

Request for Action
by
Board of Commissioners

**Approval of Development of Affordable Housing 2 Program (DAH-2)
Funding Awards**

1. Summary of Issues

The Development of Affordable Housing 2 Program (“DAH-2”), which is also known as the ARPA Production Fund Program and in previous rounds has been referred to as the RI Rebounds Production Fund, is funded with State and Local Fiscal Recovery Funds (“SFRF”) appropriated to the United States Department of Treasury (“Treasury”) through the American Rescue Plan Act of 2021 for the production of affordable housing for households with incomes at or below 80% of area median income (“AMI”). Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) was authorized to implement and administer the DAH-2 using approximately \$75,000,000 in funds for the new production of affordable housing for rental opportunities.

In November 2022, RIHousing issued a Request for Proposals (“RFP”) for DAH-2 funds from qualified applicants as part of a consolidated funding round. In response, RIHousing received 31 proposals requesting \$99,730,162 in DAH-2 funds. All applications were reviewed by Development Division staff in accordance with the published Program Review Criteria, as amended to remove the initial per project cap on assistance, to evaluate whether the applications contained the following required DAH-2 threshold criteria for awards:

1. Applicant must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment.
2. Applicant must demonstrate that the development is financially feasible for (i) the overall development costs of the project and (ii) the long-term operation of the proposed development.
3. Applicant must demonstrate that the development has a reasonable likelihood that it will achieve sustainable occupancy of 95% within six 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.
4. The developer must have experience in the successful development and operation of affordable housing of similar scope and complexity.

Development staff scored only those applications that passed the threshold analysis.

RIHousing staff recommends approval of funding for 15 proposals in the amount of \$57,072,817. The recommended awards are described in Attachment A and all such awards

are contingent upon the applicant's ability to secure additional committed funding and close by May 31, 2024 or sooner, as outlined in Attachment A. These DAH-2 awards will directly fund 1,042 units for households with incomes at or below 80% of AMI, of which 348 units will be for households with incomes at or below 30% of AMI. Including market rate units, these 15 developments will create or preserve 1,085 units of housing.

2. Recommendation

The attached resolution authorizing the allocation of up to \$57,072,817 in DAH-2 funds is recommended for approval, contingent upon on (i) receipt of the DAH-2 funds from the State of Rhode Island; (ii) the availability of all other funding for each project; and (iii) compliance with DAH-2 guidelines.

3. Attachments

- A. Summary of Recommendations
- B. Resolution

Attachment A

Summary of Recommendations

Rosebrook Commons - Rosebrook Commons (the “Development”) is a new construction, mixed-income, mixed-use development to be located on West Main Road in Middletown. The developer is Mesolella Development Corp. The Development will provide 64 residential units and 23,000 square feet of ground floor commercial space. Of the 64 units, 51 of the units are affordable Low-Income Housing Tax Credits (“LIHTC”) units and 13 units are designated as Middle Income Program units. The 51 affordable units will serve households with a range of incomes from 30% - 60% of AMI and will consist of one, two and three-bedroom units. 13 units restricted for households with incomes at or below 30% of AMI will be supported with HPF-ELI subsidy. This Development is simultaneously being recommended for an allocation of 9% LIHTC. The DAH-2 award for Rosebrook Commons is recommended in the amount of \$6,000,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$3,659,000	\$57,172
RIH HOME Loan	\$1,000,000	\$15,625
DAH-2	\$6,000,000	\$93,750
Middle Income Program	\$960,000	\$15,000
LIHTC Proceeds	\$9,688,328	\$151,380
Total Sources	\$21,307,328	\$332,927

Uses	Amount	
	Amount	Per Unit
Construction	\$14,872,841	\$232,388
Contingency	\$1,041,099	\$16,267
Acquisition	\$800,000	\$12,500
Soft Costs	\$1,450,639	\$22,666
Financing	\$1,284,434	\$20,069
Developer Fee	\$1,339,800	\$20,934
Operating Reserve	\$425,195	\$6,644
Replacement Reserve Year 1 Deposit	\$20,800	\$325
Other Reserves	\$72,520	\$1,133
Total Uses	\$21,307,328	\$332,927

