



November 18, 2015

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## **R.I. Housing Awards First Round of Funding from State's \$3 Million Pilot Housing Preservation and Production Program**

*Two awards totaling \$1.5 million to fund rehabilitation of 288 affordable apartments*

**Providence, RI** – Rhode Island Housing's Board of Commissioners today approved two awards totaling \$1.5 million from the state's pilot Housing Preservation and Production Program (HPPP) to rehabilitate 288 affordable apartments in Providence and Johnston. The awards represent the first round of funding from the \$3 million HPPP, which was proposed by Governor Gina Raimondo and approved by the General Assembly as part of the state's FY2016 budget.

"Investing in affordable housing is an important part of sparking a comeback for Rhode Island," said Governor Raimondo. "The Housing Preservation and Production Program has attracted tens of millions of dollars in private capital and federal resources to Rhode Island and will support good-paying construction jobs. At the same time, we are ensuring that some of our most vulnerable residents have access to safe, high-quality housing that they can afford."

The HPPP is funded by the State of Rhode Island and administered by Rhode Island Housing. The program provides gap financing to developers for the rehabilitation of existing affordable units and the construction of new affordable housing. The gap financing is designed to be used in conjunction with other funding sources, including tax-exempt bonds, syndication proceeds from the sale of 4% Low-Income Housing Tax Credits, and the developer's existing reserves.

"Rhode Island has some of the oldest housing stock in the nation," said Barbara Fields, Executive Director of Rhode Island Housing. "With the state's Housing Preservation and Production Program, we are reinvesting in existing affordable housing developments to ensure that they are livable for the next generation of Rhode Islanders."

Both proposals that received funding were submitted by the national nonprofit Preservation of Affordable Housing (POAH), which manages 11 properties in Rhode Island.

"Securing the multiple funding sources necessary to make investments in affordable housing is a significant challenge," said Aaron Gornstein, President and CEO of POAH. "Rhode Island's Housing Preservation and Production Program was the final funding source we needed to close the funding gap that will enable us to begin renovating these affordable rental homes for seniors." We appreciate the

leadership of Governor Raimondo, RIH Executive Director Fields and the Rhode Island Housing Board which has helped pave the way for these two major developments to move forward.”

Cherry Hill Apartments in Johnston and Aaron Briggs Manor in Providence received \$500,000 from the HPPP for the acquisition and rehabilitation of 160 existing affordable apartments for elderly and disabled residents. Rhode Island Housing’s Board of Commissioners also granted POAH a \$14.2 million construction loan and a \$10.7 million mortgage for what is referred to as the Cherry Briggs development at today’s meeting. The total cost of the planned renovation at Cherry-Briggs Apartments is expected to be \$25 million.

POAH was also awarded \$1 million in HPPP funds to acquire and rehabilitate 128 existing affordable apartments at the Oxford development in Providence. The development includes Oxford Gardens, a 78-unit elderly mid-rise building, and Oxford Place, a 50-unit townhouse style family development. The renovation is expected to result in a \$20 million investment in our economy. Rhode Island Housing also granted preliminary approval for up to \$10 million in mortgage financing for Oxford Gardens and Oxford Place at today’s meeting.

Rhode Island Housing issued a request for proposals for HPPP funding in August 2015. Eight proposals requesting a total of \$6 million in HPPP funding were submitted in response. The proposals were vetted by Rhode Island Housing staff against criteria established for the HPPP. Applicants are required to secure all other sources of financing before HPPP funds can be awarded.

The remaining \$1.5 million in the Housing Preservation and Production Program is expected to be awarded in January 2016.

### **About Rhode Island Housing**

Together with its partners, Rhode Island Housing works to ensure that all people who live and work in Rhode Island can afford a healthy, attractive home that meets their needs. Rhode Island Housing uses its resources to provide low-interest loans, grants, education and assistance to help Rhode Islanders find, rent, buy, build and keep a good home. Created by the General Assembly in 1973, Rhode Island Housing is a privately funded public purpose corporation.

*Preservation of Affordable Housing is a nonprofit organization that preserves, creates, and restores affordable rental apartments for low- and moderate-income individuals, seniors, and families. POAH has created or rescued more than 8,700 units in nine states and the District of Columbia since its founding in 2001.*

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