

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, December 20, 2007 at 9:15 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Trustees in attendance were Richard Godfrey, Thomas Hogg and Mr. Marouchoc. 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 10:00 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting Held June 21, 2007

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

VOTED: That the Minutes of the Affordable Housing Trust Fund Meeting held June 21, 2007 be, and hereby are, approved.

Firm Approval of Financing for Carlton Westside Apartments

Mr. Godfrey presented this request.

This Request for Action (RFA) is for Firm Approval of a loan from the Affordable Housing Trust (AHT) for Carleton Court ("Carleton") and Westside Apartments ("Westside"), two existing developments in Providence, Rhode Island. Arch Street Development LLC ("Arch Street"), a for-profit housing real estate developer from Needham, MA, proposes the acquisition and rehabilitation of Carleton and Westside. This loan will assist with the preservation of 86 units of affordable housing, which currently serve elderly and disabled tenants as well as families.

Firm Approval for acquisition and permanent tax-exempt financing from Rhode Island Housing's Board of Commissioners is being requested in December of 2007.

Carleton is a 46-unit development consisting of 42 one-bedroom and 4 two-bedroom units located at 211 Carleton Street in Providence's Federal Hill neighborhood. Formerly used as a parochial school, the building was converted to residential use in 1991 and currently serves a predominantly elderly population.

Westside is a 40-unit scattered site development located on the west side of Providence. Comprised of 18 modular-style buildings containing 22 three-bedroom units and 18 four-bedroom units, Westside was constructed in 1990 with financing provided by Rhode Island Housing and currently serves low income families.

Both properties were developed with 9% Low Income Housing Tax Credits (“LIHTC”) and are currently owned by limited partnerships in which Gatehouse Group, Inc. (“Gatehouse”), serves as managing member of the general partner and Boston Capital is the tax credit investor/limited partner. The two sites are approximately 2 miles apart. The 15-year LIHTC compliance period for both developments has now come to an end. In addition, Carleton and Westside have existing State Rental Assistance Payments (“RAP”) contracts.

A new limited partnership entity, Carleton Westside Apartments, L.P. (“Borrower”), has been formed to acquire and renovate Carleton Court and Westside Apartments. Arch Street is the developer and will be the managing member of the new general partner. As part of the transaction, Borrower will rehabilitate the buildings and extend the affordability.

As noted above, the current population is low income elderly and disabled residents as well as low income families with incomes primarily below 50% of area median income with rental subsidies under State RAP contracts. Upon refinancing, rents for all units will be set at the 50% tax credit rents. Subsequent to closing, the RAP rental subsidies will be reduced to the applicable 50% tax credit rent level. At turnover, the units will be rented to tax credit eligible tenants with the ability to pay the tax credit rents and the rental subsidy will cease. Rhode Island Housing will ensure that existing residents are protected from displacement.

The Borrower has requested a loan of \$4.8 million to fund acquisition and rehabilitation expenses. Following completion of the rehabilitation, \$3 million of the loan will be repaid with the proceeds of the tax credit equity and the remaining debt will convert to amortizing permanent financing.

This Request for Action is for firm approval of an AHT Loan in an amount up to \$390,000 as part of the new financing for the Development.

Upon a motion made by Mr. Hogg and seconded by Mr. Marouchoc 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 acquire and rehabilitate the buildings known as Carleton Court and Westside Apartments as set forth below (the “Development”):

<u>Development</u>	<u>Applicant</u>	<u>Trust Loan</u>
Carleton Court and Westside Apartments	Carleton Westside Apartments, L.P.	\$390,000

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 a loan to Carleton Westside Apartments, L.P. , in an amount not to exceed \$390,000 for scattered site rental housing located 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 10:06 a.m. was made by Mr. Godfrey and seconded by Mr. Marouchoc.

Respectfully submitted,

Richard Godfrey,
Secretary and Executive Director