



Middle Income Programs

A workshop created by RI Housing Asset Management staff and presented to Middle Income program fund recipients.

RI Housing
44 Washington Street
Providence, RI 02903



What is the Middle Income Program?

In response to the need for a range of housing opportunities, RIHousing developed the Workforce Housing Innovation Challenge (WHIC), a loan program to finance a limited number of innovative proposals to develop housing that is affordable to households earning from **80% up to 120% of the Area Median Income (“AMI”)**.

The WHIC financing will address the affordable housing needs of the state’s workforce, who are increasingly caught in the gap between rising market rents and ineligibility for other affordably assisted housing.



What is the Middle Income Program?

- RIHousing's MI Program is funded with State and Local Fiscal Recovery Funds (SLFRF), which are federal American Rescue Plan Act of 2021 (ARPA) funds allocated to address the economic effects of COVID.
- The Middle Income programs are also known as:
 - Workforce Housing (WFH)
 - Middle Income (MI)



MI Program at a Glance



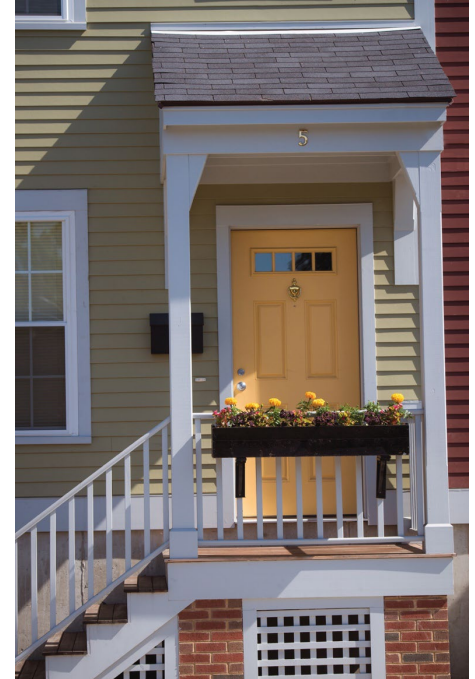
- NOFA announced
- Owner submits application
- Application reviewed and determination made.
- Owner works with Development Officer
- Asset Management reviews: TSP, Management Agreement and Management Plan
- Regulatory Agreement, Loan Agreements and other docs signed at closing
- Construction/rehab work can begin
- Lease up
- Ongoing compliance



Regulatory Agreement

WHO, WHAT, WHERE, WHEN, AND HOW
MANY AT WHAT %

- **Who:** The developer/owner
- **What:** The project
- **Where:** The project location
- **When:** The affordability period
- **How** many units at what % of AMI:
 - Rents restricted to 30% of applicable AMI



WFH Regulatory Agreement template

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

MIDDLE INCOME PROGRAM RESTRICTIVE COVENANT

AND

REGULATORY AGREEMENT

This RESTRICTIVE COVENANT AND REGULATORY AGREEMENT, dated as of January [], 2025, is entered into by and between **XYZ DEVELOPMENT, L.P.**, a Rhode Island limited partnership with a mailing address of **123 Housing Street, Providence, Rhode Island 02903, (the "Owner")**, and RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION, a corporation, instrumentality and agency of the State of Rhode Island with a mailing address of 44 Washington Street, Providence, Rhode Island 02903 (the "RIHousing") (as amended from time to time, this "Agreement").

WHEREAS, pursuant to the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws, (as amended from time to time, the "Act"), RIHousing was allocated funds to establish the **Middle Income Program (the "MI Program")** to provide financing for eligible, qualified developments as provided in the Act and as provided for in the American Rescue Plan Act of 2012 (Title IV of Social Security Act Section 602 et seq.) and the implementing regulations thereto (31 C.F.R. Part 35) (collectively "ARPA");

WHEREAS, Owner is the owner of the real property located at **125 Housing Street, Providence, Rhode Island**, as more fully described in **Exhibit A** attached hereto and made a part hereof, together with all buildings and improvements now or hereafter constructed thereon (all of such premises being referred to as the "Premises");

WHEREAS, Owner proposes to construct the Development, as more particularly described in that certain MI Loan Agreement, as below defined, **in order to provide 19 residential units comprised of 1 one-bedroom unit, 5 two bedroom units, 12 three bedroom units, and 1 four bedroom unit (the "MI Units")**;

