Proactive Development

Business and Resources Development Plan

Program Narrative: Identify and bolster potential housing developments that meet Rhode Island's most significant needs and work proactively to support cities and towns, property owners, and developers to bring these expanded housing options to fruition. Help identify and assess properties for potential development, assist with the development of site plans, support efforts to identify and secure funding sources and facilitate financing, and help navigate approval processes.

Budgetary Considerations

- $1.4M SFRF revenue replacement ($1,399,580 + $420 audit reserve)
- Payment to RIHousing in 2 equal tranches

KPIs (from Reporting & Compliance Form approved by PRO)
- Staff hired (1 in FY25Q1, 1 in FY25Q2) – ***50% completed***
- Shared Services Agreement in place (FY25Q3) - ***completed***

Program Structure

<u>Key Elements</u>

1. **Project Facilitation**
   a. Revive stalled projects:
   b. Help revive projects that have stalled at some point; includes projects that are in various stages of permitting (state and local), projects that have received permits but lack sufficient financing, or projects that are under construction and have hit barriers (typically financial).
   c. Project acceleration: Assist generally with project development; includes linking developers with funding sources, providing guidance on permitting issues; troubleshooting permitting, finance, and construction issues<u>.</u>
   d. <u>Making connections: Connecting developers with resources and partners. Facilitating business relationships.</u>

   Needs/Resources:
   - Identification and assessment of projects
     o Sources of project information
     o Capacity to assess project needs: underwriting skill, permitting knowledge, engineering/architectural/legal capacity
     o Understanding of project pressure points and relief valves (i.e., who to talk to)
   - Project financial analysis (mid-construction reassessment)

2. **Facilitate Public Lands Development**
   - Identify public land suitable for housing development in consultation with public owners
   - Conduct zoning analysis and preliminary engineering analysis; identify title/survey issues; conduct phase I environmental site assessment
   - Municipal land: Work with municipality to establish a conceptual development plan/master plan and prepare RFP to solicit developer proposals; assist with review of proposals; guide P/S execution between municipality and developer; facilitate developer interaction with municipal boards to secure development approvals
   - State land: Work with agency to secure right to develop property or acquire property; consult with municipality regarding appropriate type of development (comprehensive plan, neighborhood issues, etc.); issue RFP to solicit developer proposals; choose developer and enter into P/S agreement (as agent for state agency or as owner); facilitate developer interaction with municipal boards to secure development approvals; close sale to developer
   - Work with the state to develop a right of first refusal process for RIHousing to acquire property surplus to the state

   Needs/Resources
   - Inventories: state land; municipal land (see also RIDE list of vacant schools); federal land (GSA)
   - Identification and assessment of properties
     - Environmental assessment, preliminary engineering/design
     - Legal review (title – need to be able to convey to developer with warranty deed)
   - Developer proposals
     - Preliminary underwriting
     - Assess developer capacity/experience

3. **Pre-Development Risk Abatement ("Public Broker")**
   - Identify land suitable for acquisition for marketable housing development.
   - Establish rubric for assessment of properties
   - Develop inventory of potential properties
   - Assess development potential
     - Environmental
     - Regulatory
     - Market
   - Due diligence
   - Acquire property
   - Undertake predevelopment activities, including environmental remediation, development permitting
   - RFP for developer
   - Sell to developer

Needs/Resources
- Need to create/identify a tool to evaluate properties for housing development potential

4. **ARPA: Site Acquisition Program/Pre-Development/Public Housing**
   ➤ SAP – 39 awards
   ➤ Pre-Development – 40 awards
   ➤ PHA – 7 awards
   ➤ Total 62 properties because of overlapping awards

   - Connect with developers on all projects to determine status
   - Identify best opportunities for short-term interventions to induce progress (projects with both Pre-development and SAP funding)
   - Continue regular follow-up with priority projects and identify opportunities for assistance

   Needs/Resources
   - Develop RFQ to identify a roster of consultants that can provide assistance with site evaluation, regulatory review, etc. (applies to this Key Element and others)