

**Request for Action  
by  
Board of Commissioners**

**Firm Approval of Housing Trust Fund Program Funding for School Street Apartments**

**A. PROJECT SUMMARY**

This Request for Action (“RFA”) is for firm approval of up to \$171,801.00 in Housing Trust Fund Program (“HTF Program”) funding for School Street Apartments (the “Development”), a six-unit affordable housing development owned and operated by the Central Falls Housing Authority (“CFHA”). CFHA has partnered with ONE Neighborhood Builders (“ONB”) to develop this property. School Street Apartments received preliminary approval for \$171,801.00 in HTF Program funds from Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) on September 17, 2020.

**B. DISCUSSION**

CFHA, in partnership with ONB, will construct a six-unit affordable housing development at 4 School Street in Central Falls. The new units will replace the existing two-unit building on the site, which will be demolished. Five units will be HOME Program-assisted. One one-bedroom unit will be HTF-assisted, restricted to 30% area median income, and have a project-based voucher. The ongoing underwriting for the entire transaction revealed a small financing gap of approximately \$227,203.00. However, due to HTF program requirements, the proposed HTF funding must be committed prior to October 23, 2021. Therefore, this RFA requests firm approval of only HTF Program funding in an amount not to exceed \$171,801.00.

Approval for the balance of the funding will be sought at a later date.

**C. RECOMMENDATION**

The attached resolution for firm approval of HTF Program funding for School Street Apartments is recommended for approval subject to certain conditions as set forth in the attached Resolution.

**D. Attachments**

- A. Development Summary
- B. Resolution

**Attachment A**  
**Development Summary**

Sources		Uses	
Navigent Credit Union	\$ 414,000	Construction	\$ 1,348,296
RITHousing HOME	\$ 1,289,199	Contingency	\$ 134,000
Housing Trust Fund	\$ 171,801	Acquisition	\$ 135,000
Gap Funding - TBD	\$ 227,203	Soft Costs/Financing	\$ 314,207
		Reserves	\$ 48,900
		Developer Fee	\$ 121,800
	\$ 2,102,203		\$ 2,102,203

The underwriting is still in process however the HTF dollars must be committed in the HUD system.

Gap funding will be provided through either an increase in the Navigant Credit Union loan or additional subordinate financing.

## **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”) administers the HOME Investment Partnerships Program (“HOME Program”) and the Housing Trust Fund Program (“HTF Program”) funds by agreement with the U.S. Department of Housing and Urban Development;

WHEREAS, RIHousing is authorized to issue HTF Program funds to promote the acquisition, rehabilitation or preservation of affordable housing;

WHEREAS, RIHousing has preliminary committed \$171,801 in HTF Program funds to the School Street Apartments located in Central Falls (the “Development”);

WHEREAS, upon review of the document submission provided by Central Falls Housing Authority (“CFHA”), RIHousing staff has determined that the project is ready to proceed to construction and recommends firm approval of HTF Program funding;

WHEREAS, staff has also determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

WHEREAS, RIHousing finds:

(1) that there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of low or moderate income can afford within the general housing market area to be served by the proposed housing development;

(2) that private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) that the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low and moderate income and that those sponsors are financially responsible;

(4) that the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) that the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing hereby authorizes firm approval of up to \$171,801.00 in HTF Program funds for the development of one HTF Program-assisted unit at the Development in accordance with the HTF Program regulations established by the U.S. Department of Housing and Urban Development;

RESOLVED, that the foregoing resolution is subject to completion of all items required for closing in accordance with normal underwriting and processing and HTF Program requirements; and

RESOLVED, that the Executive Director, Deputy Executive Director and the Director of Development, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.