

Homeownership Investment Fund (HIF)

RIHousing Announces Homeownership Investment Fund ("HIF") Funding

Application Deadline: 4 p.m. Friday, October 29, 2021

RIHousing announces the opening of a competitive funding round for Homeownership Investment Fund ("HIF") funding. Approximately \$1,500,000.00 in HIF funding is available to help increase the construction of new homeownership opportunities across Rhode Island. The income of households that can occupy these newly constructed or redeveloped residential properties is limited to 120% of Area Median Income ("AMI").

Applicants should review the HIF guidelines, which set forth the Threshold Criteria and Priorities which will be used to evaluate applications.

APPLICATION PROCESS:

- Incomplete applications and those omitting requested documentation will not be evaluated.
- Applicants may submit proposals for more than one project.

APPLICATION SUBMISSION:

All applications are due by 4:00 p.m. on Friday, October 29, 2021

For information on the HIF program, contact Lauren Farley at (401) 457-1412 or lfarley@rihousing.com.

PROGRAM REVIEW CRITERIA

In awarding HIF resources, RIHousing has identified the following priorities:

1. Increase the construction of new homes for households at or below 120% of area median income ("AMI"). Middle-income households are generally recognized as housing that is available for purchase to households earning between 80% - 120% AMI.

- See FY2021 Rhode Island Income Limits for Low- and Moderate-Income Households listed below.
- 2. Rehabilitation of blighted properties for homeownership;
- 3. Suitable site and design with appropriate scope of rehabilitation or construction;
- 4. Projects that incorporate smart growth and sustainable development principles;
- 5. Proposals that achieve these goals at the lowest cost.

To best achieve these goals, RIHousing has established four (4) threshold criteria that must be met before a proposal will be considered for HIF funding:

1. The development activity will commence within six (6) months of approval of funding.
2. Applicant must demonstrate that the development is financially feasible.
3. Applicant must demonstrate the experience and capacity to complete and market for-sale housing.
4. Applicant must demonstrate the need or demand for the project through market analysis, local demographics, existing demand for the project, etc.

Generally, only proposals that satisfy the Threshold Criteria review (as set forth below) will be further considered under the Scoring Criteria (as set forth below). RIHousing will record a fifteen (15) year restriction on properties assisted under the HIF. RIHousing will have an opportunity to provide the construction financing or match any terms from other lenders.

A. Threshold Criteria

1. **Readiness to Proceed:** Applicant must demonstrate that development of affordable homeownership opportunities for middle-income households will commence within six (6) months of funding. To be awarded and maintain a funding reservation, all applicants must demonstrate readiness to proceed throughout the process. An assessment of a proposal's initial readiness to proceed will be made based upon the applicant's ability to achieve the following: obtain all written land use and zoning approvals and building permits; evidence of site control; secure all funding commitments; and demonstrate financial feasibility.

RIHousing will use its best professional judgment in evaluating an application for readiness to proceed. Staff will consider the applicant's past performance in meeting permitting, funding and closing deadlines.

2. **Financial Feasibility:** The applicant must demonstrate that the proposal is financially feasible. RIHousing reserves the right to deny funding of proposals for which adequate funding commitments have not been secured for all development costs.
3. **Development Team Capacity:** The development team must have experience in the successful development and sale of affordable homeownership opportunities. The development team will be evaluated on its professional capacity to plan, build, market, and sell the proposed home(s). Each team member is expected to demonstrate satisfactory prior experience on projects of similar scale and complexity; to have satisfactory professional references; and to devote sufficient staffing and resources to complete the proposed project. The applicant will also be evaluated for creditworthiness and financial capacity.
4. **Demonstration of Need or Demand:** The applicant must demonstrate, to RIHousing's satisfaction, that the need or demand for the project exists. Demonstration of need can be provided through market analysis, local demographics, demand for the project as exhibited by list of interested and qualified buyers, etc.

RIHousing reserves the right to deny funding to any proposal where (i) any materially participating entity is not in good standing regarding compliance monitoring of other RIHousing funded projects; or (ii) any partner, developer or other key development team member has been determined by RIHousing to be not creditworthy. Creditworthiness takes into consideration the financial condition of an organization and management capabilities. RIHousing will review each applicant's most recent audit to ensure financial capacity to develop the project.