Central Street - Central Street Development (“Central Street”) consists of both new construction and preservation units and is being developed by Pawtucket Central Falls Development Corporation (the “Developer”). As proposed, Central Street will be a mixed-use, mixed-income development on 12 scattered sites in Pawtucket and Central Falls. 30 new construction units have been proposed, of which 21 will be LIHTC units and 9 will be Middle Income Program units with rents at the 80% AMI level. The preservation component will consist of 32 units, of which 22 will be LIHTC units and 10 will be Middle Income Program units with rents at the 80% AMI level. The new construction component will also include two community service facility spaces housing a Homeownership Center and “Tech Hub” for resident and community use. Central Street is simultaneously being recommended for an allocation of 9% LIHTC. The DAH-2 award for Central Street is recommended in the amount of \$1,460,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$3,200,000	\$51,613
CRP	\$2,000,000	\$32,258
DAH 2	\$1,460,000	\$23,548
Capital Magnet Fund	\$250,000	\$4,032
Middle Income Program	\$1,510,000	\$24,355
LIHTC Proceeds	\$10,363,684	\$167,156
Pawtucket HOME	\$775,601	\$12,510
Deferred Developer Fee	\$85,690	\$1,382
FHLB AHP	\$650,000	\$10,484
Total Sources	\$20,294,975	\$327,338

Uses	Preliminary	
	Amount	Per Unit
Construction	\$13,560,000	\$218,710
Contingency	\$1,097,000	\$17,694
Acquisition	\$1,006,720	\$16,237
Soft Costs	\$1,757,302	\$28,344
Financing	\$1,115,330	\$17,989
Developer Fee	\$1,216,652	\$19,623
Operating Reserve	\$398,337	\$6,425
Replacement Reserve Year 1 Deposit	\$73,750	\$1,190
Other Reserves	\$69,883	\$1,127
Total Uses	\$20,294,975	\$327,338

Southpoint Commons - Dakota Partners, Inc. (“Dakota”) has proposed the new construction of 72 units of mixed-income housing on Route 1 in Westerly to be known as Southpoint Commons. The site is controlled by Dakota via a purchase option, and Dakota expects to purchase the property once the U.S. Department of Housing and Urban Development (“HUD”) Environmental Review is completed in May 2023. The proposed development will consist of two three-story residential buildings containing a total of 72 units, as well as an additional community building containing office space, a clubhouse and other project amenities. As proposed, 16 units will be made available to households with incomes at or below 30% of AMI, 41 units will be made available to households with incomes at or below 60% of AMI, and 15 units will be unrestricted. Southpoint Commons is simultaneously being recommended for an allocation of 9% LIHTC. The DAH-2 award for Southpoint Commons is recommended in the amount of \$5,000,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$4,320,000	\$60,000
RIH HOME Loan	\$1,000,000	\$13,889
HOME-ARP	\$2,000,000	\$27,778
DAH-2	\$5,000,000	\$69,444
LIHTC Proceeds	\$11,278,872	\$156,651
Deferred Fee	\$4,524	\$63
Total Sources	\$23,603,396	\$327,825

Uses	Preliminary	
	Amount	Per Unit
Construction	\$16,021,206	\$222,517
Contingency	\$1,201,590	\$16,689
Acquisition	\$1,100,000	\$15,278
Soft Costs	\$1,827,000	\$25,375
Financing	\$1,468,000	\$20,389
Developer Fee	\$1,377,600	\$19,133
Operating Reserve	\$504,000	\$7,000
Replacement Reserve Year 1 Deposit	\$36,000	\$500
Other Reserves	\$68,000	\$944
Total Uses	\$23,603,396	\$327,825

Reynolds Farm Senior Housing II – Valley Affordable Housing Corp. has proposed the new construction of 40 affordable, 55+ age-restricted units in North Kingstown to be known as Reynolds Farm Senior Housing II (the “Development”). The Development will include a combination of 31 one-bedroom units and 9 two-bedroom units. Eleven units will be restricted to households with incomes at or below 30% of AMI and the remaining units will be restricted to households with incomes at or below 60% of AMI. The newly constructed building will contain community space specifically designed for providing social services to the residents.

This project is the second of two affordable housing projects within the larger Reynolds Farm property. Phase I, also containing 40 units, was completed in the spring of 2021. A simultaneous recommendation for firm approval of tax-exempt financing is being presented which references this award. The DAH-2 award for Reynolds Farm Senior Housing II is recommended in the amount of \$6,860,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$200,000	\$5,000
RIH HOME Loan	\$1,000,000	\$25,000
DAH-2 Program	\$6,860,000	\$171,500
Housing Trust Fund	\$1,340,000	\$33,500
LIHTC Proceeds	\$5,131,730	\$128,293
Other (Describe)	\$195,442	\$4,886
Total Sources	\$14,727,172	\$368,179

Uses	Preliminary	
	Amount	Per Unit
Construction	\$10,596,775	\$264,919
Contingency	\$1,059,678	\$26,492
Soft Costs	\$1,072,356	\$26,809
Financing	\$1,012,535	\$25,313
Developer Fee	\$756,000	\$18,900
Operating Reserve	\$177,432	\$4,436
Replacement Reserve Year 1 Deposit	\$13,000	\$325
Other Reserves	\$39,396	\$985
Total Uses	\$14,727,172	\$368,179

Copley Chambers II & III - Copley Chambers II & III is a development in need of gap financing to support the new construction of 124 units of affordable housing and 6,800 square feet of ground floor commercial space located on Broad Street in Providence across from Classical High School. Copley Chambers II & III will consist of 2 five-story podium buildings on adjacent lots. Collectively, there will be 12 efficiency units, 87 one-bedroom units, and 25 two-bedroom units. All the dwelling units will be restricted to individuals or households earning at or below 80% of AMI.

