

**Request for Action  
By  
Board of Commissioners**

**Approval of Site Acquisition Program**

**I. SUMMARY OF ISSUES**

This Request for Action is for authorization to establish and implement a Site Acquisition Program (the “Program”) on behalf of the State of Rhode Island through federal American Rescue Plan Act (“ARPA”) funding. The Program will be used to develop a pipeline of properties that will be redeveloped for affordable and supportive housing.

**II. DISCUSSION**

In October 2021, Governor Daniel McKee issued his RI Rebound plan under which he proposed funding for several housing initiatives including a \$12 million allocation for a Site Acquisition Program. In January 2022, the General Assembly approved the funding for 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.

Staff has developed the Program Guidelines set forth at Attachment A which outline details of the Program. In accordance with ARPA requirements, funding under the Program will be provided as grants to eligible developers. The maximum grant under the Program will be limited to \$1 million. Developments may be located across the state. Developers must commit to serve households at or below 80% of area median income and RI Housing will enforce affordability requirements for a minimum of 30 years.

Several Program priorities and project evaluative criteria will be included in a Request for Proposals to be released later this month. Program priorities will include but are not limited to new production of affordable homes; the provision for supportive housing serving extremely low-income households; fully permitted properties; and production of family housing units. Evaluative criteria will include an analysis of developer capacity; the availability of resources to complete the project; the marketability of the proposed development; and the developer’s ability to proceed to redevelopment within 9 months of acquisition.

**II. RECOMMENDATION**

Staff recommends approval of the Site Acquisition Program to deploy up to \$12 million in ARPA funding on behalf of the State of Rhode Island for eligible projects. Applications under the Program will be accepted on a rolling basis and will be underwritten in accordance with the program guidelines at Attachment A and program priorities and evaluative criteria set forth in a Request for Proposals.

**III. ATTACHMENTS**

- A. Program Guidelines
- B. Resolution

**Attachment A**  
**RIHousing Site**  
**Acquisition Program**  
**Guidelines**

<b>1. Program Overview</b>	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.
<b>2. Eligible Applicants</b>	Funding is available to qualified developers including nonprofit and for-profit developers, municipalities, and public housing authorities.
<b>3. Program Goal</b>	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.
<b>4. Target Population/Areas</b>	The program will be conducted statewide. Income of households occupying housing assisted with SAP funding is limited to 80% of Area Median Income (“AMI”).
<b>5. Program Allocation</b>	\$12,000,000
<b>6. Property Eligibility Criteria</b>	<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>Contaminated sites must have an approved EPA remediation plan in place.</p>

<b>7. Eligible Activities</b>	<ul style="list-style-type: none"> <li>• Property acquisition and related closing costs</li> <li>• Acquisition and related costs, including but not limited to: <ul style="list-style-type: none"> <li>- Appraisal</li> <li>- Closing costs</li> </ul> </li> </ul>
<b>8. Program Terms</b>	<ul style="list-style-type: none"> <li>• Owner must demonstrate that they can commence redevelopment within 9 months of acquisition.</li> <li>• Properties must be redeveloped in accordance with the income and affordability provisions of the SAP.</li> </ul>
<b>9. Amount of Assistance</b>	A maximum of \$1,000,000 per project.
<b>10. Term of Affordability</b>	A minimum 30-year deed restriction enforcing affordability and income requirements will be recorded on all properties assisted with SAP funds.
<b>11. Estimated Number of Properties to be Redeveloped</b>	It is anticipated that the SAP will fund the development of approximately 600 residential units.
<b>12. Program Leverage with Other Financial Resources</b>	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,** Governor Daniel McKee has directed RIHousing to establish and implement a Site Acquisition Program on behalf of the State of Rhode Island.

**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 establish and administer the Site Acquisition Program, structured generally in accordance with the description contained in the Program Guidelines attached hereto, with such changes as the Executive Director or the Deputy Executive Director may, in their sole discretion determine to be necessary or advisable; and

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