

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

Approval of Non-Profit Acquisition Bridge Loan Program Outline and Terms

A. SUMMARY OF REQUEST

This Request for Action is for adoption of the Outline and Terms for the Non-Profit Acquisition Bridge Loan Program and for approval of an allocation of up to eight million dollars (\$8 million) to the Program from the Affordable Housing Trust.

B. DISCUSSION

For many years, RIHousing has utilized a “Land Bank” program to either acquire property directly or to provide loans to non-profit developers to acquire property for the development of affordable housing. Program terms were clarified in 2016 to focus the program’s activity on making acquisition bridge loans to non-profit developers. Formal program regulations were repealed by the Board of Commissioners in 2017, resulting in decisions on loans being made at the staff level.

The creation of a statutory “Housing Land Bank Program” within RIHousing by the General Assembly in 2025 provided the opportunity and need to clarify the name and terms of the previously existing land bank/acquisition bridge loan program.

The Non-Profit Acquisition Bridge Loan Program Outline and Terms provide for loans to be made for up to 12 months and for amounts not to exceed 97% of the “as is” appraised value or purchase price, whichever is lower. Appraisals will be commissioned by RIHousing. Approval of loans for up to and including one million dollars will be made by a RIHousing staff committee; loans for greater than one million dollars will require approval by the Trustees of the Affordable Housing Trust Fund. Loan applications will be accepted on a rolling basis.

Loans will be funded from an allocation of up to eight million dollars (\$8 million) from the Affordable Housing Trust Fund.

C. RECOMMENDATION

The attached resolution regarding the Non-Profit Acquisition Bridge Loan Program Outline and Terms is recommended for adoption, and the allocation to the program of up to eight million dollars (\$8 million) from the Affordable Housing Trust Fund is recommended.

D. ATTACHMENTS

- A. Resolution of the Trustees of the Affordable Housing Trust Fund
- B. Non-Profit Acquisition Bridge Loan Program Outline and Terms

Attachment A

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”) to expand housing opportunity for low- and moderate-income residents of the State of Rhode Island, including by assisting with the development of affordable housing; and
- Whereas:** RIHousing has operated various land banking programs in its history, most recently through a program that provides acquisition bridge loans to non-profit developers to acquire property to develop as affordable housing (the “2016 Land Bank Program”); and
- Whereas:** RIHousing staff has now developed terms for a Non-Profit Acquisition Bridge Loan Program (“the Program”) to supersede the 2016 Land Bank Program terms; and
- Whereas:** An allocation of financial resources is needed to support the Program; and
- Whereas:** The Program is consistent with the purposes of the AHT; and
- Whereas:** The Trustees of the Affordable Housing Trust desire to support the Program with an allocation of funds from the Affordable Housing Trust Fund.

NOW, THEREFORE, IT IS HEREBY:

- Resolved:** That the Affordable Housing Trust Fund, acting by and through its Trustees, do hereby adopt the Non-Profit Acquisition Bridge Loan Program Outline and Terms contained in Attachment B hereto; and
- Resolved:** That the Trustees do hereby authorize the allocation of up to Eight Million Dollars (\$8 million) to the Non-Profit Acquisition Bridge Loan Program; and
- Resolved:** That from said allocation the Executive Director of the Corporation is hereby authorized and empowered to approve loans of up to and including one million dollars (\$1 million) consistent with the terms of the Program set forth in Attachment B; and
- Resolved:** That the Executive Director, Deputy Executive Director, and Chief Financial Officer of RIHousing, each acting singly, are hereby authorized and directed by the Trustees to take any and all actions they deem necessary and appropriate to carry out the foregoing resolutions.

Attachment B

Non-Profit Acquisition Bridge Loan Program Outline and Terms