

**Request for Action
by
Board of Commissioners**

**Approval of Transfer of Physical Assets (TPA) and Prepayment for Williams Woods
Apartments (Providence)**

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the sale of Williams Woods Apartments (the “Development”), a 65-unit affordable housing development for individuals and families located in Providence, and the prepayment of the existing first mortgage loan and the Targeted Loan (collectively, the “Loans”) on the Development.

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 owner of the Development is Williams Woods Limited Partnership, a Massachusetts limited partnership (the “Owner”). The current general partner of the Owner is Williams Woods Winn Limited Partnership, which holds a .001% interest in the partnership. The current investor limited partners in the Development are PHA Opportunity Corporation and Winn Partnership Holdings LLC, as both Special Limited Partner and Investor Limited Partner. The Owner intends to sell the Development to Williams Woods Apartments, LLC, a California limited liability company (the “Buyer”). The principals of the Buyer are Robert Budman (51% interest), Jake Walker (25% interest), and Patrick Late (24% interest), all of whom are affiliated with BLVD Capital.

The Buyer will pay the sum of approximately \$8,000,000 to purchase the Development and will finance the acquisition with a new first mortgage from Fannie Mae issued by JLL Real Estate Capital, LLC in the approximate amount of \$6,592,000 and an estimated \$2,008,400 in cash. The Owner is proposing to use approximately \$3,100,000 to prepay the Loans in full. RIHousing has determined that there is a prepayment penalty associated with the first mortgage loan payoff in the approximate amount of \$317,985. The initial compliance period for the Development ended in December 2020, and the financial benefits of the tax credits and depreciation losses have been substantially realized by the Owner. The Buyer will assume all other existing obligations encumbering the Development, including all affordability restrictions.

The current property manager is WinnResidential, who has a strong track record of management at the Development. WinnResidential also has significant experience as a third-party management agent in Rhode Island and is among the largest managers of affordable housing in the U.S., with over 48,500 units under management. No change in the management agent is contemplated.

3. Recommendation

The attached resolutions approving the sale of Williams Woods Apartments and the prepayment of the existing first mortgage loan and the Targeted Loan, subject to the conditions contained therein, is recommended for approval.

4. Attachments

- A) Transfer of Physical Assets (TPA) Resolution
- B) Prepayment 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, Williams Woods Limited Partnership seeks approval of the sale of Williams Woods Apartments (the “Development”) to William Woods Apartments, LLC (the “Buyer”); 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 sale of the Development from Williams Woods Limited Partnership to Williams Woods Apartments, LLC 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 Buyer;
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.

Attachment B

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,** Williams Woods Limited Partnership, the owner of Williams Woods Apartments (the “Development”), seeks approval of the prepayment of the existing first mortgage loan; and
- Whereas,** Williams Woods Limited Partnership, the owner of the Development, seeks approval of the prepayment of the Targeted Loan; and
- Whereas,** staff has reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements; and

NOW, THEREFORE, IT IS HEREBY:

- Resolved,** that the prepayment of the existing first mortgage loan and Targeted Loan currently encumbering Williams Woods Apartments 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, in accordance with the loan documents, reimbursement of any and all costs incurred by RIHousing as a result of such prepayment, as determined by RIHousing in its sole discretion; 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, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.