



RIHousing  
Property Acquisition and Revitalization Program (“ARP”)

**PROGRAM REVIEW CRITERIA**

In awarding ARP resources, RIHousing has identified the following priorities:

1. Increase and preserve the supply of affordable housing through investment in blighted properties.
2. Funding of proposals that best serve the needs of Rhode Island workers and businesses.
3. Commercial development that incorporates a housing component and revitalizes main street corridors.
4. Public facility development that enhances prior public investment.
5. Proposals that achieve these goals at the lowest cost.

In order to best achieve these goals, RIHousing has established four threshold criteria that must be met before a proposal will be considered for ARP funding:

1. The development activity will commence within nine months of approval of funding.
2. Applicant must demonstrate that the development is financially feasible.
3. Applicant must demonstrate the experience and capacity to complete the project and to operate/maintain the project for a minimum 15-year period (*as applicable*) based upon past experience with projects of similar complexity.
4. Applicant must demonstrate the need or demand for the project through market analysis, local demographics, existing demand for the project, etc.

Generally, only proposals that satisfy the Threshold Criteria review will be further considered under the Scoring Criteria.

**75% of ARP funding will be set aside for urban developments.**

**PLEASE NOTE WHEN COMPLETING THE APPLICATION: For successful applicants, commercial project funding will be provided in the form of an amortizing loan. Residential project funding and public facility funding for projects involving acquisition will be provided in the form of a forgivable loan. Funding for public facility projects which do not involve acquisition will be provided in the form of a forgivable loan or grant as indicated by the applicant in the application.**

## A. Threshold Criteria

- 1) Readiness to Proceed: Applicant must demonstrate that all project funding will be committed within six months of an ARP reservation. Development activity must commence within nine months of approval of funding. To be awarded and maintain a funding reservation, all applicants must demonstrate readiness to proceed throughout the process. An assessment of a proposal's initial readiness to proceed will be made based upon the applicant's ability to achieve the following: obtain all written land use and zoning approvals and building permits; complete all regulatory, environmental, and historical reviews; evidence of site control; secure all funding commitments; and demonstrated financial feasibility. If any sites identified for development in the proposal are currently occupied, the applicant must provide a relocation plan to address the displacement of residents or other tenants that is satisfactory to RIHousing. Such plan should generally comply with requirements outlined in the federal and state law, and the relocation overall should be conducted in accordance with state and federal laws.

RIHousing will use its best professional judgment in evaluating an application for readiness to proceed. Staff of RIHousing and representatives of the Rhode Island Commerce Corporation will consider the applicant's past performance in meeting permitting, funding and closing deadlines in projects of similar scope and size.

- 2) Financial Feasibility: The applicant must demonstrate that the proposal is financially feasible. RIHousing reserves the right to deny funding to proposals for which adequate assurance that funding commitments can be secured for all development costs. Generally, for in-kind contributions (as opposed to financial source commitments) to be considered, a higher level of documentation of the value of such contributions will be required (e.g., projected man-hours and associated payroll costs, etc.).
- 3) Development Team Capacity: The development team must have experience in the successful development and operation of projects of similar scope and complexity. The development team will be evaluated on its professional capacity to plan, build, market, and operate the proposed development. Team members are expected to demonstrate satisfactory prior experience on projects of similar scale and complexity; to have satisfactory professional references; and to devote sufficient staffing and resources to complete the proposed project. If a development team member does not have satisfactory prior experience, a written plan must be submitted to outline how this technical capacity will be achieved. The applicant will also be evaluated for creditworthiness and financial capacity.

RIHousing reserves the right to deny funding to any proposal where (i) any materially participating entity is not in good standing regarding compliance monitoring of other RIHousing funded projects; or (ii) any partner, developer or other key development team member has been determined by RIHousing to be not creditworthy. Creditworthiness takes into consideration the financial condition of an organization and management capabilities. RIHousing will review each applicant's most recent audited financials to ensure financial capacity to develop, manage and operate the project.

- 4) Demand/Marketability: For residential development, an applicant must demonstrate that it will achieve sustainable occupancy of 95% within 6 months of construction completion. Marketability of the residential projects will be evaluated relative to the proposed locality of the development,

target market population, rent levels/sales prices and affordability, project design and amenities. Developers will be required to demonstrate marketability through such documentation as: information on market comparables; information on the supply and quality of the existing housing stock and rent/sales price burdens; information on other planned development/revitalization activity in the area; assessment of potential impact on the financial and operating viability of existing subsidized housing developments; local demographics (including income, age and any special needs characteristics); marketing and outreach strategies; and information demonstrating that the proposed location is appropriate for the target population in terms of environment, quality, proximity to services, and attractiveness of the site and its surroundings. Mixed use developments must provide the marketability information for each use.

