

RESOURCES

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RIHousing Resources

- 1. First Mortgage Financing:** Tax exempt and taxable first mortgage financing is available for both construction and permanent financing for a term of up to 30 years. Borrowers must be single-asset entities and must have a satisfactory credit history. First mortgages are non-recourse and may not exceed 90% of the as-built value as determined by an independent appraisal. Requests for tax-exempt financing which require an increase in bonding authorization from RIHousing are subject to approval by the RIHousing Board of Commissioners (the “Board”).
- 2. Low Income Housing Tax Credits:** The Low Income Housing Tax Credit Program (“LIHTC”) is advantageous to owners of qualified rental housing, as the LIHTC is economically more attractive than a tax deduction. The LIHTC is a direct dollar-for-dollar offset against a taxpayer’s federal income tax liability to be taken over a 10-year period. These tax credits are sold in exchange for equity investment in qualified low-income housing developments.

There are three types of LIHTCs that can be awarded to a development. The first type of credit is a 9% annual credit for the costs of new construction or substantial rehabilitation of an existing building without any federal subsidies. The second type of credit is a 4% (approximate) annual credit for the costs of new construction or substantial rehabilitation of an existing building with a federal subsidy. The third type of credit is a 4% (approximate) annual credit for the cost of acquiring an existing building that involves substantial rehabilitation without federal subsidy. The first and third types of credit are awarded annually through a competitive process outlined in the state’s Qualified Allocation Plan. The second type of LIHTC, known as the 4% credit, is available for developments financed with tax-exempt bonds. Developments utilizing the second type of LIHTC must also meet requirements outlined in the Qualified Allocation Plan. Currently, allocations of volume cap (tax exempt financing) are not awarded through a competitive process. Requests for tax exempt financing are accepted on a rolling basis throughout the year. Developments financed with 4% credits are subject to all requirements of this Handbook.

In order to qualify for LIHTCs, developments must set aside (i) at least 20% of the units for households earning 50% or less of the area median income, (ii) 40% of the units for households earning 60% or less of the area median income, or (iii) using Income Averaging, at least 40 percent of the units must be both rent-restricted and occupied by individuals whose incomes do not exceed the imputed income limitation designated by the taxpayer, but in no event to exceed 58% of AMI. In addition, LIHTC units must remain rent-restricted for a 30-year period. The Qualified Allocation Plan outlines the allocation process and criteria in detail.

In a situation where RIHousing is not the issuer of the tax-exempt bonds but is asked to allocate 4% credits, we reserve the right to deny an allocation if due diligence demonstrates that the financing package is not beneficial to the long-term viability of the development. Interested parties should contact Anne Berman, Assistant Director of Development, at (401) 457-1269.

- 3. Predevelopment Loan Program:** The Predevelopment Loan Program is an initiative designed to provide nonprofit developers with the resources necessary to determine the feasibility of and obtain site control for an affordable housing development. Predevelopment loans are expected to be repaid at closing of construction or permanent financing, or within 24 months, whichever occurs first. Predevelopment financing can be applied only to that percentage of a development that will be occupied by households at or below 80% of median income. In addition

to site control costs, technical assistance costs that may be covered include architectural fees, financial packaging, legal costs, engineering, market analysis, application and bank fees, inspection, appraisal and survey fees, insurance, and title search and recording. Interested parties should contact Carlos Morales, Program Coordinator, at (401) 450-1328.

4. **HOME Investment Partnerships Program (HOME):** RIHousing is responsible for administering the federal HOME Program on behalf of the state. HOME funds may be used for acquisition, rehabilitation and new construction. Eligible applicants include nonprofit and for-profit developers, municipalities and Public Housing Authorities. The minimum amount of assistance per unit is \$1,000. HOME-assisted homeownership units must be occupied by households with income at or below 80% of area median income. For rental developments, developers must target households with income at or below 60% of area median income. Twenty percent (20%) of rental units in buildings containing five or more units must be occupied by households at or below 50% of area median income, adjusted for family size. Interested parties should contact Eric Alexander, Assistant Director of Development, at (401) 457-1236.
5. **National Housing Trust Fund (HTF):** RIHousing is responsible for administering the federal HTF Program on behalf of the state. HTF funds may be used for acquisition, rehabilitation and new construction. Eligible applicants include nonprofit and for-profit developers and Public Housing Authorities. The minimum amount of assistance per unit is \$1,000. For rental developments, developers must target households with income at or below 30% of area median income. At this time, Rhode Island will not provide HTF funding for homeownership assistance. Interested parties should contact Belinda Lill, Program Coordinator, at (401) 429-1425..
6. **Thresholds Program:** RIHousing administers the Thresholds Program (“Thresholds”) on behalf of the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). Using BHDDH bond funds, Thresholds increases the supply of housing for people with disabilities and/or serious and persistent mental illness. Thresholds requires participating nonprofit housing sponsors to make units affordable to this population in return for: 1) funds to develop or refinance housing, and 2) an agreement to provide mental health and social services for residents. Developments that integrate people with a serious and persistent mental illness with the general public are preferred over developments that segregate this population in single or adjacent buildings. Housing exclusively for people with a serious and persistent mental illness must either be supervised or provide access to on-site mental health services during the day. Interested parties should contact Jessica Mowry, Assistant Director of Leased Housing and Resident Services, at (401) 277-1564.
7. **Rental Subsidies:** Developers may be able to obtain a set-aside of Federal Section 8 development based contract authority from an administering housing authority.
8. **Section 811 PRA Demonstration:** The State of Rhode Island was awarded nearly \$6 million in HUD funds to provide renewable rental assistance to affordable housing projects serving persons with disabilities under the Section 811 PRA demonstration program (the “811 Program”). RIHousing and Mortgage Finance Corporation (RIH), the Executive office of Health and Human Services (EOHHS), and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) are working collaboratively to administer the program. This program will provide “project based” rental assistance for up to 150 disabled individuals and families.

Tenants will pay 30% of the contract rent and the 811 subsidy will pay the balance of the rent. The owner will be required to have a service plan in place for the tenant. Eligible Properties must have at least 5 units, can be new or existing, and up to 25% of the entire property can be utilized for the 811 Program. The owner will enter into a Rental Assistance Contract for 20 years and execute a 30-year Use Agreement. In addition, the owner is responsible to enter tenant data into HUD's Tenant Rental Assistance Certification System (TRACS) and verify income with HUD's Enterprise Income Verification (EIV). Interested parties should contact Jessica Mowry, Assistant Director of Leased Housing and Resident Services, at (401) 277-1564.

9. **Construction Loan:** The Construction Loan Program is designed to provide financing for the construction or rehabilitation of rental and for-sale housing to low and moderate-income individuals and families. Interested parties should contact Anne Berman, Assistant Director of Development, at (401) 457-1269.
10. **Land Bank:** The Land Bank Program is designed to provide interim financing to nonprofit developers and/or municipalities for the acquisition of property or buildings for the development of affordable housing. Interested parties should contact Carlos Morales, Program Coordinator, at (401) 450-1328.
11. **LeadSafe Homes Program:** The LeadSafe Homes Program is designed to provide financial assistance to property owners or developers to make their properties lead safe. Financing is limited to a maximum of \$10,000 per unit and can be used only for lead hazard reduction work. Work must be performed by a lead-certified contractor. Interested parties should contact Charles Pytel, Lead Program Coordinator, at (401) 457-1265.
12. **Continuum of Care:** The Continuum of Care Programs formerly known as the Supportive Housing Program, Shelter Plus Care Program, and Section 8 SRO Moderate Rehabilitation Program. These HUD programs are administered by RIHousing and are intended to promote the development of supportive housing that assists homeless families and individuals' transition from homelessness to living as independently as possible. These funds may be used to finance the development and operation of permanent housing for individuals experiencing chronic homelessness. Funds may also be available for supportive services, rental assistance, and leasing. Interested parties should contact Jessica Mowry, Assistant Director of Leased Housing and Resident Services, at (401) 277-1564.
13. **Qualified 501 (c) (3) Tax Exempt Bond Financing:** RIHousing has the ability to provide 501(c)(3) tax-exempt bond funding to qualified nonprofits to produce affordable housing. Interested parties should contact Anne Berman, Assistant Director of Development, at (401) 457-1269.

Other Resources

14. **Resources Available through Cities and Towns:** Developers are encouraged to explore with local planning and/or community development departments the availability of resources such as Community Development Block Grant funds, Section 108 funds, HOME funds and tax incentives.
15. **Federal Home Loan Bank:** The FHLB administers two programs, the Affordable Housing Program (AHP) and the Community Investment Program (CIP) to fund homeownership and rental housing proposals that benefit low and moderate-income individuals and families. Proposals for developments in New England must be submitted by a bank affiliated with the FHLB of Boston. Deadlines for applications are traditionally in April and September, but applicants should prepare to discuss proposals with their local bank prior to these deadlines. For more information, contact either your local member bank or the Housing and Community Investment Office of the FHLB of Boston.
16. **Building Homes Rhode Island Program:** The Housing Resources Commission provides grants and deferred loans through the Building Homes Rhode Island Program. Funds can be used for homeownership and rental opportunities for low and moderate-income individuals and families. Interested parties should contact Belinda Lill, Program Coordinator, at (401) 429-1425.
17. **Acquisition and Revitalization Program:** The Acquisition and Revitalization Program provides an incentive to qualified developers to purchase and redevelop foreclosed and/or blighted properties in Rhode Island. Financing is available to non-profit and for-profit developers, municipalities and public housing authorities. Eligible properties include residential, commercial and vacant lots located in Rhode Island that are determined to be blighted or are foreclosed and that are part of a revitalization plan or strategy. Interested parties should contact Belinda Lill, Program Coordinator, at (401) 429-1425.
18. **Federal Historic Tax Credits:** Developments that include substantial rehabilitation and meet certain standards for historic rehabilitation may qualify for Federal Historic Tax Credits. For information on these programs, please call the Historical Preservation and Heritage Commission at (401) 222-2678.
19. **Opportunity Zones:** The Opportunity Zones program is a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to attract private equity investment in businesses and real estate. This federal program provides a tax incentive for private investors to direct capital gains into equity investments in qualified projects within designated Opportunity Zones. The incentive is designed to encourage long-term investments in low-income urban and rural communities.

Rhode Island Opportunity Zones are located in twenty-five (25) census tracts spread across the following fifteen municipalities: Bristol, Central Falls, Cranston, Cumberland, East Providence, Narragansett, Newport, North Providence, Pawtucket, Providence, South Kingstown, Warren, West Warwick, Westerly, and Woonsocket.

For more information on Rhode Island Opportunity Zones contact the Rhode Island Commerce Corporation.

20. Energy Efficiency and Clean Energy Resources

Contact Information

National Grid: General Information 1-888-633-7947

Matt Piccerelli, Multifamily Coordinator

Email: MPiccerelli@riseengineering.com Office: 401-784-3700 ext. 6131

CLEARresult: General Information 1-866-903-2811 or RI-energysupport@clearresult.com

Jonathan Harrison, New Construction/Substantial Rehabilitation 774-696-1377

David MacLellan, Low-Income Single-family (1-4 units) 401-595-9941

Contact 401-884-8185 to set up consultation for new or upcoming construction projects.

Online form: <https://www.clearresult.com/contact-us/>

RISE Engineering: General Information 1-800-422-5365

Brian Kearney, Director of Residential Services

Email: bkearney@riseengineering.com Office: 401-784-3700 ext. 6224

Use the online form or contact 1-800-422-5365 to request your no-cost energy assessment.

Online form: <https://www.riseengineering.com/get-started-1>

Definitions

The income-eligible multifamily sector is defined by properties that meet ONE of the following criteria:

- Owned by public housing authorities or community development corporations
- Receive affordable housing tax credits or any type of low-income funds/subsides from the state or federal government
- Consist of building units where a majority of customers qualify as income-eligible customers (receive utility service on the A-60 Low-Income rate and/or have a household income of less than 60% of the Area Median Income)

The National Grid Rhode Island Multifamily Program (NGRIMP)

Eligible NGRIMP participants are defined as the following:

- Properties consisting of multiple (four or more) 1-4-unit buildings that meet both of the following requirements:
 - Are connected or neighboring to each other, or to a 5+ unit building, and
 - Are owned by the same individual or firm.
- Buildings with 5 or more units

A multifamily property may be eligible for services and incentives under both residential and commercial programs. While this adds program coordination complexity, the Multifamily Coordinator will manage the multi-layer program, so the building owner can receive a consolidated incentive for all efficiency work completed at the site.

Programs and Incentives

The National Grid Rhode Island Multifamily Program (NGRIMP)

This program employs two lead vendors; RISE Engineering for existing retrofits and CLEARResult for new construction, that utilize a network of Rhode Island sub-contractors to serve all customers, including income eligible. (See definitions above to determine if your property is income eligible).

RISE Engineering for existing residential and commercial retrofits only.

- Provides no-cost energy assessments to identify possible capital improvements to increase building efficiency and provide energy savings.
- Buildings that show significant savings opportunities may be eligible for no-cost improvements through this program. Use the contact information above to learn more.

CLEARResult for new construction and substantial rehab only.

- Provides project consultation for energy code, testing and modeling.
- Administers the RI Residential New Construction Program.
- Provides project consultation for National Grid Rebate/Incentive Programs.

Residential New Construction (RNC)

The program promotes the construction of high-performing energy efficient single family, multifamily, and low-income homes, as well as the education of builders, tradesmen, designers, and code officials.

Application:

https://www.nationalgridus.com/media/pdfs/resi-ways-to-save/ee6174_ri_newconsprogram.pdf

Field Guide:

<https://www1.nationalgridus.com/files/AddedPDF/Field%20Guide%20RI,%20Final.pdf>

2018 RNC Performance Incentives:

Tier Level	% more efficient than baseline*	1-4 Unit Building	5-10 Unit Building	11-30 Unit Building	31-50 Unit Building
Tier 1	15%-24%	\$500 per unit	\$300 per unit	\$250 per unit	\$200 per unit
Tier 2	25%-34%	\$1,000 per unit	\$600 per unit	\$500 per unit	\$400 per unit
Tier 3	35%-44%	\$1,500 per unit	\$1,000 per unit	\$750 per unit	\$500 per unit
Tier 4	45% or more	\$4,000 per unit	\$2,000 per unit	\$1,500 per unit	\$1,000 per unit
ENERGY STAR Label (additional)		\$200 per unit	\$150 per unit	\$100 per unit	\$100 per unit

Submit Plans and 2018 Project Application to Program: Email Anthony.Laine@clearesult.com or call 888-887-8841 for instructions.

Commercial and Industrial: Small Business Direct Install

Online Link: <https://www.riseengineering.com/small-businesses-1>

- The Small Business Direct Install Program provides direct installation of energy efficient lighting, non-lighting retrofit measures, and gas efficiency measures. Electric customers with *average monthly demand of less than 200 kW* are eligible to participate. There is no eligibility criterion for gas consumption. The program’s lighting and non-refrigeration measures are currently delivered through RISE (www.riseengineering.com). The customer pays 30% of the total cost of a retrofit. This amount is discounted 15% for a lump sum payment or the customer has the option of spreading the payments over a two-year period interest free.

Commercial and Industrial: National Grid Rebates and Incentives

Online Link: <https://www.nationalgridus.com/ProNet/EE-Programs-Solutions/CI-Rebates-Incentives>

- All commercial, industrial, and institutional customers are eligible to participate. National Grid offers technical assistance to customers to help them identify cost-effective efficiency opportunities and pays incentives to assist in defraying part of the material and labor costs associated with the energy efficient measures.
- Large Commercial Retrofit is a comprehensive retrofit program designed to promote the installation of energy efficient equipment such as lighting, motors, and heating, ventilation and air conditioning (HVAC) systems, thermal envelope measures, and custom measures in existing buildings.

ENERGY STAR Programs

ENERGY STAR® Lighting

This is an initiative implemented jointly with other regional utilities. It provides discounts to customers for the purchase of ENERGY STAR® lighting through instant rebates, special promotions at retail stores, mail-order catalog, pop-up retailer, and social marketing campaigns.

ENERGY STAR® HVAC Program

This program promotes the installation of high efficiency central air conditioners for electric customers and new energy efficient natural gas related equipment including boilers, furnaces, water heating equipment, thermostats, boiler reset controls, and furnaces equipped with high efficiency fans. The program provides training of contractors in installation, testing of the high efficiency systems, tiered rebates for new ENERGY STAR® systems, and incentives for checking new and existing systems. The program also includes the oil and propane heating equipment rebates.

To learn more about ENERGY STAR products, programs and resources visit:

https://www.energystar.gov/index.cfm?c=products_programs_guidebook_ppg_index

General Links & Resources

National Grid:

<https://www.nationalgridus.com/RI-Home/Energy-Saving-Programs/>

RISE Engineering:

<https://www.riseengineering.com/financial-incentives>

CLEARResult:

<https://www.cleareresult.com/about-us/>

RI Office of Energy Resources:

<http://www.energy.ri.gov/policies-programs/programs-incentives/>

ENERGY STAR:

<https://www.energystar.gov/>

RI Residential Stretch Code:

<http://www.energy.ri.gov/documents/leadbyexample/stretch-code/RIRSC%20FINAL%2002-15-18.pdf>

RI Commercial Stretch Code:

http://www.energy.ri.gov/documents/leadbyexample/RI%20Stretch%20Code%20Commercial%20final%20draft%20Nov%202017_ForPublicComment.pdf