

**ERA2 Predevelopment Program  
Guidelines**

<p><b>1. Program Overview</b></p>	<p>The purpose of the ERA2 Predevelopment Program (“ERA2-PD”) is to provide funding to help qualified developers pay for predevelopment costs associated with the development of deed restricted affordable and supportive housing.</p> <p>The source for ERA2-PD is the ERA2 Supplemental Development Financing Program, an Emergency Rental Assistance Program (“ERAP,” more specifically “ERA2”), which is funded through the American Rescue Plan Act of 2021. All projects are required to comply with federal ERA2 guidance, including Treasury Guidance FAQ #46.</p>
<p><b>2. Eligible Applicants</b></p>	<p>Funding is available to qualified developers including for profit, nonprofit developers, municipalities, and public housing authorities.</p>
<p><b>3. Program Goal</b></p>	<p>The goal of the ERA2-PD is to provide upfront capital to address the difficulties encountered by housing sponsors in raising capital necessary to determine the feasibility of prospective affordable housing development projects. These funds will advance potential projects to increase the supply of supportive housing and affordable rental and homeownership opportunities across the state.</p>
<p><b>4. Target Population/Areas</b></p>	<p>The program will be conducted statewide. Income of households occupying housing assisted with ERA2-PD funding is limited to units at or below 50% of Area Median Income (“AMI”).</p>
<p><b>5. Program Allocation</b></p>	<p>Up to \$15,000,000 to be allocated between ERA2-SAP, ERA2 Predevelopment, and ERA2 Production programs, at the discretion of RIHousing.</p>

<p><b>6. Eligible Uses</b></p>	<p>Eligible uses include predevelopment costs incurred after January 1, 2024 for residential development for rental or homeownership units.</p> <p>Mixed income and mixed-use properties are eligible. However, ERA2-PD funding may only be used to support the pro rata cost for the 50% AMI component of a project.</p> <p>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.</p>
<p><b>7. Eligible Activities</b></p>	<p>Architectural and engineering studies, environmental assessments or the costs associated with other Development professionals.</p> <p>Filing fees and/or costs and expenses incurred in obtaining permits and approvals and applying for public or private grants.</p> <p>Site control costs such as deposits under real estate purchase and sale agreements or to acquire options or extensions of options or purchase and sale agreements on real estate.</p> <p>Occupied properties are eligible, though borrowers should be aware they may be responsible for relocation expenses and compliance with the Uniform Relocation Act.</p> <p>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.</p>
<p><b>8. Ineligible Uses</b></p>	<p>Expenses incurred before January 1, 2024.</p> <p>Work conducted on contaminated sites without an approved EPA remediation plan in place.</p> <p>Application or origination fees required by RIHousing under any of its programs.</p> <p>Developer Fees prior to Firm Approval of permanent financing.</p>

<p><b>9. Program Terms</b></p>	<p>Grants secured by a 30 year deed restriction or equivalent instrument.</p> <p>Properties must be owned by the grant recipient at the time of grant closing and must be redeveloped in accordance with the income and affordability provisions of the ERA2-PD.</p> <p>All requests for the disbursement of ERA2-PD proceeds shall be accompanied by invoices, in form satisfactory to RIHousing, from each Development professional or expense which is to be paid with such grant proceeds.</p>
<p><b>10. Amount of Assistance</b></p>	<p>Projects with a total development cost less than \$1,000,000, grant limit of \$100,000 for Eligible Uses defined above.</p> <p>Projects with a total development cost greater than \$1,000,000, grant limit is \$250,000 for Eligible Uses defined above.</p>
<p><b>11. Term of Affordability</b></p>	<p>A deed restriction, or equivalent instrument, of no less than 30 years enforcing affordability and income requirements will be recorded on all properties assisted with ERA2-PD.</p>
<p><b>12. Program Leverage with Other Financial Resources</b></p>	<p>It is expected that ERA2-PD funds will be matched with other public and private funds for the development of the affordable units.</p>