Since Preliminary Commitment in November 2022, the Developer has finalized their plans and specifications, executed a Memorandum of Understanding with Providence Community Health Center for the commercial space, secured 8 project-based vouchers from the Providence Housing Authority, and secured financing from Citizens Bank, Newmark/Freddie Mac, and the Providence Redevelopment Agency. A simultaneous recommendation for firm approval of financing is being presented which references this award. The DAH-2 award for Copley Chambers II & III is recommended in the amount of \$1,500,000 and is contingent upon completion of standard underwriting and closing within four months of this award.

Sources	Preliminary		Delta	Firm	
	Amount	Per Unit		Amount	Per Unit
First Mortgage	\$12,599,894	\$101,612	(\$880,278)	\$11,719,616	\$94,513
Capital Magnet Fund	\$0	\$0	\$750,000	\$750,000	\$6,048
Community Revitalization	\$0	\$0	\$2,000,000	\$2,000,000	\$16,129
ARP	\$0	\$0	\$2,000,000	\$2,000,000	\$16,129
DAH-2	\$0	\$0	\$1,500,000	\$1,500,000	\$12,097
LIHTC Proceeds	\$24,811,869	\$200,096	(\$4,527,837)	\$20,284,032	\$163,581
PRA LOAN	\$2,500,000	\$20,161	\$0	\$2,500,000	\$20,161
Proposed PRA Loan	\$0	\$0	\$3,818,000	\$3,818,000	\$30,790
Deferred Fee	\$1,858,427	\$14,987	(\$123,594)	\$1,734,833	\$13,991
Sponsor Loan	\$3,500,000	\$28,226	(\$3,500,000)	\$0	\$0
Total Sources	\$45,270,190	\$365,082	\$1,036,290	\$46,306,480	\$373,439

Uses	Amount		Delta	Per Unit	
	Amount	Per Unit		Amount	Per Unit
Construction	\$31,742,939	\$255,991	\$224,510	\$31,967,449	\$257,802
Contingency	\$3,174,294	\$25,599	\$22,451	\$3,196,745	\$25,780
Acquisition	\$900,000	\$7,258	\$0	\$900,000	\$7,258
Soft Costs	\$1,330,908	\$10,733	\$351,130	\$1,682,038	\$13,565
Financing	\$1,514,189	\$12,211	\$403,786	\$1,917,975	\$15,468
Developer Fee	\$5,647,440	\$45,544	\$39,824	\$5,687,264	\$45,865
Operating Reserve	\$861,711	\$6,949	(\$41,379)	\$820,332	\$6,616
Replacement Reserve Year 1 Deposit	\$40,300	\$325	\$0	\$40,300	\$325
Other Reserves	\$58,410	\$471	\$35,968	\$94,378	\$761
Total Uses	\$45,270,191	\$365,082	\$1,036,290	\$46,306,481	\$373,439

Broad Street Homes - Broad Street Homes (the “Development”) consists of three proximate lots along Broad Street in the heart of Central Falls adjacent to City Hall. The City of Central Falls (the “City”) purchased the properties using RIHousing Site Acquisition Program funds. The properties include (i) a historic former police station and courthouse, (ii) a former Dunkin Donuts site, which is a blighted property and will be demolished, and (iii) a municipal parking lot. The Development has received Master and Preliminary Approval from the City and a development agreement between Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“ONE|NB”) and the City has been executed which designates ONE|NB as the developer for these properties.

