

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for Wickford Village

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interests in Wickford Village (the “Development”), an affordable housing development for individuals and families located North Kingstown.

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, 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 Development is a 129-unit affordable housing development located in North Kingstown. The Development receives the benefit of a Section 8 project-based Housing Assistance Payments contract (the “HAP Contract”) from the U.S. Department of Housing and Urban Development (“HUD”) which subsidizes all but five of the Development’s units.

The owner of the Development is Wickford Village Realty, LP. The current general partner of the Development is Wickford Village Development Corporation which holds a .009% interest in the partnership. The two current investor limited partners in the Development are Nationwide Affordable Housing Fund 32-Apollo Tax Credit Fund, L.L.C., a Delaware limited liability company, and RBC Community Investments Manager II, Inc., a Delaware corporation (collectively, the “Transferor”). The Transferor holds a 99.991% limited partnership interest. The Transferor intends to withdraw and sell its partnership interests (the “Partnership Interests”) to WV Limited Partner 23, LLC (the “Transferee”). The principals of the Transferee entity will be Jacquelyn E. McDonald and Francis J. Spinella, who will each hold a 50% interest in WV Limited Partner 23, LLC.

The Transferee will pay the sum of \$855,000 to purchase the Partnership Interests. A related RFA is being presented to the Affordable Housing Trust Fund (“AHT”) to provide a taxable second mortgage to finance this purchase. The Transferee will assume all existing obligations encumbering the Development, including a RIHousing first mortgage as well as an AHT cash flow loan. The initial compliance period for the Development ended in December 2022 and the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor. Accordingly, the Limited Partner and Special Limited Partner are seeking to withdraw from the limited partnership and transfer their interests.

The current property manager is North Dartmouth Properties, Inc., of which Jacquelyn E. McDonald is the principal. No change in the management agent is contemplated. The Development's most recent REAC score was 85 and it received a rating of Satisfactory on its last MOR. According to those REAC and MOR scores, the Development has been well-maintained. The Transferee has indicated that they plan a resyndication within the next year.

3. Recommendation

The attached resolution approving the transfer of the limited partnership interests in Wickford Village Realty, LP, 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, Wickford Village Realty, LP seeks approval of the transfer of the limited partnership interests in Wickford Village Realty, LP, the owner of Wickford Village (the “Development”), from Nationwide Affordable Housing Fund 32-Apollo Tax Credit Fund, L.L.C. and RBC Community Investments Manager II, Inc. to WV Limited Partner 23, LLC (the “Transferee”); 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 interests in the Development from Nationwide Affordable Housing Fund 32-Apollo Tax Credit Fund, L.L.C. and RBC Community Investments Manager II, 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;
2. Approval of the organizational documents of Transferee;
3. Receipt by RIHousing of the transfer Processing Fee, as defined in §3.4 of the TPA Regulations; and
4. 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.