



Rhode Island Housing
working together to bring you home

July 11, 2011

Mr. Chris DiPaola
135 North Road
Peacedale, Rhode Island 02879

Comprehensive Permit, 10 Oak Dell Street, South Kingstown. AP 48-3 Lot 111.

Dear Mr. DiPaola,

We have received your request for a letter of eligibility to pursue a Comprehensive Permit in the town of South Kingstown to create an affordable home on the property of the William Baker Homestead on 10 Oak Dell Street in Peacedale. This initiative will result in one long term affordable rental home to be located in a separate building at the rear of an existing two-family home.

To qualify as low and moderate income housing, rental homes must be priced to be affordable to households whose incomes do not exceed 80% of the area median income ("AMI") established by HUD for the Providence Metropolitan Statistical Area. Long term affordability of the affordable rental home is intended to be ensured by a deed restriction on the property for a minimum of 30 years. Compliance with affordability requirements will be ensured by contract with Narragansett Housing Authority or other Approved Monitoring Agent.

In addition to requirements for affordability and monitoring, under R.I.G.L. 45-53, the construction or rehabilitation of qualifying low and moderate income homes must be assisted by a state, federal or municipal subsidy program. All low and moderate income homes must be marketed in conformance with the attached Affirmative Fair Housing policy adopted by the State Office of Housing and Community Development and Rhode Island Housing.

The proposed low and moderate income maximum rent at the Baker Homestead rental home will provide an affordable home opportunity to individuals and families whose incomes do not exceed 80% AMI and you affirm that these prices appear feasible within the overall projected development sources and uses.

Based on the current Area Median Incomes at the time of this application, the maximum gross rent including utilities for the low and moderate income affordable rental home may not exceed:

One Bedroom Home:

\$1192 per month at 80% AMI

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Please note that this rental price is a maximum. The low and moderate income home may be rented for a lower price to accommodate the local rental market, local needs or ordinances, household income limits, or the requirements of future funding sources, if any. Maximum rental prices may change in the future but only as a factor of change in the AMI or utility allowances.

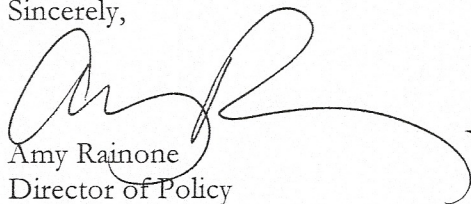
After a preliminary review of the plans and financial assumptions for this development located at 10 Oak Dell Road, Rhode Island Housing has determined:

- This project is generally eligible for subsidies under the HOME and Neighborhood Opportunities programs. However, this is not a commitment for financing. These programs currently target lower income rentals and funding is awarded competitively.
- The Town of South Kingstown Inclusionary Zoning Ordinance at Section 502.6 permits a municipal subsidy for low and moderate income homes. As the developer of the Baker Homestead rental home, you may seek municipal government subsidy in accordance with the provisions described in this ordinance. The proposed development differs in some respects to the provisions of the ordinance but the local review board may consider your request and make findings to support its decision.
- In conformance with R.I.G.L. 42-55-5.3 Rhode Island Housing performed an on-site inspection of the site on March 15, 2011 and has reviewed pertinent information supplied by the applicant.
- The initial project pro forma was reviewed and the project appears feasible on the basis of projected overall development costs.
- The applicant, Chris DiPaola has provided sufficient evidence of site control.

Based upon the review of the submitted information and supporting materials and based on the representations in your request, Chris DiPaola is eligible to pursue a Comprehensive Permit application in the Town of South Kingstown to develop the proposed Baker Homestead long-term affordable rental home on Oak Dell Street. Modifications to the development proposal resulting from local review do not require a revised letter of eligibility.

Thank you for your commitment to providing affordable housing opportunities to low and moderate income Rhode Island families.

Sincerely,



Amy Rainone
Director of Policy

cc: Vincent Murray, Planning Director