



2025 LIHTC and Consolidated Funding Round Developer Meeting

October 24, 2024



Agenda

- 2024 QAP Updates
- Review of the Ancillary Funding available for gap financing
- HOME-ARP
- State LIHTC
- Proforma Updates
- New Design & Construction Standards
- Application
- Questions



QAP Changes



Specific to 9% credit applications

- Added points for MBE/WBE participation in the Development Team.
- Add TDC metric for preservation units as part of WAU scoring.
- Developer must demonstrate that no gap funding awarded to support affordable units is being used to support the market rate units.
- Increased points for 50% plans and specs; reduced points for schematic drawings.
- Revised points for location within a Health Equity Zone to include coordination with HEZ.



QAP Changes *(continued)*

- Updated the delivery of services to be more resident focused rather than generic services that are difficult to monitor.
- Reduced points awarded for an exempt community from 5 to 3.
- Revised 5-point metric for a development in an exempt community in a census tract with an average AMI of 80% rather than 100%.
- Added 2 points for all-electric new construction projects.
- Modified mixed income criteria to be above 80% AMI and added language discouraging subsidy for non-affordable units.



Not an exclusive list – *Read the QAP carefully.*



Gap Funding Sources: Production

Federal Programs

- 9% LIHTC
- Tax Exempt Bonds/
4% LIHTC
- HOME (\$3 million)
- HTF (\$3 million)
- HOME-ARP (\$7 million)
- Capital Magnet Fund
(\$2 million)

State and RIHousing Programs

- State LIHTC
- Housing Production Fund
(\$10 million)
- Development of Affordable
Housing (\$300,000)
- Middle Income Housing
(\$1.4 million)



HOME-ARP

- The purpose of the HOME-ARP production fund is to reduce homelessness by acquiring, rehabilitating, and/or constructing affordable rental housing for individuals and families that fall within the qualifying populations.
- \$7 million is available for capital production.
- Unlike the regular HOME Program, which targets HOME-assisted rental units based on tenant income, **HOME-ARP units will admit households based only upon their status as qualifying households (QP's).**



HOME-ARP *(continued)*



All QP's are eligible HOME-ARP beneficiaries, however, two QP's have been identified as most in need:

- 1) QP 1: Homeless as defined in 24 CFR 91.5;
- 2) QP 2: Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.

Future Funding – Supportive Services

\$2.5 million has been allocated to provide Supportive Services to residents of HOME-ARP assisted units. An RFP for Supportive Services will be issued in 2025.

State LIHTC

- The Rhode Island Department of Housing is pleased to announce the Rhode Island Low Income Housing Tax Credit Program (State LIHTC Program).
- The purpose of the State LIHTC Program is to increase the development of affordable housing in the Rhode Island by closing financing gaps in projects receiving Federal LIHTCs (4% or 9%).



State LIHTC

- All eligible projects will have a Federal LIHTC Award (4% or 9%). The Federal LIHTC Award must occur concurrent with or before the project is awarded State LIHTC.
- The program is competitive, and funding decisions will be made based upon scoring criteria laid out in the RFP.
- The amount of the tax credit will be sized to fill the remaining gap in the project.



State LIHTC



- Up to \$30 million in tax credits will be available in this funding round.
- Tax credits can be used, sold, or redeemed for 90 cents on the dollar.
- Tax credits will be available in equal installments over 5 years after project completion.



Acceptable Proforma Model – V12.1L

- For LIHTC and larger Rental projects you must use RIHousing's proforma **V12.1L**
- For non-LIHTC and small rental projects, we have created a slim down version of the proforma.
- **Both versions are available in Section 11 of the Developers Handbook on our website:**
www.rihousing.com/developers-handbook/



Proforma Updates

- 2024 Rents and Incomes for LIHTC & HOME
- Added State LIHTC
- Operating Subsidy Charts for HPF-ELI and RIH-ELI
- Added Average Income Test Page – unit matrix and AIT calculations
- General Data Page Additions
 - Total number of units to property information
 - Updated all phone and zip code fields with data validation input message and error message
 - added Accessibility & Adaptability section in Building Configuration.
- Income Page – updated subsidy type
- Sources Page – additional dropdowns



D&C updates

Formatting

- Electronic Table of Contents
- Expanded Appendixes with resources links
- Performance-based and less prescriptive
- Eliminated unnecessary or antiquated requirements
- Plan & Specification Checklist

READ CAREFULLY AND WORK WITH YOUR ARCHITECT TO CONFIRM ALL REQUIREMENTS ARE MET.

Design Specific

- **Energy Efficiency** - Significant *energy efficiency and sustainability* changes were made to the standards in preparation of the state's adoption of the "2024" IECC Energy code.
- **Electrification of buildings**— Developments are now required to have all-electric systems or appliances or be designed to be electric-ready.
- Several key changes were made around *floodplain mitigation and designing for resiliency*



D&C *(continued)*

Additional Design Changes

- **Solar Ready Buildings** - New construction buildings will be solar-ready, with roofs designed to carry PV system loads, blank conduits, and upsized electric panels to accommodate future PV installations.
- **Handicap Accessibility** - Significant changes were made to *handicap accessibility and adaptability* standards. The following key revisions were added:
 - 1 out of every 5 accessible units must be equipped with roll-in showers.
 - Blocking for future grab bars at all unit bathrooms is now required.
 - Developments under 4 units are strongly encouraged to design 5% units per UFAS.
 - Universal design components are encouraged, and proper resource links have been added to the standards.



Application Details



- Self-scoring – 9% LIHTC only
- No self-scoring for gap funding.

If you are applying for 9% LIHTC and believe there is a viable 4% alternative, 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
- Provide a 4% LOI from a syndicator

Do not submit a 4% application if you cannot show a full capital stack based on current available resources.



Additional Information



- On-going Q&A
- Updates weekly or as needed

**Application Deadline:
Monday, December 16 at 4PM**



Questions?



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