



Rhode Island

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

In the 2011 QAP, priority will be given to properties involving the substantial rehabilitation or redevelopment of deteriorated residential properties (substantial rehabilitation entails construction/rehabilitation costs in excess of 50% of replacement value).

For a building to be substantially rehabilitated, the expenditures during any 24-month period must be at least the greater of: (a) 20% of the depreciable basis of the building determined as of the first day of the 24-month period; or, (b) an average of \$6,000 per low income unit. Exceptions may apply for properties acquired from government entities and "expiring use" properties. Rhode Island may also provide an exception to their 10 year placed in service restriction for expiring use properties.

Allocations (2003-2009)

Properties Preserved: 7

Apartments Preserved: 453

Additional Info: Although none of Rhode Island's 9% tax credits were allocated to preservation projects in 2004, 2005, 2006, or 2007, a full 90% of the 2008 credits were allocated to preservation.

Private Activity Bonds with 4% Tax Credits

Rhode Island Housing has preserved a significant amount of affordable housing over the last several years using its private activity bond cap with 4% tax credits. All 4% development proposals must meet the requirements of the QAP and Developers' Handbook.

Allocations (2003-2009)

Properties Preserved: 47

Apartments Preserved: 4,227

Additional Info: While 96% of Rhode Island's 4% tax credits were allocated to preservation projects in 2008, none were in 2009.

Housing Trust Funds

In 2006, Rhode Island published a five year strategic housing plan in which identifying a permanent revenue source to fund the Housing and Conservation Trust was listed as a top priority. As of 2010, the fund remained unfunded.

PLEASE NOTE: *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

Other Preservation Incentives

Rhode Island Housing is actively engaged with the new Treasury backed HFA program and is using those bonds for affordable housing preservation.

Through a Preservation Loan, Rhode Island Housing will finance the purchase of or refinance existing Section 8 apartments in exchange for extending the affordability. The maximum loan amount is 90% of the appraised value.

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

Rhode Island's 2011 QAP encourages the use of green and Energy Star technologies.

Other Green Incentives Relevant to Preservation

The Office of Energy Resources administers Rhode Island's Weatherization Assistance Program. The Office of Energy Resources has reserved 33% of the state's ARRA WAP funds for large multifamily housing and has contracted with Rhode Island Housing to administer the funds. For complete information on RI's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other incentives include an income tax credit for renewable energy systems and a sales tax exemption/property tax exemption for renewable systems.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

The 2011 QAP prioritizes developments that encourage sustainable densities, infill development, redevelopment, and the adaptive reuse of existing buildings, which results in the efficient utilization of land resources and the development of sustainable neighborhoods.

Preference is given to developments located in a qualified census tract.

Each application will be evaluated on the extent to which it supports the principles of a KeepSpace Community, which revolves around six elements: 1) a good home; 2) a healthy environment; 3) strong commerce; 4) sensible infrastructure; 5) positive community impact; 6) integrates arts, recreation, culture, and religion. Rhode Island described KeepSpace Communities as "a bold step to ensure a safe, healthy future for our children and our children's children. KeepSpace is a holistic strateg for efficient use of land and other resrouces that maximizes open space and discourages sprawl." A KeepSpace Community incorporates many Smart Growth features.

According to the QAP, the proposed site, including any existing improvements, must support the market population in terms of desirability of location; environmental quality; adequacy of utilities and transportation; proximity and connection to jobs, civic, social, commercial, recreational, religious, and cultural services and facilities; and appropriateness of the proposed development to the specific site (e.g. conformance with neighborhood character and land use patterns; impact on surrounding area; extent to whchi the proposal furthers local revitalization efforts or stimulates investment in new or existing town or growth centers and surrounding neighborhoods; and visual impact).