

STATISTICAL DATA AND FORMS

STATISTICAL DATA AND FORMS.....SECTION 10

1. www.rhodeislandhousing.org On the right hand side of the screen go to **Newsroom**; when the new screen opens up click on **Data, Research and Reports (under Publications)**; there will be a list of items, and you will find the following three that you will need for your application proforma:

- Rhode Island Income Limits for Low and Moderate Income Households
- Rhode Island Utility Allowances
- HUD's Fair Market Rents

2.

Exhibit 1: Difficult to Develop and Qualified Census Tract Areas Schedule

Exhibit 2: Housing Affordability by Community

Exhibit 3: Final Commitment Submission Requirements

Exhibit 4: Business Application/Background Credit Information

Exhibit 5: Affirmative Action Plan

Exhibit 6: Market Study Requirements

Exhibit 7: Appraisal Requirements

Exhibit 1: Difficult to Develop Areas Schedule

DIFFICULT DEVELOP AREAS (DDA) & QUALIFIED CENSUS TRACTS

There are no areas currently designated as DDAs in Rhode Island.

<http://www.huduser.org/portal/datasets/qct.html>

2013 Qualified Census Tracts (2010 Decennial Census & 2006 – 2010 American Community Survey Data; OMB Metropolitan Area Definitions December 1, 2009)

2.00	Providence	36.02	Providence
3.00	Providence	37.00	Providence
4.00	Providence	108.00	Central Falls
5.00	Providence	111.00	Central Falls
6.00	Providence	151.00	Pawtucket
7.00	Providence	152.00	Pawtucket
8.00	Providence	154.00	Pawtucket
9.00	Providence	160.00	Pawtucket
10.00	Providence	161.00	Pawtucket
12.00	Providence	164.00	Pawtucket
13.00	Providence	166.00	Pawtucket
14.00	Providence	167.00	Pawtucket
16.00	Providence	174.00	Woonsocket
18.00	Providence	176.00	Woonsocket
19.00	Providence	179.00	Woonsocket
20.00	Providence	180.00	Woonsocket
21.02	Providence	181.00	Woonsocket
22.00	Providence	183.00	Woonsocket
23.00	Providence	203.00	West Warwick
25.00	Providence	405.00	Newport
26.00	Providence	514.00	South Kingstown
27.00	Providence	515.04	Narragansett
28.00	Providence		
29.00	Providence		
31.00	Providence		
36.01	Providence		

If you have any questions regarding qualified census tracts or Difficult to Develop Areas, please contact your Housing Development Officer.

Exhibit 2: Housing Affordability by Community

Housing Affordability by Community	
Location	Percentage of Existing Assisted Housing
Barrington	2.55%
Bristol	5.90%
Burrillville	8.69%
Central Falls	11.49%
Charlestown	1.97%
Coventry	4.91%
Cranston	5.41%
Cumberland	5.79%
East Greenwich	4.32%
East Providence	10.86%
Exeter	2.20%
Foster	2.33%
Glocester	2.13%
Hopkinton	6.59%
Jamestown	4.07%
Johnston	8.13%
Lincoln	6.70%
Little Compton	0.56%
Middletown	8.25%
Narragansett	3.49%
New Shoreham	10.09%
Newport	16.99%
North Kingstown	8.27%
North Providence	6.89%
North Smithfield	7.35%
Pawtucket	8.62%
Portsmouth	2.82%
Providence	14.53%
Richmond	1.89%
Scituate	0.95%
Smithfield	5.05%
South Kingstown	5.16%
Tiverton	5.06%
Warren	4.35%
Warwick	5.32%
West Greenwich	1.46%
West Warwick	8.10%
Westerly	5.32%
Woonsocket	15.88%
LMIH Grand Total	8.29%
Last Data Update	7/12

