



PANDEMIC RECOVERY OFFICE

Affordable Housing Predevelopment Final Report

Submitted by State of Rhode Island Pandemic Recovery Office

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<https://pandemicrecovery.ri.gov>

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Affordable Housing Predevelopment

Project Identification Number: 10021

Pandemic Recovery Office Approval Date: October 24, 2022

Project Completion Date: May 31, 2026

Funded Amount: \$10,000,000

Expended Amount: \$10,000,000

Project Expenditure Category: 2.15 Negative Economic Impacts: Long-term Housing Security: Affordable Housing

Pandemic-related Problem Statement: Rhode Island is experiencing a critical housing shortage at all price points, but particularly for lower-income households. Only six of Rhode Island's 39 communities meet the State-mandated goal that 10% of every municipality's housing stock qualify as Low- and Moderate-Income Housing.

In the post-pandemic years, sale prices and monthly rents increased significantly. As of 2021, rent for a market-rate, two-bedroom apartment was about \$1,700, up about 8.5% from 2019, when it was \$1,575. The rental vacancy rate and inventory of homes for sale were also at historically low levels. The rental vacancy rate, the number of unoccupied rental units, was 2.8%, down from 3.7% in May 2021, and 6.2% in 2019. A vacancy rate that would not be expected to have an impact on prices is between 6% and 7%.¹

To increase housing production, Rhode Island must create a pipeline of sites ready for redevelopment. Building that pipeline requires developers to identify potential sites, determine if those sites are suitable for the development of affordable housing, and design a project. Many developers may have limited capacity to finance predevelopment costs, restricting the number of developments they can have in predevelopment at one time. With additional resources available to finance developments in the pipeline, it is important that Rhode Island also replenishes that pipeline with new projects.

Typical unreimbursed predevelopment costs for multifamily projects – such as architectural and engineering studies, permitting fees, and site control costs – can range from \$100,000 to \$750,000, and create delays and financial hardship particularly for nonprofit developers.

Project Overview: This project made grants available to affordable housing developers for critical predevelopment tasks, such as soil testing and environmental assessment, site remediation, preliminary architectural and engineering planning, and municipal zoning and planning approval processes. Having access to predevelopment funding allowed developers, particularly nonprofit entities, to complete these activities on an accelerated track, resulting in projects being ready for development activity sooner. This maintained a development pipeline for the next several years as the Rhode Island Housing and Mortgage Finance Corporation (RIHousing) implemented other State Fiscal Recovery Fund (SFRF) affordable housing projects.

¹ CoStar Market Analytics

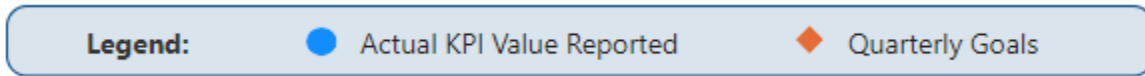
U.S. Treasury presumes that any housing project that is eligible to be funded under any of the following federal housing programs is an eligible use of SFRF under the Negative Economic Impacts eligibility category: National Housing Trust Fund, Home Investment Partnerships Program (HOME), Low-Income Housing Tax Credit Program (LIHTC), Public Housing Capital Fund, Section 202 Supportive Housing for the Elderly Program and Section 811 Supportive Housing for Persons with Developmental Disabilities Program, Project-Based Rental Assistance, and Multifamily Preservation & Revitalization Program. The *Affordable Housing Predevelopment* project aligned with HOME and LIHTC.

Financial Overview: All program payments can be found on the [Pandemic Recovery Office's website](#) by filtering the "Project" box for "Affordable Housing Predevelopment." The table below shows planned expenditures by fiscal quarter and actual expenditures by fiscal quarter:

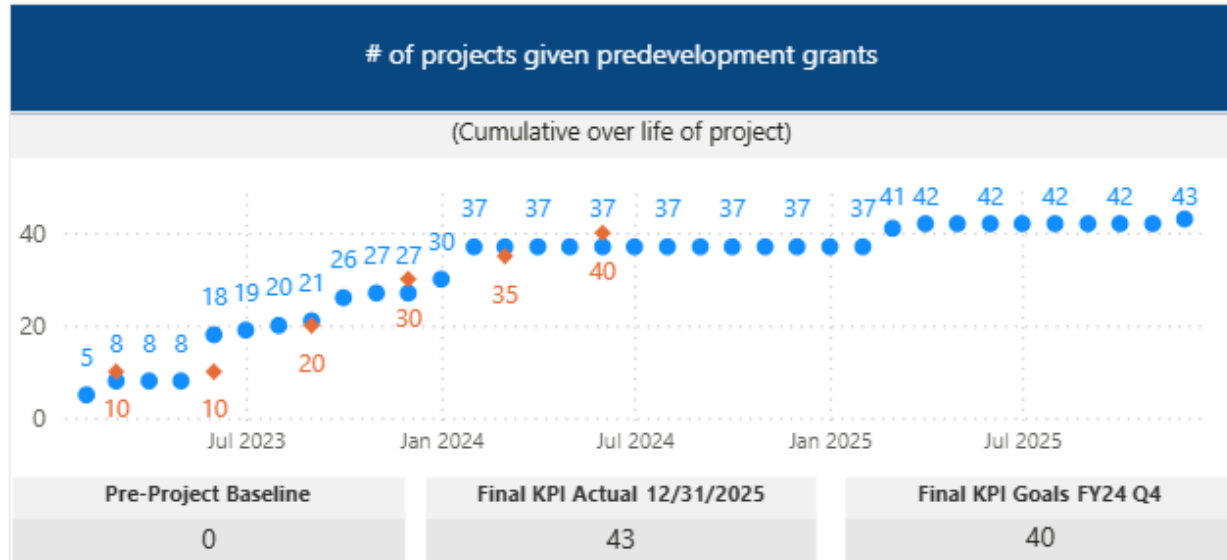
Fiscal Year Quarter	Planned Expenditures ²	Actual Expenditures
FY 2023 Q2	\$2,500,000	-
FY 2023 Q3	-	\$7,422
FY 2024 Q4	-	\$6,297
FY 2024 Q1	\$3,750,375	\$509,462
FY 2024 Q2	-	\$4,708,717
FY 2024 Q3	\$3,749,625	\$786,031
FY 2024 Q4	-	\$2,131,409
FY 2025 Q1	-	\$1,143,456
FY 2025 Q2	-	\$16,960
FY 2025 Q3	-	\$14,091
FY 2025 Q4	-	\$266,931
FY 2026 Q1	-	\$253,813
FY 2026 Q2	-	\$146,792
FY 2026 Q3	-	\$3,111
FY 2026 Q4	-	\$5,507
Total	\$10,000,000	\$10,000,000
<i>Note:</i> A single audit fee applies to all State Fiscal Recovery Fund projects and accounts for \$3,000 of the \$10,000,000 in actual expenditures in the above table.		

² When PRO originally approved this project, inclusive of the budget shown in the above table, the Planned Expenditures amounts represented anticipated transfers to RIHousing, while the spend amounts represent the award of funds by RIHousing to developers of selected housing developments, as well as associated administration and operating costs totaling \$250,000.

