

**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, October 3, 2006 at 1:00 p.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Trustees in attendance were Richard Godfrey, and Thomas Hogg. Mr. Marouchoc was not present for the meeting. Anne Berman, assistant director of development was 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 1:00 p.m.

Approval of Additional Financing for Omni Point Apartments

Mr. Godfrey presented this request.

This Request for Action (RFA) is for revised firm approval of financing for Omni Point Apartments, an existing family development originally financed by Rhode Island Housing (RIH) in 1989. The owner has requested that the financing be restructured through Rhode Island Housing's Preservation Program to preserve the property's long-term affordability.

Located in Providence, Omni Point is a fifty-one unit tax credit development consisting of twenty-three two-bedroom units and twenty-eight three bedroom units. The development was originally constructed and financed in 1989 and is currently subsidized through the State Rental Assistance Program (RAP). Omni Point has experienced both physical and financial difficulty over the past several years. Debt service payments were suspended in August of 2000 in an effort to help cashflow. Rhode Island Housing provided capital for improvements in August of 2002 to repaint the exteriors and make other necessary repairs. Rhode Island Housing and Omni Development Corporation have been working together over the past 2 years to craft a refinancing proposal that will stabilize the property and ensure affordability for the residents.

Omni Development Corporation ("Omni") is the current owner. They will form a new entity to undertake this transaction. Winn Property Management, a fee manager, will manage the property. As part of the proposed transaction under Rhode Island Housing's Preservation Program, the new entity will acquire the property, extend the property's affordability restrictions, and complete approximately \$1,900,000 in improvements. In addition, Omni has agreed to payoff approximately \$1.9 million of the current 1st mortgage with the proceeds from the refinance of Maple Gardens I and \$300,000 of Developer Fee earned in the new transaction. Maple Gardens I will be refinanced with a new Rhode Island Housing tax exempt bond mortgage on or before the closing of Omni Point. Rhode Island Housing will write off approximately \$1.9M of principal balance on Omni Point's current first mortgage balance.

The primary source of new financing for the transaction will be a 40-year tax-exempt first mortgage underwritten at 50% tax credit rents. The Borrower has agreed to phase out the RAP subsidy as units turn over. These units, as they become available, will be rented to tenants that are able to pay the 50% tax credit rents without subsidy or to households with tenant-based Section 8 vouchers. Other sources include the assumption of the current Targeted Loan, existing project reserves, an AHT loan, and developer equity.

Since approval in January 2006, additional underwriting and an increase in tenant paid utility allowances resulted in a reduction of the permanent first mortgage. In order to close the resultant gap, the LIHTC syndicator increased the equity pricing, the developer has deferred additional developer fee, the General Partner has increased its contribution by \$110,000 and the AHT loan is increasing from \$679,039 to \$1,031,119.

Renovations to the complex will include new windows, siding, roofing, selected unit interior upgrades, common area improvements and any necessary ADA compliance. The owner will establish a new reserve account to cover the costs of necessary upgrades and improvements forecasted in future years.

The Request for Action is for Firm Approval of a \$1,031,119 Affordable Housing Trust loan.

A brief discussion followed the presentation.

Prior to the meeting the Trustees of the Affordable Housing Trust had been provided with a copy of the request for Omni Point Apartments. Mr. Marouchoc could not be present for the meeting however, he did provide written consent to the funding. At this point, Mr. Godfrey requested that the minutes reflect Mr. Marouchoc's approval of the funding. A signed copy of Mr. Marouchoc's written approval is included with these minutes.

Upon a motion made by Mr. Hogg and seconded by Mr. Godfrey 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 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 51 units of existing housing as set forth below (the "Development"):

<u>Development</u>	<u>Applicant</u>	<u>AHT Loan</u>
Omni Point Apartments	Omni Development Corporation	Up to \$1,031,119

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 Omni Development Corporation or its assignee in an amount not to exceed \$1,031,119 for rental housing located at 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 1:06 p.m. was made by Mr. Hogg and seconded by Mr. Godfrey.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director