



Federal Brief 2024

2023 ACCOMPLISHMENTS

DEVELOPMENT

742 homes
developed or preserved

Over \$244 million
invested in RI communities

1,361 jobs
created and supported

RENTAL ASSISTANCE

PROJECT BASED SECTION 8
& HOUSING CHOICE VOUCHER PROGRAM (HCVP)

\$243.1 million
total Federal Rental Assistance

16,981
total households served

SPECIAL NEEDS VOUCHERS

Recently awarded almost \$690,000 for
25 VASH vouchers to serve homeless veterans
and 28 vouchers for foster care involved
children and families

HOMEOWNERSHIP

Over \$687 million
in mortgage loans

1,994 homebuyers
purchased a home

96% of borrowers
received extra assistance

STATE FISCAL RECOVERY FUNDS

As of 1/31/2024

RIHousing administering
\$206.4 million

- Over \$159 million committed
- Over \$67 million expended

STATEWIDE DOWN PAYMENT ASSISTANCE

- \$26.7 million committed
- \$26 million expended
- About 1,500 homebuyers assisted

DEVELOPMENT PROGRAMS

- \$100.1 million committed
- \$14.6 million expended
- Financing 1,687 units
of which 1,406 are affordable

PREDEVELOPMENT/ SITE ACQUISITION / PUBLIC HOUSING PILOT PROGRAMS

- \$32.6 million committed
- \$26.1 million expended
- 66 proposed affordable developments

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2024 FEDERAL LEGISLATIVE PRIORITIES

As Rhode Island experiences a critical shortage of affordable housing, we appreciate the ongoing efforts of Rhode Island's Congressional delegation to bring federal resources to bear on improving the supply and affordability of housing in Rhode Island.

Low Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) program is the primary source of federal assistance for the construction and rehabilitation of affordable rental housing. With Rhode Island facing an acute shortage of affordable apartments, the LIHTC program is more important than ever.

There are two key legislative changes that are needed to maximize the resources available through the program:

1. Restore the 12.5% Housing Credit boost that expired in 2021.

We project that restoring the 12.5% boost would support the development or preservation of approximately 143 additional affordable units each year.

2. Pass the Affordable Housing Credit Improvement Act (AHCIA): S. 1557 and H.R. 3238.

This bill would strengthen the LIHTC program to better address the growing need for affordable apartments. Among other things, the bill would:

- Increase the Housing Credit cap authority by 50%.
- Lower the Mortgage Revenue Bond Threshold from 50% to 25%.
- Provide boosts for projects serving extremely low-income populations.

Risk Share/ Federal Financing Bank (FFB)

RIHousing relies on a variety of federal tools to finance the production and preservation of affordable apartments. Among these is HUD's Risk-Sharing program, offering mortgage insurance for affordable housing developments financed by Housing Finance Agencies.

In 2014, a new tool was made available that combined HUD's Risk Sharing mortgage insurance with low-cost financing provided through the Treasury's Federal Financing Bank (FFB). That program lapsed in 2018. The Administration temporarily resumed the initiative in 2021 with the goal of transitioning over to a permanent financing program through Ginnie Mae by 2026.

Since the program began, RIHousing has utilized \$319 million in FFB financing to preserve or develop over 3,200 affordable units. We ask for your support to ensure that the FFB Risk-Sharing Initiative, or a similar program continues to be available to Housing Finance Agencies on a permanent basis.

Performance Based Contract Administration (PBCA)

RIHousing has been administering Project Based Rental Assistance (PBRA) contracts in Rhode Island on behalf of the Department of Housing and Urban Development (HUD) since 2000, serving as Rhode Island's Performance Based Contract Administrator (PBCA) for HUD. We currently oversee 15,494 units in 154 developments located in 27 of Rhode Island's 39 cities and towns.

We know the developments (commonly known as Section 8 developments), the property managers and the tenants and are able to respond quickly to tenant concerns. Our relationship with these developments has also facilitated the long-term preservation of these units as affordable housing. In the last 10 years alone, RIHousing has financed the preservation of 53 Section 8 developments covered by our PBCA contract (over 1/3 of our PBRA portfolio).

We want to thank the entire delegation, and particularly Senator Reed, for your ongoing assistance in keeping this important oversight function in Rhode Island. Thanks to your efforts, the Senate version of the F72024 T-HUD Appropriations bill contains language directing HUD to issue new PBCA awards to Public Housing Authorities (PHAs) on a state-by-state basis under a cooperative agreement model, with preference given to entities who have demonstrated experience managing PBRA contracts. This language is critical to allow HUD to move forward on these contracts while preserving the role of state-based PHAs like RIHousing.

Appropriations

Rhode Island, and states across the nation, are facing a critical shortage of affordable homes available to low- and moderate-income households. Federal resources play a critical role in addressing this shortage by increasing the supply and affordability of housing in RI.

In particular, we ask for your support in preserving and growing investments in these essential programs:

- Home Investment Partnerships Program (HOME)
- National Housing Trust Fund (HTF)
- Capital Magnet Fund
- Housing Choice Voucher Program (HCVP)
- Project Based Section 8
- Section 202 and Section 811 program

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