



PANDEMIC RECOVERY OFFICE

Development of Affordable Housing Final Report

Submitted by State of Rhode Island Pandemic Recovery Office

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<https://pandemicrecovery.ri.gov>

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Development of Affordable Housing

Project Identification Number: 10016

Pandemic Recovery Office Approval Date: February 24, 2022

Project Completion Date: February 28, 2026

Funded Amount: \$15,000,000

Expended Amount: \$15,000,000

Project Expenditure Category: 2.15 Negative Economic Impacts: Long-term Housing Security: Affordable Housing

Problem Statement: Rhode Island is experiencing a critical housing shortage at all price points, but particularly for lower-income households. Only six of Rhode Island's 39 communities meet the State-mandated goal that 10% of every municipality's housing stock qualify as Low- and Moderate-Income Housing.

In the post-pandemic years, sale and rent prices increased significantly. As of 2021, rent for a market-rate, two-bedroom apartment was about \$1,700, up about 8.5% from 2019, when it was \$1,575. The rental vacancy rate and inventory of homes for sale were also at historically low levels. The rental vacancy rate, the number of unoccupied rental units, was 2.8%, down from 3.7% in May 2021, and 6.2% in 2019. A vacancy rate that would not be expected to have an impact on prices is between 6% and 7%.¹

Project Overview: The Rhode Island Housing and Mortgage Finance Corporation (RIHousing), a quasi-public agency, deployed Development of Affordable Housing funds as no-interest, long-term loans to complement other State and federal resources to finance the production and preservation of housing affordable to households earning less than 80% of the area median income (AMI). All projects financed through this project were income eligible for the Low-Income Housing Tax Credit (LIHTC) investment.

U.S. Treasury presumes that any housing project that is eligible to be funded under any of the following federal housing programs is an eligible use of State Fiscal Recovery Funds under the Negative Economic Impacts eligibility category: National Housing Trust Fund, Home Investment Partnerships Program (HOME), LIHTC, Public Housing Capital Fund, Section 202 Supportive Housing for the Elderly Program and Section 811 Supportive Housing for Persons with Developmental Disabilities Program, Project-Based Rental Assistance, and Multifamily Preservation & Revitalization Program.

The *Development of Affordable Housing* project aligned with HOME and LIHTC.

¹ CoStar Market Analytics

Financial Overview: All program payments can be found on the [Pandemic Recovery Office's website](#) by filtering the "Project" box for "Development of Affordable Housing." The table below shows planned expenditures by fiscal quarter and actual expenditures by fiscal quarter:

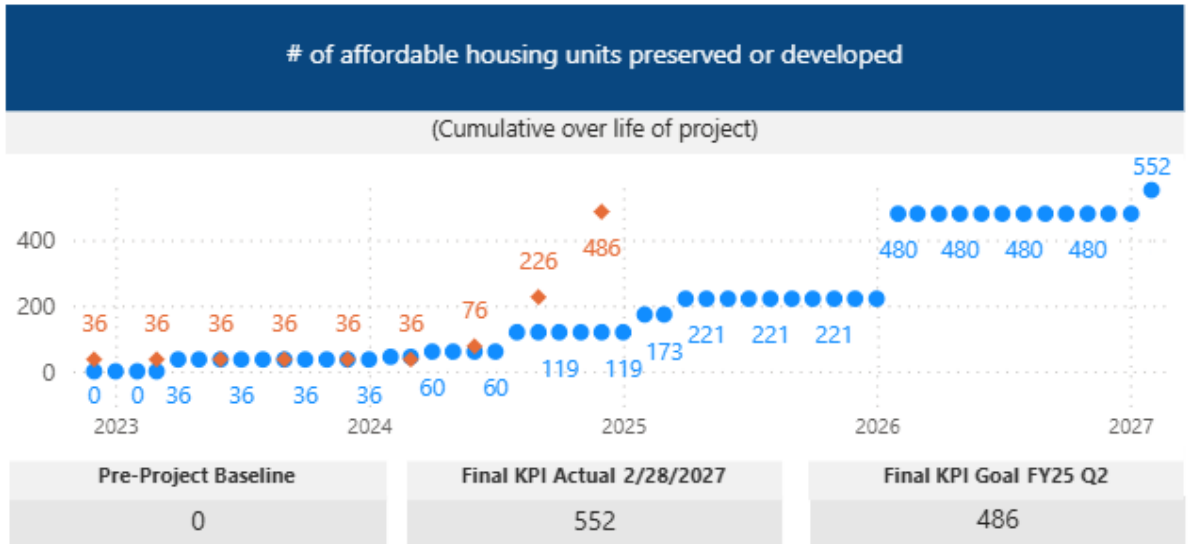
Fiscal Year Quarter	Planned Expenditures	Actual Expenditures
FY 2022 Q3	\$8,718	-
FY 2022 Q4	\$14,732,107 ²	\$19,739
FY 2023 Q1	\$35,654	\$58,803
FY 2023 Q2	\$35,654	\$2,403,234
FY 2023 Q3	\$35,654	\$516,937
FY 2023 Q4	\$35,654	\$496,356
FY 2024 Q1	\$35,654	\$3,413,202
FY 2024 Q2	\$26,968	\$1,516,673
FY 2024 Q3	\$26,968	\$319,303
FY 2024 Q4	\$26,968	\$2,441,919
FY 2025 Q1	-	\$553,229
FY 2025 Q2	-	\$927,435
FY 2025 Q3	-	\$901,273
FY 2025 Q4	-	\$403,576
FY 2026 Q1	-	\$586,276
FY 2026 Q2	-	-
FY 2026 Q3	-	\$442,045
Total	\$15,000,000	\$15,000,000
<i>Note: A single audit fee applies to all State Fiscal Recovery Fund projects and accounts for \$4,500 of the \$15,000,000 in actual expenditures in the above table.</i>		

