amount	Per Unit
Acquisition	\$870,000	\$6,744
Soft Costs	\$70,500	\$547
Financing	\$9,500	\$74
Total Uses	\$950,000	\$7,364

Underwriting Metrics:

Metric	Amount	Comment
Total Development Cost Per Unit	\$12,750	
Residential Vacancy Rate	3%	
DCR Yr 1	1.15	Combined 1 st & 2 nd
DCR Yr 15	1.29	
NOI	\$783,068	
Income Trending	2%	
Expense Trending	3%	
Loan to Value	TBD	Appraisal to be commissioned, condition for approval.
Initial Installment (%) of syndication proceeds	N/A	
Acquisition Price equal to or less than Appraised value	N/A	
Operating Reserve (Amt and confirm consistency with UW requirements)	N/A	
Replacement Reserve (Amt and confirm consistency with UW requirements)	N/A	

Deviations from standard underwriting – None

Unit Distribution and Revenue:

	Gross Rent	LIHTC Max Rent	Gross Rent as a % of LIHTC Max Rent	Discount from Market Rent
\$	1,492.00	\$ 1,088.00	137%	0.0%
\$	1,955.00	\$ 1,306.00	150%	0.0%
\$	2,107.00	\$ 1,509.00	140%	0.0%
\$	2,107.00	\$ 1,509.00	140%	0.0%
				0.0%

Attachment B

Resolution of the Trustees of the Affordable Housing Trust Fund

Whereas, the Affordable Housing Trust Fund (the “AHT”) was created by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) for the sole purpose of making homeownership to low- and moderate-income residents of the State of Rhode Island more affordable;

Whereas, one of the purposes of the AHT is to assist in the preservation of affordable housing throughout the State of Rhode Island; and

Whereas, the AHT has increased its investment portfolio over the last several years through its preservation related activities.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that subject to the special conditions listed below, the AHT does, and is hereby authorized to, commit up to \$950,000 in taxable second mortgage financing to Wickford Village Realty, LP, or an affiliated entity (the “Borrower”), to finance the rehabilitation of the multi-family development known as Wickford Village in North Kingstown.

Resolved, that the foregoing resolution is subject to the following conditions:

- A final appraisal acceptable to RIHousing prepared by an independent appraiser demonstrating that the existing first mortgage loan and the new second mortgage don’t collectively exceed 90% of the as-stabilized value of the property;
- RIHousing Board of Commissioners approval of the transfer of limited partnership interests in Wickford Village Realty, LP; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development of RIHousing, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.