



## **STREAMLINED**

# **Rebuild Rhode Island Tax Credit Application Materials**

Rebuild Rhode Island Tax Credit program details can be found at:  
<https://commerceri.com/tax-credits-and-financing/>

# Streamlined Rebuild Rhode Island Tax Credit Application Submission Instructions

**Please submit four ( 4) complete hard copies, a complete electronic copy, and a one- time, nonrefundable application fee of \$1,000 in the form of a check made payable to the Rhode I sland Commerce Corporation.**

Applications can be submitted in person or by USPS registered mail to the following address:

**Rhode I sland Commerce Corporation  
Attn: Investments Team  
315 Iron Horse Way, Suite 101  
Providence, RI 02908**

Questions on the streamlined application process may be submitted to  
[Investments@commerceri.com](mailto:Investments@commerceri.com)

- The Streamlined Rebuild Rhode Island Tax Credits Application is available for projects that are requesting less than \$1 million in total financial gap subsidy.
- The deadline for submission of the application is January 15, 2020.
- The Streamlined Rebuild Rhode Island Tax Credits Application is available only for the following types of projects:
  1. Qualified development projects that involve historic structures;
  2. Qualified development projects that involve recognized historic structures;
  3. Qualified development projects that involve at least one manufacturer;
  4. Qualified development projects that include affordable housing or workforce housing.
- Please carefully read and review the Rules and Regulations for the Rebuild Rhode Island Tax Credit Program before completing this application. All eligibility requirements, including the Application Certification Form, must be met for an application to be considered for a Rebuild Rhode Island tax credit. The rules and regulations are available online at: <http://rules.sos.ri.gov/regulations/part/870-30-00-3>
- The Streamlined Rebuild Rhode Island Tax Credit application consists of an application form, a set of required attachments, and a certification form. To be considered for a tax credit, all items must be submitted in a single submission, organized as instructed below. Failure to provide required information could result in a delay in the review of or rejection of an application.
- The Commerce Corporation reserves the right to require the submission of additional information in connection with any application or to require the revision of an application.
- Applicants approved for a tax credit will be required to enter into an incentive agreement with the Corporation in order to receive tax credit. The Corporation may request additional information in the course of negotiating that agreement.
- All relevant attachments must be completed before the application can be considered.

# Streamlined Rebuild Rhode Island Tax Credit Application

## 1. Application Certification Form (Notarized)

The undersigned is the chief executive officer or equivalent officer of the applicant with the authority to bind the company for the proposed Rebuild Rhode Island tax credit.

I certify that:

- I have reviewed the information contained in this application and confirm that the statements made in this application in its entirety including all attachments, appendices, etc. are true, accurate and complete to the best of my knowledge.
- The applicant has committed equity in the project that is the subject of this application of not less than 20% of the total project cost.
- A project financing gap exists for the project that is the subject of this application.
- The project meets the eligibility criteria set forth in the rules and regulations for the Streamlined Rebuild Rhode Island Tax Credit Program.
- The applicant is neither a person subject to the Rhode Island Code of Ethics nor a person within the scope of R.I.G.L. § 36-14-5(h).
- The applicant has not been convicted of bribery or attempting to bribe a public official or employee of the Rhode Island Commerce Corporation or of the State, has not been disqualified from an awarded contract with Rhode Island Commerce Corporation or the State, and has never defaulted on work awarded by the Rhode Island Commerce Corporation or the State.

Name of Certifying Officer: \_\_\_\_\_

Title: \_\_\_\_\_

Signature of Certifying Officer: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Notarization:

# Streamlined Rebuild Rhode Island Tax Credit Application

## 2. Applicant Information

Business Name \_\_\_\_\_

Trade Name/DBA \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ - \_\_\_\_\_

Business Phone \_\_\_\_\_ Website \_\_\_\_\_

Federal Tax ID # \_\_\_\_\_ RI Tax I D # (if applicable) \_\_\_\_\_

Same as Federal Tax ID #

Business Structure (select one):

C Corporation

Limited Liability Corporation

Limited Partnership

S Corporation

Sole Proprietorship

Other: \_\_\_\_\_

Is the applicant registered to do business in Rhode Island with the Secretary of State?  Yes  No

Primary Contact for Application:

Full Name \_\_\_\_\_

Job Title \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ - \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

### 3. Project Information

Project's City/Town \_\_\_\_\_

Project Type (select one):

Historic

Affordable/Workforce housing

/Manufacturing

Project Size \_\_\_\_\_ Gross Square Feet

Total Project Cost \_\_\_\_\_

For Manufacturing projects:

Number of Permanent Jobs Occupying Project Upon Completion \_\_\_\_\_

Amount of Applicant Equity in the Project \_\_\_\_\_

Applicant Equity As Percentage of Project Cost \_\_\_\_\_

Total Tax Credit Sought (must be no more than \$1 million) \_\_\_\_\_

Total Tax Credit Sought As Percentage of Project Cost (must be no more than 20% ) \_\_\_\_\_

### 4. Project Timeline

Anticipated Construction Start Date \_\_\_\_\_

Anticipated Construction Completion Date \_\_\_\_\_

Anticipated Date Project Will Be Open and Operational \_\_\_\_\_

## 5. Required Attachments

Please attach to the application form responses to the following prompts. Attach these items in the order provided below. Each attachment should have a cover page that identifies the attachment, e.g., " Attachment 1: Project Summary."

All applicants are advised that any and all records (documents, correspondence, memoranda, etc.), received or maintained by the Commerce Corporation may be a matter of public record and subject to release upon a request from a member of the public under the Rhode Island Access to Public Records Act (" APRA"), R.I. Gen. Laws Section 38-2-1 et seq. In response to a request, the Commerce Corporation has the right, in its sole discretion, to redact or withhold information which is exempt from disclosure under APRA, including trade secrets and commercial or financial information which is of a privileged or confidential nature. **The Corporation recommends that any portion of any attachment in the application that contains such information be clearly labeled with the legend "Confidential Information."**

### Attachment 1: Project Summary

Provide a summary of the project not to exceed 2 pages in length. The summary should include:

- Narrative description of the project, including uses, project location, whether the project involves new construction or adaptive reuse, size of the project, project cost, project amenities and construction schedule.
- A description of project/developer's experience.

### Attachment 2: Site Map

Provide a map that shows the project site and includes the municipal tax assessor's parcel identification number for each parcel involved in the project site. Provide a second map that shows the project site and its immediate surroundings. Both maps should be 11x17.

### Attachment 3: Site Control

Provide a list of each parcel involved in the project site, identified by the municipal tax assessor's parcel identification number, and the status of the site control for each (e.g., owned, under contract, in negotiations, etc.). Attach to that list documentation evidencing the existing site control (e.g., deed, contract, lease, etc.).

### Attachment 4: Residential Breakdown (required only for Affordable/Workforce Housing program)

Provide the number of units in the project, a description of the unit sizes and layouts, and projected sale or lease prices for each type of unit/ layout. In addition, if the project includes Affordable or Workforce Housing, please include as an addendum an affordability matrix detailing the percentage, income limit and term of Affordable or Workforce Housing status.

If the project is not residential or mixed use, indicate " N/ A" ( Not Applicable).

For purposes of the Streamlined Rebuild Rhode Island Tax Credit Program, the following definitions apply:

**Affordable Housing** means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance costs that do not exceed thirty percent (30% ) of the gross annual income of a household earning up to eighty percent ( 80% ) of the area median income, as defined annually by the United States

Department of Housing and Urban Development. According to 2016 HUD income guidelines, 80 percent of median Rhode Island family income for a four-person household equals \$58,800. In determining the affordability of a specific unit, the Corporation will reference U.S. HUD income [limits](#) by household size in accordance with the size of the unit under review – for example, a unit is subject to the income thresholds for a household with one more householder than the number of bedrooms in the unit (e.g. a four-person household will require a three-bedroom unit).

**Certified Historic Structure** means a property which is located in the state of Rhode Island and is:

- (i) Listed individually on the national register of historic places; or
- (ii) Listed individually in the state register of historic places; or
- (iii) Located in a registered historic district and certified by either the commission or Secretary of the Interior as being of historic significance to the district.

**Manufacturer** means any entity that a) uses any premises within the state primarily for the purpose of transforming raw materials into a finished product for trade through any or all of the following operations: adapting, altering finishing, making, processing, refining, metal working, and ornamenting, but shall not include fabricating processes incidental to warehousing, or distribution of raw materials, such as an alteration of stock for the convenience of a customer ; or b) as described in codes 31-33 of the North American Industry Classification System, as revised from time to time.

**Recognized Historic Structure** means a property which is located in the state of Rhode Island and is commonly considered to be of historic or cultural significance as determined by the commerce corporation in consultation with the state historic preservation officer.

**Workforce Housing** means housing for sale or rent with combined annual rental costs or combined annual mortgage loan debt service, property taxes, and required insurance costs that do not exceed thirty percent (30% ) of the gross annual income of a household earning between eighty percent (80% ) and one hundred and forty percent (140% ) of the area median income, as defined annually by the United States Department of Housing and Urban Development. According to 2016 HUD income guidelines, 80 percent of median Rhode Island family income for a four-person household equals \$58,800; 140 percent equals \$102,900. In determining the “ workforce housing” status of a specific unit, the Corporation will reference U.S. HUD income [limits](#) by household size in accordance with the size of the unit under review – for example, a unit is subject to the income thresholds for a household with one more householder than the number of bedrooms in the unit (e.g. a four-person household will require a three-bedroom unit).

## Attachment 5: Description of Project Financing

Provide a detailed description of project’s financing, which shall include all sources and amounts of funding, projected internal rate of return, net margin, return on investment, and cash on cash yield. Clearly identify the source of the equity and debt being used to satisfy the requirement that the applicant has committed at least 20% equity in the project. Attach all funding commitments, including any lender commitment letter(s), equity support agreement(s) or other evidence of committed financing.

## Attachment 6: Detailed Project Cost

Provide a detailed line item breakdown of project costs. The breakdown should identify any costs incurred as of the date of this application, and the date the cost was incurred. Acquisition cost should be supported by comparables, an appraisal, or other documentation. Identify, quantify, and break out separately all affiliate costs/ payments to the developer and/ or affiliates.

## Attachment 7: Financing Gap and Tax Credit Requested

Rebuild Rhode Island tax credits are only available if the project has a financing gap. A financing gap, defined below, is the financing shortfall that makes a project unlikely to be accomplished by private enterprise in Rhode Island without the receipt of the requested tax credits. Any tax credit awarded to a project cannot exceed the project's financing gap.

An **internal financing gap** is that part of the total project cost that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, applicant's equity, a reasonable assumption of debt on the project, and any other capital source that is reasonably available given the nature of the project. To demonstrate an internal financing gap, the applicant must indicate the minimum expected return or profit needed to proceed with the project.

## Attachment 8: Pro Formas

Include two 11-year operating pro formas, assuming (a) the project receives the Rebuild Rhode Island tax credit in the amount requested and (b) the project does not receive any Rebuild Rhode Island tax credit. In both cases, provide all assumptions and available supporting documentation such as market studies or comparables.

Identify, quantify, and break out separately all affiliate costs/ payments to the developer and/ or affiliates.

Include excel versions of proformas in electronic submission.

## Attachment 9: Tax Stabilization Agreement

It is the expectation that the applicant has sought alternative sources of financing such as through a tax stabilization agreement. State whether the project has received a tax stabilization agreement from the municipality where it is located. If not, describe the commercially reasonable efforts the applicant has or will take to obtain such an agreement, or explain why such an agreement is not being sought.

## Attachment 10: Other Incentives

List all federal, state, and local incentives, grants, tax credits or other aid (with the exception of local tax stabilization agreements) that will or may be received or requested for the project, and the status of the application for each. If applicable, include the letter from the Division of Taxation indicating the project's position in the state Historic Tax Credit queue.

## Attachment 11: Ownership Structure

Provide an organizational chart and narrative description of the ownership structure of the development and ownership entities; include the names and ownership interests of individual(s) involved in each. The financial relationship of each entity must be accurately described.

## Attachment 12: Conflict of Interest Disclosures

Provide ( 1) the full name and address of each individual who is an owner, partner, or investor, or otherwise holds an interest in an applicant, either individually or through one or more other entities (except that individuals having an interest in an applicant by virtue solely of ownership in a publicly-traded corporation need not be listed); ( 2) a complete list of each entity holding an interest in the applicant; and (3) a complete list of each officer, director, or manager of the applicant.