For commercial development, developers will be required to evidence marketability by providing information on comparable commercial space; information on the supply and quality of existing commercial space; and an assessment of demand for the commercial space(s) or enterprise(s) proposed.

For public facility development, an applicant must demonstrate the necessity of the public facility improvements; and the need and/or demand for the improvements as evidenced by anticipated increase in services or other documentation related to the proposed use of the facility.

**B. Scoring Criteria**

**Residential Point Allocation Summary**

- 25 points Financing
- 35 points General
- 10 points Community Impact
- 20 points Local Need
- 10 points Sustainable Design
- 10 points Job Creation/Retention
- 110 Total Points**

**FINANCING POINTS** – Up to 25 Points

Up to 10 points - Total Development Cost (“TDC”) per home/unit.

- <\$200,000 10 points
- \$201,000 – \$225,000 8 points
- \$226,000 – \$250,000 5 points
- >\$250,000 0 points

Up to 10 points – Project Leveraging

- ARP funding is < 25% of TDC 10 points
- ARP funding is > 25% but < 50% of TDC 5 points

- ARP funding is > 50% of TDC 0 points

Up to 5 points - Leveraging committed state and federal funds from rental and operating subsidy programs such as HUD's Rental Assistance Demonstration Program, HUD Section 811 Program or Project Based Section 8 rental or other similar federal and state program.

- 5 points – 20% or more units in the development
- 3 points – 10-19% of units in the development
- 1 point – up to 9% of units in the development

### **GENERAL POINTS** – Up to 35 Points

Up to 10 points - Utilizing Rhode Island based and MBE/WBE firms.

- 5 points for owner/applicant that utilizes a Rhode Island based General Contractor to construct the project.
- 3 points for owner/applicant that certifies in the application to require that up to 75% of the sub-contractor contracts be awarded to Rhode Island based construction firms.
- 2 points for owner/applicant that certifies in the application to require up to 10% MBE/WBE utilization rate.

Up to 10 points - Development that at the time of application is permitted by all applicable regulatory agencies including: municipal permitting bodies (local planning, zoning and building permit approvals) and state regulatory agencies (Department of Environmental Management and Coastal Resources Management Council). **Projects must demonstrate readiness to proceed within 9 months of approval of funding.**

- 10 points for a project that has 100% plans and specifications and building permits secured or no building permits required
- 8 points for a fully permitted development that has building permits secured and specifications are at least 75% complete and architect confirms in writing that the plans and specifications can be 100% complete within 30 days
- 5 points for master, preliminary and final plan approval for development. Points will be prorated based on approvals in place at time of application.

**Bonus:** Up to 5 points - ARP funds are last funding source needed to commence the project.

Up to 10 points – Housing Affordability

- 10 points for a project that includes 50% of total units at or below 60% of area median income.
- 8 points for a project that includes 40% of total units at or below 60% of area median income.
- 5 points for a project that includes 30% of total units at or below 60% of area median income.
- 3 points for a project that includes 20% of total units at or below 60% of area median income.

### **COMMUNITY IMPACT** – Up to 10 Points

- 10 points – A development which is located within a community with less than 10% affordable housing as defined by state law; **OR**
- 5 points - A development in one of the following exempt communities with less than 10% affordable housing as defined by state law: Cranston, East Providence, North Providence, Pawtucket, Warwick, or West Warwick.

**LOCAL NEED** – Up to 20 Points

- 10 points – Redevelopment of existing blighted properties to create affordable homes; **OR**
- 5 points – New construction of additional affordable homes or demolition and new construction that creates additional affordable homes.

**Bonus:** Up to 10 points – Property that is located in an urban community as defined at RIGL Sec. 42-64-13.1(b)(5).

**SUSTAINABLE DESIGN** – Up to 10 points

- 3 points – New construction units exceed Energy Star Version 3.1 Version 8 Program Standards.
- 3 points – Rehabilitated units exceed Tier II standards under National Grid's program guidelines.
- 2 points - Development incorporates at least two types of green infrastructure such as storm water runoff management, rain gardens, bioswales, green roofs or green streets.
- 2 points – Development incorporates water conservation fixtures.

**JOB CREATION/RETENTION** – Up to 10 points

Number of new jobs to be created as a result of the project

- >11 FTE – 5 points
- <11 FTE – 2 points

Number of jobs to be retained as a result of the project

- > 15 FTE – 5 points
- < 15 FTE – 2 points

## Commercial Point Allocation Summary

10 points	Financing
25 points	General
15 points	Community Impact
30 points	Local Need
20 points	Development Type/Location
10 points	Job Creation/Retention
<b>110 Total Points</b>	

### FINANCING POINTS – Up to 10 Points

#### Up to 10 points – Project Leveraging

- ARP funding is < 25% of TDC 10 points
- ARP funding is > 25% but < 50% of TDC 8 points
- ARP funding is > 50% but < 75% 5 points
- ARP funding is > 75% of TDC 0 points

### GENERAL POINTS – Up to 25 Points

#### Up to 10 points - Utilizing Rhode Island based and MBE/WBE firms.

- 5 points for owner/applicant that utilizes a Rhode Island based General Contractor to construct the project.
- 3 points for owner/applicant that certifies in the application to require that up to 75% of the sub-contractor contracts be awarded to Rhode Island based construction firms.
- 2 points for owner/applicant that certifies in the application to require up to 10% MBE/WBE utilization rate.

