

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets (TPA) for Adelaide Apartments (Providence)

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Adelaide Apartments (the “Development”), a 36-unit housing development located in Providence.

2. Discussion

The owner of the Development is Adelaide Avenue Limited Partnership (the “Limited Partnership”). The current general partner of the Limited Partnership is Adelaide Avenue Development Corp. (the “General Partner”), which holds a .01% interest. Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“ONE|NB” or the “Transferee”) is a special limited partner of the Limited Partnership which holds a .01% interest. The current investor limited partner of the Limited Partnership is Housing Outreach Fund IX LP (the “Transferor”), which hold a 99.98% interest in the Limited Partnership. The Transferor intends to withdraw and transfer their partnership interest to ONE|NB, giving ONE|NB a 99.99% interest. The General Partner is wholly owned by ONE|NB.

The Transferee will assume all existing obligations encumbering the Development. The initial compliance period ended in 2018, and the financial benefits of the tax credits and depreciation losses have been substantially realized by the Transferor. Once the transfer is complete, ONE|NB intends to work with RIHousing on a future refinance of the Development.

The current property manager is Peabody Properties, Inc. The owner and management company are not affiliated entities. 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, Adelaide Avenue Development Corp. seeks approval of the transfer of the limited partnership interest in Adelaide Avenue Limited Partnership, the owner of Adelaide Apartments (the “Development”), from Housing Outreach Fund IX LP to Olneyville Housing Corporation d/b/a ONE Neighborhood Builders; 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 Housing Outreach Fund IX LP to Olneyville Housing Corporation d/b/a ONE Neighborhood Builders 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. Confirmation that all entities involved in the ownership and management of the Development are in good standing with the Rhode Island Secretary of State;
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.