

Request for Action
by
Board of Commissioners
Approval of RIHousing Extremely Low-Income
Operating Reserve (RIH-ELI) Awards

1. Summary of Issues

In June 2024, the RIHousing Board of Directors established the RIHousing-Extremely Low Income (“RIH-ELI”) Program to support units serving households earning 30% AMI or below. To date, \$6,000,000 has been appropriated for this purpose. Under the RIH-ELI Program, funds have been awarded to capitalize a project operating reserve to ensure that developers can create and preserve affordable rental housing for families and individuals with extremely low income, including those who are homeless or at risk of being homeless. These funds bridge the gap between residents’ ability to pay 30% of their gross household income toward rent and the established 50% or 60% Low-Income Housing Tax Credit (“LIHTC”) rents for the applicable unit size.

Operating support for studios and one-bedroom units will bridge the gap between a resident’s ability to pay 30% of their gross household income towards rent and the established 50% LIHTC rents. In order to incentivize the prioritization of serving homeless families, operating support for units with two bedrooms or more with applicants selected from the Coordinated Entry System will bridge the gap between 30% of the resident’s gross income and the established 60% LIHTC rent. An estimated 55 units for households earning 30% of the AMI were anticipated to be supported through the first capitalization of this program.

Operating reserves are anticipated to be capitalized for an average period of 10 years, though the length of assistance may vary depending on the development status.

In October 2024, RIHousing issued a Request for Proposals (“RFP”) for RIH-ELI funds from qualified applicants. In response, RIHousing received six proposals requesting \$7.7M in RIH-ELI funds. Staff from RIHousing reviewed applications in accordance with the published program review criteria.

Of the six proposals received, staff recommends funding three RIH-ELI proposals in the amount of \$3,143,093. These RIH-ELI awards will support a total of 31 residential units (25 for fifteen years and 6 units for ten years).

Review of the applications received is ongoing, and we reserve the right to return to the Board with additional funding recommendations following the recommendations related to RIHousing’s consolidated funding round.

2. Recommendation

The attached resolution allocating up to \$3,143,093 in RIH-ELI funds for three developments is recommended for approval.

3. Attachments

- A. Summary of Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

RIH-ELI Funds Recommended for Approval \$ 3,143,093

Amos House – 411 & 418 Friendship Street, 140 West Clifford Street and 840 Broad Street, Providence

Amos House is requesting operating support for eighteen units in their scattered site portfolio. Amos House is a well-respected community partner, providing services to many of Rhode Island's most vulnerable for nearly fifty years. In addition to its well-known dining hall services, Amos House also provides shelter, permanent housing, and substance abuse recovery services. The proposed operating expenses are reasonable and the RIH-ELI funding for support of these eighteen (18) units for 15 years computes to an award of \$1,920,970.

SWAP – Revitalize Southside (RSS), Providence

RSS is a 53-unit scattered site LIHTC development that was placed in service in 2016. The development was a 4% preservation LIHTC deal for the former Providence Tanner properties. As part of the original LIHTC deal RSS was underwritten to have six (6) units available to serve homeless and disabled persons who earn less than 30% AMI. These units did not have any dedicated project-based subsidy associated with them, and this RIH-ELI funding will provide that much-needed financial support. The proposed operating expenses are reasonable and RIH-ELI funding for the support of six units for 10 years computes to an award of \$344,329.

Copley Chambers I, Providence

Copley Chambers is a 27-unit development providing permanent supportive housing to its residents. Ownership conducts outreach and marketing through the Coordinated Entry System (CES), participates in CES Youth Conferencing, and coordinates with DCYF, Foster Forward, Adoption RI, Youth Pride, Haus of Codec, Community Care Alliance, and The Providence Center's Healthy Transitions Program for referrals and service delivery to their residents. Referrals for these RIH-ELI units will come from the CES. The underwriting projections are reasonable and RIH-ELI funding for support for seven (7) units for 15 years computes to an award of \$877,494.

Attachment B

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

- WHEREAS, In June 2024, the Board of Directors of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) authorized the establishment of the RIHousing Extremely Low-Income Operating Reserve Program (“RIH-ELI”) 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, who are selected from the Coordinated Entry System; and
- WHEREAS, the Board initially authorized the appropriation of \$4,000,000 to bridge the gap between residents’ ability to pay 30% of their gross household income toward rent and the established 50% or 60% Low-Income Housing Tax Credit rents for the applicable unit size; and additional \$2,000,000 has been allocated in RIHousing’s FY2025 operating budget; and
- WHEREAS, the applicants listed in Attachment A have submitted applications that meet the requirements set forth in RIH-ELI program guidelines duly established by RIHousing; and
- WHEREAS, staff of RIHousing have reviewed each of the eligible applications and recommend that RIH-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 \$3,143,093 in RIH-ELI Funds in compliance with RIH-ELI program guidelines and subject to certain conditions, all 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.