



## 2023 Report on RIHousing Development Activity and 8% Tax

Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") is pleased to provide this report detailing our development and preservation activity as well as information on tax payments made by affordable housing developments to municipalities pursuant to § 44-5-13.11 of Rhode Island's General Laws. We are providing this report in accordance with R.I. General Laws § 45-53-15. The report is also available on our website.

### RIHousing Financed Development Activity

In 2022, RIHousing provided financing for the development or preservation of 22 developments containing 1,548 units. These developments are located in 14 municipalities. Of these units, 516 will serve families, 847 units will serve seniors, 94 units will serve special needs populations and 91 will serve a mix of populations.

### RIHousing Financed Developments Closed in 2022

| Development                                  | Municipality     | Total Dev Cost        | Units       | Population Served | RIH Resources Invested |
|----------------------------------------------|------------------|-----------------------|-------------|-------------------|------------------------|
| 1192 Westminster                             | Providence       | \$ 199,940            | 1           | Special Needs     | \$ 171,940             |
| 315 Park Avenue                              | Cranston         | \$ 6,124,140          | 71          | Senior (55+)      | \$ 5,538,606           |
| Amos House 418 Friendship                    | Providence       | \$ 854,000            | 3           | Family            | \$ 854,000             |
| Arctic Mill                                  | West Warwick     | \$ 33,011,924         | 136         | Family            | \$ 6,167,831           |
| Bear Hill Village                            | Cumberland       | \$ 14,059,885         | 126         | Senior (55+)      | \$ 13,068,193          |
| Bloom Court                                  | Middletown       | \$ 823,457            | 2           | Family            | \$ 439,895             |
| Bourne Mill III                              | Tiverton         | \$ 22,067,772         | 59          | Family            | \$ 21,481,274          |
| Chateau Clare                                | Woonsocket       | \$ 6,438,467          | 88          | Senior (55+)      | \$ 5,848,447           |
| Constitution Hill II & III Refinance & Rehab | Woonsocket       | \$ 7,175,844          | 65          | Mixed Tenancy     | \$ 1,564,268           |
| Copley Chambers Phase 1                      | Providence       | \$ 6,657,071          | 26          | Mixed Tenancy     | \$ 5,950,985           |
| Douglas Manor Apartments                     | North Providence | \$ 9,619,639          | 100         | Senior (55+)      | \$ 8,672,779           |
| Fifty Washington Square                      | Newport          | \$ 26,562,375         | 93          | Special Needs     | \$ 16,609,721          |
| Garden Street Preservation                   | Pawtucket        | \$ 275,000            | 6           | Family            | \$ 275,000             |
| Hardig Brook Village                         | Warwick          | \$ 9,193,200          | 100         | Senior (55+)      | \$ 8,300,143           |
| Indian Run                                   | South Kingstown  | \$ 13,012,394         | 115         | Senior (55+)      | \$ 12,026,477          |
| Jordan Caffey Apartments (4% LIHTC)          | Providence       | \$ 15,348,852         | 40          | Family            | \$ 15,348,852          |
| Joseph Caffey Apartments (9% LIHTC)          | Providence       | \$ 14,280,070         | 39          | Family            | \$ 13,400,070          |
| Living East Bay                              | Bristol          | \$ 10,085,695         | 47          | Family            | \$ 6,057,149           |
| Metcalfe Courts                              | Providence       | \$ 10,530,795         | 148         | Senior (55+)      | \$ 9,374,651           |
| Riveredge Village                            | Providence       | \$ 26,131,036         | 99          | Senior (62+)      | \$ 20,988,287          |
| Riverside Landing                            | Coventry         | \$ 3,253,107          | 8           | Family            | \$ 3,253,107           |
| Tanglewood Village Apartments                | West Warwick     | \$ 34,357,669         | 176         | Family            | \$ 23,992,000          |
| <b>Grand Total:</b>                          |                  | <b>\$ 270,062,332</b> | <b>1548</b> |                   |                        |

Also in 2022, 1,450 rental units and 23 homeownership units in 27 RIHousing financed developments were placed in service. Of these developments, 15 involved the preservation of existing affordable housing and 12 involved new production of affordable housing. These developments also served a mix of populations with 8 units serving assisted living residents, 240 serving families and 1,194 serving elderly or disabled populations. These developments are located in 15 different municipalities.

