

**Request for Action
By
Board of Commissioners**

Re-Authorization of Site Acquisition Program

I. SUMMARY OF ISSUES

This Request for Action is for authorization to implement the Site Acquisition Program (the “Program”) on behalf of the State of Rhode Island in accordance with revised Program Guidelines. The Program is funded by State and Local Fiscal Recovery Funds (“SFRF”) appropriated to the United States Department of Treasury (“Treasury”) through the American Rescue Plan Act of 2021 (“ARPA”). Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) was allocated an initial \$12,000,000 in January 2022 for the first round of the Program, and RIHousing has subsequently been authorized to implement and administer an additional \$13,000,000 in funds to further develop a pipeline of properties that will be redeveloped for affordable and supportive housing.

II. DISCUSSION

In February 2022, the Board approved RIHousing’s establishment of the Site Acquisition Program to deploy up to \$12,000,000 in ARPA funds on behalf of the State of Rhode Island. In December 2022, Treasury and the State of Rhode Island authorized RIHousing to implement, administer and deploy an additional \$13,000,000 in SFRF funds on behalf of the State of Rhode Island as part of the Program. The goal of the Program is to create a pipeline of properties to be redeveloped as affordable and supportive housing to address the critical need for housing in the state.

In accordance with SFRF requirements, funding under the Program will continue to be provided as grants to eligible developers, and developments may be located across the state. In addition, developers must commit to serve households at or below 80% of area median income and RIHousing will enforce affordability requirements for a minimum of 30 years.

Based on experience gained in the first round of the Program, Development staff, with approval from the State of Rhode Island, developed the revised Program Guidelines set forth at Attachment A which modify a number of Program terms. The revisions include (i) limiting eligibility to non-profit developers, municipalities, and public housing authorities, (ii) increasing the expected time to commence redevelopment from 9 months to 12 months, and (iii) increasing the maximum grant amount from \$1,000,000 to \$1,500,000 per project.

In November 2022, RIHousing issued a rolling Request for Proposals (“RFP”) for Program funds from qualified applicants based on the revised Program Guidelines. All applications have been, and will be, reviewed by Development staff in accordance with the published Program Guidelines in order to evaluate whether the applications contain the required Program threshold criteria for awards.

III. RECOMMENDATION

Staff recommends the re-authorization of the Site Acquisition Program to administer and deploy an additional \$13,000,000 in Site Acquisition Program funding, for a total of up to \$25,000,000 or such other sum appropriated by the General Assembly for this purpose, on behalf of the State of Rhode Island in accordance with the revised Program Guidelines. Accepted applications under the Program will be underwritten in accordance with the Program Guidelines at Attachment A and program priorities and evaluative criteria set forth in the Request for Proposals.

IV. ATTACHMENTS

- A. Program Guidelines
- B. Resolution

Attachment A

**State of Rhode Island
Site Acquisition Program (“SAP”)
Program Guidelines**

1. Program Overview	The purpose of the Site Acquisition Program (“SAP”) is to provide grant funding for the acquisition of properties for future redevelopment of affordable and supportive housing.
2. Eligible Applicants	Funding is available to qualified developers including nonprofit developers, municipalities, and public housing authorities.
3. Program Goal	The goal of the SAP is to develop a pipeline of projects to increase the supply of supportive housing and affordable rental and homeownership opportunities across the state.
4. Target Population/Areas	The program will be conducted statewide. Income of households occupying housing assisted with SAP funding is limited to 80% of Area Median Income (“AMI”).
5. Program Allocation	\$25,000,000
6. Property Eligibility Criteria	<p>Eligible properties include residential and commercial sites, and vacant lots located in Rhode Island. Acquisition and related expenses must be supported by an appraisal commissioned by RIHousing.</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>Mixed income and mixed-use properties are eligible. However, SAP grant funding may only be used to support the pro rata cost of acquisition for the affordable housing component of a project.</p>

7. Eligible Activities	<ul style="list-style-type: none"> • Property acquisition and related closing costs • Acquisition and related costs, including but not limited to: <ul style="list-style-type: none"> - Appraisal - Closing costs
8. Program Terms	<ul style="list-style-type: none"> • Owner must demonstrate that they can commence redevelopment within 12 months of acquisition. • Properties must be redeveloped in accordance with the income and affordability provisions of the SAP.
9. Amount of Assistance	A maximum of \$1,500,000 per project.
10. Term of Affordability	A deed restriction of no less than 30 years enforcing affordability and income requirements will be recorded on all properties assisted with SAP funds.
11. Program Leverage with Other Financial Resources	It is expected that SAP funds will be matched with other public and private funds for the development of the end units.

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 grants to developers for projects that in the judgment of RIHousing will provide decent and safe affordable housing for low and moderate income persons or families;

Whereas, RIHousing has been authorized to establish and implement the Site Acquisition Program on behalf of the State of Rhode Island; and

Whereas, RIHousing finds that:

(1) There exists a shortage of decent, safe, and sanitary housing at rental levels or sales prices which persons and families of low or moderate income can afford within the state;

(2) The proposed activities to be undertaken under the Program will provide a public benefit;

(3) That the activities that will be undertaken under the Program will be under the authority of and consistent with the provisions of the Rhode Island Housing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that RIHousing be and hereby is authorized to administer the Site Acquisition Program, with a total funding amount of up to \$25,000,000 or such other sum appropriated by the General Assembly for this purpose, generally in accordance with the description contained in the Program Guidelines attached hereto, with such changes as the Executive Director, Deputy Executive Director, and Director of Real Estate Development may, in their sole discretion, determine to be necessary or advisable;

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, be and hereby are authorized to approve grants on terms and conditions and for eligible borrowers and activities consistent with the terms of the Program Guidelines; and

Resolved, that any such previous actions and approvals by the executive Director, Deputy Executive Director, or Director of Real Estate Development consistent with the terms of the Program Guidelines are hereby ratified and confirmed; and

Resolved, that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, be and hereby are authorized, empowered and directed to take any and all actions as each, in his or her sole discretion, shall deem necessary or advisable to carry out the foregoing resolutions.