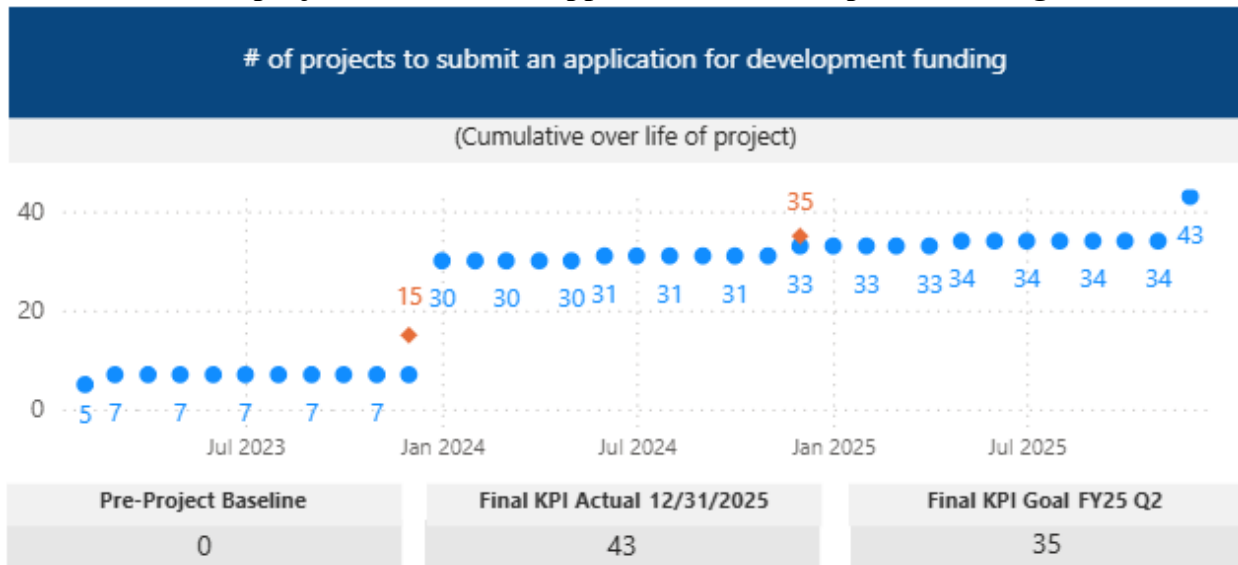
Key Performance Indicators: The following are the key performance indicators based on quarterly goals and monthly data collections.



1. Number of projects given predevelopment grants



2. Number of projects to submit an application for development funding



Legend:

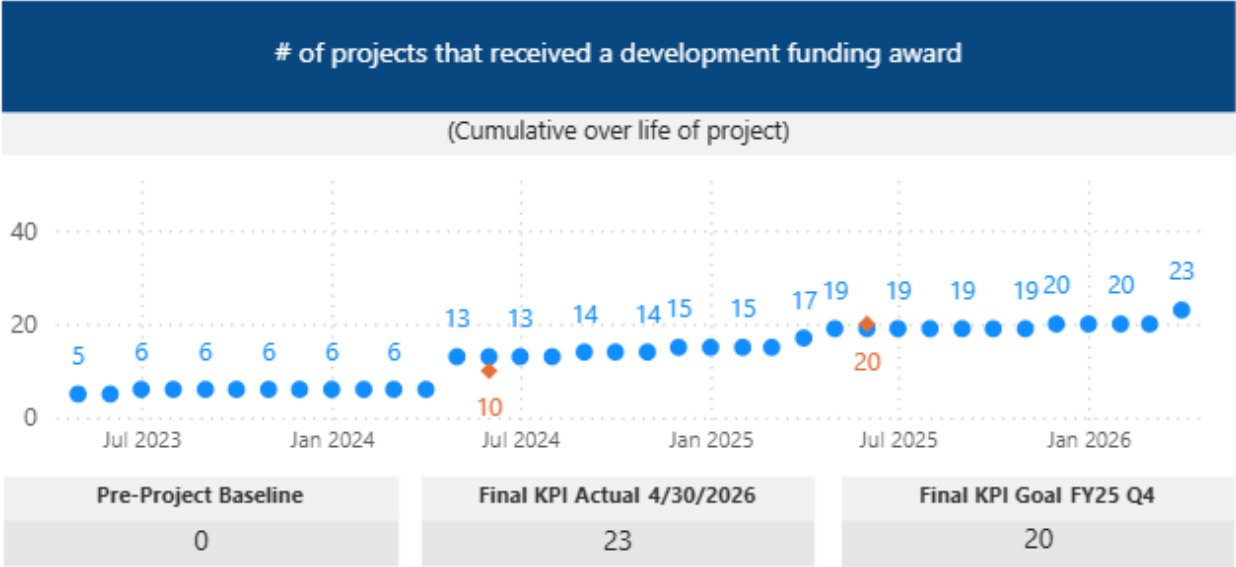
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Actual KPI Value Reported

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Quarterly Goals

3. Number of projects that received a development funding award



Auxiliary Information: The table and map below show information about the housing developments financed by this project.