## RIHousing Financed Developments Placed in Service in 2022

| Development                 | Municipality     | Population Served | Number of MF Units | Number of HO Units | Total Dev Cost        | Total Units | Units PIS 2022 | Program        |
|-----------------------------|------------------|-------------------|--------------------|--------------------|-----------------------|-------------|----------------|----------------|
| Fernwood III                | Burrillville     | Homeownership     | 0                  | 7                  | \$ 1,844,700          | 7           | 7              | New Production |
| 1490 Mooresfield            | Charlestown      | Homeownership     | 0                  | 1                  | \$ 276,970            | 1           | 1              | New Production |
| Harris House                | Cranston         | Elderly/Disabled  | 133                | 0                  | \$ 9,292,956          | 133         | 133            | Preservation   |
| 315 Park Avenue             | Cranston         | Elderly/Disabled  | 71                 | 0                  | \$ 6,124,140          | 71          | 71             | Preservation   |
| Bear Hill                   | Cumberland       | Elderly/Disabled  | 126                | 0                  | \$ 14,059,885         | 126         | 126            | Preservation   |
| Riverside House Apartments  | East Providence  | Family            | 55                 | 0                  | \$ 4,100,417          | 55          | 55             | Preservation   |
| Pineview Apartments         | Exeter           | Family            | 40                 | 0                  | \$ 13,650,000         | 40          | 36             | New Production |
| Gardner Rd                  | Exeter           | Homeownership     | 0                  | 1                  | \$ 272,617            | 1           | 1              | New Production |
| Forest Farms                | Middletown       | Assisted Living   | 50                 | 0                  | \$ 7,820,522          | 50          | 8              | Preservation   |
| Centerdale Manor            | North Providence | Elderly/Disabled  | 122                | 0                  | \$ 6,426,866          | 122         | 122            | Preservation   |
| Gatewood Apartments         | North Smithfield | Elderly/Disabled  | 60                 | 0                  | \$ 5,276,091          | 60          | 60             | Preservation   |
| Middle Street Homeownership | Pawtucket        | Homeownership     | 5                  | 5                  | \$ 2,421,661          | 10          | 10             | New Production |
| 155 Division                | Pawtucket        | Homeownership     | 1                  | 1                  | \$ 536,588            | 2           | 2              | New Production |
| Delaine Street Apartments   | Providence       | Family            | 9                  | 0                  | \$ 2,202,467          | 9           | 9              | Preservation   |
| Braeburn Chatham            | Providence       | Family            | 91                 | 0                  | \$ 25,326,886         | 91          | 40             | Preservation   |
| Hagan Manor                 | Providence       | Elderly/Disabled  | 80                 | 0                  | \$ 8,965,850          | 80          | 80             | Preservation   |
| Metcalfe/Etta               | Providence       | Elderly/Disabled  | 148                | 0                  | \$ 10,530,795         | 148         | 148            | Preservation   |
| Paragon Mill                | Providence       | Family            | 101                | 0                  | \$ 29,365,383         | 101         | 100            | New Production |
| 35 Sheridan                 | Providence       | Homeownership     | 0                  | 5                  | \$ 1,520,271          | 5           | 4              | New Production |
| 47 Goddard                  | Providence       | Homeownership     | 2                  | 1                  | \$ 255,391            | 3           | 3              | New Production |
| 78 Burnside                 | Providence       | Homeownership     | 0                  | 1                  | \$ 328,346            | 1           | 1              | New Production |
| 94 Potters Ave              | Providence       | Homeownership     | 0                  | 1                  | \$ 345,846            | 1           | 1              | New Production |
| 322 Thurbers Ave            | Providence       | Homeownership     | 0                  | 1                  | \$ 389,453            | 1           | 1              | New Production |
| Indian Run                  | South Kingstown  | Elderly/Disabled  | 115                | 0                  | \$ 13,012,394         | 115         | 115            | Preservation   |
| Hardig Brook                | Warwick          | Elderly/Disabled  | 100                | 0                  | \$ 9,193,200          | 100         | 100            | Preservation   |
| Babcock Village             | Westerly         | Elderly/Disabled  | 151                | 0                  | \$ 12,132,495         | 151         | 151            | Preservation   |
| Chateau Clare               | Woonsocket       | Elderly/Disabled  | 88                 | 0                  | \$ 6,438,467          | 88          | 88             | Preservation   |
|                             |                  |                   |                    |                    |                       |             |                |                |
| <b>Grand Total:</b>         |                  |                   | <b>1548</b>        | <b>24</b>          | <b>\$ 192,110,656</b> | <b>1572</b> | <b>1473</b>    |                |

## 8% Tax

Under § 44-5-13.11 of Rhode Island's General Laws, qualifying affordable apartments are subject to a tax that equals eight percent of the property's previous years' gross scheduled rental income (the 8% tax). RIGL 45-53-15 requires municipalities to submit to RIHousing by January 15 of each year, the total amount of fees collected in the previous calendar year by the municipality on any assessment and taxation made pursuant to § 44-5-13.11.

