

Request for Action
by
Board of Commissioners

Approval of Transfer of Physical Assets for St. Elizabeth Assisted Living (Providence)

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest of St. Elizabeth Assisted Living (the “Development”), a 69-unit assisted living development located in Providence.

Under RIHousing’s 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 St. Elizabeth Assisted Living, L.P. (the “Limited Partnership”). The current general partner of the Limited Partnership is SEAL Melrose, Inc. (the General Partner”), which holds a .01% interest. MELROSE SEA, LLC, a New York limited liability company wholly owned by U.S.A. INSTITUTIONAL TAX CREDIT FUND XLVIII L.P., a Delaware limited partnership, is the sole Limited Partner (the “Limited Partner”) that holds a 99.9% interest in the Limited Partnership. The Limited Partner seeks to withdraw from the Limited Partnership and transfer its interest to The Saint Elizabeth Community (“TSEC” or the “Transferee”), a Rhode Island non-profit corporation that is the sole owner of the General Partner.

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

The Development provides 69 units of assisted living, 48 of which are restricted under the low-income housing tax credit program and benefit from Medicaid Waivers from the Rhode Island Department of Health. The current property manager is the Transferee, The Saint Elizabeth Community, which delivers assisted living and nursing home services to multiple facilities across the state. 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. Attachment

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, The Saint Elizabeth Community seeks approval of the transfer of the limited partnership interest in St. Elizabeth Assisted Living, L.P., the owner of St. Elizabeth Assisted Living (the “Development”), from MELROSE SEA, LLC to The Saint Elizabeth Community; 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 the MELROSE SEA, LLC to The Saint Elizabeth Community 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;
3. Receipt by RIHousing of evidence that all involved entities are in good standing with the Rhode Island Secretary of State;
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, 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.