

Tax Exempt Bond and Preservation Loan Fund Checklist

Submission Requirements

This application is designed for all tax-exempt bond requests and any Preservation Loan Fund requests whether or not they include tax exempt bonds and 4% credits.

Each Applicant submitting a proposal should contact Carlos Morales at cmorales@rihousing.com for a link to upload your electronic application.

INITIAL REVIEW SUBMISSION REQUIREMENTS

1. Funding Application.

2. Submission Checklist. A copy of this submission checklist is to be completed by applicant to indicate whether each submission requirement is Complete, Incomplete, or N/A.

3. Application Fee. See Developers Handbook for a description of the application fee requirements.

4. Development Information:

A. Development Summary Narrative: Provide a detailed narrative of the development proposal that reflects the goals of the Applicant and the QAP, if applicable, and describes how the proposed design will meet the needs of the targeted population. The narrative should include, at a minimum, a discussion of:

- Building and unit type;
- Households currently served by the development (i.e. senior, family, disabled) and proposed households going forward;
- Proposed healthy, energy efficiency and sustainable design features;
- Proposed scope of work and discussion of how this scope was derived; Construction pricing and how determined;
- Financing structure and capital stack including details regarding operating costs, proposed debt service;
- Discussion of timeline and anticipated obstacles to reaching Firm Commitment.

B. Permitting Approvals: Applicant will be required to (i) submit evidence of all permitting approvals or (ii) demonstrate that permitting scoring is not applicable.

C. Schematic Design: Provide, at a minimum, schematic designs in accordance with the requirements of the Design and Construction Handbook. The more comprehensive the plans and specification are encouraged to facilitate readiness to proceed and more reliable construction pricing.

- D. Utility Availability: FOR NEW PRODUCTION DEALS ONLY** Provide verification of availability of electric, gas, storm water, cable telephone as well as adequate water and sewer capacity.
- E. Flood Plain:** A FEMA Flood Map with Map Panel ID for each property included in the proposed development. (<http://msc.fema.gov>)
- F. Environmental Hazards:** Applicant must provide a map of each property included in the development indicating proximity to any environmental hazards. Environmental maps may be obtained from the Department of Environmental Management's website at www.dem.ri.gov. Applicant must also disclose knowledge of any material(s) and/or substances that might be located either on site or in close proximity to the site that might be an environmental hazard. If available, a Phase I (or Phase II) Environmental report should be submitted with the application.
- G. Capital Needs Assessment:** For existing properties, Applicant must provide a Capital Needs Assessment (CNA) that includes at a minimum (i) a Physical Inspection Report, (ii) a Statement of Resources and Need, (iii) identifies Critical Repairs and Non-Critical Repairs and (iv) a twenty-year Replacement Reserve analysis consistent with RI Housing current underwriting guidelines. For more information regarding CNA requirements, please refer to the RI Housing Developer's Handbook.

5. Development Team Capacity:

- A. Real Estate Owned/Developed Schedule:** Applicant must complete the attached Real Estate Owned/Developed Schedule with a listing of all previously developed multifamily housing. Attach a hard copy of the Schedule with the application and submit an electronic copy of the Schedule with the pro forma.
- B. Financial Statements:** Financial Statements and Form 990 must be provided for the past three years (at least two years audited). If the Mortgagor is a to-be-formed partnership, all proposed General Partner(s) must complete this requirement. If the applicant is more than 180 days into their current fiscal year, provide (i) a year-to-date balance statement and (ii) a year-to-date profit and loss statement.
- C. Qualification Statement:** Provide a resume, including the affirmative action record, for all members of the development team. Complete the chart included in the Application with Development Team contact information. A copy of the MBE/WBE Certificate and Certification Number should be provided for any member of the development team that is a Minority Owned or Woman Owned business:
 - Developer/Mortgagor (include resumes of Principals in charge of the proposed development);
 - Management Agent;
 - Consultant (Include copy of contract defining roles and responsibilities);

- Architect (include an AIA form B305, Architect's Qualification Statement);
- Legal firm;
- Contractor, provide list of potential bidders. If selecting a GC through a negotiated bid, include an A305, Contractor's Qualifications Statement and Bonding Capacity Letter.

D. Joint Ventures: If the development team is a joint venture between two or more parties, a Memorandum of Understanding signed by the parties is required. This agreement should identify the responsibilities of each party and the benefits derived by all parties.

E. Social Services Plan: For service enriched housing proposals, a detailed description of the services to be provided must be submitted, including the type of service, the appropriateness and sufficiency of services for the targeted population, the estimated cost of the services, the source(s) which will be used to cover this cost, and a narrative description and resume for all service providers, demonstrating their organizational capacity to provide the appropriate services. The Plan and a Memorandum of Agreement with a service provider if applicable must be submitted in order to receive points.

