

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

Proposals are due before 4:00 pm on January 16, 2024

Amended: December 19, 2023

Additional \$4 million in funding has been made available through the Building Homes Rhode Island (“BHRI”) Program. Please refer below to learn more.

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

1. 2024 9% Low Income Housing Tax Credits (“LIHTC”)
2. Tax-exempt bond financing
3. DAH2 Funds
4. HOME Program Investment Funds
5. Housing Trust Funds
6. Community Revitalization Program
7. Acquisition Revitalization Program
8. Capital Magnet Fund
9. Middle Income Loan Program
10. Priority Projects Fund
11. Transportation Oriented Development (“TOD”) Fund
12. HOME-ARP Funds for Supportive Services
13. Housing Production Fund for Operating Support (“HPF-ELI”)
14. Building Homes Rhode Island Program

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 \$3.3 million. Applicants are encouraged to review the 2024 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 2024 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 55% of eligible bond basis and fund the balance of the construction loan with taxable debt.
 - **Development of Affordable Housing 2 (DAH2) Funds:** The source for Development of Affordable Housing Funds is State and Local Fiscal Recovery Funds ("SLFRF") funded through the American Rescue Plan Act of 2021. Approximately \$18 million of DAH2 funds is available for new production or rehabilitation of income eligible rental and homeownership units for households with incomes at or below 80% of AMI.
 - **HOME Program Investment Funds ("HOME Funds):** RIHousing has approximately \$3 Million of HOME Funds. Awards will be limited to \$1 million per project. HOME funds will be prioritized for 9% LIHTC applications.
 - **Housing Trust Funds ("HTF"):** RIHousing has approximately \$3 Million of HTF Funds. Awards will be limited to \$1 million per project. HTF funds will be prioritized for 9% LIHTC applications.
 - **Community Revitalization Program ("CRP"):** The source for CRP Funds is SLFRF funded through the American Rescue Plan Act of 2021. Approximately \$3.6 million in CRP funds is available to finance the acquisition and redevelopment of blighted properties in qualified census tracts to increase the development of affordable housing. Projects may include commercial or community spaces that are ancillary to the housing and serve residents of affordable housing. Any residential development under this program must serve households at or below 80% Area Median Income ("AMI"). Commercial and community spaces are an allowable expense only if they are ancillary to eligible residential housing.
 - **Acquisition Revitalization Program ("ARP"):** ARP, a statewide program, is available for residential, commercial, and public facility projects to redevelop

blighted properties; 75% of the funding will be set aside for urban communities, as defined at RIGL Sec.42-64-13.1(b)(5). Household incomes for residential or mixed-use properties funded through ARP are limited to 120% of Area Median Income (“AMI”). Approximately \$3.6 million in funds is available.

- **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. Priority is also given to projects in Areas of Economic Distress and developments serving households below 50% of AMI. Approximately \$8.6 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 \$12.5 million in funds is available.

For more information regarding the programs above, contact Dean Harrison at 401-450-1347, dharrison@rihousing.com or Anne Berman at 401-457-1269, aberman@rihousing.com.

- **Priority Projects Fund (“PPF”):** A total of \$27 million has allocated to the PPF. The purpose of the PPF is to provide funding for the development of new supportive housing and multifamily units for extremely low-income and vulnerable Rhode Islanders. PPF must be used to create new permanent supportive housing or affordable housing for extremely low-income households, individuals transitioning out of state care or vulnerable persons as outlined in the Program Guidelines. For more information contact Amy Boyle with the Department of Housing at Amy.Boyle.CTR@housing.ri.gov.
- **Transportation Oriented Development (“TOD”) Fund:** A total of \$4.4 million has been allocated to the TOD fund for the development of housing in an existing TOD district at a density of no less than 10 units per acre, and where at least 10% of the units are deed restricted as affordable for households earning at or below 80% of AMI. For purposes of this program, a TOD District is a zoning district designated by the municipal zoning code as a “Transit Oriented Development District” due to its relationship to public transit. For more information contact Amy Boyle with the Department of Housing at Amy.Boyle.CTR@housing.ri.gov.
- **HOME-ARP Supportive Service Funds:** Approximately \$3 million of HOME-ARP is available to provide supportive services 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 (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. A separate HOME-ARP Supportive Services RFP will also be available for proposals that are not simultaneously seeking capital funds for development. For more information contact Ronnie Young, Program Manager, at (401) 457-1123

- **HPF-ELI Operating Support:** Approximately \$3.8 million of HPF-ELI is available for operating support for households either exiting homelessness or earning less than 30% of AMI. The subsidy will cover the difference between actual rent and the amount necessary to operate the unit. For more information contact Mike Dichiaro, Director of Leased Housing, at (401) 457-1274.
- **Building Homes Rhode Island Program:** The Housing Resources Commission provides funding through the Building Homes Rhode Island Program for the development of affordable homeownership and rental opportunities for low and moderate-income individuals and families with gross annual incomes at or below 120% AMI for homeownership or 80% AMI rental. Funds are in the form of deferred and forgivable loans to the applicant provided that the Development remains in compliance with the requirements of the program. Approximately \$4 million in funds is available. Interested parties should contact Lauren Farley, Senior Program Manager – Development at (401) 429-1412 or lfarley@rihousing.com.

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 rental proposals must use the most current **proforma model version 11.7o** located on our website in the Developer's Handbook (see link below).
- All homeownership proposals must use the model included in the Application.
- Applicants seeking HPF-ELI and/or HOME-ARP Supportive Service funds for existing developments and **ARE NOT** applying for additional funding through the OSA should contact Nivea Linhares at nlinhares@rihousing.com for a link to a unique ShareFile address to submit their 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.

- 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 (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 2024 Developer’s Handbook, the guide to underwriting multifamily transactions including design and construction guidelines, the 2024 QAP and the required proforma model are available on our website at <https://www.rihousing.com/developers-handbook/>.

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

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.

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