Exhibit 3: FINAL COMMITMENT SUBMISSION REQUIREMENTS

1. **Design and Construction Items:** (Borrower should refer to the Design and Construction Guidelines in Section 3 for additional detail.)
 - Waiver of Rhode Island Housing Design Requirements (Rhode Island Housing form, if applicable.)
 - Architectural Exhibits: Refer to “Design and Construction handbook.”
 - Survey and Surveyor’s Report (Rhode Island Housing form CF-141) showing all properties included as part of this development.
 - Affirmative Action Plan (Rhode Island Housing form: see Exhibit 5)
 - Construction Cost Breakdown- Schedule of Values (Rhode Island Housing form CF-2328).
 - Construction and Payment Schedule.
 - Owner/Architect Agreement (AIA Document, B141, current edition) for review by Design and Construction staff.
 - The architect and/or engineer certifying all trades must complete design Architect's Certification (Rhode Island Housing form CF-107a).
 - Construction Contract and General Conditions (AIA Document A101 and A201, current edition) for review by Design and Construction staff.
 - Contractor’s Registration
 - Satisfactory evidence must be provided by the general contractor regarding the availability of either a 100% payment and performance bond or a letter of credit on a form supplied by Rhode Island Housing equal to 25% of the total construction cost. The evidence may be in the form of a letter of intent from the bonding company or bank stating its willingness to provide the necessary instrument to the general contractor in the required amount. If a bond is to be provided, the bonding company must write fidelity and surety in the State of Rhode Island and must have at least an “A” rating by Best’s Key Rating Guide. If a letter of credit is to be provided, RIH must approve the bank issuing the letter of credit. If an identity of interest exists between the developer and the general contractor, a letter of credit must be obtained.
 - Structural Report prepared by qualified licensed structural engineer for existing buildings to be renovated.

- A Capital Needs Assessment may be required for existing occupied buildings.
- Soil and foundation investigation report prepared by a qualified geotechnical-engineering firm for new construction.
- Evidence of all property easements and easement agreements.
- Verification of utilities, as follows:
 - Letters from the applicable utility companies and authorities concerning their ability to provide sufficient service. These letters will have to be updated within thirty days of initial closing. For acquisition and rehabilitation where no change in utilities services, type or volume is proposed, this requirement may be waived.
 - Verification from the appropriate utility or municipal authorities of sewer, water and trash removal estimates listed on the proforma.
- Phase I Environmental Report. At the discretion of Rhode Island Housing, a Phase II Environmental Report may be required.
- Evidence of approval by authorities having jurisdiction over the following, as required by the project:
 - a. Zoning variances
 - b. Rhode Island State Building Code variances
 - c. Rhode Island State Fire Code variances
 - d. Wetlands
 - e. Historic District
 - f. ISDS
 - g. Curb Cuts/RIDOT Physical Alteration Permit

2. Housing Management Items:

- If applicable, revised operating budget and rent schedule.
- Management Questionnaire
- Management Plan
- Security Plan
- Affirmative Action Fair Marketing Plan and Tenant Selection Policy
- Cash flow analysis to estimate any anticipated losses prior to stabilized occupancy.

3. Documentation of Financial and Organizational Capacity

- Three years of financial statements including the most recent **audited** financial statement of the mortgagor prepared by a certified public accountant and covering a period ending twelve (12) months prior to the date they are submitted. If the developer is a partnership, include the financial statements of each partner. As applicable, any updates to previously submitted financial statements should be provided.
- The most recent audited financial statement of the general contractor prepared by a certified public accountant and covering a period ending twelve (12) months prior to the date they are submitted or a current AIA Contractor Qualification Statement.
- Credit report for General Contractor.
- Organizational Documents, as applicable:
 - a. Limited Partnership Agreement
 - b. Certificate of Limited Partnership (recorded with Secretary of State)
 - c. Fictitious Name Certificate
 - d. Partnership Agreement
 - e. Articles of Incorporation
 - f. Bylaws
 - g. Certificate of Good Standing and a Certified Copy of Corporate Vote or Partnership Consent.
 - h. Such other Organizational Documents that Rhode Island Housing may reasonably request.

4. Other Underwriting Requirements

- Legal Description of the Site
- Title Report
- Insurance carrier's statement of property's insurability in conformance with Rental Housing Production Program Requirements.
- Relocation Plan prepared in conformance with all applicable Federal and state laws and regulations.
- Appraisal Report and Market Study, commissioned by Rhode Island Housing.
- Documentation of real estate taxes for the development. If tax abatement is applicable, or if taxes will be waived, developer should submit supporting documentation from the appropriate authorities.

