

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

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

1. Project Summary

This Request for Action (“RFA”) is for approval of one award 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 100% of area median income (“AMI”).

2. Summary of Issues

In 2018, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) and the Affordable Housing Trust Fund created the HIF program. Since then, RIHousing has issued Requests for Proposals (“RFP”) in four separate funding rounds and has awarded approximately \$4,000,000 in funding to developers to increase the development of homeownership opportunities for households at or below 120% of AMI. On June 29, 2023, the Trustees of the Affordable Housing Trust Fund (the “Trustees”) approved modifications to the HIF program that (i) prioritized projects ready to proceed within four months of funding award, (ii) reduced maximum sales prices to households at or below 100% of AMI (rather than 120% of AMI) and (iii) allowed the acceptance of applications on a rolling basis.

In July 2023, RIHousing issued a Request for Proposals (“RFP”) for the fourth round of HIF with \$2,000,000 available to award. In response to the rolling RFP, RIHousing received six proposals requesting \$2,009,106 in HIF funding. Five HIF awards were approved at the October 19, 2023 meeting of the Trustees of the Affordable Housing Trust Fund and the sixth proposal is now being recommended for approval.

The proposal, which is more particularly described in Attachment A, meets RIHousing’s Threshold Criteria for the HIF program: a complete application; readiness to proceed within four months of commitment; financial feasibility; and experience and capacity to complete and market for-sale housing. Accordingly, RIHousing staff recommends funding for the HIF proposal in the amount of \$883,730. This award will produce six HIF-assisted units in the City of East Providence.

3. Recommendation

The attached resolution authorizing the allocation of up to \$883,730 in HIF funds is recommended for approval, conditioned upon the awardee’s satisfactory progress on existing projects and awards and contingent on the availability of all other funding and compliance with

HIF guidelines.

4. **Attachments**

- A. Summary of Recommendation
- B. Resolution

Attachment A

Summary of Recommendation

HIF Funds Recommended for Approval: \$883,730

Recommendation:

- **Burnside Hoppin Homes, East Providence, RI sponsored by S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY) (“SWAP”)**: SWAP proposes new construction, on vacant land, of three two-family homes. Each home will have a 3-bedroom owner-occupied unit and a 1-bedroom rental unit. They will complement existing neighborhood homes. The property will be sold to a buyer earning up to 80% of area median income (“AMI”), and the rental unit will be occupied by a tenant earning up to 60% of AMI. The two-family model is the most in-demand model for SWAP’s “Build A Buyer Program”.

Sources:		Uses:	
SAP	\$402,000	Acquisition	\$402,000
Construction Loan / Sales proceeds	\$691,500	Construction	\$1,329,000
HIF	\$883,730	Construction Contingency	\$89,880
		Soft Costs	\$38,850
		Financing	\$22,500
		Developer Fee	\$95,000
TOTAL	\$1,977,230	TOTAL	\$1,977,230

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;
- WHEREAS:** one of the purposes of the AHT is to assist with the preservation and development affordable housing throughout the State of Rhode Island;
- WHEREAS:** the AHT has increased its investment portfolio over the last several years through its preservation related activities;
- WHEREAS:** the AHT is providing up to \$883,730 for the Homeownership Investment Fund to finance the redevelopment and construction of new homeownership opportunities; and
- WHEREAS:** RIHousing staff have evaluated the Homeownership Investment Fund proposal set forth in Attachment A and determined that the proposal is consistent with the objectives of the Homeownership Investment Fund program and have met the relevant threshold criteria.

NOW, THEREFORE, IT IS HEREBY

- RESOLVED:** that the Affordable Housing Trust Fund, acting by and through its Trustees, be, and hereby is, authorized to commit up to \$883,730 in funding to the project listed in the Funding Recommendation at Attachment A, with such commitment to be conditioned upon the awardee’s satisfactory progress on existing projects and awards and contingent on the availability of all other funding and compliance with HIF guidelines.
- RESOLVED:** that the Executive Director, the Deputy Director and the Director of Real Estate Development of RIHousing, each acting singly, be and hereby are authorized and directed to take any and all actions deem necessary and appropriate to carry out the foregoing resolution.