#### Up to 10 points - Development that at the time of application is permitted by all applicable regulatory agencies including: municipal permitting bodies (local planning, zoning and building permit approvals) and state regulatory agencies (Department of Environmental Management and Coastal Resources Management Council). **Projects must demonstrate readiness to proceed within 9 months of approval of funding.**

- 10 points for a project that has 100% plans and specifications and building permits secured or no building permits required
- 8 points for a fully permitted development that has building permits secured and specifications are at least 75% complete and architect confirms in writing that the plans and specifications can be 100% complete within 30 days
- 5 points for master, preliminary and final plan approval for development. Points will be prorated based on approvals in place at time of application.

**Bonus:** Up to 5 points - ARP funds are last funding source needed to commence the project.

**COMMUNITY IMPACT** – Up to 15 points

10 points – Property is pivotal in a neighborhood or potentially catalytic in a community

8 points – Applicant demonstrates marketability of the property as a result of the project.

**Bonus:** 5 points – Applicant demonstrates that the project attracts a key tenant to the neighborhood based upon community need.

**LOCAL NEED** – Up to 30 Points

Up to 10 points – Increase in availability of new commercial space.

10 points - New construction of commercial space or demolition and new construction that creates additional commercial space.

5 points – Rehabilitation that corrects existing physical and health and safety conditions in existing blighted vacant commercial space.

Up to 10 points - Low/Mod Benefit

5 points - Project is located in low/mod area or will serve low/mod households.

AND

5 points - > 100 low/mod income households to be served

2 points - < 100 low/moderate income households to be served

**Bonus:** Up to 10 points – Property that is located in an urban community as defined at RIGL Sec. 42-64-13.1(b)(5).

**DEVELOPMENT TYPE/LOCATION** – Up to 20 Points

5 points - Mixed-use development: commercial development that includes an affordable housing component.

5 points – Commercial development located on an existing commercial corridor.

4 points – Commercial development is proximate to public transportation.

3 points - Commercial development will include remediation of an environmentally contaminated site.

3 points – Commercial development will be located within the Urban Services Boundary.

**JOB CREATION/RETENTION** – Up to 10 Points

Number of new jobs to be created as a result of the project

- >11 FTE – 5 points
- <11 FTE – 2 points

Number of jobs to be retained as a result of the project

- > 15 FTE – 5 points
- < 15 FTE – 2 points

## Public Facility Point Allocation Summary

10 points	Financing
25 points	General
10 points	Community Impact
50 points	Public Purpose/Local Need
<b>95 Total Points</b>	

### FINANCING POINTS – Up to 10 Points

#### Up to 10 points – Project Leveraging

- ARP funding is < 25% of TDC 10 points
- ARP funding is > 25% but < 50% of TDC 8 points
- ARP funding is > 50% but < 75% 5 points
- ARP funding is > 75% of TDC 0 points

### GENERAL POINTS – Up to 25 Points

#### Up to 10 points - Utilizing Rhode Island based and MBE/WBE firms.

- 5 points for applicant that utilizes a Rhode Island based General Contractor to construct the project.
- 3 points for applicant that certifies in the application to require that up to 75% of the sub-contractor contracts be awarded to Rhode Island based construction firms.
- 2 points for applicant that certifies in the application to require up to 10% MBE/WBE utilization rate.

#### Up to 10 points for a project that at the time of application is permitted by all applicable regulatory agencies including: municipal permitting bodies (local planning, zoning and building permit approvals) and state regulatory agencies (Department of Environmental Management and Coastal Resources Management Council). **Projects must demonstrate readiness to proceed within 9 months of approval of funding.**

- 10 points for a project that has 100% plans and specifications and building permits secured or no building permits required
- 8 points for a fully permitted project that has building permits secured and specifications are at least 75% complete and architect confirms in writing that the plans and specifications can be 100% complete within 30 days

**Bonus:** Up to 5 points - ARP funds are last funding source needed to commence the project.

### COMMUNITY IMPACT – Up to 10 Points (2 points/criteria)

- The project supports and is located in a neighborhood or community in which there has been significant public investment.
- The project has written support from key community stakeholders (i.e. neighborhood organizations, businesses, youth groups, etc.).
- The project will address a community need.
- The project is a component of a larger community effort.
- The project integrates green and sustainable components and energy efficiency.



