RESOURCES

Rhode Island Housing Resources

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1. **First Mortgage Financing:** Tax exempt and taxable first mortgage financing is available for both construction and permanent financing for a term of up to 30 years. Borrowers must be single-asset entities and must have a satisfactory credit history. First mortgages are non-recourse and may not exceed 90% of the as-built value as determined by an independent appraisal. Requests for tax-exempt financing which require an increase in bonding authorization from Rhode Island Housing are subject to approval by the Rhode Island Housing Board of Commissioners (the “Board”).

2. **Housing Tax Credits:** The Housing Tax Credit Program (“HTC”) is advantageous to owners of qualified rental housing, as the HTC is economically more attractive than a tax deduction. The HTC is a direct dollar-for-dollar offset against a taxpayer’s federal income tax liability to be taken over a 10-year period. These tax credits are sold in exchange for equity investment in qualified low-income housing developments.

There are three types of HTCs that can be awarded to a development. The first type of credit is a 9% annual credit for the costs of new construction or substantial rehabilitation of an existing building without any federal subsidies. The second type of credit is a 4% (approximate) annual credit for the costs of new construction or substantial rehabilitation of an existing building with a federal subsidy. The third type of credit is a 4% (approximate) annual credit for the cost of acquiring an existing building that involves substantial rehabilitation without federal subsidy. The first and third types of credit are awarded annually through a competitive process outlined in the state’s Qualified Allocation Plan. The second type of HTC, known as the 4% credit, is available for developments financed with tax-exempt bonds. Developments utilizing the second type of HTC must also meet requirements outlined in the Qualified Allocation Plan. Currently, allocations of volume cap (tax exempt financing) are not awarded through a competitive process. Requests for tax exempt financing are accepted on a rolling basis throughout the year. Developments financed with 4% credits are subject to all requirements of this Handbook.

In order to qualify for HTCs, developments must set aside at least 20% of the units for households earning 50% or less of the area median income OR 40% of the units for households earning 60% or less of the area median income. In addition, HTC units must remain rent-restricted for a 30-year period. The Qualified Allocation Plan outlines the allocation process and criteria in detail.

In a situation where Rhode Island Housing is not the issuer of the tax-exempt bonds but is asked to allocate 4% credits, we reserve the right to deny an allocation if due diligence demonstrates that the financing package is not beneficial to the long-term viability of the development. Interested parties should contact Anne Berman, Assistant Director of Development, at (401) 457-1269.

3. **Predevelopment Loan Program:** The Predevelopment Loan Program is an initiative designed to provide nonprofit developers with the resources necessary to determine the feasibility of and obtain site control for an affordable housing development. Predevelopment loans are expected to be repaid at closing of construction or permanent financing, or within 24 months, whichever occurs first. Predevelopment financing can be applied only to that percentage of a development that will be occupied by households at or below 80% of median income.
income. In addition to site control costs, technical assistance costs that may be covered include architectural fees, financial packaging, legal costs, engineering, market analysis, application and bank fees, inspection, appraisal and survey fees, insurance, and title search and recording. Interested parties should contact Eric Alexander, Assistant Director of Development, at (401) 457-1236.

4. **HOME Investment Partnerships Program (HOME):** Rhode Island Housing is responsible for administering the federal HOME Program on behalf of the state. HOME funds may be used for acquisition, rehabilitation and new construction. Eligible applicants include nonprofit and for-profit developers, municipalities and Public Housing Authorities. The minimum amount of assistance per unit is $1,000. HOME-assisted homeownership units must be occupied by households with income at or below 80% of area median income. For rental developments, developers must target households with income at or below 60% of area median income. Twenty percent (20%) of rental units in buildings containing five or more units must be occupied by households at or below 50% of area median income, adjusted for family size. Interested parties should contact Ainsley Cantoral, Program Coordinator, at (401) 429-1449.

5. **National Housing Trust Fund (HTF):** Rhode Island Housing is responsible for administering the federal HTF Program on behalf of the state. HTF funds may be used for acquisition, rehabilitation and new construction. Eligible applicants include nonprofit and for-profit developers and Public Housing Authorities. The minimum amount of assistance per unit is $1,000. For rental developments, developers must target households with income at or below 30% of area median income. At this time, Rhode Island will not provide HTF funding for homeownership assistance. Interested parties should contact Belinda Lill, Program Coordinator, at (401) 429-1425.

6. **Thresholds Program:** Rhode Island Housing administers the Thresholds Program (“Thresholds”) on behalf of the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). Using BHDDH bond funds, Thresholds increases the supply of housing for people with disabilities and/or serious and persistent mental illness. Thresholds requires participating nonprofit housing sponsors to make units affordable to this population in return for: 1) funds to develop or refinance housing, and 2) an agreement to provide mental health and social services for residents. Developments that integrate people with a serious and persistent mental illness with the general public are preferred over developments that segregate this population in single or adjacent buildings. Housing exclusively for people with a serious and persistent mental illness must either be supervised or provide access to on-site mental health services during the day. Interested parties should contact Diane Benjamin, Program Coordinator, at (401) 450-1347.