Municipality	Project Name	Developer	Grant Amount
Burrillville	49-51 Foster Street	Neighborworks Blackstone River Valley	\$81,850
Burrillville	Burrillville Senior Housing	Town of Burrillville	\$250,000
Burrillville	Pleasant Street Affordable Housing	Town of Burrillville	\$250,000
Central Falls	23 Central Street	Pawtucket Central Falls Development Corp.	\$147,000
Central Falls	518 Roosevelt Avenue	Providence Central Falls Development Corp.	\$156,700
Central Falls	Broad Street Homes	One Neighborhood Builders	\$250,000
Central Falls	Central Street Apartments	Pawtucket Central Falls Development Corp.	\$250,000
Central Falls	Cross Street Apartments	Central Falls Affordable Housing Corp.	\$250,000
Central Falls	School Street Apartments	Central Falls Affordable Housing Corp.	\$250,000
Cumberland	Steeple and Stone	One Neighborhood Builders	\$250,000
East Providence	Aldersbridge at East Point	Aldersbridge Communities	\$250,000
East Providence	Burnside Hoppin Homes	Stop Wasting Abandoned Property	\$61,500
East Providence	Center City Apartments	Center City Apartments LLC	\$250,000
Glocester	Riverdell Phase II	Neighborworks Blackstone River Valley	\$250,000
Lincoln	1624 Lonsdale Avenue	Lonsdale Memorial Holdings LLC	\$250,000

Municipality	Project Name	Developer	Grant Amount
Lincoln	Breakneck Hollow	Women's Development Corp.	\$250,000
Little Compton	John Dyer Road	Little Compton Housing Trust	\$110,900
Middletown	East Main Road	Town of Middletown	\$250,000
Middletown	Rosebrook Commons	Mesolella Development Corp.	\$250,000
Pawtucket	160 Beechwood Avenue	Providence Central Falls Development Corp.	\$166,000
Pawtucket	744 Main Street	Providence Central Falls Development Corp.	\$136,060
Pawtucket	The Paddock	Blackstone Valley Development Corp.	\$250,000
Portsmouth	0 Sprague Street	Church Community Housing Corp.	\$250,000
Portsmouth	13 Bristol Ferry Road	Church Community Housing Corp.	\$250,000
Portsmouth	Ade Bethune House	Church Community Housing Corp.	\$250,000
Providence	235 Thurbers Avenue	AMT Investment LLC	\$250,000
Providence	290 and 298 Public Street	Stop Wasting Abandoned Property	\$250,000
Providence	321 Knight Street	Stop Wasting Abandoned Property	\$250,000
Providence	Crossroads Health and Housing	Crossroads Rhode Island	\$250,000
Providence	Dexter Manor I and II	Providence Housing Authority	\$250,000
Providence	Parcel 9 Phase II	Penrose	\$250,000
Providence	Potters Tigray	Stop Wasting Abandoned Property	\$250,000

Municipality	Project Name	Developer	Grant Amount
Providence	The Flynn	Marathon Development LLC	\$250,000
Providence	West Elmwood Housing Development	West Elmwood Housing Development Corp.	\$250,000
Providence	West End III	Women's Development Corp.	\$250,000
Smithfield	Winsor School Senior Housing	Gemini Housing Corp.	\$250,000
South Kingstown	Columbia Street	Rogers Homes Inc.	\$250,000
South Kingstown	North Woods	Narragansett Affordable Housing Corp.	\$136,990
Warren	Penny Lane	East Bay Community Development Corp.	\$250,000
West Warwick	Lippitt Mill	Marathon Development LLC	\$250,000
West Warwick	Shelter to Permanent	Women's Development Corp.	\$250,000
Westerly	Hickory Knolls	Habitat for Humanity	\$250,000
Westerly	Southpoint Commons	Dakota Partners Inc.	\$250,000
Total		\$9,747,000	

