



July 29, 2022

Jim Thorsen  
Director, Rhode Island Department of Administration  
1 Capitol Hill  
Providence, RI 02908

Dear Director Thorsen:

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 2022. Pursuant to Section 14 of Article 1 of the Fiscal Year 2023 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 2022. RIHousing expended \$250,268 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.

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 and permanent 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. To date, RIHousing has project-based 43 vouchers in 12 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