

**Request for Action
by the Trustees of the
Affordable Housing Trust Fund**

**Approval of Homeownership Investment Fund (HIF)
Funding Awards**

1. Project Summary

This Request for Action (“RFA”) is for approval of 7 awards under the Homeownership Investment Fund (“HIF”). HIF was created to provide financing to qualified developers to purchase and rehabilitate properties or to newly construct homes for sale to households earning up to 120% of area median income (“AMI”).

2. Summary of Issues

In February of 2020, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) issued a Request for Proposals (“RFP”) for HIF funding from qualified applicants. Approximately \$1,401,512 million in remaining HIF funding was made available to increase the development of homeownership opportunities for households at or below 120% of AMI. In response to the RFP, on April 17, 2020, RIHousing received 19 proposals requesting \$2,349,494 in HIF funds.

All HIF applications were reviewed by RIHousing ancillary financing staff in accordance with RIHousing’s threshold criteria for the HIF program: a complete application; readiness to proceed within 6 months of commitment; financial feasibility; and experience and capacity to complete and market for-sale housing. Applications meeting the threshold criteria were scored based upon the scoring criteria in the HIF guidelines. Of the 19 proposals submitted, staff determined that 6 had failed to meet the basic threshold requirements and therefore, would not move forward. Of the 13 HIF proposals remaining, RIHousing staff recommends funding for 7 single- and two-family development proposals in the amount of \$1,180,661. This award will result in 23 residential units, 18 of which will be HIF-assisted. Projects recommended for this funding round are located in Burrillville, Exeter, Middletown, Pawtucket and Providence. All the applications in this round were submitted by non-profit organizations.

3. Recommendation

The attached resolution authorizing the allocation of up to \$1,180,661 in HIF funds is recommended for approval, contingent on the following conditions:

- awardees continued satisfactory progress on existing projects and awards;
- continued evidence of awardees’ organizational development capacity;
- availability of all other sources of funding or alternative sources sufficient to

- complete development, and
- compliance with HIF guidelines.

4. **Attachments**

- A. Summary of Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

HIF Funds Recommended for Approval \$ 1,180,661

Recommendations include:

- **Middle Street Phase II, 68 and 78 Middle Street, Pawtucket, R.I. sponsored by Pawtucket Central Falls Development Corporation (“PCFDC”)**: New construction of 2 two-family, mixed income homeownership properties. The homeownership units will be restricted at 80% of area median income (“AMI”), with the apartments unrestricted. The project is part of larger 5 parcel development that will help to revitalize what is now a large vacant, underutilized and blighted area of land adjacent to downtown Pawtucket. Pawtucket Redevelopment Agency owns the property and selected PCFDC to develop it.

Sources		Uses	
Sales Proceeds	\$418,000	Acquisition	\$30,000
HIF	\$172,616	Construction/Rehab	\$550,108
BHRI III	\$198,000	Contingency	\$44,008
		Developer Fee	\$70,000
		Ins/Taxes	\$16,000
		Other Soft costs	\$78,500
TOTAL	\$788,616	TOTAL	\$788,616

- **155 Division Street, Pawtucket, R.I. sponsored by PCFDC**: New construction of 1 two-family, mixed income homeownership property. The homeownership unit will be restricted at 80% of AMI, with the apartment unrestricted.

Sources		Uses	
Sales Proceeds	\$229,000	Acquisition	\$0
HIF	\$99,000	Construction/Rehab	\$250,000
Pawtucket HOME	\$65,000	Contingency	\$22,000
		Developer Fee	\$34,000
		Ins/Taxes	\$7,000
		Other Soft costs	\$80,000
TOTAL	\$393,000	TOTAL	\$393,000

- **Mavis Street Homeownership, Pawtucket, R.I. sponsored by PCFDC:** New construction of 3 two-family, mixed income homeownership properties. The homeownership units will be restricted at 120% of AMI, with the apartments unrestricted.