6. Financial Feasibility:

A. Development Proforma: Applicants are required to use the most current version of the RIHousing proforma which can be downloaded from the website at www.rhodeislandhousing.org. A hard copy of the development proforma must be submitted with the application. The Applicant should also provide an electronic copy (CD or flash drive) of the development proforma.

B. Evidence of Additional Resources: Provide commitment letters for additional resources. Complete the chart included in the Application outlining source, amount and expected timing for the commitment of such funds.

C. First Mortgage: For applicants proposing first mortgage financing from a private lender, a letter of intent from the lender outlining financing terms and conditions should be submitted.

D. Tax Credit Syndication Estimate: Provide at least one Letter of Interest from a syndicator outlining the terms and conditions of their proposed investment and the estimated total value of the sale proceeds of the LIHTC that will be available to the development.

E. Real Estate Tax Assessment: Applicant is required to submit evidence that the real estate tax assessment for the development will be at 8% of effective gross income in accordance with RIGL 44-5-13.11.

7. Marketability:

A. Market Analysis: FOR NEW PRODUCTION DEALS ONLY Applicant must submit relevant market information to support the proposed development. If a

professional market study is not available Applicant must complete the Market Data chart in the application in addition to information on three comparable **unassisted** properties. Mixed income proposals must submit a Market Study completed by an independent third party.

- B. Evidence of Local Support: FOR NEW PRODUCTION DEALS ONLY**
Applicants should submit letters of support from municipal governments, community based organizations and other local entities if applicable. Specifically, a letter of support from a local municipality referencing their awareness and support of the project as it contributes to the betterment of the neighborhood.
- C. Local Need and Impact Documents: FOR NEW PRODUCTION DEALS ONLY**
If applicable, applicants should demonstrate that the development is referenced within a local revitalization strategy, included within the municipality's affordable housing plan and/or located in a Statewide Planning Designated Growth Center. The applicant should provide a written description of how the proposed development will support the revitalization strategy or municipal housing plan. If the proposal responds to other documented local needs submit a copy of the City/Town Plan or other documentation which describes the local need to which this proposal responds. (Applicant may submit excerpts from this Plan if the full document exceeds twenty pages.)
- D. Development Location:** Applicants should include an 11" by 17" map showing the location of the development identifying all properties and amenities.

8. Readiness to Proceed:

- A. Evidence of Site Control: FOR NEW PRODUCTION DEALS ONLY**
Applicant must complete the Site Control chart in the application. Evidence of site control must be provided in the form of a current option, contract to purchase, deed or other formal interest in the land. A legal description of each property must be provided. In cases where land is owned by a municipality, redevelopment authority, or other public entity, a letter from the entity must be provided which clearly identifies the Applicant as the designated developer. When land or buildings are already owned by the Applicant or a related party, the price of the last arm's length transaction and the acquisition date as well as the amount of outstanding debt must be documented. If available, an appraisal of the current value should be submitted.

*Applicants are advised that execution of a purchase and sales agreement following submission of an application for federal funds, but prior to the completion of a HUD Environmental Review will prohibit investment of federal funds. However, applicants may enter into an option agreement at a nominal cost for land and buildings which includes a provision that the purchase is contingent upon successful completion of a federal Environmental Review.

- B. Site Information and Constraints: FOR NEW PRODUCTION DEALS ONLY** Complete the site information and constraint charts. Provide maps or other relevant data on any site constraints.
- C. Zoning and Permitting: FOR NEW PRODUCTION DEALS ONLY** If not included in 5(B), submit a letter from the appropriate local official indicating current zoning of the site, if the zoning is appropriate for the proposed development, and if the site is located within the boundaries of an established Historic District. Applicant must complete the General Project Status chart in the application.
- D. Project Schedule:** Applicant must complete the Project Schedule chart and provide supporting documentation if applicable.

9. Other Documentation:

- A. Written justification for Development and Operating Costs:** Please provide detailed analysis and support indicating how you ascertained Development Costs and Operating Costs once the project reaches stabilization.

*All Applicants are encouraged to provide line item justification and backup for cost estimates. A detailed breakdown should be provided for both payroll and “miscellaneous” line items. The “Comparable OPEX” page in the Proforma must be completed. If proposed operating expenses are significantly different than the operating expenses of similar type properties listed on the REO schedule, Applicant must explain the variance.

- B. MBE/WBE:** In order to receive points, Applicants seeking to demonstrate that they have achieved commendable track records in MBE/WBE business and workforce utilization must submit evidence of contract dollar amounts and work force hours awarded to minorities and women, as defined by the Rules and Regulations of RI Housing Pertaining to Equal Employment Opportunity and Affirmative Action.
- C. Board Resolution:** Any nonprofit Applicant must submit a resolution from its Board of Directors authorizing the submission of this application and designate a signatory for all required certifications in the application.
- D. Certifications:** Applicant must complete and submit all certifications.

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