

**Request for Action
by the Trustees of the
Affordable Housing Trust Fund**

**Approval of Turnkey Affordable Homeownership Program
Funding Awards**

1. Project Summary

This Request for Action (“RFA”) is for approval of two awards under the Turnkey Affordable Homeownership Program (the “Turnkey Program,” “Turnkey,” or the “Program”). Turnkey was created to provide financing to qualified developers of for-sale units to households earning up to 100% of area median income (“AMI”).

2. Summary of Issues

In August 2024, the Affordable Housing Trust Fund created the Turnkey program to be administered by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”). \$1,000,000 in funding was made available to developers to increase the development of homeownership opportunities for households at or below 100% of AMI. This funding prioritizes projects that are ready to proceed within four months of funding award and accepts applications on a rolling basis. Maximum funding is limited to \$190,000 for an 80% AMI home or \$150,000 for a 100% AMI home. If a developer received a density bonus through the comprehensive permit process, the requested Turnkey financing cannot exceed \$50,000/unit unless the project is 100% affordable and includes no market units.

RIHousing issued the first Request for Proposals (“RFP”) on September 26, 2024. As of February 2025, RIHousing has received two complete proposals requesting \$1,450,000 in Turnkey funding. While staff is currently reviewing a third application, in the interest of time, only the complete applications are being recommended for funding.

The proposals, more particularly described in Attachment A, meet RIHousing’s Threshold Criteria for the Turnkey program: a complete application; readiness to proceed within four months of commitment; financial feasibility; and experience and capacity to complete and market for-sale housing. RIHousing staff recommends funding for two proposals totaling \$1,000,000. These awards will produce five Turnkey-assisted units in Warwick and five Turnkey-assisted units in Coventry.

3. Recommendation

The attached resolution authorizing the allocation of up to \$1,000,000 in Turnkey funds is recommended for approval contingent on compliance with Turnkey guidelines.

4. Attachments

- A. Summary of Recommendation
- B. Resolution

Attachment A

Summary of Recommendation

Turnkey Funds Recommended for Approval: \$1,000,000

Recommendations:

- **Greenwood Place Condominiums, Warwick, RI:** The developer, Melwick Builders, LLC. (the “Developer”), is constructing five condominium units at 68 Greene Street in Warwick, RI. Construction is nearly complete and, according to the Developer, Certificates of Occupancy are anticipated within the next 45 days. All five 3-bedroom units will be available for sale to households earning up to 100% AMI at an approximate sales price of \$283,000 based on current interest rates. The market appraised value for the units is \$480,000. This Turnkey award for Greenwood Place Condominiums is recommended in the amount of \$750,000 and is contingent upon compliance with Turnkey guidelines, including closing deadlines.

Sources		Uses	
Turnkey Subsidy	\$ 750,000	Acquisition	\$ 221,000
Sales Proceeds	\$ 1,415,000	Construction	\$ 2,019,000
Developer Equity	\$ 315,000	Soft Costs	\$ 190,000
		Financing	\$ -
		Developer Fee	\$ 50,000
	\$ 2,480,000		\$ 2,480,000

- Crompton Meadows – Phase I, Coventry, RI:** The developer, Apponaug Properties, Inc. (the “Developer”), is developing 80 detached single family condominium units at Crompton Meadows in Coventry, RI. The Town of Coventry awarded the project a density bonus requiring 20 affordable units. Phase I is comprised of five 2-bedroom units that will be available for sale to households earning up to 100% AMI at an approximate sales price of \$263,000 based on current interest rates. Construction completion is anticipated by July 31, 2025. The developer is eligible for \$50,000 per unit in Turnkey funds and will cover the remaining costs associated with the development of the affordable units through the sale of the market-rate units. In addition to Phase I, Turnkey financing was requested for Phase II and Phase III; however, the request exceeds the amount of funding available. Should additional funding be allocated to the Turnkey Program, the Developer must submit applications for the future phases. This Turnkey award for Crompton Meadows is recommended in the amount of \$250,000 and is contingent upon compliance with Turnkey guidelines, including closing deadlines.

Sources		Uses	
Turnkey Subsidy	\$ 250,000	Acquisition	\$ 250,000
Sales Proceeds	\$ 1,315,495	Construction	\$ 2,027,414
Developer Equity	\$ 751,189	Soft Costs	\$ 39,270
		Financing	\$ -
		Developer Fee	
	\$ 2,316,684		\$ 2,316,684

Attachment B

Resolution of the 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:** RIHousing has been authorized by the AHT to administer the Turnkey Affordable Homeownership Program (the “Turnkey Program” or “Turnkey”), including the award of Turnkey funds to finance the construction of new homeownership opportunities;
- WHEREAS:** the applicants listed in Attachment A have submitted applications that meet the threshold requirements of the Turnkey Program; and
- WHEREAS:** RIHousing staff have evaluated the applications set forth in Attachment A and determined that the applications are consistent with the objectives of the Turnkey Program and have met the relevant threshold criteria.

NOW, THEREFORE, IT IS HEREBY

- RESOLVED:** that the Affordable Housing Trust Fund, acting by and through its Trustees, be, and hereby is, authorized to commit up to \$1,000,000 in funding to the projects listed in the Funding Recommendation at Attachment A, with such commitment to be contingent on compliance with Turnkey guidelines.
- RESOLVED:** that the Executive Director, the Deputy Executive Director, and the Director of Real Estate Development of RIHousing, each acting singly, be and hereby are authorized and directed to take any and all actions he or she, in his or her own discretion, shall deem necessary and appropriate to carry out the foregoing resolution.