² When PRO originally approved this project, inclusive of the budget shown in the above table, this amount represented an anticipated transfer to the RIHousing, while the spend amounts represent the award of funds by RIHousing to developers of selected housing developments.

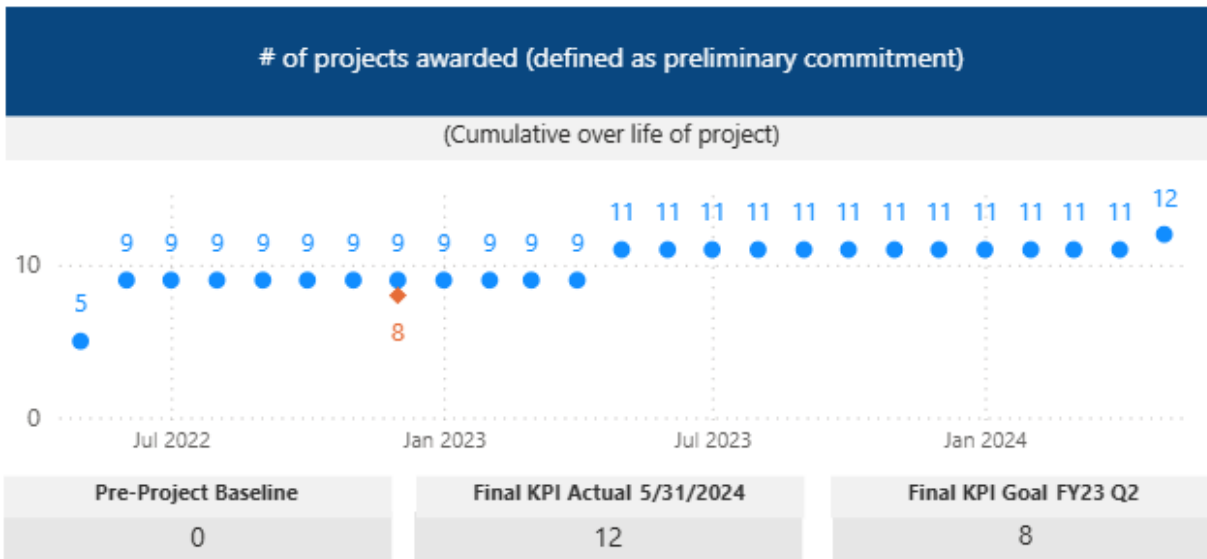
Key Performance Indicators: The following are the key performance indicators based on quarterly goals and monthly data collections.