- Letter of commitment and/or final approval documenting the availability of all additional resources, such as CDBG, HOME or foundation funding.
- Letter of commitment and/or final approval documenting the award of any Project Based Section 8 Certificates to the development.
- Syndication commitment letter, referencing the projected total value of the sale proceeds of the housing tax credits that will be available to the developer and the schedule for advancement of these proceeds.
- If applicable, bridge loan commitment letter.
- Revised development proforma reflecting final construction, acquisition and soft costs. Note that all cost items included in the proforma must be documented and are subject to review and approval by Rhode Island Housing.
- Developments to be financed under the HUD-HFA Risk Sharing program (including all developments utilizing Section 8 Project Based Assistance) may be required to complete additional submissions related to this program.
- Any other outstanding items not submitted with the application for reservation may also be requested at this time.

Exhibit 4: Business Application/Background Credit Information

Name of Firm _____
 _____ Tel. _____

Street Address _____ City _____
 _____ Zip _____

Mailing Address (if different from above) _____

Previous Address _____

Nature of Business _____
 _How long in business _____

Is company a: Rhode Island _____ Partnership _____ Proprietorship _____
 Contractor Lic. # _____

If a Rhode Island, when incorporated _____
 Where _____

Other DBA's _____

List officers, partners, or owners

Position or % Owner	Name	Home Address	S.S.#

Banking:	Acct. Number	\$ Balance
Bank:		
Address		
Bank:		
Address:		
Bank:		
Address		

Name of primary Bank and officer you deal with: _____

Identify above any Installment and Commercial loans

Credit References:

Name	Address and City	Zip

Assets: Attach most recent financial statement and/or use separate sheet to list company assets and liabilities. For any owned real estate, list addresses, values, mortgage holders and their account numbers.

Bldg \$	Land \$	Equip. \$	Furniture \$	Autos \$	Acct. Rec. \$	Net Worth \$

IMPORTANT: APPLICANT READ BEFORE SIGNING

I authorize you to obtain such information as you may require concerning the statements contained in this application.

Signature _____

Signature _____

Date: _____

Exhibit 5: Affirmative Action Plan

AFFIRMATIVE ACTION PROGRAM
DEVELOPMENTS FUNDED BY
RHODE ISLAND HOUSING

Sponsor/Developer Name

Address/City/Zip Code

Development Name

Development Location

EEO Affirmative Action Officer

Phone Number

A. Equal Opportunity/Affirmative Action Statement

Rhode Island Housing is committed to providing equal opportunity in every aspect of its programs and will not discriminate because of race, sex, national origin, age, religion, sexual orientation, handicap, or status as a veteran. Because Rhode Island Housing recognizes the need to eliminate the vestiges of past societal discrimination, it will take affirmative action to ensure that its employment opportunities are open to every income-qualified Rhode Islander.

Rhode Island Housing will not tolerate discrimination by any recipient of its funds or benefits. This includes lending institutions, developers, contractors, and subcontractors and vendors doing business with Rhode Island Housing. Deliberate or persistent violation of this policy may result in the withdrawal by Rhode Island Housing of support or involvement in a project and/or debarment from further involvement by Rhode Island Housing.

Rhode Island Housing will incorporate requirements for non-discrimination and affirmative action in all its contracts and implementation of these requirements will be monitored by the coordinator of program compliance. Any person or corporation doing business with Rhode Island Housing shall cooperate with the monitoring of this policy.

B. General Obligations

1. We shall observe the requirements for equal opportunity and affirmative action set down in Section A and outlined in this program and at the pre-construction and pre-award meeting conducted by Rhode Island Housing.
2. We will incorporate or cause to be incorporated into every contract and subcontract relating to this development the provisions of this program.
3. We will keep records and comply with requests for information from Rhode Island Housing pertaining to actions taken pursuant to this program.

C. Utilization of Minority Businesses

1. We shall, to the greatest extent possible, utilize Minority and Female Owned businesses as contractors and subcontractors and vendors and shall include such businesses as available in any solicitation for bids.
2. We shall maintain documentation of such solicitations and their results.

3. The utilization goal for minority and female owned businesses shall be _____ % of the total construction dollar amount. Anticipated awards to minority and female contractors and subcontractors are identified below:

TRADE/ SERVICE/PRODUCT

a.	
b.	
c.	
d.	
e.	
f.	
g.	

D. Equal Employment Opportunity and Affirmative Action

1. We shall take specific affirmative action to ensure equal employment opportunity as defined in Section A above. This affirmative action shall include at least the following:
 - a. Post written commitment to all aspects of non-discrimination.
 - b. Maintain a working environment free of harassment, intimidation and coercion at all sites and in all facilities at which the contractor's employees are assigned to work.
 - c. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations of employment opportunities available and maintain a record of the organization's response.
 - d. Maintain a current file of the names, addresses and telephone numbers of each minority and female off the street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual.
 - e. When feasible, participate in training programs for the area which expressly include minorities and women.
 - f. Disseminate our EEO policy by providing notice of the policy to unions and training programs requesting their cooperation and assistance in meeting our EEO obligations by including it in the policy manual and the collective bargaining agreement, by publicizing it in the company newspaper, annual report, etc.
 - g. Use recruitment means that will contribute to the achievement of equal employment opportunity goals where unions or training programs are barriers in this effort.
 - h. Ensure that all facilities and company activities are non-segregated except that separate or single user toilets and necessary changing facilities shall be provided to assure privacy between sexes.
2. We shall inform all contractors and subcontractors of their similar obligations in this program.
3. The utilization goal for all trades is _____ % of labor hour for minority group member and _____ % for women.

E. Compliance

1. We shall cooperate with Rhode Island Housing officials in their review of compliance with this program.
2. We will notify Rhode Island Housing of any charge filed with the Rhode Island Commission on Human Rights or U.S. Equal Employment Opportunity Commission alleging unlawful discrimination in this development.
3. In any case where Rhode Island Housing determines that we have not complied with this program, we shall be notified of such non-compliance. In such instances, we shall have fifteen (15) days to either achieve compliance or to demonstrate why compliance is not possible.
4. We agree that if we fail to comply with the terms of this program or satisfy Rhode Island Housing as to why we are unable to comply, then Rhode Island Housing may, at its option, suspend advance or part thereof due until such time as we are able to demonstrate compliance with the terms of this program and/or debar us from participation in future Rhode Island Housing developments.

Signature(s):

Sponsor/Developer

Date

Contractor

Date

Exhibit 6: Market Study Requirements

As a result of the change in legislation in December 2000, it is now required that a comprehensive market study of the housing needs of the low-income individuals in the area served by each state housing agency be conducted at the developer's expense by a disinterested party approved by the allocating agency. Therefore, Rhode Island Housing requires the market study be submitted as a document, separate from other appraisal information and must, at a minimum, address the criteria set forth below. The market analysis must conform with the National Council of Affordable Housing Market Analysts (NCAHMA) standards.

1. Proposed Project Description: Analysis of the influence of location on the marketability of proposed units. (Consider attractiveness of site; improvements and surroundings; proximity to social and civic services; availability of transportation; parking.)
2. Market Area Analysis: Determination of market area; propensity of renters from market area to move to the proposed development.
 - Availability and proximity to transportation
 - Availability and proximity of social services
 - Employment data: Unemployment rates, major employers, typical wages in relation to Eligible Income Range at Subject, distance from employment sources
 - Primary market area demographic analysis: population and household trends, household income trends, household size, renter tenure
 - For assisted living, consider age and assets of existing population in market area

Include a description of demographic trends (including income profiles) for defined market area.

3. Supply Analysis: Consideration of existing and planned competition within or proximate to market area, to include a detailed presentation of comparable properties including:
 - Date built (and improved if applicable)
 - Occupancy rate
 - Size of units
 - Breakdown of rental rates and costs to tenants. For assisted living consider cost of services to tenants.
 - Market characteristics should be discussed and compared with projects for the subject including vacancy, leasing pace, absorption, reasonability of rents, turnover, rent increase, concessions and waiting lists.

4. Demand Analysis: Estimation of absorption and turnover rates including the following components:
 - Income eligibility calculation – number of households eligible to reside at the subject
 - Capture rate by bedroom type
 - Annual capture rate
 - Demand for Section 8/Public Housing waiting list, occupancy and number of recipients.

5. Operating Expense Analysis: Feasibility of rents (and in assisted living the cost of services) for proposed market population.
 - Compare operating expense projections to determine whether the proposed budget is reasonable, given the achievable rent levels and what is common in the market.

6. Conclusions and Recommendations: The conclusions resulting from the market study are summarized in this section. Recommendations for the subject property are also discussed. Recommendations may include modifying the unit mix, unit size, suggestions as to whether to or not to offer a particular amenity, changes to rent, and other pertinent changes.

Exhibit 7: Requirements for Appraisal Assignments

Rhode Island Housing requires appraisals for all loans, whether a proposal is for the acquisition and/or rehabilitation of an existing property, or for the construction of new rental housing (the "Appraisal").

The principal purpose of the Appraisal is to estimate both the market value and the investment value of a property. The definition of market value shall be consistent with the Uniform Standards of Professional Appraisal Practice ("USPAP"). The Appraisal will be used by Rhode Island Housing to help underwrite the risk and evaluate the security for the loan. Appraisals must be performed by state-certified appraisers.

I. Form of Appraisals.

A. Small Residential Rental Property. Small residential rental properties are buildings that contain from two to four dwelling units, all of which are used for residential rental purposes. Appraisals of small residential rental properties must be made on the current Federal Home Loan Mortgage Corporation (FHLMC) Appraisal Report – Small Residential Income Rental Property, Freddie Mac Form 72 and Fannie Mae Form 1025. The form must be fully completed by a state-certified appraiser with accurate and current information.

B. Residential and Commercial Income Property. Residential and commercial income property includes all buildings that contain one or more non-residential income producing unit, five or more residential rental dwelling units, or a combination of non-residential income producing units and residential rental dwelling units. Appraisals of residential and commercial income properties must be in a narrative form consistent with the appraisal standards of the USPAP requirements and shall include the following:

- 1) An "as is" estimate of value;
- 2) An opinion of the highest and best use of the property;
- 3) The appraiser's certification;
- 4) The appraiser's assumptions and all contingent and limiting conditions of the Appraisal (as well as special situations, unusual variables, and/or evidence of deterioration or obsolescence);
- 5) A detailed description of the property and the market area in which the property is located;
- 6) A legal description of the site;
- 7) A description of any zoning restrictions, special assessments of record, and easements and covenants of record;

- 8) A three year sales history of the site;
- 9) Physical information about the development including site width, frontage and depth, available utility connections and restrictions, contour, topography and landscape features and unusual site features;
- 10) Pictures of the building and site;
- 11) Pictures of comparable sales and location map for comparable sales;
- 12) A final opinion of market value derived from analyzing capitalized value, replacement cost, and comparable sales prices; and
- 13) A final opinion of investment value utilizing a discounted cash flow approach.

II. Appraisal Requirements.

All Appraisals shall provide a market valuation under the assumptions and requirements specified below. In addition, all appraisals, *except for* Small Residential Rental Property appraisals must provide an investment valuation under assumptions and requirements specified on pages 3 –4 of this document.

A. Market Valuation. The following market values should be derived without taking into account the benefits and limitations of subsidies and rent restrictions applicable to the property.

- 1) Capitalized Value. Each Appraisal shall reflect a capitalized value of the development. In analyzing capitalized value, the Appraisal must estimate net income based upon and supported by current market rents, vacancy rates and operating expenses for similar units in comparable developments. Comparable developments are those that provide amenities and contain living space similar to that provided by the property under valuation. Any variations in services, amenities and unit sizes must be reflected by reasonable adjustments to the rents, vacancy rates and operating expenses for the comparable development to derive the estimated net income. Rental income must be trended to the expected completion date of the development. In estimating rental rates, rental data on subsidized development may not be used as comparable.

For developments that are occupied at the time of the Appraisal, the appraiser must analyze the operating history of the property. Estimates of future performance need not be identical to the development's historical performance, but any differences should be reasonable and explained by comment. The Appraisal must also identify the current rents for the development and the current vacancy rate.

