

**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 is for approval of four awards under the Homeownership Investment Fund (“HIF”). HIF was created in 2019 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

Staff estimates that there is approximately \$1,500,000.00 available in Affordable Housing Trust Fund resources that can be allocated to HIF awards in FY 2022. In August of 2021, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) issued a Request for Proposals (“RFP”) for a third round of HIF from qualified applicants. In response to the RFP, on October 29, 2021, RIHousing received eight proposals requesting \$1,715,099.00 in HIF funds.

All HIF applications were reviewed by RIHousing staff in accordance with RIHousing’s threshold criteria for the HIF program: a complete application; readiness to proceed within six 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 eight proposals submitted, staff determined one failed to meet the basic threshold requirements and therefore would not move forward. Three applications were formally withdrawn by the developers because they received Building Homes Rhode Island IV funding. RIHousing staff recommends funding the four remaining HIF proposals in the amount of \$1,272,450.00. This award will result in 18 HIF-assisted units. Projects recommended for this funding round are located in East Providence, Tiverton, 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 \$1,272,450.00 in HIF funds is recommended for approval, conditional upon satisfactory progress of awardees on existing projects and awards, the availability of all other funding, and compliance with HIF guidelines.

4. **Attachments**

- A. Summary of Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

Total HIF Funds Recommended for Approval: \$1,272,450.00

Recommendations:

- **Ivy Place, East Providence, RI, sponsored by Neighborworks Blackstone River Valley:** Ivy Place Homeownership & Economic Development Initiative involves the development of 13 homeownership units on a vacant infill site located across from East Providence City Hall in the city center. The project will also include a mixed-use component by combining the residential units with space for small entrepreneurs in four live/work units fronting Taunton Avenue. Ten of the units will be affordable to households earning less than 80% AMI, and three units will be affordable to households earning up to 100% AMI.

Sources		Uses	
Sale Proceeds	\$2,077,819	Acquisition	\$228,283
HIF	\$578,397	Construction	\$3,242,648
BHRI III	\$807,721	Construction Cont.	\$165,025
BHRI IV	\$448,500	Architect Fee	\$151,882
AHP	\$295,000	Soft Costs	\$523,101
EP Waterfront Funds	\$247,713	Developer's Fee	\$144,211
TOTAL	\$4,455,150	TOTAL	\$4,455,150

- **75 Colfax Street, Providence, RI, sponsored by SWAP:** New construction of a duplex comprised of one homeownership unit and one rental unit, each with two bedrooms. The duplex will be located at 75 Colfax Street in South Providence. SWAP has been developing homeownership opportunities in the South Providence area for the past 22 years. To date, they have produced 167 single- and two-family houses for households with incomes below 80% AMI with more than 90% sold to minority families. The homeownership unit will be restricted at 60% of AMI; however, the rental unit will be unrestricted.

Sources		Uses	
Sale Proceeds	\$227,000	Acquisition	\$35,000
HIF	\$264,490	Construction	\$354,214
		Construction Cont.	\$24,795
		Architect Fee	\$5,000
		Soft Costs	\$27,800
		Developer's Fee	\$44,681
TOTAL	\$491,490	TOTAL	\$491,490

- Cottrell Farms, Tiverton, RI, sponsored by Church Community Housing Corporation:** New construction of three two-bedroom single-family homes for families earning less than 80% of AMI. The proposed new single-family houses will be Net Zero Energy and each house will have a modest solar array. The homebuyers will have the option to build two additional bedrooms in the unfinished attic. This development was recently awarded BHRI IV in the amount of \$355,086.00. Two of the parcels are currently owned by RIHousing and held in the Land Bank.

Sources		Uses	
Sale Proceeds	\$510,000	Acquisition	\$21,010
HIF	\$255,000	Construction	\$1,005,898
BHRI IV	\$355,086	Construction Cont.	\$50,295
National Grid	\$6,525	Architect Fee	\$6,500
		Soft Costs	\$42,908
TOTAL	\$1,126,611	TOTAL	\$1,126,611

* CCHC is committed to developing these lots without a developer's fee.

- 47 Hicks St. Pawtucket, RI, sponsored by Pawtucket Central Falls Development Corporation:** New construction of one three-bedroom single-family home for families earning up to 80% of AMI. Recently, brand new homes were constructed on the two properties immediately to the south of 47 Hicks by another developer. This urban infill new construction home will introduce homeownership within proximity to a commercial corridor and future MBTA stop in Pawtucket.

Sources		Uses	
Sale Proceeds	\$269,000	Acquisition	\$65,000
HIF	\$174,563	Construction	\$275,000
		Construction Cont.	\$19,250
		Architect Fee	\$17,875
		Soft Costs	\$36,438
		Developer's Fee	\$30,000
TOTAL	\$443,563	TOTAL	\$443,563

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 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:** in the estimation of RIHousing staff, the AHT has sufficient resources to set aside up to \$1,500,000.00 for the Homeownership Investment Fund to finance the redevelopment and construction of new homeownership opportunities in FY 2022; and
- WHEREAS:** RIHousing staff have evaluated the four 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 is hereby authorized to (i) set aside \$1,272,450.00 to make Homeownership Investment Fund program awards in FY 2022; and (ii) transfer such funds to RIHousing for purposes of administering such awards; and
- RESOLVED:** that the Affordable Housing Trust Fund be and is hereby authorized to commit funding to the projects listed in the Funding Recommendations at Attachment A in the amounts identified therein; and
- RESOLVED:** that the Executive Director, the Deputy Executive Director and the Director of Development of RIHousing, each acting singly, be and hereby are authorized and directed to take any and all actions they deem necessary and appropriate to carry out the foregoing resolutions.