

Homeownership Investment Fund (HIF)

Program Overview

RIHousing's **Homeownership Investment Fund** helps increase new affordable homeownership opportunities across Rhode Island for first-time homebuyers at or below 100% of area median income (AMI).

Threshold Criteria

- Readiness to proceed: construction can commence within four (4) months of funding
- Financial feasibility
- Development team capacity: must have experience in the successful development and sale of affordable homeownership opportunities
- Demonstration of need or demand: must demonstrate that the need or demand for the project exists

Review Criteria

- At the time of application, the development must be permitted by applicable regulatory agencies including municipal permitting bodies (local planning and zoning) and state regulatory agencies such as RIDEM or RIDOH (building permits not required at time of application)
- Plans and specifications must be at a sufficient stage
- The total development cost per unit cannot exceed \$425,000, however, lower cost projects will be prioritized in the event that multiple projects are submitted and/or reviewed simultaneously
- RIHousing will record a fifteen (15) year restriction on properties assisted under the program
- Maximum developer fee is 8% of total development costs

Subsidy Amounts

The requested HIF financing per unit cannot exceed*

- \$190,000 for an 80% AMI home
- \$150,000 for a 100% AMI home

Within any six-month period, the maximum number of HIF awards to one developer will be capped at five (5) for-sale homes, however, this can include duplexes.

** If developer received a density bonus in comprehensive permit process, the requested HIF financing per unit cannot exceed \$50,000/unit (unless the project is 100% affordable and includes no market units).*

The Purchase Price of the homes for sale must be calculated based on HUD Income limits .

- The application should include disposition analysis demonstrating affordable purchase price (principal, interest, taxes and insurance - "PITI"- shall not exceed 30% of gross monthly income for buyers between 80% – 100% AMI) and documentation from the Monitoring Agent confirming the projected purchase price (include monitoring fee in soft costs)

When calculating the sales price for a multi-unit property:

- The rental income should be added to the homebuyer's income and discounted based on lender industry standards
- The applicable bedroom size should be based only on the homebuyer unit

Applications will be accepted on a rolling basis. The submittal of an application does not guarantee an award.

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