B. Scoring Criteria

Residential Point Allocation Summary

25 points	General
20 points	Total Development Costs ("TDC") per home/unit
15 points	Household Income Levels
15 points	Financing Points
20 points	Community Impact
10 points	Local Need

105 Total Points

GENERAL POINTS - Up to 25 Points

Up to 10 points - Utilizing Rhode Island based and MBE/WBE firms.

- 5 points for owner/applicant that utilizes a Rhode Island based General Contractor to construct the project.
- 3 points for owner/applicant that certifies in the application to require that up to 75% of the sub-contractor contracts be awarded to Rhode Island based construction firms.
- 2 points for owner/applicant that certifies in the application to require up to 10% MBE/WBE utilization rate.

Up to 10 points - Development that at the time of application is permitted by all applicable regulatory agencies including: municipal permitting bodies (local planning, zoning and building permit approvals) and state regulatory agencies (Department of Environmental Management and Coastal Resources Management Council). **Projects must demonstrate readiness to proceed within 6 months of funding.**

- 10 points for a project that has 100% plans and specifications and building permits secured or no building permits required.
- 8 points for a 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.
- 5 points for master, preliminary and final plan approval for development. Points will be prorated based on approvals in place at time of application.

Bonus: Up to 5 points - HIF is the last funding source needed to commence the project.

TOTAL DEVELOPMENT COST ("TDC") PER HOME / UNIT - Up to 20 points

<\$225,000	20 points
\$225,001 - \$250,000	15 points
\$250,001 - \$275,000	10 points
\$275,001 - \$300,000	5 points
>\$300,000	0 points

HOUSEHOLD INCOME LEVELS - Up to 15 points

- Homes developed for households at or below 80% of AMI 15 points
- Homes developed for households at or below 100% of AMI 10 points
- Homes developed for households at or below 120% of AMI 5 points

HIF FINANCING - Up to 15 points

< \$25,000 per home/unit	15 points
\$25,001 - \$35,000 per unit	13 points
\$35,001 - \$45,000 per unit	11 points
\$45,001 - \$55,000 per unit	9 points
\$55,001 - \$65,000 per unit	7 points
\$65,001 - \$75,000 per unit	5 points
\$75,001 - \$85,000 per unit	3 points
\$85,001 - \$95,000 per unit	1 point

COMMUNITY IMPACT - Up to 20 Points

- 15 points - A property which is located within a community with less than 10% affordable housing as defined by state law.
- 10 points - A property in an exempt community with less than 10% affordable housing as defined by state law: Cranston, East Providence, North Providence, Pawtucket, Warwick, or West Warwick.

Bonus: Up to 5 points - If project integrates green and sustainable components and energy efficiency.

LOCAL NEED - Up to 10 Points

- 10 points - New construction that creates additional affordable homes on foreclosed, abandoned, vacant or difficult-to-develop lots;
- 5 points - The project must demonstrate that construction or rehabilitation corrects existing physical and health and safety conditions.

***FY2021 Rhode Island Income Limits for Low- and Moderate-Income Households**

(Incomes over 80% AMI are calculated based on HUD 2008 income limits policy)

MUNICIPALITIES: Barrington, Bristol, Burrillville, Central Falls, Charlestown, Coventry, Cranston, Cumberland, East Greenwich, East Providence, Exeter, Foster, Gloucester, Jamestown, Johnston, Lincoln, Little Compton, Narragansett, North Kingstown, North Providence, North Smithfield, Pawtucket, Providence, Richmond, Scituate, Smithfield, South Kingstown, Tiverton, Warren, Warwick, West Greenwich, West Warwick, Woonsocket

