

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

Approval of Predevelopment Loan Program Outline and Terms

A. SUMMARY OF REQUEST

This Request for Action is for adoption of the Outline and Terms for the Predevelopment Loan Program and for approval of an allocation of up to two million dollars (\$2 million) to the Program from the Affordable Housing Trust.

B. DISCUSSION

For many years, RIHousing has operated predevelopment loan program to provide non-profit organizations with short-term loans to help them with activities associated with the development of affordable housing. This assistance has included funds for permitting and design work, site control costs, legal and appraisal costs, environmental assessments, market analyses, and other related costs. Historically, funds have been made available from the Affordable Housing Trust Fund to support these activities.

For the past couple years, however, predevelopment assistance has been funded through subawarded American Rescue Plan Act State Fiscal Recovery Funds. Those funds have now been allocated, yet the need for predevelopment assistance continues. This presents an opportunity to adjust the Trust's long-standing Predevelopment Loan Program and replenish its funding allocation.

The Predevelopment Loan Program Outline and Terms provide for loans to be made for up to 24 months and for amounts scaled to project size: loans of up to \$100,000 for projects with total development costs no greater than \$1,000,000, and loans of up to \$250,000 for projects with total development costs exceeding \$1,000,000. Consistent with past practice, approval of loans will be made by a RIHousing staff committee. Loan applications will be accepted on a rolling basis.

Loans will be funded from an allocation of up to two million dollars (\$2 million) from the Affordable Housing Trust Fund.

C. RECOMMENDATION

The attached resolution regarding the Predevelopment Loan Program Outline and Terms is recommended for adoption, and the allocation to the program of up to two million dollars (\$2 million) from the Affordable Housing Trust Fund is recommended.

D. ATTACHMENTS

- A. Resolution of the Trustees of the Affordable Housing Trust Fund
- B. Predevelopment 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:** The AHT has supported various predevelopment assistance programs in its history, though most recently RIHousing operated its predevelopment program with American Rescue Plan Act State Fiscal Recovery Funds (“SFRF”); and
- Whereas:** SFRF funds have now been allocated, and the need for predevelopment assistance to developers continues; and
- Whereas:** RIHousing staff has revised terms for the Predevelopment Loan Program (“the Program”); 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 Predevelopment Program Outline and Terms contained in Attachment B hereto; and
- Resolved:** That the Trustees do hereby authorize the allocation of up to Two Million Dollars (\$2 million) to the Predevelopment Loan Program; and
- Resolved:** That from said allocation the Executive Director of the RIHousing is hereby authorized and empowered to approve loans consistent with the terms of the Predevelopment Loan 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

Predevelopment Program Outline and Terms