

Request for Action
by
Board of Commissioners
Approval of ERA2-Site Acquisition Program
Funding Awards

1. Summary of Issues

The ERA2-Site Acquisition Program (“ERA2-SAP”) 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-Predevelopment, and ERA2-SAP programs as demand necessitates. As of May 2025, there is approximately \$383,000 in ERA2 Development Program funding available for award.

In November 2024, RIHousing issued a Request for Proposals (“RFP”) for ERA2 Development Program funding from qualified applicants. Applicants could apply for ERA2-Production, ERA2-Predevelopment, or ERA2-SAP funding. In response, RIHousing received 32 proposals requesting approximately \$30,937,250 in ERA2 Development Program funds, including \$5,376,630 in ERA2-SAP funding.

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

- Eligible costs must have been incurred after January 1, 2024 and the funds must be expended by June 30, 2025;
- ERA2-SAP 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 acquisition costs; and
- All projects funded under ERA2-SAP 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 funding for two proposals in the amount of \$250,000. The recommended awards are described in Attachment A and will close by June 30, 2025, or sooner. These ERA2-SAP awards will fund 12 units restricted to households with

incomes at or below 50% of AMI.

2. Recommendation

The attached resolution authorizing the allocation of up to \$250,000 in ERA2-SAP 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-SAP guidelines.

3. Attachments

- A. Summary of Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

13 Bristol Ferry Road, Portsmouth

Church Community Housing Corporation (“CCHC”) is seeking to develop 13 Bristol Ferry Road in Portsmouth into a 15-unit mixed-income condominium, of which four of the units will be affordable rentals for residents at or below 50% of Area Median Income (“AMI”) and the remaining 11 units will be sold as market-rate units. There will be two new buildings erected on the site. One will be a three-unit townhouse-style building and the other will be a 12-unit building.

CCHC is requesting \$125,000 to acquire the 13 Bristol Ferry Road property, which has a sales price of \$500,000. The \$125,000 ERA2-SAP award equates to 25% of the purchase price and represents the proportion of units at or below 50% of AMI. The seller will hold a note for the remainder of the acquisition to be repaid at a future date.

0 Sprague Street, Portsmouth

CCHC is also seeking to develop 0 Sprague Street in Portsmouth, which is located near the property described above. Similar to 13 Bristol Ferry Road, CCHC is developing a 25-unit mixed-income property in which 25% of the units are affordable and 75% of the units are market rate. Accordingly, seven units will be affordable rentals for households at or below 50% of AMI. The remaining units will be sold to market-rate buyers. CCHC is also proposing the construction of a 6,000-square-foot daycare facility on the site.

CCHC is requesting \$125,000 to acquire the 0 Sprague Street property, which has a sales price of \$500,000. The \$125,000 ERA2-SAP award equates to 25% of the purchase price and represents the proportion of units at or below 50% of AMI. The seller will hold a note for the remainder of the acquisition to be repaid at a future date.

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-Site Acquisition Program (“ERA2-SAP”) as part 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-SAP, including the award of ERA2-SAP 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 applications that meet the program requirements of ERA2-SAP;
- WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that ERA2-SAP funds be committed to the proposal listed in Attachment A; and
- WHEREAS, RIHousing staff have reviewed the submissions and determined that the recommended proposals qualify 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 \$250,000 in ERA2-SAP funds for the proposals set forth in Attachment A, in compliance with the ERA2-SAP 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 project funds, and the project’s compliance with ERA2-SAP 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.