



September 9, 2024

Jonathan Womer
Director, Rhode Island Department of Administration
1 Capitol Hill
Providence, RI 02908

Dear Director Womer:

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 2024. Pursuant to Section 14 of Article 1 of the Fiscal Year 2024 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 released an RFP in March, 2024 which provided an opportunity to apply to renew existing Permanent Supportive Housing or Family Housing Program NOP awards. The renewals could include funding for existing NOP projects that require additional operating subsidy to meet their initial 10-year obligation, to extend their expiring 10-year obligation or to increase the number of units supported by NOP in their development. The RIHousing Board of Commissioners awarded \$491,046 in funding at its June 20, 2024 meeting to support 45 existing NOP units that required additional operating subsidy (see attachment A for award details).

RIHousing expended \$34,229 during the fiscal year in operating support for previous NOP commitments. In total, we have committed \$6,933,385 in NOP funding to support 357 affordable homes for very low-income households since FY2012. (Please note that this represents a 12 unit increase from FY 2023 for the NOP units previously funded by the HRC which are now being funded by RIHousing. The remaining 33 units awarded funds in FY2024 had previously received RIHousing NOP funding.)

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

Attachment A
FY2024 RIHousing NOP Awards

NOP- <u>June</u>, 2024					
Agency	Development Address	Municipality	NOP Operating Funds Recommended	Length of Funding	# NOP Units
Crossroads Rhode Island / Traveler's Aid Housing	160 Broad Street	Providence	\$218,640	12 months	20
Crossroads Rhode Island	Harold Lewis House 54 Providence Street	West Warwick	\$65,592	12 months	6
Amos House	57 Brownell Ave.	Providence	\$47,760	12 months	4
SWAP, Inc.	Southside Gateways	Providence	\$58,746	12 months	8
Amos House	Swan Street	Providence	\$47,760	24 months	2
Crossroads Rhode Island	Tremont Street	Central Falls	\$52,548	12 months	5
TOTAL			\$491,046		45