The proposed Development will include the new construction of 47 units ranging from efficiencies to three-bedroom units. All the units will be restricted for households with incomes at or below 60% of AMI. Six of the units will be restricted for households with incomes at or below 30% of AMI. A simultaneous recommendation for preliminary approval of financing is being presented which references this award. The DAH-2 award for Broad Street Homes is recommended in the amount of \$5,800,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$825,000	\$17,553
Community Revitalization Program	\$2,000,000	\$42,553
DAH-2	\$5,800,000	\$123,404
Federal Appropriations	\$2,000,000	\$42,553
LIHTC Proceeds	\$9,326,145	\$198,429
Deferred Developer Fee	\$189,569	\$4,033
Total Sources	\$20,140,714	\$428,526

Uses	Amount	
	Amount	Per Unit
Construction	\$15,004,000	\$319,234
Contingency	\$1,244,900	\$26,487
Acquisition	\$110,000	\$2,340
Soft Costs	\$1,615,840	\$34,380
Financing	\$871,322	\$18,539
Developer Fee	\$990,990	\$21,085
Operating Reserve	\$249,242	\$5,303
Replacement Reserve Year 1 Deposit	\$15,275	\$325
Other Reserves	\$39,145	\$833
Total Uses	\$20,140,714	\$428,526

Summer Street Apartments - Summer Street Apartments (“Summer Street”) will consist of 176 newly constructed units on a vacant lot adjacent to the property known as The Tower at 160 Broad Street in Providence. The developer is Crossroads Rhode Island (“Crossroads”). The original proposed plan for Summer Street was to develop a single 176-unit building as a bifurcated 9%/4% LIHTC transaction with two legal owners. Summer Street I was initially awarded 9% LIHTC in 2022; however, it was determined that a single 176-unit 4% LIHTC development would raise more equity than the bifurcated structure and simultaneously reduce the overall amount of soft money required. Therefore, Crossroads returned the 9% LIHTC award. Since the original approval last May, construction cost bids have been finalized and costs have increased significantly. In addition to the funds requested in this funding round, Crossroads has been awarded additional funding from the City of Providence and their Federal Home Loan Bank of Boston Affordable Housing Program grant has been restored. A simultaneous recommendation for preliminary approval of financing is being presented which references this award. The DAH-2 award for Summer Street is recommended in the amount of \$4,000,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$9,625,000	\$54,688
RIH HOME Loan - 1	\$500,000	\$2,841
Capital Magnet Fund	\$999,000	\$5,676
Building Homes Rhode Island	\$4,000,000	\$22,727
RIH Rebounds Fund	\$2,500,000	\$14,205
CRP Award	\$1,900,000	\$10,795
DAH - 2	\$4,000,000	\$22,727
RIH HOME Loan - 2	\$1,000,000	\$5,682
Providence HTF (ARPA)	\$2,500,000	\$14,205
LIHTC Proceeds	\$36,399,830	\$206,817
RI Energy Performance Incentives	\$367,500	\$2,088
Providence HOME	\$1,000,000	\$5,682
Federal Appropriations	\$2,000,000	\$11,364
FHLB Award	\$556,839	\$3,164
OHCD - SLRF	\$10,000,000	\$56,818
RI Energy Grant Fund	\$75,000	\$426
RIH Digital Divide	\$61,940	\$352
Deferred Developer Fee	\$1,500,000	\$8,523
Total Sources	\$78,985,109	\$448,779

Uses	Preliminary	
	Amount	Per Unit
Construction	\$55,083,778	\$312,976
Contingency	\$5,624,081	\$31,955
Acquisition	\$850,000	\$4,830
Soft Costs	\$7,182,366	\$40,809
Financing	\$4,363,815	\$24,794
Developer Fee	\$4,600,000	\$26,136
Operating Reserve	\$1,095,579	\$6,225
Lease Up Reserve	\$0	\$0
Replacement Reserve Year 1 Deposit	\$57,200	\$325
Other Reserves	\$128,290	\$729
Total Uses	\$78,985,109	\$448,779

Lockwood Plaza Phase I - Lockwood Plaza is a 209-unit development in Providence that was built in 1979 and last renovated in 2011. It is located at and around 50 Prairie Avenue and consists of 108 townhouses in 17 garden-style townhouse buildings as well as a 101-unit high-rise building. This current award for Phase I is for the townhouse units only, which offer a combination of one-, two-, three- and four-bedroom units restricted for households with incomes at or below 60% of AMI. The Phase I units cater to families, however, many of the systems are near the end of their useful life. With just eight years remaining in the current affordability term, WinnCompanies LLC (“Winn”) seeks to extend the affordability term for another forty years. Approximately 88% of the units are supported by Section 8 housing choice vouchers (“HCV”) and provide homes for residents with incomes below 50% of AMI and often below 30% of AMI. The DAH-2 award for Lockwood Plaza Phase I is recommended in the amount of \$4,010,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$3,000,000	\$27,778
Capital Magnet Fund	\$990,000	\$9,167
DAH 2	\$4,010,000	\$37,130
City of Providence Loan Funds	\$1,500,000	\$13,889
Assumed Debt (Rollover)	\$2,148,439	\$19,893
LIHTC Proceeds	\$8,850,000	\$81,944
General Partner Capital	\$1,187,516	\$10,996
NOI During Const. & Existing Res.	\$450,000	\$4,167
Citizens Bank EOF Funds	\$750,000	\$6,944
Total Sources	\$22,885,955	\$211,907

