



STATE OF RHODE ISLAND

DEPARTMENT OF HOUSING

Date: May 8, 2024

To: Rhode Island Housing Credit Committee

From: Deborah Flannery, Deputy Secretary of Housing

Subject: **Consultation Regarding Housing Department Funding Recommendations for Priority Projects Fund and Transit-Oriented Development Program**

I. Overview

On November 27, 2023, Rhode Island Housing (RIH) and the Department of Housing (the “Department”) issued a joint Request for Proposals (RFP) to award funding under numerous different housing programs including competitive funding under the federal Low-Income Housing 9% Tax Credit (LIHTC), Tax Exempt Bond financing, and over \$85 million of gap funding sources. Rhode Island Housing is under contract to administer the financing programs for the state authorized gap financing under the Development of Affordable Housing (DAH), Middle Income Housing, Community Revitalization, Priority Projects Fund (PPF), and Transit-Oriented Development (TOD). However, for the PPF and TOD programs, the authority for initial approval of the project funding awards is reserved for the Department. In accordance with the funding approval process established in the Subaward Agreement between the Department and RIH, the Department is seeking advisement by the Credit Committee with respect to the proposed funding awards prior to finalizing funding decisions.

A total of \$25.3 million in funding is available under the PPF and TOD programs. Both the PPF and the TOD programs are funded with allocations from the federal State Fiscal Recovery Fund (SFRF). The Department received thirty (30) applications for funding including twenty-three (23) for PPF and seven (7) for the TOD Program requesting a total of \$83.8 million of project funding. The breakout between programs is shown on Table 1.0 below.

Table 1.0 RFP Summary		
Program	Available Funds	Amount Requested
Priority Projects Fund	\$ 21,235,000	\$ 72,999,028
Transit-Oriented Development Program	\$ 3,989,830	\$ 10,877,314
TOTAL	\$ 25,314,830	\$ 83,876,342

II. Application Review Process

Department staff coordinated its application review closely with the RIH team to maintain current information as application deficiencies were cured and initial project underwriting was completed. In its role as program administrator, RIH identified application deficiencies and offered applicants an opportunity to remedy deficiencies and also provided its underwriting analysis to assist the Department in evaluating applications. Once the cure period passed, Department staff conducted threshold determinations and scored the applications in accordance with the competitive scoring criteria for each program which were posted with the RFP (attached as Appendix A). Staff presented preliminary recommendations to an internal review committee comprised of the Deputy Secretary, the Assistant Secretary, and the Director of Policy & Programs. The threshold and scoring criteria for both the PPF and TOD Program are attached as Appendix A for reference. The review committee funding recommendations are described in the following paragraphs.

A. Priority Projects Fund Selections

A summary of the application review and scoring and proposed funding awards for PPF is shown on Tables 1.0 below.

Table 2.0 Priority Projects Fund					
Rank	Score	Project	City	Units	Staff Funding Recommendation
1	93	Center City 9%	East Providence	95	\$ 8,335,000
2	83	Crossroads Health & Housing	Providence	35	\$ 4,948,935
3	76	Washington Street Apartments	Central Falls	3	\$ 500,000
4	62	321 Knight St	Providence	41	\$ 1,276,639
5	57	Rosebrook Commons	Middletown	64	\$ 2,456,500
6	55	23 Central	Central Falls	12	\$ 1,200,000
7	54	Omni Newark	Providence	52	\$ 1,300,000
8	47	Parcel 9 Phase II	Providence	61	\$ 1,307,926
			Total	363	\$ 21,325,000
Projects Scored but Not Recommended for Awards					
9	46	Champagne Heights Phase I	South Kingstown	40	\$ -
10	45	Aldersbridge	East Providence	39	\$ -
11	43	Residences at 322 Washington	Providence	51	\$ -
12	37	New Horizon	Providence	73	\$ -
13	36	West End III	Providence	61	\$ -
14	24	Penny Lane	Warren	40	\$ -

All the projects listed above, with the exception of Washington Street Apartments, are also recommended by RIH for other funding with project information included in the materials they presented. An executive summary for the Washington Street Apartments is attached for reference as Appendix B. The following additional projects did not meet threshold and were not scored.

