

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 17, 2009 at 9:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Trustees in attendance were Richard Godfrey, Thomas Hogg and Mark Noble. Susan Bodington, Deputy Director, Michael Milito, Deputy Assistant Director of Law and Human Resources and Anne Berman, Assistant Director of Development 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 9:40 a.m.

Approval of Minutes of the Affordable Housing Trust Fund Meeting Held August 27, 2009

Upon a motion made by Mr. Noble and seconded by Mr. Hogg, the following was approved:

VOTED: That the Minutes of the Affordable Housing Trust Fund Meeting held on August 27, 2009 be, and hereby are, approved.

Firm Approval of Financing for Cranston Commons 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 Cranston Commons East, an existing family housing development originally financed by Rhode Island Housing.

Cranston Commons East is an existing 19-unit development consisting of two buildings located at 1303 Elmwood Avenue, Cranston, Rhode Island. The development contains 4 one-bedroom units, 9 two-bedroom units, and 6 three bedroom units. Originally built as a convent and garage, the buildings were redeveloped and financed as affordable housing in 1991. From 1991 until 2008, all of the units received rental assistance under the State Rental Assistance Program ("State RAP"). In 2008, the owner applied for and received a Project Based Section 8 contract through the Housing Choice Voucher program administered by Rhode Island Housing which replaced the RAP contract.

The current owner of the property is 1303 Elmwood Associates Limited Partnership. An affiliate of the Cranston Comprehensive Community Action Program ("CCAP") is the general

partner, with Statewide Affordable Housing, Inc. (“SAH”) as a co-member of the general partner and the Rhode Island Housing Equity Pool is the majority limited partner. Upon refinancing the current limited partner will exit the limited partnership and CCAP and SAH will continue to own and operate the development. Given the small size of the development, it was determined that a re-syndication of the property was not viable. However as part of this transaction the borrower will extend the affordability of the property.

The owner will complete approximately \$500,000 in improvements. The improvements will focus primarily on preserving the building envelope as well as unit upgrades. The current scope of work includes roofing, site drainage improvement, repairs to the community room, life safety system upgrades as well as painting, kitchen and bathroom upgrades within the units. A capital needs assessment was previously performed and the project architect completed an extensive evaluation of the physical needs of the development upon which the scope of rehabilitation work has been based. A contractor has been selected for the roof replacement and community room repairs. With regard to unit and life safety system upgrades, the project architect is currently analyzing bids from several potential contractors and a final decision will be made shortly. The owner will also establish a reserve to cover the costs of necessary upgrades and improvements forecasted in future years.

In addition to an AHT Loan, the primary sources of financing for the transaction will include a 40-year taxable first mortgage from Rhode Island Housing and existing project reserves.

This RFA is for Firm Approval of an Affordable Housing Trust Loan in an amount up to \$455,000 as part of the new financing for the development

Upon a motion made by Mr. Noble 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 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 Cranston Commons East as set forth below (the “Development”):

<u>Development</u>	<u>Applicant</u>	<u>Trust Loan</u>
Cranston Commons East	1303 Elmwood Associates Limited Partnership	\$455,000

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 1303 Elmwood Associates Limited Partnership, in an amount not to exceed \$455,000 for rental housing located in Cranston, 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 9:42 a.m. was made by Mr. Hogg and seconded by Noble.

Respectfully submitted,

Richard Godfrey,
Secretary and Executive Director