

Turnkey Affordable Homeownership Program

RIHousing's **Turnkey Affordable Homeownership Program** was created to help address the need for low- to moderate-income homeownership opportunities in Rhode Island and streamline the process for the development of low- to moderate-income homes.

Program Overview

- The Turnkey Program will provide gap financing to developers of deed-restricted, for-sale homeownership units once the developer obtains a Certificate of Occupancy from the municipality in which the home(s) is built and a deed-restriction is recorded
- The developer will be responsible for funding the acquisition, construction and/or rehabilitation of the home(s) without the benefit of gap financing prior to completion in order to minimize RIHousing's involvement prior-to and during construction
- RIHousing will inspect at completion
- The Turnkey Program is not available for developers who utilize RIHousing as their construction lender or utilize any other RIHousing funding

Eligibility

- New construction, adaptive reuse, or rehabilitation of existing homes
- One to two-family homes or condominiums
- Homes must be owner-occupied primary homes when purchased
- Eligible applicants: non-profit or for-profit builders and/or developers
- Applicant must demonstrate capacity and previous experience overseeing housing of similar scope and complexity

Subsidy Amounts

The requested Turnkey financing per unit cannot exceed:*

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

** If developer received a density bonus in comprehensive permit process, the requested Turnkey 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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