

**MINUTES OF MEETING
OF THE TRUSTEES OF THE
AFFORDABLE HOUSING TRUST FUND**

A meeting of the Trustees of the Affordable Housing Trust Fund (the “AHT”) was held on Monday, April 10, 2023 at 3:15 p.m. at the main office of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”), 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

Carol Ventura, Trustee of the AHT and Executive Director of RIHousing, opened the meeting and introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella stated that (i) the meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting, (ii) except for specific RIHousing staff participating telephonically, all callers would be muted during the meeting. Additionally, Mr. Rotella said that to prevent any feedback or background noise, telephone participants should mute the telephone if not speaking. Furthermore, Mr. Rotella announced that if during the meeting anyone is having technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Corinne Myers, General Counsel of RIHousing, provided additional guidance for the meeting. Ms. Myers stated that the meeting was being held in person with all trustees of the Affordable Housing Trust Fund appearing in person and specific RIHousing staff participating via teleconference. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Additionally, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers also stated that Ms. Ventura would preside over the AHT meeting and requested that any Trustee, RIHousing Commissioner or staff member state their name prior to speaking for the benefit of listeners and to mute the phone when not speaking. She then invited Ms. Ventura to call the meeting to order.

A quorum being present, Ms. Ventura introduced herself and officially called the meeting to order at approximately 3:33 p.m. Ms. Ventura then conducted a roll call of Trustees participating in the meeting. Trustees participating were: Carol Ventura; Kara Lachapelle, and James Thorsen.

Other RIHousing Board of Commissioners and staff participating were: Commissioner McAllister; Robert Craven, Designee for General Treasurer James Diossa; Anne Berman, Director of Real Estate Development; Amy Rainone, Director Government Relations & Policy; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Stefan Pryor, Secretary of Housing was also present.

Members of the public were also present on the call.

Approval of Minutes of the Affordable Housing Trust Fund Meeting of December 15, 2022

Ms. Ventura entertained a motion and a second for the approval of the minutes of the Affordable Housing Trust Fund meeting held on December 15, 2022.

A motion was duly made by Mr. Thorsen and seconded by Ms. Lachapelle. There being no discussion, Corinne Myers, General Counsel of RIHousing, conducted a voice vote of the Trustees. The Trustees unanimously voted to approve the minutes.

Ms. Myers then stated that the following was unanimously adopted:

VOTED: That the minutes of the Affordable Housing Trust Fund Meeting held on December 15, 2022, hereby are approved.

1. Firm Approval of Second Mortgage Financing for Babcock Village Apartments (Westerly)

Ms. Ventura introduced Anne Berman, Director of Real Estate Development who gave the presentation.

Mr. Berman said that the request was for approval of Affordable Housing Trust (“AHT”) taxable second mortgage financing in an amount not to exceed \$5,000,000 for Babcock Village Apartments (hereinafter referred to as the “Development”). Cathedral Development Group, Inc. is the developer (the “Developer”).

Babcock Village Apartments, located in Westerly, contains 151 units in a single elevator-served building and is owned by New Babson Associates Limited Partnership (the “Owner” or the “Mortgagor”). The complex was initially built in 1980 and was most recently refinanced in 2021, at which time the Owner undertook a moderate rehabilitation of the property. The Developer has requested a second mortgage to withdraw equity resulting from recent rent increases. A capital needs assessment (“CNA”) has confirmed that no additional work is required as part of this transaction. The Developer plans to address future capital needs as they arise. A new CNA will be required at year 10 of the first mortgage to ensure that the replacement reserve will stay positive for the next 15 years. If required, the annual deposits to the replacement reserve will be increased at that time. The Section 8 Housing Assistance Payments contract (the “HAP contract”) for the Development encumbers 150 of the 151 units and was renewed on November 1, 2022 for 20 years. This project serves elderly and disabled households with a preference for elderly residents.

The property is currently carrying approximately \$17,328,000 in debt in the form of a RIHousing first mortgage. The proposed second mortgage will be coterminous with the existing first mortgage, which has a maturity date of October 1, 2037.

Finally, Ms. Berman said that staff requests firm approval of an amount not to exceed \$5,000,000 in taxable second mortgage financing subject to certain conditions as set forth in the attached resolution.

After the presentation, Ms. Ventura asked for a motion and second for Firm Approval of Second Mortgage Financing for Babcock Village Apartments (Westerly).

A motion was made by Ms. Lachapelle and seconded by Mr. Thorsen. Following the motion and second, Ms. Ventura opened the meeting for questions or discussion.

Mr. Thorsen acknowledged the analysis staff provided and thanked Ms. Berman for including that evaluation as it was helpful to support the financing request. Additionally, Mr. Thorsen noted that the assumptions are conservative and applauded that strategy.

Ms. Lachapelle wanted to know if the transaction was subject to the condition that the deal for Marvin Gardens Apartments closes. Ms. Berman confirmed that fact.

There being no other comments or questions, Ms. Ventura asked Ms. Myers to conduct a voice vote of the Trustees eligible to vote. The Trustees unanimously voted to approve the motion.

Ms. Myers then announced that 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 “AHT”) was created by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) for the sole purpose of making homeownership to low- and moderate-income residents of the State of Rhode Island more affordable;

Whereas, one of the purposes of the AHT is to assist in the preservation of affordable housing throughout the State of Rhode Island; and

Whereas, the AHT has increased its investment portfolio over the last several years through its preservation related activities.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that subject to the special condition listed below, the AHT be and is hereby authorized to commit up to \$5,000,000 in funding to New Babson Associates Limited Partnership (the “Borrower”) for rental housing known as Babcock Village Apartments located in Westerly, Rhode Island.

Resolved, that the foregoing resolution is subject to the following condition:

- Completion of all items required by RIHousing for firm commitment and closing in accordance with normal underwriting and processing requirements.

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development of RIHousing, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.

There being no further business, Ms. Ventura asked for a motion to adjourn the Affordable Housing Trust Fund meeting.

A motion was duly made by Mr. Thorsen and seconded by Ms. Lachapelle to adjourn the meeting.

Ms. Ventura then asked Corinne Myers, General Counsel of RIHousing, to conduct a voice vote of the Trustees. The Trustees unanimously voted to adjourn the meeting.

Ms. Myers then officially stated that the motion to adjourn the meeting was unanimously approved.

Ms. Ventura thanked everyone for participating and the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Carol Ventura,
Trustee of the AHT and Executive Director,
RIHousing