The capitalization rate and the discount rate should be based upon current rates of investment and return for comparable risk rental properties and current market rents for debt for income producing properties. Documentation supporting the rates used and an analysis of the method used to derive the capitalization rate and the discount rate must be included in the Appraisal.

- 2) Replacement Value. The cost approach should be utilized, including estimate of land value, regardless of the age of property. Replacement value must be based on cost estimates that reflect the general level of costs necessary to build a similar development in new condition. The Appraisal must include references for the sources of cost data used by the appraiser. This may include cost service index references or development cost estimates through analysis of comparable square footage construction cost data.
 - 3) Comparable Sales Value. The comparable sales are based upon the principle that an investor will not pay more to buy a property than it will cost to buy a comparable substitute property. The objective of this approach is to deduce from other sales of comparable properties the amount that the property under evaluation would bring on the open market. Comparable sales prices must be adjusted to reflect any differences between the comparable properties and the property under valuation. Adjustments for unit sizes, unit composition, amenities, special tax benefits, sales concessions, location and time since date of comparable sales must be considered in developing the comparable sales value. Each Appraisal must include at least three different properties for comparison. All adjustments must be noted and explained in the Appraisal. The market area from which comparable sales were selected should be defined and supported by narrative explanation. Any comparable sales in the market area that were not included should be noted and explained. If the appraiser documents that there have not been comparable sales in the market, area, an analysis of comparable sales value need not be included in the Appraisal. The appraiser should explain the reason for the lack of comparable sales. A sales location map relating to the sales to the subject is requested.
- B. Investment Valuation. An investment value should be derived utilizing the discounted cash flow approach. The appraiser must estimate net income taking into account applicable income and rent restrictions pursuant to the public funding sources received by the development. Capitalization and discount rates employed should reflect the favorable financing to the property, including any below market first or second mortgage financing. Also, a description of the specific methodology and source of data on capitalization and discount rates and tax benefits should be included in the narrative.

Tax benefits derived from the utilization of low-income housing tax credits should also be factored into the valuation analysis as they represent an additional value to the property. The investment value includes tax credit benefits such as the 10-year tax credits, cash flow from the development, depreciation losses, and some residual value or proceeds after the obligations have been satisfied. This value of the tax benefits can then be added to the value of the real estate derived from the discounted cash flow approach. This combination will form a total investment/collateral value for the development. A sample of such an analysis is attached for your review.

If rental subsidies will be available to the development, then the appraiser may consider these subsidies in projected rents during the term of the subsidy contract. When rental subsidies will not be available, then the appraiser should consider the lower of market rent or the maximum allowable rent pursuant to public funding sources received by the project (such rent limitation will be specified in the Rhode Island Housing engagement letter and/or supporting documentation). If a development is proposed to include both "market rate" and "affordable" units, then the appraiser should consider (i) market rents for the market rate units and (ii) the lower of market rents or "affordable" rents pursuant to restrictions of public funding sources (including Rhode Island Housing) for the "affordable" units.

Total Valuation including Investor Tax Benefits

Discount Rate: 15%

Year	Tax Credit Benefits	Other Benefits*	Total Benefits	PV Factor	Present Value
1	\$10,653	\$21,445	\$32,098	0.86957	\$27,911
2	\$21,306	\$18,325	\$39,631	0.75614	\$29,967
3	\$21,306	\$26,790	\$48,096	0.65752	\$31,624
4	\$21,306	\$22,473	\$43,779	0.57175	\$25,031
5	\$21,306	\$19,412	\$40,718	0.49718	\$20,244
6	\$21,306	\$18,392	\$39,698	0.43233	\$17,163
7	\$21,306	\$16,525	\$37,831	0.37594	\$14,222
8	\$31,306	\$12,691	\$33,997	0.32690	\$11,114
9	\$21,306	\$ 9,176	\$30,482	0.28426	\$ 8,665
10	\$21,306	\$ 7,049	\$28,355	0.24718	\$ 7,009
11	\$10,653	\$ 5,761	\$16,414	0.21494	\$ 3,528