

Request for Action
by
Board of Commissioners

**Firm Approval of HOME Investment Partnerships Program and Housing Trust Fund
Program Funding for Delaine Street Apartments**

A. PROJECT SUMMARY

This Request for Action (“RFA”) is for firm approval of up to \$2,100,467 in combined HOME Investment Partnerships Program (the “HOME Program”) and Housing Trust Fund Program (the “HTF Program”) funding for Delaine Street Apartments (“Delaine Street Apartments” or the “Development”), a rehabilitation rental project consisting of nine (9) units in three (3) vacant buildings to be developed in the city of Providence by Olneyville Housing Corporation dba One Neighborhood Builders (“ONE/NB”). Delaine Street Apartments received preliminary approval for \$1,246,351 in HOME Program funds and \$854,116 in HTF Program funds from Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) in September 2019.

B. DISCUSSION

Delaine Street Apartments is comprised of nine (9) units of rental housing in three (3) vacant buildings located at 149, 153 and 155 Delaine Street. Three (3) units will be rented to households not to exceed 30% AMI; six (6) will be rented to households not to exceed 60% AMI. The unit mix includes two (2) one-bedroom units, three (3) two-bedroom units, three (3) three-bedroom units and one (1) four-bedroom unit.

The Development, located on one (1) lot, is owned by ONE/NB. The RIHousing Landbank Program extended a bridge loan to ONE/NB and holds the note and mortgage. Just prior to ONE/NB’s 2011 acquisition, roofs, structures and most framing were newly constructed. Future renovations include reconfiguration to improve functionality and reduce the density from the existing layout of ten (10) apartments to nine (9) apartments. A garage on the site will be demolished to accommodate green space and nine (9) parking spaces.

The total development cost for the project is \$2,202,467. In addition to HOME Program and HTF Program funds, the sources of funding include \$102,000 from the Providence Redevelopment Agency Affordable Housing Trust Fund.

The apportionment of the combined funding will be \$1,246,351 in HOME Program funds and \$854,116 in HTF Program funds.

B. RECOMMENDATION

The attached resolution is recommended for approval subject to completion of all items required for closing in accordance with normal underwriting and processing, and HOME Program and HTF Program requirements.

C. ATTACHMENTS

- A. Development Summary
- B. Resolution
- C. Site Location Map

Attachment A
Development Summary

A. Development Team

Development Team Qualifications

- 1. Sponsor:** Olneyville Housing Corporation dba
ONE Neighborhood Builders
66 Chaffee Street
Providence, RI 02909

- 2. Architect:** Ed Wojcik Architect, Ltd
One Richmond Square, Suite 100K
Providence, RI 02906

- 3. Legal:** Lynch & Greenfield, LLP
116 Orange Street
Providence, RI 02903

- 4. Management Agent:** First Realty Management Corporation
1 Richmond Square
Providence, RI 02906

Sponsor:

Olneyville Housing Corporation dba ONE Neighborhood Builders (“ONE/NB”) has been a driving force in the Olneyville neighborhood since 1988. They have developed both rental apartments, commercial space and first-time homebuyer opportunities. ONE/NB has completed four (4) other tax credit rental developments and as a result of their merger with CommunityWorks RI in 2014, has eight (8) tax credit developments in its portfolio. Their homeownership developments include both single-family homes and Riverside Townhomes, a condominium development at the edge of Riverside Park. Currently, ONE/NB has approximately four hundred (400) apartments in their portfolio. They have played a central coordinating role in the revitalization and the stabilization of the Olneyville neighborhood.

Architect:

Ed Wojcik Architect, Ltd. is a full service architectural firm located in Providence, Rhode Island. Ed Wojcik began his own career in 1998 and has a history of completing projects in a timely fashion using a core group of consultants. The firm works on both residential and commercial developments. Some of the firm’s current clients include the Pawtucket Housing Authority, West Bay Community Action, Inc., Smith Hill Community Development Corporation, Brown University, Rhode Island School of

Design, Johnson and Wales University and FM Global. Ed Wojcik has worked on previous RIHousing projects.

Legal

Lynch & Greenfield LLP is a law firm located in Providence providing general legal services. Mark Greenfield has worked with ONE/NB for several years and has worked with RIHousing on several real estate closings.

Management Agent

First Realty Management Corporation (“FRM”) is a full-service property management firm that has been in business for nearly sixty (60) years. Within the affordable housing industry, FRM has a strong national and local reputation. They provide property management services for several developers and developments in RIHousing’s portfolio and they have successful experience with scattered site developments. FRM currently manages the ENRI properties and can easily incorporate the additional thirty (30) units into their portfolio. FRM is familiar with the HOME Program as well as RIHousing’s compliance requirements.

B. Unit Types

Number of Bedrooms	Number of Units	AMI
1	2	30%
2	1	30%
2	2	60%
3	3	60%
4	1	60%

C. Financing Summary

Sources	Amount	Per Unit
HTF	\$854,116	\$106,765
HOME	\$1,246,351	\$155,794
Providence AHT	\$102,000	\$12,750
Total Sources	\$2,202,467	\$275,308
Uses	Amount	Per Unit
Construction	\$1,559,397	\$194,925
Contingency	\$158,287	\$19,786
Acquisition	\$84,000	\$10,500
Reserves	\$18,000	\$2,250
Fees/Soft Costs	\$206,792	\$25,849
Developer Fee	\$176,000	\$22,000
Total Uses	\$2,202,476	\$275,310

Attachment B

Resolution of the Board of Commissioners of Rhode Island Housing and Mortgage Finance Corporation

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) administers the HOME Investment Partnerships Program (“HOME Program”) and the Housing Trust Fund Program (“HTF Program”) funds by agreement with the U.S. Department of Housing and Urban Development;

WHEREAS: RIHousing is authorized to issue HOME Program and HTF Program funds to promote the acquisition, rehabilitation or preservation of affordable housing;

WHEREAS: RIHousing has preliminarily committed \$1,246,351 in HOME Program funds and \$854,116 in HTF Program funds to the Delaine Street Apartments located in Providence (the “Development”);

WHEREAS: upon review of the document submission provided by Olneyville Housing Corporation dba ONE Neighborhood Builders (“ONE/NB”), RIHousing staff has determined that the project is ready to proceed to construction and recommends firm approval of HOME Program and HTF Program funding;

WHEREAS: staff has also determined that the Development may qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and

WHEREAS: RIHousing finds that:

(1) there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;

(2) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices, which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that RIHousing hereby authorizes firm approval of up to \$2,100,467 in combined HOME Program funds and HTF Program funds for the development of nine (9) HOME Program and HTF Program-assisted units at the Development in accordance with the program descriptions as approved by the U.S. Department of Housing and Urban Development;

RESOLVED: that the foregoing resolution is subject to completion of all items required for closing in accordance with normal underwriting and processing, and HOME Program and HTF Program requirements; and

RESOLVED: that the Executive Director, Deputy Executive Director and the Director of Development, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions.

ATTACHMENT C

Site Location Map

