

**Request for Action**  
**by**  
**Board of Commissioners**  
**Approval of ERA2-Predevelopment Program**  
**Funding Awards**

**1. Summary of Issues**

The ERA2-Predevelopment Program (“ERA2-PD”) is one subpart of the ERA2 Supplemental Development Financing Program (the “ERA2 Development Program”), which is funded through the American Rescue Plan Act of 2021 for the predevelopment, acquisition, and production and/or rehabilitation of affordable housing for households with incomes at or below 50% of area median income (“AMI”). Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) was authorized by the State of Rhode Island to implement and administer the ERA2 Development Program using approximately \$15,000,000 in funds to be allocated across the ERA2-Production, ERA2-PD, and ERA2 Site Acquisition programs as demand necessitates. As of January 2025, approximately \$1,700,000 in ERA2 Development Program funding is available for award.

In November 2024, RIHousing issued a rolling Request for Proposals (“RFP”) for ERA2 Development Program funding from qualified applicants. Applicants could apply for ERA2-Production, ERA2-PD, or ERA2-Site Acquisition funding. In response, RIHousing received nineteen proposals requesting approximately \$24,984,502 in ERA2 Development Program funds, including \$750,000 in ERA2-PD funding.

All ERA2-PD applications were reviewed by Development Division staff in accordance with the published Program Guidelines. The most critical elements in the Program Guidelines include:

- Costs must have been incurred after January 1, 2024 and the funds must be expended by September 30, 2025;
- ERA2-PD funding may only be used to support the pro rata cost for the 50% AMI component of a project;
- For projects with units above 50% AMI, the developer must identify the remaining funds that will be used to finance the balance of the predevelopment costs; and
- All projects funded under ERA2-PD must conform to and meet the requirements of either the LIHTC or HOME Program, though they are not required to utilize funding from either of those programs.

Since this action was reviewed by the Credit Committee, it has been revised to reflect an updated number of applications received and an additional award recommended for financing.

RIHousing staff recommends approval of ERA2-PD funding for two proposals in the amount

of \$500,000. The recommended awards are described in Attachment A. These ERA2-PD awards will directly fund approximately 43 units restricted for households with incomes at or below 50% of AMI.

**2. Recommendation**

The attached resolution authorizing the allocation of up to \$500,000 in ERA2-PD funds is recommended for approval, contingent upon (i) receipt of the ERA2 Development Program funds from the State of Rhode Island; and (ii) compliance with the ERA2-PD guidelines.

**3. Attachments**

- A. Summary of Recommendations
- B. Resolution

## **Attachment A**

### **Summary of Recommendations**

#### **183 Washington Street, West Warwick:**

183 Washington Street is the proposed conversion of a former furniture store into 30 studio and one-bedroom apartments for persons who are homeless or at-risk residents. All the residents will have incomes at or below 50% of area median income (“AMI”). The developer is Women’s Development Corporation (“WDC”), which will partner with a service provider to ensure on-site supportive services. WDC previously received a RI Housing Site Acquisition Program grant for the acquisition of the building as well as an ARPA Predevelopment Grant.

The recommended ERA2-PD grant of \$250,000 will be used primarily for architectural plans and environmental investigation costs.

#### **Franklin Commons, North Kingstown:**

Franklin Commons is a ground-up new construction multifamily residential development on a nearly 11-acre vacant lot on Post Road in North Kingstown. The developer, Valley Affordable Housing Corp. (“VAHC”), is proposing to build at least 50 units, of which 25% will be set aside for residents at or below 50% of AMI. VAHC is also seeking ERA2-Site Acquisition Program funds to acquire the property.

The recommended ERA2-PD grant of \$250,000 will be used primarily for predevelopment expenses to date, along with future costs for architectural and engineering plans, environmental investigation costs, and zoning costs. In accordance with program guidelines, the ERA2-PD grant will only cover 25% of the total predevelopment expenses.

## **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 ERA2-Predevelopment Program (“ERA2-PD”) as a subpart of the ERA2 Supplemental Development Financing Program (the “ERA2 Development Program”), which is funded through the American Rescue Plan Act of 2021 for the predevelopment, acquisition, production, and/or rehabilitation of affordable housing for households with incomes at or below 50% of area median income (“AMI”);
- WHEREAS, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) has been designated by the State of Rhode Island to administer ERA2-PD, including the award of ERA2-PD funds that will advance potential projects to increase the supply of affordable rental opportunities across the state.
- WHEREAS, the applicants listed in Attachment A have submitted applications that meet the threshold requirements of ERA2-PD;
- WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that ERA2-PD funds be committed to the proposals listed in Attachment A; and
- WHEREAS, RIHousing staff 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 \$500,000 in ERA2-PD funds for the proposals set forth in Attachment A, in compliance with the ERA2-PD and ERA2 Development Program guidelines and subject to certain conditions, including RIHousing’s receipt of ERA2 Development Program funds from the State of Rhode Island, the receipt of other sources of funds for the projects, and the projects’ compliance with ERA2-PD and ERA2 Development Program guidelines; 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.