## **LOCAL NEED** – Up to 50 Points

### Up to 10 points – Redevelopment activity

10 points – Rehabilitation of existing blighted public facilities that corrects physical and health and safety conditions or provides opportunities to expand public services; **OR**  
5 points - New construction of public facilities on blighted property for the purposes of community revitalization.

### Up to 10 points - Low/Mod Benefit

5 points - Project is located in low/mod area or will serve low/mod households.

AND

5 points - > 100 low/mod income households to be served

2 points - < 100 low/moderate income households to be served

**Bonus:** 5 points – Public facility is located within 1 mile of affordable residential housing.

**Bonus:** 5 points – Public facility improvements represents an urgent community need based upon the condition of the facility.

### Up to 10 points – Expansion of services

- 10 points – Construction of new or redevelopment of an existing blighted public facility results in expansion of current service to > 100 individuals.
- 8 points - Construction of new or redevelopment of an existing blighted public facility results in expansion of current service to 50 - 100 individuals.
- 5 points – Construction of new or redevelopment of an existing blighted public facility results in expansion of current service to 25 – 49 individuals.

**Bonus:** Up to 10 points – Property that is located in an urban community as defined at RIGL Sec. 42-64-13.1(b)(5).

## **C. Scoring Assessment Criteria**

Applicants should note the assessment scoring criteria, requirements and guidance that are applicable to proposals.

## **FINANCING POINTS**

- a) Acquisition, Development and Construction Costs: Acquisition, development and construction costs will be reviewed for adequacy and reasonableness. RIHousing will review and score the project costs and the competitive resources necessary to complete the project. RIHousing will determine reasonableness of cost estimates based upon similarly constructed projects and past practice of the development team in delivering projects within budget.

RIHousing will use its best professional judgment in evaluating the costs and proposed sources and uses of funds set forth in the application. Staff will consider the amount of documentation submitted in support of the proposed costs, sources and uses; the development team's past performance in achieving the costs set forth in prior applications for funding and prior projects of similar scale and scope and RIHousing's own expertise and experience.

- b) Management Plan/Operating Budget: If applicable, operating budgets will be reviewed to determine adequacy and reasonableness of each expense line item, including but not limited to: management fees; maintenance and administrative costs; replacement reserves; taxes; insurance; and costs of any planned tenant services. For housing proposals, proposed management agents and management plans will be reviewed to determine the acceptability of planned procedures for managing the development's operations.
- c) Leveraging: Projects will be scored based upon cost effectiveness and ability to leverage other available funding sources.

## **GENERAL POINTS**

Rhode Island based and MBE/WBE firms: To provide the greatest employment opportunities for the Rhode Island workforce and businesses, points will be given to applicants that will utilize Rhode Island based and MBE/WBE firms.

Permitting: There are substantial costs associated with permitting a development. However, significant delays in proceeding to construction can result from various local and state permitting processes. Recognizing the cost/benefit of fully permitting a development prior to the award of financing, RIHousing will provide a range of points for those developments that have received various permitting approvals.

## **COMMUNITY IMPACT**

The larger context of the community in terms of revitalization efforts, community and economic development, planning, and municipal and state investments should be taken into consideration. It is important to understand what larger effort ARP investment may be contributing to, as well as how it may be strengthening partnerships within, the community and state.

Housing Development: In an effort to provide affordable homes in every community in Rhode Island and to assist communities that have been unable to reach a 10% affordable housing goal, points will be given to developments located in areas with less than 10% existing affordable housing and in exempt communities with less than 10% affordable housing.

Commercial Development: To ensure impactful development in the expansion of commercial enterprises, points will be provided to applicants that demonstrate catalytic impact the project will have on the community in which it is located and the market viability of the project. Additional points will be provided to applicants that demonstrate tenancy which supports a community need such as the establishment of a fresh food market in a food desert.

Public Facilities: Points will be provided to applicants that demonstrate that the improvements will support prior public investment, has community stakeholder support, addresses a community need, etc.

## **LOCAL NEED**

Points will be provided to applicants that demonstrate that the proposal responds to local needs including: the production of affordable housing units; creation of commercial space;

and projects that serve low and moderate income households. Bonus points will be provided for development conducted in an urban community as defined at RIGL Sec. 42-64-13.1(b)(5).

### **SUSTAINABLE DESIGN**

RIHousing strives to ensure that developments are as energy efficient as possible and to the extent financially feasible, incorporates many of the industry's current green building practices. Points will be awarded for housing proposals that incorporate energy efficiency and conservation methods in its design.

### **JOB CREATION/RETENTION**

For housing and commercial proposals, points will be provided for the number of jobs created and retained as a result of the development.