

September 14, 2017

Michael DiBiase
Director, Department of Administration
One Capitol Hill
Providence, RI 02908

Dear Director DiBiase:

RIHousing is pleased to provide the attached report, which summarizes the funding approved by its Board of Commissioners for the Neighborhood Opportunities Program (NOP) for Fiscal Year 2017, as well as information detailing the number of housing units to be financed. Pursuant to Section 13 of Article 1 of the Fiscal Year 2017 state budget, this report is required to be provided by RIHousing to the Director of Administration, the Chair of the Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the Senate Finance Committee, and the State Budget Officer.

RIHousing issued a Request for Proposals (RFP) in April 2017 to solicit applications from affordable housing sponsors seeking to use NOP funding. RIHousing received six proposals in response to the RFP. A committee of RIHousing staff members reviewed each of the eligible applications and made funding recommendations to the Board of Commissioners.

At its June 15, 2017 meeting, the Board of Commissioners approved awards to all six respondents. A total of \$291,447 in NOP funding was approved for six permanent supportive housing developments, representing a total of 45 NOP-assisted rental homes. The 45 units will serve homeless and disabled households with incomes at or below 40% of State median income. The awards will provide operating assistance through 2019.

NOP projects, like many forms of affordable housing, require subsidy on an ongoing basis to bridge the gap between the rents that are affordable to residents earning 40% of area median income or below and the operating expenses of the project. RIHousing prioritizes preservation of permanent supportive housing developed with NOP funding over the creation of new units in order to keep these existing NOP units affordable to the most vulnerable residents. As a result, all of the projects approved for NOP funding in 2017 are existing projects. A detailed description of these developments is attached.

These awards bring RIHousing's total funding commitment for the NOP Program since Fiscal Year 2012 to \$6,261,583, and the total number of affordable homes for very-low income families and individuals assisted by RIHousing through NOP to 337.

As RIHousing continues to invest in preserving NOP funded permanent supportive housing, the corporation is also moving forward with strategies to control the growing cost

to operate the program. RIHousing has been directed to provide funding for NOP since FY 2012. Each year, the cost to RIHousing grows as more existing NOP-funded units deplete their operating reserves.

There are two components of NOP. The Family Housing Program (FHP) was used to subsidize the development and operation of apartments affordable to households at 40% of the Area Median Income (AMI) (currently \$29,400 for a family of four). The Permanent Supportive Housing (PSH) program funded the development and operation of housing for the homeless and those with special needs.

NOP FHP units are required to serve households at 40% AMI for ten years, after which they have the flexibility to serve households earning up to 50% AMI. In order to control growing NOP costs, RIHousing is working with NOP FHP financed developments to convert to serving 50% AMI households upon unit turnover at the end of the initial ten-year affordability period.

Rhode Island Housing remains committed to working with the General Assembly and the Administration to find creative solutions to addressing the full range of housing needs in our state.

Sincerely,

Barbara G. Fields
Executive Director

**Rhode Island Housing
 Neighborhood Opportunity Program (NOP) Awards for FY17**

Sponsor	Address	Municipality	Activity	NOP Units	Amount of Award	Funded Thru
Amos House	251 Swan St	Providence	Renewal funds for 8 one-bedroom units. Eligible households have to be homeless/at risk of being homeless, disabled, and at or below 40% of State median income upon initial lease-up. Supportive services are provided by Amos House.	8	\$12,963	2019
Crossroads RI	Harold Lewis House, 54 Providence Street	West Warwick	Renewal funds for 14 efficiency units. Eligible households have to be homeless/at risk of being homeless, disabled, and at or below 40% of State median income upon initial lease-up. Supportive services are provided by Crossroads.	14	\$121,501	2019
East Bay CDC	328 Main St	Warren	Renewal funds for 1 one-bedroom unit. Eligible households have to be homeless/at risk of being homeless, disabled, and at or below 40% of State median income upon initial lease-up. Supportive services are provided by East Bay Mental Health Center.	1	\$17,172	2019
NeighborWorks Blackstone River Valley	A Prospering Community, 719 Front Street	Woonsocket	Renewal funds for 4 efficiency units and 4 one-bedroom units. Eligible households have to be homeless/at risk of being homeless, disabled, and at or below 40% of State median income upon initial lease-up. Supportive services are provided by Community Care Alliance.	8	\$86,400	2019
The Providence Center	49 Massie Ave	Providence	Renewal funds for 6 efficiency units. Eligible households have to be homeless/at risk of being homeless, disabled, and at or below 40% of State median income upon initial lease-up. Supportive services are provided by The Providence Center.	6	\$38,933	2019
YMCA	324 Broad St	Central Falls	Renewal funds for 8 one-bedroom units. Eligible households have to be homeless/at risk of being homeless, disabled, and at or below 40% of State median income upon initial lease-up. Supportive services are provided by The Providence Center.	8	\$14,479	2019
			TOTALS:	45	\$291,447	