

**REQUEST FOR PROPOSALS (“RFP”)
FOR THE DEVELOPMENT OF AFFORDABLE HOMES**

Proposals are due before 4:00 p.m. on December 16, 2024

RIHousing is pleased to announce the opening of a competitive funding round for multiple sources of financing for the following programs:

1. 2025 9% Low Income Housing Tax Credits (“LIHTC”)
2. Tax-exempt bond financing
3. Housing Production Fund
4. HOME Investment Partnerships Program
5. Housing Trust Fund
6. HOME-ARP
7. DAH-2 Program
8. Capital Magnet Fund
9. Middle Income Loan Program
10. State LIHTC

Program Descriptions or Term Sheets (with scoring criteria as applicable) for each subordinate funding source are included on the RFP site.

Funding awards may be subject to appropriation and are conditioned upon funding availability.

RIHousing has adopted a universal application that consolidates the request for multiple financing sources. While program priorities are similar, scoring and program requirements may differ. It is incumbent upon applicants to familiarize themselves with the various sources and identify the funding source or combination of sources that best meet the needs of their proposal.

- **9% LIHTC:** Rhode Island’s annual allocation is approximately \$3.6 million. Applicants are encouraged to review the 2025 Qualified Allocation Plan to ensure familiarity with program requirements, but Proposals must:
 - (i) Meet the required minimum set aside requirement of the Section 42 program.
 - (ii) Create a minimum of 20 new units.
 - (iii) For applications proposing preservation, 30% of the overall units in an application or 20 units, **whichever is greater**, must be newly created affordable homes.
 - (iv) As the LIHTC is a highly competitive and scarce resource, no single development may be awarded more than 40% of Rhode Island’s annual small-state minimum allocation.

- **Tax Exempt Bonds and 4% LIHTC:** RIHousing has traditionally accepted applications for bond financing on a rolling basis and will continue to do so. Completion of the consolidated application will be considered an application for tax exempt bonds. For proposals seeking tax exempt bonds and 4% LIHTC, applicants are encouraged to review the 2025 Qualified Allocation Plan to ensure familiarity with program requirements and priorities. Funding is available for rental housing only. RIHousing reserves the right to limit Tax Exempt allocations to approximately 53% of eligible bond basis and fund the balance of the construction loan with taxable debt.
- **Housing Production Fund (“HPF”):** HPF is funded through state real estate transfer tax receipts. Approximately \$10,000,000 in funding for production will be available under this RFP. While preservation of existing housing is an eligible use, new production is a priority. Developments must benefit low- and moderate-income individuals and families with gross annual incomes at or below 80% of Area Median Income (“AMI”) and there is a priority for households either exiting homelessness or earning no more than 30% of AMI. Mixed income developments are allowed under the HPF program. Funding is available for rental and homeownership opportunities.
- **HOME Investment Partnerships Program (“HOME”)*:** RIHousing has approximately \$3 million of HOME funds available. Awards will be limited to \$1 million per project. HOME funds will be prioritized for 9% LIHTC applications.
- **Housing Trust Fund (“HTF”)*:** RIHousing has approximately \$3 Million of HTF funds available. Awards will be limited to \$1 million per project. HTF funds will be prioritized for 9% LIHTC applications.

***Note – all HOME and HTF funded projects will be subject to the Build America Buy America (“BABA”) requirements as outlined in the Infrastructure Investment and Jobs Act signed into law on November 15, 2021.**

- **HOME-ARP:** Approximately \$7 million of HOME-ARP is available as capital for housing production **to developments providing housing for Qualifying Populations (QPs)**. QPs are defined as (i) individuals or households who are homeless or at risk of homelessness as defined under McKinney Vento, (ii) are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking, as defined by HUD, and/or (iii) Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family’s homelessness or would serve those with the greatest risk of housing instability. For more information contact Lauren Farley, at (401) 429-1412 or lfarley@rihousing.com.
- **Development of Affordable Housing 2 (DAH-2) Program:** The source for Development of Affordable Housing 2 Funds is State and Local Fiscal Recovery Funds (“SLFRF”) funded through the American Rescue Plan Act of 2021. **Approximately \$300,000 of DAH-2 funds remain** and is available for new

production or rehabilitation of income eligible rental and homeownership units for households with incomes at or below 80% of AMI.