15	School Street
16	Reynolds Farm Senior Housing II
17	GEA & Oliphant
18	Lippitt Mill
19	21 Peace Street (St Joe's)
20	Sweetbrier
21	58 Spruce Street
22	Bristol Assisted Living (Franklin Court)
23	Cross Street Apartments

B. Transit-Oriented Development Selections

A summary of the application review and scoring and proposed funding awards for TOD is shown on Tables 3.0 below.

Table 3.0 Transit-Oriented Development					
Rank	Score	Project	City	Units	Staff Funding Recommendation
1	63	Dexter Street Commons	Pawtucket	150	\$ 3,989,830
				Total	\$3,989,830

The following projects did not meet threshold and were not scored:

2	Residences at 322 Washington
3	Center City (Hybrid - 4%)
4	Rise Above All Properties
5	Parcel 9 Phase II
6	Aldersbridge
7	The Howard Building

The Department will take under advisement any comments received by the RIH Credit Committee prior to the Secretary approving any of the funding awards proposed above. The Department has agreed to provide the RIH team with the Secretary’s funding decisions prior to the next RIH Board Meeting; however, any funding awards approved by the Secretary shall be conditioned upon approval of other program funding awards.

Appendix A
Program Threshold & Scoring Criteria

Transit Oriented Development Projects Program

THRESHOLD CRITERIA:

- Threshold criteria will be utilized to determine which applications will conform to the requirements of the funding round. Any application determined to be non-compliant with the stated threshold criteria will be eliminated from consideration. Threshold criteria include the following:
 - Project must be for the creation of housing in an existing TOD District. For purposes of this program, a TOD District is a zoning district designated by the municipal zoning code as a “Transit Oriented Development District” due to its relationship to public transit.
 - At least 10% of the units must be deed restricted as affordable for those earning 80% AMI or below for no less than 30 years.
 - Developments must include at least 10 units per acre developed.
 - Proposals must meet all applicable State and local construction and rehabilitation guidelines.
 - Projects that are financially infeasible, have unreasonable costs, or cannot demonstrate project readiness will be eliminated from consideration for the TOD Program.
- Proposals must be consistent with the State Land Use Plan, applicable Municipal Affordable Housing Plan, [State Comprehensive Housing Plan](#), and [State Consolidated Plan](#).

ELIGIBLE APPLICANTS:

- Eligible applicants include for-profit and non-profit developers, owners of existing affordable housing developments, and Public Housing Authorities.
- The applicant must be in Good Standing with the organization's state of origin and the State of Rhode Island.
- The applicant shall not have any pending lawsuits with the municipality in which they propose to develop.

Project Scoring	
<u>Scoring Factor</u>	<u>Points</u>
<u>Development Objectives:</u> <ul style="list-style-type: none"> • Percent of affordable units in the project (15 points) • Density of units proposed (15 points) 	30
<u>Project Feasibility and Cost Effectiveness:</u> <ul style="list-style-type: none"> • Past Experience & Capacity to Complete this Project (10 points) • Financial feasibility of the proposal (25 points) 	35
<u>Readiness to Proceed:</u> <ul style="list-style-type: none"> • Timeline 	15
<u>Community Need and Sustainability:</u> <ul style="list-style-type: none"> • Addresses Community and Resident Needs (6 points)_ • Sustainability & Universal Design (6 points) • Affordability period beyond 30 years (3 points) 	15
<u>TOTAL</u>	<u>95</u>

Priority Projects Fund

THRESHOLD CRITERIA:

- Threshold criteria will be utilized to determine which applications will conform to the requirements of the funding round. Any application determined to be non-compliant with the stated threshold criteria will be eliminated from consideration:

ELIGIBLE APPLICANTS:

- Eligible applicants include for-profit and non-profit developers, owners of existing affordable housing developments, and Public Housing Authorities.
- Project must be for the creation of:
 - New permanent supportive housing; OR
 - Affordable housing units designated for one or more of the following populations:
 - Extremely low-income Rhode Islanders (this category includes housing for extremely low-income: individuals, couples, families, Veterans, and Seniors),
 - Individuals transitioning out of state care, or
 - Vulnerable persons (this category includes people with disabilities, people fleeing dangerous living situations, and other populations at particular risk of homelessness or housing insecurity).
- Applications must be complete, including all attachments as listed in the application.
- The applicant must be in Good Standing with the organization's state of origin and the State of Rhode Island.
- The applicant shall not have any pending lawsuits with the municipality in which they propose to develop.
- Proposals must meet all applicable State and local construction and rehabilitation guidelines.
- Proposals should be consistent with the State Land Use Plan, applicable Municipal Affordable Housing Plan, [State Comprehensive Housing Plan](#), and [State Consolidated Plan](#).

Project Scoring	
<u>Scoring Factor</u>	<u>Points</u>
<u>Fund Objectives:</u> <ul style="list-style-type: none"> • Units and Amount of Project Serving the Targeted Populations 	35
<u>Project Feasibility and Cost Effectiveness:</u> <ul style="list-style-type: none"> • Past Experience & Capacity to Complete this Project (10 points) • Financial feasibility of the proposal (25 points) 	35
<u>Readiness to Proceed:</u> <ul style="list-style-type: none"> • Timeline 	15
<u>Community Need and Sustainability:</u> Addresses Community and Resident Needs (6 points) Sustainability & Universal Design (6 points) Affordability period beyond 30 years (3 points)	15
<u>TOTAL</u>	<u>100</u>

Appendix B
Washington Street Apartments Executive Summary

EXECUTIVE SUMMARY

Washington Street Apartments Jan 2024 Consolidated RFP (non 9% deal)

Development	Washington Street Apartments 42 Washington Street
City/Town	Central Falls
Development Team	
Sponsor/Developer	Central Falls Affordable Housing Corp
General Contractor	Stand Corporation
Architect	TBD
Property Manager	Central Falls Housing Authority
Consultant	FJS Associates, Ltd.

Project Description:

Central Falls Housing Corporation ("CFAHC") is proposing the acquisition and rehabilitation of 42 Washington Street, an existing 3-unit multifamily building that is currently vacant and in need of extensive rehabilitation.

CFAHC is under agreement to acquire the property from the court-appointed receiver. The property was placed into receivership by the City of Central Falls due to its abandoned and blighted condition. CFAHC plans a full renovation of the property to create three units, each with three bedrooms. All units will be leased to households with Housing Choice Vouchers.

The developer is applying for gap financing of \$1,000,000 consisting of Development of Affordable Housing 2 (DAH-2), Community Revitalization Program ("CRP") funding, Priority Projects Fund ("PPF") and BHRI.

Sources and Uses

Sources	Funding Amount	
	Requested	Proposed
RIH First Mortgage	\$ 375,000	\$ 375,000
Building Homes Rhode Island	\$ 250,000	\$ -
Community Revitalization	\$ 250,000	\$ -
DAH-2	\$ 250,000	\$ -
Priority Projects Fund	\$ 250,000	\$ 500,000
Deferred Developer Fee	\$ 13,821	\$ 13,821
CDBG	\$ -	\$ 500,000
Total Sources	\$ 1,388,821	\$ 1,388,821
Uses		
Construction	\$ 747,359	
Contingency	\$ 74,736	

Acquisition	\$ 240,000	
Soft Costs	\$ 157,126	
Financing	\$ 25,000	
Developer Fee	\$ 112,422	
Operating Reserve	\$ 28,502	
Other Reserves	\$ 3,677	
Total Uses	\$ 1,388,822	

Rent and Income Mix

Unit BR Size	AMI	# Units	Gross Rent
3	30%	3	\$ 2,047

Strengths:

- CF Housing Authority administers HCVP program
- Creation of 3-new affordable units for ELI families

Weaknesses:

- Limited development experience