7. **Rental Subsidies:** Developers may be able to obtain a set-aside of Federal Section 8 development based contract authority from an administering housing authority.

8. **Section 811 PRA Demonstration:** The State of Rhode Island was awarded nearly $6 million in HUD funds to provide renewable rental assistance to affordable housing projects serving persons with disabilities under the Section 811 PRA demonstration program (the “811 Program”). Rhode Island Housing and Mortgage Finance Corporation (RIH), the Executive office of Health and Human Services (EOHHS), and the Department of Behavioral Healthcare,
Developmental Disabilities and Hospitals (BHDDH) are working collaboratively to administer the program. This program will provide “project based” rental assistance for up to 150 disabled individuals and families. Tenants will pay 30% of the contract rent and the 811 subsidy will pay the balance of the rent. The owner will be required to have a service plan in place for the tenant. Eligible Properties must have at least 5 units, can be new or existing, and up to 25% of the entire property can be utilized for the 811 Program. The owner will enter into a Rental Assistance Contract for 20 years and execute a 30 year Use Agreement In addition, the owner is responsible to enter tenant data into HUD’s Tenant Rental Assistance Certification System (TRACS) and verify income with HUD’s Enterprise Income Verification (EIV). Interested parties should contact Jessica Mowry, Assistant Director of Leased Housing and Resident Services, at (401) 277-1564.

9. **Construction Loan:** The Construction Loan Program is designed to provide financing for the construction or rehabilitation of rental and for-sale housing to low and moderate income individuals and families. Interested parties should contact Anne Berman, Assistant Director of Development, at (401) 457-1269.

10. **Land Bank:** The Land Bank Program is designed to provide interim financing to nonprofit developers and/or municipalities for the acquisition of property or buildings for the development of affordable housing. Interested parties should contact Eric Alexander, Assistant Director of Development, at (401) 457-1236.

11. **LeadSafe Homes Program:** The LeadSafe Homes Program is designed to provide financial assistance to property owners or developers to make their properties lead safe. Financing is limited to a maximum of $10,000 per unit and can be used only for lead hazard reduction work. Work must be performed by a lead-certified contractor. Interested parties should contact Charles Pytel, Lead Program Coordinator, at (401) 457-1265.

12. **Continuum of Care:** The Continuum of Care Programs formerly known as the Supportive Housing Program, Shelter Plus Care Program, and Section 8 SRO Moderate Rehabilitation Program. These HUD programs are administered by Rhode Island Housing and are intended to promote the development of supportive housing that assists homeless families and individuals’ transition from homelessness to living as independently as possible. These funds may be used to finance the development and operation of permanent housing for individuals experiencing chronic homelessness. Funds may also be available for supportive services, rental assistance, and leasing. Interested parties should contact Jessica Mowry, Assistant Director of Leased Housing and Resident Services, at (401) 277-1564.

13. **Qualified 501 (c) (3) Tax Exempt Bond Financing:** Rhode Island Housing has the ability to provide 501(c)(3) tax-exempt bond funding to qualified nonprofits to produce affordable housing. Interested parties should contact Anne Berman, Assistant Director of Development, at (401) 457-1269.
Other Resources

14. Resources Available through Cities and Towns: Developers are encouraged to explore with local planning and/or community development departments the availability of resources such as Community Development Block Grant funds, Section 108 funds, HOME funds and tax incentives.

15. Federal Home Loan Bank: The FHLB administers two programs, the Affordable Housing Program (AHP) and the Community Investment Program (CIP) to fund homeownership and rental housing proposals that benefit low and moderate income individuals and families. Proposals for developments in New England must be submitted by a bank affiliated with the FHLB of Boston. Deadlines for applications are traditionally in April and September, but applicants should prepare to discuss proposals with their local bank prior to these deadlines. For more information, contact either your local member bank or the Housing and Community Investment Office of the FHLB of Boston.

16. Building Homes Rhode Island Program: The Housing Resources Commission provides grants and deferred loans through the Building Homes Rhode Island Program. Funds can be used for homeownership and rental opportunities for low and moderate income individuals and families. Interested parties should contact Belinda Lill, Program Coordinator, at (401) 429-1425.

17. Acquisition and Revitalization Program: The Acquisition and Revitalization Program provides an incentive to qualified developers to purchase and redevelop foreclosed and/or blighted properties in Rhode Island. Financing is available to non-profit and for-profit developers, municipalities and public housing authorities. Eligible properties include residential, commercial and vacant lots located in Rhode Island that are determined to be blighted or are foreclosed and that are part of a revitalization plan or strategy. Interested parties should contact Belinda Lill, Program Coordinator, at (401) 429-1425.

