



February 10, 2020

Brett Smiley
Director, Department of Administration
One Capitol Hill
Providence, RI 02908

Dear Director Smiley:

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 2019. Pursuant to Section 13 of Article 1 of the Fiscal Year 2019 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.

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 subsidies in 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).

RIHousing released a Request for Proposals in August 2018 to solicit funding for proposals for affordable housing projects. The competition was limited to PSH projects scheduled to draw down all previously awarded NOP funds by December 31, 2019. The Board of Commissioners awarded \$180,756 in funding at its December 20, 2018 meeting to support 31 existing NOP units that required additional operating subsidy (see attached award details).

In addition to new NOP awards, RIHousing worked with other PSH developments facing the depletion of NOP subsidies to help them transition to alternative forms of operating support. RIHousing project based 17 of its federal Housing Choice Vouchers in 4 NOP PSH financed developments in Warwick, North Smithfield, Coventry and West Warwick, providing stable, long-term operating support for these developments. RIHousing has also provided owners of multiple NOP PSH financed developments with the flexibility to shift NOP subsidies across those developments as needed.

In addition to the new commitment of funds, the corporation expended \$395,270 during the fiscal year in operating support for previous NOP commitments. In total, RIHousing has committed \$6,442,339 in NOP funding to support 335 affordable homes for very low-income families and individuals since FY2012. 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,

Carol Ventura
Executive Director

Attachment A: Summary of FY 2019 NOP Awards

Awarded by the Board of Commissioners – December 20, 2018

Agency	Development Address	Municipality	NOP Operating Funds Recommended	Funded Through	NOP Unit Type	# NOP Units
Crossroads Rhode Island	Crossroads Permanent Family Housing 754 Broad Street	Providence	\$27,756	2019	FHF	5
Crossroads Rhode Island	Rhode Island Family Shelter 100 Transit Street	Warwick	\$41,000	2019	FHF	7
Crossroads Rhode Island	Crossroads Family Housing 589 Cranston Street 70, 159, 161 Linwood Avenue 130 Waverly Street 70, 72, 74 Updike Street 54, 56 Cromwell Street	Providence	\$112,000	2019	FHF	19
Total			\$180,756		FHF	31