

**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 five 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 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 three separate funding rounds and has awarded approximately \$3,000,000 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.

On July 10, 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 has received six proposals to date requesting \$2,009,106 in HIF funding.

All HIF applications received to date were reviewed by RIHousing staff in accordance with 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. RIHousing staff recommends funding for five HIF proposals, which are more particularly described in Attachment A, in the amount of \$991,984. These awards will produce thirteen HIF-assisted units. Projects recommended for this funding round are located in Cranston, Smithfield, Pawtucket, and Providence. Four award recommendations were submitted by non-profit developers, while one was submitted by a for-profit developer.

3. Recommendation

The attached resolution authorizing the allocation of up to \$991,984 in HIF funds is

recommended for approval, conditioned upon awardees' 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 Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

HIF Funds Recommended for Approval: \$991,984

Recommendations include:

- 28-30 Portland Street, Providence, RI, sponsored by Omni Development Corporation (“ODC”) and Wingate Capital Partners:** ODC proposes to construct two 2-bedroom and two 3-bedroom homes on vacant land adjacent to the Joseph Caffey Apartments and Jordan Caffey Townhomes currently nearing construction completion. These units will sell for \$200,000 and \$225,000, respectively, to families earning up to 80% of area median income (“AMI”). This project will (i) complete the redevelopment of the former Barbara Jordan II development as proposed by ODC when selected as developer of that redevelopment effort and (ii) address goals of the City of Providence Comprehensive Housing Strategy Report by creating new low-income homeownership opportunities in neighborhoods with low homeownership rates. These new units will complement seventy-nine newly developed rental units and provide a diversity of income and tenancy in the neighborhood.

Sources:		Uses:	
HIF	\$207,500	Acquisition	\$0
Construction loan / sales proceeds	\$816,788	Construction	\$1,476,550
Providence Redevelopment Agency	\$668,525	Construction Contingency	\$73,828
		Soft Costs	\$87,000
		Financing	\$55,435
		Developer Fee	\$0
TOTAL	\$1,692,813	TOTAL	\$1,692,813

- Mathewson Street, Cranston, RI, sponsored by S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY) (“SWAP”):** SWAP proposes new construction, on vacant land, of a two-family home with a 2-bedroom owner-occupied unit and a 2-bedroom rental unit. It will complement existing neighborhood homes. The property will be sold to a buyer earning up to 80% AMI. The rental unit will be occupied by a tenant earning up to 80% AMI. The two-family model is the most in-demand model for SWAP’s “Build A Buyer Program.” SWAP acquired the property

using RI Housing Site Acquisition Program funding and zoning relief was approved in 2022.

Sources:		Uses:	
HIF	\$246,074	Acquisition	\$133,990
Construction loan / sales proceeds	\$215,000	Construction	\$377,288
SAP	\$133,990	Construction Contingency	\$15,000
		Soft Costs	\$36,450
		Financing	\$4,000
		Developer Fee	\$28,336
TOTAL	\$595,064	TOTAL	\$595,064

- Old County Village, Smithfield, RI, sponsored by Atlantic-N.E. Property Management, LLC (“Atlantic”)**: Atlantic proposes new construction of five affordable homeownership condominium units as part of a seventy-nine unit condominium project in Smithfield on Old County Road. Overall, there will be twenty 4-bedroom units restricted to families earning up to 100% AMI. Atlantic is seeking HIF funding to construct the first five affordable condominium units. The proposed development is on vacant land. Developer has site control and zoning approvals. Smithfield has 5.5% affordable housing which is mostly rental opportunities. Old County Village homes will provide affordable homeownership opportunities proximate to a variety of town services including Old County Elementary School, Whipple Park, and East Smithfield Public Library.

Sources:		Uses:	
HIF	\$349,640	Acquisition	\$0
Sales Proceeds	\$1,500,000	Construction	\$1,739,176
Dev Equity	\$107,207	Construction Contingency	\$86,959
		Soft Costs	\$ 95,712
		Financing	\$35,000
		Developer Fee	\$0
TOTAL	\$1,956,847	TOTAL	\$1,956,847

- 241 Vine Street, Pawtucket, RI, sponsored by Pawtucket Central Falls Development Corporation (“PCFDC”)**: PCFDC proposes to rehabilitate a vacant 3-bedroom single family home located on Vine Street in Pawtucket’s Darlington

neighborhood. The property will be sold to a first-time homebuyer earning up to 100% AMI. PCFDC will serve as the general contractor; a model that helps to streamline costs and reduces overall development time. PCFDC has used this model before to produce high quality, affordable homeownership units with below average development costs. Scope of work and rehab specifications are complete. Zoning is by right. Permit will be pulled within three months of funding approval.

Sources:		Uses:	
HIF	\$79,954	Acquisition	\$150,000
Construction loan / sales proceeds	\$290,000	Construction	\$130,000
		Construction Contingency	\$ 13,000
		Soft Costs	\$ 48,838
		Financing	\$ 10,500
		Developer Fee	\$ 17,616
TOTAL	\$369,954	TOTAL	\$369,954

- 931 York Avenue, Pawtucket, RI, sponsored by Pawtucket Central Falls Development Corporation (“PCFDC”):** PCFDC proposes to rehabilitate a 4-bedroom vacant home located at 931 York Avenue in Pawtucket’s Darlington neighborhood. The property will be sold to an income-qualified first-time homebuyer earning up to 100% AMI. PCFDC will serve as the general contractor. PCFDC has used this model before to produce high quality, affordable homeownership units with below average development costs. Scope of work and rehab specifications are complete. Zoning is by right. Permit will be pulled within three months of funding approval.

Sources:		Uses:	
HIF	\$108,816	Acquisition	\$185,000
Construction loan / sales proceeds	\$290,000	Construction	\$125,000
		Construction Contingency	\$12,500
		Soft Costs	\$48,325
		Financing	\$9,000
		Developer Fee	\$18,991
TOTAL	398,816	TOTAL	\$398,816

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 \$991,984 for the Homeownership Investment Fund to finance the redevelopment and construction of new homeownership opportunities; and
- WHEREAS:** RIHousing staff have evaluated the five Homeownership Investment Fund proposals set forth in Attachment A and determined that the proposals are 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 \$991,984 in funding to the projects listed in the Funding Recommendations at Attachment A, with such commitments to be conditioned upon awardees’ 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, 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.