Uses	Amount	
	Amount	Per Unit
Construction	\$7,466,214	\$69,132
Contingency	\$746,621	\$6,913
Acquisition	\$8,222,222	\$76,132
Soft Costs	\$1,563,944	\$14,481
Financing	\$1,110,079	\$10,279
Developer Fee	\$2,076,384	\$19,226
Operating Reserve	\$639,862	\$5,925
Replacement Reserve Year 1 Deposit	\$216,000	\$2,000
Other Reserves	\$844,630	\$7,821
Total Uses	\$22,885,955	\$211,907

Pocasset Reserve Phase I - Pocasset Reserve (formerly known as Tiverton Heights) is a new residential development consisting of 275 new units, 25% of which will be affordable pursuant to deed restrictions, to be developed in two phases. The property, served by town water and

sewer, is 135 acres and is located in Tiverton near the Fish Road and Souza Road intersection. This recommendation is for Phase I, which would consist of 129 units, of which 32 will be affordable to households earning less than 80% of AMI. The developer, Harkins Properties, LLC, is targeting a Q2 2023 construction start. The site infrastructure is expected to take six months to complete, so building construction for the first units is expected to begin in Summer 2023 with the first units being completed by summer 2024. The developer anticipates having all 129 units fully in service by the end of 2025. The DAH-2 award for Pocasset Reserve Phase I is recommended in the amount of \$640,000 and is contingent upon completion of standard underwriting and closing within 9 months of this award.

Sources	Preliminary	
	Amount	Per Unit
Bristol County Savings	\$27,000,000	\$209,302
DAH-2	\$640,000	\$4,961
Owner Equity/Other	\$18,887,092	\$146,412
Total Sources	\$46,527,092	\$360,675

Uses	Preliminary	
	Amount	Per Unit
Construction	\$35,309,000	\$273,713
Contingency	\$3,445,800	\$26,712
Acquisition	\$4,709,673	\$36,509
Soft Costs	\$2,338,619	\$18,129
Financing	\$224,000	\$1,736
Operating Reserve	\$200,000	\$1,550
Other Reserves	\$300,000	\$2,326
Total Uses	\$46,527,092	\$360,675

Potters Tigray Apartments - Potters Tigray Apartments (“Potters Tigray”) is a 57-unit development comprised of two separate components located on scattered sites in South Providence. The developer is S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY) (“SWAP”). One component of the Development is the existing scattered site, post-year-15 LIHTC project, which is in need of capital improvements. 37 existing units are located in 16 buildings and range in size from one to four-bedrooms. These existing units are slated to undergo a moderate rehabilitation of \$96,000 per unit. The other component of the Development is the new construction of 20 apartments in 11 buildings on vacant sites already under SWAP’s ownership. The 20 new units will range in size from one to three-bedrooms and are proposed to serve tenants earning between 30% and 60% of AMI. A simultaneous recommendation for preliminary approval of tax-exempt financing is being presented which references this award. The DAH-2 award for Potters Tigray is recommended in the amount of \$4,550,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary - 4%	
	Amount	Per Unit
RIH First Mortgage	\$500,000	\$8,772
Assumed Debt (Rollover)	\$3,530,058	\$61,931
DAH-2	\$4,550,000	\$79,825
Community Revitalization	\$2,000,000	\$35,088
Capital Magnet Fund	\$250,000	\$4,386
LIHTC Proceeds	\$6,699,241	\$117,531
Potters Replacement Reserves	\$175,000	\$3,070
Potters Operating Reserves	\$147,000	\$2,579
Total Sources	\$17,851,299	\$313,181

Uses	Amount	
	Amount	Per Unit
Construction	\$8,213,738	\$144,101
Contingency	\$571,637	\$10,029
Acquisition	\$4,941,518	\$86,693
Soft Costs	\$1,242,237	\$21,794
Financing	\$1,366,464	\$23,973
Developer Fee	\$1,114,139	\$19,546
Operating Reserve	\$279,161	\$4,898
Replacement Reserve Year 1 Deposit	\$80,500	\$1,412
Other Reserves	\$41,905	\$735
Total Uses	\$17,851,299	\$313,181

