

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

**1. Summary of Issues**

The ERA2-Site Acquisition Program (“ERA2-SAP”) 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-Predevelopment, and ERA2-SAP 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-Predevelopment, or ERA2-SAP funding. In response, RIHousing received nineteen proposals requesting approximately \$24,984,502 in ERA2 Development Program funds, including \$2,625,150.00 in ERA2-SAP funding.

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

- Eligible costs must have been incurred after January 1, 2024 and the funds must be expended by June 30, 2025;
- ERA2-SAP 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 acquisition costs; and
- All projects funded under ERA2-SAP 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.

RIHousing staff recommends approval of ERA2-SAP funding for one proposal in the amount of \$234,750. The recommended award is described in Attachment A and is contingent upon the applicant’s ability to secure additional committed funding and close by April 15, 2025, as

outlined in Attachment A. This development will create 50 housing units, 13 of which will be restricted for households with incomes at or below 50% of AMI. This ERA2-SAP award will directly fund 25% of the acquisition cost of the project since 25% of the units are restricted to households with incomes at or below 50% of AMI.

**2. Recommendation**

The attached resolution authorizing the allocation of up to \$234,750 in ERA2-SAP 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-SAP guidelines.

**3. Attachments**

- A. Summary of Recommendations
- B. Resolution

## **Attachment A**

### **Summary of Recommendations**

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

Franklin Commons is a ground-up new construction multifamily residential development on an approximately 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 area median income (“AMI”). VAHC is also seeking ERA2-Predevelopment funds for predevelopment expenses associated with the property.

Although the property's total acquisition cost is \$939,000, an ERA2-SAP grant of \$234,750 is recommended to support only the 50% AMI component of the property.

## **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-Site Acquisition Program (“ERA2-SAP”) as part 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-SAP, including the award of ERA2-SAP funds that will advance potential projects to increase the supply of affordable rental opportunities across the state.
- WHEREAS, the applicant listed in Attachment A has submitted an application that meets the program requirements of ERA2-SAP;
- WHEREAS, staff of RIHousing have reviewed each of the eligible applications submitted and recommend that ERA2-SAP funds be committed to the proposal 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 \$234,750 in ERA2-SAP funds for the proposal set forth in Attachment A, in compliance with the ERA2-SAP 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 project funds, closing by April 15, 2025, and the project’s compliance with ERA2-SAP 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.