

**Request for Action**  
by  
**Board of Commissioners**  
**Approval of ERA2-Predevelopment Program**  
**Funding Awards**

**1. Summary of Issues**

The ERA2-Predevelopment Program (“ERA2-PD”) is one subpart of the ERA2 Supplemental Development Financing Program (the “ERA2 Development Program”), which is funded through the American Rescue Plan Act of 2021 for the predevelopment, acquisition, and production and/or rehabilitation of affordable housing for households with incomes at or below 50% of area median income (“AMI”). Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) was authorized by the State of Rhode Island to implement and administer the ERA2 Development Program using approximately \$15,000,000 in funds to be allocated across the ERA2-Production, ERA2-PD, and ERA2 Site Acquisition programs as demand necessitates. As of May 2025, approximately \$383,000 in ERA2 Development Program funding is available for award.

In November 2024, RIHousing issued a rolling Request for Proposals (“RFP”) for ERA2 Development Program funding from qualified applicants. Applicants could apply for ERA2-Production, ERA2-PD, or ERA2-Site Acquisition funding. In response, RIHousing received nineteen proposals requesting approximately \$24,984,502 in ERA2 Development Program funds, including \$750,000 in ERA2-PD funding.

All ERA2-PD applications were reviewed by Development Division staff in accordance with the published Program Guidelines. The most critical elements in the Program Guidelines include:

- Costs must have been incurred after January 1, 2024 and the funds must be expended by September 30, 2025;
- ERA2-PD funding may only be used to support the pro rata cost for the 50% AMI component of a project;
- For projects with units above 50% AMI, the developer must identify the remaining funds that will be used to finance the balance of the predevelopment costs; and
- All projects funded under ERA2-PD must conform to and meet the requirements of either the LIHTC or HOME Program, though they are not required to utilize funding from either of those programs.

RIHousing staff recommends approval of ERA2-PD funding for one proposal in the amount of \$133,909. The recommended award is described in Attachment A. This ERA2-PD award will fund approximately 33 units restricted for households with incomes at or below 50% of AMI.

**2. Recommendation**

The attached resolution authorizing the allocation of up to \$133,909 in ERA2-PD funds is recommended for approval, contingent upon (i) receipt of the ERA2 Development Program funds from the State of Rhode Island; and (ii) compliance with the ERA2-PD guidelines.

**3. Attachments**

- A. Summary of Recommendations
- B. Resolution

## **Attachment A**

### **Summary of Recommendations**

#### **Champagne Heights**

Champagne Heights is a new residential development of 85 affordable units in South Kingstown. The development will consist of two, three, and four-bedroom units. The affordability of the units will range from 30% to 80% of AMI. The South Kingstown Housing Authority currently owns the land, and the co-sponsors are the non-profit development affiliates of the South Kingstown Housing Authority, SKHA Services and Development Corporation and Women's Development Corporation.

The recommended ERA2-PD grant of \$133,909 will be used primarily for predevelopment expenses already incurred, along with future costs for architectural and engineering plans, environmental investigation, and zoning costs. Under program guidelines, the ERA2-PD grant will only cover predevelopment expenses for the proportion of units at or below 50% of AMI.

## Attachment B

### Resolution of the Board of Commissioners of Rhode Island Housing and Mortgage Finance Corporation

- WHEREAS, The State of Rhode Island has established the ERA2-Predevelopment Program (“ERA2-PD”) as a subpart of the ERA2 Supplemental Development Financing Program (the “ERA2 Development Program”), which is funded through the American Rescue Plan Act of 2021 for the predevelopment, acquisition, production, and/or rehabilitation of affordable housing for households with incomes at or below 50% of area median income (“AMI”);
- WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the State of Rhode Island to administer ERA2-PD, including the award of ERA2-PD funds that will advance potential projects to increase the supply of affordable rental opportunities across the state;
- WHEREAS, the applicant listed in Attachment A has submitted an application that meets the requirements of ERA2-PD;
- WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that ERA2-PD funds be committed to the proposal listed in Attachment A; and
- WHEREAS, RIHousing staff have reviewed the submissions and determined that the recommended proposal qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.

NOW, THEREFORE, IT IS HEREBY:

- RESOLVED, that RIHousing is authorized to commit up to \$133,909 in ERA2-PD funds for the proposal set forth in Attachment A, in compliance with the ERA2-PD and ERA2 Development Program guidelines and subject to certain conditions, including RIHousing’s receipt of ERA2 Development Program funds from the State of Rhode Island, the receipt of other sources of funds for the project, and the project’s compliance with ERA2-PD and ERA2 Development Program guidelines; and
- RESOLVED, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolution.