

**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 Friday, July 29, 2005 at 9:30 a.m. at the Offices New England Pacific Mortgage, 300 Centerville Road, Suite 204 W., Warwick, RI.

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

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, the Offices of New England Pacific Mortgage and at the second floor bulletin board in the State House.

The Trustees convened the meeting at approximately 9:30 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting Held June 23, 2005

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

VOTED: That the Minutes of the Affordable Housing Trust Fund Meeting held June 23, 2005 be, and hereby are, approved.

Final Commitment of Bridge Loan Financing for Merchants Village Associates II, LLC

Mr. Godfrey presented this request.

This Request for Action (RFA) is for a commitment of bridge financing in the amount of \$4,000,000 to Merchants Village Associates II, LLC for an existing elderly and family development originally financed by Rhode Island Housing (RIH). The owner intends to refinance the property through HUD but requires short term bridge financing to buy general and limited partnership interests. The owner intends to preserve the property's long term affordability in conjunction with the bridge financing.

Located in Westerly, Merchants Village is an existing 115-unit elderly and family development consisting of 94 one-bedroom units, 17 two-bedroom, and 4 three-bedroom units. Of the 115 units, 16 are located in separate two-story building used specifically for family housing. The development was originally constructed and financed in 1983 and has provided Section 8 rental assistance through a Housing Assistance Payment (HAP) contract. This current HAP contract expires in 2007 so rents will remain at their current contract levels through June, 2007. Thereafter, we expect that HUD will renew the assistance contract at rates equal to or greater than the existing HAP rents. This contract renewal will be subject to annual appropriation

Robert Liguori, Esquire is a current general partner and he will be utilizing the bridge financing to purchase the interests of his co-general and limited partners. In addition to refinancing the acquisition of the property, Mr. Liguori will execute a new long-term use restriction and complete \$1,961,973 in capital improvements.

These capital improvements include a new roofing system, new windows, siding, common area painting/carpeting, modifications for handicap accessibility, elevator upgrades and fire alarm upgrades. Living unit improvements include selected flooring upgrades, appliances and installation of new air conditioning sleeves.

The primary source of financing for the transaction will be a 40-year FHA first mortgage supported by HAP rents equal to or greater than existing HAP rents. The existing project reserves will comprise the remaining sources of funding in the transaction.

This Request for Action is for Firm Commitment of financing from the Affordable Housing Trust Fund in the amount of \$4,000,000.

Upon a motion made by Mr. Marouchoc 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 bridge loan to purchase general and limited partnership interest in the Development:

<u>Development</u>	<u>Applicant</u>	<u>AHT Mortgage</u>
Merchants Village	Merchants Village Associates II, LLC	\$4,000,000

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 an AHT loan to Merchants Village Associates II, LLC in an amount not to exceed \$4,000,000 for the Development located in Westerly, Rhode Island.

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

- Completion of all items required 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 9:45 a.m. was made by Mr. Godfrey and seconded by Marouchoc.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director