Sources		Uses	
Sales Proceeds	\$747,000	Acquisition	\$1
HIF	\$428,751	Construction/Rehab	\$825,000
		Contingency	\$66,000
		Developer Fee	\$105,000
		Ins/Taxes	\$30,000
		Other Soft costs	\$149,750
TOTAL	\$1,175,751	TOTAL	\$1,175,751

- **Fernwood IV, 220, 225, 230, 235, 240, 245 & 250 George Eddy Drive, Burrillville, R.I. sponsored by NeighborWorks Blackstone River Valley:** New construction of 7 single-family, mixed income homeownership properties. The homeownership units will be restricted at 50% to 80% of AMI.

Sources		Uses	
Sales Proceeds	\$1,126,000	Acquisition	\$504,000
HIF	\$174,950	Construction/Rehab	\$1,289,400
BHRI III	\$533,000	Developer Fee	\$0
NWA Capital Funding	\$20,750	Ins/Taxes	\$13,300
		Other Soft costs	\$48,000
TOTAL	\$1,854,700	TOTAL	\$1,854,700

- **Gardner Road, Exeter, R.I. sponsored by Habitat for Humanity RI, South County (“SCHH”):** New construction of 1 three-bedroom single-family home. Targeted AMI up to 80%. The unit will maintain its affordability into perpetuity, as SCHH uses a land lease model.

Sources		Uses	
Sales Proceeds	\$87,500	Acquisition	\$934
HIF	\$72,617	Construction	\$232,908
Donations	\$112,500	Contingency	\$9,000
		Other Soft Costs	\$5,775
		Developer Fee	\$24,000
TOTAL	\$272,617	TOTAL	\$272,617

- **12 & 15 Bloom Court, Middletown, R.I. sponsored by Church Community Housing Corporation:** Demolition of two blighted existing structures and new construction of 2 single-family homes. The units will be restricted at 80% of AMI.

Sources		Uses	
Sales Proceeds	\$360,000	Acquisition	\$20,334
HIF	\$133,727	Construction/Rehab	\$504,301
ZEOS	\$62,500	Contingency	\$30,000
Nat'l Grid Energy Incentives/Rebate	\$13,050	Developer Fee	\$0
Office of Energy Resources PV Grant	\$10,512	Ins/Taxes	\$4,042
		Other Soft costs	\$21,112
TOTAL	\$579,789	TOTAL	\$579,789

- **171 & 175 Admiral Street, Providence, R.I. sponsored by Smith Hill Community Development Corporation:** New construction of 2 single-family homes. The units will be restricted at 80% of AMI.

Sources		Uses	
Sales Proceeds	\$250,000	Acquisition	\$25,000
HIF	\$99,000	Construction/Rehab	\$359,680
Providence HOME	\$150,000	Contingency	\$35,968
		Developer Fee	\$45,004
		Ins/Taxes	\$6,100
		Other Soft costs	\$27,248
TOTAL	\$499,000	TOTAL	\$499,000

Attachment B

**Resolution of the Trustees
of the Affordable Housing Trust Fund**

WHEREAS: the Affordable Housing Trust Fund (the “AHT”) was created by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) for the sole purpose of making homeownership to low- and moderate-income residents of the State of Rhode Island more affordable, and

WHEREAS: one of the purposes of the AHT is to assist with the preservation and development of affordable housing throughout the State of Rhode Island, and

WHEREAS: the AHT has increased its investment portfolio over the last several years through its preservation related activities, and

WHEREAS: the Homeownership Investment Fund (“HIF”) was created to provide financing to qualified developers to purchase and rehabilitate properties or to newly construct homes for sale to households earning up 120% of area median income; and

WHEREAS: the AHT is providing up to \$1,401,512 in HIF funding to finance the redevelopment and construction of new homeownership opportunities.

NOW, THEREFORE, IT IS HEREBY

RESOLVED: that the Affordable Housing Trust Fund be, and is hereby authorized, to commit up to \$1,180,661 in funding to the projects listed in the Funding Recommendations at Attachment A.

RESOLVED: that the Executive Director, the Deputy Executive Director and the Director of Development, each acting singly, be and hereby is authorized and directed to take any and all actions deem necessary and appropriate to carry out the forgoing resolution.