

**DRAFT**

**MINUTES OF MEETING  
OF THE TRUSTEES OF THE  
AFFORDABLE HOUSING TRUST**

A meeting of the Trustees of the Affordable Housing Trust Fund of Rhode Island Housing and Mortgage Finance Corporation was scheduled for Thursday, February 17, 2005 at 9:45 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Trustees in attendance were Anthony J. Marouchoc, Richard H. Godfrey Jr., and Thomas Hogg.

Michael V. Milito, deputy assistant director of law and human resources was also in attendance.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Trustees was posted in the Offices of Rhode Island Housing, and at the second floor bulletin board in the State House.

The Trustees convened the meeting at approximately 9:45 a.m.

**Approval of Minutes of the Affordable Housing Trust Fund Meeting Held December 16, 2004**

Upon a motion made by Tom Hogg and seconded by Anthony Marouchoc the following was approved:

VOTED: That the Minutes of the Affordable Housing Trust Fund Meeting held December 16, 2004 be, and hereby are, approved.

**Final Approval of Preservation Financing for Driftwood Apartments**

Mr. Godfrey gave an overview of this request.

This Request for Action (RFA) is for firm commitment of financing for Driftwood Apartments under Rhode Island Housing's Preservation Program.

Located on Caswell Street in Narragansett, Driftwood Apartments is an existing 32-unit development consisting of 8 efficiency units, 16 one-bedroom units, 6 two-bedroom units and 2 three-bedroom units. It was originally constructed in 1971 and was acquired by Property Advisory Group ("PAG") in 1989. At that time, Rhode Island Housing purchased an existing Section 236 loan from the Federal National Mortgage Association ("Fannie Mae") in the amount of \$440,002 and provided a junior loan of \$486,500 for capital upgrades to the project. Rhode Island Housing also provided Low Income Housing Tax Credits ("LIHTC"), for which the 15-year initial compliance period expired in January of 2005. The Section 236 loan continues to carry full HUD insurance.

The primary source of financing for the transaction will be a 40-year tax-exempt first mortgage from Rhode Island Housing supported by Section 8 renewal rents. Other sources used to finance the development include: the existing project reserves, the assumption of a loan from the Town of Narragansett, proceeds from the sale of 4% LIHTC, and a loan from the AHT.

The Request for Action is for Firm Commitment for financing of up to \$1,900,000.

Upon a motion made Mr. Marouchoc by and seconded by Mr. Hogg the following resolution was adopted:

**Resolution of Affordable Housing Trust Fund**

**Whereas:** The Affordable Housing Trust Fund (the “Trust”) is authorized to make loans to mortgagors or sponsors for the development of housing to be occupied by low- and moderate-income persons or families in Rhode Island;

**Whereas:** The applicant (“Applicant”) listed below has presented an application to the Trust requesting a loan to refinance and rehabilitate 32 units of existing housing as set forth below (the “Development”):

<u>Development</u>	<u>Applicant</u>	<u>First Mortgage</u>
<b>Driftwood Apartments</b>	<b>Preservation of Affordable Housing LLC</b>	<b>Up to \$1,900,000</b>

**Whereas:** Trustees have reviewed the submission and determined that the Development qualifies for a loan under the Trust Agreement dated July 1, 1988, as amended; and

**NOW, THEREFORE, IT IS HEREBY:**

**Resolved:** That, subject to the special conditions listed below, the Trust hereby declares firm commitment of a loan to Preservation of Affordable Housing LLC or its assignee in an amount not to exceed \$1,900,000 for rental housing located at in Narragansett, Rhode Island.

**Resolved:** That the foregoing resolutions are subject to the following conditions:

- Evident, satisfactory to the Trust, of sufficient financing to undertake the proposed transaction.
- Completion of all items required by Rhode Island Housing for firm commitment and closing in accordance with normal underwriting and processing requirements.

**Resolved:** That the Trustees are authorized to set the terms and conditions of the loan as they seem advisable and in the best interests of the Trust, and be, and are hereby authorized to take any actions as they deem necessary to carry out this Resolution.

There being no further business, a motion to adjourn the meeting at 9:50 a.m. was made by Mr. Marouchoc and seconded by Mr. Hogg.

Respectfully submitted,

Richard H. Godfrey, Jr.  
Secretary and Executive Director