

STATE OF RHODE ISLAND
ARPA Predevelopment Program Guidelines

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| 1. Program Overview | The purpose of the ARPA Predevelopment Program (“APP”) is to provide funding to help qualified developers pay for predevelopment costs associated with the development of deed restricted affordable and supportive housing. |
| 2. Eligible Applicants | Funding is available to qualified developers including nonprofit developers, municipalities, and public housing authorities. |
| 3. Program Goal | The goal of the APP is to provide upfront capital to address the difficulties encountered by housing sponsors in raising capital necessary to determine the feasibility of prospective affordable housing development projects. These funds will advance potential projects to increase the supply of supportive housing and affordable rental and homeownership opportunities across the state. |
| 4. Target Population/Areas | The program will be conducted statewide. Income of households occupying housing assisted with APP funding is limited to 80% of Area Median Income (“AMI”). |
| 5. Program Allocation | \$10,000,000 |
| 6. Eligible Uses | <p>Eligible uses include residential development for rental or homeownership.</p> <p>Mixed income and mixed-use properties are eligible. However, APP funding may only be used to support the pro rata cost for the affordable housing component of a project.</p> |

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| <p>7. Eligible Activities</p> | <p>Architectural and engineering studies, environmental assessments or the costs associated with other Development professionals.</p> <p>Filing fees and/or costs and expenses incurred in obtaining permits and approvals and applying for public or private grants.</p> <p>Site control costs such as deposits under real estate purchase and sale agreements or to acquire options or extensions of options or purchase and sale agreements on real estate.</p> <p>Occupied properties are eligible, though borrowers should be aware they may be responsible for relocation expenses and compliance with the Uniform Relocation Act.</p> |
| <p>8. Ineligible Uses</p> | <p>Work conducted on contaminated sites without an approved EPA remediation plan in place.</p> <p>Application or origination fees required by RIHousing under any of its programs.</p> <p>Developer Fees prior to Firm Approval of permanent financing.</p> |
| <p>9. Program Terms</p> | <p>0% loan with a term of no less than 20 years. Terms can be modified to be extended so that they are co-terminus with senior loan requirements</p> <p>Properties must be redeveloped in accordance with the income and affordability provisions of the APP.</p> <p>All requests for the disbursement of APP proceeds shall be accompanied by invoices, in form satisfactory to RIHousing, from each Development professional to be paid with such Loan proceeds</p> |
| <p>10. Amount of Assistance</p> | <p>Projects with a total development cost less than \$1,000,000, loan limit of \$100,000 for Eligible Uses defined above.</p> <p>Projects with a total development cost greater than \$1,000,000, loan limit is \$250,000 for Eligible Uses defined above.</p> |

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| 11. Term of Affordability | A deed restriction of no less than 30 years enforcing affordability and income requirements will be recorded on all properties assisted with APP. |
| 12. Program Leverage with Other Financial Resources | It is expected that APP funds will be matched with other public and private funds for the development of the affordable units. |

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