

**Request for Action  
by  
Board of Commissioners**

**Approval of Reservation of Low-Income Housing Tax Credits (LIHTC)  
and Preliminary Approval of Financing for  
East Point – Woodward (East Providence and Cumberland)**

**A. PROJECT SUMMARY**

This Request for Action (“RFA”) is for approval of 2025 and/or 2026 9% Low-Income Housing Tax Credits (“LIHTC”) in an amount not to exceed \$1,382,000 as well as preliminary approval of (i) a Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) taxable permanent first mortgage loan in an amount not to exceed \$1,435,000; (ii) a Housing Production Fund loan in an amount not to exceed \$4,472,537 (the “HPF Loan”); and (iii) a Capital Magnet Fund loan in an amount not to exceed \$664,210 (the “CMF Loan”) for East Point - Woodward (the “Development”). The co-developers of East Point - Woodward are Valley Affordable Housing Corp. (“VAHC”) and Aldersbridge Communities (“AC” and together with VAHC, collectively, the “Developer”). The proposed Development consists of housing at two separate sites: senior housing new construction in East Providence and the preservation of Berkeley Mill Village in Cumberland.

The East Providence component of the Development is part of the larger East Point development. The single four-story, 39-unit building will contain 35 one-bedroom and four two-bedroom units. The current East Point development is 27 acres and, when complete, will contain a mix of single-family, duplex, and apartment units, as well as open spaces, walking trails, and bike lanes.

The Cumberland component includes the preservation and rehabilitation of the existing Berkeley Mill Village, which consists of 30 units within nine buildings on Woodward Street. The unit sizes range from one-bedroom to four-bedroom. The upgrades include, but are not limited to, new windows and trim, masonry and foundation work, seven new roofs, and electrical and plumbing upgrades.

Collectively, the Development will be comprised of 69 units, which will be restricted for households earning between 30% and 80% of area median income (“AMI”). The proposed unit matrix meets the requisite income averaging requirements.

The Developer submitted their proposal for the Development in response to the Request for Proposals issued by RIHousing in December 2024. The Funding Committee, which is comprised of senior staff, the Secretary of Housing, and a member of the RIHousing Board of Commissioners, awarded the Development the third highest score in the 2025 9% LIHTC round based on the strength of the application and the criteria outlined in the State of Rhode Island 2025 Qualified Allocation Plan (“QAP”). In addition to the gap financing outlined here, the Developer also requested an allocation of State LIHTC (“SLIHTC”) from the Department of Housing, which is pending approval.

This RFA requests a reservation of 2025 and/or 2026 9% LIHTC in an amount not to exceed \$1,382,000 as well as preliminary approval of: (i) a RIHousing taxable permanent first mortgage loan in an amount not to exceed \$1,435,000; (ii) an HPF Loan in an amount not to exceed \$4,472,537; and (iii) a CMF Loan in an amount not to exceed \$664,210 for East Point – Woodward, subject to certain conditions as set forth in the attached Resolution.

**B. ATTACHMENTS**

- A.** Credit Summary
- B.** Resolutions

**Attachment A  
Credit Summary**

**Approval Loan Recommendation Summary – East Point - Woodward**

Preliminary   X  

Firm \_\_\_\_\_

Date: April 17, 2025

**Project:** The new construction and preservation of 69 units, which will be restricted for households earning between 30% to 80% of AMI. There will be 41 one-bedroom, 4 two-bedroom, 7 three-bedroom, and 17 four-bedroom units upon completion.

**Development Team**

	<b>Name</b>	<b>Location</b>	<b>Risk Rating</b>
<b>Sponsor/Developer</b>	Valley Affordable Housing Corp.	Cumberland, RI	Low
<b>Co-Sponsor/Co-Developer</b>	Aldersbridge Communities	East Providence, RI	Low
<b>Mortgagor</b>	Entity to be formed		
<b>Architect</b>	Union Studio Architecture & Community Design	Providence, RI	Low
<b>Legal</b>	TBD		
<b>Management Agent</b>	Pinnacle Property Management LLC	Cumberland, RI	Low
<b>General Contractor</b>	Pezzuco Construction, Inc.	Cranston, RI	Low
<b>Consultant</b>	Barbara Sokoloff Associates, Inc.	Providence, RI	Low
<b>Syndicator</b>	Hudson Housing Capital LLC	New York, NY	Low

**Executive Summary**

<b>Property Address</b> (new construction)	300 Bourne Avenue	East Providence
<b>Property Address</b> (preservation)	4-24 Woodward Street	Cumberland
<b>Proposed Loan Amount(s) and Terms</b>		

Approval of Reservation of Low-Income Housing Tax Credits (LIHTC) and Preliminary Approval of Financing for East Point - Woodward (East Providence and Cumberland)

April 17, 2025

Permanent 1 <sup>st</sup> Mortgage	\$1,435,000	7.75%, 40 Years
HPF Loan	\$4,472,537	0%, 40 Years
CMF Loan	\$664,210	1%, 40 Years

Note: Interest rates are subject to change based on market conditions.

