

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, June 23, 2005 at 9:15 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 and Carol Ventura, director of development were 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 10:10 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting Held February 17, 2005

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 February 17, 2005 be, and hereby are, approved.

Final Approval of Preservation Financing for Riveredge Apartments

Mr. Godfrey gave an overview of this request.

Riveredge Village Apartments is an existing Rhode Island Housing and Mortgage Finance Corporation (Rhode Island Housing) financed development that has requested a loan from the Affordable Housing Trust Fund (AHT) as part of new acquisition and permanent financing from Rhode Island Housing's Preservation Program to preserve its long-term affordability.

Located in Providence, Riveredge Village Apartments is an existing ninety-nine unit development consisting of eighty-nine (89) one-bedroom units and ten (10) two-bedroom units. The development was originally constructed and financed in 1980 and has utilized Section 8 rental assistance through a Housing Assistance Payment (HAP) contract. The current HAP contract expires in July of 2006, at which point the Borrower will seek a twenty-year HAP contract with annual renewals.

Manton/River Associates, L.P., a newly formed Rhode Island limited partnership, will purchase the property from the existing owner. Cornell Management Corp., an affiliate of new ownership, will manage the property. Cornell Management has been the property manager for many years and is familiar with the property. As part of the proposed transaction under Rhode Island Housing's Preservation Program, Manton/River Associates, L.P. will acquire the property, extend the property's affordability restrictions, and complete approximately \$971,000 in improvements. The AHT will receive a preservation fee of approximately \$212,000. In turn, Rhode Island Housing will allow the owner to access the existing project reserves to acquire the property.

The primary source of financing for the transaction will be a 40-year tax-exempt first mortgage from Rhode Island Housing supported by the lower of market or HAP rents. Other sources include existing

project reserves and equity proceeds from the sale of 4% Low Income Housing Tax Credits. To help facilitate the transaction, a loan of up to \$477,000 will be made from the AHT. The loan will be repaid through cash flow. As a result of the Development's participation in the Preservation Program, the development will remain affordable for an additional forty (40) years.

The Request for Action is for Firm Commitment for an AHT loan in an amount up to \$477,000 as part of the new financing for the Development.

Upon a motion made Mr. Hogg by and seconded by Mr. Marouchoc 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 acquire and rehabilitate the building as set forth below (the "Development"):

<u>Development</u>	<u>Applicant</u>	<u>Trust Loan</u>
Riveredge Village Apartments	Manton/River Associates, L.P.	\$477,000.00

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 Manton/River Associates, L.P., in an amount not to exceed \$477,000.00 for rental housing located at 993 Manton Avenue in Providence, Rhode Island;

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

- Approval, closing and disbursement of financing from Rhode Island Housing Mortgage and Finance Corporation.

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 10:15 a.m. was made by Mr. Hogg and seconded by Marouchoc.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director