

**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, September 28, 2006 at 8:45 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Trustees in attendance were Richard Godfrey, Anthony J. Marouchoc, and Thomas Hogg. Carol Ventura, director of Development and Michael Milito, deputy assistant director of law and human resources were also present.

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 first floor bulletin board in the State House.

The Trustees convened the meeting at approximately 9:48 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting Held August 10, 2006

Mr. Hogg requested that the minutes reflect that the correct amount of funding for The Colony Apartments is actually \$340,000 and not \$223,000.

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

VOTED: That the Minutes of the Affordable Housing Trust Fund Meeting held August 10, 2006 be, and hereby are, approved as amended.

Approval of Additional Financing for Villita Apartments (a.k.a. The Colony Apartments)

Mr. Godfrey outlined this request.

This Request for Action (RFA) is for approval of additional AHT financing for Women's Development Corporation (WDC) to acquire and preserve the property located at 625 Public Street in Providence (The Colony Apartments). WDC has requested secondary financing through the Trust to preserve the 17 unit Section 8 development.

For the past five years, WDC has been negotiating with the former owner, Antonio Giordanno, and HUD to acquire and preserve The Colony Apartments. Two separate applications were filed by WDC through the Mark up to Market Program to increase the Section 8 rents at the site and to provide resources necessary for code improvements. In both instances, HUD failed to approve adequate rents and capital for the site. In May 2006, HUD took over The Colony Apartments as mortgagee in possession. In August 2006, Rhode Island Housing provided bridge financing to WDC under the land bank program to purchase the property from HUD. A rent increase was submitted and approved by HUD.

The site consists of 17 project-based Section 8 units located in one structure containing an elevator. There are 6 efficiencies, 8 one bedroom and 3 two bedroom units in the building. Only seven of the units are occupied due to the multiple code violations at the site. Current residents are living in substandard conditions. Approximately \$1 million in rehabilitation will be conducted at the site which will include upgrades to the apartments and the exterior, plumbing and heating repairs, ADA improvements, roof replacement, fire code improvements and repair of the elevator.

The financing for this transaction will consist of a 40-year first mortgage from Rhode Island Housing and secondary financing through the Affordable Housing Trust. Other sources include Rhode Island Housing HOME funds and Neighborhood Opportunities Program funding. The AHT has previously approved \$340,000 in funding for The Colony Apartments. Subsequent to that approval, costs associated with the acquisition has caused the need for additional AHT funding in the amount of \$68,000.

The Request for Action is for commitment of additional AHT financing of \$68,000 for a total AHT commitment not to exceed \$408,000 for The Colony Apartments.

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

**Resolution of the Board of Trustees
of The Affordable Housing Trust Fund**

Whereas: The Affordable Housing Trust Fund (the "Trust") is authorized to provide financing to mortgagors or sponsors for the development of housing to be occupied by low and moderate-income persons or families of Rhode Island;

Whereas: The applicant ("Applicant") has presented an application requesting financing to preserve the property as set forth below (the "Development"):

| <u>Development</u> | <u>Applicant</u> | <u>Trust Financing</u> |
|-----------------------|---------------------------------|------------------------|
| The Colony Apartments | Women's Development Corporation | \$408,000 |

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

NOW, THEREFORE, IT IS HEREBY:

Resolved: That the Trust hereby declares firm commitment of additional financing to Women's Development Corporation in an amount not to exceed \$68,000 for a total AHT commitment not to exceed \$408,000 for the acquisition and rehabilitation of The Colony Apartments located at 625 Public Street in Providence, Rhode Island.

Resolved: That the Trustees are authorized to set the terms and conditions of the financing as they deem 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.

A brief discussion followed the approval for Villita Apartments regarding a request for increase in the Affordable Housing Trust amount granted to Omni Point Apartments on January 19, 2006. An Affordable Housing Trust Meeting will be scheduled and posted for the week of October 3, 2006.

There being no further business, a motion to adjourn the meeting at 9:56 a.m. was made by Mr. Hogg and seconded by Mr. Marouchoc.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director