WHEREAS, RIHousing has agreed to make a loan in the original principal amount of ONE MILLION FIVE HUNDRED TEN THOUSAND AND 00/100 DOLLARS (\$1,510,000) to Owner on the terms and conditions set forth in the MI Loan Documents (the "MI Loan");

WHEREAS, Owner has agreed (a) to use the full proceeds of the MI Loan to construct the Development on the Premises, and (b) to provide the required funds to complete the necessary work to construct and deliver 100% of the MI Units in move-in condition;



WFH Regulatory Agreement template, con't

WHEREAS, Owner acknowledges that RIHousing is making the MI Loan to finance the Construction of the Development at the Premises in furtherance of its corporate purposes under the Act and the accomplishment of such purposes are dependent, in part, upon compliance by Owner with the restrictive covenants set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties hereto, the parties hereto hereby agree as follows:

1. **Recitals and Definitions**. The foregoing recitals are made a part of this Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Rhode Island Middle Income Program Loan Agreement by and between the Owner and RIHousing dated as of the date hereof (the “MI Loan Agreement”).

2. **Term of Regulatory Agreement**. The parties hereto agree that this Agreement shall continue in full force and effect for a period equal to forty (40) years after Final Placed in Service.

3. **MI Eligible Tenants**.

(a) **Income Eligible Persons**. For the term of this Agreement, the Owner shall rent no less than 19 of the Residential Units in the Development to Income Eligible Persons or Families subject to the further requirements of this Agreement, including without limitation, Section 4(a) with respect to Restricted Rents (each such unit, a “MI Unit”, collectively, the “MI Units”). “Income Eligible Persons or Families” shall mean those persons and families whose gross annual is equal to or less than 100% AMI. Income eligibility shall be determined in accordance with HUD Handbook Section 4350.3.

(b) **No Restrictions Against Families with Children**. Owner shall not restrict

Compliance Requirements

It's in the Regulatory Agreement:

2. Term of Regulatory Agreement. The parties hereto agree that this Agreement shall continue in full force and effect for a period equal to thirty (30) years after the Placed in Service Date (as hereinafter defined), notwithstanding whether the WHIC Loan and all

Authority:

(a) Income Eligible Persons. For the term of this Agreement, the Owner shall rent no less than fourteen (14) of the Residential Units in the Development to Income Eligible Persons or Families subject to the further requirements of this agreement, including without limitation, Section 4(a) with respect to Restricted Rents (each such unit, a "Workforce Housing Unit", collectively, the "Workforce Housing Units"). "Income Eligible Persons or Families" shall mean those persons and families whose gross annual income is equal to or less than 120% AMI, with a minimum of 20% of units serving households at or below 100% of area median income. Income eligibility shall be determined in accordance with HUD Handbook Section 4350.3. Exhibit E attached hereto includes income restrictions for 2021, which restrictions shall be updated



Advertising

- If project is serving households at 80% AMI or below, it must be listed on HousingSearchRI.org - it's an RI Law
 - HousingSearchRI.org
- What is your outreach plan?
- How will you track occupancy of MI units?



Asset Management Review Pre-Closing

- Tenant Selection Plan (TSP)
- Management Agreement (unless self-managed)
- Management Plan
- All three docs required prior to closing



TSP checklist*

The topics listed below should be contained in a MI project TSP.

1. ___ Introduction – description of property and who it serves
2. ___ Right to Apply – self explanatory
3. ___ Privacy Policy – privacy and confidentiality
4. ___ Fair Housing Statement including LEP and VAWA and RIGL **
5. ___ Reasonable Accommodation
6. ___ Eligibility criteria
7. ___ Selection Criteria*
8. ___ Mitigating Circumstances
9. ___ Application process
10. ___ Denial of applicants
11. ___ Wait List
12. ___ Internal Unit Transfers
13. ___ Student Rule – MI program can not be student housing
14. ___ Occupancy Standards (persons per bed size)

This checklist is offered as a suggestion, it is not all inclusive of current laws and Fair Housing and VAWA requirements. It is the responsibility of the Owner to ensure the TSP is written in compliance with state and federal laws. TSP should be reviewed by Owner's legal counsel.

Keep in mind that the reading audience is the general public, so the language should be sufficient to answer the following questions from a person interested in applying to the project:

- **What kind of housing is this?**
- **Where do I apply?**
- **How do I know if I'm eligible?**
- **What happens if I am selected?**
- **What happens if I am not selected?**
- **How long do I have to wait for a unit?**



Management Plan

Sample Management Plan** Checklist:

- Relationship of Owner to Manager
- Marketing and Outreach Plan
- Resident Selection Plan and Procedures
- Lease and other move-in paperwork to be used
- Rent collection procedures
- Maintenance Plans
- Inspection Procedures
- Vacancy Re-occupancy Procedures
- Personnel
- Budgeting and finance plan
- Purchasing and inventory procedures
- Management information system
- Contracting procedures
- Performance Standards

**The Management Plan is a document that should be prepared for each individual property. The Plan states how a property will be managed. This is a checklist of topics a management plan might contain. Some organizations keep their management plans general while other organizations create mini "procedures manuals" as their management plan.



Management Agreement

- **The OWNER will furnish the AGENT** with copies of the Regulatory and Loan Agreement. In performing its duties under the AGREEMENTS, the AGENT will comply with all pertinent requirements of the Regulatory and/or Loan Agreement and the directives of RIHousing.
- **RENTALS:** The AGENT will offer for rent and will rent the dwelling units in accordance with the Management Plan and a tenant selection plan that meets applicable HUD requirements (“Tenant Selection Plan”). Incident thereto, the following provisions will apply:
- **COLLECTION OF RENTS AND OTHER RECEIPTS:** The AGENT will collect, when due, all rents, fees/charges, and other amounts receivable for the OWNER’s account in connection with the management and operation for the DEVELOPMENT.
- **ENFORCEMENT OF LEASE:** The AGENT will use its best efforts to secure full compliance by each tenant with the terms of his or her lease.
- **MAINTENANCE AND REPAIRS:** The AGENT will cause the DEVELOPMENT to be maintained and repaired in accordance with the Management Plan and state and local codes, and in a condition at all times acceptable to the OWNER and RIHousing
- **UTILITIES AND SERVICES:** In accordance with the Management Plan and the operating budget, the AGENT will make arrangements for water, electricity, gas, oil, sewage and trash disposal, pest extermination, decorating, laundry facilities, telephone, cable and data communication service and any and all other services as may be required or advisable for the operation of the Development
- **TERM OF AGREEMENT:** usually 2 or 3 years



Need to Know Pre-Lease Up

- Requirements detailed in Regulatory Agreement
- Income Limits
- Rent limits
- Utility Allowance (UA) Utilities – included or not?
- Students – not dormitory housing
- Application process – fair housing



Application and Next Steps

- Applications – must ask pertinent questions about student status, income, assets, household size and citizenship.
- All adult members sign a consent for release of information.
- Verify income, assets and student status if unsure of student status and employment.
- Select from pool of approved applicants.
- Enter household data in software, upload to Procorem.



Resources – Need to Know

✓ What:

- Utility allowances
- Income limits
- Determine household income and assets
- Determine eligibility
- Approve applicant documentation and move-in paperwork, house rules, unit inspection with tenant

✓ From Where

- RIHousing website
[Utility Model-Ver13i 813 Summit-Updated 2025.xlsm](#)
- Novogradac
[Novogradac & Company LLP Rent & Income Limit Calculator](#)
- 3rd party verifications
- TSP
- Software or RIHousing forms, Management Plan



Move-In Process

- Collect security deposit
- Sign Lease and TIC and all paperwork
- Reminder – provide notice of annual certification at time of move-in
- Review house rules
- Perform unit inspection and fill out the MI checklist
 - Walk through with head of house (HoH)
 - Take photos- optional
 - HoH must sign unit inspection form



Move-In Unit Inspection



Areas to inspect:

- Smoke Detectors
- Appliances operating
- Lights
- Heat/AC
- Overall unit is in decent, safe and sanitary condition



Move-In Unit Inspection – Sample Checklist

☐ Kitchens

- ☐ Ceilings
- ☐ Doors
- ☐ Floors
- ☐ Windows
- ☐ Walls
- ☐ Outlets and switches

☐ Bathrooms

- ☐ Calls-for-aid
- ☐ Ceilings
- ☐ Doors
- ☐ Floors
- ☐ Windows
- ☐ Walls
- ☐ Outlets and switches

☐ Smoke detectors throughout unit

☐ Decent, safe and sanitary

☐ Bedroom(s)

- ☐ Calls-for-aid
- ☐ Ceilings
- ☐ Doors
- ☐ Floors
- ☐ Windows
- ☐ Walls
- ☐ Outlets and switches

☐ Laundry areas

☐ Patios/porches/balconies

☐ Stairs

☐ Electrical systems

☐ Hot water heaters

☐ HVAC systems

✓ Manager
signature/date/time: _____

✓ Tenant signature/date/time _____

✓ Comments: _____

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RIH Asset Management Initial Compliance (IC) Tasks



Initial Certification (IC) Review

- Ensure all MI households qualified for the program
- Review TIC
- Review backup documentation
- Review rental application
- Conduct physical inspection
- Report findings/observations/recommendations to site manager at exit interview
- Send formal report to owner within 30 days of site visit
- Response from owner is due within 30 days
- Follow up if necessary



Annual Certification (AR) - Management

- Approximately 120 days prior to the anniversary date of move-in – begin the process of the annual certification (AR)
- Consent for information
- Tenant can self cert income and assets
- Tenant can self certify student status
- Conduct physical unit inspection
- Update household information in your software
- Produce new TIC for household to sign
- Upload to Procorem



RIHousing Asset Management Ongoing Compliance Tasks Annually (AR)



- Physical Inspection annually
- Tenant file review annually until high performer, then once every three years at RIHousing's discretion
- Annually RIHousing will:
 - Look at income and rent limits
 - Review TICs
 - Review backup documentation if required
 - Report findings, observations or recommendation to site manager at exit interview
 - Send formal report to owner within 30 days of site visit
 - Response from owner is due within 30 days
 - Follow up if necessary



Rent Increase Approvals

From the Regulatory Agreement:

4. Rent Restrictions.

(a) Rental Charge. During the term of this Agreement, Owner shall lease the Workforce Housing Units at a rental charge that does not exceed 30% of the AMI for the corresponding household size of the designated Residential Unit, based on bedrooms per unit, inclusive of utilities (but excluding telephone, cable and parking) (the “Restricted Rents”). The initial Restricted Rents approved for the Workforce Housing Units is set forth on Exhibit E attached hereto and made a part hereof. The Owner may increase the Restricted Rents provided such increased Rents continue to comply with the terms of this Agreement and have been approved by RIHousing in writing.



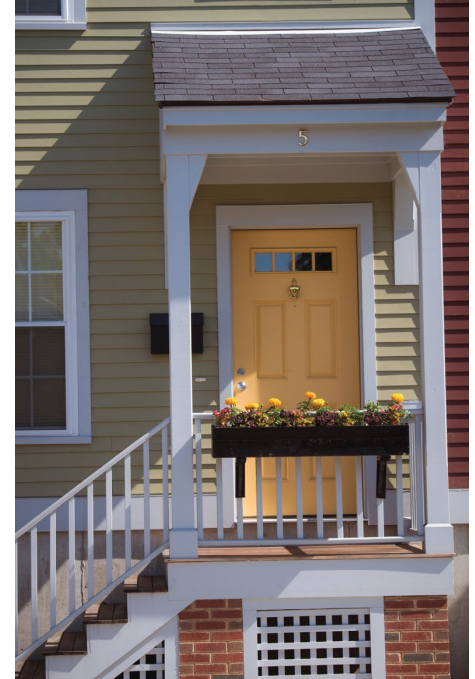
Rent Increase Approvals

- (a) Annual Rent Schedule and Budget. Owner shall submit to RIHousing not later than December 1st of each year ... a **proposed rental schedule** and operating budget for the Residential Units for the next succeeding calendar year, which schedule shall reflect any **proposed increases of rent for the Workforce Housing Units** for said succeeding calendar year. The proposed rental schedule shall be subject to the approval of RIHousing. Any subsequent change in the rental schedule must be submitted to RIHousing for approval not less than sixty (60) days prior to the date of the implementation of the change.
- These may be sent to hlanphear@rihousing.com



Reporting to RIHousing

- Tenant/household occupancy and demographic information is securely uploaded to RIHousing's Procorem software on a Monthly basis by the 10th of the month
- MI, MO, UT, AR – transactions must be reported





PROCOREM USER AUTHORIZATION FORM

Register for access to your work centers in Procorem [here](https://www.rihousing.com/property-managers-owners-training/)

www.rihousing.com/property-managers-owners-training/

Each user must complete Sections I, II, and III. In addition, Asset Management and/or Compliance users must complete Section IV; Underwriting and/or Design & Construction users must complete Section V. Users must be authorized by an approver in Section VI.

Submit the completed form to your Asset Manager or Development Officer. Deactivation requests must be received within two (2) business days of an employee's termination or change in job function. Recertification will be required annually. **Users may not authorize themselves.**

I. Type of Request

Select the certification type for this user.

☐ Activate User

☐ Recertify User

☐ Deactivate User

II. Environment

Indicate the work center environment(s) for this user.

EXISTING PROPERTIES:

☐ Asset Management

☐ Compliance

NEW DEVELOPMENTS OR REFINANCE:

☐ Underwriting

☐ Design & Construction

III. User

Effective Date:

Authorized User (Employee Name):

Authorized User's Title:

Authorized User's E-mail Address:

IV. Management

Management Company:

Management Company Address:

Management Company City, State, Zip:

Properties User is responsible for:

RIHousing Resources

Procorem Resources

Presentations

Partner Trainings & Events

Please forward your completed Procorem User Authorization forms to either:

Kristi Richardson, Compliance Support Specialist – krichardson@rihousing.com

Lenore Coughlin, Business Solutions Manager – lcoughlin@rihousing.com



Common Questions from Managers

- What happens when someone goes over the 80% income limit?
- When do the income and rent limits change?
- There was a flood, and the tenant can't live in the unit, now what?
- The household has 3 new members, and they need a larger unit, can they move?
- A tenant moved in a few months ago but now they are going to school part time and working part time , what happens now?



Resources

- HUD handbook 4350.3 rev1 (specifically chapter 5 and 3):
[Occupancy Requirements of Subsidized Multifamily Housing Programs \(4350.3\) | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)
- Novogradac:
[Novogradac & Company LLP Rent & Income Limit Calculator](#)
- RIHousing:
[Property Managers & Owners | RIHousing](#)



Common Acronyms in Affordable Housing

AMI	Area Medium Income
AR	Annual Recertification
ARP	American recovery plan
BHRI	Building Homes RI
CMF	Capitol Magnet Fund
CRP	Community Revitalization Program
DAH 1 and 2	Development of Affordable Housing
ELI	Extremely Low Income
ERA2	Emergency Recovery Act
GR	Gross Rent
HTF	Housing Trust Fund
IC	Initial Certification
MI	Move-in
MI Program	Middle Income Program
NOP	Neighborhood Opportunities Program
PLF	Preservation Loan Fund
PPF	Priority Projects Fund
TIC	Tenant Income Certification
TOD	Transit Oriented District/development
UA	Utility Allowance
UT	Unit Transfer
WFH	Workforce Housing



Regulatory Changes Coming in 2026

- HOTMA = Housing Opportunities Through Modernization Act of 2016
- Changes to income and assets definitions, inclusions and exclusions
- Will be applicable to MI programs too.



RIHousing Contacts

Hope Lanphear, Assistant Director, 401-429-1409, hlanphear@rihousing.com

Kathy Millerick, MF Compliance Training Coordinator, 401-457-1241
kmillerick@rihousing.com

Brittany Toomey, MF Housing Compliance Supervisor, 401-429-1455,
btoomey@rihousing.com

Amanda O'Brien, Ancillary Programs Asset Manager, 401-450-1383
Aobrien@rihousing.com

Kristi Richardson, Compliance Support Specialist, and Procorem support
Krichardson@rihousing.com

Luis Matos, MF Housing Compliance Manager, lmatos@rihousing.com

Lenore Coughlin (**for Procorem only**) lcoughlin@rihousing.com



Questions?