RIHousing began outreach to collect the 8% tax information from cities and towns beginning October 4, 2022. Staff reached out to every community multiple times over four months. We received responses from every community except Central Falls, Foster, Johnston, Middletown, and New Shoreham.

Based on the data provided by cities and towns, very few developments in most municipalities are paying the 8% tax rate. Of the 34 municipalities that responded, 8 have no properties taxed at the 8% rate (Exeter, Glocester, Jamestown, Little Compton, Narragansett, Portsmouth, Scituate and West Greenwich). Only 3 communities reported more than 10 developments utilizing the 8% rate (Pawtucket, Providence and Warwick). There are several potential reasons for the low utilization rate. Developments could have been placed in service prior to the 8% tax being enacted, municipalities may have separate tax stabilization agreements in place with developments, or the general taxation structure might be more beneficial to an affordable development than the 8% rate.

*(See detailed table on following page)*

### 8% Tax Revenue Collected in FY 2022 by Municipality

| Municipality       | Total Affordable Rental Developments | Developments Taxed at 8% Rate | Taxes Collected During Fiscal Year 2022 based on 8% rate |
|--------------------|--------------------------------------|-------------------------------|----------------------------------------------------------|
| Barrington         | 9                                    | 4                             | \$ 153,790                                               |
| Bristol            | 18                                   | 2                             | \$ 79,527                                                |
| Burrilville        | 7                                    | 2                             | \$ 116,892                                               |
| Charlestown        | 2                                    | 2                             | \$ 14,189                                                |
| Coventry           | 10                                   | 5                             | \$ 464,662                                               |
| Cranston           | 19                                   | 6                             | \$ 1,123,578                                             |
| Cumberland         | 14                                   | 8                             | \$ 463,290                                               |
| East Greenwich     | 10                                   | 1                             | \$ 48,634                                                |
| East Providence    | 24                                   | 5                             | \$ 726,148                                               |
| Exeter             | 2                                    | 0                             | \$ -                                                     |
| Glocester          | 1                                    | 0                             | \$ -                                                     |
| Hopkinton          | 5                                    | 2                             | \$ 59,417                                                |
| Jamestown          | 5                                    | 0                             | \$ -                                                     |
| Lincoln            | 14                                   | 2                             | \$ 67,229                                                |
| Little Compton     | 1                                    | 0                             | \$ -                                                     |
| Narragansett       | 15                                   | 0                             | \$ -                                                     |
| Newport            | 38                                   | 3                             | \$ 66,627                                                |
| North Kingstown    | 16                                   | 8                             | \$ 459,763                                               |
| North Providence   | 17                                   | 6                             | \$ 811,360                                               |
| North Smithfield   | 8                                    | 5                             | \$ 348,832                                               |
| Pawtucket          | 47                                   | 17                            | \$ 435,815                                               |
| Portsmouth         | 5                                    | 0                             | \$ -                                                     |
| Providence         | 193                                  | 105                           | \$ 7,759,758                                             |
| Richmond           | 3                                    | 1                             | \$ 36,223                                                |
| Scituate           | 1                                    | 0                             | \$ -                                                     |
| Smithfield         | 7                                    | 2                             | \$ 56,376                                                |
| South Kingstown    | 21                                   | 4                             | \$ 244,787                                               |
| Tiverton           | 6                                    | 3                             | \$ 234,352                                               |
| Warren             | 6                                    | 2                             | \$ 9,132                                                 |
| Warwick            | 44                                   | 19                            | \$ 487,167                                               |
| West Greenwich     | 0                                    | 0                             | \$ -                                                     |
| West Warwick       | 21                                   | 10                            | \$ 450,731                                               |
| Westerly           | 23                                   | 2                             | \$ 10,186                                                |
| Woonsocket         | 38                                   | 8                             | \$ 256,437                                               |
| <b>Grand Total</b> | <b>650</b>                           | <b>234</b>                    | <b>\$ 14,984,902</b>                                     |