STATE OF RHODE ISLAND

HOUSING PRODUCTION FUND ("HPF")

PROGRAM DESCRIPTION

1. Program Overview	RIHousing announces funding availability under the Housing Production Fund ("HPF"). The HPF is intended to support both the development of new affordable housing and the preservation of existing affordable units. RIHousing anticipates that the primary sources of financing for developments funded under the HPF may include tax-exempt bonds, syndication proceeds from the sale of 4% low-income housing tax credits ("LIHTC"), other gap financing sources, including other Owner/Developer resources. **Note:** For LIHTC proposals, applicants should refer to the current Qualified Allocation Plan ("QAP") and Developer's Handbook to ensure compliance with LIHTC requirements.
2. Eligible Applicants	Eligible applicants include for-profit and non-profit developers, owners of existing affordable housing developments, and Public Housing Authorities.
3. Eligible Activities	New construction, rehabilitation, and/or adaptive reuse, of income eligible rental units.
4. Target Population/Areas	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 with a priority for households either exiting homelessness or earning no more than 30% of AMI. Mixed income developments are allowed under the HPF program.
5. Program Allocation	Approximately $1,500,000. All funds may be awarded in one funding. Please note that this amount is approximate, and RIHousing reserves the right to adjust funding amounts as available.
6. Funding Type	Long term grant or loan secured by a deed restriction for rental developments.

7. Interest rate and Term	**Interest Rate:** 0% **Rental Development Loan Term:** The term of the loan will be a maximum of 40 years and co-terminus with the senior debt. Underwriting terms must be consistent with RIHousing standard underwriting guidelines as outlined in the Developer's Handbook.
8. Funding Priorities	• Proposals using tax exempt bonds and 4% LIHTC and developing new affordable units. • Proposals providing for the greatest number of affordable units at the lowest total development cost. • Proposals for which HPF financing is the last resource needed to proceed to closing on financing. • Proposals that leverage a permanent rental subsidy i.e. project based rental assistance for the ELI units. • 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. • For a preservation transaction. proposals that address critical housing needs including addressing housing obsolescence. • Proposals that provide at least 10% of the total units for households with incomes at or below 30% of AMI. • Preservation of existing affordable housing stock will be considered however, it is less of a priority than new production.

9. 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 (any with rental units above 80% AMI) 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.
10. Amount of Assistance	A maximum of $4,000,000 per project in line with the current HPF guidelines. *Please note $4,000,000 is not available at this time.*
11. Term of Affordability	A minimum of 30 years.
12. Availability of Funds	HPF funds will be available through a Request for Proposals issued by RIHousing. Funding is available in the form of grants or deferred loans for rental developments and construction of homeownership opportunities. (Funds for supportive services and operating subsidies are not available through the HPF-Capital Fund.)

13. Program Leverage with Other Financial Resources	It is expected that the HPF award may be matched with other public and private funds for the development of the proposed units.

Housing Production Fund Scoring Criteria

Point Allocation Summary

35 Points	Financial Feasibility
32 Points	General Points
9 Points	Sustainability

76 Total Points

Total Development Cost – Up to 10 points
(minus reserves); scores will be prorated within each TDC band

Project TDC per unit at or below $300,000	10 points
Project TDC per unit between $300,000 and $330,000	8 points
Project TDC per unit between $331,000 and $360,000	5 points
Project TDC per unit between $361,000 and $390,000	3 points
Project TDC per unit is greater than >$390,000	0 points

Leveraging - Up to 10 points

HPF Funding is < 25% of TDC	10 points
HPF Funding is < 50% of TDC	5 points
HPF Funding is > 50% of TDC	0 Points

Proposal leverages tax exempt bond financing and 4% LIHTC – 5 Points

Housing Production Funds are last source (not including LIHTC) – 5 Points

Committed Operating Support (811, PBV, HPF-ELI) – Up to 5 Points

20% or more units within the development	5 points
10-19.99% of units within the development	3 points
Up to 9.99% of units within the development	1 point

New Production vs Preservation – up to 6 Points

100% of the units are new affordable units	6 points
50% of the units are new affordable units	4 points
25% of the units are new affordable units	2 points

Applicant certifies to use RI based GC – 5 points

Applicant certifies that 50% of the subcontractors will be RI based firms – 3 Points

Applicant certifies to require up to 10% MBE/WBE utilization rate – 2 points

Readiness to Proceed – Up to 10 points

Project has 100% plans AND specifications AND building permits secured or no building permits required.	10 points
Project has fully permitted development that has building permits secured and specifications are at least 75% complete and architect confirms in writing that the plans and specifications can be 100% complete within 30 days.	8 points
Project has master, preliminary and final plan approval for development. Points will be prorated based on approvals in place at time of application.	5 points

Households at or below 30% AMI, homeless and/or have special needs and application has provided a detailed plan outlining supportive services for these residents – Up to 6 Points

21% or more units within the development	6 points
11-20.99% of units within the development	4 points
Up to 10.99% of units within the development	2 points

Sustainable Design- Up to 9 Points

Exceeds Energy Star 3.1 Version 8 for new construction OR substantial rehab that surpasses Tier II standards	3 points
Meets RNC Tier II AND most current Net Zero or Passive House standards	3 points
Incorporates solar panels or other renewables including net metering	Up to 3 points based on size and amount of energy produced

Effective October 2025