

RIHOUSING

RI REBOUNDS PRODUCTION FUND PROGRAM DESCRIPTION

Program Purpose:

RIHousing announces funding availability under the RI Rebounds Production Fund (“RIRPF”). The source for RIRPF are State and Local Fiscal Recovery Funds (“SFRF”) funded through the American Rescue Plan Act of 2021 (“ARPA”)

The purpose of the RIRPF is to provide funding for the development of new multifamily and homeownership units for households with incomes below 80% of Area Median Income (“AMI”).

Funding Availability: \$15,000,000 for direct production

Non-Eligible Uses: Based on current guidance from the United States Department of Treasury (“Treasury”), SFRF funds must be (i) fully expended by December 31, 2026, and (ii) cannot have a loan term that extends beyond December 31, 2026.

As a result of these restrictions, it has been determined that ARPA funds, and therefore RIRPF, have limitations when included in a low-income housing tax credit (“LIHTC”) transaction.

Eligible Uses:

- Acquisition, construction and soft costs related to the development of newly created non-LIHTC multifamily units and homeownership opportunities.
- Non-basis eligible items in tax exempt bond and 4% LIHTC transactions. Non-basis items generally include, land costs, capitalization of reserves, origination fees, cost of issuance fees, and LIHTC related legal and accounting fees.
- Non-basis eligible items and excess eligible basis in a 9% LIHTC transaction
- Loans blended with other non-federal funds and structured in a tax efficient manner compliant with Treasury guidance may be included in LIHTC basis. A proposal to use RIRPF in this manner must be accompanied by an analysis from a Certified Public Accountant detailing the present value calculations used to determine the pro-rata share of the RIRPF in the proposed loan.

For the LIHTC basis items noted above, applicants will be required to provide a letter of intent from a syndicator that expressly confirms the proposed use of RIRPF grants.

Funding Type: Grants or loans secured by a deed restriction

Maximum Funding Amount: A maximum of \$3,000,000 per project. RIHousing reserves the right to award more than the maximum if determined to be in the best interest of the proposal and/or program.

Availability of Funds: RIRPF funds will be available through a Request for Proposals issued by RIHousing. Funding is available in the form of grants or blended loans as discussed in Eligible Uses above, for development of new rental and homeownership opportunities.

Eligible Applicants: Eligible applicants include for-profit and non-profit developers, owners of existing affordable housing developments, and Public Housing Authorities.

Income Targeting: Developments must benefit low- and moderate-income individuals and families with gross annual incomes at or below 80% of Area Median Income (“AMI”) adjusted for family size. While mixed income developments are allowed under the RIRPF program, RIRPF awards may only be used for the affordable housing portion of a mixed income development.

Funding Priorities:

To ensure that resources are committed and expended in the most efficient manner that most positively impacts the state, RIHousing has established Funding Priorities and Threshold Criteria.

- Proposals providing for the greatest number of affordable units at the lowest total development cost.
- Newly created rental units for households earning up to 80% of AMI. “New” is defined as newly affordable and may include rental units created in conjunction with a LIHTC development refinance.
- Development that has or will contribute to a comprehensive neighborhood revitalization strategy, community building initiative or similar local initiative.
- Proposals that provide at least 10% of the total units for households with incomes at or below 30% of AMI.

The scoring for the RIRPF will mirror the scoring for the Housing Production Fund.

Threshold Criteria:

- **Readiness to Proceed:** Owner/Developer must demonstrate ability to proceed to closing on all financing and begin construction within nine months of commitment.

- **Financial Feasibility:** The development must demonstrate financial feasibility for: (i) the overall development costs of the project and (ii) the long-term operation of the proposal.
- **Marketability:** 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.
- **Development Team Capacity:** 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.