

Request for Action
by
Board of Commissioners

**Approval of Housing Production Fund Extremely Low-Income
Operating Reserve (HPF-ELI) Awards**

1. Summary of Issues

The Housing Production Fund (“HPF”) was established by the State of Rhode Island General Assembly in June 2021 by amendment to Rhode Island General Laws Section 42-128, known as the Housing Resources Act of 1998, to provide funding for the planning, production, and preservation of affordable housing. Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) was authorized by the General Assembly to administer HPF program funds for a range of housing production initiatives. The enabling legislation for the HPF specifically establishes a priority for households either exiting homelessness or earning not more than thirty percent (30%) of area median income.

In conjunction with the Rhode Island Housing Resources Commission Coordinating Committee, RIHousing has established program guidelines for the Housing Production Fund - Extremely Low-Income Operating Reserve (“HPF-ELI”) Program to support units serving households earning 30% AMI or below; and the General Assembly has appropriated \$10,000,000 for this purpose. Under the HPF-ELI, funds will be awarded to capitalize a project operating reserve to ensure that developers can create and preserve affordable rental housing for families and individuals with very low income including those who are homeless or at risk of being homeless. These funds will bridge the gap between residents’ ability to pay 30% of their gross household income toward rent and the established 50% Low-Income Housing Tax Credit rents for the applicable unit size.

In March 2022, RIHousing issued a Request for Proposals (“RFP”) for HPF-ELI funds from qualified applicants. In response, RIHousing received four proposals requesting \$2,927,212 in HPF-ELI funds. Staff from the Development and Leased Housing and Rental Services Divisions reviewed applications in accordance with the published program review criteria.

Of the four proposals received, staff recommends funding for three HPF-ELI proposals in the amount of \$1,004,880. HPF-ELI awards will support 15 residential units for 10 years.

2. Recommendation

The attached resolution authorizing the allocation of up to \$1,004,880 in HPF-ELI funds is recommended for approval, contingent on (i) a signed Agreement between RIHousing and the State of Rhode Island relating to the HPF-ELI program funding; (ii) receipt of the HPF-ELI funds from the State of Rhode Island; (iii) the availability of all other funding for

transactions that have not yet closed; and (iv) compliance with HPF-ELI guidelines.

3. Attachments

- A. Summary of Recommendations
- B. Resolution

Attachment B

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

WHEREAS, Pursuant to title 42, chapter 128, section 2.1 of the Rhode Island General Laws, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the Rhode Island General Assembly to administer a Housing Production Fund (“HPF”) to assist in the development of new affordable housing and the preservation of existing affordable units, with priority given to households exiting homelessness or earning not more than thirty percent (30%) of area median income;

WHEREAS, the State of Rhode Island General Assembly passed a state budget bill authorizing the appropriation of \$10,000,000 to support HPF housing production initiatives for extremely low-income families and individuals (the “HPF-ELI Funds”);

WHEREAS, the applicants listed in Attachment A have submitted applications that meet the requirements set forth in HPF-ELI program guidelines duly established by RIHousing with the collaboration of the Rhode Island Housing Resources Commission Coordinating Committee;

WHEREAS, staff of RIHousing have reviewed each of the eligible applications and recommend that HPF-ELI Funds be committed to the proposals listed in Attachment A; and

WHEREAS, RIHousing staff have determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that RIHousing is authorized to commit up to \$1,004,880 in HPF-ELI Funds in compliance with HPF-ELI program guidelines and subject to certain conditions, as set forth in Attachment A.

RESOLVED, that the Executive Director, Deputy Executive Director, and Director of Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolution.