

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 40 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 and is part of the state’s annual allocation of LIHTC. The second type of credit, a 4% (approximate) annual credit for the cost of acquiring an existing building that involves substantial rehabilitation without federal subsidy is also part of the state’s annual allocation. The third 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 and is generated by the issuance of tax exempt bond financing. The first and second types of credit are awarded annually through a competitive process outlined in the state’s Qualified Allocation Plan. Applications for the third type of LIHTC are part of the application for tax exempt bonding financing which are accepted on a rolling basis throughout the year and must also meet requirements outlined in the Qualified Allocation Plan. Developments financed with tax exempt bonds and 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, Director of Development, at (401) 457-1269.

- 3. Predevelopment Loan Program:** The Predevelopment Loan Program is an initiative designed to provide non-profit 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 of rental developments. Eligible applicants include nonprofit and for-profit developers, municipalities and Public Housing Authorities. The minimum amount of assistance per unit is \$1,000. - Developers must target households with income at or below 60% of area median income, and at least 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. At this time, RIHousing will not provide HOME funding for homeownership assistance. Interested parties should contact Lauren Farley, Senior Program Manager - Development, at (401) 457-1412.
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 of rental developments. Eligible applicants include nonprofit and for-profit developers and Public Housing Authorities. The minimum amount of assistance per unit is \$1,000. Developers must target households with income at or below 30% of area median income. At this time, RIHousing will not provide HTF funding for homeownership assistance. Interested parties should contact Lauren Farley, Senior Program Manager - Development, at (401) 429-1412.
6. **Rental Subsidies:** Developers may be able to obtain a set-aside of Federal Section 8 development based contract authority from an administering housing authority.
7. **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 (RIHousing), 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. 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.
8. **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, Director of Development, at (401) 457-1269.

9. **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.
10. **LeadSafe Homes Program:** The LeadSafe Homes Program is designed to provide financial assistance to property owners or developers to make their properties lead safe. can be used only for lead hazard reduction work. Work must be performed by a lead-certified contractor. Interested parties should contact Carinel LeGrand, Lead Program Coordinator, at (401) 277-1511.
11. **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 individuals and families experiencing homelessness to obtain permanent housing. 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 Elizabeth Bioteau, RI Continuum of Care Planner, at (401) 429-1478.
12. **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, Director of Development, at (401) 457-1269.
13. **Preservation Loan Fund:** The Preservation Loan Fund provides a flexible source of capital that can utilized for the preservation of existing affordable housing. The maximum loan amount is the lesser of \$30,000 per unit or \$1,500,000. A Term Sheet is included in Section 13 of the Developer's Handbook. Interested parties should contact Anne Berman, 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. **Building Homes Rhode Island:** The Housing Resources Commission provides funding through the Building Homes Rhode Island Program for the development of affordable homeownership and rental opportunities for low and moderate-income individuals and families with gross annual incomes at or below 120% AMI for homeownership or 80% AMI rental. Funds are in the form of deferred and forgivable loans to the applicant provided that the Development remains in compliance with the requirements of the program. Interested parties should contact Lauren Farley, Senior Program Manager – Development at (401) 429-1412 or lfarley@rihousing.com.

16. **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.
17. **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.
18. **Opportunity Zones:** The Opportunity Zones program is a 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.

19. **ZEOS (Zero Energy for the Ocean State):** The ZEOS grant program is the result of a collaborative approach by The Office of Energy Resources and RIHousing to expand ZEB (Zero Energy Building) housing to low- and moderate-income housing. The Program seeks to incentivize projects that encompass four primary elements – design, explore, inform, and assess – meant to create a pathway for scaling ZEBs in low- and moderate-income residential sectors as a means of reducing greenhouse gas emissions. The housing units must employ solar PV and air-source-heat-pump (ASHP) technologies to achieve ZEB status. Grant funds are to be used for offsetting equipment costs, including mini splits, PV arrays, as well as other energy efficiency measures, and are not to be used for gap financing. ZEOS assisted projects must be completed within three years of commitment date or funds will be recaptured at the discretion of the Program Partners. For information about the program please contact zeosprogram@rihousing.com.
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

CLEAResult: General Information 1-888-887-8841
Jonathan Harrison, New Construction/Substantial Rehabilitation 774-696-1377
David MacLellan, Low-Income Single-family (1-4 units) 401-595-9941

To set up consultation for new or upcoming construction projects use the online form below.
Online form: <https://www.clearesult.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 CLEAResult 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>

2021 RNC Performance Incentives:

Path to Energy Efficiency Incentives					
Energy Savings Levels	Air Leakage	1-4 Unit Bldg	5-10 Unit Bldg	11-30 Unit Bldg	31-50 Unit Bldg
Tier I 15-25% savings	≤ 5.0 ACH50	\$500	\$300	\$250	\$200
Tier II 26-39% savings	≤ 4.0 ACH50	\$1,500	\$750	\$600	\$500
Tier III 40%+ savings	≤ 3.0 ACH50	\$4,000	\$2,000	\$1,500	\$1,000
ENERGY STAR® Label (additional)		\$200	\$150	\$100	\$100
High Efficiency Electric Homes (additional)		\$1,000	\$500	\$500	\$500

Path to Zero Net Energy

To qualify for the additional incentives below (either Option A or Option B) projects must:

- Enroll during the early design phase
- Achieve Tier II or Tier III Path to Energy Efficiency incentive level (see above)
- Be Fossil Fuel Free*

Projects seeking Passive House certification (Option B) are eligible to receive incentives in three installments:

- PHIUS Enrollment/Design Charrette
- PHIUS Pre-certification
- PHIUS Certification

Path to Zero Energy Ready Incentives				
Zero Energy Ready Options	1-4 Unit Bldg	5-10 Unit Bldg	11-30 Unit Bldg	31-50 Unit Bldg
Option A: DOE Zero Energy Ready Home Certified ¹ , or Compliant with Current Version of the RI Stretch Code ²	\$1,000	\$750	\$500	\$500
Option B: Passive House Certified ³	\$1,500	\$1,500	\$900	\$750

* Electric equipment must be used for primary space heating, water heating, cooking, cleaning, and all appliances

Adaptive Reuse (e.g. mill building conversions) Incentives are also available through the 2021 RNC Program

Submit Plans and 2021 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

Solar Incentive Programs

Commerce RI; REF Commercial Scale:

<https://commerceri.com/wp-content/uploads/2018/03/REF-Commercial-Scale-Flyer-V3-11.25.19.pdf>

National Grid; REG Commercial Scale:

<https://ngus.force.com/servlet/servlet.FileDownload?file=0150W00000ET9V3>

CPACE:

<https://ri-cpace.com/wp-content/uploads/RI-C-PACE-Brochure.pdf>

Commerce RI; REF Small Scale:

<https://commerceri.com/wp-content/uploads/2018/03/REF-Small-Scale-Flyer-V3-11.25.19.pdf>

National Grid; REG Small Scale:

<https://ngus.force.com/servlet/servlet.FileDownload?file=0150W00000ET9Uy>

General Links & Resources

National Grid:

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

RISE Engineering:

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

CLEAResult:

<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/policies-programs/lead-by-example/rhode-island-stretch-codes.php>

RI Commercial Stretch Code:

<http://www.energy.ri.gov/policies-programs/lead-by-example/rhode-island-stretch-codes.php>

Passive House/PHUIS:

<https://www.phius.org/home-page>

Zero Energy Ready Homes:

<https://www.energy.gov/eere/buildings/zero-energy-ready-homes>