**Proposed Sources & Uses:**

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$1,435,000	20,797
Housing Production Fund	\$4,472,537	64,819
Capital Magnet Fund	\$664,210	9,626
BHRI	\$962,253	13,946
Preservation	\$900,000	13,043
LIHTC Proceeds	\$12,160,384	176,237
Other Equity	\$1,964,746	28,475
<b>Total Sources</b>	<b>\$22,559,130</b>	<b>326,944</b>
Uses	Amount	Per Unit
Construction	\$15,898,500	\$230,413
Contingency	\$1,205,850	\$17,476
Acquisition	\$800,000	\$11,594
Soft Costs	\$1,681,428	\$24,369
Financing	\$1,049,500	\$15,210
Developer Fee	\$1,299,759	\$18,837
Operating Reserve	\$451,729	\$6,547
Replacement Reserve Year 1 Deposit	\$72,675	\$1,053
Other Reserves	\$99,689	\$1,445
<b>Total Uses</b>	<b>\$22,559,130</b>	<b>\$326,944</b>

**Underwriting Metrics:**

Metric	Amount	Comment
Total Development Cost Per Unit	\$326,944	\$317,899 net of reserves
Residential Vacancy Rate	7%	
DCR Yr 1	1.69	
DCR Yr 15	1.15	
NOI	\$196,634	
Income Trending	2%	
Expense Trending	3%	
Loan to Value	TBD	Appraisal to be commissioned

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Initial Installment (%) of syndication proceeds	15%	
Acquisition Price equal to or less than Appraised value	TBD	
Operating Reserve (Amt and confirm consistency with UW requirements)	\$451,729	Six months of debt service and operating expenses
Replacement Reserve (Amt and confirm consistency with UW requirements)	\$72,675	\$1,053/unit

**Deviations from standard underwriting – None**

**Unit Distribution and Revenue –**

Unit	Rent Type	Number of Units	Gross Rent	LIHTC Max Rent	Gross Rent as a % of LIHTC Max Rent	Discount from Market Rent
1	60%	17	\$ 1,201.75	\$ 1,265.00	95%	0.0%
1	80% LIHTC	18	\$ 1,602.65	\$ 1,687.00	95%	0.0%
2	60%	2	\$ 1,442.10	\$ 1,518.00	95%	0.0%
2	80% LIHTC	2	\$ 1,922.80	\$ 2,024.00	95%	0.0%
3	30%	4	\$ 1,368.00	\$ 876.00	156%	0.0%
3	60%	1	\$ 1,368.00	\$ 1,753.00	78%	0.0%
4	30%	3	\$ 1,368.00	\$ 978.00	140%	0.0%
4	60%	5	\$ 1,613.00	\$ 1,956.00	82%	0.0%
4	60%	2	\$ 1,613.00	\$ 1,956.00	82%	0.0%
1	30%	3	\$ 1,170.00	\$ 632.00	185%	0.0%
1	60%	1	\$ 1,170.00	\$ 1,265.00	92%	0.0%
4	60%	1	\$ 860.00	\$ 1,956.00	44%	0.0%
3	60%	1	\$ 1,340.00	\$ 1,753.00	76%	0.0%
4	60%	2	\$ 1,713.00	\$ 1,956.00	88%	0.0%
1	30%	1	\$ 261.00	\$ 632.00	41%	0.0%
1	30%	1	\$ 340.00	\$ 632.00	54%	0.0%
4	30%	1	\$ 950.00	\$ 978.00	97%	0.0%
4	60%	1	\$ 913.00	\$ 1,956.00	47%	0.0%
3	30%	1	\$ 1,468.00	\$ 876.00	168%	0.0%
4	30%	1	\$ 198.00	\$ 978.00	20%	0.0%
4	60%	1	\$ 1,500.00	\$ 1,956.00	77%	0.0%
<b>Total</b>		<b>69</b>				<b>0.0%</b>

## ATTACHMENT B

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

- Whereas,** Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to mortgagors or sponsors for such developments as in the judgment of RIHousing have promise of supplying well-planned, well-designed apartment units, which will provide or preserve housing for low- and moderate-income persons or families, or the elderly, or others in locations where there is a need for such housing;
- Whereas,** the Low-Income Housing Tax Credit Program (the “Program”) was created as part of the Tax Reform Act of 1986, as amended (the “Act”);
- Whereas,** RIHousing has been designated the administrator of the Program in the State of Rhode Island;
- Whereas,** staff for RIHousing has determined that Valley Affordable Housing Corp. and Aldersbridge Communities (collectively, the “Applicant”) are eligible for the Program under the laws of the State of Rhode Island and the federal tax code;
- Whereas,** the Applicant has submitted an application to RIHousing for the reservation of low-income housing tax credits (“LIHTC”) available in calendar year 2025/2026 as well as additional funding, as follows:

<b>Applicant</b>	<b>Development</b>	<b>9% LIHTC</b>	<b>RIHousing 1<sup>st</sup> Mortgage</b>	<b>CMF Loan</b>	<b>HPF Loan</b>
Valley Affordable Housing Corp. and Aldersbridge Communities	East Point - Woodward	\$1,382,000	\$1,435,000	\$664,210	\$4,472,537

- Whereas,** the RIHousing Board of Commissioners and staff have reviewed the submission of the Applicant for mortgage financing and determined that the Development qualifies for financing under RIHousing’s enabling legislation, regulations, guidelines and policies; and
- Whereas,** RIHousing finds that:
- (1) there exists a shortage of decent, safe, and sanitary housing at rents or prices which persons and families of low- or moderate-income can afford within the general housing market area to be served by the proposed housing development;
  - (2) private enterprise and investment have been unable, without assistance,

to provide an adequate supply of decent, safe, and sanitary housing in the general housing market area at prices which persons or families of low- and moderate-income can afford or to provide sufficient mortgage financing for residential housing for occupancy by those persons or families;

(3) the housing sponsor or sponsors undertaking the proposed housing development in this state will supply well-planned, well-designed housing for persons or families of low- and moderate-income and that those sponsors are financially responsible;

(4) the proposed housing development to be assisted will be of public use and will provide a public benefit; and

(5) the proposed housing development will be undertaken, and the housing sponsor or sponsors regulated pursuant to the authority and within the restrictions provided for by the RIHousing enabling act, namely Chapter 55 of Title 42 of the Rhode Island General Laws.

**NOW, THEREFORE, IT IS HEREBY:**

**Resolved,** that up to \$1,382,000 of allocated 2025 and/or 2026 LIHTC be reserved for the Applicant or an affiliated entity of the Applicant (the “Borrower”) pursuant to Section 4.4 of the Rules Relative to Multifamily Loan Programs - Allocation of Low-Income Housing Tax Credits (825-RICR-30-00-4) (the “RIHousing Regulations”), and 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 necessary to cause such reservation to be effective; and further, that any final allocation shall be made at such time as the applicant complies with the requirements of the Act and the RIHousing Regulations.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves preliminary commitment of up to \$1,435,000 for a taxable first mortgage loan to the Borrower for rental housing known as East Point - Woodward to be located in East Providence, Rhode Island and Cumberland, Rhode Island.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves preliminary commitment of \$4,472,537 for a Housing Production Fund Loan to the Borrower for rental housing known as East Point - Woodward to be located in East Providence, Rhode Island and Cumberland, Rhode Island.

**Resolved,** that, subject to the special conditions listed below, RIHousing hereby approves preliminary commitment of up to \$664,210 for a Capital Magnet Fund Loan to the Borrower for rental housing known as East Point - Woodward to be located in East Providence, Rhode Island and Cumberland,

Rhode Island.

**Resolved,** that the foregoing resolutions are subject to the following special conditions:

- Final appraisals and market studies acceptable to RIHousing prepared by an independent appraiser demonstrating that the first mortgage loans do not exceed 90% of the as-stabilized value of the Development phases and that sufficient demand exists for the proposed units;
- Syndication equity from the allocation of LIHTC in an amount sufficient to achieve project feasibility;
- Approval of an allocation of State LIHTC and State LIHTC syndication equity in an amount sufficient to achieve project feasibility;
- Availability of subordinate financing in amounts sufficient to achieve project feasibility or the availability of alternative equity satisfactory to RIHousing; without limiting the foregoing, all necessary approvals from the CDFI Fund relative to the Capital Magnet Fund loan;
- Approval from the City of East Providence and the Town of Cumberland verifying real estate tax assessments at no more than 8% of gross potential income;
- A taxable construction loan from an acceptable lender in an amount sufficient to achieve project feasibility;
- Execution and delivery by the Borrower of a construction completion guaranty in form and substance satisfactory to RIHousing and any lender;
- Approval by RIHousing of design and construction plans, specifications, and construction documentation;
- Approval by RIHousing of all management related documentation, including the marketing and tenant selection plans;
- Confirmation by RIHousing that the final development budget, schedule, and unit configuration presented for approval are consistent with Borrower's application submission for 2025 and/or 2026 LIHTC;
- Recordation of a RIHousing Declaration of Land Use Restrictive Covenant and Regulatory Agreement in form(s) acceptable to RIHousing;
- Satisfactory and timely performance in accordance with the schedule established by RIHousing staff; and
- Completion of all items required for firm commitment and closing in accordance with normal underwriting and processing requirements.

**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 resolutions.