18. Federal Historic Tax Credits: Developments that include substantial rehabilitation and meet certain standards for historic rehabilitation may qualify for Federal Historic Tax Credits. For information on these programs, please call the Historical Preservation and Heritage Commission at (401) 222-2678.

19. Energy Efficiency and Clean Energy Resources

For more information on incentive and rebate programs:

National Grid Multifamily Coordinator:
General Information 1-888-633-7947
Or contact Matt Piccerelli, MPiccerelli@riseengineering.com

CLEAResults: for new construction or substantial rehabilitation of all residential buildings:
General Program Information 1-866-903-2811 or Rl-energysupport@clearesult.com
New Construction/Substantial Rehabilitation contact Jon Dember 508-250-2419
Low-Income Single-family (1-4 units) contact David MacLellan at 401-595-9941
RISE Engineering: for all single- or multi-family existing building energy retrofits (no new construction):
   General Information 1-800-422-5365
   Brian Kearney, bkearney@riseengineering.com

The National Grid Rhode Island Multifamily Program (NGRIMP) employs two lead vendors; RISE Engineering for existing retrofits and ClearResults for new construction, that utilize a network of Rhode Island sub-contractors to serve all customers, including income eligible. Eligible NGRIMP participants are defined as the following:

- Properties consisting of four or more 1-4 unit buildings that meet both of the following requirements:
  - Are connected or neighboring to each other, or to a 5+ unit building, and
  - Are owned by the same individual or firm.

- Buildings with 5 or more units

Both market-rate and income-eligible/affordable multifamily properties are subject to the above-outlined multifamily eligibility requirements for coordinated services. For the income-eligible properties, co-payments for energy efficiency services and measures may be waived.

The **income-eligible multifamily sector** is defined by properties that meet one of the following criteria:

- Owned by public housing authorities or community development corporations
- Receive affordable housing tax credits or any type of low-income funds/subsides from the state or federal government
- Consist of building units where a majority of customers qualify as income-eligible customers (receive utility service on the A-60 Low-Income rate and/or have a household income of less than 60% of the Area Median Income)

A multifamily property may be eligible for services and incentives under both residential and commercial programs. While this adds program coordination complexity, the Multifamily Coordinator will manage the multi-layer program, so the building owner can receive a consolidated incentive for all efficiency work completed at the site.

**Commercial and Industrial: Small Business Direct Install**
The Small Business Direct Install Program provides direct installation of energy efficient lighting, non-lighting retrofit measures, and gas efficiency measures. Electric customers with **average monthly demand of less than 200 kW** are eligible to participate. There is no eligibility criterion for gas consumption. The program’s lighting and non-refrigeration measures are currently delivered through RISE (www.riseengineering.com). The customer pays 30% of the total cost of a retrofit. This amount is discounted 15% for a lump sum payment or the customer has the option of spreading the payments over a two-year period interest free.
Commercial and Industrial: Large Commercial Retrofit
Large Commercial Retrofit is a comprehensive retrofit program designed to promote the installation of energy efficient equipment such as lighting, motors, and heating, ventilation and air conditioning (HVAC) systems, thermal envelope measures, and custom measures in existing buildings. All commercial, industrial, and institutional customers are eligible to participate. National Grid offers technical assistance to customers to help them identify cost-effective efficiency opportunities, and pays incentives to assist in defraying part of the material and labor costs associated with the energy efficient measures.

New Construction & Substantial Rehab Buildings:

Residential New Construction (RNC)
The program promotes the construction of high-performing energy efficient single family, multifamily, and low-income homes, as well as the education of builders, tradesmen, designers, and code officials. RNC has been overhauled over the past few years to make it more performance oriented. The current RNC vendor is CLEAResults (www.clearesult.com).

Commercial and Industrial: Large Commercial New Construction
Promotes energy efficient design and construction practices in new and renovated commercial, industrial, and institutional buildings. Promotes the installation of high efficiency equipment in existing facilities during building remodeling or at equipment failure and replacement and provides both technical and design assistance to help customers identify efficiency opportunities. Incentives are offered to eliminate or significantly reduce the incremental cost of higher efficiency measures and to owner’s design teams for time spent meeting program requirements. Operations Verification/quality assurance is offered to ensure the equipment and systems operate as intended.

All New & Existing Buildings:

ENERGY STAR® Lighting
This is an initiative implemented jointly with other regional utilities. It provides discounts to customers for the purchase of ENERGY STAR® lighting through instant rebates, special promotions at retail stores, mail-order catalog, pop-up retailer, and social marketing campaigns.

ENERGY STAR® HVAC Program
This program promotes the installation of high efficiency central air conditioners for electric customers and new energy efficient natural gas related equipment including boilers, furnaces, water heating equipment, thermostats, boiler reset controls, and furnaces equipped with high efficiency fans. The program provides training of contractors in installation, testing of the high efficiency systems, tiered rebates for new ENERGY STAR® systems, and incentives for checking new and existing systems. The program also includes the oil and propane heating equipment rebates.