Ade Bethune House - Ade Bethune House is a new construction project that consists of a single building with 54 units of affordable, 55+ age-restricted housing and a new Senior Center

in Portsmouth. Church Community Housing Corporation (“CCHC”) is the developer. CCHC plans to reuse the site of the former Portsmouth Senior Center to construct the new building. There will be a 99-year land lease between the Town of Portsmouth and CCHC, and the building will be structured as a condominium with the intent for the Town to purchase the new Senior Center for \$1 million upon completion. The sale proceeds of \$1 million are included as part of the capital stack for the project. Of the 54 housing units, 6 one-bedroom units will be restricted to households with incomes at or below 30% of AMI and the remaining one and two-bedroom units will be available to households with incomes up to 60% of AMI. The 30% AMI units will receive operating subsidy through the HPF-ELI program. A simultaneous recommendation for preliminary approval of financing is being presented which references this award. The DAH-2 award for Ade Bethune House is recommended in the amount of \$5,550,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$3,200,000	\$59,259
Capital Magnet Fund	\$200,000	\$3,704
Development of Affordable House DAH 2	\$5,550,000	\$102,778
RIH HOME Loan	\$1,000,000	\$18,519
Housing Trust Fund	\$1,000,000	\$18,519
FHLB AHP or CDBG	\$750,000	\$13,889
LIHTC Proceeds	\$6,456,200	\$119,559
Town Purchase of the Senior Center	\$1,000,000	\$18,519
Deferred Developer Fee	\$620,268	\$11,486
Total Sources	\$19,776,468	\$366,231

Uses	Preliminary	
	Amount	Per Unit
Construction	\$13,391,184	\$247,985
Contingency	\$1,004,339	\$18,599
Soft Costs	\$1,685,215	\$31,208
Financing	\$1,700,023	\$31,482
Developer Fee	\$1,520,600	\$28,159
Operating Reserve	\$401,379	\$7,433
Replacement Reserve Year 1 Deposit	\$18,550	\$344
Other Reserves	\$55,178	\$1,022
Total Uses	\$19,776,468	\$366,231

The Avenue – Olneyville Housing Corporation d/b/a ONE Neighborhood Builders (“ONE|NB”) is the developer of the proposed development known as The Avenue, which consists of two separate components. The first component, Elmwood Neighborhood Revitalization II (“ENR II”), is a post-year-15 LIHTC project in need of some capital improvements. ENR II contains 46 units located on scattered sites in the Elmwood neighborhood of Providence. The second component is the new construction of 39 units of housing on a vacant site located at 434 Atwells Avenue in Providence. The residential units will be located on floors 2-5 of this new building with commercial space and project amenities located on the first floor. The 39 new units will range in size from studios to three-bedrooms and are proposed to serve tenants earning between 30% of AMI and 80% of AMI. There will be 17 Middle Income Program units. A simultaneous recommendation for preliminary approval of tax-exempt bonds and 4% LIHTC is being presented which references this award. The DAH-2 award for The Avenue is recommended in the amount of \$3,874,000 and is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$3,600,000	\$42,353
Building Homes Rhode Island	\$3,445,000	\$40,529
Preservation Loan Fund Program	\$1,500,000	\$17,647
Capital Magnet Fund	\$952,001	\$11,200
Community Revitalization	\$2,000,000	\$23,529
Middle Income Program	\$1,320,000	\$15,529
DAH-2 Funds	\$3,874,000	\$45,576
LIHTC Proceeds	\$10,360,080	\$121,883
Existing Debt Rollover	\$1,755,451	\$20,652
Existing Operating Reserver ENRII	\$152,000	\$1,788
Existing Rep Reserve ENR II	\$133,000	\$1,565
Deferred Developer Fee	\$650,000	\$7,647
Total Sources	\$29,741,532	\$349,900

Uses	Amount	
	Amount	Per Unit
Construction	\$19,341,600	\$227,548
Contingency	\$1,569,273	\$18,462
Acquisition	\$2,730,451	\$32,123
Soft Costs	\$1,742,195	\$20,496
Financing	\$1,385,536	\$16,300
Developer Fee	\$2,257,669	\$26,561
Operating Reserve	\$512,547	\$6,030
Lease Up Reserve	\$20,000	\$235
Replacement Reserve Year 1 Deposit	\$104,675	\$1,231
Other Reserves	\$77,587	\$913
Total Uses	\$29,741,532	\$349,900

Ralph R. aRusso Manor - Ralph R. aRusso Manor is an existing 22-unit affordable housing development located at 150 Greenville Avenue in Johnston. Originally constructed in 1990, it has had little investment since then and needs substantial rehabilitation. The 22 units are spread over two buildings and are subsidized by a project-based voucher (“PBV”) contract. The developer is Rosemont Associates, Inc. (“Rosemont”), and their goal is to refinance and preserve the project as affordable housing for the next 30 years. Rosemont has proposed a complete renovation of all the units, including new kitchens and bathrooms, new flooring, HVAC and elevator systems. Exterior work includes envelope upgrades to roofs, windows and doors, as well as much needed site work. The tenants will be relocated during construction. The DAH-2 award for Ralph R. aRusso Manor is recommended in the amount of \$2,100,000, which is contingent upon completion of standard underwriting within 9 months of this award and closing within 12 months of this award.

