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Nonprofit group wins funds for Olney Village rehab project

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PROVIDENCE — Olneyville Housing Corporation has received key financing assistance from Rhode Island Housing that will permit the nonprofit organization to move forward with its Olney Village project.

The organization received \$1.2 million from the Rhode Island Housing Land Bank and the federal Neighborhood Stabilization program to purchase foreclosed properties.

In addition, Rhode Island Housing awarded \$7.8 million worth of low-income housing tax credits to the corporation, which it will use for construction and rehabilitation. The tax credits will be sold to private investors.

The \$10-million development project will turn 11 foreclosed properties and a large vacant lot in the Providence neighborhood into 39 affordable apartments, plus spaces for two organizations: the food pantry formerly located at St. Teresa's Church and the Manton Avenue Project, a youth arts and theater program.

Construction is slated to begin this summer.

The project will also relocate a community garden that has temporarily occupied the property at the corner of Pope Street and Manton Avenue to Joslin Park behind the William D'Abate Elementary School.

"This neighborhood was devastated by the foreclosure crisis," said Frank Shea, executive director of the Olneyville Housing Corporation. "This is a chance to take back these key properties and develop them in a strategic way."

Shea said the village project is the second and largest phase of a plan to revitalize the area around the D'Abate School and the Joslin Recreation Center. Twelve formerly foreclosed houses have already been completed and, ultimately, the Olneyville Housing Corporation plans to rehab about 60 properties.

Richard Godfrey, executive director of Rhode Island Housing, said the Olney Village project is targeting properties that will have a real impact on Olneyville, part of a comprehensive plan to take foreclosed properties and bring them back to productive use.

Godfrey said both community investment and disinvestment are “contagious.”

When properties are abandoned, he said, it brings down the value of adjacent properties and the entire neighborhood can go into a cycle of decline. But the process can also work in reverse — investment can attract additional investment, and the entire neighborhood improves.

Shea said property values in the Olney Village neighborhood rose dramatically between 2004 and 2007 as outside investors hoped to take advantage of escalating prices. When the housing market crashed, the investors were unable to make their mortgage payments, houses were foreclosed and abandoned, and many of the area’s tenants evicted.

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