

## HOME-ARP PRODUCTION FUND PROGRAM DESCRIPTION

<p><b>1. Program Overview</b></p>	<p>The purpose of the HOME-ARP production fund is to reduce homelessness by acquiring, rehabilitating, and/or constructing affordable rental housing for individuals and families that fall within the qualifying populations outlined below. HOME-ARP is a limited funding source. Funds must be expended by September 30, 2030.</p>
<p><b>2. Eligible Applicants</b></p>	<p>Eligible applicants include for-profit and non-profit developers, owners of existing affordable housing developments, and Public Housing Authorities.</p>
<p><b>3. Eligible Activities and costs</b></p>	<p>Eligible Activities include: Acquisition, construction, and rehabilitation of affordable rental housing, including reconstruction as defined in 24 CFR 92.2.</p> <p>Eligible costs include:</p> <ul style="list-style-type: none"> <li>a. Development hard costs – defined in 24 CFR 92.206(a).</li> <li>b. Acquisition – the costs of acquiring improved or unimproved real property.</li> <li>c. Related soft costs – defined in 24 CFR 92.206(d).</li> <li>d. Relocation costs – as defined in 24 CFR 92.206(f), 24 CFR 92.353</li> <li>e. Operating Cost Assistance - RIHousing may capitalize an operating cost assistance reserve for HOME-ARP-assisted units restricted for occupancy by qualifying populations in projects where the RIHousing determines in its underwriting that the reserve is necessary to maintain the HOME-ARP units’ long-term operational feasibility.</li> </ul> <p>Units Ineligible for HOME-ARP Operating Cost Assistance:</p> <ul style="list-style-type: none"> <li>• Units with project based rental assistance or project-based vouchers are not eligible for HOME-ARP operating cost assistance.</li> <li>• HOME-ARP units restricted for occupancy by low-income households</li> <li>• Non-HOME-ARP funded units</li> </ul>

<p><b>4. Qualifying Populations</b></p>	<p>Qualifying Populations (“QPs”), as defined by HUD <a href="#">CPD Notice 21-10</a> Section IV.A.1-4 include:</p> <ol style="list-style-type: none"> <li>1. Homeless as defined in <a href="#">24 CFR 91.5</a>;</li> <li>2. At risk of Homelessness as defined in <a href="#">24 CFR 91.5</a>;</li> <li>3. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD.</li> <li>4. Other Populations where providing supportive services or assistance under section 212 (a) of NAHA (<a href="#">42 U.S.C. 1274 2(a)</a>) would prevent the family’s homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria: <ol style="list-style-type: none"> <li>(a) Other Families Requiring Services or Housing Assistance to Prevent Homelessness as defined by HUD CPD Notice 21-10</li> <li>(b) At Greatest Risk of Housing Instability as defined by HUD CPD Notice 21-10.</li> </ol> </li> <li>5. Veterans and families that include a veteran family member that meet the criteria above.</li> </ol>
<p><b>5. QP Preferences</b></p>	<ol style="list-style-type: none"> <li>1. HOME ARP Qualifying Population 1 &amp; 3.</li> <li>2. HOME ARP Qualifying Population 2.</li> <li>3. HOME ARP Qualifying Population 4.</li> </ol>
<p><b>6. QP Referral Methods</b></p>	<p>Referrals will be made for HOME-ARP Rental Units through a combination of CES and Project Specific chronological waiting list. CES may refer to project based chronological waiting list.</p>
<p><b>7. Targeting</b></p>	<p>Unlike the regular HOME Program, which targets HOME-assisted rental units based on tenant income, HOME-ARP units will admit households <b><i>based only upon their status as qualifying households</i></b>. HOME-ARP funds can only be invested in units restricted for qualifying households or low-income households as follows:</p> <ul style="list-style-type: none"> <li>● Not less than 70 percent of the total number of rental units assisted with HOME-ARP funds by RIHousing must be restricted for occupancy by households that are qualifying households at the time of the household’s initial occupancy; and</li> <li>● Not more than 30 percent of the total number of rental units assisted with HOME-ARP funds by RIHousing may be restricted to low-income households. These rental units do not have to be restricted for occupancy by qualifying households, however rental units restricted to low-income households are only permitted in projects that include HOME-ARP units for qualifying households.</li> </ul>

<b>8. Program Allocation</b>	\$7,000,000
<b>9. Funding Type</b>	<p>Long term loan secured by a deed restriction for rental developments.</p> <p>Contractual program agreement outlining expectations for scope of work, reporting, compliance and other measures outlined in RIHousing's HOME-ARP Policies and Procedures manual and as outlined in HUD <a href="#">CPD Notice 21-10</a> and any other Notice HUD may subsequently release.</p>
<b>10. Interest rate and Term</b>	0% deferred for 30 years
<b>11. Funding Priorities</b>	<ul style="list-style-type: none"> <li>• Proposals providing for the greatest number of affordable units at the lowest total development cost.</li> <li>• Newly created rental units for QP's. "New" is defined as newly affordable and may include rental units created in conjunction with a LIHTC development refinance.</li> <li>• Projects with Committed Operating Support (ex. 811, PBVs)</li> <li>• Development teams with experience administering federal programs, specifically HOME or HTF affordable rental housing developments.</li> <li>• Development teams with experience administering Project Based Vouchers.</li> <li>• Development teams with experience owning and operating affordable and/or permanent supportive housing.</li> <li>• Development teams with experience serving QP's</li> <li>• Projects that demonstrate readiness to proceed and will close within 12 months of award.</li> <li>• Projects with site control</li> </ul>
<b>12. Threshold Criteria</b>	<ul style="list-style-type: none"> <li>• <b>Readiness to Proceed:</b> Owner/Developer must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment.</li> <li>• <b>Financial Feasibility:</b> The development must demonstrate financial feasibility for: (i) the overall development costs of the project and (ii) the long-term operation of the proposal.</li> <li>• <b>Marketability:</b> The development must have a reasonable likelihood that it will achieve sustainable occupancy of 95% within 6 months of construction completion. For mixed income proposals that meet the 20% at 50% or 40% at 60% set asides, 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.</li> <li>• <b>Development Team Capacity:</b> The developer must have experience in the successful development and operation of affordable housing of similar scope and complexity. The Developer and their development team will be evaluated on its professional capacity to plan, build, market, and operate the proposed development.</li> </ul>

<b>13. Amount of Assistance</b>	No maximum project allocation has been set for this program, however Davis-Bacon labor standards apply to more than eleven HOME-ARP assisted units.
<b>14. Term of Affordability</b>	A minimum of 15 years as required by HUD plus an additional 15-year extension period required by RIHousing.
<b>15. Availability of Funds</b>	HOME-ARP funds will be available through a Request for Proposals issued by RIHousing.
<b>16. Program Leverage with Other Financial Resources</b>	It is expected that the HOME-ARP award will be matched with other public and private funds for the development of the proposed units
<b>17. Tenant Selection Plan</b>	Tenant Selection Plan should include Supportive Service Housing Plan to support the QPs in HOME-ARP units and applicable MOU and/or Service Contracts.
<b>18. Other</b>	These guidelines are subject to HUD's approval of RIHousing's 2 <sup>nd</sup> Amendment of HOME-ARP Allocation Plan.