

**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, August 19, 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. 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 10:10 a.m.

**Approval of Minutes of the Affordable Housing Trust Fund Meeting Held June 17, 2010**

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 June 17, 2010 be, and hereby are, approved.

**Approval of Loan Purchase Regarding Douglas Manor**

Mr. Hogg presented this request.

The Affordable Housing Trust (the "Trust") typically makes loans in connection with preservation related refinancings. Earlier this year, Douglas Manor, a Section 8 subsidized, 100 unit apartment complex in North Providence, undertook such a transaction through Rhode Island Housing. The financing also provided for capital improvements including common area upgrades, fire protection upgrades and exterior improvements. The loan supporting this preservation refinancing was a first mortgage in the amount of \$6.225 million

The Trust has experienced some reductions and pay-downs in its other asset categories. Compared to the extremely low investment yields otherwise available in the securities market, purchase of this loan would better utilize the Trust's available investment capacity, consistent with its goal of supporting the preservation of existing affordable housing.

Longer term funding of this loan is anticipated to be provided by match funding long term bonds under the U.S. Treasury's New Investment Bond Program ("NIBP"). Such funding is available to Rhode Island Housing, which anticipates issuing a NIBP bond later this year. At that time, Rhode Island Housing would repurchase the Douglas Manor loan at par value and include it within the new bond being prepared. Until then, the Trust will hold a loan asset

yielding a significantly greater return than any suitable alternative. Rhode Island Housing will service the loan and remit monthly principal and interest for an annualized fee of 25 basis points.

Staff recommends the purchase of a first mortgage loan in the amount of \$6,225,000 in connection with the Douglas Manor preservation refinancing, at par value, with loan servicing to be performed by Rhode Island Housing. The loan will be repurchased by Rhode Island Housing when a NIBP bond issue is ready.

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

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

**Whereas:** one of the purposes of the Affordable Housing Trust (the “Trust”) is to assist in the preservation of affordable housing throughout the State, and

**Whereas:** the Trust has increased its investment portfolio over the last several years through its preservation related activities, and

**Whereas:** Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) is active in many affordable housing programs including preservation related financing activities for affordable housing, and

**Whereas:** purchase of loans from Rhode Island Housing would extend the Trust’s lending activities and increase its net interest income; and

**Whereas:** Rhode Island Housing has made a preservation loan in the amount of \$6.225 million to Douglas Manor Apartments, LP (the “Douglas Manor Loan”) for the preservation of Douglas Manor, a 100 unit affordable housing development located in North Providence; and

**Whereas:** Rhode Island Housing is willing to sell the Douglas Manor Loan to the Trust.

**Now, therefore, it is hereby**

**Resolved:** that the Trust is authorized to purchase the Douglas Manor Loan from Rhode Island Housing, for the amount of the then outstanding balance, and to engage Rhode Island Housing to service the Douglas Manor Loan, on such terms and conditions as any Trustee, acting singly, deems to be in the best interests of the Trust.

**Resolved:** that the Trust is authorized, upon the request of Rhode Island Housing, to sell the Douglas Manor Loan to Rhode Island Housing for the amount of the then outstanding balance, on such terms and conditions as any Trustee, acting singly, deems to be in the best interests of the Trust.

**Resolved:** that any of the Trustees is hereby authorized to execute any documents necessary or desirable to carry out the above Resolutions.

There being no further business, a motion to adjourn the meeting at 10:14 a.m. was made by Mr. Hogg and seconded by Noble.

Respectfully submitted,

Richard Godfrey,  
Secretary and Executive Director