



Financing Affordable Housing

September 15, 2021



RIHousing: who we are, what we do

- Self-sustaining, quasi-public agency that receives no state funding for operations.
- Works to ensure that all people who live in RI can afford a healthy home that meets their needs.
- Services include: mortgage origination, homeowner and rental assistance, **lead hazard remediation, development financing and the preservation of affordable housing.**
- Every dollar generated is invested back into helping Rhode Islanders and enhancing the capacity of the corporation to fulfill our mission.
- 2020 investments sent \$801 million into the local economy, including almost \$200 million in development activity



What is Affordable Housing?

- Housing costs are restricted to be affordable to low- and moderate-income households

Rental 80% of Area Median Income (AMI rental)
about \$62,300 for a family of 3 in most parts of the state

Homeownership 120% of AMI
about \$93,400 for a family of 3 in most parts of the state

- Deed restricted to remain affordable over time, generally for at least 30 years

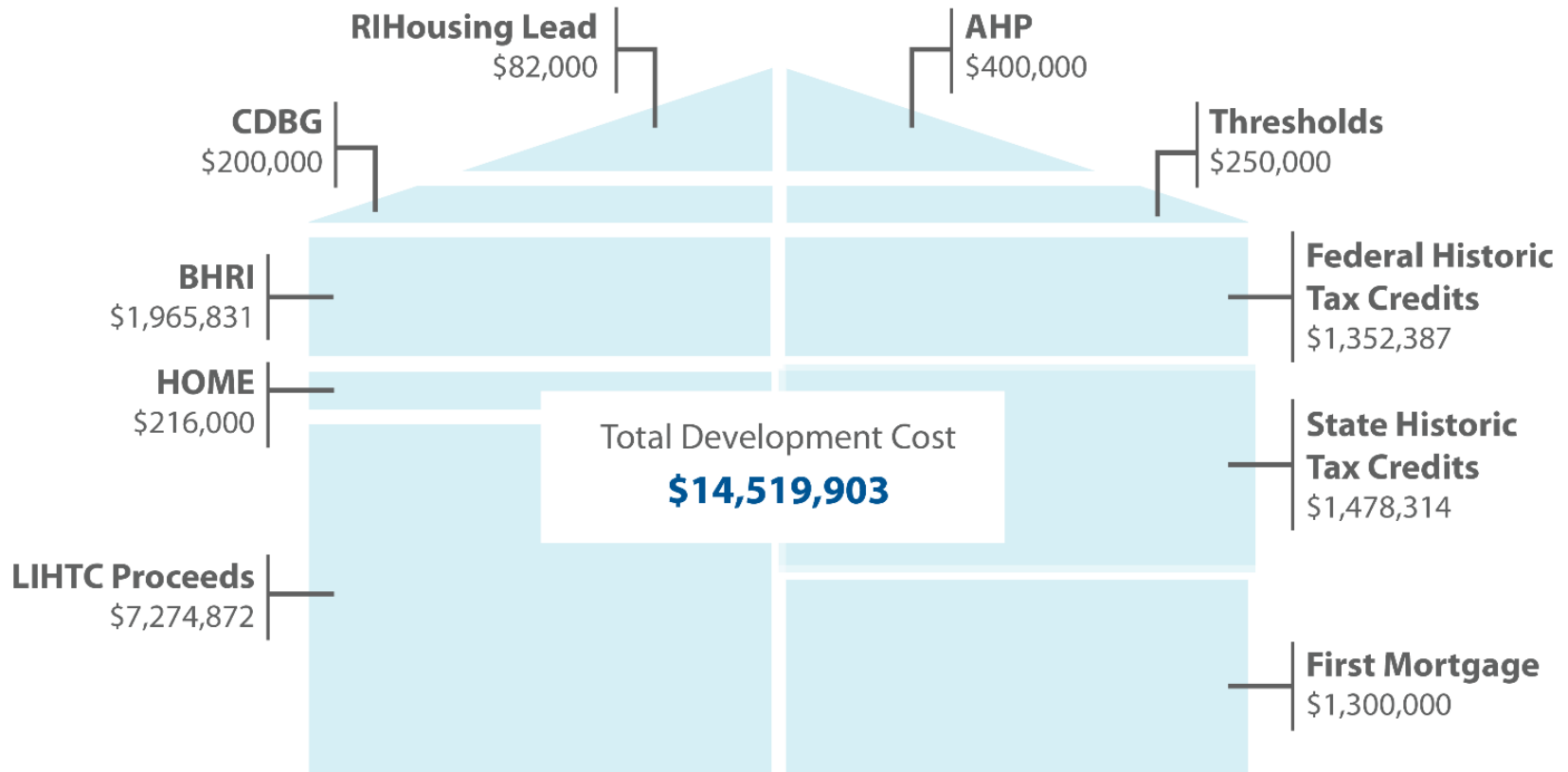


What do we finance?

- **New affordable housing development**
 - Includes rehabilitation of vacant and abandoned properties and conversion of mills to affordable apartments
- **Preserving the affordable housing we have**
 - Approximately 37,000 units
 - Deed restrictions for 39% of existing affordable units will expire over the next 10 years
- **Homes for sale and apartments**
- **Permanent supportive apartments** for the homeless as well as 'workforce' housing and single-family homes

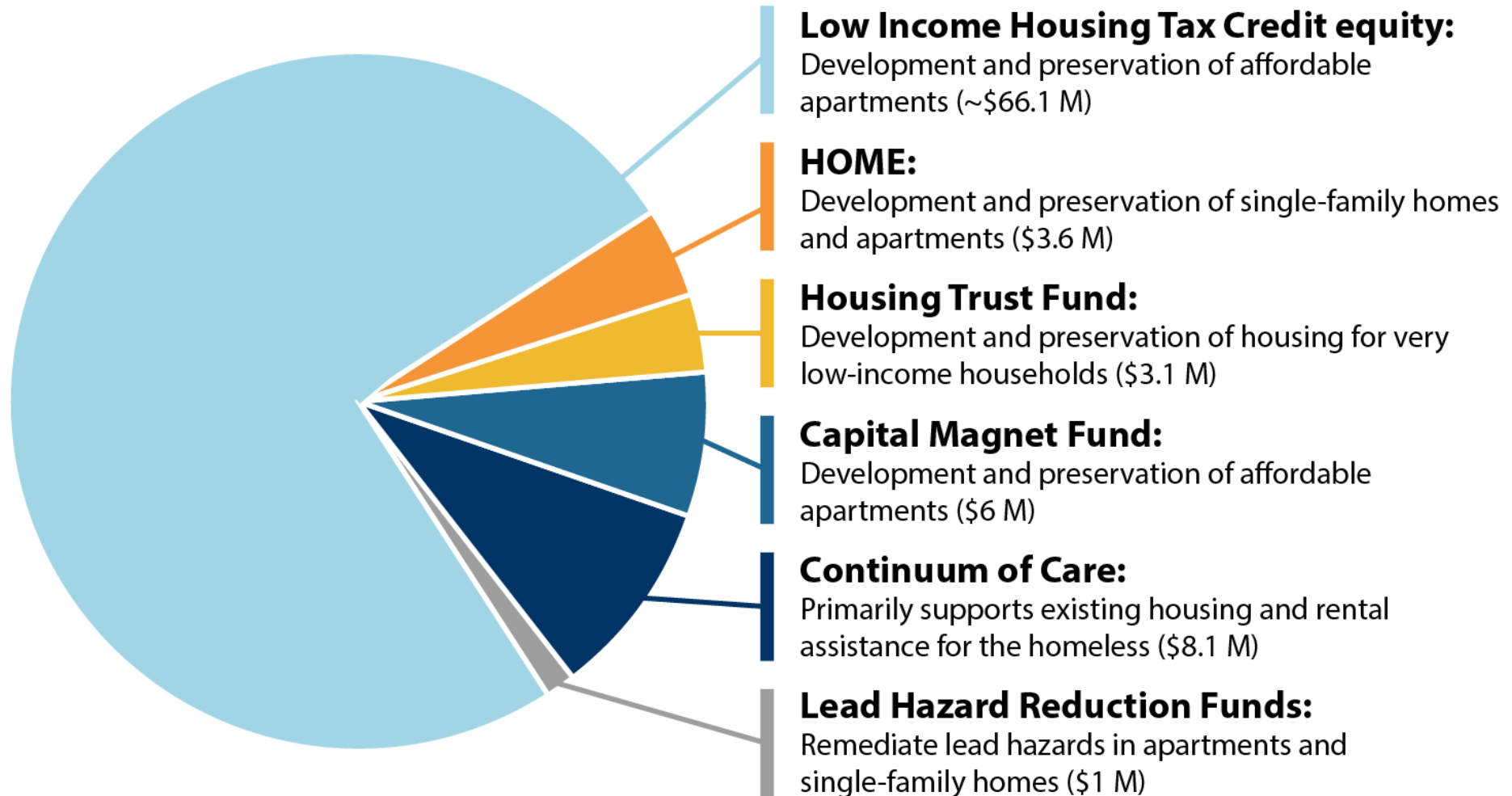


It's Complicated...



Ashton Village, Cumberland

Federal Funds: approx. \$88 M annually



State Funds: Housing Bonds

- **\$190M in housing bonds approved** through four bonds since 2006
- About \$13M annually when funds available
- Administer in collaboration with HRC

BHRI I	<ul style="list-style-type: none">• Approved by voters in 2006• \$50M for affordable housing production & preservation
BHRI II	<ul style="list-style-type: none">• Approved by voters in 2012• \$25M for affordable housing production & preservation
BHRI III + ARP	<ul style="list-style-type: none">• Approved by voters in 2016• \$40M for affordable housing production & preservation• \$10M for revitalization of residential, commercial & public space
Current Bond	<ul style="list-style-type: none">• Approved by voters in 2021• \$65M to increase availability of affordable housing & support community revitalization

RIHousing Funds: Over \$23M annually

- **Workforce Housing:** \$5M to finance apartments for households earning up to 120% AMI
- **Homeownership Investment Fund:** \$2M to finance development of affordable homes for sale
- **Preservation Loan Fund:** \$13M for preservation of RIHousing-financed apartments with expiring affordability restrictions
- **Predevelopment:** Rolling awards to finance predevelopment costs
- **Land Bank:** Rolling awards for non-profit developers and municipalities to purchase vacant land and buildings for development as affordable housing while financing is secured
- **Community Development:** \$570,000 for activities that support homeowners, renters and affordable developments
- **Digital Equity Initiative:** \$450,000 to increase access to affordable Internet in affordable housing
- **Neighborhood Development Fund:** \$300,000 to build capacity of nonprofit developers
- **ZEOS:** \$500,000 to develop net zero homes for low-income homebuyers
- **Rent Subsidies:** \$1.4M in rental assistance



Challenges & Opportunities

Challenges

- Adequate capital resources
- Aligning/coordinating multiple funding sources
- Rising cost of construction
- Availability of operating subsidies for very low-income households
- Building developer capacity
- Local resistance to affordable housing development

Opportunities

- Broad political support
- Potential for historic federal investment
- Appreciation of importance of affordable housing to health and economic recovery
- Focus on addressing social/economic inequities