- **Capital Magnet Fund (“CMF”):** The CMF is intended to provide owners of existing affordable housing developments with incentives to preserve these developments as quality affordable housing. CMF is also available as a source for newly created affordable housing opportunities, however preservation is a priority. A minimum of 20% of the units must be affordable to households with incomes below 50% AMI. Priority is also given to projects in Areas of Economic Distress. **Approximately \$2 million in funds is available.** Funding is available for rental housing only.
- **Middle Income Loan Program:** The purpose of the Middle Income (MI) Loan Program is to finance innovative proposals that seek to develop housing affordable to households with incomes between 80% - 120% of area median income (“AMI”). The program addresses the affordable housing needs of households who are increasingly caught in the gap between rising housing costs and ineligibility for other traditional state and federally financed affordable housing. The source for MI Funds is SLFRF funded through the American Rescue Plan Act of 2021. **Approximately \$1.4 million in funds is available.**
- **State Low Income Housing Tax Credit (“State LIHTC”):** The purpose of the State LIHTC is to provide gap funding for the development of affordable housing in Rhode Island. The State of Rhode Island will award tax credits to developers of affordable housing through a competitive RFP process. Only projects with Federal LIHTC awards (4% and /or 9%) are eligible to receive State LIHTC. The State LIHTC will be awarded prior to construction closing and the amount of credits will be sized to fill remaining gaps in the project funding. The developer will receive the tax credits over five (5) years after the project is placed in service. The developer is also eligible to redeem the tax credits for 90 cents for each dollar of tax credits awarded. This cash redemption would also occur over five (5) years after the project is placed in service. Applications for the State LIHTC will be reviewed and scored by the Department of Housing. For more information contact Amy Boyle with the Department of Housing at Amy.Boyle.CTR@housing.ri.gov.

APPLICATION INFORMATION:

- Applicants seeking capital for construction or preservation must submit applications through the RIHousing Consolidated Application system.
<https://osa.rihousing.com/signin?ReturnUrl=%2Fprojects>
- Incomplete applications, applications submitted on incorrect/obsolete forms and those omitting the requested documentation will not be evaluated.
- All LIHTC rental proposals must use the most current **proforma model version 12.1L** located on our website in the Developer’s Handbook (see link below).
- All non-LIHTC rental proposals must use the alternative rental housing proforma, which is also located on our website in the Developer’s Handbook (see link below).

- All homeownership proposals must use the homeownership-specific model included in the Application.
- Borrowers must identify the sources of funds for which they are applying. RIHousing reserves the right to adjust funding amounts and sources requested by any applicant based on need, demand, and project fit with available sources.
- The amounts available for allocation under any individual program may change due to the recapture of previously allocated and/or committed funds.

Should RIHousing recapture any previously allocated funds from these or other programs, RIHousing reserves the right to allocate them as part of this Consolidated funding round.

- If you are applying for 9% LIHTC and believe there is a 4% alternative that can be viably developed with the resources currently available, you may submit 2 proformas:
 - Include 4% alternative option in your narrative
 - Outline the sources needed to complete the alternative capital stack
 - Make sure your proforma captures the costs associated with 4% applications (additional construction interest, cost of issuance, etc.)
 - Provide a second LOI from a syndicator specific to the 4% transaction
- If you are applying for gap funds for a previously approved project, you may refer to due diligence documentation previously submitted in your application. However, this current application must include at a minimum:
 - A detailed narrative outlining request, changes to the project since previous approval and cost increases
 - Revised proforma on the most recent proforma model
 - Side by side analysis of total development costs (sources and uses) outlining changes from current award to proposed.

The 2025 Developer's Handbook, the guide to underwriting multifamily transactions including but not limited to underwriting guidelines, design and construction standards, term sheets, the 2025 QAP and the required proforma model are available on our website at <https://www.rihousing.com/developers-handbook/>.

RIHousing will post Q&A updates on the RFP website as questions arise. Applicants are advised to review those updates.

RIHousing will hold an information session for potential applicants on Thursday October 24 at 10:00 a.m. [Visit this link](#) to register for the session.

ELIGIBLE APPLICANTS:

Nonprofit and for-profit developers, public housing authorities, and municipalities. Minority-owned and women-owned enterprises and members of other federally and state protected groups are encouraged to submit proposals.

Proposals must be received by RIHousing through the RIHousing Consolidated Application system before 4:00 p.m. on December 16, 2024.

