

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

**Approval of Homeownership Investment Fund (HIF)
Funding Awards**

1. Project Summary

This Request for Action (“RFA”) is for approval of two awards under the Homeownership Investment Fund (“HIF”). HIF was created to provide financing to qualified developers to purchase and rehabilitate properties or to newly construct homes for sale to households earning up to 100% of area median income (“AMI”).

2. Summary of Issues

In 2018, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) and the Affordable Housing Trust Fund created the HIF program. Since then, RIHousing has issued Requests for Proposals (“RFP”) in four separate funding rounds and has awarded approximately \$5,000,000 in funding to developers to increase the development of affordable homeownership opportunities. On June 29, 2023, the Trustees of the Affordable Housing Trust Fund (the “Trustees”) approved modifications to the HIF program that (i) prioritized projects ready to proceed within four months of funding award, (ii) reduced maximum sales prices to households at or below 100% of AMI (rather than 120% of AMI) and (iii) allowed the acceptance of applications on a rolling basis.

On September 24, 2024, RIHousing issued a Request for Proposals (“RFP”) for the fifth round of HIF with \$2,000,000 available to award. In response to the rolling RFP, RIHousing has received two proposals to date requesting \$661,893 in HIF funding.

The HIF applications received were reviewed by RIHousing staff in accordance with RIHousing’s Threshold Criteria for the HIF 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 HIF proposals, which are more particularly described in Attachment A, in the amount of \$661,893. These awards will produce five HIF-assisted units. Projects recommended for this funding round are located in South Kingstown and Westerly. They were both submitted by non-profit developers.

3. Recommendation

The attached resolution authorizing the allocation of up to \$661,893 in HIF funds is recommended for approval contingent on compliance with HIF guidelines.

4. **Attachments**

- A. Summary of Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

HIF Funds Recommended for Approval: \$661,893

Recommendations include:

- North Woods, South Kingstown, RI, sponsored by Narragansett Affordable Housing Corporation (“NAHC”)**: NAHC proposes new construction of two two-bedroom condominiums and one three-bedroom home on vacant land near Curtis Corner Road. These units will sell for \$239,453 and \$287,000, respectively, to families earning up to 80% AMI and complement existing neighborhood homes.

Sources		Uses	
Homeownership Investment Fund	\$ 376,644	Construction	\$ 994,600
Sales Proceeds - Duplex (2-BR x 2)	\$ 478,906	Soft Costs	\$ 56,500
Sales Proceeds - Single Family (3-BR)	\$ 287,550	Financing	\$ 10,000
		Developer Fee	\$ 82,000
	\$ 1,143,100		\$ 1,143,100

- Ledward Duplex, Westerly, RI, sponsored by Habitat for Humanity – South County (“HFHSC”)**: HFHSC proposes new construction, on vacant land, of a two-unit home. Each two-bedroom unit will be owner-occupied and complement existing neighborhood homes. The units will be sold to buyers earning up to 80% AMI.

Sources		Uses	
Homeownership Investment Fund	\$ 285,249	Acquisition	\$ 100,000
Sales Proceeds - Duplex (2-BR x 2)	\$ 340,000	Construction	\$ 549,465
In-kind donations	\$ 22,727	Soft Costs	\$ 27,261
Bank of America	\$ 60,000	Financing	\$ -
		Developer Fee	\$ 31,250
	\$ 707,976		\$ 707,976

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 Homeownership Investment Fund Program (the “HIF Program” or “HIF”), including the award of HIF 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 HIF 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 HIF 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 \$661,893 in funding to the projects listed in the Funding Recommendation at Attachment A, with such commitment to be contingent on compliance with HIF 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