



Rhode Island Housing

August 8, 2018

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

Dear Director DiBiase:

Mike

Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is pleased to provide this report, which summarizes the funding expended by RIHousing in support of the Neighborhood Opportunities Program (NOP) in Fiscal Year 2018. Pursuant to Section 13 of Article 1 of the Fiscal Year 2018 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.

As I described in last year’s report, in order to manage the growing cost of supporting this program as more existing NOP-funded units deplete their operating reserves, RIHousing has focused on preserving existing NOP funded Permanent Supportive Housing (PSH), while moving forward with strategies to reduce the need for subsidies in NOP units funded through the Family Housing Program (FHP).

In FY 2018, no NOP funded PSH units depleted their existing operating reserves, therefore RIHousing did not make any new funding commitments under the program. However, the corporation did expend \$782,866 in FY 2018 in operating support for previous NOP commitments. We anticipate releasing a Request for Proposals soon for existing NOP funded PSH that will be depleting operating reserves in FY 2019. Since FY 2012, RIHousing has committed \$6,261,583 in NOP funding to support 337 affordable homes for very low-income families and individuals.

We have also made significant progress in managing the cost of subsidies for developments funded under the Family Housing Program (FHP). NOP FHP units are required to serve households at 40% of area median income (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. This reduces the long-term need for operating subsidies without increasing housing costs for existing tenants of these developments.

RIHousing 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