

**Request for Action
By
Board of Commissioners**

Approval of Fund Transfer for the Preservation Loan Program

1. Summary of Request

This Request for Action (“RFA”) is for approval of a transfer of funds in the amount of \$4,000,000 from Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) to the Affordable Housing Trust Fund for purposes of increasing the funding for the Preservation Loan Program (the “PLP”). The PLP was created to provide a flexible source of capital to be utilized for the preservation of existing affordable housing, with priority given to developments previously funded by RIHousing.

RIHousing has approximately 15,000 affordable apartments in its portfolio. In addition, more than 1,500 affordable residential homes have been financed under the state’s HOME Investment Partnerships Program. Many of these developments were constructed and rehabilitated in the 1990s and are beyond their initial 15-year tax credit compliance term. Several developments lack adequate reserves to conduct necessary improvements to ensure residents are housed in a safe and healthy environment. Thus, there is a need to upgrade these affordable apartments and homes to meet health and safety standards, make necessary capital improvements, and address physical deterioration due to wear and tear.

In 2018, RIHousing allocated \$10,000,000 for the PLP, and since then, applications have been accepted on a rolling basis. Based on the current projects in the pipeline and preliminarily approved by staff, the current funding for the PLP will be exhausted this month. This request will replenish the PLP for future applications.

2. Recommendation

Staff recommends the approval of the resolutions set forth at Attachment B, which authorize a transfer of funds in the amount of \$4,000,000 to finance the Preservation Loan Program, which is more particularly described in the draft program guidelines set forth in Attachment A.

3. Attachments

- A. Program Guidelines (Draft)
- B. Resolution

ATTACHMENT A
Draft Program Guidelines
Attached

ATTACHMENT B

Resolution of the Board of Commissioners of Rhode Island Housing and Mortgage Finance Corporation

- Whereas,** Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing; and
- Whereas,** the Affordable Housing Trust Fund (the “AHT”) was created by RIHousing for the purpose of making housing opportunities more affordable for low- and moderate-income residents of the State of Rhode Island; and
- Whereas,** the AHT has established a subordinate financing program to provide a flexible source of capital to be utilized for the preservation of existing affordable housing (the “Preservation Loan Program” or “Program”); and
- Whereas,** \$4,000,000 in funding will assist the Program to preserve affordable rental homes for low-income persons in Rhode Island; and
- Whereas,** the terms of said assistance are set forth in proposed program guidelines attached as Attachment A; and

NOW, THEREFORE, IT IS HEREBY:

- Resolved,** that RIHousing is hereby authorized to (i) commit up to \$4,000,000 to the Program substantially as described in Attachment A and (ii) transfer such funds to the Affordable Housing Trust Fund for purposes of funding the Program;
- Resolved,** that the Executive Director and the Chief Financial Officer, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.