

STATE OF RHODE ISLAND COMMUNITY REVITALIZATION PROGRAM (“CRP”) DESCRIPTION

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| <p>1. Program Overview</p> | <p>The purpose of the CRP is to finance the acquisition and redevelopment of blighted properties to increase the development of affordable housing including projects that include commercial or community spaces that are ancillary to the housing and serve residents of affordable housing.</p> <ul style="list-style-type: none"> • Any residential development under this program must serve households at or below 80% Area Median Income (“AMI”). <p>Commercial and community spaces are an allowable expense only if they are ancillary to the CRP eligible income restricted residential housing.</p> <p>The source for CRP is State and Local Fiscal Recovery Funds (“SLFRF”) funded through the American Rescue Plan Act of 2021, and therefore all projects are required to comply with federal SLFRF guidance.</p> |
| <p>2. Eligible Applicants</p> | <p>Eligible applicants include for-profit and non-profit developers, municipalities, owners of existing affordable housing developments, and Public Housing Authorities.</p> |
| <p>3. Eligible Activities</p> | <p>New construction or rehabilitation of income eligible rental in qualified census tracts (QCTs); mixed use commercial development and/or community space is eligible if included within the same footprint and ancillary to the affordable housing.</p> |
| <p>4. Target Population/Areas</p> | <p>Income Targeting: Residential developments must benefit low- and moderate-income individuals and families with gross annual incomes at or below 80% of Area Median Income (“AMI”) adjusted for family size. Units that benefit lower-income levels are encouraged. Mixed-use developments are allowed under the CRP program.</p> |

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| 5. Program Allocation | \$20,000,000 ¹ for direct production to be committed by December 31, 2024, through several competitive funding rounds. |
| 6. Funding Type | Rental: Grant secured by a deed restriction |
| 7. Funding Priorities | <ul style="list-style-type: none"> • Affordable housing development or preservation, located on properties that are vacant or blighted. • Projects which will revitalize main street corridors. • Proposals that achieve these goals at the lowest cost per unit. |
| 8. Threshold Criteria | <ul style="list-style-type: none"> • Readiness to Proceed: Owner/Developer must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment. • Financial Feasibility: The development must demonstrate financial feasibility for: (i) the overall development costs of the project and (ii) the long-term operation of the proposed development. • Marketability: The development must have a reasonable likelihood that it will achieve sustainable occupancy of 95% within 6 months of construction completion. For mixed income proposals, the applicant must submit a third-party market study that includes an absorption schedule, lease-up reserve and identifies the timeline for achieving 95% occupancy. • Development Team Capacity: The developer must have experience in the successful development and operation of affordable housing of similar scope and complexity. The Developer and their development team will be evaluated on its professional capacity to plan, build, market, and operate the proposed development. |

¹ Approximately \$3,579,750 is available as of September 2023

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| 9. Amount of Assistance | A maximum of \$2,000,000 per project |
| 10. Term of Affordability | A minimum of 30 years |
| 11. Availability of Funds | CRP funds will be available through a Request for Proposals issued by RIHousing. |
| 12. Program Leverage with Other Financial Resources | It is expected that the CRP award will be matched with other public and private funds to finance the development of the proposed units. |

CRP – As of 9.1.2023

CRP Scoring Criteria

Point Allocation Summary

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| 25 points | Cost Effectiveness |
| 26 points | General Points |
| 10 points | Community Impact |
| 20 points | Local Need |
| 9 points | Sustainable Design |

90 Total Points

Total Development Cost – Up to 10 points

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| Project TDC per unit at or below \$350,000 | 10 points |
| Project TDC per unit between \$350,001 and \$375,000 | 8 points |
| Project TDC per unit between \$375,001 and \$400,000 | 5 points |
| Project TDC per unit between \$400,001 and \$425,000 | 3 points |
| Project TDC per unit between \$425,001 and \$450,000 | 0 points |

Leveraging - Up to 10 points

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| ARP/CRP funding is < 25% of TDC | 10 points |
| ARP/CRP funding is < 50% of TDC | 5 points |
| ARP/CRP funding is > 50% of TDC | 0 Points |

Committed Operating Support – Up to 5 Points

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| 20% or more units within the development | 5 points |
| 10-19.99% of units within the development | 3 points |
| Up to 9.99% of units within the development | 1 point |

Utilizing RI Based Firms – Up to 3 Points

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| Applicant certifies that 50% of the subcontractors will be RI based firms | 3 points |
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Bonus: ARP/CRP Funds are last source in – Up to 5 Points

Bonus: Property that is located in an urban community as defined at RIGL Sec. 42-64-13.1(b)(5). **Up to 10 points**

Readiness to Proceed – Up to 8 points

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| Fully permitted development with plans and specifications that are at least 90% complete AND architect confirms in writing that the plans and specifications can be 100% complete within 30 days AND the application includes a signed schedule of value from the general contractor, determined by RIHousing to be consistent with current pricing | 8 points |
| Project has Master, preliminary and final plan approval for a development of for a development with "by right" approval | 6 points |

Housing Affordability - Up to 10 points

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| Project includes 50% of total units at or below 60% of area median income. | 10 points |
| Project includes 40% of total units at or below 60% of area median income. | 8 points |
| Project includes 30% of total units at or below 60% of area median income. | 5 points |
| Project includes 20% of total units at or below 60% of area median income. | 3 points |

Community Impact - Up to 10 points

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| A development which is located within a community with less than 10% affordable housing as defined by state law; OR | 10 points |
| A development in an exempt community with less than 10% affordable housing as defined by state law. | 5 points |

Local Need – Up to 20 Points

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| Redevelopment of existing vacant and blighted properties to create affordable homes; OR | 10 points |
| New construction of additional affordable homes or demolition and new construction that creates additional affordable homes | 5 points |

Sustainable Design- Up to 9 Points

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| Exceeds Energy Star 3.1 Version 8 for new construction OR substantial rehab that surpasses Tier II standards | 3 points |
| Meets RNC Tier II AND most current Net Zero or Passive House standards | 3 points |
| Incorporates solar panels or other renewables including net metering. Prorated based on size and amount of energy produced | 3 points |