Legend: ● Actual KPI Value Reported ◆ Quarterly Goals

1. Number of affordable housing units preserved or developed

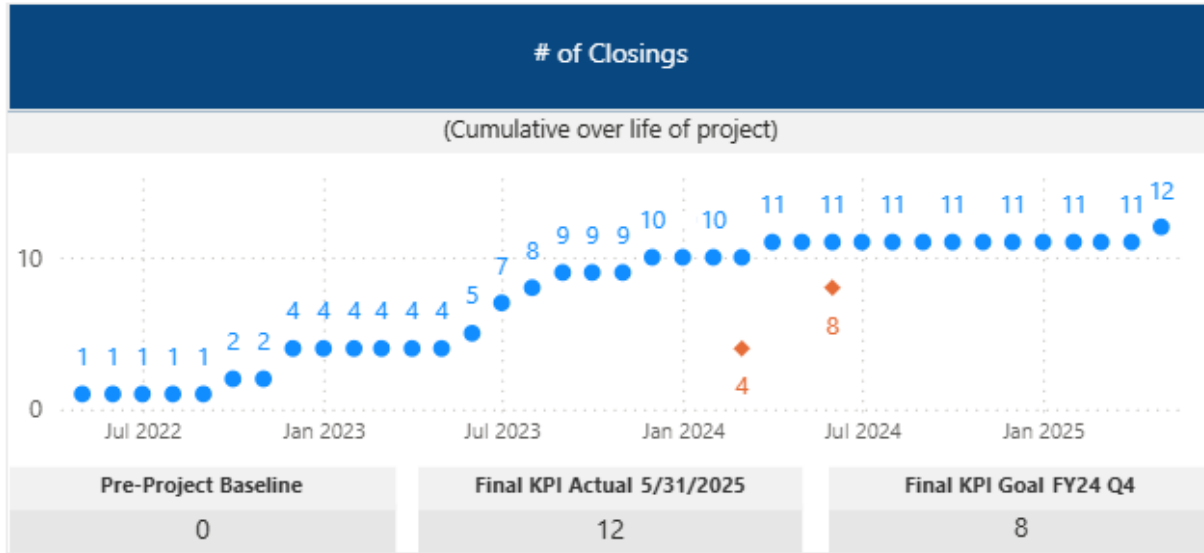


2. Number of projects awarded (defined as preliminary commitment)

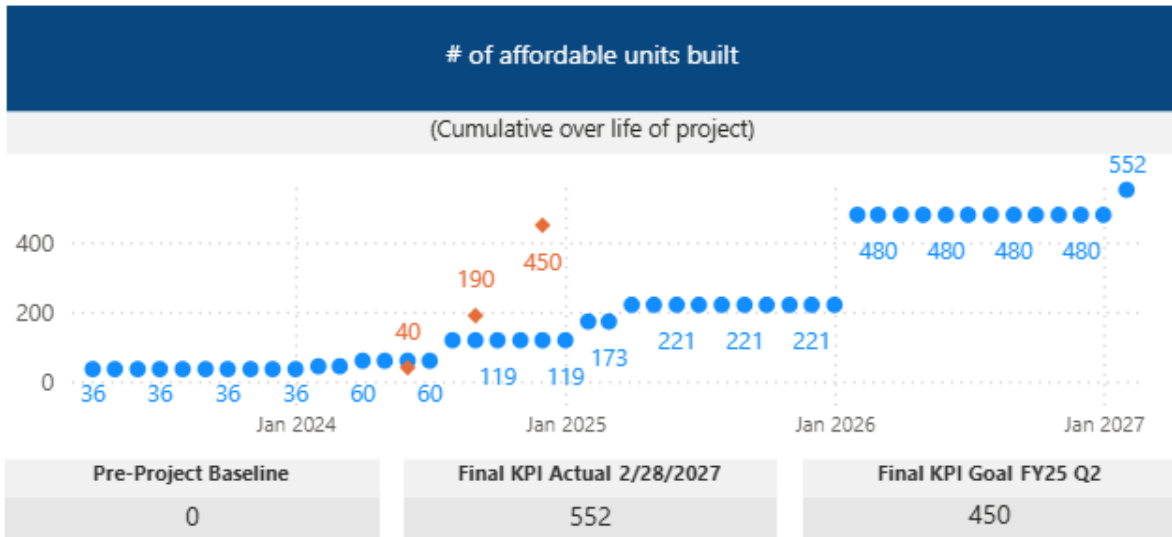


Legend: ● Actual KPI Value Reported ◆ Quarterly Goals

3. Number of closings

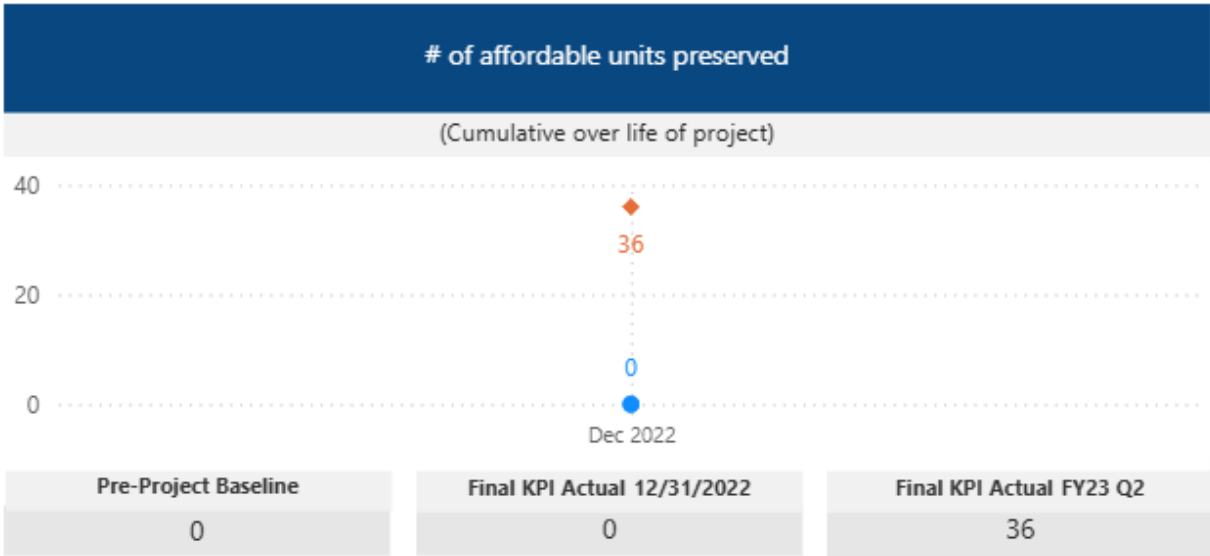


4. Number of affordable units developed



Legend: ● Actual KPI Value Reported ◆ Quarterly Goals

5. Number of affordable units preserved



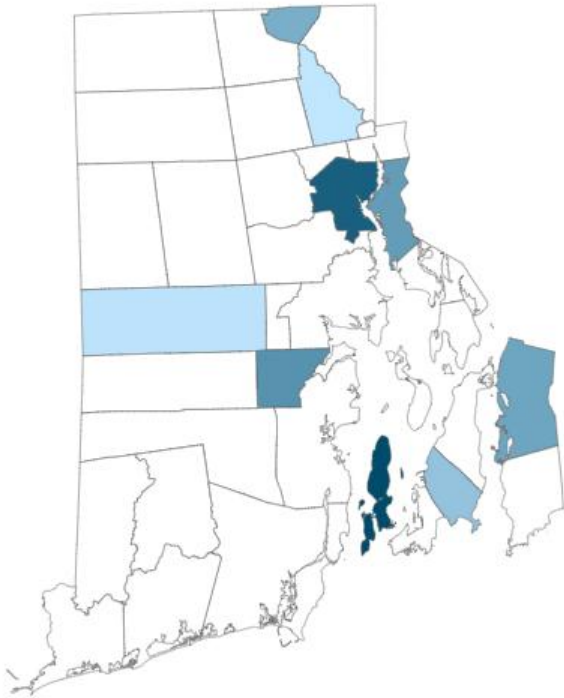
Auxiliary Information: The table and maps below show information about the housing developments financed by this project.

Project Name	Developer	Municipality	Total Affordable Units*	Funding Amount
Bourne Mill III	The Armory Revival Co.	Tiverton	47	\$1,600,000
Frenchtown NKA Soria Phase I	Penrose LLC and Cove Homes Inc.	East Greenwich	33	\$757,000
Frenchtown NKA Soria Phase II	Penrose LLC and Cove Homes Inc.	East Greenwich	30	\$1,213,875
Ivy Place	Neighborworks Blackstone River Valley	East Providence	13	\$540,000
Looking Upwards Apartments	Stop Wasting Abandoned Property Inc.	Jamestown	12	\$3,327,265
Millrace District	Neighborworks Blackstone River Valley	Woonsocket	55	\$1,419,000
Residences at Riverside Square	One Neighborhood Builders	East Providence	16	\$1,012,441
Riverside Landing	Coventry Housing Associates	Coventry	8	\$374,750
Summer Street Apartments	Crossroads Rhode Island	Providence	176	\$2,942,045
Sutton Place	One Neighborhood Builders	East Providence	36	\$200,000
The Villages at Manville	Dakota Partners Inc.	Lincoln	72 [^]	\$305,669
West House II	Church Community Housing Corp.	Middletown	54	\$1,000,000
Total			552	\$14,692,045

* Multiple funding sources were used to finance these projects. As a result, in some cases, the total number of affordable units can be attributed to more than one SFRF funding source. Such units are included in the total unit count for each SFRF funding source, which means that the total units are not necessarily additive across all SFRF housing projects.

[^] As of the closeout of the *Development of Affordable Housing* project, the Villages at Manville development was scheduled to be completed during the first quarter of calendar year 2027.

Distribution of Development of Affordable Housing Loans by Municipality



Distribution of Affordable Housing Units Developed by Municipality