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$18,200	\$20,800	\$23,400	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
50%	\$30,300	\$34,600	\$38,950	\$43,250	\$46,750	\$50,200	\$53,650	\$57,100
60%	\$36,360	\$41,520	\$46,740	\$51,900	\$56,100	\$60,240	\$64,380	\$68,520
80%	\$48,450	\$55,400	\$62,300	\$69,200	\$74,750	\$80,300	\$85,850	\$91,350
100%	\$60,550	\$69,200	\$77,850	\$86,500	\$93,400	\$100,350	\$107,250	\$114,200
115%	\$69,650	\$79,600	\$89,550	\$99,500	\$107,500	\$115,400	\$123,350	\$131,350
120%	\$72,650	\$83,050	\$93,400	\$103,800	\$112,100	\$120,400	\$128,700	\$137,050

Westerly-Hopkinton-New Shoreham-RI HMFA 2021 MUNICIPALITIES: Hopkinton, New Shoreham & Westerly

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$19,750	\$22,550	\$25,350	\$28,150	\$31,040	\$35,580	\$40,120	\$44,660
50%	\$32,850	\$37,550	\$42,250	\$46,900	\$50,700	\$54,450	\$58,200	\$61,950
60%	\$39,420	\$45,060	\$50,700	\$56,280	\$60,840	\$65,340	\$69,840	\$74,340
80%	\$52,550	\$60,050	\$67,550	\$75,050	\$81,100	\$87,100	\$93,100	\$99,100
100%	\$66,150	\$75,600	\$85,050	\$94,500	\$102,050	\$109,600	\$117,200	\$124,750
115%	\$76,050	\$86,950	\$97,800	\$108,700	\$117,350	\$126,050	\$134,800	\$143,650
120%	\$79,400	\$90,700	\$102,050	\$113,400	\$122,450	\$131,500	\$140,650	\$149,700

Newport-Middletown-Portsmouth RI HMFA 2021 MUNICIPALITIES: Newport, Portsmouth, Middletown

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$22,250	\$25,400	\$28,600	\$31,750	\$34,300	\$36,850	\$40,120	\$44,660
50%	\$37,050	\$42,350	\$47,650	\$52,900	\$57,150	\$61,400	\$65,600	\$69,850
60%	\$44,460	\$50,820	\$57,180	\$63,480	\$68,580	\$73,680	\$78,720	\$83,820
80%	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	\$105,500
100%	\$74,050	\$84,650	\$95,200	\$105,800	\$114,264	\$122,728	\$131,192	\$139,656
115%	\$85,150	\$97,350	\$109,500	\$121,650	\$131,400	\$141,150	\$150,850	\$160,600
120%	\$88,850	\$101,600	\$114,250	\$126,950	\$137,100	\$147,250	\$157,450	\$167,600

Statewide Income Limits for Rhode Island FY 2021

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$18,500	\$21,100	\$23,750	\$26,400	\$28,500	\$30,600	\$32,750	\$34,850
50%	\$30,800	\$35,200	\$39,000	\$44,000	\$47,500	\$51,050	\$54,550	\$58,100
60%	\$36,960	\$42,240	\$46,800	\$52,800	\$57,000	\$61,260	\$65,460	\$69,720
80%	\$49,300	\$56,300	\$63,350	\$70,400	\$76,050	\$81,650	\$87,300	\$92,950
100%	\$61,600	\$70,400	\$79,200	\$88,000	\$95,040	\$102,080	\$109,120	\$116,160
115%	\$70,850	\$80,950	\$91,100	\$101,200	\$109,300	\$117,400	\$125,500	\$133,600
120%	\$73,900	\$84,500	\$95,050	\$105,600	\$114,050	\$122,500	\$130,950	\$139,400

MUNICIPALITIES: Barrington, Bristol, Burrillville, Central Falls, Charlestown, Coventry, Cranston, Cumberland, East Greenwich, East Providence, Exeter, Foster, Glocester, Jamestown, Johnston, Lincoln, Little Compton, Narragansett, North Kingstown, North Providence, North Smithfield, Pawtucket, Providence, Richmond, Scituate, Smithfield, South Kingstown, Tiverton, Warren, Warwick, West Greenwich, West Warwick, Woonsocket

140%	\$86,250	\$98,550	\$110,900	\$123,200	\$133,050	\$142,900	\$152,750	\$162,600
-------------	----------	----------	-----------	-----------	-----------	-----------	-----------	-----------