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$632,000	\$28,727
Assumed Debt (Rollover)	\$237,166	\$10,780
Preservation Loan Fund Program	\$660,000	\$30,000
Capital Magnet Fund	\$400,000	\$18,182
DAH-2	\$2,100,000	\$95,455
Total Sources	\$4,029,166	\$183,144

Uses	Preliminary	
	Amount	Per Unit
Construction	\$2,660,800	\$120,945
Contingency	\$266,080	\$12,095
Acquisition	\$443,398	\$20,154
Soft Costs	\$318,136	\$14,461
Financing	\$42,000	\$1,909
Developer Fee	\$133,040	\$6,047
Operating Reserve	\$124,212	\$5,646
Replacement Reserve Year 1 Deposit	\$22,000	\$1,000
Other Reserves	\$19,500	\$886
Total Uses	\$4,029,166	\$183,144

The Villages at Manville – The Villages at Manville is a 72-unit new construction development in Lincoln (the “Development”). Dakota Partners, Inc. (“Dakota”) is the developer. Eight units will serve households with incomes at or below 30% of AMI, 57 units will serve households with incomes at or below 60% of AMI, and the remaining 15 units will serve households with incomes at or below 80% of AMI. The Development will be built on a vacant 5-acre site and the improvements will consist of 3 three-story residential buildings and a single-story clubhouse/community building. All the residential structures will be garden-style walk-up buildings. The units will be a mix of one-bedroom/one-bath and two bedroom/one-bath units. The Villages at Manville was previously awarded \$1,190,000 of 9% LIHTC, HOME funds, and HTF funds. Since preliminary approval, Dakota has secured approximately \$221,186 in funding from the Town of Lincoln and has changed the 15 market rate units to affordable units serving households with incomes at or below 80% of AMI. The DAH-2 award for the Villages at Manville is recommended in the amount of \$1,728,817 and is contingent upon completion of standard underwriting and closing no later than September 30, 2023.

Sources	Preliminary Approval		Delta	Consolidated Application	
	Amount	Per Unit		Amount	Per Unit
RIH First Mortgage	\$2,800,000	\$38,889	\$93,240	\$2,893,240	\$40,184
RIH HOME Loan	\$1,900,000	\$26,389	\$0	\$1,900,000	\$26,389
Housing Trust Fund	\$1,480,000	\$20,556	(\$305,669)	\$1,174,331	\$16,310
RI Rebounds	\$0	\$0	\$305,669	\$305,669	\$4,245
Town of Lincoln	\$0	\$0	\$221,186	\$221,186	\$3,072
DAH-2	\$0	\$0	\$1,728,817	\$1,728,817	\$24,011
LIHTC Proceeds	\$11,184,880	\$155,346	\$178,482	\$11,363,362	\$157,824
Deferred Fee	\$420,669	\$5,843	\$282,045	\$702,714	\$9,760
Total Sources	\$17,785,549	\$247,022	\$2,503,770	\$20,289,319	\$281,796

Uses	Amount		Delta	Amount	
	Amount	Per Unit		Amount	Per Unit
Construction	\$12,289,439	\$170,687	\$1,472,860	\$13,762,299	\$191,143
Contingency	\$614,472	\$8,534	\$73,643	\$688,115	\$9,557
Acquisition	\$550,000	\$7,639	\$5,000	\$555,000	\$7,708
Soft Costs	\$1,572,200	\$21,836	\$142,881	\$1,715,081	\$23,821
Financing	\$864,701	\$12,010	\$773,663	\$1,638,364	\$22,755
Developer Fee	\$1,360,000	\$18,889	\$0	\$1,360,000	\$18,889
Operating Reserve	\$430,337	\$5,977	\$45,568	\$475,905	\$6,610
Replacement Reserve Year 1 Deposit	\$36,000	\$500	(\$7,200)	\$28,800	\$400
Other Reserves	\$68,400	\$950	(\$2,646)	\$65,754	\$913
Total Uses	\$17,785,549	\$247,022	\$2,503,770	\$20,289,319	\$281,796

