



September 17, 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 2020. Pursuant to Section 14 of Article 1 of the Fiscal Year 2020 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.

There were no new RIHousing NOP awards in FY 2020 since no NOP funded projects depleted their existing resources and required additional assistance. RIHousing expended \$543,618 during the fiscal year in operating support for previous NOP commitments. In total, we have committed \$6,442,339 in NOP funding to support 345 affordable homes for very low-income households since FY2012. (Please note that the number of units assisted by RIHousing was adjusted in this year’s report to include 10 units that were previously assisted by RIHousing but had not been counted in earlier reports).

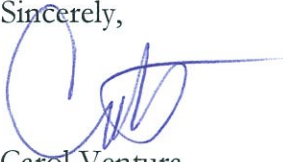
In recent years, in order to manage the growing cost of supporting this program as more existing NOP-funded units deplete their operating reserves, RIHousing has focused on transitioning units to alternative sources of operating support and reducing the cost of subsidies in the long-term. RIHousing has used project-based Housing Choice Vouchers to provide more stable operating support for NOP-financed developments. In FY20, RIHousing project-based 12 of its vouchers in 8 NOP-financed developments in Warwick, Pawtucket, Bristol and Woonsocket. To date RIHousing has project-based 30 vouchers in 10 NOP-financed developments. RIHousing has also provided owners of multiple NOP financed developments with the option to shift NOP subsidies across developments as needed, providing added flexibility for managing operating costs.

We have also continued to pursue strategies to maintain affordability while reducing the long-term cost of subsidies for units funded through the NOP 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 60% AMI. This

strategy reduces the long-term need for operating subsidies without increasing housing costs for tenants that already live in these developments. RIHousing will continue to work with developers of properties approaching the end of the 10-year affordability period and encourage them to make use of this option so that these developments will remain affordable and financially sustainable in the long-term.

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