The Millrace District - The Millrace District (“Millrace”) is an adaptive reuse of three vacant mill buildings that are proposed to be revitalized into the City of Woonsocket’s first mixed-use, mixed-income development. The developer is NeighborWorks Blackstone River Valley (the “Developer”). Millrace will transform blighted mill space into 70 ‘live/work’ studio, one-bedroom, and two-bedroom units in addition to 16,500 square feet of office, retail and arts fabrication space. The development will be comprised of 11 units restricted to households with incomes at or below 30% of AMI, 31 units restricted to households with incomes at or below 50% of AMI, 13 units restricted to households with incomes at or below 60% of AMI, and 15 units restricted to households with incomes at or below 100% of AMI. The apartments will be located on the upper building floors, while the commercial space and residential amenities will be located on the ground floors. Millrace received firm approval of financing in June 2022; however, subsequent to that firm approval, the Developer encountered two issues with their state historic tax credits: recent legislation has imposed certain Davis-Bacon requirements on the Development, increasing costs beyond the value of the credits, and a Placed-in-Service deadline of 2023 was imposed that the Developer cannot meet. Therefore, the Developer is seeking DAH-2 funds to replace a portion of the state historic tax credit equity that was initially included in the capital stack. The DAH-2 award for Millrace is recommended in the amount of \$4,000,000 and is contingent upon completion of standard underwriting and closing no later than August 31, 2023.

Sources	Firm (Revised)	
	Amount	Per Unit
Citizens/ AHP	\$1,350,000	\$19,286
RIH HOME Loan	\$2,000,000	\$28,571
Building Homes Rhode Island	\$2,949,401	\$42,134
Housing Production Fund	\$1,000,310	\$14,290
Capital Magnet Fund	\$100,000	\$1,429
RI Rebounds (ARPA	\$1,419,000	\$20,271
ARP	\$975,000	\$13,929
Fed. Historic Tax Credit Proceeds	\$5,016,012	\$71,657
LIHTC Proceeds	\$10,556,843	\$150,812
AHP Direct Subsidy/Citizens	\$650,000	\$9,286
DAH-2	\$4,000,000	\$57,143
HTF	\$1,745,430	\$24,935
Deferred Dev Fee - Sponsor Loan	\$1,022,861	\$14,612
CRP	\$500,000	\$7,143
Total Sources	\$33,284,857	\$475,498

Uses	Amount	
	Amount	Per Unit
Construction	\$20,987,256	\$299,818
Contingency	\$2,308,598	\$32,980
Acquisition	\$3,680,900	\$52,584
Soft Costs	\$2,682,770	\$38,325
Financing	\$1,062,500	\$15,179
Developer Fee	\$2,036,183	\$29,088
Operating Reserve	\$311,000	\$4,443
Replacement Reserve Year 1 Deposit	\$61,650	\$881
Other Reserves	\$154,000	\$2,200
Total Uses	\$33,284,857	\$475,498

DAH-2 Award Summary

Development	30%	31-80%	81-120%	Market
Ralph R. aRusso Manor	11	11	0	0
The Villages at Manville	8	64	0	0
Millrace District	11	44	15	0
Rosebrook Commons	13	38	13	0
Central St.	14	48	0	0
Southpoint Commons	16	41	0	15
Lockwood Plaza (Phase I)	43	65	0	0
Reynolds Farm Senior Housing II	11	29	0	0
Copley Chambers II & III	8	116	0	0
Broad St. Homes	6	41	0	0
Summer Street Apartments	176	0	0	0
Pocasset Reserve Phase I	0	32	0	0
Potters/ Tigrai Apartments	12	45	0	0
Ade Bethune House	6	48	0	0
The Avenue	13	72	0	0
	348	694	28	15
Total units	1,085			
Total DAH-2 Units	1,042			

Attachment B

Resolution of the Board of Commissioners of Rhode Island Housing and Mortgage Finance Corporation

- WHEREAS, The State of Rhode Island has established the Development of Affordable Housing 2 Program (“DAH-2”), which is also known as the ARPA Production Fund Program, using State and Local Fiscal Recovery Funds appropriated to the U.S. Department of Treasury under the American Rescue Plan Act of 2021 to provide funding for the development of new multifamily units for households with incomes below 80% of Area Median Income;
- WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the State of Rhode Island to administer DAH-2, including the award of DAH-2 funds to projects that develop newly created non-LIHTC multifamily units;
- WHEREAS, the applicants listed in Attachment A have submitted applications that meet the threshold requirements of DAH-2;
- WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that DAH-2 funds be committed to the proposals listed in Attachment A; and
- WHEREAS, RIHousing staff and the Advisory Committee have reviewed the submissions and determined that the recommended proposals qualify for financing under RIHousing’s enabling legislation, regulations, guidelines and policies.
- NOW, THEREFORE, IT IS HEREBY:
- RESOLVED, that RIHousing is authorized to commit up to \$57,072,817 in DAH-2 funding in compliance with DAH-2 guidelines, subject to certain conditions as well as the receipt of other sources of funds, for the proposals reviewed by staff, as set forth in Attachment A; and
- RESOLVED, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolution.