

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The State of Rhode Island's Annual Action Plan serves as an application to the Department of Housing and Urban Development (HUD) for funding of the Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME), the National Housing Trust Fund Program (HTF) and Emergency Solutions Grant Program (ESG). The Annual Action Plan also provides a forum for Rhode Island to summarize the State's progress and new initiatives in support of the strategic goals identified in the Consolidated Plan.

The State of Rhode Island, Office of Housing and Community Development (OHCD) completed this Annual Action Plan. OHCD sought input from Rhode Island Housing (RIHousing) on the content of this plan. Jointly, with guidance from the Housing Resources Commission, these agencies undertook a lengthy planning process for the 2015-2019 State of Rhode Island Consolidated Plan. The current Annual Action Plan has been developed in accordance with the goals set during the coordinated planning.

### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The State of Rhode Island's 2015-2019 Consolidated Plan outlines the main objectives, priorities and strategies for the delivery of funds to address housing and community development needs for low- and moderate-income households. In this coming fourth program year of the 2015-2019 plan, Rhode Island will continue to evaluate and address the overarching priorities identified in the Consolidated Plan.

These include:

- Increased housing opportunities for low-to-moderate income households
- Preserved affordability of the state's current stock of low-to-moderate income housing
- Rehabilitated foreclosed homes and properties
- An end to chronic homelessness
- An end to homelessness among the Veteran population in the state

- Substantially decreased homelessness overall
- Fitting aged housing to the needs of its residents
- Elimination of lead-based paint hazards in households with children under 6 years of age
- Improvements to the state's infrastructure that is crucial to future housing development
- Non-Housing Community Development investments in economic development, public services and facilities/infrastructure
- Permanent Supportive Housing
- Removed Barriers to Fair and Affordable Housing

The strategies set forth in the Annual Action Plan for the coming program year seek to address how resources are leveraged and partnerships created to consistently meet the housing needs of Rhode Island's at-risk populations. Performance expectations include 42 rental units constructed, 463 rental units rehabilitated, 21 units of housing for the homeless added, 1,354 households assisted through permanent supportive housing; nearly 2,648 persons assisted through the state's homeless shelters; an increased emphasis on all aspects of healthy homes, to complement lead-based paint abatement efforts, which will affect 374 homes; 1,700 households assisted with tenant-based vouchers, 62 homeowners counseled through foreclosure mediation, 800 households provided with assistance from the Hardest Hit Fund, thousands of persons assisted by investments in non-housing community development, and a continued commitment to break down barriers to affordable housing, including the promotion of fair housing and implementation of affirmative fair marketing, as well as supporting anti-poverty efforts. These strategies are especially aimed to address the needs of extremely and very low-income households, special needs populations and homeless populations as discussed below.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

This Annual Action Plan represents the fourth year of implementation of the objectives set forth in the 2015-2019 Consolidated Plan. Ninety days after the close of the state's HUD Program Year (July through June), the State submits the Consolidated Annual Performance Evaluation Report (CAPER); the CAPER for PY17 is due for submission to HUD from the state by September 28, 2018. The CAPER will include the accomplishments only for the 2017 program year.

The Office of Housing and Community Development and the state's housing finance agency, RIHousing, have worked to produce safe and affordable housing to thousands of state residents while providing rental assistance and supportive services to thousands more.

The federal Low Income Housing Tax Credit program, administered by RIHousing since 1986, has 10,525 active units for which it has financed construction. RIHousing has also administered the federal HOME Program since 1992, with the program financing the development of over 3,000 affordable units. The HFA also administers funding for more than 17,000 renters (through project-based and tenant-based rental assistance programs), and has remediated lead- paint or other home health hazards in approximately 3,700 homes statewide.

State lawmakers and citizens see that these housing programs have important and lasting effects on communities and the economy. Rhode Island voters have passed two recent housing bonds, in 2006 and 2012. The combined \$75 million in state funding was allocated to support the development or preservation of nearly 2,000 affordable homes in the state, and attracting a total of \$468 million in development costs. Voters passed another housing bond in 2016, which will provide an additional \$50 million for state housing programs.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

Throughout the Consolidated Plan development process in 2014-2015, the State and RIHousing consulted and met with other public and private agencies to gather data and discuss the state's housing and community development needs and priorities to be included in the plan. Agencies consulted included health and social services agencies, public housing authorities, city and town representatives and housing developers and providers (see State of Rhode Island Consolidated Plan 2015-2019). To encourage citizen participation, RIHousing and the state's Office of Housing and Community Development offered several opportunities for citizens to participate in the planning process.

Efforts continue to be made to promote and encourage citizen participation in the Annual Action Plan preparation process. Documents were made available for review by the public through OHCD and/or RIH's websites. The notice was published at least two (2) weeks before the actual hearing date in a general circulation newspaper, as well as a newspaper that primarily serves minority communities. The hearing was held at a time and place that was convenient to potential beneficiaries, and accommodated persons with disabilities and non-English speakers.

This Annual Action Plan was issued on May 30th for a 30-day public comment period. The draft plan was posted at [www.ohcd.ri.gov](http://www.ohcd.ri.gov). An English language advertisement ran in the Providence Journal and a Spanish language advertisement ran in Noticias Rhode Island. The Annual Action Plan public hearing was held at the State's Department of Administration in Providence, RI, at 5pm on Wednesday, June 20, 2018; Spanish-speaking personnel were present at this meeting.

When completed, the Annual Action Plan will be available at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) and copies of the Annual Action Plan will be sent to the Rhode Island State House Library. Hard copies of the plan will also be available to citizens upon request.

## 5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Comments were made at the public hearing on June 20th. A summary of the comments are as follows:

1. Comment: Hearings should be held in community settings and multiple locations. Consider holding listening sessions at existing stakeholder meetings, such as an HRC meeting.

Response: We attempt to be inclusive in our public process. This feedback will inform the updates to the Citizen Participation Plan and the next Consolidated Plan. Federal regulations require an annual public hearing and 30-day comment period for the annual action plan. Public notices were placed in English and Spanish publications. Notification of the hearing and comment period was widely disbursed via email to housing/homeless/community development stakeholders by both OHCD and RIHousing.

2. Comment: The State budget includes \$500,000 for the R.I. Commission for Aging for the purpose of making modifications to private homes to support aging-in-place. Roger Williams University is developing a form book for accessory dwelling units. The speaker encouraged coordination between these efforts and the CDBG Housing Rehab Program.

Response: Participating municipalities develop their own Housing Rehab Programs designs, with the context of overall state and program requirements. Some municipalities coordinate CDBG funds with state funds for aging-in-place, when applicants are eligible for both programs. The state encourages coordination with other resources.

## 6. Summary of comments or views not accepted and the reasons for not accepting them

The State accepted all comments and provided responses.

## 7. Summary

The State of Rhode Island's Annual Action Plan serves as an application to the Department of Housing and Urban Development (HUD) for funding of the Community Development Block Grant Program (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant Program (ESG). Performance expectations include 42 rental units constructed, 463 rental units rehabilitated, 21 units of housing for the homeless added, 1,354 households assisted through permanent supportive housing; approximately 3,000 persons assisted through the state's homeless shelters; an increased

emphasis on all aspects of healthy homes, to complement lead-based paint abatement efforts, which will affect 374 homes; 1,700 households assisted with tenant-based vouchers, 62 homeowners counseled through foreclosure mediation, 800 households provided with assistance from the Hardest Hit Fund, thousands of persons assisted by investments in non-housing community development, and a continued commitment to break down barriers to affordable housing, including the promotion of fair housing and implementation of affirmative fair marketing, as well as supporting anti-poverty efforts. These strategies are especially aimed to address the needs of extremely and very low-income households, special needs populations and homeless populations as discussed below.

**PR-05 Lead & Responsible Agencies - 91.300(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	RHODE ISLAND	
CDBG Administrator	RHODE ISLAND	State of RI - Office of Housing and Comm Dev.
HOPWA Administrator	RHODE ISLAND	
HOME Administrator	RHODE ISLAND	Rhode Island State HFA - Rhode Island Housing
ESG Administrator	RHODE ISLAND	State of RI - Office of Housing and Comm Dev.
	RHODE ISLAND	Rhode Island State HFA - Rhode Island Housing

**Table 1 – Responsible Agencies**

**Narrative**

The Annual Action Plan was developed by the Office of Housing and Community Development (OHCD), a state government department within the Rhode Island Executive Office of Commerce (EOC), with supporting information provided by RIHousing (RIH), the state’s quasi-public housing finance agency.

**Consolidated Plan Public Contact Information**

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## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

The implementation of strategies defined in the Consolidated Plan and the PY18 Action Plan is carried out by dozens of state agencies, departments and quasi-public entities, working together with a network of for-profit and nonprofit service providers and housing developers, and guided by the Housing Resources Commission (HRC). The HRC was created by legislation in 1998 to be the State's planning and policy, standards and programs agency for housing issues. Established under Rhode Island General Laws (R.I.G.L. 42-128) (RI Housing Resources Act of 1998), the HRC is comprised of 28 members, representing a wide range of constituents. OHCD provides staff support to the HRC.

OHCD and RIHousing formally consult with the network of housing service providers and communities when developing plans and programs. This consultation is enhanced by engagement with the HRC. In less formal partnerships, RIHousing and OHCD consult with health and human service agencies and providers to find intersections of need and to pool resources where possible.

### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

Medicaid is increasingly becoming an important funding source for assisted housing services, and changes to Medicaid are encouraging better coordination among stakeholders. New five- year contracts were signed in April 2017 for three health plans to serve Rhode Island's 250,000 Medicaid members (representing close to one-quarter of the state's population). The three health plans – Tufts Health Plan, Neighborhood Health Plan of RI and UnitedHealthcare Community Plan – along with state agencies working with Medicaid members, will continue to work on initiatives that support the goal of reducing healthcare costs through offering stable and secure housing.

Home Stabilization Initiative: Rhode Island's Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) has conducted several pilot programs since 2008 for vulnerable populations that have proven the cost effectiveness of providing permanent supportive housing to individuals who are cycling through emergency systems or have been unable to leave expensive institutions due to the lack of affordable housing and community- based support services that focus on housing retention. The Home Stabilization amendment was accepted in 2015, and continuing in PY17, EOHHS (The Executive Office of Health and Human Services) and BHDDH will work together to create certification standards in partnership with the Centers for Medicare and Medicaid Services (CMS). These standards intend to allow for organizations to become providers of home stabilization services that can be billed to Medicaid.

Money Follows the Person (MFP) Demonstration Program: In 2011, RI received a federal grant for MFP, designed to increase options for elderly and persons with disabilities to receive care in the community. MFP is part of the “rebalancing” efforts of the American Care Act to shift full-time institutional care to community-based settings. National and local findings of MFP efforts since 2011 emphasize how the lack of affordable, accessible housing is the biggest barrier to these rebalancing efforts, keeping too many persons in expensive, full-time institutional settings instead of at home receiving similar care. In response to this barrier, MFP has created a housing working group that works to understand what organization and community services already exist for the elderly and disabled population. The working group includes long-term care representatives, home care nurses, Residential Service Coordinators (RSC), assisted living professionals and housing professionals. This housing group coordinated the Senior Health and Housing Forum, hosted by HousingWorks RI at Roger Williams University, in September 2017. The forum covered best practices in meeting the health and housing needs of Rhode Island’s seniors and strengthened collaborations among housing developers and healthcare providers. This working group will continue to meet in PY18.

Section 811 Project Rental Assistance: RI housing received \$5.6 million in 2015 to administer the Section 811 Project Rental Assistance Program for RI, a project that provides renewable project based rental assistance for five years to affordable housing projects that serve extremely low income persons with disabilities. While administered by RIHousing, the program is a partnership that also includes EOHHS and BHDDH, which will – through facilitation with owners of units award rental assistance contracts – provide case management services, transportation and employment services, support for independent living skills training, mental health services and making connections to Medicaid via these services. Through June of 2017, RIHousing has approved 70 units under this program, and is in the process of executing rental assistance contracts with additional developers in PY17.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

The Continuum of Care (CoC) is organized into several standing committees to carry out the day to day work of the Continuum and to support the operation and evaluation needs of the ESG-funded programs (administered through the Consolidated Homeless Fund). Three standing committees focus on targeted populations: the Veterans Committee; the Families and Youth Committee; and Chronically Homeless/High Need Individuals Committee. These committees use a case conferencing approach and a service priority assessment to house these targeted populations in the most appropriate housing and to inform policy makers about policies which create barriers to successful placement. The Continuum of Care board approves and ratifies the recommendations of these CoC committees; the Board is represented by program staff that also directs the state’s ESG, CDBG, HOME and HTF funds.

The state uses a housing first model to place families and individuals quickly into housing, and requires treatment and services as a prerequisite to maintaining that housing. The CoC uses HMIS to identify previously homeless families seeking further homeless services and applies rapid re- housing services to these households. Both the CoC and ESG intend to increase the amount allocated for rapid re-housing and diversion for families in PY18 (utility assistance, first month's rent, security, etc.) The CoC is committed to maximize funding for CoC and ESG rapid re-housing through reallocations. RIHousing staffs the Continuum of Care and both RIHousing and OHCD are members of the CoC Board.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

Rhode Island's Consolidated Homeless Fund (CHF) combines all ESG funds (state and entitlements), state funding for homelessness, and Title XX block grant funds into one program. A committee representing the state, ESG entitlement communities, the chair of the Housing Resources Commission, RI Housing and other relevant policy makers in homelessness set parameters for the CHF program's funding and make awards. This committee recently merged with the Continuum of Care Recipient Approval and Evaluation Committee, which now oversees the development of performance standards and monitors outcomes for both CoC and ESG-funded projects. This committee relies on information provided by the RI CoC including: point-in-time statistics, HMIS performance reports, and subrecipient capacity reports. The CoC also aids in the development of performance standards and provides outcome evaluations of all Consolidated Homeless Fund providers via the System Performance Committee.

The Chief of the Office of Housing and Committee Development is a member of the Continuum of Care Board. As a member of the Board, he consults with the CoC in determining the allocation of ESG Funds and funding priorities. Once the allocation of funds and funding priorities are determined, the Consolidated Homeless Fund issues a Request for Proposal. Eligible entities including not for profits and units of local government apply for funding in accordance with the RFP guidelines. The Consolidated Homeless Fund then convenes a review committee consisting of representatives from the Entitlement Cities (Cities of Providence, Pawtucket, and Woonsocket), the State of Rhode Island Departments of Human Services and the Office of Housing and Community Development and members of the CoC Fund Review Committee to review and evaluate proposals and to make funding decisions.

State staff that administers the ESG program and ESG entitlement representatives sit on several of the CoC standing committees, including the HMIS Committee. This committee develops and annually reviews HMIS privacy plans, security plans, data quality plans and all other policies and procedures required by regulation. The Rhode Island Coalition for the Homeless is the HMIS Lead Agency and has a memorandum of agreement with the RI CoC. The determination for assistance via ESG and CoC transitional or permanent supportive housing programs are based on HMIS data, which includes each individual's or household's vulnerability assessment score and priority designation.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Ri Dept of Behavioral Healthcare, Developmental Disabilities and Hospitals
	<b>Agency/Group/Organization Type</b>	Services-Persons with Disabilities Services-Health Health Agency Publicly Funded Institution/System of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with BHDDH include the successful administration of the HUD 811 PRA Grant, achieving many goals outlined in the Strategic Plan, including ending and reducing homelessness, maintaining the protocol of not discharging a BHDDH patient into homelessness, coordinating with BHDDH on the administration of the Consolidated Homeless Fund as BHDDH passes through funding into this program, maintaining and improving BHDDH support of and use of the Housing First model, and continuing to assist BHDDH in using Medicaid funds to fund housing-based supports for disabled Rhode Islanders.
2	<b>Agency/Group/Organization</b>	Rhode Island Statewide Planning Program
	<b>Agency/Group/Organization Type</b>	Housing Other government - State Planning organization

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with RIs SPP include blending the strategies and goals found in housing and economic development-related sections of the State Guide Plan with Consolidated Plans, to work with SPP in aiding cities and towns develop and implement affordable housing policies, to better understand municipal zoning practices and how they can be addressed in order to reduce barriers and affordable and fair housing, and to share statistical information relevant to growing housing needs, such as demographic changes based on age, race and ethnicity.
3	<b>Agency/Group/Organization</b>	RI Continuum of Care
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with RICOC include the achievement of goals outlined in the Strategic Plan, specifically Goals 1, 2, 4 and 7. The RICOC will primarily work to achieve Goal 2, reducing, preventing and ending homelessness through the administration of competitively-awarded federal funds dedicated to this purpose.
4	<b>Agency/Group/Organization</b>	Interagency Council on Homelessness (ICH)
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with ICH includes the continued progress in implementing the state strategic plan to end homelessness, and achieving Goal 2, or reducing, preventing and ending homelessness.
5	<b>Agency/Group/Organization</b>	RI Coalition for the Homeless
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-homeless Business and Civic Leaders

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with RICH includes the continued use of and improvement of the state HMIS as well as continuing to advocate at the local, state and national level for funding and policy related to ending homelessness. RICH will also produce yearly updates on the implementation of the state strategic plan to end homelessness, the information from which will be included in subsequent state Annual Action Plans and CAPERs.
6	<b>Agency/Group/Organization</b>	State Office of Housing & Community Development
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless

	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Anticipated outcomes of ongoing consultation and improved coordination with OHCD include the ongoing relationship in achieving the state housing goals (as summarized in the Strategic Plan), to maintain efforts to sustain and improve funding for housing and homelessness in the state, to comply with all regulations and policies related to the federal programs that currently assist the Rhode Island population, to coordinate actions to reduce barriers to fair and affordable housing and to raise support for housing policy in general.</p>
7	<p><b>Agency/Group/Organization</b></p>	<p>Public Housing Association of Rhode Island</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>PHA  Regional organization  Business and Civic Leaders</p>

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with PHARI include coordinating public housing policies that positively address state priorities, such as ending homelessness and achieving fair housing goals, while also working with PHAs to best determine ways that RIHousing can assist in the preservation and rehabilitation of the aging public housing stock in the state. RIHousing is also working with PHARI on the implementation of a coordinated waitlist for tenant-based vouchers throughout the State.
8	<b>Agency/Group/Organization</b>	The Housing Network of Rhode Island/Community Housing Land Trust of Rhode Island
	<b>Agency/Group/Organization Type</b>	Housing Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with HWRI include better understanding and communicating the housing needs in the State, working with the State network of nonprofit housing developers to increase production of the housing needs to meet these needs, and providing information at the municipal level for the purpose of engaging stakeholders from all communities.

9	<b>Agency/Group/Organization</b>	RI Department of Health
	<b>Agency/Group/Organization Type</b>	Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with HEALTH include sustaining memorandums of agreement with other state agencies in preventing homelessness and housing-related problems among the populations these departments serve and to share information that is crucial in understanding housing need and how housing relates to the health and safety of Rhode Islanders.
10	<b>Agency/Group/Organization</b>	RI Dept of Children, Youth and Families
	<b>Agency/Group/Organization Type</b>	Child Welfare Agency
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Anti-poverty Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with DCYF include sustaining memorandums of agreement with other state agencies in preventing homelessness and housing-related problems among the populations these departments serve and to share information that is crucial in understanding housing need and how housing relates to the health and safety of Rhode Islanders.
11	<b>Agency/Group/Organization</b>	RI Builders Association
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with RIBA includes to continued engagement of policymakers and stakeholders in policies that promote construction of safe and affordable housing (not just deed-restricted but low-cost market rate housing).
12	<b>Agency/Group/Organization</b>	Direct Action for Rights and Equality
	<b>Agency/Group/Organization Type</b>	Regional organization Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Anti-poverty Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	DARE is a Providence-based community organizer that hosts a Tenant and Homeowner Association, the primary objective of which is to protect persons from losing their homes. The anticipated outcomes of working with DARE is to include citizens most affected by state housing policies in the development of programs and to best utilize funds and policies to help those in the most need of assistance.
13	<b>Agency/Group/Organization</b>	Rhode Island Legal Services
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Education Service-Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated Outcomes of coordinating with RILS is to help inform the public on their rights as tenants, to help prevent unlawful eviction, to receive foreclosure mediation, and to investigate instances of housing discrimination.
14	<b>Agency/Group/Organization</b>	Housing Resources Commission
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-homeless Other government - State

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination with the HRC include the ongoing relationship in achieving access to safe and affordable housing for all Rhode Islanders, and coordination to create strong neighborhoods, improving the economic climate of the State.
15	<b>Agency/Group/Organization</b>	HousingWorksRI
	<b>Agency/Group/Organization Type</b>	Housing Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultations and improved coordination with HWRI concerning on-going research on housing production, preservation and financing in Rhode Island in support of public and private policy and program work.
16	<b>Agency/Group/Organization</b>	RI Department of Education
	<b>Agency/Group/Organization Type</b>	Services-Children Services-Education Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Families with children
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of ongoing consultation and improved coordination around the intersection of housing and education. Specifically, engaging with DoE on the McKinney-Vento Homeless Students coordinators and Early Learning Council on the importance of housing stability.
17	<b>Agency/Group/Organization</b>	Rhode Island Center for Justice
	<b>Agency/Group/Organization Type</b>	Service-Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Eviction clinic
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Anticipated outcomes of coordinating with the Center with their eviction clinic and continued education of the public on healthy housing and housing conditions and housing risks.

**Identify any Agency Types not consulted and provide rationale for not consulting**

Not applicable

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Rhode Island Housing	Goal 2 of the 2015-2019 Strategic Plan incorporates all goals associated with the state's Continuum of Care goals.
Opening Doors Rhode Island	Interagency Council on Homelessness	Goal 2 of the 2015-2019 Strategic Plan incorporates all goals associated with the state's strategic plan to end homelessness, also titled Opening Doors Rhode Island.
Economic Development Plan	Rhode Island Statewide Planning Program	Goal 5 of the Economic Development Plan (coordinate economic, housing and transportation investments) overlaps with Goals 1, 3 and 6 of the 2015-2019 Strategic Plan; Goals 6 and 7 of the Economic Development Plan (infrastructure goals) overall with Goal 6 of the Strategic Plan.
Regional Analysis of Impediments to Fair Housing	Rhode Island Statewide Planning Program	All seven goals of the 2015-2019 Strategic Plan are reflected as important to fair housing, as described in Chapter 6 of the RAI

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

**Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(I))**

The ESG entitlement communities of Providence, Pawtucket and Woonsocket pool their resources with the state’s ESG funds, as well as other state and federal funding, into the Consolidated Homeless Fund. The local governments of these entitlement communities endorse this coordination, which leverages state expertise for management of the programs while making sure ESG entitlement funds supports only local initiatives.

The public housing authorities in these entitlement communities, as well as the city of Newport, contribute to state CoC management, working to place members of their waitlists into housing opportunities based on the same vulnerability index used for state homelessness programs. The City of Pawtucket's housing authority, for instance, now has a homeless priority for its project- based and tenant-based housing placement.

Units of general local government support housing, public facility, public improvement and public service investments by applying for State CDBG funds. These funds are used to support local agencies that deliver local community development services, and require UGLG's to annually apply for this important funding.

Local leaders – mayors and city/town council members –remain important partners in the development of affordable housing in their municipalities, by supporting CDBG applications for affordable housing/housing rehab, and by speaking at the public events held to promote successful project completion. Local government officials representing the hardest hit areas of the state have been, and will continue to be, important to educating their municipalities' homeowners on the availability of Hardest Hit Fund Rhode Island funding, of which approximately \$17 million will be awarded in PY18 to homeowners applying under four sub-programs of HHFRI. HUD CPD program entitlement communities collaborate with the state in developing regional Analysis of Impediments documents and coordinate on policies to reduce these impediments.

## **AP-12 Participation - 91.115, 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

Efforts continue to be made to promote and encourage citizen participation in the Annual Action Plan preparation process. Documents were made available for review by the public through OHCD's website. The notice was published at least two (2) weeks before the actual hearing date in a general circulation newspaper, as well as newspapers that primarily serve minority communities. The hearing was held at a time and place that was convenient to potential beneficiaries, and accommodated persons with disabilities and non-English speakers.

This Annual Action Plan was issued on May 30th for a 30-day public comment period, with advertisements in the Providence Journal (English) and Noticias Rhode Island (Spanish, [www.noticiasrhodeisland.com](http://www.noticiasrhodeisland.com)). The draft plan was posted at [www.ohcd.ri.gov](http://www.ohcd.ri.gov). The Annual Action Plan public hearing was held at the State's Department of Administration in Providence, RI, at 5pm on Wednesday, June 20, 2018; Spanish-speaking personnel were present at this meeting.

On December 11, 2017, OHCD held a meeting with non-entitlement municipal representatives to discuss the State's CDBG program priorities and design. Representatives from 27 of the 33 non-entitlement communities attended. Participants prioritized activity categories and discussed program design alternatives. As a result, OHCD made some modifications to the CDBG program design that will be carried into PY18. These modifications did not require amending the PY17 Annual Action Plan.

**Citizen participation process impact on goal-setting:** The comments received during the AAP process did not pertain to ConPlan or AAP goals. The goals set in the 2015-2019 Consolidated Plan (see section AP-20 Annual Goals and Objectives, or the Strategic Plan of the ConPlan) will not change during this program year.

### Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	No comments received	Not applicable	Not applicable	<a href="http://www.providencejournal.com">www.providencejournal.com</a>
2	Public Hearing	Non-targeted/broad community	1 member of the public attended the public hearing, consisting of leadership from an affordable housing research and advocacy organization.	A summary of all comments and responses appears in the Executive Summary of this Action Plan	Not applicable	
3	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	No comments received	Not applicable	Not applicable	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Housing/Homeless/CD Listservs	Minorities Persons with disabilities Residents of Public and Assisted Housing	No comments received	Not applicable	Not applicable	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

The state anticipates availability of approximately \$64.2 million in federal subsidies in the third program year of the 2015-2019 Consolidated Plan time period. Non-federal public and private funds that will directly assist CPD funded programs is estimated to be \$21.5 million; 86% of this non-federal funding comes from the state budget, the other 14% from Rhode Island Housing’s resources. The programs that these funds assist also rely on leveraged private financing and private equity derived from the sale of public bonds, especially those programs associated with Goal 1: Develop and Preserve Affordable Housing Opportunities.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	5,437,131	0	5,003,815	10,440,946	5,200,000	Funds community development and housing activities

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,723,228	727,422	3,016,971	7,467,621	3,500,000	Acquisition, rehabilitation and new construction of affordable housing

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	680,116	0	0	680,116	680,116	Emergency shelter and operational support for homelessness program funding

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	0	0	0	0	0	
Continuum of Care	public - federal	Rental Assistance Services Transitional housing Other	5,262,197	0	0	5,262,197	5,260,000	HEARTH Programs, funds permanent and transitional housing and services
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	6,000,000	0	0	6,000,000	3,000,000	Acquisition, rehabilitation and new construction of affordable housing, primarily targeting households earning 30% of AMI or less

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
LIHTC	public - federal	Multifamily rental new construction Multifamily rental rehab	4,030,000	0	0	4,030,000	4,030,000	Tax credits purchased by investors generating equity for the production and preservation of affordable housing
Section 811	public - federal	Services Other	783,996	0	0	783,996	783,996	Rental assistance and supportive services funding to assist households leaving state-run institutional care
Other	private	Other	825,000	0	0	825,000	3,075,000	Rhode Island Housing funds owner reimbursement costs (rental assistance) for serving low-income households.
Other	private	Services Other	2,200,000	0	0	2,200,000	2,200,000	Rental assistance and supportive services to agencies that house homeless persons and families
Other	public - federal	Acquisition Financial Assistance	3,000,000	0	0	3,000,000	0	Rhode Island Housing implemented a program to provide down payment assistance to households buying foreclosed homes funded through reclaimed funds through the first round of the Hardest Hit Fund

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Housing Multifamily rental new construction New construction for ownership	1,250,000	0	0	1,250,000	0	NSP funds to address foreclosure crisis by acquiring and demolishing, rehabilitating and/or reconstructing abandoned/foreclosed/blighted properties.
Other	public - federal	Admin and Planning Homeowner rehab Multifamily rental new construction Multifamily rental rehab Public Improvements Other	5,077,619	0	0	5,077,619	0	Rebuilds homes, businesses, community buildings and public infrastructure damaged by flooding and storms.
Other	public - federal	Financial Assistance	14,788,000	0	0	14,788,000	0	Rhode Island was awarded additional Hardest Hit Fund money to assist to homeowners in need.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Financial Assistance Rental Assistance Services TBRA	660,654	0	0	660,654	660,654	Rental assistance and supportive services for persons with HIV/AIDS
Other	public - federal	Homebuyer assistance TBRA	15,756,917	0	0	15,756,917	15,000,000	tenant-based rental assistance vouchers administrated by Rhode Island Housing through its role as a public housing authority.
Other	public - federal	Homeowner rehab Multifamily rental rehab Other	1,000,000	0	0	1,000,000	1,000,000	Funds lead remediation and other healthy housing improvement activities
Other	public - federal	Other	133,333	0	0	133,333	133,333	Supports healthy housing outreach and inspection activities

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Other	688,765	0	0	688,765	688,765	Three cities pool ESG entitlement allocations into a joint pool with state funding to support emergency shelter and emergency support services.
Other	public - federal	Overnight shelter Services Other	1,081,704	0	0	1,081,704	1,081,704	A portion of federal funding for state social services goes to assist emergency shelter and supportive service activities provided through the Consolidated Homeless Fund
Other	public - federal	Services Other	168,307	0	0	168,307	84,154	Funds foreclosure mediation, conciliation and other homeownership help activities such as counseling and coordination of services.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Acquisition Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership Other	1,340,000	0	0	1,340,000	11,600,000	The State's Housing Bond initiative, passed in 2016.
Other	public - state	Acquisition Multifamily rental rehab Other	0	0	0	0	0	State investment in affordable housing preservation
Other	public - state	Other	0	0	0	0	0	State investments in the Lead Hazard Reduction Program, administered by Rhode Island Housing

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Overnight shelter Services TBRA Transitional housing	3,232,752	0	0	3,232,752	3,250,000	State funding for homelessness that supports emergency shelters and supportive services through the Consolidated Homeless Fund
Other	public - state	Rapid re-housing (rental assistance) Rental Assistance TBRA	1,000,000	0	0	1,000,000	750,000	State funding for rapid re-housing and housing stabilization rental assistance programming
Other	public - state	Services Other	1,000,000	0	0	1,000,000	1,000,000	State funding for the development of housing persons with severe disabilities

**Table 5 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

*State HOME Program*

According to RIHousing, the HOME program for non-entitlement communities, which has received nearly \$100 million since 1992 to develop affordable rental and homeownership opportunities in the state, has leveraged \$6.25 for every \$1 of HOME funds spent on rental activities (thru March 2018).

HOME applications receive extra points in scoring when proposed projects have other sources of public and private funds committed. Sources contributing to the development of HOME-assisted projects include: market rate bank financing, private foundation grants, private donations, Building Homes RI, Lead Hazard Reduction funds allocated from the state, Thresholds Program funds, Community Development Block Grant funds, Affordable Housing Program funds (Federal Home Loan Bank of Boston) and sales proceeds (Homeownership projects).

#### *ESG Match*

Due to the unique collaboration of the Consolidated Homeless Fund, the CHF Partnership is able to provide 100% matching funds without transferring match responsibility to the ESG sub-recipients. Non-CPD funds that are leveraged through ESG funding of the CHF include the state's homelessness funding through the HRC, and Social Service Block Grant funds (passed through to the HRC from the state's Dept. of Human Services).

In PY18, the state's ESG formula allocation will only make up 10.2% of the funding for the Consolidated Homeless Fund, with 10.3% coming from other CPD funds (ESG entitlements combined), another 16.2% coming from non-CPD federal funds (Social Services Block Grant), and the rest (63.3%) coming from the state's Homelessness funding.

#### *CDBG Match*

The State provides its required CDBG match through the salary and fringe benefits for multiple employees. The allowed administration amount for PY18 is \$263,114 with \$163,114 (3% of the State's allocation) needing to be matched dollar for dollar. The salary and fringe benefits for one of these employees is paid entirely with State dollars totaling approx. \$115,000. The remaining funds requiring one to one match (\$48,114) will be matched on a dollar for dollar basis by federally-unreimbursed time spent by OHCD staff working on the projects and initiatives of the CDBG program.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Not applicable

### **Discussion**

The state's housing finance agency, RIHousing, has been a participant in the Treasury – HUD Federal Financing Bank ("FFB") HFA Multifamily Risk Sharing Loan Financing Initiative since 2016 for the financing of rental housing for low- and moderate-income households, which gives owners and sponsors of affordable housing in Rhode Island access to lower-interest debt than was previously available. This new source of debt financing expanded the state's capacity to achieve housing preservation outcomes. According to RIHousing, the program is likely to generate \$50,000,000 in financing through the private purchase of loans by the US Treasury's Federal Financing Bank, making possible the long-term preservation of affordability restrictions on an additional 1,000 homes in this program year. The loans are insured by HUD under the FHA Risk Share Program in which RIHousing and HUD share the insurance risk on a 50/50 basis.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Develop and Preserve Affordable Housing	2015	2019	Affordable Housing Public Housing	Statewide Effort	Increased housing opportunities for LMI households Preserved affordability of the state's LMI stock Rehabilitated foreclosed homes and properties	CDBG: \$1,631,139 HOME: \$3,723,228 Housing Trust Fund: \$3,000,000 LIHTC: \$4,030,000 Building Homes Rhode Island: \$13,400,000 Housing Preservation and Production Program: \$0	Rental units constructed: 42 Household Housing Unit Rental units rehabilitated: 463 Household Housing Unit Homeowner Housing Added: 7 Household Housing Unit Homeowner Housing Rehabilitated: 3 Household Housing Unit Housing for Homeless added: 21 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Prevent and End Homelessness	2015	2019	Homeless	Statewide Effort	An end to chronic homelessness An end to homelessness among Veterans Permanent Supportive Housing Substantially decreased homelessness overall	ESG: \$680,116 Continuum of Care: \$5,262,197 Section 811: \$783,996 ESG - Entitlements: \$688,765 HOPWA: \$660,654 HRC State Homelessness Funding: \$3,232,752 Neighborhood Opportunities Program: \$825,000 Road Home: \$2,200,000 State Rental Assistance: \$1,000,000 Thresholds Program: \$1,000,000 Title XX - Social Services Block Grant: \$1,081,704	Tenant-based rental assistance / Rapid Rehousing: 250 Households Assisted Homeless Person Overnight Shelter: 3000 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 26 Beds Homelessness Prevention: 6 Persons Assisted HIV/AIDS Housing Operations: 48 Household Housing Unit Other: 1536 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Improve health, safety and efficiency of all homes	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs	Statewide Effort	Aged housing that is fitted to residents' needs Elimination of lead-based paint hazards - children	CDBG: \$1,359,283 HUD-OLHCHH Healthy Homes Grant: \$133,333 HUD-OLHCHH Lead Reduction Grant: \$1,000,000 State Lead Funding: \$0	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 167 Households Assisted Rental units rehabilitated: 98 Household Housing Unit Homeowner Housing Rehabilitated: 161 Household Housing Unit Other: 115 Other
4	Provide Tenant-Based Rental Assistance	2015	2019	Affordable Housing Public Housing	Statewide Effort	An end to chronic homelessness An end to homelessness among Veterans Increased housing opportunities for LMI households Substantially decreased homelessness overall	Housing Choice Voucher Program: \$15,756,917	Tenant-based rental assistance / Rapid Rehousing: 1700 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Address Negative Impacts of Foreclosure Crisis	2015	2019	Foreclosure / Housing Counseling	Statewide Effort	Rehabilitated foreclosed homes and properties Removed Barriers to Fair and Affordable Housing Substantially decreased homelessness overall	Hardest Hit Fund - Down Payment Assistance: \$3,000,000 Hardest Hit Fund - Round 5: \$14,788,000 National Foreclosure Mitigation Counseling (NFMC) grant: \$168,307	Rental units rehabilitated: 4 Household Housing Unit Homeowner Housing Added: 1 Household Housing Unit Direct Financial Assistance to Homebuyers: 800 Households Assisted Other: 123 Other
6	Non-Housing Community Development	2015	2019	Non-Housing Community Development	Statewide Effort	Infrastructure improvement crucial to housing Investments in public services and facilities	CDBG: \$2,446,709	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15000 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 150 Persons Assisted Businesses assisted: 3 Businesses Assisted Other: 10 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Affirmatively Further Fair Housing	2015	2019	Fair Housing	Statewide Effort	Aged housing that is fitted to residents' needs Elimination of lead-based paint hazards - children Increased housing opportunities for LMI households Infrastructure improvement crucial to housing Investments in public services and facilities Permanent Supportive Housing Preserved affordability of the state's LMI stock		

Table 6 – Goals Summary

**Goal Descriptions**

<b>1</b>	<b>Goal Name</b>	Develop and Preserve Affordable Housing
	<b>Goal Description</b>	<p>TABLE 79 of the Strategic Plan introduces the seven goals of the 2015-2019 Consolidated Plan, while TABLES 80-85 described the anticipated annual outcomes by goal. TABLES 89 A and 89 B summarize the funds available by goal and the proposed outcomes as related in the aforementioned tables from the Strategic Plan. TABLE 89 A covers the programs directly administered by OHCD and TABLE 89 B covers the programs administered by RIHousing. Program Year 4 funding for Goals 1 through 6 include an estimated \$81.9 million in funding from all sources. Of the estimated total, \$12,840,475 (16%) will come from HUD CPD program’s state-level formula allocations (HOME, HTF, ESG and CDBG), \$688,765 will come from HUD CPD program’s entitlement community-level formula allocations (Entitlement-ESG commitments to Consolidated Homeless Fund) and another \$660,654 will come from HUD CPD programs in the form of a competitive HOPWA grant.</p> <p>Other HUD funds to support Rhode Island’s housing and homelessness goals in Program Year 2018 include competitively-awarded sources from the HUD Office of Special Needs Assistance Programs (SNAPS) – through the Continuum of Care programs. Additional funding will come from the Office of Lead Hazard Control and Healthy Homes (OLHCHH) – through HUD Lead Hazard and Healthy Homes funding and the Office of Public and Indian Housing (PIH) – through the Housing Choice Voucher Program. US Treasury programs include the Low-Income Housing Tax Credit Program, the Hardest Hit Fund Program and, in partnership with HUD, the Federal Financing Bank as a source for risk share loans (though this program does not include subsidies). Other federal, state and private financing supports these initiatives to achieve the proposed outcomes. Goal 7, Affirmatively Furthering Fair Housing, does not have an outcome attributable to the number of persons, business or households served. Strategies to address Goal 7 involve many of the other funding programs including rental assistance and development financing.</p> <ul style="list-style-type: none"> <li>• CDBG Affordable Housing: Rental units rehabilitated - 10 housing units</li> <li>• RIH administered programs: All other Goal Outcome Indicators</li> </ul>

<b>2</b>	<b>Goal Name</b>	Prevent and End Homelessness
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• Consolidated Homeless Fund - 3,000 persons in emergency shelters and supportive services</li> <li>• Consolidated Homeless Fund - 250 households with rapid re-housing</li> <li>• Continuum of Care and other permanent supportive housing - 1,354 households (Other)</li> <li>• NOP - 182 households with TBRA (Other)</li> <li>• HOPWA - 48 households with HIV/AIDS housing operations</li> </ul>
<b>3</b>	<b>Goal Name</b>	Improve health, safety and efficiency of all homes
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• CDBG: Rental units rehabilitated - 4</li> <li>• CDBG: Homeowner housing rehabilitated - 50</li> <li>• CDBG-DR: Infrastructure for LMH benefit - 167</li> <li>• RIH: Home health hazards remediated - 115</li> <li>• RIH: Rental units rehabilitated - 94</li> <li>• RIH: Homeowner housing rehabilitated - 111</li> </ul>
<b>4</b>	<b>Goal Name</b>	Provide Tenant-Based Rental Assistance
	<b>Goal Description</b>	Housing Choice Voucher Program (Rhode Island Housing) - 1,700 tenant-based rental assistance

5	<b>Goal Name</b>	Address Negative Impacts of Foreclosure Crisis
	<b>Goal Description</b>	<p>Recently awarded funds through the US Treasury will help the state continue to address the negative impacts of the foreclosure crisis.</p> <ul style="list-style-type: none"> <li>• Hardest Hit Fund Round 5 - 375 direct financial assistance</li> <li>• Hardest Hit Fund Down Payment Assistance Grants for the purchase of foreclosed homes (Renewed Homes program) - 425 direct financial assistance</li> <li>• Homeowners assisted with housing counseling - 123 households (listed as Other in Goal Outcome Indicator)</li> <li>• NSP: 4 rental units rehabilitated/reconstructed</li> <li>• NSP: 1 homeowner housing added</li> </ul>
6	<b>Goal Name</b>	Non-Housing Community Development
	<b>Goal Description</b>	<ul style="list-style-type: none"> <li>• CDBG: Public Facility Improvements and Infrastructure - 15,000 persons assisted</li> <li>• CDBG: Public Services - 150 persons assisted</li> <li>• CDBG: Public Facility Improvements - 10 public facilities (Other)</li> </ul>
7	<b>Goal Name</b>	Affirmatively Further Fair Housing
	<b>Goal Description</b>	Goal 7, Affirmatively Furthering Fair Housing, does not have an outcome attributable to the number of persons, business or households served. Strategies to address Goal 7 involve many of the other funding programs including rental assistance and development financing.

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

Only CPD grant programs are required to be described by allocation priority; however, it is helpful to all housing stakeholders in the state to understand the complete picture of housing assistance programs that effect achievement of Rhode Island’s housing and community development goals (SP-45). Most funding programs address one goal directly. Only CDBG programs are split between funding the outcomes of more than one goal. However, many funding programs indirectly assist with the achievement of other goals; for instance, the HTF, HOME and LIHTC programs, though they specifically fund affordable housing development, also contribute to the reduction of homelessness (Goal 2), the provision of safe and healthy housing (Goal 3) and non-housing community development (Goal 6). Providing tenant-based rental assistance, addressing the foreclosure crisis and providing safe and healthy homes all go to reducing the likelihood of homelessness and improving the communities in which these programs serve, thus addressing Goals 2 and 6 while achieving their stated outcomes.

### Funding Allocation Priorities

	Develop and Preserve Affordable Housing (%)	Prevent and End Homelessness (%)	Improve health, safety and efficiency of all homes (%)	Provide Tenant-Based Rental Assistance (%)	Address Negative Impacts of Foreclosure Crisis (%)	Non-Housing Community Development (%)	Affirmatively Further Fair Housing (%)	Total (%)
CDBG	30	0	25	0	0	45	0	100
HOME	100	0	0	0	0	0	0	100
ESG	0	100	0	0	0	0	0	100
HTF	100	0	0	0	0	0	0	100
Continuum of Care	0	100	0	0	0	0	0	100
Housing Trust Fund	100	0	0	0	0	0	0	100
LIHTC	100	0	0	0	0	0	0	100
Section 811	0	100	0	0	0	0	0	100
Other Building Homes Rhode Island	100	0	0	0	0	0	0	100

Other CDBG - Disaster Recovery	0	0	16	0	0	84	0	100
Other ESG - Entitlements	0	100	0	0	0	0	0	100
Other Hardest Hit Fund - Down Payment Assistance	0	0	0	0	100	0	0	100
Other Hardest Hit Fund - Round 5	0	0	0	0	100	0	0	100
Other HOPWA	0	100	0	0	0	0	0	100
Other Housing Choice Voucher Program	0	0	0	100	0	0	0	100
Other Housing Preservation and Production Program	100	0	0	0	0	0	0	100
Other HRC State Homelessness Funding	0	100	0	0	0	0	0	100
Other HUD-OLHCHH Healthy Homes Grant	0	0	100	0	0	0	0	100
Other HUD-OLHCHH Lead Reduction Grant	0	0	100	0	0	0	0	100
Other National Foreclosure Mitigation Counseling (NFMC) grant	0	0	0	0	100	0	0	100

Other Neighborhood Opportunities Program	0	100	0	0	0	0	0	100
Other Neighborhood Stabilization Program	0	0	0	0	100	0	0	100
Other Road Home	0	100	0	0	0	0	0	100
Other State Lead Funding	0	0	100	0	0	0	0	100
Other State Rental Assistance	0	100	0	0	0	0	0	100
Other Thresholds Program	0	100	0	0	0	0	0	100
Other Title XX - Social Services Block Grant	0	100	0	0	0	0	0	100

**Table 7 – Funding Allocation Priorities**

**Reason for Allocation Priorities**

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The LeadSafe Homes Program (LSHP) of RIHousing combines funding from HUD and from the state to remediate lead-paint and other healthy homes hazards (mold, lack of insulation,

contamination, pest problems, unsafe conditions), providing these services to nearly 100 homes annually (combining both homeowners and

rental housing). RIHousing's LSHP staff takes in applications, completes the inspection and analysis of need of a home, schedules a contractor walkthrough advertised to all state-licensed lead hazard work contractors, coordinates scope of work review and work plan between lowest bidder and owner, relocates tenants temporarily if needed, clears the final work with owner and contractor, then pays the contractor directly based on invoices once the work is cleared. The CDBG Home Repair Program provides funding to units of general local government (UGLGs), sometimes individual municipalities or groups of municipalities, to operate funding programs to homeowners in need of rehabilitation assistance. Priority needs 7 and 8 (TABLE 74 of the Consolidated Plan 2015-2019) are directly addressed by the distribution of funds to LSHP and municipal home repair programs (CDBG).

The Housing Choice Voucher Program, the state's main program for providing tenant-based rental assistance, is administered by RIHousing, and distributes monthly housing assistance payments directly to landlords, whose tenants pay 30% of their gross monthly incomes with the housing payment assistance covering the balance of what that tenant can pay and what the landlord can reasonably expect for the apartment. Priority needs 1, 2, 6 and 12 (TABLE 74 of the Consolidated Plan 2015-2019) are directly addressed by the distribution of these funds.

The Hardest Hit Fund Rhode Island addresses priority need 3 (to rehabilitate foreclosed homes and properties) and priority need 6 (decreased homelessness), these needs being identified in the 2015- 2019 ConPlan. HHFRI will continue to provide loan modification assistance to households (approximately 300 households in FY18) and will help underwater householders refinance (approximately 75 households to be assisted in FY18). These two programs prevent homelessness by allowing homeowners facing foreclosure or hardship to stay in their homes. HHFRI will also aid the purchase of 425 foreclosed homes by eligible purchasers through a down payment assistance grant program, which will fill these homes facing blight with families and stabilize communities.

CDBG funds for non-housing community development are distributed to units of general local government (UGLGs) to use to develop much-needed public facilities and infrastructure. CDBG-DR funds are distributed to UGLGs that show need based on damage to facilities and infrastructure in their community. Both CDBG and CDBG-DR funds go to meet the proposed objectives by completing work or providing services with staff or by distributing funds to qualified providers of contracting work and service delivery. Priority needs 8 and 9 (TABLE 74 of the Consolidated Plan 2015-2019) are directly addressed by the distribution of these funds.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

State programs that meet the goals outlined in the Strategic Plan and include some HUD assistance are described in this section. The Housing Choice Voucher Program does not make funds available through competitive rounds, but provides housing assistance payments to landlords on behalf of qualified tenants. When a tenant leaves the program, a new tenant is re-certified from the waiting list then provided a voucher with which to find an eligible housing unit in the private rental market. The state’s HOPWA competitive grant program provides renewal funding to its two sponsors, AIDS Care Ocean State and the Community Care Alliance and does not solicit requests for proposals. The following programs solicit funding proposals through competitive rounds save for the LeadSafe Homes Program and allocation of 4% Housing Tax Credits, which accept applications on a rolling basis.

### Distribution Methods

**Table 8 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	CDBG - Disaster Recovery Program
	<b>Funding Sources:</b>	Building Homes Rhode Island
	<b>Describe the state program addressed by the Method of Distribution.</b>	Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, at <a href="http://ohcd.ri.gov/community-development/cdbg-dr/">http://ohcd.ri.gov/community-development/cdbg-dr/</a> . There are some variations due to differing regulations, the types of damages associated with either disaster, and the State’s evolving experience with CDBG-DR. Both grants are subject to the same general review process and evaluation criteria, as described below.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>OHCD staff is responsible for verifying that each proposed project fulfills at least one CDBG national objective, and meets threshold and eligibility requirements as articulated in the request for letters of interest, application and federal regulations, and that CDBG-DR funds are the best available resource for implementation of the proposal. Proposals that meet these criteria are then evaluated by the Review Committee (the Committee). The Committee is comprised of representatives from OHCD, RIEMA, the RI Commerce Corp., the Division of Planning, the Department of Transportation, the Department of Environmental Management, the Coastal Resources Management Council, and the Governor’s Office.</p> <p>OHCD staff prepares reviews of each eligible, proposed project for the Committee, which include:</p> <ul style="list-style-type: none"> <li>• A summary of the project;</li> <li>• Identification of national objective;</li> <li>• Mapping of physical location on CBRS (Coastal Barrier Resource System) Mapper and FEMA’s most recent and current data source at time of application.</li> <li>• Quantitative metric data;</li> <li>• Assessment of link to qualified disaster impacts and unmet need;</li> <li>• Qualitative analysis of the proposed timeline;</li> <li>• Qualitative analysis of the project’s feasibility, impact and other criteria.</li> </ul> <p>Given the federal requirement that 50% of the CDBG-DR funds must be used to primarily benefit LMI persons, the Committee may review projects benefiting LMI persons separately from projects fulfilling other national objectives. Each project undergoes a competitive review by the Committee.</p> <p>Factors the Committee considers in evaluating proposals include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Fulfillment of low and moderate income National Objective</li> <li>• Disaster recovery need in the area (neighborhood, municipality, or county) the project will affect. CDBG-DR needs assessment will be based on the most current data at the time of review of projects.</li> <li>• Applicant capacity</li> <li>• Ability to leverage other funding sources</li> </ul>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, at <a href="http://ohcd.ri.gov/community-development/cdbg-dr/">http://ohcd.ri.gov/community-development/cdbg-dr/</a>. There are some variations due to differing regulations, the types of damages associated with either disaster, and the State's evolving experience with CDBG-DR. Both grants are subject to the same general review process and evaluation criteria, as described below.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Rhode Island has been allocated funds in Hurricane Sandy and 2010 Floods CDBG-DR Funds. Of this amount, (5%) will be set aside for administrative purposes. The balance will be awarded to units of local government, non-profit organizations serving low and moderate income (LMI) persons, or agencies of state government, through a competitive application process.</p> <p>In order to ensure that program requirements, as listed in the applicable federal register notices, are met, at least 50% of CDBG-DR funds will be awarded to activities that primarily benefit low and moderate income persons. The remaining funds will be awarded to proposals that meet any of the three National Objectives, subject to other applicable grant requirements.</p>

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>HUD allocated CDBG Disaster Recovery funds based on the best available impact and unmet needs data. Every activity must meet one of the CDBG national objectives: Benefiting Low and Moderate Income Persons; Preventing or Eliminating Slums or Blight; and Meeting Urgent Needs AND address an unmet need resulting from the disaster.</p> <p>Eligible activities are determined primarily by applicable federal laws and regulations, and letters of interest and/or applications submitted by municipalities and non-profit organizations. The overall list of eligible CDBG activities is set forth by 42 U.S.C. 5305 and amended by applicable CDBG-DR Federal Register Notices. HUD’s Environmental Review Procedures and Floodplain Management regulations, codified at 24 CFR 58 and 24 CFR 55, respectively, apply.</p> <p>All units of general local government in Rhode Island are eligible to apply for CDBG-DR funds, however, a minimum of 80% of the Hurricane Sandy CDBG-DR grant funds must be expended in Washington County. Requirements at 42 U.S.C. 5306 are waived to the extent necessary to allow a state to use its disaster recovery grant allocation directly to carry out state-administered activities. Agencies of state government and non-profit organizations serving LMI persons are generally eligible to apply for CDBG-DR funds. OHCD reserves the right to distribute CDBG-DR funds to a State Agency, or to a direct sub-recipient of the state. Non-profit organizations serving LMI persons are eligible direct sub-recipients of Hurricane Sandy CDBG-DR funds.</p> <p>Within Washington and Newport Counties, generally only projects and activities located outside of CBRS Units will be eligible for CDBG-DR funds, pursuant to HUD guidance provided March 19, 2013. Locations of CBRS Units are available on the U.S. Fish and Wildlife Service website, at <a href="http://www.fws.gov/CBRA/Maps/Mapper.html">http://www.fws.gov/CBRA/Maps/Mapper.html</a>.</p> <p>Furthermore, no activity in an area delineated as a special flood hazard area or equivalent in FEMA’s most recent and current data source will be eligible, unless the activity is designed or modified to minimize harm to or within the floodplain. At a minimum, actions to minimize harm must include elevating or flood-proofing new construction and substantial improvements to one foot above the base flood elevation and otherwise acting in accordance with U.S. Executive Order 11988 and 24 CFR part 55. Threshold Criteria includes: Regulatory compliance; Feasibility; Timeliness of project implementation; unmet need and Compliance with the State’s Land Use 2025 Plan.</p>
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	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Public facility and infrastructure improvements for low-mod housing benefit (Goal 3) - 167 households</p> <p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p> <p>Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, at <a href="http://www.ohcd.ri.gov/">http://www.ohcd.ri.gov/</a>. There are some variations due to differing regulations, the types of damages associated with either disaster, and the State's evolving experience with CDBG-DR. Both grants are subject to the same general review process and evaluation criteria, as described below.</p>
2	<p><b>State Program Name:</b></p>	<p>Consolidated Homeless Fund</p>
	<p><b>Funding Sources:</b></p>	<p>ESG</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>To increase program performance and efficiency, while reducing administrative burden, the Emergency Solutions Grant (ESG) Entitlement Cities of Pawtucket, Providence, and Woonsocket have joined with the State of Rhode Island Office of Housing and Community Development, Housing Resources Commission and the Department of Human Services (in accordance with a OHCD MOA) to create the Consolidated Homeless Fund Partnership (CHFP). Herein the State of Rhode Island will be referred to as the CHF Partnership. State ESG formula allocations (\$680,116) are combined with the ESG funds allocated to entitlement communities (\$688,765) with additional state funds coming from a direct allocation to the HRC (\$4,232,752) and a pass through of social service funds from the Title XX program (\$1,081,704). In total, the CHF will have available \$6,683,337 for PY18. Note: of the \$680,116 State ESG award \$51,009 will fund administrative costs, leaving \$629,107 to be included in the Consolidated Homeless Fund.</p> <p>There is an admin cap of 7.5% of the ESG award, and a cap of 60% of the ESG award or the 2010 hold harmless need amount, whichever is greater, going to outreach and shelters from the ESG award.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The CHF Partnership staff will conduct a threshold review of all applications, before forwarding them to the CHF/CoC Review Committee. The threshold review will determine the following:</p> <ul style="list-style-type: none"> <li>• Application Completeness</li> <li>• Applicant Eligibility</li> <li>• Applicants Compliance with CHF/ESG Requirements Applications found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not receive further consideration. All applications that meet the threshold criteria listed above will be forwarded to the CHF/CoC Evaluation Committee. The review committee will thoroughly review and evaluate the applications against rating criteria, such as, but not limited to the following: <ul style="list-style-type: none"> <li>• Applicants Capacity and Prior Experience with Homeless Population</li> <li>• Applicant’s Fiscal and Programmatic Management</li> <li>• Applicant’s Plan to Serve High Priority Populations</li> <li>• Linking to Mainstream Services</li> <li>• Assistance with Increasing Income from All Sources</li> <li>• Housing Stability</li> <li>• Compliance with CHF/ESG Program Requirements</li> <li>• Past Performance</li> <li>• Budget</li> <li>• Bonus Points will be awarded for attendance at CHF Workshop.</li> </ul> </li> </ul> <p>The Committee will recommend funding to the Governor and Mayors of Pawtucket, Providence, and Woonsocket, who will then make the grantee awards.</p> <p>All Appendices and Downloadable Application Forms are available at: <a href="http://ohcd.ri.gov/homelessness/funds-grants.php">http://ohcd.ri.gov/homelessness/funds-grants.php</a>.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>State ESG funds are pooled with entitlement ESG funds (Pawtucket, Providence and Woonsocket) along with other state and federal homeless funding to consolidate the process of applying for funds to operate emergency shelters and conduct street outreach. Applicants do not explicitly apply for State ESG funds when they apply, but receive an award from the Consolidated Homeless Fund Partnership. State ESG funds are used to cover only those activities that are eligible under the ESG regulations. The state makes ESG funds available to units of general local government and non-profit organizations, including community and faith-based organizations.</p> <p>For ESG, grant size limits include the total amount that may be used for services and emergency shelter (#2 &amp; #3 above) will not exceed 60% of the CHF Partnership’s fiscal year grant or the amount of PY18 grant funds committed for homeless assistance activities (hold harmless need amount), whichever is greater. Given these limits, on an annual basis, 60% of State ESG funds are used for shelter operations and essential services while 40% is made available for rapid re-housing.</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Private not-profit organizations are eligible to apply for funding. Grants may be used for one of more of the following activities:</p> <p>Street Outreach - essential services necessary to reach out to unsheltered homeless people for the purposes of connecting them with emergency shelter, housing or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.</p> <p>Emergency Shelter– Funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters. Each of these are described as follows:</p> <p>Essential Services – to individuals and families who are in an emergency shelter, as follows: Case Management, Childcare, Education Services, Employment Assistance and Job Training, Outpatient Health Services, Legal Services, Life Skills Training, Mental Health Services, Substance Abuse Treatment, Transportation and Services for Special Populations.</p> <p>Shelter Renovations – Eligible costs include labor, materials, tools and other costs for renovation. The emergency shelter must be owned by a governmental entity or private nonprofit organization. However, due to the limited availability of CHFP funds, priority will be given to Essential Services and Shelter Operation activities.</p> <p>Shelter Operations – Costs of maintenance, including (minor or routine repairs) rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Applicants interested in submitting proposals to operate Harrington Hall (the 112 Bed State Shelter) owned by the State are encouraged to submit proposals for shelter operations funding.</p> <p>Individuals and families defined as Homeless under the following categories are eligible for assistance under Emergency Shelter: Category 1-Literally Homeless; Category 2-Imminent Risk of Homeless; Category 3 –Homeless Under Other Federal Statutes; Category 4- Fleeing/Attempting to Flee DV</p> <p>Rapid Rehousing and State Rental Assistance – Designed to help those who are homeless quickly transition out of homelessness (less than 28 days after entering shelter) into permanent housing. The primary goal is to stabilize program participants in housing as quickly as possible and to provide wrap-around services</p>
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	<p>after the family or individual obtains housing. Enrollment in a rapid rehousing program should rely heavily on a guided case management plan to ensure long term stability for program participants.</p> <p>Rental Assistance Programs are designed to help the chronically homeless achieve housing stability.</p> <p>Rapid Re-housing and State Rental Assistance, may be provided to program participants who meet the criteria under category (1) of the “homeless” definition in § 576.2 or who meet the criteria under category (4) of the “homeless” definition and live in an emergency shelter or other place described in category (1) of the “homeless” definition.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>The CHFP will commission a Fund Distribution Review Committee to review and evaluate all proposals. Before a submitted application can be evaluated, it will first undergo a threshold review to determine:</p> <ul style="list-style-type: none"> <li>• Application Completeness</li> <li>• Applicant Eligibility</li> <li>• Applicant HMIS Capacity</li> <li>• Target Population Eligibility</li> <li>• Proposed Service Eligibility</li> </ul> <p>All applications that meet the threshold criteria listed above will be ranked by the CHFP RFP Review Committee. Applications found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not receive further consideration. The review committee will thoroughly review and evaluate the applications against rating criteria (as described above). The CHFP reserves the right not to fund any proposal. The eligible activities for funding, and thus the key criteria for which funding is awarded, are for use in operating or maintaining an emergency shelter, as well as essential services for the residents utilizing the shelter, for use relating to essential services for unsheltered persons, and for use in the renovation of emergency shelter facilities.</p> <p>There is no restriction on the maximum amount an applicant may request.</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Emergency overnight shelter assistance - 3,000; Homelessness prevented - 6 persons; Rapid re-housing - 250 households
3	<b>State Program Name:</b>	Low Income Housing Tax Credit Program
	<b>Funding Sources:</b>	LIHTC
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Low Income Housing Tax Credit program allocates federal tax credits to state's to allocate to qualifying projects that will develop of preserve affordable housing.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Many of the allocation priorities defined in the state’s Qualified Allocation Plan (“QAP”) for its Low-Income Housing Tax Credit program are based on federal criteria as well as state criteria. Federal tax code requires that preference for an allocation of credits must be given to developments serving the lowest income residents, developments which commit to the longest period of affordability and developments located in a qualified census tract (QCT). Eligibility requirements for any type of tax credit are based on complex federal regulations, and the state advises all developers to consult qualified tax attorneys or accountants to determine eligibility for the credit.</p> <p>Rhode Island Housing may hold up to three competitive funding rounds each year for the 9% allocated credits. Applications for tax exempt financing with 4% credits are received on a rolling basis. While 4% credit proposals are not required to participate in a competitive funding process, all development proposals must meet the requirements of the QAP. Priority for tax-exempt financing and 4% credits will be given to projects that preserve existing affordable housing developments and that use Rhode Island Housing as the permanent lender.</p> <p>Rhode Island Housing is not required to allocate all tax credits even if it has received a surplus of applications that have exceeded the threshold criteria. After a project has met its threshold requirements (which are described later in the section), comparable projects are then scored using the QAP’s scoring criteria, which favor projects that leverage significant other financing, that serve the lowest income households effectively, shows strong readiness to proceed, as well as a variety of other scoring opportunities for aligning with other state goals, such as providing good homes in healthy environments while supporting strong commerce and including a strong community impact.</p> <p>Rhode Island Housing organizes a funding committee composed of senior staff and representatives from its Board of Commissioners. Rhode Island Housing staff conducts an initial review to determine if a project meets threshold requirements, and then presents results of reviews to its funding committee for formal scoring and allocation determinations. Aggregate assessments and scores in no way guarantees an award of tax credits to a particular development.</p> <p>NOTE: The full Rhode Island Qualified Allocation Plan for 2017 funding rounds is available at <a href="http://www.rhodeislandhousing.org/filelibrary/State_of_Rhode_Island_2017-2018_Qualified_Allocation_Plan.pdf">http://www.rhodeislandhousing.org/filelibrary/State_of_Rhode_Island_2017-2018_Qualified_Allocation_Plan.pdf</a></p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>not applicable</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>not applicable</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>In accordance with federal tax code, Rhode Island Housing will set aside a minimum of ten percent of the total tax credit allocation available for qualified non-profit organizations that materially participate in the development and management of the project throughout the compliance period.</p>

	<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Threshold criteria that must be met before a development can be considered for a reservation of housing credits include: The development team must have experience in the successful development and operation of affordable housing of similar scope and complexity; the development must demonstrate financial feasibility for at least 15 years and have a reasonable likelihood of feasibility for the entire term of financing; the development must have a reasonable likelihood of achieving sustainable occupancy of 95% within six months of construction completion; and construction must be reasonably likely to commence within twelve months of preliminary commitment and be complete within 30 months of firm commitment.</p>
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Rental units constructed 174, rental units rehabilitated 615</p>
<p><b>4</b></p>	<p><b>State Program Name:</b></p>	<p>National Housing Trust Fund</p>
	<p><b>Funding Sources:</b></p>	<p>Housing Trust Fund</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>NOTE: Please see the HTF Allocation Plan section of the Grantee Unique Appendix for the full allocation plan.</p> <p>The National Housing Trust Fund (HTF) is a federal program to support the development of affordable housing for low-income individuals and households. It is a newly funded federal affordable housing program that will complement existing federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for families and other households in Rhode Island, including homeless families.</p> <p>The HTF will be funded annually with certain proceeds available from two government-sponsored entities – the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The U.S. Department of Housing and Urban Development (HUD) will administer the HTF at the federal level and will distribute trust funds to participating states in accordance with an established formula.</p> <p>Each participating state must identify one qualified housing agency to allocate the funds made available through HTF. In addition, each state must prepare and submit for HUD approval an allocation plan outlining the process it intends to follow to distribute the HTF monies. The National Housing Trust Fund Interim Rule can be found at 24 CFR Parts 91 and 93.</p> <p>In the State of Rhode Island, the Governor has identified Rhode Island Housing Mortgage and Finance Corporation (RIHousing) as the allocating agency for the HTF. Rhode Island does not intend to appoint subgrantees for HTF and will distribute funds directly to recipients, defined as “organizations, agencies, or other entities that receive HTF funds to undertake an eligible project.” It is RIHousing’s intent to award HTF funds as rapidly and efficiently as possible.</p> <p>In any fiscal year in which the total amount available for allocation of HTF funds is less than \$1 billion, RIHousing must use one hundred percent (100%) of its HTF grant for the benefit of extremely low-income families or families with incomes at or below the poverty line (whichever is greater). In any fiscal year in which the total amount available for allocation of HTF funds is greater than \$1 billion, the grantee must use at least seventy-five percent (75%) of its grant for the benefit of extremely low-income families or families with incomes at or below the poverty line.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Rhode Island priorities include three Tiers found below.</p> <p>1) Tier 1 / High Priorities:</p> <p>a) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for extremely low-income (ELI) families;</p> <p>b) Acquisition and/or rehabilitation and/or new construction of rental housing units for homeless and special needs populations in conjunction with supportive services;</p> <p>c) Acquisition and/or rehabilitation and/or new construction of rental housing units that provides or will provide project-based rental assistance to eligible tenants.</p> <p>2) Tier 2 / Medium Priorities:</p> <p>a) Preservation of existing affordable rental housing stock through rehabilitation, acquisition, or other eligible assistance;</p> <p>b) Acquisition and/or rehabilitation and/or new construction to provide rental units for one and two-person households;</p> <p>c) Acquisition, and/or rehabilitation and/or new construction to provide rental units for elderly residents</p> <p>3) Tier 3 / Low Priorities:</p> <p>a) Moderate rehabilitation of rental units for families throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of family units;</p> <p>b) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for very low-income (VLI) families, as permitted by the regulations</p> <p>Geographic Diversity</p> <p>As described in the scoring factor matrix for the HTF, HTF funding is available to all communities in the state. However, priority will be given to communities who have yet to meet or exceed the state’s Low and Moderate Income Housing Act requirements. Geographically-based distribution criteria for HTF funds also include factors that contribute to improving or sustaining economic opportunity for the future tenants or owners of the homes developed. These criteria include additional points for accessibility to transit, accessibility to employment centers, accessibility to high performing schools and accessibility to community services.</p> <p>Applicant Capacity</p>
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		<p>A threshold for an application to move to scoring requires that the development team must have experience in the successful development and operation of affordable housing of similar scope and complexity. Scoring of an application includes higher points for proven capacity (i.e. strong project performance in past, experienced development and management teams associated with proposed project, financial soundness) and deductions of points for poor prior performance (i.e. monitoring findings among comparable projects, lack of responsiveness, compliance concerns, etc.).</p> <p><b>Project-based Rental Assistance</b></p> <p>Providing project-based rental assistance to eligible tenants is a high and Tier 1 priority for the HTF program (see program priorities). Applicants with existing or committed project-based rental assistance will receive preference.</p> <p><b>Duration of Affordability Period</b></p> <p>All HTF applicants must propose a minimum of a 30-year affordability period beginning after project completion per § 93.302(d). Operating pro forma reviewed by program underwriters is reasonably projected to meet or exceed minimum affordability period. Financial feasibility of the project and length of affordability are scoring factors.</p> <p><b>NOTE: SEE THE HTF SCORING FACTOR MATRIX JPG ATTACHED</b></p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria (continued)</b></p> <p>Priority Housing Needs in the State  Rhode Island’s HTF program bases awards on the merits of a project’s application in meeting the priority housing needs established by the State. Priority housing needs refers to both the program’s development priorities and the statewide housing needs as determined in the State’s most recently approved five-year Consolidated Plan. The program priorities are listed above, with descriptions provided for Tier 1, Tier 2 and Tier 3 housing development priorities. The priority needs established in the most recent ConPlan include: increased housing opportunities; preserved affordability of current affordable housing stock, rehabilitation of foreclosed homes and properties; decreased homelessness; permanent supportive housing; housing that is fitted to the needs of its residents; elimination of lead-based paint hazards in households with children under 6 years of age; investments and improvements in public infrastructure, public services and public facilities; and removed barriers to fair and affordable housing. Further, it is a priority of the state’s HTF-administering agent, RIHousing, that housing is developed where there is proven demand (as shown in a market study or a relevant waitlist) for that housing type.</p> <p>Leveraging  As described in the scoring factor matrix, Rhode Island’s HTF Program utilizes ratios of committed funds to non-committed, federal versus non-federal match, and HTF funds versus other sources to determine scoring. Committed funds receive more weight than non-committed sources. Similarly, non-federal match will be given more weight than federal funds leveraged into a project.</p>
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<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>not applicable</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>In accordance with HUD guidance, the funds available through HTF can only be used to directly support housing units for the target income group (ELI individuals or households). HTF units can be included in projects that also serve higher income level tenants, but the HTF monies can only support the HTF-designated units. All HTF-assisted rental housing must meet a 30-year affordability period. Per § 93.200, HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction and/or rehabilitation of non-luxury rental housing with suitable amenities. All HTF applications must include a description of the eligible activities to be conducted with HTF funds. Funds may be used to support:</p> <ul style="list-style-type: none"> <li>• Real property acquisition</li> <li>• Site improvements and development hard costs</li> <li>• Conversion</li> <li>• Related soft costs</li> <li>• Demolition</li> <li>• Financing costs</li> <li>• Relocation assistance</li> <li>• For operating costs of HTF-assisted rental housing</li> <li>• Reasonable administrative and planning costs</li> </ul>
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<p><b>Describe threshold factors and grant size limits.</b></p>	<p><b>Eligibility Requirements</b></p> <p>Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with priority given based on specific factors listed in the Selection Criteria section below. Cities and towns are encouraged to apply to receive funding for projects. To be considered eligible for program funds, Rhode Island requires that recipients of HTF funds per §93.2, at minimum:</p> <ul style="list-style-type: none"> <li>a) Make acceptable assurances to the grantee (RIHousing) that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities.</li> <li>b) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity</li> <li>c) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs</li> <li>d) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.</li> </ul> <p>RI Housing will generally award HTF as subordinate debt and will close all HTF assistance through its approved closing policies and procedures.</p> <p><b>Application Requirements</b></p> <p>RIHousing will conduct up to four (4) competitive rounds per program year – one as part of the Low-Income Housing Tax Credit application process and up to three additional rounds as part of a joint application with other ancillary funding programs (such as HOME, BHRI, Thresholds, etc.). Additional rounds may be held if there are remaining project funds not yet committed. Incomplete applications will not be considered for funding. Applicants not funded in one round are encouraged to re-apply in subsequent rounds.</p> <p>RIHousing staff will review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility and if they meet threshold criteria as outlined below. Upon review and scoring of those applications meeting the Minimum Requirement Threshold, found below in a subsection of “Selection Criteria”, RIHousing staff and the will recommend funding of specific activities to its Board of Commissioners. Upon preliminary reservation by the Board of Commissioners, RIHousing</p>
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		staff will complete underwriting and cost reasonableness analysis and resubmit the project to the Board of Commissioners for final reservation. HTF Commitments will then be formally awarded by RIHousing to HTF recipients in the form of an executed HTF Agreement (“Commitment”). Both the application and the HTF Agreement will require recipients to affirmatively certify that housing assisted with HTF funds will comply with all HTF requirements.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<ul style="list-style-type: none"> <li>• It is expected that the HTF will contribute to the development or preservation of 50 units of housing per year. This estimate is based on analysis of previous funding rounds of a similar program (HOME Program). If less units of housing are assisted with HTF funds than this expectation, then allocation priorities will be reconsidered in future program years.</li> <li>• In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, RIHousing will evaluate the HTF Program using the IDIS Outcome Performance Measurement System.</li> <li>• The HTF Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units. The HTF Program outcome is Affordability.</li> </ul> <p><b>NOTE: The HTF Program Rehab Standards are included in their entirety in the Grantee Unique Appendix</b></p>
5	<b>State Program Name:</b>	State CDBG Program
	<b>Funding Sources:</b>	CDBG

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Rhode Island Executive Office of Commerce, Office of Housing and Community Development ("OHCD") administers the State's Community Development Block Grant ("CDBG") Program for those communities that do not receive allocations directly from the U.S. Department of Housing and Urban Development. The State's goal is to maximize the impact of CDBG funding by prioritizing activity types and communities of greatest need.</p> <p>A minimum of thirty percent of the State's PY2018 CDBG allocation will be distributed on an annual competitive basis for the following activity types eligible under the HCDA: Public facilities, Infrastructure, Public Services, Slums/Blight Elimination, and Planning. Activities will be funded, in whole or in part, based upon State Priorities, taking into account limited funding available, geographic distribution of resources and staff/threshold comments. Future year funding may be committed contingent upon receipt and availability of funds. Priority populations and activities as detailed in the State's Non-Housing Community Development needs assessment may receive extra consideration. Communities are reminded that the CDBG application is highly competitive. The State intends to fund the most impactful activities in the communities of greatest need, however, not all applicants are guaranteed an award.</p> <p>A rolling application process will be utilized to obligate funds to the following high priority activity categories: Housing Rehabilitation, Economic Development, and Affordable Housing. Applications may be submitted beginning October 1, 2018, following the most current application forms procedures available. Such applications will be reviewed for eligibility. Only those applications which can demonstrate the activity meets program requirements, and can immediately proceed, with necessary funding substantially obligated, may be considered. OHCD staff may consult with other state agencies during the review.</p> <p>Any funds remaining from PY14 or earlier will be de-obligated effective February 15, 2019. Any program income returned, or any additional funds recaptured, deobligated, reallocated or otherwise available shall be available in accordance with the PY18 distribution process. Over the course of each year, in consideration of a project's timeline, future year funding may be tentatively committed to specific activities proposed, subject to availability. These amounts will be deducted from the total available in that year's application cycle.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Threshold criteria for rolling applications are described in the thresholds section below. The following process/criteria apply to the competitive application only.</p> <p>OHCD Staff Review/Fundability. All applications received will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations. Any activity deemed not compliant with such requirements will be eliminated from consideration. Area under consideration in this part include:</p> <ul style="list-style-type: none"> <li>• Completeness of application;</li> <li>• Fundability - meets Eligibility and National Objective requirements;</li> <li>• Process Issues - meets necessary regulatory public comment processes;</li> <li>• Consistency with Program Design.</li> </ul> <p>Scoring: Applications will be scored based upon the following:</p> <ul style="list-style-type: none"> <li>• Total number and/or concentrations of low/moderate income persons served by the proposed activity;</li> <li>• Cost per LMI person served by the proposed activity;</li> <li>• Priority activities: <ul style="list-style-type: none"> <li>Public Improvements/Facilities – water/sewer and street/streetscapes activities are considered the highest priorities;</li> <li>Public Services – job training and essential services for the homeless and elderly are prioritized.</li> </ul> </li> </ul> <p>Committee Evaluation: Committees comprised of individuals with expertise in community development issues will use the scoring results described above as a guide in consideration of proposals received. The committees may reduce and/or eliminate a request based upon the following criteria:</p> <ul style="list-style-type: none"> <li>• Timeliness – Any activity not likely to proceed in a timely fashion shall be eliminated from consideration. Timeliness requirements vary depending on activity type, as outlined in application materials;</li> <li>• Other Sources/Reviews – Any activity with an available, alternative source of funds may be eliminated from consideration. Such alternatives may or may not be under State control. Activities may also be eliminated from consideration if the proposal has not progressed through necessary/appropriate review steps by other State/local authorities.</li> <li>• Capacity/Performance – Any activity that lacks the experience and/or capacity to implement the proposed activity shall be eliminated from consideration. Demonstrated past performance and resolution of prior monitoring/audit findings will be taken into consideration. Outstanding issues will be considered.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Feasibility/Accuracy – Any activity that is not feasible as described in the application, may be eliminated from consideration. Cost effectiveness of the proposal will be reviewed under this criterion. If the information provided in the application is inaccurate, it may also be eliminated. The committees may factor geographic distribution to assure areas are served equitably.</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Application materials, including details on the application criteria and the PY18 CDBG Schedule, will be publicly available on the CDBG webpage at: <a href="http://ohdc.ri.gov/community-development/cdbg/">http://ohdc.ri.gov/community-development/cdbg/</a>.</p> <p>A community application workshop will be conducted at the beginning of the competitive application process.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>not applicable</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>All applications will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations, and threshold requirements. Any activity deemed not in compliance with such requirements will be eliminated from consideration. OHCD staff may consult with other state agencies during the threshold review. As described above, the State will use rolling and competitive application processes to distribute PY18 funds.</p> <p>The CDBG funds are split among multiple Funding Allocation Priorities, with estimates shown below and in Table 90.</p> <ul style="list-style-type: none"> <li>• Goal 1 (Affordable Housing Development) – 30% of the State’s CDBG allocation - Applications must create or preserve long-term affordable units at any residential facility that provides transition or permanent housing and serves low/moderate income households. Capital improvements at homelessness shelters are eligible for assistance under this category, as transitional housing. Activities must meet the LMI Housing national objective (or LMI Limited Clientele in the instance of shelters).</li> <li>• Goal 3 (Safe and Healthy Housing) – 25% of the State’s CDBG allocation - Housing rehabilitation: Rehabilitation of single family (one-four units) housing. Only applications meeting the Low/Moderate Income Housing national objective will be considered; and</li> <li>• Goal 6 (Non-Housing Community Development) – 45% of the State’s CDBG allocation - Includes Economic Development, Public Facilities/Infrastructure, and Public Services.</li> </ul> <p>The above percentages include administration costs. \$263,114 will be set aside for State use in program administration. The State will determine local administration awards, ranging from 5% to 15% based upon the activities funded, their size and complexity. For example, a construction project which requires extensive environmental review and federal labor standards compliance may receive an additional 15% to support administrative costs, while a small public service proposal may receive little administrative funds.</p>
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<p><b>Describe threshold factors and grant size limits.</b></p>	<p>No municipality will receive more than \$1 million of a single PY allocation. No individual project may receive more than \$500,000 of the funds made available. For the competitive round, limits on the number of activities and amounts which may be requested will be identified in the application handbook. For clarity, additional details relative to each activity type have been separated.</p> <p><u>Residential Rehabilitation Thresholds</u> (Up to 25%): National Objective (income &amp; family size backup documentation); Inspection/scope/cost documentation; Procurement documentation (bid, quotes); Environmental documentation; Ownership and other applicant data.</p> <p>Limit: The State will reserve up to 25% (\$1,359,283) of its annual award for residential rehabilitation purposes. Any funds not obligated by the conclusion of the annual competitive application cycle described below will be deobligated for these purposes and distributed at that time. Up to 20% may be used for documented housing operating and administrative costs. Individual projects may not exceed \$100,000/unit. No individual community may submit requests for more than 20% of the total housing rehab amount reserved.</p> <p><u>Affordable Housing Thresholds</u> (No category limit specified - Projected 30%): National Objective &amp; Eligibility Compliance; Financial Feasibility (Construction and/or Operating); Cost necessary &amp; reasonable; Long-term affordability; Developer risk; Staff and Committee criteria detailed in the annual competitive process below.</p> <p>Limit: Ongoing - The State will fund applications on a first-come, first-served basis, up to a maximum allowed when factoring other set-asides. Therefore, it is projected that 30% (\$1,631,139) of the State's allocation would be available for this purpose. No individual application may receive more than \$200,000/unit.</p> <p><u>Economic Development Thresholds</u> (No category limit specified): National Objective &amp; Eligibility Compliance; Public Benefit requirements; Financial/Project Feasibility; Cost necessary &amp; reasonable; and Underwriting. Limit: Ongoing - The State will fund applications on a first-come, first-served basis, up to a maximum allowed when factoring other set-asides. The State does not project significant obligations under this category. Individual proposals must meet the aggregate public benefit requirements for the program.</p>
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		<p><u>Public Facilities/Public Improvements &amp; Public Service Thresholds</u> (Minimum of 30%): OHCD Staff Review/Fundability. All applications received will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations. Any activity deemed not compliant with such requirements will be eliminated from consideration. Limit: The State will reserve 30% (\$1,631,139) to support public facility/improvement and public service proposals. Of that, a minimum of 10% (\$543,713) and maximum of 15% (\$815,569) will be used to support public service proposals. Applications will be accepted annually using a competitive application cycle described above.</p>
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Rental units rehabilitated (Goals 1, 3) - 14, homeowner housing rehabilitated (Goal 3) – 50, public facility and infrastructure improvements other than low-mod housing benefit (Goal 6) - 15,000 persons, public services other than low-mod housing benefit (Goal 6) - 750 persons, Other (public facilities) - 10</p>
6	<p><b>State Program Name:</b></p>	<p>State HOME Program</p>
	<p><b>Funding Sources:</b></p>	<p>HOME</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The state's HOME program awards funding for the purpose of acquisition, rehabilitation and new construction of affordable housing. There is a cap of 10% of the HOME award plus program income to use on administration of the program. This amounts to \$372,322 as the cap on administration. Additionally, In line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO).</p> <p>NOTE: See the full PY18 HOME Annual Action Plan in the Grantee Unique Appendix</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Direct homeownership assistance, down payment and closing cost assistance, which do not include housing development, are not among priorities of the HOME Program.</p> <p>Due to program requirements, eligible CHDO applicants will receive preference in funding rounds to assist RI Housing in meeting its annual set-aside goals.</p> <p>Rhode Island priorities include three Tiers found below.</p> <p>1) Tier 1 / High Priorities:</p> <p>a) Substantial rehabilitation and/or new construction to provide new rental units for low and very low-income families;</p> <p>b) Substantial rehabilitation and/or new construction to provide new homeownership opportunities for low-income families;</p> <p>c) Substantial rehabilitation and/or new construction of new housing units for homeless and special needs populations (as defined in the Consolidated Plan), in conjunction with supportive services.</p> <p>2) Tier 2 / Medium Priorities:</p> <p>a) New construction to provide new rental units for low and very-low income one and two-person households;</p> <p>b) Preservation of the existing affordable housing stock through rehabilitation. (Properties eligible for assistance under 24 CFR 248 “Prepayment of Low Income Housing Mortgages” are ineligible for HOME funds)</p> <p>3) Tier 3 / Low Priorities:</p> <p>a) Moderate rehabilitation of rental units for low and very low-income households throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families;</p> <p>b) Acquisition only for the purposes of any of the above mentioned activities.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>not applicable</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>not applicable</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Of the total grant award for PY18, 10% will go to project administration and a maximum of 5% will be held to support Community Housing Development Organizations (CHDO) operating expenses.</p> <p>Of the balance, we estimate that approximately 90% will go to rental housing production or rehabilitation with most of the remaining 10% going to homeownership projects, though the distribution between rental and homeownership is a projection based on prior applications and awards. There is no set-aside for either rental or homeownership. A small amount (estimated at \$36,672.14) is anticipated to be used to assist subsequent buyers with the purchase of previously assisted HOME units.</p> <p>Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility. Applications are scored based upon the criteria shown later in this section. Rhode Island Housing staff reviews each proposal and recommends funding of specific activities to the Board of Commissioners. Contracts are then awarded by Rhode Island Housing to HOME sponsors. Since funds are awarded on the basis of competitive applications, it is not yet possible to identify which specific groups will be assisted during the upcoming 2018 program year.</p> <p>In line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO). These organizations will receive preference in the application process.</p> <p>Funding Categories:</p> <ul style="list-style-type: none"> <li>• HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent (20%) of the units must be rented to very low-income families.</li> <li>• HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. HOME-assisted homebuyer housing is also subject to Rhode Island Housing Resale and Recapture Policies.</li> </ul>
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<p><b>Describe threshold factors and grant size limits.</b></p>	<p>For an application to be moved forward through the scoring process it must meet and/or exceed the following requirements:</p> <ul style="list-style-type: none"> <li>• A complete application including all attachments submitted on or before the application deadline;</li> <li>• Application contains a description of eligible activities to be conducted with HOME funds and applicant is an eligible entity meeting all HUD regulations for the HOME program as published in the Federal Register at 24 CFR Part 92.205;</li> <li>• Proposed assistance amounts to a minimum of \$1,000 per unit</li> <li>• Project must meet at least one program priority, as described in the section titled “Rhode Island Program Priorities”</li> <li>• Project is consistent with the HOME income targeting rule at §92.216-217</li> <li>• The development team must have experience in the successful development and operation of affordable housing of similar scope and complexity;</li> <li>• The development must demonstrate financial feasibility for the duration of the affordability period and have a reasonable likelihood of feasibility for the entire term of financing;</li> <li>• The development must have a demonstrated probability of achieving sustainable occupancy of 95% within six months of construction completion and 100% occupancy within eighteen months of project completion;</li> <li>• Construction must demonstrate a probability that it will commence within six months of firm reservation of funding and be completed within twenty-four months of commitment/closing</li> </ul> <p>Pursuant to 24 CFR 92.250, all HOME grantees must establish maximum limitations on the total amount of HOME funds that the grantee may invest per-unit for development of non-luxury housing. The limits must be “reasonable” and based on actual costs of developing non-luxury housing in any given geographical area. Each grantee must submit maximum per-unit development subsidy amounts and accompanying justification with its HOME Allocation Plan on an annual basis.</p> <p>Maximum HOME investment: Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing participation jurisdictions (“PJs”) to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section</p>
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	<p>221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).</p> <p>To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose high cost percentage has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Estimated goal outcome indicators include: Rental units constructed 20, rental units rehabilitated 20, homeownership units constructed 4, homeownership units rehabilitated 4.</p> <p>Performance measures information: In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, Rhode Island Housing evaluates HOME Program investment using the IDIS Outcome Performance Measurement System.</p> <p>The HOME Program objective is providing decent affordable housing through acquisition, rehabilitation and new construction of rental units and homeownership opportunities. The HOME Program outcome is Affordability.</p>

## HOME Program Scoring Criteria Continued

b. Medium Priorities (15 points): Preservation of the existing affordable housing stock through rehabilitation, acquisition, or other eligible assistance. (Properties eligible for assistance under 24 CFR part 248, "Prepayment of Low Income Housing Mortgages" are ineligible for HOME Program assistance; Acquisition and/or rehabilitation and/or new construction to provide units for low and very-low income one and two-person households; Acquisition, and/or rehabilitation and/or new construction to provide rental units for low and very low-income elderly residents.

c. Low Priorities (10 points): Moderate rehabilitation of rental units for low and very low-income families (as defined by HUD) throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families; Rehabilitation of owner-occupied units for lower income households and units intended to be owner-occupied. Assistance will be provided particularly for large families and minorities and to expand housing opportunities for these groups to alleviate overcrowding and to provide a wider range of housing choices as an alternative to concentrations of minorities; Proposals for rental assistance for: periods up to two years for homeless families graduating from transitional housing programs where a program of services will be available for the term of the rental assistance provided that the proposal includes a plan for the provision of permanent housing after the 24 month period or emergency situations and to minimize involuntary displacement.

Funds may also be used to create additional affordable housing units to assure no net loss of units as a result of demolition, conversions to homeownership, prepayment or voluntary termination of State or federally assisted mortgages. Direct homeownership assistance, downpayment and closing cost assistance, which do not include housing development, are not among priorities of the HOME Program.

Additional (Bonus) Priorities. Points (5 for each bonus priority) are awarded for proposals that: Make use of property owned, held, or controlled by State or federal agencies or authorities; Develop units with four or more bedrooms; Utilize Neighborhood Opportunities Program Family Housing or Permanent Supportive Housing Funds; Site development within a Revitalization Area, Growth Center, Community Affordable Housing Plan, Enterprise Zone or create in-fill housing in urban neighborhoods; Guarantee an Affordability Period that exceeds the required thirty (30)-year minimum.

Other priorities include: The extent to which the proposal promotes a more equitable distribution of affordable housing throughout the State, based upon the municipality's percentage of affordable units as compared to the State's mandate to achieve 10% affordable units (10 points); Benefit to low income families and individuals, as calculated using a per unit/per VLI or VL formula (20 points); Commitment of other resources, amount of leveraged resources and available match (10 points); Capacity of the applicant to undertake the proposed activity (20 points); Timing and readiness to proceed (10 points); Term of Affordability and Forms of investment (10 points).

The maximum number of points that an applicant can receive is 125.

Funds will be committed to proposals ready for construction or implementation within 6 months. Any funds not committed at that time will be available for a second competitive funding.

### **HOME Program Scoring Criteria - Geography**

HOME funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. However, applicants from these three communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity and the City can document that it has obligated all the funds it had previously budgeted for that activity.

The scoring system favors communities with the lowest percentage of affordable housing units to encourage a more equitable distribution of affordable housing throughout the State.

### **CDBG Allocation by Category Continued Part 1**

(3) The State will set aside 20% of its available resources (\$933,610) to support housing rehabilitation efforts. This amount may be offset by housing rehabilitation allocations from the prior year which has not yet been obligated to a specific project/site. Communities may receive base allocations, estimated as what the community is expected to obligate over the next year. Once exhausted, additional amounts may be accessible through the State.

a. Housing Rehabilitation “base” allocations are based upon past program performance and identified unmet need at the date the application is submitted.

b. In the past program year it became apparent that some communities are spending down funds more quickly than anticipated and have need of additional financial resources prior to the next application cycle. In anticipation of this need continuing in the current program year, a Residential Rehabilitation Supplement Fund of \$300,000 has been established. Communities demonstrating immediate need of additional residential rehabilitation funding may request a supplemental award from this fund via the budget amendment procedure.

(4) The State Office of Housing and Community Development/Housing Resources Commission and Interagency Council on Homelessness have adopted the Opening Doors RI strategic plan to end homelessness. In recognition of this priority and commitment, the State will set aside 10% of its allocation (\$466,805) to support housing services/programs. Distribution of these resources will be coordinated with the State’s Consolidated Homeless Fund. Applicants interested in accessing these resources must be sponsored by an eligible municipality (who would ultimately serve as the grantee if the project is selected for funding). Funds may be used to support shelter renovations, shelter

operations, essential services or limited (emergency – up to 3months maximum) rental assistance for homeless prevention/rapid re-housing.

(5) Previous “Entitlement” communities would receive priority consideration due to their concentration and numbers of low/moderate income persons. These communities, Central Falls, Newport and West Warwick, shall receive minimum allocations of \$250,000 to support activities consistent with neighborhood/community revitalization efforts. Entitlement communities may apply for funding under any of the set-asides established above. The Office of Housing and Community Development will review applications submitted by the “Entitlements” and select those activities determined most competitive which total generally no less than the minimum allocation of \$250,000. The Application Steering Committee, however, may reduce the minimum allocation if it determined insufficient competitive/fundable activities have been applied for.

(6) In accordance with the Low/Moderate Income Housing Act, communities with State-approved affordable housing plans will receive priority funding for housing and community development funds.

#### **CDBG Allocation by Category Continued Part 2**

(7) While there is no specific set-aside in PY’2015, technical assistance funds may be requested on an ongoing basis. Requests must detail how the investment will improve the administrative capacity of sub-recipients to undertake community development programs. The State may support these technical assistance activities through the annual competitive process and/or reallocate its administrative funds as determined necessary and appropriate. Examples of eligible activities are outlined in HUD CPD Notice 99-09. Provided in this notice are examples of how funds can be utilized in meeting the technical assistance needs of CDBG recipients, including ways the State can assist Public Housing Authorities (PHA's) in fulfilling their PHA plan obligations under the Quality Housing and Work Responsibility Act and ways the State can provide assistance to troubled PHAs. Such assistance may be accomplished through the provision of Technical Assistance resources to troubled PHA's to help them improve their operations. In this example, requests for assistance must be submitted to the State through the eligible non-entitlement municipality served by the PHA. Local CDBG Technical Assistance requests are funded on a first-come, first-served basis. All TA application must comply with CDBG rules, regulations and guidance and must be designed to improve the capacity to operate local community development programs. Examples might include Community Development training programs/classes. The State may utilize these resources to support its own costs/projects, directly related to improving local CDBG administrative capacity.

(8) Remaining monies, after the deductions necessary under (1), (2), (3), (4), (5), and (6) above, will fund applications on a competitive basis. An application for annual competitive resources may be submitted for any activity eligible under the HCDA, including those with an established set-aside (affordable housing/economic development/homelessness services). Any uncommitted funds recaptured, de-obligated, reallocated, or otherwise available from prior program years or uncommitted program income earned which becomes available prior to grant awards will be applied to projects

proposed in the annual application cycle. Funding reserved for set-asides may be incorporated into the annual CDBG competitive cycle as necessary based upon applications received. Communities are reminded that the CDBG application process is highly competitive. The State intends to fund the best activities in the neediest communities, however all communities are not guaranteed an annual award.

### **CDBG Allocation By Category Continued Part 3**

(9) Any additional funds recaptured, reallocated or otherwise available subsequent to grant awards or any program income received subsequent to that date shall be used to repay defaulted Section 108 loan guarantees or will be reserved, at the State's discretion for the subsequent competitive application round.

(10) If sufficient funds become available, the State may, at its discretion, open a special application cycle to distribute these funds for housing, economic development and community revitalization activities.

Preliminary applications for available funds received after the application cycle will be reviewed by the staff for compliance with community development requirements, threshold criteria, and State procedures. Full applications will then be reviewed by the Steering Committee for feasibility and effectiveness. Recommendations of the Steering Committee will be forwarded to the Governor for consideration and comment. Although there will be no funding limits imposed, acceptance of applications and funding decisions are subject to the availability of funds at the time the application is submitted.

If more than one application is under consideration and insufficient funds are available, priority will be given to proposals based on the criteria outlined in the State's rating and ranking process, as detailed in the Application Handbook.

### **ESG specific question for Consolidated Homeless Fund**

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government and non-profit organizations, including community and faith-based organizations (an ESG-specific question)

State ESG funds are pooled with entitlement ESG funds (Pawtucket, Providence and Woonsocket) along with other state and federal homeless funding to consolidate the process of applying for funds to operate emergency shelters and conduct street outreach. Applicants do not explicitly apply for State ESG funds when they apply, but receive an award from the Consolidated Homeless Fund Partnership. State ESG funds are used to cover only those activities that are eligible under the ESG regulations. The state makes ESG funds available to units of general local government and non-profit organizations, including community and faith-based organizations in two increments: 1) a request for proposals for programs that support shelter operations and emergency services, and 2) a request for

proposals for rapid re-housing programs. The first RFP process begins in late March of each year with a required information session, with applications being due roughly 30 days later and awards being announced a month after the application due date. The second RFP process follows a similar process but begins in mid-September and ends with award notifications in late October of each year. These RFP processes are separate because the rules and regulations for the shelter operations component of the Consolidated Homeless Fund and its rapid re-housing component vary enough to require two Policy and Procedure Manuals, while they both are considered to be part of the Consolidated Homeless Fund. Because State ESG funds can serve both purposes, they are made available twice a year with both RFPs. Similar to the previously described Consolidated Homeless Fund method of distribution, proposals for programs that ultimately receive State ESG funds are given a preliminary Threshold review that confirms program eligibility by a Fund Distribution Review Committee. The threshold factors are the same as those for the Consolidated Homeless Fund. Then the proposals are judged and rated with the criteria as described under the method of distribution section for the Consolidated Homeless Fund.

For ESG, grant size limits include the total amount that may be used for services and emergency shelter (#2 & #3 above) will not exceed 60% of the CHF Partnership's fiscal year grant or the amount of FY'14 grant funds committed for homeless assistance activities (hold harmless need amount), whichever is greater. Given these limits, on an annual basis, 60% of State ESG funds are used for shelter operations and essential services while 40% is made available through the separate rapid re-housing RFP, which also includes homelessness prevention assistance such as credit repair, case management and housing search and placement activities.

#### **Discussion:**

**IDIS errors note:** for each program, the funding sources selected tend to not save correctly upon entry of each new program. For instance, at initial entry, the funding sources chosen for the State HOME program was selected as HOME. However, upon saving and then re opening the AP-30 screen, the funding source changed to 'Other - Building Homes Rhode Island'. The Consolidated Homeless Fund has multiple funding sources, which seems to disrupt IDIS. The CHF's funding sources include: State Rental Assistance, State ESG, Entitlement ESG contributions, Social Service Black Grant - Title XX funds and state homelessness funding. The first program in this section - CDBG Disaster Recovery - always reverts back to the selection of 'Other - Building Homes Rhode Island' regardless of how many times the correct selection is made and saved.

## AP-35 Projects – (Optional)

### Introduction:

Projects

#	Project Name
1	2018 HOME Admin
2	2018 HOME CHDO Operating
3	2018 HOME Rental Rehab & Production
4	2018 HOME Homeownership Development
5	2018 HOME Homeownership Assistance
6	2018 HTF Admin
7	2018 HTF Rental Rehab & Production
8	CDBG Affordable Housing 2018
9	CDBG Housing Rehabilitation 2018
10	CDBG Public Facilities 2018
11	CDBG Infrastructure 2018
12	CDBG Public Services 2018
13	CDBG Administration 2018
14	Emergency Solutions Grant 2018

**Table 9 – Project Information**

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

## AP-38 Project Summary

### Project Summary Information

1	<b>Project Name</b>	2018 HOME Admin
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
2	<b>Project Name</b>	2018 HOME CHDO Operating
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	

	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>3</b>	<b>Project Name</b>	2018 HOME Rental Rehab & Production
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>4</b>	<b>Project Name</b>	2018 HOME Homeownership Development
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	

	<b>Funding</b>	:
	<b>Description</b>	
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>5</b>	<b>Project Name</b>	2018 HOME Homeownership Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>6</b>	<b>Project Name</b>	2018 HTF Admin
	<b>Target Area</b>	

	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>7</b>	<b>Project Name</b>	2018 HTF Rental Rehab & Production
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	

<b>8</b>	<b>Project Name</b>	CDBG Affordable Housing 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	Develop and Preserve Affordable Housing
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	Activities that create or preserve long-term affordable units at any residential facility that provides permanent housing and serves low/moderate income households. Activities must meet the LMI Housing national objective.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>9</b>	<b>Project Name</b>	CDBG Housing Rehabilitation 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	Improve health, safety and efficiency of all homes
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	Rehabilitation of single family housing (one-four units).
	<b>Target Date</b>	

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>10</b>	<b>Project Name</b>	CDBG Public Facilities 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	Non-Housing Community Development
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	Improvements and/or development of public facilities that meets a CDBG national objective.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>11</b>	<b>Project Name</b>	CDBG Infrastructure 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	Non-Housing Community Development
	<b>Needs Addressed</b>	
	<b>Funding</b>	:

	<b>Description</b>	Improvements and/or development of infrastructure that meets a CDBG national objective.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>12</b>	<b>Project Name</b>	CDBG Public Services 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	Non-Housing Community Development
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	Provision of public services meeting a CDBG national objective.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>13</b>	<b>Project Name</b>	CDBG Administration 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	

	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	State and local grant administration.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	
<b>14</b>	<b>Project Name</b>	Emergency Solutions Grant 2018
	<b>Target Area</b>	
	<b>Goals Supported</b>	Prevent and End Homelessness
	<b>Needs Addressed</b>	
	<b>Funding</b>	:
	<b>Description</b>	Emergency Solutions Grant formula allocations for RI are combined with other funding to support the Consolidated Homeless Fund.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	



## **AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

### **Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

Yes

#### **Available Grant Amounts**

The State of Rhode Island may pledge up to \$25 million of future CDBG allocation in support of eligible activities. In accordance with applicable federal regulations, additional security is required to assure repayments of the guaranteed obligations, and may include assets financed by the guaranteed loan. Third party credit underwriting is required to determine if the project is an acceptable credit risk and the collateral meets security requirements.

#### Eligible Activities

Guaranteed loan funds may be used for the following activities, provided that said activities are designed to produce revenue.

1. Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development activities.
2. Rehabilitation of real property owned or acquired by the entity applicant, city or town or its designated public agency.
3. Payment of interest on obligations guaranteed under the 108 program.
4. Relocation payments and other relocation assistance.
5. Clearance, demolition and removal, including movement of structures to other sites, or building and improvements on real property acquired or rehabilitated pursuant to numbers 1 and 2 above.
6. Site preparation, including construction, reconstruction or installation of public improvements, utilities or facilities (other than buildings) related to the redevelopment or use of the real property acquired or rehabilitated pursuant to paragraphs and above.
7. Payment of issuance, underwriting, servicing and other costs associated with private sector financing of notes or other obligation guaranteed under this subpart.
8. Economic development programs including acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures or other real property, equipment and improvements. Assistance may be provided to private-for-profit, and private or public nonprofit sub-recipients where assistance is appropriate to carry-out the economic development activity.

9. Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), site improvements, and utilities, for an economic development purpose.
10. A debt service reserve in accordance with requirements.

### National Objectives

- Activities must be designed to comply with one of the following national objectives.
- Benefit to low and moderate income families and individuals or, aid in the prevention or elimination of slums and blight
- Applicants are reminded that the state is committed by HUD requirements to fund activities that provide a 70% benefit to low and moderate income persons.

### Application Period and Grant Limitations

- The state will accept applications throughout the year. Total state exposure will not exceed \$25 million dollars at any one time. Local accrued awards shall be limited to \$10 million dollars at any one time.
- There are no application minimums or maximums.

### Evaluation Criteria

Successful applicants will receive project money from HUD, but the repayment of those funds is guaranteed by State CDBG and other sources, as required by program regulations. The state will pledge that future CDBG grant monies will repay the federal government should a non-entitlement recipient of a Section 108 Loan guarantee default. Because of this provision, the state will develop an application that provides for stringent review with the following criteria:

### **Acceptance process of applications**

- Clear definition of the project goals and activities.
- Effective and capable local management.
- Analysis of secondary economic and fiscal impacts.
- Revenue projections and firm financial information on the proposed project.
- Total housing units developed for permanent affordable housing.
- Percent of low/moderate jobs created over the fifty-one percent National Objective minimum.
- Percent of jobs to be documented as "taken by" low/moderate income persons.
- Ratio of loan guarantee dollars to the number of low/moderate income persons.
- Percent of permanent affordable housing units developed over the fifty-one percent national

objective minimum.

- Ratio of loan guarantee dollars to permanent affordable units developed.
- Leverage of non-government funding
- Extent of Consolidated Plan/CHAS/Local Affordable Housing Plan consistency.

The state will grant special consideration and encourage applicants that:

- Are located in or directly benefit the state and federal enterprise zones.
- Are part of the comprehensive community or neighborhood revitalization program.
- Provide for linkages between housing development and supportive services.

### Risk Management and Controls

- The local jurisdiction will complete its own underwriting/analysis of each project with recommendation for approval to the state and be accompanied by the chief elected official's signed certification required by HUD.
- The State shall complete its underwriting of the project and shall require: quality collateral/security reasonably consistent with conventional lending practices for similar project with respect to loan to value (LTV) ratios. After project stabilization and a good payment history, collateral can be reduced by the applicants request and State and Local approval.
- The City or Town and State must conclude that the project is likely to...a) produce both the National Objective and forecasted public benefits and b) evidence that the net operating income will be sufficient to meet debt service.
- Under certain circumstances where overwhelming public benefits are forecasted the State and locality can mutually decide to accept.
- Provided, however, that the state and locality can mutually agree to financial sanctions against the local jurisdiction relative to the future CDBG applicants/foregoing funding in event of default or missed payment(s) by the recipient.

### Outcome Measures

In accordance with Federal Register Notice dated March 7, 2006, every activity funded will be designated a minimum of one projected outcome measure. Compliance with this measurement must be tracked by the local recipient.

Every activity will have a designated "general objective category". The choices are 1) Decent Housing, 2) Suitable Living Environment, and 3) Economic Opportunity. Every category will have a designed "general outcome category". The choices are 1) availability/accessibility, 2) affordability, and 3) sustainability.

The State will preliminarily designate the follow measures for certain classes of activity (examples shown below). If a community feels an alternative measure is more appropriate, it must return justification for

its assertion along with its annual contract agreement.

- Housing Rehabilitation
- Affordable housing projects/developments
- Neighborhood Revitalization/Facilities
- Services
- Job Creation Activities

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No

**State’s Process and Criteria for approving local government revitalization strategies**

Not applicable

## AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

### Geographic Distribution

Target Area	Percentage of Funds
Statewide Effort	100

Table 10 - Geographic Distribution

### Rationale for the priorities for allocating investments geographically

The rationale for the prioritization for the development of affordable housing in those communities not currently with a sufficient stock is directly related to the legislative findings in Rhode Island General Law § 45-53-2 that “it is necessary that each city and town provide opportunities for the establishment of low and moderate income housing”. The legal definition for a municipality containing a sufficient stock of low and moderate income housing can be found in § 45-53-3(4)(1). HOME and LIHTC funding for affordable housing production prioritize housing in areas found not to contain enough low and moderate income housing for the purpose of helping each city and town in the state to provide affordable housing opportunities.

Regardless of the eligibility of a municipality or consortium to apply for funds, allocation amounts are contingent to two other geographic considerations. First is the need of that community and second is the project’s location with relation to the Urban Services Boundary and its proximity to a growth center, which were defined in the State’s Land Use 2025 Guide Plan.

Local Plan Compliance threshold requirements in CDBG applications also places a priority, as a result of needing to be in compliance with a municipal comprehensive plan, on the development of affordable housing in communities that have not reached the statutory requirement of having 10% of its housing stock be affordable (deed-restricted and/or subsidized) to low-to-moderate income households.

Homelessness program funding is directed to the entitlement communities that contribute to the Consolidated Homeless Fund to the degree to which they contribute to the fund, plus added need based on applications from service providers. These geographic distributions of funding are not a requirement of the Consolidated Homeless Fund, but is estimated annually based on the location of programs that have been funded in the past and the statutory requirement of entitlement ESG funds going to each respective entitlement community. The State’s ESG funds, as a result of other funding sources that are devoted for the entitlement communities, often fund programs in Southern Rhode Island, Kent County

and the East Bay, but this is not a requirement of State ESG distribution.

CDBG-DR priority to Washington County is based on the amount of damage done by the storms for which the DR grants cover in that County relative to the rest of the state.

## **Discussion**

### *Housing Trust Fund – Geographic Distribution*

As described in the scoring factor matrix for the Housing Trust Fund, HTF funding is available to all communities in the state. However, priority will be given to communities who have yet to meet or exceed state requirements that at least 10% of housing stock is affordable. Only five municipalities of the state's 39 meet this threshold, though these five towns combine to contain 25% of the state's non-seasonal housing units. Geographically-based distribution criteria for HTF funds also include factors that contribute to improving or sustaining economic opportunity for the future tenants or owners of the homes developed. These criteria include additional points for accessibility to transit, accessibility to employment centers, accessibility to high performing schools and accessibility to community services.

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

**Introduction:**

In PY18, the state plans to serve a total of 3,820 households through affordable housing programs, including 1,605 homeless households (42% of total), as well as 2,215 non-homeless households (58% of total). The majority of persons served with affordable housing will be through rental assistance (86% of those served), while the remaining 14% will be served by the development of long-term affordable rental and homeownership opportunities or through the extension of affordability of units in which the household already resides.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	1,605
Non-Homeless	2,215
Special-Needs	0
Total	3,820

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	3,284
The Production of New Units	70
Rehab of Existing Units	466
Acquisition of Existing Units	0
Total	3,820

**Table 12 - One Year Goals for Affordable Housing by Support Type**

**Discussion:**

The state plans to fund the production or preservation of 536 low- to moderate-income homes with the resources it has available, rehabilitating 466 existing structures (either producing new affordable options or preserving existing housing) and 70 homes constructed new (all of which will be counted as new affordable housing options). It is estimated that 21 new affordable units will be devoted to house homeless or formerly homeless households, the balance will serve non-homeless households. Though it is not a specific outcome stated as an accomplishment for Goal 1, many of the households served through the production or rehab of units for the development of affordable housing will contain special-needs populations.

All persons and households assisted through the accomplishments of Goal 2 are counted as homeless

households supported in TABLE 91, as are the 21 units of rental housing for the homeless added in Goal 1. The eCon Planning Suite: Desk Guide for this section asks applicants to “not include the provision of emergency shelter, transitional shelter, or social services” to the total of households supported, thus only permanent supportive housing (PSH), HOPWA and NOP outcomes are included from Goal 2. These outcomes combine to support homeless households through rental assistance with those households assisted through the Housing Choice Voucher Program, though HCVP is combined with the outcomes of Goal 1 not directly toward homeless households to equal the number of non-homeless households supported by affordable housing in PY18.

The above referenced figures were based on historic program performance, current unit production costs and anticipated financial resources at the time of the 2015-2019 ConPlan was developed.

## AP-60 Public Housing - 24 CFR 91.320(j)

### Introduction:

Rhode Island Housing, in its role as a PHA, works to ensure that all people who live or work in Rhode Island can afford a safe, healthy home that meets their needs.

### Actions planned during the next year to address the needs to public housing

- **Use the Housing Choice Voucher Program (HCVP) to further HUD’s Opening Doors initiative to end homelessness.** In calendar years 2016 and 2017, 100% of new admissions to the HCV Program were homeless households. This preference continues to carry the highest weight and RIHousing expects to continue to serve homeless households with the majority of its HCVP resource in PY18. RIHousing has adopted a new local preference in the prior fiscal year for families “moving up” from Permanent Supportive Housing to the HCV Program. The “move-up” preference is part of a larger effort among RIHousing and community services providers to increase housing opportunities for homeless families and individuals. By moving families from supportive housing into the HCV Program, additional supportive housing opportunities will be created for currently homeless households. As of December 2017, RIHousing has issued nine vouchers under these programs and continues to receive referrals from participating service providers.
- RIHousing has adopted the Housing Opportunity and Modernization Act (HOTMA) which specifies that if payment standards are reduced as result of a reduction in HUD Fair Market Rents, RIH will not apply this reduction to families currently assisted in the HCV program. RIH plans to utilize the flexibility provided under HOTMA to project-base up to an additional 10 percent of its authorized units in order to create additional housing supply for vulnerable populations. Ideally, several of these developments will be based in high-opportunity communities in order to affirmatively further fair housing.
- **Work with other Public Housing Authorities to more effectively meet the housing needs of all families.** RIHousing successfully opened the Centralized Waitlist Portal on December 17, 2017, with 18 agencies participating throughout the state. Several other agencies are anticipated to join in PY18. With the Centralized Waitlist Portal families have the option of applying for assistance throughout the state through a one-time application process.
- **Better utilize state and federal funds to provide residents with additional supports.** Since the inception of the Housing Stabilization Specialist (HSS) program in Summer 2016, RIHousing’s HSS has assisted 90 tenants in locating units and prevented 120 potential terminations through a combination of mediation and referral services and will continue to build on these numbers in PY18 as well. The HSS staff will also conduct informal presentations to owner groups throughout the state about the advantages of participating in the HCV Program and the steps RIHousing has

taken to streamline operations in the hopes of attracting new landlords to participate in the program in PY18.

**Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Quarterly presentations regarding the homeownership program are held. Tenants are informed of the process and qualifications. All Housing Choice Voucher Program participants are invited to attend the presentations. We are working closely with other PHAs to help their residents meet their homeownership goal.

RIHousing has served as Family Self Sufficiency (FSS) program coordinator for more than 20 years and currently has 146 participants actively enrolled in the program, of which 66% have established savings accounts. Family Self Sufficiency (FSS) enables individuals and families who receive assistance through the Housing Choice Voucher Program (HCVP) to learn the fundamentals of money management and achieve economic independence. In 2017, we had 13 families graduate from the program and disbursed over \$86,386 in Family Self Sufficiency (FSS) escrow funds. There are currently 20 families participating in the Housing Choice Homeownership Program; four of those families purchased their homes in 2017.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable

**Discussion:**

Rhode Island Housing is working with several PHAs throughout the State to develop and maintain and centralized waitlist for tenant-based vouchers funding through PHA programs (known as the Housing Choice Voucher Program). Rollout of the online system to manage this waitlist began in PY17.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

The 2012 Opening Doors Rhode Island: Plan to End Homelessness in Rhode Island guides the State's plan for homelessness alleviation and prevention. Actions in 2018 planned to address outcomes of the 2012 plan include:

- Address Veterans housing needs: The Veteran Placement Committee meets biweekly, enabling key stakeholders to coordinate on ending Veteran homelessness.
- Coordinate assessment / application process for homeless – RIHousing will continue to work with PHAs in 2018 to implement a common application process and to utilize the new universal housing waitlist (shared by RIHousing's PHA program and local PHA programs) to coordinate information regarding prioritized populations. The state's Veterans Affairs department is also looking to connect to this network of information.
- Coordinate training activities for permanent supportive housing providers – The committee will look at ways to fund training and advise providers on how to take advantages of trainings, with an emphasis on peer training.
- Increase economic security. The committee will look to develop partnerships with the Governor's Workforce Investment Board, the Department of Labor and Training.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The Rhode Island Continuum of Care has a strong outreach system. The State Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) has used Projects for Assistance in Transition from Homelessness (PATH) funds to ensure that outreach teams exist throughout the state to connect homeless individuals and families with housing and services that they require. The continuum has adopted the Vulnerability Index-Service Prioritization and Data Analysis Tool (VI-SPDAT) to identify needed housing and services. This tool is used when a person is first entered into the Homeless Management Information System (HMIS). Once assessed, those needing permanent supportive housing are referred to the coordinated entry system to match the person with available units. If a match is not found the person is referred to a housing placement committee to better understand the housing needs and services of the person and to facilitate an appropriate housing referral.

When the 2-1-1 system receives calls from those experiencing homelessness, they refer them to agencies that can perform the VI-SPDAT. Persons are prioritized for housing based on their severity of need and length of time homeless. CAP agencies and service agencies also are aware of the assessment processes. All vacancies (CoC, RIHousing-funded, State-funded) are reported to the Coordinated Entry committee of the RI CoC and participants case conference on the appropriate placement and make

referrals to available housing resources. RI CoC policies requires providers of permanent supportive housing to implement a low barrier approach to entering programs and receiving assistance. The Consolidated Homeless Fund awards funding to eligible projects for street outreach, which provides essential services to unsheltered homeless persons connecting them with emergency shelter, housing or critical services. The eligible costs and requirements for essential services consist of engagement, case management, emergency health and mental health services, transportation and services for special populations.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The State and entitlement city ESG funds awards are coordinated to ensure all parts of the state can meet the emergency shelter and transitional housing needs of all persons. Domestic Violence Shelters placements are available throughout the state. Rhode Island is committed to lessening the length of stay in these facilities by expanding its rapid re-housing programs through CoC and State Rental Assistance dollars. Over half of the Consolidated Homeless Fund's resources will fund emergency shelters in the state, which can be used for essential services, shelter renovations or shelter operations. The RI Continuum of Care awards close to \$500,000 annually to projects that support over 400 beds of transitional housing throughout the state. The Consolidated Homeless Fund also funds projects for transitional supportive housing at nearly \$567,000 annually.

### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Chronically homeless individuals and families have been a priority for placement into permanent supportive housing in Rhode Island for the past 3 years. This commitment has been supported by the institutionalization of the VI-SPDAT, which prioritizes housing for the homeless. The coordinated entry system is being implemented with this tool, a referral in the HMIS and with placement committees which are part of the RI Continuum of Care structure. Rhode Island is receiving technical assistance to increase placements of homeless veterans and the chronically homeless through its Zero:2016 campaign, which is a focus on the Opening Doors RI goal of ending chronic homelessness and Veteran homelessness. Rhode Island also received a HUD Section 811 rental assistance award for 150 units. These units will serve chronically homeless and homeless in institutions. Rhode Island Housing, the Money Follows the Person (EOHHS) office and BHDDH have entered into memorandums of understanding to ensure services are available and that those who are high utilizers of Medicaid are served first. (See goals in AP-60).

The RICoC in PY18 has the goal of re-allocating resources from transitional supportive housing to permanent supportive housing. The CoC will provide technical assistance to the TSH providers to help

transition their projects or help find other resources to maintain that housing, while also re-allocating other resources to tenant-based rental assistance to further increase the opportunities for persons to avoid homelessness.

RI CoC placement committees are provided a list from HMIS on families and individuals ranked by longest to shortest length of stay. Referrals from the coordinated entry system prioritize those with the longest time homeless. In PY18, the Consolidated Homeless Fund will benefit from continued funding for rapid re-housing, which has been identified as the best way to reduce length of time in shelters. The CoC requires projects to eliminate entrance barriers and adopt a Housing First model.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

#### **Foster Care**

The Rhode Island Department of Children, Youth and Families (DCYF) has a policy not to discharge clients into homelessness, and has committed to this policy through a Memorandum of Agreement with OHCD. Children in foster care are not reunited with their families unless stable housing is secured. Families receive short term financial assistance and support services when housing is the primary barrier to reunification. Youth unable to go home are given the option of voluntarily participating in the DCYF-funded YESS (Young Adults Establishing Self Sufficiency) Aftercare Services which provides a stipend for housing and other wrap-around supports until the youth is 21.

#### **Health Care**

A Memorandum of Agreement between the Dept. of Health (DOH) and OHCD dictates that hospital patients not be discharged into homelessness. Patients remain hospitalized until they are healthy enough to move on to housing and receive case management support in developing a discharge plan. Discharge planners in assisted living facilities are trained to identify mainstream housing opportunities and to pair placements with Money Follows the Person (MFP) Program long-term care services.

Rhode Island will transition eligible individuals who are in a qualified institutional setting for 90 days or more into a qualified community-based residence. At the end of the demonstration period a total of 520 Phase I Medicaid beneficiaries will be transitioned into the community. The demonstration will use a coordinated system of care to assist a participant transition into and to successfully remain in the community, with the appropriate supports, so that they can experience more independence and a better quality of life. Section AP-85 of this action plan includes more information on preventing

homelessness for persons and households facing substantial healthcare needs.

## **Mental Health**

An MOA between BHDDH and OHCD dictates that patients of mental health institutions are not to be discharged into homelessness. BHDDH supports the Housing First model with PATH and SAMSHA grants for client-centered permanent housing and funds new supportive housing for people with serious mental illness and developmental disabilities through the Thresholds program (administered by Rhode Island Housing).

The Prevention and Planning Unit of BHDDH provides planning assistance and services for the development and implementation of behavioral health prevention, treatment, and recovery support policies, programs and services. The Unit also administers federal block and formula grants from the Substance Abuse and Mental Health Services Administration, the Office of Juvenile Justice and Delinquency Prevention, and the Department of Education.

PATH funded services consist primarily of outreach, engagement, screening and diagnosis. The fact that PATH services are provided through Riverwood Mental Health Services, a statewide CMHO, gives PATH clients access to a wide range of other services, including habilitation and rehabilitation; community mental health; alcohol or drug treatment; staff training; case management; supportive and supervisory services in residential settings; referrals to health services, job training, education, and relevant housing services. Riverwood also directs Rhode Island's premier Housing First program, which provides priority access to permanent supported housing services for its PATH clients.

## **Discussion**

### **Corrections**

Developing coordinated reentry strategies, including social services and life skills training, in addition to the traditional supervision of probation and parole, helps ex-inmates break the cycle of incarceration. Evidence suggests that providing services beyond post release supervision, such as substance abuse treatment, mental health services, job placement and educational services lowers the recidivism rate.

The community benefits from reentry programs that work. Public safety improves and correctional and criminal justice costs are reduced in the long run when ex-inmates are directed away from re-offending to more productive work.

RI has initiated a comprehensive approach to offender reentry (established through Executive Order 04-02). This approach, facilitated with technical assistance from the National Institute of Corrections, represents the combined efforts of the Department of Corrections, the state legislature, numerous other state agencies, local governments, law enforcement and countless community agencies. The committee includes key state agencies and is divided into three tiers. The first tier, comprised mainly of

cabinet-level appointees, focuses on larger policy issues. The second tier, consisting of departmental appointees and directors of community based organizations, examines management issues. The third tier, comprised of front-line worker and managers, addresses programmatic issues.

Additionally, community reentry councils, a group of community leaders and service providers, have been established in Providence, Pawtucket, Newport and Warwick to help assist offenders returning to their community.

The State's 2-1-1 hotline, administered by United Way Rhode Island, is a free, confidential service that provides information and referrals through specialists, and is the preferred method for persons facing homelessness to find information on their available options. The Continuum of Care works with 211, along with community assistance program (CAP) agencies, emergency housing counselors, and reports generated from the Coordinated Entry System to understand risk factors for homelessness. When persons reach out to the various points for housing assistance, they are referred to agencies that can complete a diversion interview.

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

The State, through its laws, tries to balance the need to incentivize economic growth by preserving the state's natural and historic resources, and recognizing the local costs that growth may impose. Many state policies and requirements aim to protect the environment as well as the health and safety of residents. Municipal policies often aim to preserve the character of the community while promoting growth at a pace the community feels it can support. Though important and well-intended, these policies can increase the cost to develop housing and limit opportunities for residential development. The state has tried to mitigate these effects by reducing costs and helping to address the need for more affordable housing options.

In MA-40 of the Consolidated Plan 2015-2019, the state found the following barriers to affordable housing:

1. Lack of public water and sewer infrastructure in non-urban areas
2. Zoning
3. Land Use Controls
4. Impact Fees
5. High Construction and Land Costs
6. Limited Public Transportation in Communities Outside the Urban Core
7. Property Taxes
8. Inconsistencies in regulatory standards relevant to developing housing across municipalities

In SP-55 of the Strategic Plan of the Consolidated Plan 2015-2019, the state outlined the following strategies to ameliorate the barriers to affordable housing stated in the Market Analysis:

1. Streamline permitting process for the development of low- to moderate-income housing
2. Advocate for federal and state funding for the development of affordable housing
3. Work with municipalities to improve incentives to develop affordable housing
4. Reduce property tax burdens on protected classes
5. Statewide standards related to the development of housing
6. Prioritize investment in transportation funding
7. Improve public utility infrastructure in areas outside the urban core

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

Advocate for federal and state funding for the development of affordable housing:

With the passage of the \$50 million Housing Bond in 2016, housing advocacy organizations are likely to turn their attention to increasing the State's long-term investment in housing and homelessness programs.

Work with municipalities to improve incentives to develop affordable housing:

Proposed legislation would create a municipal infrastructure grant program to issue grants and assistance for infrastructure projects that support job creation, housing, and community development. In 2017, legislation was passed that requires that city and town building permit fees recover no more than the cost of permitting activities during the period of normal building activity. that the RI house of Representatives has also established a Low and Moderate Income Housing Commission that is assessing the status of municipal implementation of the Low and Moderate Income Housing Act and recommending changes. The Commission may generate recommendations for legislative changes to that Act in the next session. Rhode Island is actively working on accessory dwelling unit policy to serve as a source of housing development that assists disabled and elderly persons to remain close to family and community supports. A new law that took effect January 1, 2017 allows owner-occupied single family homes to construct accessory dwelling units (also known as in-law apartments) as a reasonable accommodation for family members who are 62 years old, or older, provided all other laws are followed. Prior to this legislation, municipalities could restrict the development of in-law apartments only to disabled family members. While the state considers this legislation a removal of a barrier to affordable housing, the advocacy community in PY18 will continue to work with its members and other partners to educate Rhode Islanders about their right to develop in-law apartments for elderly family members, and to ensure compliance on the part of municipalities.

**Discussion:**

Continued response to previous question:

Reduce property tax burdens on protected classes:

Rhode Island municipalities will continue to provide a variety of property tax exemptions for protected classes, such as for Veterans, the elderly, the visually impaired and blind as well as tax relief for low-income elderly and disabled households that qualify. Rhode Island Housing also administers the Madeline Walker program, which gives the Agency the right of first refusal to purchase liens on 1-4 unit owner-occupied properties at tax sale and work with those homeowners to get on a payment plan so that they can remain in their homes.

Support Housing Development:

In recent years, a number of bills have been enacted that reduce barriers to housing development including standardizing wetland requirements, the calculation of building permit fees and changing how properties under development are taxed. In 2017, legislation was passed that reduced the time frames for municipalities to review and post decisions on proposed subdivisions.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

In addition to the actions detailed in the previous sections, the State of Rhode Island will continue to address the other issues covered in the 2015-2019 Consolidated Plan, including the following:

### **Actions planned to address obstacles to meeting underserved needs**

See Grantee Unique Appendix

### **Actions planned to foster and maintain affordable housing**

OHCD provides financial and operational support for all housing programs administered by the Housing Resources Commission, including rental assistance, rapid re-housing, community development, emergency shelter and transitional housing programs. Proceeds from the state's real estate transfer tax (RETT) partially funds these efforts.

The Public Housing Association of Rhode Island and its 25-member public housing Authorities (PHAs) maintain approximately 20,000 units of project-based and tenant-based housing. These agencies adhere to safety and quality guidelines to ensure these households remain stably housed and able to participate in their communities.

Rhode Island Housing, the state's housing finance agency, administers the federal funding for approximately 15,000 project-based section 8 housing units and maintains accountability over a portfolio of nearly 10,500 Low Income Housing Tax Credit units, 2,000 HOME-funded units, and hundreds of state-funded housing units.

The Housing Resources Commission, as the state's planning and policy, standards and programs agency on housing issues, develops regulations for affordable housing development and promotes the implementation of the Low to Moderate Income Housing Act, which allows developers to utilize a comprehensive permitting process for housing development that includes at least 25% of units as low- to moderate-income units. Municipal participation in the programs has proven successful as many municipalities made progress toward the goal of having 10% of its housing stock affordable to low- and moderate-income households in 2017, and the pipeline of projects suggests that further progress will be made in PY18.

RIHousing will continue to utilize funds through the Federal Financing Bank, a partnership between HUD and the US Treasury to provide financing for the preservation of affordable housing, to maintain the state's stock of affordable opportunities. RIHousing estimates that loan closings in PY18 will preserve 1,000 units above and beyond preservation outcomes achieved through the 4% Low-Income Housing

Tax Credits and tax-exempt bonds.

### **Actions planned to reduce lead-based paint hazards**

Rhode Island also continues to support the much needed work in continuing to reduce lead-based paint hazards. Rhode Island has the 4th oldest housing stock in the nation and this stock requires proper maintenance and rehabilitation to mitigate the hazards posed by the wide spread use of lead based paint prior to 1978.

RIHousing's LeadSafe Homes Program (LSHP) is a Green and Healthy Homes model program that is able to produce comprehensive interventions that reduce lead hazards, address healthy homes hazards, and reduce energy consumption in a cost effective and efficient manner for families in the Program's at risk target communities. As stated in the Strategic Plan, Goal 3 of the 2015-2019 Consolidated Plan is to improve the health, safety and energy efficiency of all Rhode Island homes. LHSP achieves this goal by remediating lead-based paint hazards, and expects to complete remediation work in 115 households in the fourth program year. While no set-asides exist within the regulations of the program, historical program data suggests that, in a given calendar year, 60% of funds will go to multi-family projects, either owner-occupied or not, and 40% will go to single family homeowners.

In PY18, RIHousing will continue to award to eligible projects portions of its \$3.4 million, three-year grant to provide healthy housing technical assistance and to remediate lead-based paint hazards in the state.

The Rhode Island Alliance for Healthy Homes will continue to advocate for better cooperation among state agencies, to educate private homeowners, and procure more funding for healthy homes investment in 2018. The Alliance will continue to research the scope of healthy housing issues in PY18.

### **Actions planned to reduce the number of poverty-level families**

OHCD and RIHousing employ a multifaceted approach to reducing the number of families living in poverty. The first is providing affordable, stable housing low-income families. For families leaving the shelter system with a rental housing placement, stabilization and self-sufficiency programs are offered and promoted. RIHousing and many PHAs throughout the state administer successful family self-sufficiency (FSS) programs that help families transition from public assistance in rental housing to independent homeownership. Continuum of Care-funded projects work to increase cash income from employment, providing employment and training opportunities through their agencies, i.e. CNA training at CrossroadsRI, carpentry training and a culinary arts program at Amos House, recovery coach and clinician training at the Providence Center, retail training at Foster Forward, and retail training at House of Hope. Many of these job training initiatives were funded by the Governor's Workforce Board – Workforce Innovation Grants program. Projects also assist their participants in accessing training and job openings through a partnership with the RI Department of Labor and Training.

Rhode Island Housing will continue to administer a Family Self Sufficiency (FSS) program, which enables

individuals and families who receive assistance through the Housing Choice Voucher Program (HCVP) to learn the fundamentals of money management and achieve economic independence. In PY18, there will be 146 participants actively enrolled in the program at any given time, with an estimated 20 families participating in the Housing Choice Homeownership Program.

### **Actions planned to develop institutional structure**

The coordination of State, Federal, and private resources will improve access to housing and community development resources and focus these resources to high priority areas and initiatives.

Recommendations continue to be made on how to improve the administration of programs by State agencies. Closer communication ties among agencies with housing programs are also being pursued to improve program coordination. Periodic meetings of the State agencies improve the coordination of current funding programs as well as implementation of new housing policies and programs.

#### **Systems Development and Capacity Building – Consolidated Homeless Fund**

In PY2017, the Housing Resources Commission will award \$675,000 (source: state real estate conveyance tax) to projects that address key components of a systems development and capacity building program to meet the objectives of Opening Doors Rhode Island. Key components will include:

- A coordinated entry system for the State
- The Homeless Management Information System
- Innovate projects to meet one or more goals of Opening Doors RI

The goal of these actions is to sharply decrease the number of homeless people in Rhode Island. The Coordinated Entry system, especially the diversion processes therein, will serve to not only reduce the number of persons homeless but also reduce time homeless. This institutional development program seeks to connect organizations across the state that can improve the information and outreach that makes clear where people who are homeless can go for help. The intention is also to fund projects that reduce barriers to entering homeless shelters for people who are truly in crisis and have no place else to go. Four organizations received funding from the System Development award category in June of 2017 and implementation of these projects is underway.

The Rhode Island Continuum of Care will continue to improve and formalize its institutional structure in PY18. Three full time CoC Program Representatives have been hired to better coordinate the programs serving homeless persons in the state across various governmental and nongovernmental agencies through planning and monitoring.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

#### *HUD Section 811 Project Rental Assistance Program*

Rhode Island Housing (RIH), the Executive Office of Health and Human Services (EOHHS), and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) will build on their strong history of collaboration and the Rhode Island's strong infrastructure and supportive service

system to operationalize the HUD Section 811 PRA Program in Rhode Island.

Systems change associated with implementation of the PRA will result in seamless communications between EOHHS, BHDDH and RIH; increased placement of disabled individuals in integrated community-based settings; and greater oversight of the provision and expansion of quality housing and services.

The effects of this system change will be measured by:

- The decreased number of disabled individuals on waitlists
- The increased number of disabled individuals who are placed in integrated community-based settings
- Improved housing retention (fewer evictions and abandoned apartments)
- Increased housing stability (fewer hospitalizations/emergency room visits, less interfacing with law enforcement, fewer tenant landlord disputes)
- Shorter length of stays in institutions
- Fewer re-admissions to institutions

RIH, EOHHS and BHDDH intend for the proposed PRA program to result in improved health outcomes, reduced service costs per beneficiary (particularly amongst homeless high Medicaid users), reduced chronic homelessness statewide and increased tenant income. RIH, EOHHS and BHDDH believe that pairing the PRA program with the interdepartmental data matching of homelessness (HMIS) and Medicaid information is a particularly innovative, replicable model that could become a best practice for reducing homelessness and lowering Medicaid expenditures.

**Discussion:**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction:

See the Grantee Unique Appendix for this section.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

HOME funds will not be used for purposes beyond those identified in Section 92.205

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

See the Grantee Unique Appendix for this section.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

See the Grantee Unique Appendix for this section.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds will not be used for purposes beyond those identified in Section 92.205

### **Emergency Solutions Grant (ESG) Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

See the Grantee Unique Appendix for this section.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

See the Grantee Unique Appendix for this section.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

See the Grantee Unique Appendix for this section.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions

regarding facilities and services funded under ESG.

See the Grantee Unique Appendix for this section.

5. Describe performance standards for evaluating ESG.

See the Grantee Unique Appendix for this section.

**ESG Program (Consolidated Homeless Fund) Selection Criteria**

The review committee thoroughly reviews and evaluates remaining applications against rating criteria, such as, but not limited, to the following:

**Section 1: Agency Experience and Financial Capacity (30 Points max.)**

- Agency has prior experience in implementing similar programs.
- Agency structure and organization is adequate for assuring agency success and financial viability.
- Agency has sound process for managing fiscal and programmatic requirements of grants.
- Agency has included homeless and/or formerly homeless person (s) in a policy making function with the agency.
- Agency has the capacity to enter data into HMIS in an accurate and timely manner.

**Section 2: Client/Population/Need to be Served (20 points max.)**

- The program has clearly documented the population to be served by this program.
- The program has documented the communities and/or regions served by this activity.
- The program has clearly documented prior and expected client exits from the program.
- The program has documented average length of stay and household income.

**SECTION 3: Program Narrative/Program Design (30 points max)**

- The Applicant plans to serve an appropriate number of clients.
- The Applicant's outcomes are appropriate for the number of clients served.

**SECTION 4: Program Success/Prior Performance (30 points max)**

- Prior year and current year outcomes are documented.
- Lessons and strategies to be applied towards this activity from the current grant are documented and explained.
- Proposed program modifications or changes are explained.
- The program's procedure for assessing client satisfaction with its services is adequately explained.

**SECTION 5: Budget/Budget Narrative (35 points max)**

- Clear and reasonable budget, direct relationship to program; all costs allowable.
- Clear description of other sources of funds.
- Other sources of funds provide an appropriate amount of leverage funds to Winter Shelter Funds request.
- Administrative costs are appropriate for amount of funds requested.

Following rating and review, the Committee recommends funding to the Governor and Mayors of Pawtucket, Providence, and Woonsocket, who then makes the grantee awards. The maximum point total per application is 145 points.

**ESG Written Standards Part 1**

**24 CFR 576.400(e)(3)(i)** Policies for evaluation of individuals' and families' eligibility for assistance.

All providers funded under ESG shall utilize a standardized assessment process when determining eligibility for all individuals and families presenting for CHF services and/or shelter. This process is currently being developed by a joint committee of service providers, consultants, and the CHF Partnership. All providers funded under ESG will follow the eligibility and documentation standards developed by HUD and the Homeless Management Information System for all clients served with ESG shelter, IHSP, and/or services.

Family Shelter Providers shall utilize 211 as a central intake point and hotline for families seeking shelter. 211 Operators shall also keep a waitlist of families in need of shelter and/or services. Family shelter providers shall ONLY select clients from 211's waitlist, however they have sovereignty over which family they select. It is the expectation that Family Shelter Providers will work to target the most vulnerable families for shelter/services. The policies and procedures of providers funded under ESG shall be consistent with the definitions of homeless and at risk of homelessness in 24 CFR 576.2 and the recordkeeping requirements in 24 CFR 576.500(b), (c), (d), and (e).

Eligible populations:

There are five eligible populations identified for CHF programs: literally homeless (living in street or in emergency shelter); imminently homeless (within 14 days); unaccompanied youth/families who meet other Federal homeless definitions; fleeing or attempting to flee domestic violence and those at risk of homeless as defined by HUD. As stated on page 13 of the Consolidated Homeless Fund's Policies and Procedures Manual (Appendix 1 of the CHF Application), providers must conduct an initial evaluation to determine eligibility of each individual or family's eligibility for CHF assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with Rhode Island's coordinated access and assessment process (see assessment process described in part (k) of the Consolidated Plan Action Plan (91.320), section (3) for ESG, sub-section (ii) about the coordinated assessment system (page 72 of this document).

**24 CFR 576.400(e)(3)(ii)** Standards for targeting and providing services related to street outreach.

All providers funded under the Street Outreach activity will provide services to all unsheltered persons that desire to be engaged and provided services. When able, outreach workers shall target services and resources to those with pronounced mental and/or physical health issues, so as to improve their access to resources that will improve the clients' safety and wellbeing.

In order to improve service delivery to those who are unsheltered, periodic outreach worker workshops will be hosted by the CHF Partnership. Topics are to include: case conferring, trainings, resource sharing, etc.

Emergency Health Services are eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community based settings, including streets, parks, and other places where unsheltered homeless people are living. Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area. Eligible treatment consists of: Assessing a program participant's health problems and developing a treatment plan; Assisting program participants to understand their health needs; Providing directly or assisting program participants to obtain appropriate emergency medical treatment; and Providing medication and follow-up services.

## **ESG Written Standards Part 2**

**24 CFR 576.400(e)(3)(iii)** Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations.

From Rhode Island's "Statewide Coordinated Access System for Homeless Services Policies and Procedures Manual"

Persons or families are eligible for emergency shelters if they are literally homeless people who cannot be diverted and with no other safe place to sleep, and are persons who can be safely accommodated in a shelter and do not present danger to themselves or others. Regional preference is given to service families/individuals from local areas.

The following is the intake and assessment system that evaluates the eligibility of persons that enter an emergency shelter, which can ultimately determine if they are eligible to stay in a bed in that shelter:

- **Diversion Assessment** - Any trained staff person may conduct the Diversion Interview and Assessment. If a household presents at or calls any shelter, housing, or other program and requests services to assist with a current or impending episode of homelessness, and that program has trained staff available, that program may serve as an “Assessment Entity”, and will administer the Diversion Assessment upon initial contact. If the program does not have trained staff available, the program will immediately refer the household to an Assessment Entity or the Coordinating Entity and that entity will conduct or arrange the Diversion Assessment and Shelter Intake, if applicable, in person or by phone. The Assessment Entity will submit the Diversion Interview and Assessment Form and Shelter Intake Form, if applicable the Coordinating Entity.
- **Eligibility and Referral Notifications** - The Coordinating Entity will review the Diversion Interview and Assessment Form and Shelter Intake Form, if applicable, and issue an Eligibility Decision and Referral Notification indicating for which services the applicant household is eligible and making a referral for indicated services. To ensure immediate access to emergency shelter, Assessment Entities may make direct referrals to Emergency Shelter, and Emergency Shelter programs may admit clients they determine eligible, if the client presents outside of the normal operating hours of the Coordinating Entity. In all other cases, all Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-Housing, and Permanent Supportive Housing programs may only accept referrals made by the Coordinating Entity or Universal Waitlist Committee.
- **Next Step Assessments and Family SPDAT or VI -SPDAT** - Next Step Assessments and the Family SPDAT or VI-SPDAT will be used to determine the intervention necessary to resolve homelessness for any household that remains literally homeless. The intervals at which Next Step Assessments/relevant SPDAT will occur will be dependent upon the location of the household as defined in this manual. Next Step Assessments will continue to occur at the specified interval, until the household is placed in permanent housing or otherwise resolves their homelessness.

### **ESG Written Standards Part 3**

- **Program Admissions** – All programs receiving referrals from the Coordinating Entity (i.e. “Receiving Programs”) will make a determination about whether or not the referred household can be accommodated based on the protocols defined in this manual. In instances in which the Receiving Program determines that they cannot accommodate a referred household, the Receiving Program will

document the reason and refer the client back to the Coordinating Entity, and the Coordinating Entity will review the determination and issue another referral or schedule a case conference.

• Case Conferences - The Coordinating Entity will, at their discretion, require a case conference to review and resolve rejection decisions by receiving programs. The purpose of the case conference will be to resolve barriers to the client receiving the indicated level of service. The Coordinating Entity will also, at their discretion, require a case conference to review and determine next steps when a homeless individual or family residing in shelter or transitional housing refuses to engage in a housing plan or otherwise take steps to resolve his/her/their homelessness. The purpose of the case conference will be to discuss interventions used to date and resolve barriers to securing permanent housing.

Transitional Housing Programs range in their length of stay averages from 4 to 8 months.

**24 CFR 576.400(e)(3)(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter:**

Essential Service Activities serve homeless individuals /families (according to HUD's definition, 24 CFR 576.2). Households/persons served by these programs must lack a fixed, regular, and adequate nighttime residence, are unable to be served by other housing programs or resources. CHF Providers shall exhaust all available options for diversion.

The Consolidated Homeless Fund Policies and Procedures Manual makes essential services available to homeless families or households only if the prior living location is determined to be one of the following: Street, Emergency Shelter, Motel (paid by non-profit), Domestic Violence Safe Home or Fleeing Domestic Violence. See Page 11 of CHF Policies and Procedures Manual to see the eligible prior living locations for all CHF programs.

- Essential services shall address the immediate needs of the homeless, helping them to become more independent and secure permanent housing.
- Essential services for homeless persons may also be operated in or provided by shelters, day centers, or meal sites that are designed to serve predominantly homeless persons.

The provision of essential services related excludes the following items:

- Any cost not directly associated with the supported activity.
- Advocacy, planning, and organizational capacity building
- Staff recruitment/training

- Any activities not detailed in the following pages are assumed to be ineligible.

#### **ESG Written Standards Part 4**

##### **Description of Essential Service Activities:**

- Case Management - The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
- Child Care - The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
- Education Services - When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
- Emergency Health Services (Street Outreach ONLY) – Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community based settings, including streets, parks, and other places where unsheltered homeless people are living. Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
- Employment Assistance and Job Training – The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on the job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.

Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

- Street Outreach and Engagement – The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility;

providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities. All providers funded under the Street Outreach activity will provide services to any unsheltered persons that desire to be engaged and provided services. When able, outreach workers shall target services and resources to those with perceived mental and/or physical health issues, so as to improve their access to resources that will improve the clients' safety and wellbeing.

### **ESG Written Standards Part 5**

- **Legal Services** – Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.
- **Life Skills Training** – The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
- **Mental Health Services** – Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. Funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- **Outpatient Health Services** – Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Funds may be used only for these services to the extent that other appropriate health services are unavailable within the community.

- Substance Abuse Treatment Services – Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.

Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

- Transportation – Eligible costs consist of the transportation costs of a program participant’s travel to and from medical care, employment, child care, or other eligible essential services facilities.

### **ESG Written Standards Part 6**

#### **24 CFR 576.400(e)(3)(v) Policies and procedures for coordination among providers.**

The following is a list of responsibilities per provider, as outlined in the Coordinated Access System’s Policies and Procedures Manual.

**211 Call Centers** - When 211 receives a call from someone experiencing a current or impending housing crisis, they provide referral services as per their usual protocols. If those services are determined by 211 to be inadequate to address an immediate or long-term housing need, and the caller is currently homeless or at-risk of homelessness, 211 will refer the caller to the closest *Assessment Entity*.

**Assessment Entity** – Any staff person at a human services agency who has completed the required assessment training may conduct the *Diversion Interview and Assessment*, the *Shelter Intake*, *Next Step Assessment*, and/or the *VI or F-SPDATs*. Any staff person at a human services agency who, on behalf of a homeless or at-risk household, submits to the *Coordinating Entity* one or more of the aforementioned forms carries the responsibilities of an *Assessment Entity* as described in this manual, including but not limited to:

- Submission of assessment forms to the *Coordinating Entity*
- Responding to requests by the *Coordinating Entity* for clarifying information
- Client notification of *Eligibility and Referral Decisions*
- Participation in case conferences
- Assisting clients in filing appeals

**Coordinating Entity** - The vendor selected to serve as the *Coordinating Entity* is responsible for the day-to-day administration of the *Statewide Coordinated Access System*, including but not limited to:

- Creating and widely disseminating outreach materials to ensure that information about the services available through the *Statewide Coordinated Access System* and how to access those services is readily available and easily accessible to the public
- Designing and delivering training at least annually to all key stakeholder organizations, including but not limited to the required training for *Assessment Entities*
- Maintaining and ensuring accessibility of a current list of all *Assessment Entities* across the state
- Ensuring the HMIS collects needed data for monitoring and tracking the process of referrals including vacancy reporting and completion of assessments
- Reviewing *Diversion Assessments* and issuing *Eligibility Decision and Referral Notifications* in compliance with the protocols described in this manual
- Managing case conferences to review and resolve rejection decisions by receiving programs and refusals by clients residing in emergency and transitional housing to engage in a housing plan in compliance with the protocols described in this manual
- Managing an eligibility determination appeals process in compliance with the protocols described in this manual
- Managing a centralized waitlist for emergency shelter, program shelter, transitional housing and rapid re-housing in compliance with the protocols described in this manual
- Managing manual processes as necessary to enable participation in the *Statewide Coordinated Access System* by Providers not participating in HMIS
- Designing and executing ongoing quality control activities to ensure clarity, transparency, consistency and accountability for homeless clients, referral sources and homeless service providers throughout the coordinated access process.

### **ESG Written Standards Part 7**

As determined necessary by the *State of Rhode Island Housing Resources Commission* and the *Rhode Island Statewide CoC Lead Agency*, providing the supports necessary to:

- Periodically evaluate efforts to ensure that the *Statewide Coordinated Access System* is functioning as intended
- Make periodic adjustments to the *Statewide Coordinated Access System* as determined necessary
- Ensure that evaluation and adjustment processes are informed by a broad and representative group of stakeholder
- Update policies and procedures

**Receiving Program** - All Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-housing, and Permanent Supportive Housing programs are *Receiving Programs* and are responsible for reporting vacancies to the *Coordinating Entity* in compliance with the protocols described in this manual. All programs that receive a referral from the *Coordinating Entity or Universal Waitlist Committee* are responsible for responding to that *Eligibility and Referral Decision* and participating in case conference,

in compliance with the protocols described in this manual. In addition, any Emergency Shelter program that admits a client who presents for services outside of the *Coordinating Entity's* hours of operation is responsible for compliance with the protocols described in this manual.

**Rhode Island Statewide Continuum of Care (CoC) Lead Agency** - The CoC Lead agency, in conjunction with the Housing Resources Commission, is responsible for oversight of the *Statewide Coordinated Access System*, including but not limited to:

- Issuing RFPs and selecting and contracting the *Coordinating Entity* vendor
- Monitoring vendor compliance with contractual obligations
- Leading periodic evaluation efforts to ensure that *the Statewide Coordinated Access System* is functioning as intended
- Leading efforts to make periodic adjustments to the *Statewide Coordinated Access System* as determined necessary
- Ensuring that evaluation and adjustment processes are informed by a broad and representative group of stakeholders
- Ensuring that the *Statewide Coordinated Access System* complies with all state and federal statutory and regulatory requirements.

**Universal Waitlist Committee** - Based on referrals received from the *Coordinating Entity*, and in compliance with the protocols described in this manual, the *Universal Waitlist Committee* will manage the wait list for Permanent Supportive Housing programs.

**Primary Worker** – The staff person indicated on the *Diversion Interview and Assessment Form* as having primary case management responsibility for the applicant household is the *Primary Worker*. The *Primary Worker* may be, for example, a street outreach worker, a shelter/transitional/rapid re- housing case manager, a mental health/medical case manager, or any other staff person responsible for providing care coordination services for the applicant. The *Primary Worker* will receive all *Eligibility Decision and Referral Notifications* from the *Coordinating Entity* and is responsible for:

- Making assertive efforts to notify the client of the eligibility and referral decision
- Obtaining clarifying information as necessary
- Ensuring that the client understands the decision and applicable next steps, including the client's right to appeal the decision
- Providing assistance to the client to participate in any scheduled intake appointments.
- Assisting clients in filing appeals

## **ESG Written Standards Part 8**

In cases in which the client has no pre-existing *Primary Worker*, the *Assessment Entity* shall fulfill that role.

**State of Rhode Island Housing Resources Commission** - As the administrator of the Consolidated Homeless Fund, the Housing Resources Commission in conjunction with the Rhode Island Statewide Continuum of Care Lead Agency is responsible for oversight of the *Statewide Coordinated Access System*, including but not limited to:

- Issuing RFPs and selecting and contracting the *Coordinating Entity* vendor
- Monitoring vendor compliance with contractual obligations
- Leading periodic evaluation efforts to ensure that the *Statewide Coordinated Access System* is functioning as intended
- Leading efforts to make periodic adjustments to the *Statewide Coordinated Access System* as determined necessary
- Ensuring that evaluation and adjustment processes are informed by a broad and representative group of stakeholders
- Ensuring that the *Statewide Coordinated Access System* complies with all state and federal statutory and regulatory requirements.

Standard (v) also requires *coordination with mainstream services and housing providers for which ESG-funded activities must be coordinated and integrated to the maximum extent possible*. The Program Type descriptions on pages 36 thru 46 of the Consolidated Home Fund Policies and Procedures Manual outlines how each program, as part of intake and triage, attempt to provide households and individuals that use emergency shelters with services that match them, if possible, with other mainstream and targeted homeless services.

**24 CFR 576.400(e)(3)(vi)** Policies and procedures for determining and prioritizing which eligible families and individual will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

#### **ESG Written Standards Part 9**

24 CFR 576.400(e)(3)(vi) Policies and procedures for determining and prioritizing which eligible families and individual will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

#### **ESG Written Standards Part 10**

**24 CFR 576.400(e)(3)(vii-ix)** Financial Assistance policies and procedures

The Intensive Housing Stabilization Program (IHSP) has its own manual for policies and procedures, available online at: <http://www.planning.ri.gov/documents/ihsp/IHSPManual11.pdf>. This program is one of three eligible activities for funding through the Consolidated Homeless Fund, and is the only eligible activity in which rental assistance is an eligible activity to fund. The program's funding is intended to serve persons who are living in a Shelter (or on the street) or would enter a shelter BUT FOR

THIS ASSISTANCE. Households eligible for IHSP-funded financial assistance and/or services may be individuals and/or families. They MUST meet all of the following criteria:

- Shelter Prevention Services
  1. Below 30% of AMI & Homeless (ONLY Category 2, 3, & 4) as defined by HUD
  2. Imminently homeless (within 14 days)
  3. Unaccompanied youth/families who meet other Federal homeless definition (must also meet additional criteria for HUD, similar to 2)
  4. Fleeing/attempting to flee Domestic Violence (Not residing in Safe Home)

OR

- Shelter/Street Homeless as defined by HUD (ONLY Category 1 & 4)
  1. Literally Homeless
  2. Fleeing/attempting to flee Domestic Violence (Only living in Safe Home, Shelter, or Place not meant for Human Habitation)

AND

- Resources: Household MUST have no other existing housing options, financial resources, or other support networks identified to avoid entering or prevent leaving shelter. (Clients that are deemed eligible under IHSP are allowed to retain \$1,000 in cash assets and one vehicle per adult household member (not to exceed more than two vehicles total per household)).
- Sustainability: Clients must be likely to sustain housing once assistance ends. There is no minimum income requirement to enter the program and clients may receive longer periods of assistance (up to 24 months) to help build stability and independence.
- Intensive Case Management: No household can receive (or continue to receive) any assistance related to IHSP funds unless they have been assessed by an IHSP case manager and are receiving intensive case management (minimum of 2 visits a month, with at least one each month in the household's residence once housed).
- Housing Stabilization Plan: No household can receive (or continue to receive) any assistance related to IHSP funds unless they have created (and are abiding by) a Housing Stabilization Plan with their IHSP case manager or other authorized representative.
- Financial Counseling: No household can receive any assistance related to IHSP funds unless they are enrolled in Financial Counseling. No household can continue to receive IHSP services unless they have completed Financial Counseling.

If all criteria is met, then the following financial assistance is available:

Financial Assistance: Limited to short-term rental assistance (3 months), medium-term rental assistance (4 to 24 months), rent arrearages (up to 6 months), security deposits, utility deposits, utility payments (up to 18 months including up to 6 months arrearages), and moving cost assistance, staffing and operating costs associated with implementing eligible financial assistance activities

### **ESG Written Standards Part 11**

Monthly rental assistance maximum will be based on that fiscal year's fair market rent, as measured by HUD. A clause about rent reasonableness also exists: Rent Reasonableness: IHSP agencies MUST ensure that IHSP funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "Rent reasonableness" means that the total rent charged, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

### **ESG Coordinated Assessment Description**

- **Initial Request for Services** - Households in need of services to resolve a housing crisis may initiate a request through the 211 Call Center or any Assessment Entity.
- **ASSESSMENT ENTITY** – Any human services agency with a staff trained to complete the required assessments, may submit assessments to the Coordinating Entity on clients' behalf.
- **Diversion Assessment** – The assessment explores possible housing options to avoid shelter entry and assesses the type of intervention that is most appropriate to meet a household's housing needs. It is required prior to shelter admission and submitted to the *Coordinating Entity*.
- **Shelter intake** - If a household cannot be diverted from homelessness, the *Shelter Intake* assesses basic needs and captures HMIS required data elements. It is required for all shelter admissions and submitted to the *Coordinating Entity*. All clients placed in Emergency Shelters, with the exception of Emergency Winter Shelter, will retain their bed assignments until they exit shelter either through a planned placement or through arrangements made on their own
- **Eligibility and Referral Notifications** - The *Coordinating Entity* reviews assessment forms and issues decisions indicating the services the applicant household is eligible for and making a referral for the indicated services.
- **Primary worker** - The staff person indicated on the *Diversion Assessment* as having primary case management responsibility for the applicant household (e.g., a street outreach worker, a shelter/transitional/rapid re- housing case manager, a mental health/medical case manager) receives all *Eligibility Decision and Referral Notifications* from the *Coordinating Entity* and is responsible for: notifying the client, obtaining clarifying information, ensuring that the

client understands the decision and next steps, providing assistance to participate in any scheduled appointments and in filing appeals. In cases in which the client has no pre-existing *Primary Worker*, the *Assessment Entity* fulfills that responsibility.

- **Vacancy Tracking** - The *Coordinating Entity* will manage a centralized vacancy tracking system for all Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-housing, and Permanent Supportive Housing programs and will make referrals to appropriate vacant beds when available.

## ESG Coordinated Assessment Description II

- **Waitlist Management** – The *Coordinating Entity* will manage a centralized waitlist for emergency shelter, transitional housing and rapid re-housing, prioritizing households based on priorities described in the policies and procedures. The *Universal Waitlist Committee* will manage a centralized wait list for all Permanent Supportive Housing. Households that have been continuously, literally homeless for the longest period of time will be prioritized for permanent supportive housing placement. Scores on the Vulnerability Index will be used as an additional filter to determine waitlist placement.
- **Next Step Assessments and Family SPDAT or VI -SPDAT**- *Next Step Assessments* and the Family SPDAT or VI-SPDAT will be used to determine the intervention necessary to resolve homelessness for any household that remains literally homeless. *Next Step Assessments* will continue to occur and be submitted to the Coordinating Entity at specified intervals, until the household is placed in permanent housing or otherwise resolves their homelessness.
- **Program Admissions** –Emergency Shelter programs may admit clients they determine eligible outside of business hours. In all other cases, programs may only accept clients referred via the *Statewide Coordinated Access System*. Receiving Programs may only decline households under limited circumstances, such as, there is no actual vacancy available, the household presents with more people than referred, or, based on their individual program policies and procedures, the program has determined that the household cannot be safely accommodate. The *Coordinating Entity* will review the determination and issue another referral or schedule a case conference.
- **Case Conferences** – When needed, the *Coordinating Entity* will convene a case conference to resolve barriers to the client receiving the indicated level of service. The *Coordinating Entity* may also require a case conference to review and determine next steps when a homeless household refuses to engage in a housing plan or otherwise take steps to resolve their homelessness.
- **Appeals:** All clients shall have the right to appeal eligibility determinations issued by either the *Coordinating Entity* or any *Receiving Program*.
- **Those experiencing or at risk of domestic violence/abuse** When a homeless or at-risk household is identified by 211 or an Assessment Entity to be in need of domestic violence services, that household will be referred to the 24 Hour Domestic Violence Helpline. If the

household does not wish to seek or is not able to obtain DV specific services, the household will have full access to the Statewide Coordinated Access System.

## BOARD DECISIONS

- Require participation in the Coordinated Access System for all *Receiving Programs* funded by ESG, the RI CoC, Road Home, State Consolidated Homeless Fund, and State Rental Assistance.
- Require that participating programs adhere to the *Policies and Procedures for the Statewide Coordinated Access System*.

### **Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

N/A

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines, including the application requirements, are provided in the Grantee Unique Appendix.**

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines, including selection criteria, are provided in the Grantee Unique Appendix.**

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines, including requirements for geographic diversity, are provided in the Grantee Unique Appendix.**

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines, including "readiness to proceed" requirements, are provided in the Grantee Unique Appendix.**

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines are provided in the Grantee Unique Appendix.**

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines, addressing financial feasibility, are provided in the Grantee Unique Appendix.**

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines, including a discussion of priorities, are provided in the Grantee Unique Appendix.**

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

**HTF allocation guidelines including leveraging priorities are provided in the Grantee Unique Appendix.**

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.**

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The Housing Trust Fund Program will use the same standards as published for the HOME Program for Program Year 2018, and outlined as follows:

Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing PJs to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a HTF grantee cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas).

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

**HTF Rehabilitation Standards are provided in the Grantee Unique Appendix.**

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

**12. Refinancing of Existing Debt.** Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A

**Discussion:**

**See the Grantee Unique Appendix for this section.**

## Attachments

## Citizen Participation Comments

### AP-12 Participation - 91.115, 91.300(c)

#### Citizen Participation Comments

The PY18 Annual Action Plan was issued on May 30th for a 30-day public comment period. The draft plan was posted at [www.ohcd.ri.gov](http://www.ohcd.ri.gov). An English language advertisement ran in the Providence Journal and a Spanish language advertisement ran in Noticias Rhode Island. Notifications were also sent via email to housing, homelessness, and community development stakeholders by OHCD and RIHousing.

The Annual Action Plan public hearing was held at the State's Department of Administration in Providence, RI, at 5pm on Wednesday, June 20, 2018; Spanish-speaking personnel were present at this meeting. One member of the public attended the hearing and provided verbal comments (see below). No written comments were received.

A summary of the comments is as follows:

1. **Comment:** Hearings should be held in community settings and multiple locations. Consider holding listening sessions at existing stakeholder meetings, such as an HRC meeting.

**Response:** We attempt to be inclusive in our public process. This feedback will inform the updates to the Citizen Participation Plan and the next Consolidated Plan. Federal regulations require an annual public hearing and 30-day comment period for the annual action plan. Public notices were placed in English and Spanish publications. Notification of the hearing and comment period was widely disbursed via email to housing/homeless/community development stakeholders by both OHCD and RIHousing.

2. **Comment:** The State budget includes \$500,000 for the R.I. Commission for Aging for the purpose of making modifications to private homes to support aging-in-place. Roger Williams University is developing a form book for accessory dwelling units. The speaker encouraged coordination between these efforts and the CDBG Housing Rehab Program.

**Response:** Participating municipalities develop their own Housing Rehab Programs designs, with the context of overall state and program requirements. Some municipalities coordinate CDBG funds with state funds for aging-in-place, when applicants are eligible for both programs. The state encourages coordination with other resources.



Grantee Unique Appendices

**SP-25 Priority Needs – 91.315(a)(2)**

TABLE 74 – PRIORITY NEEDS

Priority Need Code	Priority Need Name	Description	Priority Level	Basis for Relative Priority	Goals Addressing
1	Increased housing opportunities for low-to-moderate income households	The Needs Assessment finds that renter and homeownership housing that is affordable to households earning at or below 80% of AMI is substantially less than the number of households at this income level	High	The tables presented in section MA-15 Cost of Housing show shortages of affordable and available housing for the state's low-to-moderate income households that both own and rent. The greatest shortages occur among the state's extremely low income renters and owners.	1, 4, 7
2	Preserved affordability of the state's current stock of low-to-moderate income housing	The state currently has over 36,700 income-restricted affordable homes. Many of these affordable homes are at risk of losing this restriction as they reach the end of their period of affordability.	High	In the next five years alone, over 3,200 homes will end their initial housing tax credit compliance period, and will need to be preserved through negotiations with the current owners; many will require more investment. The state's public housing stock is at risk due to declining federal assistance, which has led to significant deferred maintenance and upgrade needs.	1, 3, 7
3	Rehabilitated foreclosed homes and properties	Many affordable housing programs prioritize foreclosed, blighted, or abandoned properties as part of proposals to develop affordable housing on existing lots. This strategy addresses multiple housing goals.	High	Over 16,000 homes (single family and apartments) have been foreclosed on since 2009, 3.5% of the state's housing stock. Currently, nearly 16,000 homes are vacant (per the ACS), while realtor information estimates that nearly 4,000 REO properties are on the market.	1, 3
4	An end to chronic homelessness	One of the goals of Opening Doors Rhode Island is to end chronic homelessness by 2015. The chronically homeless use a disproportionate share of state resources.	High	There were 954 chronically homeless individuals and 81 chronically homeless families in 2013, with smaller numbers (203 and 48, respectively) exiting homelessness.	2, 4
5	An end to homelessness among Veterans	Rhode Island has a large share of Veterans, from World War II to the most recent conflicts in the Middle East. No former service-member should experience homelessness (cooperation with the VA must improve to achieve this goal).	High	284 Veterans experienced homelessness in 2013, with 99 Vets leaving homelessness and 90 becoming homeless.	2, 4
6	Substantially decreased homelessness overall	Homelessness affects close to 4,000 Rhode Islanders every year. Children, the elderly, the mentally ill and the disabled are among those that experience homelessness annually.	High	The number of people becoming homeless per year (1,408) is still greater than the number the state is able to help leave homelessness (1,292). Overall, around 4,000 persons experience homelessness per year, 1,000 of those being children.	2, 4, 5

Priority Need	Priority Need Name	Description	Priority Level	Basis for Relative Priority	Goals Addressing
7	Addressing accessibility and housing conditions of the state's aging housing stock	Low income households and many susceptible sub-populations (elderly, disabled) face limited housing choice in older homes because of their low or fixed incomes. Many homes in which these households have little choice but to live are hazardous to their health and safety.	High	65,000 households are headed by a person 75 years of age or older (frail elderly). 35% of these households live alone, over half live in housing that is over 50 years old. 72% of owned-households and 81% of rented households were built before 1979, a total of over 310,000 households. Over 140,000 of these households have an income below 80% AMI. Over 134,000 households were built before 1939.	3
8	Elimination of lead-based paint hazards in households with children under 6 years of age	Research shows children under 6 are at the highest risk of irreversible damage as a result of elevated blood-lead levels.	High	Estimates show that 43,855 households live in housing built before 1979 and have at least one child under 6 years old. Analysis of Department of Health data on lead levels in the blood of children under the age of 6 showed that over 6% of the state's children at this age had ug/dl levels above 5.	3
9	Improvements to the state's infrastructure that is crucial to future housing development	Investments in key public infrastructure, such as roads, bridges, water supply, and wastewater treatment, is important to support the development of affordable homes and ensure that these homes are connected to jobs and services.	High	Economic development hurdles include a lack of water and sewer infrastructure outside of the urban core and the overall poor condition of the state's infrastructure (roads / bridges); limited developable land and the development constraints that exist for remaining land (e.g. brownfields and other environmental constraints), and funding threats to public transit services in and around Rhode Island.	6
10	Non-Housing Community Development investments in public services and facilities	Investments in neighborhood-based services and facilities, such as recreational facilities, roof replacements and handicap accessibility improvements at community buildings, walkability investments, as well as social, medical, educational and employment services.	High	Section NA-50: Non-Housing Community Development Needs lists the common needs shared among municipalities, including investments in aging mill villages, services to households and persons heavily affected by the recent recession, facility upgrades and improvements at commonly used public buildings in which community action agencies deliver important services.	6
11	Permanent Supportive Housing ("PSH")	The state has a goal of producing 548 units of permanent supportive housing in the next ten years, as part of the Opening Doors RI plan. PSH provides subsidized housing and supportive services on a permanent basis to those with chronic disabilities and extremely low incomes.	High	There are 17,325 households that are extremely low income and have at least one disability. Of the homeless in 2013 that did not stay in PSH, 1,500 had a disability. Only 1,700 units of PSH are currently operating in RI. BHDDH serves close to 8,000 persons through residential services and there are 3,000 persons on the waitlist for these housing opportunities, most of which would benefit from PSH upon leaving state care.	1, 3, 7
12	Removed Barriers to Fair and Affordable Housing	The preservation and development of affordable housing furthers fair housing by expanding housing choice. Other policy-related strategies are being developed to complement the expansion of affordable housing opportunities.	High	Barriers to fair and affordable housing include the lack of public utilities in non-urban areas, zoning and land-use controls that make multifamily or affordable housing development difficult, limited transportation in communities outside the urban core, high property taxes, inconsistent regulation and high construction costs.	7

## **AP-85 Other Actions – 91.320(j) (continued from IDIS)**

### **Actions planned to address obstacles to meeting underserved needs**

The state identifies the following as underserved populations that will be the subject of targeted interventions to provide more housing opportunities and services that prevent homelessness. Successes regarding the actions outlined here will be described in each program year's CAPER.

#### Youth aging out of foster care

Foster Forward, Rhode Island's leading advocacy organization for youth aging out of foster care, operates the Youth Establishing Self-Sufficiency program (YESS). Participants receive one-on-one advice and support from a self-sufficiency specialist, assistance locating safe and affordable housing, identifying employment, and/or enrolling in an educational program. They also receive guidance creating a tailored budget, and limited funds that help pay for housing and other living expenses (participants become increasingly responsible for their own housing expenses over time).

In 2017, YESS Aftercare will serve close to 300 participants. YESS participants live in a variety of settings, with the majority (53%) living with a supportive adult. This person is typically a former foster parent, extended family member, or other positive connection that has been identified by the participant. A quarter of the participants live in their own apartments, roughly 11% live in an apartment with a roommate, and the remaining 11% live in a dormitory or some other temporary living arrangement.

ASPIRE is a resource funded in part through the CYS contract that is available to any young person who experienced foster care on or after their 14th birthday, regardless of whether they aged out, were adopted, reunified with a biological parent, or moved to guardianship. ASPIRE helps young people impacted by foster care get on the path to financial independence. Through financial education and support in saving toward a purchase goal, the ASPIRE Initiative empowers youth-ages 14-26 to manage and save their money and become successful adults. ASPIRE participants receive:

- Nine hours of classroom-based, comprehensive financial education, tailored to the unique needs of young people in foster care
- \$100 toward the opening of an Individual Development Account (IDA), and a dollar-for-dollar match, up to \$1,000 per year, toward the purchase of such items as cars, education expenses, housing expenses, health expenses, and investments
- Additional financial education specific to transportation, housing, saving and investing, and education and training
- Access to financial coaching

#### De-institutionalized elderly and disabled

The State will continue to coordinate across agencies to permanently and adequately house de-institutionalized elderly and disabled.

Section 811 Project Rental Assistance: RI housing was awarded \$5.6 million in 2015 to administer the Section 811 Project Rental Assistance Program for RI, a project that provides renewable project based rental assistance for five years to affordable housing projects that serve extremely low income persons with disabilities, and targets de-institutionalized elderly and disabled populations. BHDDH will – through facilitation with owners of units, award rental assistance contracts – provide case management services, transportation and employment services, support for independent living skills training, mental health services and making connections to Medicaid via these services to the eligible populations. Through June of 2018, RIHousing has approved 70 units under this program, and is in the process of executing rental assistance contracts with additional developers in PY18. In total, the Section 811 Program will serve 150 households, 50 of which will be dedicated to high users of Medicaid, 50 for those in institutions ready for discharge with no housing and 50 for those who cannot sustain their housing.

Accessory dwelling units: The State has successfully advocated for the statewide accommodation for the development of accessory dwelling units (in-law apartments), on the site of single family owner-occupied dwellings, for disabled and elderly family members. Such a law prohibits municipalities from restricting in-law apartment development for this use. While the passage of these laws is an important step in allowing families to move their elderly or disabled family members to leave institutions into an affordable care setting, it is up to municipal officials (zoning boards of review, primarily) to recognize these laws. State agencies will work in PY18 to inform homeowners of their rights regarding in-law apartments and engage municipal stakeholders in the proper assessment of the law and to encourage, where applicable, the use of such in-law apartment development.

#### The re-entry of discharged prisoners into community settings

Facilitating the re-entry for persons leaving prison is a goal of Opening Doors Rhode Island, and is thus a shared goal of the 2015-2019 Consolidated Plan. Each subsequent year of this planning period, the state will provide updates on achievements relating to the provision of housing opportunities and the prevention or ending of homelessness for this population.

#### *Preventing homelessness*

Most of the work for re-entry is conducted through the local re-entry councils of which probation and parole staff takes the lead in creating. Homeless provider agencies and homelessness advocates participate to create the linkage between the discharge plans and the support systems in the community. They also report on-going housing issues of the re-entry population to the Chronically Homeless/High Need Individuals Committee of the Continuum of Care. Most persons are discharged to their families in temporary situations, so DOC discharge planners ensure that the person has access to all the local information related to housing, community programs and networking activities related to housing. They work with housing outreach workers to locate

affordable housing and the SOAR program to access SSI and SSDI. Targeting this population within DOC facilities helps divert many at-risk prisoners from homelessness upon release or shortly thereafter.

BHDDH operates the Transition from Prison to Community Program (TPCP), in conjunction with the Department of Corrections (DOC), the Rhode Island Parole Board. The program's substance abuse treatment providers have been working closely to assist in the transition of inmates back into their communities by providing/coordinating substance abuse services to those individuals who are eligible for parole and in need of services upon their release from the ACI. The Rhode Island Adult Drug Court has been in existence for about 11 years. Its purpose is to improve the quality of participant's lives in a timely and effective manner through substance abuse treatment, social services, and justice interventions, to help reduce the incidence of substance abuse among participants and decrease their involvement in the criminal justice system.

The Rhode Island Department of Corrections continued its work of transitioning offenders, near their releases from prison, with necessary services. Discharge Planners create transition plans, and also manage the service of a new Transition Center, a one-stop resource center where released offenders can access community-based and state service providers, receive clarification about probation and gain assistance with applications for public benefits.

OpenDoors, a private, Providence-based social service organization that helps inmates adjust to life after their release, will continue to sponsor in PY18 a program called the "9 Yards Program" that provides subsidized housing, educational training and workforce services for six months following prison release. The program is paid for with money from the Corrections Department, the Governor's Workforce Board and the Damiano Fund. 9 Yards participants recidivated back to prison less than those that did not participate in the program. The State funding of this program contributes to its goal of preventing homelessness of recently released prisoners.

**AP-90 Program Specific Requirements – 91.320(k)(1,2,3)**

## Emergency Solutions Grant (ESG)

(i) The State must either include its written standards for providing Emergency Solutions Grant (ESG) assistance or describe its requirements for its subrecipients to establish and implement written standards for providing ESG assistance. The minimum requirements regarding these standards are set forth in 24 CFR 576.400(e)(2) and (e)(3).

(i) Written Standards for providing Emergency Solutions Grant (ESG) assistance:

### 24 CFR 576.400(e)(3)(i) Policies for evaluation of individuals' and families' eligibility for assistance.

Individuals and families who meet HUD's definition of Homeless (as defined by HUD Homelessness Categories 1-4, see Appendix 1) are eligible to receive services through CHF. Generally, these include individuals and families who are:

1. Literally Homeless (living on the street or in emergency shelter)
2. Imminently Homeless (within 14 days)
3. Unaccompanied youth/families who meet other Federal homeless definition (must also meet additional criteria for HUD, similar to 2)
4. Fleeing/attempting to flee Domestic Violence

Household composition includes an individual living alone, family with or without children, or a group of individuals who are living together as one economic unit. In all cases a household must lack sufficient resources and support networks necessary to obtain or retain housing without the provision of CHF assistance in order to be program eligible. The type of CHF assistance for which an eligible household qualifies is determined by their homeless status. Program Participant Eligibility by program type is detailed in the table below:

Program Participant Eligibility by Program Type				
Program	Category 1	Category 2	Category 3	Category 4
Street Outreach	X			
Emergency Shelter	X	X	X	X
Rapid Rehousing	X			X
State Rental Assistance	X			X

Sub-recipients/Contractors are required to participate in and comply with the Continuum of

Care Coordinated Entry Process including utilizing standard COC assessment tools and protocols. The minimum eligibility process will include an initial phone or in person screening to determine whether or not the program participant meets one of HUD's categorical definitions of homeless. Eligibility determinations must be documented in client files and preferably through third-party documentation. Sub recipients may choose to utilize a different intake and assessment system for victims of domestic violence and other crimes where safety is a predominant concern.

Within the activity types eligible under the Consolidated Homeless Fund, there shall be additional participant eligibility criteria and recordkeeping requirements. These requirements are described in the "Recordkeeping" section in this document.

**24 CFR 576.400(e)(3)(ii) Standards for targeting and providing services related to street outreach.**

**Purpose**

Street Outreach should be principally focused to one goal: that of supporting persons experiencing homelessness in achieving some form of permanent, sustainable housing. CHF street outreach funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

Individuals and families shall be offered the following eligible Street Outreach activities, as needed and appropriate: engagement, case management, emergency health and mental health, transportation services (24 576.101).

**Target Population**

Providers of Street Outreach services shall target unsheltered homeless individuals and families, meaning those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

**Universal Assessment**

All individuals and families served through street outreach programs will be assessed using a comprehensive, universal assessment tool called the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT) in order to make an informed and objective decision on the level of need of each family and streamline eligibility determinations.

## HMIS

All CHF funded Street Outreach programs are required to enter clients in the Homeless Management Information System (HMIS) at first contact per the ESG and CoC Interim Rule (24 CFR 576 and 578). This helps to ensure coordination between service providers through the Coordinated Entry System (CES) while avoiding duplication of services and client data, and provides an opportunity to document homelessness.

## Coordinated Entry System

To help ensure homeless households receive immediate housing and minimize barriers to housing access, all individuals and families assessed through street outreach will be entered into RI's Coordinated Entry System (CES) through HMIS. CES is a CoC-wide process for facilitating access for all resources designated for homeless individuals and families. This system ensures that every homeless individual or family is known by name, provides assistance based on the individual or family's unique needs, and matches them to the most appropriate service strategy or housing intervention. In doing so, CES ensures the Pasadena Partnership's limited resources are allocated to achieve the most effective results.

### **24 CFR 576.400(e)(3)(iii) Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations.**

From Rhode Island's "Statewide Coordinated Access System for Homeless Services Policies and Procedures Manual"

Persons or families are eligible for emergency shelters if they are literally homeless people who cannot be diverted and with no other safe place to sleep, and are persons who can be safely accommodated in a shelter and do not present danger to themselves or others. Regional preference is given to service families/individuals from local areas.

The following is the intake and assessment system that evaluates the eligibility of persons that enter an emergency shelter, which can ultimately determine if they are eligible to stay in a bed in that shelter:

- Diversion Assessment - Any trained staff person may conduct the Diversion Interview and Assessment. If a household presents at or calls any shelter, housing, or other program and requests services to assist with a current or impending episode of homelessness, and that program has trained staff available, that program may serve as an "Assessment Entity", and will administer the Diversion Assessment upon initial contact. If the program does not have trained staff available, the program will immediately refer the household to an Assessment Entity or the Coordinating Entity and that entity will conduct or arrange the Diversion Assessment and Shelter Intake, if applicable, in person or by phone. The Assessment Entity will submit the Diversion Interview and Assessment Form and Shelter Intake Form, if applicable the Coordinating Entity.

- Eligibility and Referral Notifications - The Coordinating Entity will review the

Diversion Interview and Assessment Form and Shelter Intake Form, if applicable, and issue an Eligibility Decision and Referral Notification indicating for which services the applicant household is eligible and making a referral for indicated services. To ensure immediate access to emergency shelter, Assessment Entities may make direct referrals to Emergency Shelter, and Emergency Shelter programs may admit clients they determine eligible, if the client presents outside of the normal operating hours of the Coordinating Entity. In all other cases, all Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-Housing, and Permanent Supportive Housing programs may only accept referrals made by the Coordinating Entity or Universal Waitlist Committee.

- Next Step Assessments and Family SPDAT or VI -SPDAT- Next Step Assessments and the Family SPDAT or VI-SPDAT will be used to determine the intervention necessary to resolve homelessness for any household that remains literally homeless. The intervals at which Next Step Assessments/relevant SPDAT will occur will be dependent upon the location of the household as defined in this manual. Next Step Assessments will continue to occur at the specified interval, until the household is placed in permanent housing or otherwise resolves their homelessness.
- Program Admissions – All programs receiving referrals from the Coordinating Entity (i.e. “Receiving Programs”) will make a determination about whether or not the referred household can be accommodated based on the protocols defined in this manual. In instances in which the Receiving Program determines that they cannot accommodate a referred household, the Receiving Program will document the reason and refer the client back to the Coordinating Entity, and the Coordinating Entity will review the determination and issue another referral or schedule a case conference.
- Case Conferences - The Coordinating Entity will, at their discretion, require a case conference to review and resolve rejection decisions by receiving programs. The purpose of the case conference will be to resolve barriers to the client receiving the indicated level of service. The Coordinating Entity will also, at their discretion, require a case conference to review and determine next steps when a homeless individual or family residing in shelter or transitional housing refuses to engage in a housing plan or otherwise take steps to resolve his/her/their homelessness. The purpose of the case conference will be to discuss interventions used to date and resolve barriers to securing permanent housing.
- Transitional Housing Programs range in their length of stay averages from 4 to 8 months.

**24 CFR 576.400(e)(3)(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals’ and families’ needs for essential services related to emergency shelter:**

Essential Service Activities serve homeless individuals /families (according to HUD’s definition, 24 CFR 576.2). Households/persons served by these programs must lack a fixed, regular, and adequate nighttime residence, are unable to be served by other housing

programs or resources. CHF Providers shall exhaust all available options for diversion.

The Consolidated Homeless Fund Policies and Procedures Manual makes essential services available to homeless families or households only if the prior living location is determined to be one of the following: Street, Emergency Shelter, Motel (paid by non-profit), Domestic Violence Safe Home or Fleeing Domestic Violence. See Page 11 of CHF Policies and Procedures Manual to see the eligible prior living locations for all CHF programs.

- Essential services shall address the immediate needs of the homeless, helping them to become more independent and secure permanent housing.
- Essential services for homeless persons may also be operated in or provided by shelters, day centers, or meal sites that are designed to serve predominantly homeless persons.

The provision of essential services related excludes the following items:

- Any cost not directly associated with the supported activity.
- Advocacy, planning, and organizational capacity building
- Staff recruitment/training
- Any activities not detailed in the following pages are assumed to be

ineligible. Description of Essential Service Activities:

- Case Management - The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
- Child Care - The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
- Education Services - When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
- Emergency Health Services (Street Outreach ONLY) – Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical

professionals operating in community based settings, including streets, parks, and other places where unsheltered homeless people are living. Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

- Employment Assistance and Job Training – The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on the job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.

Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

- Street Outreach and Engagement – The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.

These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.

All providers funded under the Street Outreach activity will provide services to any unsheltered persons that desire to be engaged and provided services. When able, outreach workers shall target services and resources to those with perceived mental and/or physical health issues, so as to improve their access to resources that will improve the clients' safety and wellbeing.

- Legal Services – Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.

- **Life Skills Training** – The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
- **Mental Health Services** – Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. Funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- **Outpatient Health Services** – Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Funds may be used only for these services to the extent that other appropriate health services are unavailable within the community.
- **Substance Abuse Treatment Services** – Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.

Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

- **Transportation** – Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities.

**24 CFR 576.400(e)(3)(v) Policies and procedures for coordination among providers.**

The following is a list of responsibilities per provider, as outlined in the Coordinated Access System's Policies and Procedures Manual.

211 Call Centers - When 211 receives a call from someone experiencing a current or impending housing crisis, they provide referral services as per their usual protocols. If those services are determined by 211 to be inadequate to address an immediate or long-term housing need, and the caller is currently homeless or at-risk of homelessness, 211 will refer the caller to the closest Assessment Entity.

Assessment Entity – Any staff person at a human services agency who has completed the required assessment training may conduct the Diversion Interview and Assessment, the Shelter Intake, Next Step Assessment, and/or the VI or F-SPDATs. Any staff person at a human services agency who, on behalf of a homeless or at-risk household, submits to the Coordinating Entity one or more of the aforementioned forms carries the responsibilities of an Assessment Entity as described in this manual, including but not limited to:

- Submission of assessment forms to the Coordinating Entity
- Responding to requests by the Coordinating Entity for clarifying information
- Client notification of Eligibility and Referral Decisions
- Participation in case conferences
- Assisting clients in filing appeals

Coordinating Entity - The vendor selected to serve as the Coordinating Entity is responsible for the day-to-day administration of the Statewide Coordinated Access System, including but not limited to:

- Creating and widely disseminating outreach materials to ensure that information about the services available through the Statewide Coordinated Access System and how to access those services is readily available and easily accessible to the public
- Designing and delivering training at least annually to all key stakeholder organizations, including but not limited to the required training for Assessment Entities
- Maintaining and ensuring accessibility of a current list of all Assessment Entities across the state
- Ensuring the HMIS collects needed data for monitoring and tracking the process of referrals including vacancy reporting and completion of assessments
- Reviewing Diversion Assessments and issuing Eligibility Decision and Referral Notifications in compliance with the protocols described in this manual
- Managing case conferences to review and resolve rejection decisions by receiving programs and refusals by clients residing in emergency and transitional housing to engage in

a housing plan in compliance with the protocols described in this manual

- Managing an eligibility determination appeals process in compliance with the protocols described in this manual
- Managing a centralized waitlist for emergency shelter, program shelter, transitional housing and rapid re-housing in compliance with the protocols described in this manual
- Managing manual processes as necessary to enable participation in the Statewide Coordinated Access System by Providers not participating in HMIS
- Designing and executing ongoing quality control activities to ensure clarity, transparency, consistency and accountability for homeless clients, referral sources and homeless service providers throughout the coordinated access process.

As determined necessary by the State of RI Housing Resources Commission and the Rhode Island Statewide CoC Lead Agency, providing the supports necessary to:

- Periodically evaluate efforts to ensure that the Statewide Coordinated Access System is functioning as intended
- Make periodic adjustments to the Statewide Coordinated Access System as determined necessary
- Ensure that evaluation and adjustment processes are informed by a broad and representative group of stakeholders
- Update policies and procedures

Receiving Program - All Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-housing, and Permanent Supportive Housing programs are Receiving Programs and are responsible for reporting vacancies to the Coordinating Entity in compliance with the protocols described in this manual. All programs that receive a referral from the Coordinating Entity or Universal Waitlist Committee are responsible for responding to that Eligibility and Referral Decision and participating in case conference, in compliance with the protocols described in this manual. In addition, any Emergency Shelter program that admits a client who presents for services outside of the Coordinating Entity's hours of operation is responsible for compliance with the protocols described in this manual.

Rhode Island Statewide Continuum of Care (CoC) Lead Agency - The CoC Lead agency, in conjunction with the Housing Resources Commission, is responsible for oversight of the Statewide Coordinated Access System, including but not limited to:

- Issuing RFPs and selecting and contracting the Coordinating Entity vendor
- Monitoring vendor compliance with contractual obligations

- Leading periodic evaluation efforts to ensure that the Statewide Coordinated Access System is functioning as intended
- Leading efforts to make periodic adjustments to the Statewide Coordinated Access System as determined necessary
- Ensuring that evaluation and adjustment processes are informed by a broad and representative group of stakeholders
- Ensuring that the Statewide Coordinated Access System complies with all state and federal statutory and regulatory requirements.

Universal Waitlist Committee - Based on referrals received from the Coordinating Entity, and in compliance with the protocols described in this manual, the Universal Waitlist Committee will manage the wait list for Permanent Supportive Housing programs.

Primary Worker – The staff person indicated on the Diversion Interview and Assessment Form as having primary case management responsibility for the applicant household is the Primary Worker. The Primary Worker may be, for example, a street outreach worker, a shelter/transitional/rapid re-housing case manager, a mental health/medical case manager, or any other staff person responsible for providing care coordination services for the applicant. The Primary Worker will receive all Eligibility Decision and Referral Notifications from the Coordinating Entity and is responsible for:

- Making assertive efforts to notify the client of the eligibility and referral decision
- Obtaining clarifying information as necessary
- Ensuring that the client understands the decision and applicable next steps, including the client's right to appeal the decision
- Providing assistance to the client to participate in any scheduled intake appointments.
- Assisting clients in filing appeals

In cases in which the client has no pre-existing Primary Worker, the Assessment Entity shall fulfill that role.

State of RI Housing Resources Commission - As the administrator of the Consolidated Homeless Fund, the Housing Resources Commission in conjunction with the Rhode Island Statewide Continuum of Care Lead Agency is responsible for oversight of the Statewide Coordinated Access System, including but not limited to:

- Issuing RFPs and selecting and contracting the Coordinating Entity vendor

- Monitoring vendor compliance with contractual obligations
- Leading periodic evaluation efforts to ensure that the Statewide Coordinated Access System is functioning as intended
- Leading efforts to make periodic adjustments to the Statewide Coordinated Access System as determined necessary
- Ensuring that evaluation and adjustment processes are informed by a broad and representative group of stakeholders
- Ensuring that the Statewide Coordinated Access System complies with all state and federal statutory and regulatory requirements.

Standard (v) also requires coordination with mainstream services and housing providers for which ESG-funded activities must be coordinated and integrated to the maximum extent possible. The Program Type descriptions on pages 36 thru 46 of the Consolidated Home Fund Policies and Procedures Manual outlines how each program, as part of intake and triage, attempt to provide households and individuals that use emergency shelters with services that match them, if possible, with other mainstream and targeted homeless services.

**24 CFR 576.400(e)(3)(vi) Policies and procedures for determining and prioritizing which eligible families and individual will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.**

Model Eligibility/Entry Requirements -

Priority Populations for Service – used to establish admission priorities relative to other eligible applicants

All Program Models: No additional eligibility requirements can be applied beyond those required by funders or established as a Coordinated Access policy.

All eligibility requirements stipulated by funders will apply.

Permanent Supportive Housing: Must meet HUD definition of literally homeless (category 1) or have met that definition prior to entering transitional or other CoC assisted housing; Must include at least one family member with disabilities; If a designated Chronically Homeless bed, must meet HUD chronic homeless definition; Rhode Island resident for at least 6 months; Persons and heads of families who have been homeless (sheltered or unsheltered) for the longest period of time based on HMIS entry data

Persons and families with members that have high VI-SPDAT

scores Rapid Re-Housing must meet HUD's definitions of:

- Literally homeless (Category 1) (all CoC funded projects)
- Fleeing domestic abuse or violence (Category 4)
- Income below 30% of AMI
- Rhode Island resident for at least 6 months
- Newly and first time homeless individuals and families
- Households who are eligible for PSH but literally homeless and awaiting PSH placement

**24 CFR 576.400(e)(3)(vii-ix) Financial Assistance policies and procedures**

The Rapid Rehousing/Rental Assistance Program (RRH/RA) is intended to serve persons who are living in a Shelter (or on the street) or would enter a shelter BUT FOR THIS ASSISTANCE. Households eligible for Rapid Rehousing/Rental Assistance-funded financial assistance and/or services may be individuals and/or families. They MUST meet all of the following criteria:

- Shelter/Street Homeless - Homeless as defined by HUD (ONLY Category 1 & 4)

1. Literally Homeless

4. Fleeing/attempting to flee Domestic Violence (Only living in Safe Home, Shelter, or Place not meant for Human Habitation)

AND

- Resources: Household MUST have no other existing housing options, financial resources, or other support networks identified to avoid entering or prevent leaving shelter. (Clients that are deemed eligible under RRH/RA can retain \$1,000 in cash assets and one vehicle per adult household member (not to exceed more than two vehicles total per household).

- Sustainability: Clients must be likely to sustain housing once assistance ends. There is no minimum income requirement to enter the program and clients may receive longer periods of assistance (up to 24 months) to help build stability and independence.

- Intensive Case Management: No household can receive (or continue to receive) any assistance related to RRH/RA funds unless they have been assessed by an RRH/RA case manager and are receiving intensive case management (minimum of 2 visits a month, with at least one each month in the household's residence once housed).

- Housing Stabilization Plan: No household can receive (or continue to receive) any assistance related to RRH/RA funds unless they have created (and are abiding by) a Housing Stabilization Plan with their RRH/RA case manager or other authorized representative. Financial Counseling: The CHF suggests that households receiving state rental assistance and/or Rapid Rehousing receive Financial Counseling to ensure long-term success in their supported units.

If all criteria are met, then the following financial assistance is available:

Financial Assistance: Limited to short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, and moving cost assistance.

- Short-term rental assistance (3 months)
- Medium-term rental assistance (4 to 24 months)
- Security deposits

Reasonable moving cost assistance (CHF providers should consult with their CHF program representative to ensure that this requirement is met).

- Staffing and operating costs associated with implementing eligible financial assistance activities

Monthly rental assistance maximum will be based on that fiscal year's fair market rent, as measured by HUD. A clause about rent reasonableness also exists: Rent Reasonableness: Agencies MUST ensure that State Rental Assistance/RRH funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "Rent reasonableness" means that the total rent charged, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

**91.320(k)(3)(ii) For each area of the State in which a Continuum of Care has established a centralized or coordinated assessment system that meets HUD requirements, the State must describe that centralized or coordinated assessment system. The requirements for using a centralized or coordinated assessment system, including the exception for victim service providers, are set forth under 24 CFR 576.400(d).**

Under the requirements of the HEARTH Act, the Rhode Island Continuum of Care (RI CoC) is required to implement a centralized or coordinated assessment system. Coordinated assessment is a powerful tool designed to ensure that homeless persons are matched, as quickly as possible, with the intervention that will most efficiently and effectively end their homelessness. The vendor selected to serve as the Coordinating Entity will be responsible for day-to-day administration, including: ensuring that information about how to access services is easily accessible to the public; training all key stakeholders; ensuring the HMIS collects needed data; reviewing assessments and issuing eligibility and referral decisions; managing case conferences, eligibility determination appeals, a centralized waitlist, and manual processes to enable participation in the by providers not participating in HMIS; and designing and executing ongoing quality control strategies. The following overview provides a brief description of the path a homeless person would follow from an initial request for services through permanent housing placement and roles and expectations of the key

partner organizations. A complete description is contained in the detailed Policies and Procedures for the Statewide Coordinated Access System.

- o Initial Request for Services - Households in need of services to resolve a housing crisis may initiate a request through the 211 Call Center or any Assessment Entity.
- o ASSESSMENT ENTITY – Any human services agency with a staff trained to complete the required assessments, may submit assessments to the Coordinating Entity on clients' behalf.
- o Diversion Assessment – The assessment explores possible housing options to avoid shelter entry and assesses the type of intervention that is most appropriate to meet a household's housing needs. It is required prior to shelter admission and submitted to the Coordinating Entity.
- o Shelter intake - If a household cannot be diverted from homelessness, the Shelter Intake assesses basic needs and captures HMIS required data elements. It is required for all shelter admissions and submitted to the Coordinating Entity. All clients placed in Emergency Shelters, with the exception of Emergency Winter Shelter, will retain their bed assignments until they exit shelter either through a planned placement or through arrangements made on their own
- o Eligibility and Referral Notifications - The Coordinating Entity reviews assessment forms and issues decisions indicating the services the applicant household is eligible for and making a referral for the indicated services.
- o Primary worker - The staff person indicated on the Diversion Assessment as having primary case management responsibility for the applicant household (e.g., a street outreach worker, a shelter/transitional/rapid re- housing case manager, a mental health/medical case manager) receives all Eligibility Decision and Referral Notifications from the Coordinating Entity and is responsible for: notifying the client, obtaining clarifying information, ensuring that the client understands the decision and next steps, providing assistance to participate in any scheduled appointments and in filing appeals. In cases in which the client has no pre-existing Primary Worker, the Assessment Entity fulfills that responsibility.
- o Vacancy Tracking - The Coordinating Entity will manage a centralized vacancy tracking system for all Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-housing, and Permanent Supportive Housing programs and will make referrals to appropriate vacant beds when available.
- o Waitlist Management – The Coordinating Entity will manage a centralized waitlist for emergency shelter, transitional housing and rapid re-housing, prioritizing households based on priorities described in the policies and procedures. The Universal Waitlist Committee will manage a centralized wait list for all Permanent Supportive Housing. Households that have been continuously, literally homeless for the longest period of time will be prioritized for permanent supportive housing placement. Scores on the Vulnerability Index will be used as an additional filter to determine waitlist placement.

- o Next Step Assessments and Family SPDAT or VI -SPDAT- Next Step Assessments and the Family SPDAT or VI-SPDAT will be used to determine the intervention necessary to resolve homelessness for any household that remains literally homeless. Next Step Assessments will continue to occur and be submitted to the Coordinating Entity at specified intervals, until the household is placed in permanent housing or otherwise resolves their homelessness.
- o Program Admissions –Emergency Shelter programs may admit clients they determine eligible outside of business hours. In all other cases, programs may only accept clients referred via the Statewide Coordinated Access System. Receiving Programs may only decline households under limited circumstances, such as, there is no actual vacancy available, the household presents with more people than referred, or, based on their individual program policies and procedures, the program has determined that the household cannot be safely accommodate. The Coordinating Entity will review the determination and issue another referral or schedule a case conference.
- o Case Conferences – When needed, the Coordinating Entity will convene a case conference to resolve barriers to the client receiving the indicated level of service. The Coordinating Entity may also require a case conference to review and determine next steps when a homeless household refuses to engage in a housing plan or otherwise take steps to resolve their homelessness.
- o Appeals: All clients shall have the right to appeal eligibility determinations issued by either the Coordinating Entity or any Receiving Program.
- o Those experiencing or at risk of domestic violence/abuse When a homeless or at-risk household is identified by 211 or an Assessment Entity to be in need of domestic violence services, that household will be referred to the 24 Hour Domestic Violence Helpline. If the household does not wish to seek or is not able to obtain DV specific services, the household will have full access to the Statewide Coordinated Access System.

#### BOARD DECISIONS

- Require participation in the Coordinated Access System for all Receiving Programs funded by ESG, the RI CoC, Road Home, State Consolidated Homeless Fund, and State Rental Assistance.
- Require that participating programs adhere to the Policies and Procedures for the Statewide Coordinated Access System.

## **Community Development Block Grant Program (CDBG)**

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed - Zero
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan - Zero
3. The amount of surplus funds from urban renewal settlements - Zero
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan - Zero
5. The amount of income from float-funded activities - Zero

**Total Program Income - Zero**

### **Other CDBG Requirements**

1. The amount of urgent need activities – Zero
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income – Seventy Percent (70%)

**Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income.**

**Expected Amounts of PY18 Municipal CDBG Program Income**

1-Jul-18

City/Town	Expected PI Amount	Activity	Nat Obj	Contact Person	Email
Burrillville	37,964.60	Housing Rehab Loan Prog	LMI Housing	Chris Langlois	<a href="mailto:clanglois@burrillville.org">clanglois@burrillville.org</a>
Central Falls	185,154.00	CDBG Reallocated (Mix of activit	Area Benefit	Renata Robles	<a href="mailto:Rrobles@CentralFallsRI.US">Rrobles@CentralFallsRI.US</a>
Church Community	218,877.93	Residential Rehab	LMI Housing	Rebecca Polan	<a href="mailto:rpolan@cchcnewport.org">rpolan@cchcnewport.org</a>
Exeter	2,855.76	Residential Rehab	LMI Housing	Alice Buckley	<a href="mailto:abuckley@washingtoncountycdc.org">abuckley@washingtoncountycdc.org</a>
Glocester	219,627.73	Residential Rehab	LMI Housing	Diane Wrona	<a href="mailto:DianeWrona@glocesterri.org">DianeWrona@glocesterri.org</a>
Hopkinton	15,638.05	Residential Rehab	LMI Housing	Alice Buckley	<a href="mailto:abuckley@washingtoncountycdc.org">abuckley@washingtoncountycdc.org</a>
Narragansett	164,159.63	Residential Rehab	LMI Housing	Alice Buckley	<a href="mailto:abuckley@washingtoncountycdc.org">abuckley@washingtoncountycdc.org</a>
North Kingstown	133,790.42	Residential Rehab	LMI Housing	Alice Buckley	<a href="mailto:abuckley@washingtoncountycdc.org">abuckley@washingtoncountycdc.org</a>
North Smithfield	59,322.00	Residential Rehab	LMI Housing	Tom Kravitz	<a href="mailto:tkravitz@nsmithfieldri.org">tkravitz@nsmithfieldri.org</a>
West Greenwich	15,487.22	Residential Rehab	LMI Housing	Alice Buckley	<a href="mailto:abuckley@washingtoncountycdc.org">abuckley@washingtoncountycdc.org</a>
West Warwick	5,864.70	Business Assistance	Area Benefit	Elaine Mansour	<a href="mailto:emansour@westwarwickri.org">emansour@westwarwickri.org</a>
Westerly	23,540.00	Residential Rehab	LMI Housing	Lisa Pellegrini	<a href="mailto:lpellegrini@westerlyri.gov">lpellegrini@westerlyri.gov</a>

### **HOME Program**

The state's HOME program awards funding for the purpose of acquisition, rehabilitation and new construction of affordable housing. There is a cap of 10% of the HOME award plus program income to use on administration of the program. This amounts to \$301,697 as the cap on administration. Additionally, in line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO). Finally, there is a cap of 5% of the HOME award that can be allocated toward CHDO operating assistance.

**NOTE:** See the full PY18 HOME Annual Action Allocation Plan in the Grantee Unique Appendix

#### Selection criteria and relative importance:

Direct homeownership assistance, down payment and closing cost assistance, which do not include housing development, are not among priorities of the HOME Program.

Due to program requirements, eligible CHDO applicants will receive preference in funding rounds to assist RIHousing in meeting its annual set-aside goals.

Rhode Island priorities include three Tiers found below.

#### 1) Tier 1 / High Priorities:

- a) Substantial rehabilitation and/or new construction to provide new rental units for low and very low-income families;
- b) Substantial rehabilitation and/or new construction to provide new homeownership opportunities for low-income families;
- c) Substantial rehabilitation and/or new construction of new housing units for homeless and special needs populations (as defined in the Consolidated Plan), in conjunction with supportive services.

#### 2) Tier 2 / Medium Priorities:

- a) New construction to provide new rental units for low and very-low income one and two-person households;
- b) Preservation of the existing affordable housing stock through rehabilitation. (Properties eligible for assistance under 24 CFR 248 "Prepayment of Low Income Housing Mortgages" are ineligible for HOME funds)

#### 3) Tier 3 / Low Priorities:

- a) Moderate rehabilitation of rental units for low and very low-income households throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families;
- b) Acquisition only for the purposes of any of the above-mentioned activities.

#### Selection Criteria and Relative Importance:

Scoring of applications is based on the following factors:

Scoring Factor	Total Possible Points
<u>Meeting Program Priorities</u> : The extent to which the proposal addresses one or more of the HOME Program Priorities outlined below (Tier 1 priorities=30 points; Tier 2 priorities=25 points; Tier 3 priorities=20 points)	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities</u> : Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match</u> : Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand</u> : Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project</u> : Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10
<u>Design and Construction Standards</u> : Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation</u> : Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity</u> : HOME funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket (entitlement communities), which receive HOME allocations directly from HUD. Entitlement communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity. Priority will be given to non-entitlement communities who have yet to meet or exceed State requirements that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> <li>•accessibility to transit (1 point);</li> <li>•accessibility to employment centers (1point);</li> <li>• accessibility to high performing schools (1 point);</li> <li>• accessibility of community services (1 point)</li> </ul>	5
<u>Duration of Affordability</u> : Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HOME affordability varies dependent on project type and level of HOME investment. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State</u> : Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits</u> : Preference for underserved segments of the population as defined in the State's Consolidated Plan	5
<u>Additional Merits</u> : Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5

<u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
<b>TOTAL</b>	130

Resource allocation by funding category

Of the total grant award for PY17, 10% will go to project administration and a maximum of 5% will be held to support Community Housing Development Organizations (CHDO) operating expenses.

Of the balance, we estimate that 80% will go to rental housing production or rehabilitation with the remaining 20% going to homeownership projects, though the distribution between rental and homeownership is a projection based on prior applications and awards. There is no set-aside for either rental or homeownership.

Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility. Applications are scored based upon the criteria shown later in this section. Rhode Island Housing staff reviews each proposal and recommends funding of specific activities to the Board of Commissioners. Contracts are then awarded by Rhode Island Housing to HOME sponsors. Since funds are awarded on the basis of competitive applications, it is not yet possible to identify which specific groups will be assisted during the upcoming 2017 program year.

In line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO). These organizations will receive preference in the application process.

**Funding Categories:**

- HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent (20%) of the units must be rented to very low-income families.
- HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. An additional extended use restriction may also be added, at the discretion of the PJ. HOME-assisted homebuyer housing is also subject to Rhode Island Housing Resale and Recapture Policies.

Threshold factors and grant size limits

For an application to be moved forward through the scoring process it must meet and/or exceed the following requirements:

- A complete application including all attachments submitted on or before the application deadline;
- Application contains a description of eligible activities to be conducted with HOME funds and applicant is an eligible entity meeting all HUD regulations for the HOME program as published in the Federal Register at 24 CFR Part 92.205;
- Proposed assistance amounts to a minimum of \$1,000 per unit
- Project must meet at least one program priority, as described in the section titled "Rhode Island Program Priorities"
- Project is consistent with the HOME income targeting rule at §92.216-217);
- The development team must have experience in the successful development and operation of affordable housing of similar scope and complexity;
- The development must demonstrate financial feasibility for the duration of the affordability period and have a reasonable likelihood of feasibility for the entire term of financing;
- The development must have a demonstrated probability of achieving sustainable occupancy of 95% within six months of construction completion and 100% occupancy within eighteen months of project completion;
- Construction must demonstrate a probability that it will commence within six months of firm reservation of funding and be completed within twenty-four months of commitment/closing

Pursuant to 24 CFR 92.250, all HOME grantees must establish maximum limitations on the total amount of HOME funds that the grantee may invest per-unit for development of non-luxury housing. The limits must be "reasonable" and based on actual costs of developing non-luxury housing in any given geographical area. Each grantee must submit maximum per-unit development subsidy amounts and accompanying justification with its HOME Allocation Plan on an annual basis.

**Maximum HOME investment:** Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing participation jurisdictions ("PJs") to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose high cost percentage has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.

What are the outcome measures expected as a result of the method of distribution?

Estimated goal outcome indicators include: Rental units constructed 20, rental units rehabilitated 20, homeownership units constructed 4, homebuyers assisted in the purchase of HOME-assisted housing 4.

Performance measures information: In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, Rhode Island Housing evaluates HOME Program investment using the IDIS Outcome Performance Measurement System.

The HOME Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units and homeownership opportunities. The HOME Program outcome is Affordability.

**Rhode Island State HOME Program PY2018 Action Plan**  
***(Effective 7/1/2018 thru 6/30/2019)***

**Program Administration**

The HOME Investment Partnerships Program (HOME) is provided as a formula grant to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households<sup>1</sup>.

Administrative expenditures for the HOME program are capped at 10% of the total fiscal year HOME award. Rhode Island Housing incurs administrative costs at the minimum necessary to cover overall program administration as well as those of eligible sub-recipients. In addition, up to 5% of the fiscal year HOME award can be expended to pay reasonable operating expenses of eligible Community Housing Development Organizations (CHDO), subject to further regulatory limitations.

Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility. Applications are scored based upon the criteria shown later in this section. Rhode Island Housing staff reviews each proposal and recommends funding of specific activities to the Board of Commissioners. Contracts are then awarded by Rhode Island Housing to HOME sponsors. Since funds are awarded on the basis of competitive applications, it is not yet possible to identify which specific groups will be assisted during the 2018 program year.

The state does not plan to limit the beneficiaries of HOME funding to a particular segment of the low-income population. A preference is given to families over non-family households in that housing that would assist families over non-families receive a minor scoring factor preference, per the first scoring

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<sup>1</sup> To learn more about the HOME program and the 2013 Final Rule, visit the HUD Exchange at: <https://www.hudexchange.info/programs/home/>.

factor. Family housing is a high priority while housing for a one or two-person household is a medium priority. Additionally, preference is given to special needs groups, as defined in the Consolidated Plan.

**Funding Categories:**

At least 15% of all non-administrative or CHDO operating related expenses will be awarded to eligible CHDO sponsored, developed, or owned projects.

- HOME-assisted rental projects.
  - HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent (20%) of the units must be rented to very low-income families.
  - HOME-assisted rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. Additional restricted use periods may be included at the discretion of Rhode Island Housing.
  - HOME-assisted homebuyer housing is also subject to Rhode Island Housing Resale and Recapture Policies.
- HOME-assisted homeownership projects.
  - HOME-assisted ownership units must have a sales price that does not exceed the applicable HOME sales price limits. Each year, HUD publishes the applicable HOME sales price limits by area, adjusted for number of units and if it is a rehabilitated or new construction unit. All projects must be affordable to households earning between 70-80% AMI and should be priced accordingly using Rhode Island Housing's Purchase Price Calculator.
  - HOME-assisted ownership units must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. Additional restricted use periods may be included at the discretion of Rhode Island Housing.
  - HOME-assisted homeownership units are subject to Rhode Island Housing Resale and Recapture Policies.
- HOME Homebuyer Assistance.
  - If a HOME-assisted unit is resold to an income-eligible buyer, Rhode Island Housing may subsidize that buyer to make the unit affordable under the Rhode Island Housing Resale and Recapture Policy
  - HOME funds invested in homebuyer assistance are subject to existing subsidy limits and include the current investment and any previously made HOME-investments in the development of the unit.
  - Applications for this type of assistance are accepted on a rolling basis.
- CHDO Operating Assistance
  - No more than the greater of \$50,000 or 50% of an organization's operating budget may be awarded to the organization in any given year.
  - The organization must be CHDO certified to receive operating funds and either be 1/developing, sponsoring, or owning a CHDO-reserve funded project or 2/ apply for HOME funds to develop, sponsor, or own a CHDO-reserve funded project within 24 months of receiving operating assistance.
  - Applications for this type of assistance are accepted on a competitive basis with each funding round.

- HOME Program Administration
  - To be used for eligible administrative expenses for Rhode Island Housing’s operating of the HOME Program.
  - Funding will not exceed 10% of the annual allocation and 10% of any eligible Program Income.

<b>Total Allocated 2018 Grant</b>	<b>\$3,723,228</b>
Administration (10%)	\$ 372,323
CHDO Operating Expenses (maximum of 5%)	\$ 186,161
CHDO Reserve Funding	\$558,484

**Estimated Project Funds Available** **\$3,164,744**

A total of just over \$3 million will be available for project funding. We estimate that 80% will go to rental housing production or rehabilitation with the remaining 20% going to homeownership projects and homebuyer assistance, though the distribution between rental and homeownership is a projection based on prior applications and awards. There is no set-aside for either rental or homeownership. At least \$558,484 will be reserved for projects owned, sponsored, or developed by CHDOs.

**Geographic Distribution of Funds**

Funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. However, applicants from these three communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity and the City can document that it has obligated all the funds it had previously budgeted for that activity. The geographic areas of the State where 2017 funds will actually be expended have not yet been identified. However, Rhode Island Housing has made rehabilitation of foreclosed and abandoned properties a priority which tends to concentrate funding in the larger, older core cities. On the other hand, the scoring system favors communities with the lowest percentage of affordable housing units to encourage a more equitable distribution of affordable housing throughout the State.

**Application Process**

Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility.

All applicants must submit sources and uses, operating budgets (if rental), a trending pro forma matching the corresponding affordability period in addition to their own financial audit, evidence of site control, detailed construction/rehabilitation budget, flood zone maps, evidence of market demand, tenant/buyer selection policies and affirmative marketing plans. Incomplete applications will not be considered for funding. Applications, Requests for Proposals, Informational Documents and Developer Resources for the HOME Program are available online at <http://www.rhodeislandhousing.org/sp.cfm?pageid=570>

Applications are scored based upon the criteria shown in the section below. Rhode Island Housing staff recommends funding of specific activities to the Board of Commissioners. Upon preliminary commitment by the Board of Commissioners, Rhode Island Housing staff will assess program readiness to proceed, complete underwriting and cost reasonableness analysis and submit the project back to the

Board of Commissioners for final commitment. HOME Commitments will then be formally awarded by Rhode Island Housing to HOME sponsors in the form of an executed HOME Agreement.

We will host two (2) competitive rounds per program year – one as part of the Low Income Housing Tax Credit application process and an additional one as part of a joint application with other Ancillary Funding programs (such as National Housing Trust Fund, Thresholds, etc.). Additional rounds may be held if there are remaining project funds not yet committed. Applicants not funded in one round are encouraged to re-apply in subsequent rounds.

Funds will only be committed to proposals ready for construction or implementation within six (6) months of project closing.

Rhode Island Housing will make available notices of funding availability and requests for proposals on its website on the homepage of <http://www.rhodeislandhousing.org/> and through its requests for proposals page at <http://www.rhodeislandhousing.org/sp.cfm?pageid=442>. Rhode Island Housing will also directly contact developers via email about of availability and requests for proposals.

#### **Evaluation Criteria and Scoring System**

##### Minimum Requirement Thresholds

For an application to be moved forward through the scoring process it must meet and/or exceed the following requirements:

- A complete application including all attachments submitted on or before the application deadline;
- Eligible activities are proposed by an eligible entity meeting all HUD regulations for the HOME program as published in the Federal Register at 24 CFR Part 93.200-93.205;
- Any project proposing to use HOME funds to acquire property from the RI Housing Land Bank will not move forward to the scoring process, as this is not an eligible use of RI HOME funds.
- Proposed assistance amounts to a minimum of \$1,000 per unit
- Project is deemed feasible as presented;
- Cities and towns applying for funding must demonstrate a commitment to the creation and preservation of affordable housing, evidenced by Community Development Block Grant (CDBG) Budget proposed or committed over the span of three years;
- The project submission meets all Construction and Rehabilitation Guidelines (see description below); and
- Project will begin within six (6) months of Commitment.

##### Rhode Island Program Priorities

Select which program priority category your project falls under. Direct homeownership assistance, down payment and closing cost assistance, which do not include housing development, are not among priorities of the HOME Program.

##### 1) High Priorities:

- a) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for very low-income families;
- b) Acquisition and/or substantial rehabilitation and/or new construction to provide homeownership opportunities for low-income families;
- c) Acquisition and/or rehabilitation and/or new construction of housing units for homeless and special needs populations in conjunction with supportive services.

- 2) Medium Priorities:
- Preservation of the existing affordable housing stock through rehabilitation, acquisition, or other eligible assistance. (Properties eligible for assistance under 24 CFR part 248, "Prepayment of Low Income Housing Mortgages" are ineligible for HOME Program assistance);
  - Acquisition and/or rehabilitation and/or new construction to provide units for low and very-low income one and two-person households;
  - Acquisition, and/or rehabilitation and/or new construction to provide rental units for low and very low-income elderly residents.
- 3) Low Priorities:
- Moderate rehabilitation of rental units for low and very low-income families (as defined by HUD) throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families;
  - Funds used to create additional affordable housing units to assure no net loss of units as a result of demolition, conversions to homeownership, prepayment or voluntary termination of State or federally assisted mortgages.

Selection Criteria and Relative Importance:

Scoring of applications is based on the following factors:

Scoring Factor	Total Possible Points
<u>Meeting Program Priorities:</u> The extent to which the proposal addresses one or more of the HTF Program Priorities outlined below (High priorities=30 points; Medium priorities=25 points; Low priorities=20 points;	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities:</u> Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match:</u> Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand:</u> Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project:</u> Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10
<u>Design and Construction Standards:</u> Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation:</u> Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity:</u> HOME funding is available to all communities in the State. Priority will be given to communities that have yet to meet or exceed State goal that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> <li>•accessibility to transit (1 point);</li> <li>•accessibility to employment centers (1point);</li> <li>• accessibility to high performing schools (1 point);</li> </ul>	5

• accessibility of community services (1 point)	
<u>Duration of Affordability:</u> Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HOME affordability is 30 years. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State:</u> Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits:</u> Preference for underserved segments of the extremely-low income population as defined in the state's Consolidated Plan	5
<u>Additional Merits:</u> Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5
<u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
<b>TOTAL</b>	<b>130</b>

### Performance Measures

In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, Rhode Island Housing evaluates HOME Program investment using the IDIS Outcome Performance Measurement System.

The HOME Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units and homeownership opportunities. The HOME Program outcome is Affordability.

### Community Housing Development Organizations (CHDOs):

Definition: A Community Housing Development Organization is a nonprofit housing organization that meets the definition at 24 CFR 92.2. In summary, it must meet the following requirements:

- A tax exempt ruling from the IRS under 501(c).
- Does not include a public body.
- Is not sponsored by a for-profit entity whose primary purpose is the development or management of housing.
- Meets standards of financial accountability.
- Includes as one of its objectives the goal of providing affordable housing.
- Accountability to the lower income community with one-third of its board members representing low-income neighborhood organizations, or who are residents of low-income neighborhoods.
- Demonstrated capacity to develop housing.
- History of serving the community for at least one year.

Funding: In line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO)<sup>2</sup>.

<sup>2</sup> For more information on becoming or recertifying as a CHDO in Rhode Island, please utilize the checklist found here: <http://www.hud.gov/offices/cpd/affordablehousing/training/web/chdo/characteristics/chdocheck.pdf>.

This amount is commonly referred to as the "CHDO set-aside." Although 15% of the grant will be reserved for activities proposed by CHDOs, a substantially greater portion of the funding has historically been committed for projects developed by CHDOs.

Rhode Island Housing requires documentation of CHDO development staff capacity. Capacity must reside within the paid staff of the CHDO and not with consultants, volunteers or board members. Rhode Island Housing has a stable cadre of CHDOs that has developed the majority of affordable housing in the state over the past twenty years.

Based upon unit production, up to five percent (5%) of the HOME allocation may be awarded to CHDOs to assist with their organizational operating expenses.

Coordination:

Rhode Island Housing maintains a database of all nonprofit housing organizations, social services agencies and many for-profit developers and provides notice of the availability of funds under the HOME program. Technical assistance and predevelopment funding will be available to organizations that meet the CHDO definition. Rhode Island Housing will encourage their participation and will work with CHDOs to help them understand the regulations and submit competitive applications. CHDOs apply for funds in the general competition and may apply for any eligible activity. Although 15% of the funding has been reserved for activities proposed by CHDOs, it is possible that they could receive a substantially greater portion of the funding depending on the competition.

**Maximum per-unit development subsidy amounts for HOME projects**

Pursuant to [24 CFR 93.300\(a\)](#), all HOME grantees must establish maximum limitations on the total amount of HOME funds that the grantee may invest per-unit for development of non-luxury housing. The limits must be "reasonable" and based on actual costs of developing non-luxury housing in any given geographical area. Each grantee must submit maximum per-unit development subsidy amounts and accompanying justification with its HOME Allocation Plan on an annual basis.

Maximum HOME investment: Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing PJs to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and [24 CFR 92.250\(a\)](#), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose high cost percentage (HCP) has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.

**Resale/Recapture**

The State may make HOME funds directly available for first-time homebuyers (see program priorities) to assist in making an existing HOME-assisted homeownership unit affordable to an income-eligible buyer

between 70-80% AMI. Any project that develops homeownership housing will include the current Rhode Island Housing HOME Investments Partnership Program Resale and Recapture Policy (see Grantee Unique Appendix) in the deed restriction that accompanies the income restriction and affordability period required in purchasing the home.

#### **Construction/Rehabilitation Guidelines**

It is Rhode Island Housing's expectation that all project sponsors will retain an architect/engineer and/or cost estimator to prepare architectural plans and estimated project costs. Rhode Island Housing's reviewing construction staff will evaluate all design and scope documentation to determine whether the proposed project will meet various program requirements as well as all applicable local, state, and federal regulations. RIH's construction staff also will review the documentation to ensure that the project conforms to these construction and rehabilitation guidelines.

One of the objectives in making HOME subsidy awards available is to produce developments of quality construction and livable design that will enhance the communities in which they are built. All developments to be financed through Rhode Island Housing's HOME program must meet the requirements set forth in Rhode Island Housing's Design and Construction Guidelines, and shall be consistent with the design elements and philosophy of Rhode Island Housing's Comprehensive Community Design Initiative.

All Rhode Island Housing developments funded through the State Home Investment Partnerships ("HOME") Program, State Housing Trust Fund ("HTF") Program and Rental Housing Production Program must adhere to these Standards. See Attachment B: Design and Construction Guidelines.

In both rehabilitation and new construction, the completed housing must meet all applicable state and local codes, ordinances, and requirements. In addition, the completed housing must meet Uniform Physical Condition Standards (UPCS) for the site, building exterior, building systems and common areas, and must comply with HUD 24 CFR Part 35 with respect to lead-based paint hazards.

#### **Homeownership Value Limits**

Because direct homeownership assistance, such as down payment and closing costs assistance, is not a priority of the Rhode Island HOME Program, the Corporation anticipates funding homeownership only by funding developers to produce and sell homes to qualified buyers.

Rhode Island Housing provides HOME funds to developers of for-sale homeownership properties. After resale value (ARV) is established using comparable sales to provide an estimate of value. Rhode Island Housing ensures that the purchase price of properties developed with HOME funds does not exceed 95 percent of the median purchase price for the area as established by HUD.

In Section 92.254(a)(2)(iii) of the Final Rule published on July 24, 2013, HUD established new homeownership value limits for HOME Participating Jurisdictions (PJs). This new Rule was effective August 23, 2013.

The initial maximum sale price and any subsequent sales of the property during the Affordability Period shall be as directed by HUD at 24 CFR 92.254 and reflected in the Corporation's most recent Annual Action Plan, HOME Agreement, Resale and Recapture Policies, and HOME Homebuyer Agreement approved by HUD.

#### **American Dream Down Payment Initiative (ADDI):**

No ADDI loans were made in PY 2017 and no ADDI loans will be made in PY2018, as Rhode Island Housing no longer has remaining ADDI funds. Rhode Island Housing had established a low-income, first-time homebuyers program that utilizes ADDI funds as well as Corporation funds. ADDI and Corporation funds are used to provide down payment and closing cost assistance and, beginning with FY 2004 ADDI funds, home repair costs for qualifying homebuyers. ADDI funds assist homebuyers whose incomes do not exceed 80% of area median, Corporation funds assist those homebuyers whose incomes exceed 80% of area median but do not exceed 115%. ADDI and Corporation funds assist only those homebuyers purchasing homes from nonprofit affordable housing developers.

#### **Forms of Investment**

HOME funds may be awarded in the form of equity investments, interest bearing loans or advances, non-interest bearing loans or advances, interest subsidies, deferred payment loans and grants. Funds awarded to CHDOs for technical assistance or seed money will be in the form of a zero interest loan repayable upon receipt of construction or permanent financing. Applications for loans will receive extra credit in the rating system as indicated above.

#### **Affirmative Marketing**

The HOME Program will be administered by Rhode Island Housing in accordance with the requirements of regulations at 24 CFR Part 92.351 and 92.350 with regard to the affirmative marketing requirements and the use of Minority Business Enterprises and Women's Business Enterprises. Cities and Towns awarded funds as sub-recipients will be obligated to comply with these procedures and will be responsible for enforcing compliance with regard to participants in their programs. Rhode Island Housing will monitor local programs to ensure the implementation of program requirements.

All other agencies funded under the HOME program, except Public Housing Authorities, must agree to comply with the procedures required by the regulations. Owners of properties with 5 or more housing units must take actions to attract eligible persons from all racial, ethnic and gender groups and must comply with the following affirmative marketing procedures. Rhode Island Housing will provide all sub-recipients and grantees with a copy of its written affirmative marketing policy and information with regard to fair housing law.

- All owners must make every effort to reach "those least likely to apply" for housing vacancies. A list of minority media outlets is provided to owners who also advertise in schools, churches, community centers, and directly to other nonprofit agencies, particularly shelters and transitional housing groups.
- All outreach efforts will be language-appropriate and every effort will be made by agencies to be physically accessible to all groups. All notices, advertisements, and communications shall contain equal housing and handicapped accessibility logos. To solicit applications from those least likely to apply, owners will be required to send a letter to organizations on an outreach list prepared by Rhode Island Housing. The letter shall state the owner's fair housing policy and encourage minority households to apply. If there is an inadequate response, vacancies may be made available through radio announcements or by speaking to community groups. To notify handicapped persons of the availability of units, a letter must be mailed to organizations that serve the handicapped.

#### **Monitoring and Record Keeping**

Upon approval of an application, the applicant shall enter into, execute, deliver and provide RIH with such documents, instruments, and further assurances, as RIH deems necessary to assure compliance with the HUD regulations. The Agreement shall remain in effect for the period of affordability or, if the applicant is a "Sub-recipient", during any period of that the applicant has control over HOME program Funds. At a minimum, the Agreement shall contain provisions concerning items concerning all items in accordance with the requirements of HUD regulations together with such other requirements as Rhode Island Housing may require. The Agreement will include the method of enforcement by Rhode Island Housing or the intended beneficiaries. The Agreement will specify remedies for breach of the provisions of the Agreement.

To insure compliance with the requirements of HUD and Corporation Regulations, Rhode Island Housing will conduct on-site inspections and financial oversight in accordance with 92.504. The Loan Servicing and Asset Management Department will conduct annual file reviews and on-site property inspections. The assigned sends each HOME unit sponsor a request letter for copies of files for the file review and to arrange an appointment to conduct the inspection. If the unit fails on-site inspection, then a discussion with the owner takes place to address repairs noted that would be necessary to bring the unit up to the standard, and these deficiencies and corrections are included in each year's CAPER. The on-site property inspections measure compliance with state and local building codes, accessibility, disaster mitigation, health and safety, lead-based paint, and all other standards listed under 24 CFR 982.401.

It should be further noted that per the 2013 HOME Final Rule, all HOME units committed funding after 1/24/15 will be required to be reviewed under the new Uniform Physical Condition Standards (UPCS) on an ongoing basis; however, as of July 2016, guidance from HUD has not yet provided additional guidance on these standards. After the review and the inspection take place, and the Support Specialist then sends the sponsor a follow up letter regarding findings of the reviews and necessary actions that must be taken. Tenants agree in their leases to provide information to the landlord on rents to complete occupancy reports. Each unit is assessed for compliance using information in the file reviews, such as the occupancy information, utility allowances and the level of rent being charged.

#### **MBE / WBE**

Minority Business Enterprise / Women's Business Enterprise: RIH will continue its present efforts to utilize minority and women's business enterprises (MBE/WBE). The outreach efforts will be implemented by HOME Program staff with the oversight of the Director of Development. All contracts for the procurement of property and services awarded under the HOME Program and all such contracts awarded by state recipients and other entities, funded under the HOME Program shall to the maximum extent possible be awarded to businesses owned by minorities and women.

HOME awardees, with projects under development, are required to report all awarded contracts related to the project upon its completion. Information reported includes the dollar value of the contract, contractor name, gender, ethnicity and race. Information is maintained in the program files related to each project.

#### **Rhode Island Housing HOME Investments Partnership Program Resale Policy**

The HOME rule at Section 92.254(a)(5) requires that all HOME-assisted homebuyer housing be acquired by an eligible low-income family, and the housing must be the principal residence of the family throughout the affordability period. If the home is transferred, voluntarily or otherwise, during the

period of affordability, it must be made available for subsequent purchase only to a buyer whose family qualifies as low-income, and will use the property as its principal residence. The HOME resale provision must enforce these requirements as any housing assisted with HOME funds must remain affordable for the duration of the period of affordability.

#### **Enforcement of Resale Provisions**

The Rhode Island resale policy is enforced through the use of a Deed Restriction signed by the homebuyer at closing. The Deed Restriction will specify:

1. The length of the affordability period (30 years or more in all cases)
2. That the home remains the Buyer's principal residence throughout the affordability period
3. The Owner must contact Rhode Island Housing in writing if intending to sell the home prior to the end of the affordability period;

#### **Definition of Fair Return on Investment**

Rhode Island Housing defines the homeowner's investment as the total of

1. The down-payment, if any, from the homeowner's own funds applied to the purchase price of the property, and
2. The actual, documented expenditures of the homeowner for approved capital improvements to the property. Improvements shall not include landscaping or other yard improvements of interior or exterior painting or other repairs due to normal wear and tear on the property. Approved capital improvements include, but are not limited to: (a) Renovations to the property's living space and (b) The addition of a deck, porch or car garage.

#### **Calculation of Appreciation Standard**

Rhode Island Housing defines a "fair return" to include the full value of the capital investments of the original homebuyer (down-payment and improvements as defined in the previous section) as well as the market appreciation of those investments. Market appreciation shall be based on percentage changes calculated by the using the federal Housing Price Index (available at <http://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx>).

The down-payment relevant base month will be the month of the original purchase while the relevant base month for any and all capital improvements will be the month in which the improvements were paid for by the current owner. The percentage change in the HPI from the month of the investment to the month of the intention to sell shall be used as the appreciation percentage on the original investment.

#### **Example**

A home with a 30-year affordability period was purchased in May of 2012 for \$166,500, with the homeowner supplying a down payment of \$3,480. The owner incurred verified and approved capital improvement expenses of \$5,000 in June of 2013. The original buyer intends to put the house on the market in March of 2014.

The relevant active month Housing Price Index (HPI) level is 189.32, with the relevant HPI of the original purchase being 176.75, producing a percentage change of 7.112%. The appreciation on the down-payment is thus 7.112% of the original down-payment itself (\$3,480), or \$247.49. The relevant HPI of the original construction investment is 182.83. The percentage change from that month to the relevant active month is 3.550%. The appreciation on the construction investment is thus 3.550% of the \$5,000 invested, or \$177.49. The total appreciation on the owner's investments is summed to be \$424.98. Added to the original combined investments of \$8,480, the fair return on investment to the homeowner upon resale is thus \$8,904.98.

#### **Resale**

The price at resale must provide the original HOME-assisted owner a fair return on investment and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers:

- Affordable to a reasonable range of low-income buyers shall mean that the principal, interest, taxes and insurance (PITI) shall not exceed 30% gross monthly income for buyers between 70% and 80% of area median income. In no circumstance can the sale price of the home exceed the maximum of that range, which is the 80% AMI sales price.
- If the fair market value of the home falls within the reasonable price range to remain affordable to low-income homebuyers, as defined in the previous paragraph, and the subsequent homeowner's income falls within this range, additional assistance may be provided to the subsequent homeowner in the form of down-payment assistance. The source of this assistance will be non-federal funds that are applicable for this use.
- It is important to note that in certain circumstances, such as a declining housing market where home values are depreciating or are stagnant, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price.
- If equity exceeds the fair return on investment owed to the original homebuyer, then the original homebuyer shall be obligated the entirety of their fair return on investment amount and 100% of the remaining equity.

## HOME Investment Partnership Program (HOME)

### Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

HOME funds will not be used for purposes beyond those identified in Section 92.205.

2. A description of the guidelines that will be used for resale funds when used for homebuyer activities as required in 92.254, is as follows:

The Rhode Island HOME Resale Provision is added at the end of this section.

3. A description of the guidelines for resale that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The Rhode Island HOME Resale Provision is added at the end of this section.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds will not be used for this purpose.

### Rhode Island Housing HOME Investments Partnership Program Resale Policy

#### Introduction

The State of Rhode Island utilizes HOME Program funds for new construction and rehabilitation of homeownership housing, as projects arise. When HOME Program funds assist homeownership housing, the State uses a resale provision to comply with 24 CFR 92.254(a)(5)(i), which requires that the State:

- a. must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence.
- b. must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement)
- c. and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers; affordable is defined by the State as limiting the Principal, Interest, Taxes and Insurance (PITI) amount to no more than 30% of the gross monthly income for a household earning 80% of Area Median Income (as defined by HUD).

The State projects the use of HOME funds for the development of HOME-assisted homeownership opportunities and has also reserved funds for homebuyer assistance for eligible buyers, subject to relevant subsidy limits on the HOME unit they are purchasing. Homebuyer assistance may include, but is not limited to, down payment assistance to the buyer; mortgage interest write-down; second mortgage assistance; and write down value of the property.

**Part I**

**Qualifying the New Buyer**

All HOME-assisted units must be sold only to a buyer whose family qualifies as a low-income family earning up to 80 percent of the Area Median Income (AMI), as published by the U.S. Department of Housing and Urban Development annually, for the duration of the HOME Period of Affordability. However, the applicable AMI may be set at a level below 80%, and in such cases, the new buyer must qualify per the level indicated in the respective legal documents. Income qualification and documentation must occur as prescribed in 24 CFR 92.203 (see Attachment for checklist of required documents), and all buyer income and demographic information and documentation must be submitted to the HOME Program Staff in Rhode Island Housing's Development Division for approval prior to the transfer of the property. The initial purchaser, and all subsequent buyers of a HOME-assisted unit, must use the property as his/her/their principal residence during the HOME Period of Affordability. The State conducts annual monitoring to ensure this requirement is met.

HOME Period of Affordability	
HOME Investment	Length of the Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years

**Part II**

**a. Fair Return on Investment and Resale Price**

Per 24 CFR 92.254(a)(5)(i), the HOME resale provision must ensure that the price at resale provides the owner a fair return on his or her investment on the HOME-assisted property. However, CPD Notice 12-003 (Subject: Guidance on Resale and Recapture Provision Requirements under the HOME Program) states that “in certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price”.

While Rhode Island’s provision includes a formula on what constitutes a fair return on investment, it is important to note that this provision does not guarantee a return to the homeowner.

“Fair Return on Investment” shall be equal to the change in Area Median Income over the original homebuyer’s period of ownership to the time of resale (Fair Return Rate for Investment) times the homebuyer’s original investment (Investment), plus the change in Area Median Income between the time the improvement was completed to the time of resale (Fair Return Rate for Improvement) times the value of the documented cost of unsubsidized capital improvements (Improvements). Multiple Improvements can be included, and for each eligible Improvement, a specific Fair Return Rate for Improvement will be calculated.

The “Rate(s)” will be calculated as a fraction, the numerator of which is 80 percent (80%) of the AMI for a family of four as published by HUD as of the date of receipt of the owner’s notice to sell the affordable unit and the denominator of which is 80 percent (80%) of the AMI for a family of four as published by HUD as of the date of the initial closing (for any original investment) or as of the date of the completed improvements (all that are applicable). All calculations shall be performed by Rhode Island Housing.

Homeowner’s original investments shall include any down payment made from the homeowner’s own funds applied to the purchase price of the property.

“Capital Improvements” are elements that may add to the value of the unit or prolong its useful life, are of function and quality consistent with comparable affordable housing units, and are owned solely by the owner (not part of any common areas). Maintenance is not considered a capital improvement. Improvements that are funded by federal, state or local grant programs are not eligible. Some examples of capital improvements include the replacement of non-operational heating or hot water systems, installation of energy-efficient windows, adding insulation to the home, additions such as a bedroom, bathroom or garage, accessibility improvements such as bathroom modifications or wheelchair ramps, and outdoor improvements such as a paved driveway, retaining wall or fence. The value of the capital

improvement for the fair return on investment formula will be the actual costs of the improvements as documented by the homeowner's receipts. Determination of eligible capital improvements to be included in the fair return on investment formula will be at the discretion of Rhode Island Housing.

Where applicable, all improvements must have been installed and inspected in compliance with building code standards. All improvements and costs must be documented to the satisfaction of Rhode Island Housing, and may be subject to onsite verification by Rhode Island Housing.

An example of the fair return on investment formula is included in the Attachment to this Resale Provision. The Attachment also describes the various actions that the State will take upon resale, relating to the resale price, equity from the sale of the home, and the fair return on investment formula values. **In all instances, the original owner will retain all equity upon resale to a qualified buyer.**

#### **b. Resale Price**

Where possible, the resale price should reflect the fair market value of the home. The State will consider the appraised value of a home as the Resale Price, if that appraisal is no older than six months as of the State's receipt of the owner's notice of intention to sell. The cost of the appraisal is the responsibility of the owner intending to sell.

The State will inform the seller of the approved Resale Price in a timely manner, generally no more than five (5) business days after the receipt of the owner's intention to sell, or after receipt of the appraisal that the owner has commissioned, whichever is later.

The Resale Price, once determined by the State, is valid for six months after the communication of the Price to the owner. After six months, the Resale Price will be continued or updated per review by the State, with the results of that review being communicated to the owner in a timely manner.

***It is important to note that this policy does not guarantee a return to the homeowner.*** Under certain market circumstances the owner may not be able to receive a full return on his or her investment.

### ***Part III***

#### **Continued Affordability**

The State is obligated to ensure that the owners of HOME-assisted units receive a Fair Return on Investment and that the unit(s) remain affordable to a range of income eligible households upon resale. To maintain continued affordability, the State will target subsequent purchase to households earning 70- 80% of the Area Median Income, spending no more than 30 percent (30%) of gross household income on fixed housing costs (principal, interest, property taxes, condominium fees, if applicable, and insurance), assuming current interest rates offered for a

30-year, fixed rate loan and a down payment of 3.5%. Rhode Island Housing maintains a purchase price calculator (<https://www.rihousing.com/sp.cfm?pageid=571>) that will be used to determine the home's affordability to households earning between 70-80% AMI.

If the Resale Price (as determined in Part II, Section b) of the home exceeds the maximum affordable sales price indicated by the purchase price calculator (described in this Part), to provide a fair return to the original buyer while ensuring that the property is affordable to households earning between 70-80% of AMI, additional assistance will be provided to the subsequent homebuyer. Assistance may include, but is not limited to: down payment assistance to the buyer; mortgage interest write-down; second mortgage assistance; and write down value of the property.

#### **Part IV**

##### **a. Disclosure of Resale Provisions**

The HOME Resale Policy is provided to the homebuyer through the execution of legal documents, which at minimum will specify:

- i. The length of the Period of Affordability;
- ii. That the home must be the Buyer's principal residence throughout the Period of Affordability;
- iii. That the Owner must contact Rhode Island Housing in writing if intending to sell the home prior to the end of the Period of Affordability or in the case of foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD; and
- iv. The basis for calculating the maximum resale price and fair return as described above.

Any subsequent buyer within the Period of Affordability specified in the legal documents will be subject to all remaining requirements.

##### **b. Enforcement of Non-Compliance**

If, at some point, the housing is no longer the principal residence of the homeowner during the Period of Affordability, and the housing has not been sold to another income-eligible party, Rhode Island Housing will attempt to bring the unit into compliance and enforce the terms outlined in the HOME legal documents. If the HOME-assisted homeowner fails to remedy noncompliance issues, the homeowner will be required to make full repayment of the HOME-assistance. Repayment of the HOME-assistance will release the property from the HOME affordability restriction.

##### **c. Foreclosure, Transfer in Lieu of Foreclosure, or Assignment**

In HOME-assisted homebuyer projects, the affordability restrictions imposed may be suspended upon foreclosure, transfer in lieu of foreclosure, or assignment of an FHA mortgage to HUD. The Period of Affordability will be reinstated if, during the original Period of Affordability, the owner of record prior to the termination event, obtains an ownership interest in the housing. To preserve affordability, Rhode Island Housing will attempt to prevent foreclosure or utilize its

rights to identify an eligible buyer to purchase the housing and assume the existing HOME responsibilities. Affordability must be preserved by a subsequent purchase at a reasonable price by a qualified low-income homebuyer who will use the property as their principal residence and who agrees to the remainder of the Period of Affordability. If this does not occur, repayment of the entire HOME investment by Rhode Island Housing is required.

**d. Subordination**

Rhode Island Housing will only allow subordination of the recorded HOME documents to proposed senior debt refinancing for a better rate and term.

The Owner should contact the Rhode Island Housing HOME staff to notify them of their desire to subordinate the original recorded HOME legal documents. In the event of subordination, the Period of Affordability will continue through the full term, as outlined in legal documents.

Rhode Island Housing will consider exceptions to this policy on a case-by-case basis based on circumstances of family hardship and the need to permit refinancing to prevent the loss of the unit(s).

**Explanations of Resale Scenarios and Examples**

**Example of Calculating Fair Return on Investment**

A HOME-assisted homeownership property in Cumberland, RI is sold to an income-qualified buyer in October of 2013. This owner included a down payment of \$6,000 of their own funds. Further, the owner incurred verified and approved capital improvement expenses of \$5,000 in 2015. The original buyer sent notice to the State in October of 2017 of their intent to sell the affordable unit.

<b>INVESTMENT:</b> The owner used \$6,000 of their own funds as a down payment to purchase the home.	<b>INVESTMENT:</b> \$6,000
<b>IMPROVEMENTS:</b> The owner incurred \$5,000 in approved capital improvements over the course of owning the home.	<b>IMPROVEMENTS:</b> \$5,000
<b>FAIR RETURN RATE OF INVESTMENT:</b> The 80% AMI for a family of four in 2013 as provided by HUD was \$57,500 while for 2017 it was \$57,700. The "Rate" for the down payment is therefore calculated with \$57,700 as the numerator and \$57,500 as the denominator, or $\$57,700 / \$57,500$ , which in this example is equal to 1.0035.	<b>RATE FOR RETURN ON INVESTMENT:</b>  $\$57,700 / \$57,500 = 1.0035$
<b>FAIR RETURN RATE OF IMPROVEMENT:</b> The 80% AMI for a family of four in 2015 as provided by HUD was \$57,600 while for 2017 it was \$57,700. The "Rate" for the down payment is therefore calculated with \$57,700 as the numerator and \$57,600 as the denominator, or $\$57,700 / \$57,600$ , which in this example is equal to 1.0017.	<b>RATE FOR RETURN ON IMPROVEMENT:</b>  $\$57,700 / \$57,600 = 1.0017$
<b>FAIR RETURN ON INVESTMENT FORMULA:</b> (Rate 1 [1.0035] X Investment [\$6,000]) + (Rate 2 [1.0017] X Improvements [\$5,000]) = Total Return to the Original Homebuyer at Sale [\$11,029.50].	<b>FAIR RETURN ON INVESTMENT:</b> $1.0035 \times \$6,000 = \$6,021$ + $1.0017 \times \$5,000 = \$5,008.50$ \$11,029.50 (rounded to \$11,030)

**Various Equity Scenarios, Explanations**

Scenario 1 – Equity from sale of home exceed total return to original homebuyer as per the fair return on investment formula

In accordance with the HOME regulations, the State is obligated to ensure that the owners of a HOME-assisted units receive a Fair Return on Investment. However, in some cases, equity from a sale of a HOME-assisted unit yields returns above and beyond the fair return on investment formula. Equity from the sale of a HOME-assisted unit are determined by total proceeds at sale minus repayment of senior debt and sale-related closings costs. In a scenario in which the equity from the sale exceeds the fair return on investment obligated to the homeowner, the owner will nonetheless retain the entirety of the equity. For example, if the equity of a HOME-assisted unit are \$20,000, and the fair return on investment calculation yields \$11,030 (like in the example) the owner would retain the fair return on investment (\$11,030) as well as the equity above and beyond the fair return (\$8,970 above and beyond), otherwise described as receiving the total equity of \$20,000.

Scenario 2 – Resale of home yields Equity below the fair return on investment

While the State is obligated to ensure that the owner of a HOME-assisted unit receives a Fair Return on Investment where there are positive returns on the sale, there are scenarios in which a depressed or declining market exists and a loss on investment can occur. If the Equity of the sale (total proceeds from sale at resale price minus loan repayment of senior debt and sale-related closing costs) do not exceed the fair return on investment calculation, the owner in this scenario would not receive a full return. The owner will still retain Equity, if any. For example, if the Equity of the sale of a HOME-assisted unit are \$5,000, and the fair return on investment calculation yields \$11,030 (as in the example in Scenario 1), the owner would retain the full Equity of \$5,000 but would not attain the full value of their investment and fair return.

Scenario 3 – Resale of home yields no Equity

While the State is obligated to ensure that the owner of a HOME-assisted unit receives a Fair Return on Investment where there are positive returns on the sale, there are scenarios in which a depressed or declining market yields no Equity. In this case, the owner receives no Equity and will recoup none of its investments, improvements, or fair return. For example, if a home sells for less than what is still owed on loan repayment and sale-related closing costs, then there are no Equity and therefore the original homeowner will not receive the Total Return to the Original Homebuyer at Sale amount as described in the example earlier in this attachment.

**Scenario in which Resale Price is above what is affordable to low-income homebuyers**

In accordance with the HOME regulations, the State is obligated to ensure that the owners of a HOME-assisted units receive a Fair Return on Investment and that the unit remains affordable to a range of income eligible households upon resale. To maintain continued affordability, the State will target subsequent purchase to appropriately-sized households earning 70- 80% of the area median income, spending no more than 30 percent (30%) the gross household income for an 80%

AMI family (level determined annually by HUD) on fixed housing costs (principal, interest, property taxes, condominium fees, if applicable, and insurance), assuming current interest rates offered for a 30-year, fixed rate loan and a down payment of 3.5%. For example, an owner in Burrillville sells his or her home at the RIHousing-approved resale price for \$198,000. However, a household at 80% AMI for this area would have to pay no more than \$196,000 to afford to purchase this home (this determination would be made by RIHousing using the mortgage and AMI inputs described above). In such a situation, the State will subsidize the new buyer. This subsidy would come in a form described in Part III of this Resale Policy. In no circumstance does the ability of a low-income buyer to afford a home affect the resale price or the fair return on investment obligated to the seller.



**Rhode Island Housing**  
working together to bring you home

**HOME & HTF Homeownership Sales Price Limits - FY 2018\***

Prior to selling a HOME- or Housing Trust Fund-assisted home, please contact our staff to determine the approved sales price (based on the Rhode Island Housing policy and applicable federal regulations). Please have your Homebuyer Agreement and/or Deed Restriction available at the time of contact as well as a copy of your property taxes, insurance, and homeowner/condominium fees (if applicable).

In addition, our staff will determine the eligibility of the buyer based on the income limits set forth in the Homebuyer Agreement and/or Deed Restriction. Our team will require documentation to verify household income, assets, and employment of the buyer. A complete list of documents will be sent at the time of inquiry.

County	Metropolitan/FMR Area Name	Existing Homes HOME/HTF Purchase Price Limit				Geographic Area Used	New Homes HOME/HTF Purchase Price Limit				Geographic Area Used
		1-Unit	2-unit	3-unit	4-unit		1-Unit	2-unit	3-unit	4-unit	
Bristol	Providence-Fall River, RI-MA HUD Metro FMR Area	\$293,000	\$375,000	\$454,000	\$562,000	County	\$293,000	\$375,000	\$454,000	\$562,000	Existing Limit
Kent	Providence-Fall River, RI-MA HUD Metro FMR Area	\$204,000	\$261,000	\$317,000	\$392,000	County	\$260,000	\$333,000	\$403,000	\$500,000	Metro
Newport	Providence-Fall River, RI-MA HUD Metro FMR Area	\$312,000	\$399,000	\$483,000	\$598,000	County	\$312,000	\$399,000	\$483,000	\$598,000	Existing Limit
Providence	Providence-Fall River, RI-MA HUD Metro FMR Area	\$204,000	\$261,000	\$317,000	\$392,000	Metro	\$260,000	\$333,000	\$403,000	\$500,000	Metro
Washington	Providence-Fall River, RI-MA HUD Metro FMR Area	\$295,000	\$377,000	\$456,000	\$565,000	County	\$295,000	\$377,000	\$456,000	\$565,000	Existing Limit
Washington	Westerly-Hopkinton-New Shoreham, RI HUD Metro FMR Area	\$295,000	\$377,000	\$456,000	\$565,000	County	\$295,000	\$377,000	\$456,000	\$565,000	Existing Limit
Newport	Newport-Middleton-Portsmouth, RI HUD Metro FMR Area	\$312,000	\$399,000	\$483,000	\$598,000	County	\$312,000	\$399,000	\$483,000	\$598,000	Existing Limit

<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value>

\*Homeownership Value Limits effective as of April 1, 2018; New limits posted March 2018. To verify current HOME limits or to receive your approved sale or re-sale price, please contact the HOME Program Coordinator, Ainsley Cantoral, at [ACantoral@rihousing.com](mailto:ACantoral@rihousing.com) or call 401-429-1449.

**State of Rhode Island**  
**National Housing Trust Fund (HTF) – Allocation Plan 2018**

**June 29, 2018**

**Background and Purpose of HTF Program**

The National Housing Trust Fund (HTF) is a federal program to support the development of affordable housing for low-income individuals and households. It is a newly funded federal affordable housing program that will complement existing federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for families and other households in Rhode Island, including homeless families.

The HTF will be funded annually with certain proceeds available from two government-sponsored entities – the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The U.S. Department of Housing and Urban Development (HUD) will administer the HTF at the federal level and will distribute trust funds to participating states in accordance with an established formula.

Each participating state must identify one qualified housing agency to allocate the funds made available through HTF. In addition, each state must prepare and submit for HUD approval an allocation plan outlining the process it intends to follow to distribute the HTF monies. The National Housing Trust Fund Interim Rule can be found at 24 CFR Parts 91 and 93.

In the State of Rhode Island, the Governor has identified Rhode Island Housing Mortgage and Finance Corporation (RIHousing) as the allocating agency for the HTF. Rhode Island does not intend to appoint subgrantees for HTF and will distribute funds directly to recipients, defined as “organizations, agencies, or other entities that receive HTF funds to undertake an eligible project.” It is RIHousing’s intent to award HTF funds as rapidly and efficiently as possible.

In any fiscal year in which the total amount available for allocation of HTF funds is less than \$1 billion, RIHousing must use one hundred percent (100%) of its HTF grant for the benefit of extremely low-income families or families with incomes at or below the poverty line (whichever is greater). In any fiscal year in which the total amount available for allocation of HTF funds is greater than \$1 billion, the grantee must use at least seventy-five percent (75%) of its grant for the benefit of extremely low-income families or families with incomes at or below the poverty line.

**Eligibility Requirements**

Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with priority given based on specific factors listed in the Selection Criteria section below. Cities and towns are encouraged to apply to receive funding for projects. To be

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considered eligible for program funds, Rhode Island requires that recipients of HTF funds per §93.2, at minimum:

- a) Make acceptable assurances to the grantee (RIHousing) that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities.
- b) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity
- c) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs
- d) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

RI Housing will generally award HTF as subordinate debt and will close all HTF assistance through its approved closing policies and procedures.

#### **Application Requirements**

RIHousing will conduct up to four (4) competitive rounds per program year – one as part of the Low-Income Housing Tax Credit application process and up to three additional rounds as part of a joint application with other ancillary funding programs (such as HOME, BHRI, Thresholds, etc.). Additional rounds may be held if there are remaining project funds not yet committed. Incomplete applications will not be considered for funding. Applicants not funded in one round are encouraged to re-apply in subsequent rounds.

RIHousing staff will review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility and if they meet threshold criteria as outlined below.

Upon review and scoring of those applications meeting the Minimum Requirement Threshold, found below in a subsection of "Selection Criteria", RIHousing staff and the will recommend funding of specific activities to its Board of Commissioners. Upon preliminary reservation by the Board of Commissioners, RIHousing staff will complete underwriting and cost reasonableness analysis and resubmit the project to the Board of Commissioners for final reservation. HTF Commitments will then be formally awarded by RIHousing to HTF recipients in the form of an executed HTF Agreement ("Commitment"). Both the application and the HTF Agreement will require recipients to affirmatively certify that housing assisted with HTF funds will comply with all HTF requirements.

#### **Selection Criteria**

##### *Minimum Requirement Threshold*

Before an application can be considered for a reservation of funds it must meet or exceed the following:

- A complete application including all attachments submitted on or before the application deadline;
- Application contains a description of eligible activities to be conducted with HTF funds and applicant is an eligible entity meeting all HUD regulations for the HTF program as published in the Federal Register at 24 CFR Part 93.200-93.204;
- Proposed assistance amounts to a minimum of \$1,000 per unit;
- Project must meet at least one program priority, as described in the section titled "Rhode Island Program Priorities";
- Project is consistent with the HTF income targeting rule at §93.250
- The development team must have experience in the successful development and operation of affordable housing of similar scope and complexity;
- The development must demonstrate financial feasibility for the duration of the affordability period and have a reasonable likelihood of feasibility for the entire term of financing;
- The development must have a demonstrated probability of achieving sustainable occupancy of 95% within six months of construction completion and 100% occupancy within eighteen months of project completion; and
- Construction must demonstrate a probability that it will commence within six months of firm reservation of funding and be completed within twenty-four months of commitment/closing

*Scoring of applications is based on the following factors:*

<b>Scoring Factor</b>	<b>Total Possible Points</b>
<u>Meeting Program Priorities</u> : The extent to which the proposal addresses one or more of the HTF Program Priorities outlined below (High priorities=30 points; Medium priorities=25 points; Low priorities=20 points;	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities</u> : Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match</u> : Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand</u> : Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project</u> : Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10

<u>Design and Construction Standards:</u> Meets or exceeds RI Housing Design and Construction Standards	10
<u>Community Participation:</u> Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity:</u> HTF funding is available to all communities in the State. Priority will be given to communities that have yet to meet or exceed State goal that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> <li>•accessibility to transit (1 point);</li> <li>•accessibility to employment centers (1point);</li> <li>• accessibility to high performing schools (1 point);</li> <li>• accessibility of community services (1 point)</li> </ul>	5
<u>Duration of Affordability:</u> Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HTF affordability is 30 years. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State:</u> Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits:</u> Preference for underserved segments of the extremely-low income population as defined in the state's Consolidated Plan	5
<u>Additional Merits:</u> Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5
<u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
<b>TOTAL</b>	130

Rhode Island Program Priorities

Rhode Island priorities include three Tiers found below.

- 1) Tier 1:
  - a) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for extremely low-income (ELI) families;
  - b) Acquisition and/or rehabilitation and/or new construction of rental housing units for homeless and special needs populations in conjunction with supportive services;
  - c) Acquisition and/or rehabilitation and/or new construction of rental housing units that provides or will provide project-based rental assistance to eligible tenants.
- 2) Tier 2:
  - a) Preservation of existing affordable rental housing stock through rehabilitation, acquisition, or other eligible assistance;
  - b) Acquisition and/or rehabilitation and/or new construction to provide rental units for one and two-person households;

- c) Acquisition, and/or rehabilitation and/or new construction to provide rental units for elderly residents
- 3) Tier 3:
  - a) Moderate rehabilitation of rental units for families throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of family units ;
  - b) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for very low-income (VLI) families, as permitted by the regulations

Geographic Diversity

As described in the scoring factor matrix for the HTF, HTF funding is available to all communities in the state. However, priority will be given to communities who have yet to meet or exceed the state's Low and Moderate Income Housing Act requirements. Geographically-based distribution criteria for HTF funds also include factors that contribute to improving or sustaining economic opportunity for the future tenants or owners of the homes developed. These criteria include additional points for accessibility to transit, accessibility to employment centers, accessibility to high performing schools and accessibility to community services.

Applicant Capacity

A threshold for an application to move to scoring requires that the development team must have experience in the successful development and operation of affordable housing of similar scope and complexity. Scoring of an application includes higher points for proven capacity (i.e. strong project performance in past, experienced development and management teams associated with proposed project, financial soundness) and deductions of points for poor prior performance (i.e. monitoring findings among comparable projects, lack of responsiveness, compliance concerns, etc.).

Project-based Rental Assistance

Providing project-based rental assistance to eligible tenants is a high and Tier 1 priority for the HTF program (see program priorities). Applicants with existing or committed project-based rental assistance will receive preference.

Duration of Affordability Period

All HTF applicants must propose a minimum of a 30-year affordability period beginning after project completion per § 93.302(d). Operating pro forma reviewed by program underwriters is reasonably projected to meet or exceed minimum affordability period. Financial feasibility of the project and length of affordability are scoring factors.

Priority Housing Needs in the State

Rhode Island's HTF program bases awards on the merits of a project's application in meeting the priority housing needs established by the State. Priority housing needs refers to both the program's development priorities and the statewide housing needs as determined in the State's most recently

approved five-year Consolidated Plan. The program priorities are listed above, with descriptions provided for Tier 1, Tier 2 and Tier 3 housing development priorities. The priority needs established in the most recent ConPlan include: increased housing opportunities; preserved affordability of current affordable housing stock, rehabilitation of foreclosed homes and properties; decreased homelessness; permanent supportive housing; housing that is fitted to the needs of its residents; elimination of lead-based paint hazards in households with children under 6 years of age; investments and improvements in public infrastructure, public services and public facilities; and removed barriers to fair and affordable housing. Further, it is a priority of the state's HTF-administering agent, RIHousing, that housing is developed where there is proven demand (as shown in a market study or a relevant waitlist) for that housing type.

#### Leveraging

As described in the scoring factor matrix, Rhode Island's HTF Program utilizes ratios of committed funds to non-committed, federal versus non-federal match, and HTF funds versus other sources to determine scoring. Committed funds receive more weight than non-committed sources. Similarly, non-federal match will be given more weight than federal funds leveraged into a project.

#### **Eligible Activities and Certification**

In accordance with HUD guidance, the funds available through HTF can only be used to directly support housing units for the target income group (ELI individuals or households). HTF units can be included in projects that also serve higher income level tenants, but the HTF monies can only support the HTF-designated units. All HTF-assisted rental housing must meet a 30-year affordability period. Per § 93.200, HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction and/or rehabilitation of non-luxury rental housing with suitable amenities. All HTF applications must include a description of the eligible activities to be conducted with HTF funds. Funds may be used to support:

- Real property acquisition
- Site improvements and development hard costs
- Conversion
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance
- For operating costs of HTF-assisted rental housing
- Reasonable administrative and planning costs

HUD requires that each recipient of an HTF award certify the number of HTF units by income group. In addition, recipients must certify that:

- All tenants in HTF-assisted units meet the income limits as required by program guidelines

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- The recipient will comply with rent limits, determined to be no more than 30% of area median income.

#### **Performance Goals and Benchmarks**

- It is expected that the HTF will contribute to the development or preservation of 50 units of housing per year. This estimate is based on analysis of previous funding rounds of a similar program (HOME Program). If less units of housing are assisted with HTF funds than this expectation, then allocation priorities will be reconsidered in future program years.
- In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, RIHousing will evaluate the HTF Program using the IDIS Outcome Performance Measurement System.
- The HTF Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units. The HTF Program outcome is Affordability.

#### **Maximum per-unit development subsidy amounts for HTF projects**

Pursuant to [24 CFR 93.300\(a\)](#), RIHousing must establish maximum limitations on the total amount of HTF funds that the grantee may invest per-unit for development of non-luxury housing. To maintain maximum consistency across programs, and to provide predictability and efficiency in program administration and compliance, the State has adopted the HOME program maximum per-unit development subsidy limits for the Housing Trust Fund program.

The Housing Trust Fund Program will use the same standards as published for the HOME Program for Program Year 2017, and outlined as follows:

Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing PJs to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of [24 CFR 92.250\(a\)](#).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and [24 CFR 92.250\(a\)](#), the HOME maximum per-unit subsidy limit that HUD can approve for a HTF grantee cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas).

#### **Construction/Rehabilitation Standards**

RIHousing will require that all recipients retain an architect/engineer to prepare architectural plans and to estimate project costs. RIHousing's construction staff will evaluate all design and scope documentation to determine whether the proposed project will meet various program requirements as well as all applicable local, state, and federal regulations. RIHousing's construction staff will also review the documentation to ensure that the project conforms to RIHousing's construction and rehabilitation guidelines.

One of the objectives in making HTF subsidy awards available is to produce developments of quality construction and livable design that will enhance the communities in which they are built. All developments to be financed through RIHousing's HTF program must meet the requirements set forth in RIHousing's Housing Trust Fund Rehabilitation Standards.

In both rehabilitation and new construction, the completed housing must meet all applicable state and local codes, ordinances, and requirements. In addition, the completed housing must meet Uniform Physical Condition Standards (UPCS) for the site, building exterior, building systems and common areas, and must comply with HUD 24 CFR Part 35 with respect to lead-based paint hazards.

#### **Resale and/or Recapture Provisions**

The State will not make HTF funds directly available for first-time homebuyers (see program priorities), thus, the State of Rhode Island Housing Trust Fund program will not fund projects for the development of homeownership opportunities.

#### **HTF Affordable Homeownership Limits**

HTF Affordable Homeownership Limits are not applicable. The State of Rhode Island Housing Trust Fund program will not fund projects for the development of homeownership opportunities.

#### **State Limited Beneficiaries or Preferences**

The State will give preferences to select segments of the extremely low-income population, including those experiencing high unmet need as found in the State's Consolidated Plan. Preference for these populations is a scoring factor.

#### **Refinancing of Existing Debt**

The State will not permit the refinancing of existing debt secured by rental housing units that are being rehabilitated with HTF funds.

**Notes to HTF Recipients on the Requirements/Directions in Using this Form:**

1. Inspections using this form are required to be conducted on 10% of units (if development is in one building) or in at least 1-unit per building (if development includes multiple buildings).
2. HTF recipients are required to address Level 1, Level 2, or Level 3 Non Life Threatening deficiencies in the scope of work approved by Rhode Island Housing staff between preliminary award and commitment of funds (See Section V. Scope of Work Determination in HTF Rehab Standards document).
3. "NOD" means No Observed Deficiency and "NA" means that the inspectable item is not present in that unit/building. If there is no observed deficiency for that item, check mark the "NOD" box; if the inspectable item listed is not present at that site then check-mark "NA".
4. One box must be checked for each observable deficiency row in this Form.
5. If there is a deficiency found at any level and the H&S (Health and Safety) column is grayed-out, then the deficiency is not considered a health and safety hazard. If the H&S column contains an "NLT", then a marked deficiency is non-life threatening and correction of that deficiency can be included in the scope of work.
6. **Level 3 Deficiencies noted as Life Threatening (LT) Hazards in the H&S column of this report must be corrected immediately within 12 hours, if the housing is occupied. RIH requires a written response and completed work orders within 24 hours of repairs.**
7. In instances in which the Level 1, 2 or 3 deficiency is grayed-out, then this level of deficiency is not applicable for that inspectable item for the Final Dictionary of Deficiency Definitions (link in footer, below table).
8. In order to accurately categorize a deficiency as a "Level 1", "Level 2" or "Level 3" (including independent Health & Safety items), you must refer to the Final Dictionary of Deficiency Definitions (PASS) Version 2.3, dated 03/08/2000. This document can be found at [http://www.hud.gov/offices/reac/pdf/pass\\_dict2.3.pdf](http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf) (325 Pages, 343 KB)
9. Additional clarification to these definitions is contained in the REAC PASS Compilation Bulletin which can be found at [https://portal.hud.gov/hudportal/documents/huddoc?id=CompBullet4Ver2\\_31515.pdf](https://portal.hud.gov/hudportal/documents/huddoc?id=CompBullet4Ver2_31515.pdf) (40 Pages, 459 KB)

**PLEASE NOTE:** Rhode Island Housing will conduct an initial inspection to confirm the deficiencies that must be addressed, and will conduct progress and final inspections to determine that work was done in accordance with work write-ups.

Uniform Physical Condition Standards – Comprehensive Listing  
 Inspectable Area: Site

Page: \_\_\_\_\_ of \_\_\_\_\_

Property ID / Name: \_\_\_\_\_  
 Building Number: \_\_\_\_\_

Inspection Date: \_\_\_\_\_

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Fencing and Gates	Damaged/Falling/Leaning						NLT
	Holes						NLT
	Missing Sections						NLT
Grounds	Erosion/Rutting Areas						NLT
	Overgrown/Penetrating Vegetation						
	Ponding/Site Drainage						
Health & Safety	Air Quality - Sewer Odor Detected						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
Mailboxes/Project Signs	Infestation - Rats/Mice/Vermin						NLT
	Mailbox Missing/Damaged						
Market Appeal	Signs Damaged						
	Graffiti						
Parking Lots/Driveways/Roads	Litter						
	Cracks						
	Ponding						
	Potholes/Loose Material						
	Settlement/Heaving						
	Motor Vehicles - inoperative/unregistered/unlicensed/abandoned/ parked/left on the premises						NLT
Play Areas and Equipment							
	Damaged/Broken Equipment						NLT
	Deteriorated Play Area Surface						
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space						
Retaining Walls	Damaged/Falling/Leaning						NLT
Storm Drainage	Damaged/Obstructed						
Walkways/Steps	Broken/Missing Hand Railing						NLT
	Cracks/Settlement/Heaving						
	Spalling						

Uniform Physical Condition Standards - Comprehensive Listing  
 Inspectable Area: Building Exterior

Page: \_\_\_\_\_ of \_\_\_\_\_

Property ID / Name: \_\_\_\_\_  
 Building Number: \_\_\_\_\_

Inspection Date: \_\_\_\_\_

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Doors	Damaged Frames/Threshold/Lintels/Trim						NLT
	Damaged Hardware/Locks						
	Damaged Surface (Holes/Paint/Rusting/Glass)						
	Damaged/Missing Screen/Storm/Security Door						NLT
	Deteriorated/Missing Caulking/Seals						
	Missing Door						
Fire Escapes	Blocked Egress/Ladders						LT
	Visibly Missing Components						LT
Foundations	Cracks/Gaps						
	Spalling/Exposed Rebar						
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable/Combustible Materials - Improperly Stored						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
	Infestation - Rats/Mice/Vermin						NLT
Lighting	Broken Fixtures/Bulbs						
Roofs	Damaged Soffits/Fascia						
	Damaged Vents						
	Damaged/Clogged Drains						
	Damaged/Torn Membrane/Missing Ballast						
	Missing/Damaged Components from Downspout/Gutter						
	Missing/Damaged Shingles						
	Ponding						
Walls	Cracks/Gaps						
	Damaged Chimneys						NLT
	Missing/Damaged Caulking/Mortar						
	Missing Pieces/Holes/Spalling						
	Stained/Peeling/Needs Paint						
Windows	Broken/Missing/Cracked Panes						NLT
	Damaged Sills/Frames/Lintels/Trim						
	Damaged/Missing Screens						
	Missing/Deteriorated Caulking/Seals/Glazing Compound						
	Peeling/Needs Paint						
	Inoperable/Not Lockable						
	Security Bars Prevent Egress						LT

Uniform Physical Condition Standards - Comprehensive Listing  
 Inspectable Area: Building Systems

Page: \_\_\_\_\_ of \_\_\_\_\_

Property ID / Name: \_\_\_\_\_  
 Building Number: \_\_\_\_\_

Inspection Date: \_\_\_\_\_

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Domestic Water	Leaking Central Water Supply						
	Misaligned Chimney/Ventilation System						LT
	Missing Pressure Relief Valve						NLT
	Rust/Corrosion on Heater Chimney						NLT
	Water Supply Inoperable						NLT
Electrical System	Blocked Access/Improper Storage						NLT
	Burnt Breakers						NLT
	Evidence of Leaks/Corrosion						NLT
	Frayed Wiring						
	Missing Breakers/Fuses						LT
	Missing Covers						LT
Elevators	Not Operable						NLT
Emergency Power	Auxiliary Lighting Inoperable						
	Run-Up Records/Documentation Not Available						
Fire Protection	Missing Sprinkler Head						NLT
	Missing/Damaged/Expired Extinguishers						LT
Health & Safety	Air Quality - Mold and/or Mildew Observed						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Air Quality - Sewer Odor Detected						NLT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Elevator - Tripping						NLT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Indoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
HVAC	Infestation - Rats/Mice/Vermin						NLT
	Boiler/Pump Leaks						
	Fuel Supply Leaks						NLT
	General Rust/Corrosion						NLT
Roof Exhaust System	Misaligned Chimney/Ventilation System						LT
	Roof Exhaust Fan(s) Inoperable						
Sanitary System	Broken/Leaking/Clogged Pipes or Drains						NLT
	Missing Drain/Cleanout/Manhole Covers						

Inspectable Item	Observable Deficiency	Level				NA	H&S
		NOD	1	2	3		
Health & Safety	Air Quality - Mold and/or Mildew Observed						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Air Quality - Sewer Odor Detected						NLT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable/Combustible Materials - Improperly Stored						NLT
	Garbage and Debris - Indoors						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
	Infestation - Rats/Mice/Vermin						NLT
Pools and Related Structures	Fencing - Damaged/Not Intact						
	Pool - Not Operational						
Trash Collection Areas	Chutes - Damaged/Missing Components						

**Uniform Physical Condition Standards - Comprehensive Listing**  
 Inspectable Area: Community/Public Spaces

Page: \_\_\_\_\_ of \_\_\_\_\_

Property ID / Name: \_\_\_\_\_  
 Building Number: \_\_\_\_\_

Inspection Date: \_\_\_\_\_

X	Inspectable Item Location
---	---------------------------

Please complete these two pages for each community/public space in the proposed project. Check location below.

- Basement/Garage/Carport
- Closet/Utility/Mechanical
- Community Room
- Day Care
- Halls/Corridors/Stairs
- Kitchen
- Laundry Room
- Lobby

Observable Deficiency	NOD	1	2	3	NA	H&S
Baluster/Side Railings - Damaged						
Cabinets - Missing/Damaged						
Call for Aid - Inoperable						NLT
Ceiling - Bulging/Buckling						
Ceiling - Holes/Missing Tiles/Panels/Cracks						
Ceiling - Peeling/Needs Paint						
Ceiling - Water Stains/Water Damage/Mold/Mildew						
Countertops - Missing/Damaged						
Dishwasher/Garbage Disposal - Inoperable						
Doors - Damaged Frames/Threshold/Inlets/Trim						NLT
Doors - Damaged Hardware/Locks						
Doors - Damaged Surface (Holes/Paint/Rust/Glass)						
Doors - Damaged/Missing Screen/Storm/Security Door						NLT
Doors - Deteriorated/Missing Seals (Entry Only)						
Doors - Missing Door						
Dryer Vent - Missing/Damaged/Inoperable						
Electrical - Blocked Access to Electrical Panel						NLT
Electrical - Burnt Breakers						NLT
Electrical - Evidence of Leaks/Corrosion						NLT
Electrical - Frayed Wiring						
Electrical - Missing Breakers						LT
Electrical - Missing Covers						LT
Floors - Bulging/Buckling						
Floors - Floor Covering Damaged						
Floors - Missing Floor/Tiles						
Floors - Peeling/Needs Paint						
Floors - Rot/Deteriorated Subfloor						
Floors - Water Stains/Water Damage/Mold/Mildew						
GFI - Inoperable						NLT
Graffiti						

Rhode Island Housing HTF Rehab Standards Exhibit A:  
Property Maintenance Code Inspection Form (Inspectable Items and Observable Deficiencies)

2/3/2017

Office	HVAC - Convection/Radiant Heat System Covers Missing/Damaged					
	HVAC - General Rust/Corrosion					
Other Community Spaces	HVAC - Inoperable					
	HVAC - Misaligned Chimney/Ventilation System					LT
Patio/Porch/Balcony	HVAC - Noisy/Vibrating/Leaking					
	Lavatory Sink - Damaged/Missing					NLT
Restrooms/Pool Structures	Lighting - Missing/Damaged/Inoperable Fixture					
	Mailbox - Missing/Damaged					
Storage	Outlets/Switches/Cover Plates - Missing/Broken					LT
	Pedestrian/Wheelchair Ramp					
	Plumbing - Clogged Drains					NLT
	Plumbing - Leaking Faucet/Pipes					NLT
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable					
	Range/Stove - Missing/Damaged/Inoperable					
	Refrigerator - Damaged/Inoperable					
	Restroom Cabinet - Damaged/Missing					
	Shower/Tub - Damaged/Missing					
	Sink - Missing/Damaged					NLT
	Smoke Detector - Missing/Inoperable					LT
	Stairs - Broken/Damaged/Missing Steps					NLT
	Stairs - Broken/Missing Hand Railing					NLT
	Ventilation/Exhaust System - Inoperable					
	Walls - Bulging/Buckling					
	Walls - Damaged					
	Walls - Damaged/Deteriorated Trim					
	Walls - Peeling/Needs Paint					
	Walls - Water Stains/Water Damage/Mold/Mildew					
	Water Closet/Toilet - Damaged/Clogged/Missing					
	Windows - Cracked/Broken/Missing Panes					NLT
	Windows - Damaged Window Sill					
	Windows - Damaged/Missing Screens					
	Windows - Inoperable/Not Lockable					NLT
	Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound					
	Windows - Peeling/Needs Paint					
	Windows - Security Bars Prevent Egress					LT

**Uniform Physical Condition Standards - Comprehensive Listing**  
 Inspectable Area: Unit

Page: \_\_\_\_\_ of \_\_\_\_\_

Property ID / Name: \_\_\_\_\_  
 Building/Unit Nbr: \_\_\_\_\_

Inspection Date: \_\_\_\_\_

Inspectable Item	Observable Deficiency	NOD	Level				H&S
			1	2	3	NA	
Bathroom	Bathroom Cabinets - Damaged/Missing						
	Lavatory Sink - Damaged/Missing						NLT
	Plumbing - Clogged Drains						NLT
	Plumbing - Leaking Faucet/Pipes						NLT
	Shower/Tub - Damaged/Missing						NLT
	Ventilation/Exhaust System - Inoperable						
Water Closet/Toilet - Damaged/Clogged/Missing							NLT
Call-for-Aid	Inoperable						NLT
Ceiling	Bulging/Buckling						
	Holes/Missing Tiles/Panels/Cracks						
	Peeling/Needs Paint						
	Water Stains/Water Damage/Mold/Mildew						
Doors	Damaged Frames/Thresholds/Inlets/Trim						NLT
	Damaged Hardware/Locks						
	Damaged/Missing Screen/Storm/Security Door						NLT
	Damaged Surface - Holes/Paint/Rusting/Glass						
	Deteriorated/Missing Seals (Entry Only)						
Missing Door							NLT
Electrical System	Blocked Access to Electrical Panel						NLT
	Burnt Breakers						NLT
	Evidence of Leaks/Corrosion						NLT
	Frayed Wiring						
	GFI - Inoperable						NLT
	Missing Breakers/Fuses						LT
Missing Covers							LT
Floors	Bulging/Buckling						
	Floor Covering Damage						
	Missing Flooring Tiles						
	Peeling/Needs Paint						
	Rot/Deteriorated Subfloor						
	Water Stains/Water Damage/Mold/Mildew						
Health & Safety	Air Quality - Mold and/or Mildew Observed						NLT
	Air Quality - Sewer Odor Detected						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical						LT
	Emergency Fire Exits - Emergency/Fire Exits						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Indoors						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
Infestation - Rats/Mice/Vermin						NLT	
Hot Water Heater	Misaligned Chimney/Ventilation System						LT
	Inoperable Unit/Components						NLT
	Leaking Valves/Tanks/Pipes						
	Pressure Relief Valve Missing						NLT
	Rust/Corrosion						NLT
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged						
	Inoperable						
	Misaligned Chimney/Ventilation System						LT

	Noisy/Vibrating/Leaking					
	Rust/Corrosion					
Kitchen	Cabinets - Missing/Damaged					NLT
	Countertops - Missing/Damaged					NLT
	Dishwasher/Garbage Disposal - Inoperable					
	Plumbing - Clogged Drains					NLT
	Plumbing - Leaking Faucets/Pipes					NLT
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable					
	Range/Stove - Missing/Damaged/Inoperable					
	Refrigerator-Missing/Damaged/Inoperable					NLT
	Sink - Damaged/Missing					NLT
Laundry Area (Room)	Dryer Vent - Missing/Damaged/Inoperable					
Lighting	Missing/Inoperable Fixture					NLT
Outlets/Switches	Missing					LT
	Missing/Broken Cover Plates					LT
Patio/Porch/Balcony	Baluster/Side Railings Damaged					
Smoke Detector	Missing/Inoperable					LT
Stairs	Broken/Damaged/Missing Steps					NLT
	Broken/Missing Hand Railing					NLT
Walls	Bubbling/Buckling					
	Damaged					
	Damaged/Deteriorated Trim					
	Peeling/Needs Paint					
	Water Stains/Water Damage/Mold/Mildew					
Windows	Cracked/Broken/Missing Panes					NLT
	Damaged Window Sill					
	Damaged/Missing Screens					
	Missing/Deteriorated Caulking/Seals/Glazing Compound					
	Inoperable/Not Lockable					NLT
	Peeling/Needs Paint					
	Security Bars Prevent Egress					LT

# **RHODE ISLAND HOUSING**

## **EXHIBIT B – Housing Trust Fund Program Capital Needs Assessment (CNA) Guidance**

February 2017

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This joint document has been developed by the Rhode Island Housing Finance Agency (RHODE ISLAND HOUSING) as guidance for housing developers, asset managers and property managers that receive funding through the National Housing Trust Fund Program (and thus serve as HTF recipients). HTF recipients are required to conduct capital needs assessments as a tool for the long term physical health of affordable housing properties.

For the purpose of this document, capital expenses (also referred to as Physical Condition Assessments – PCAs) are considered expenses involving the replacement of building components over time. They are not annually recurring expenses and differ from routine building maintenance expenses in this way.

### Definition of Capital vs. Maintenance Operating Expense

**Capital Expense** – Major capital improvements to maintain the physical integrity and upkeep of a property are usually funded from the Replacement Reserve account. Funds from this account should be restricted for uses consistent with the CNA unless otherwise approved by the funding agencies. Typical uses include: new appliances, heating equipment, hot water heaters, re-shingling roofs, exterior painting and repair, kitchen and bathroom fixtures, doors and windows, flooring, plumbing equipment, kitchen cabinetry, elevators, grounds maintenance equipment, major site-work modifications, septic/sewer line repair, sprinkler and alarm systems, electrical equipment, and similar improvements or replacements.

**Maintenance Expense** – any and all regular and recurring expenses associated with maintaining the physical integrity and upkeep of a property not otherwise considered a capital expense.

**Turnover Expense** – the costs of interior painting, cleaning and unit prep (exclusive of carpet, appliance and cabinetry replacement) should be maintenance expenses and not capital expenses.

### Capital Needs Issues to Consider During the Development Process

Several critical areas play an important role in assuring both new and existing properties are able to meet future capital replacement costs. They include:

- When acquiring and/or rehabbing an existing building, the scope of rehabilitation work and CNA must be in sync so that the CNA for a rehabbed property reflects the new infrastructure and systems. This will also result in establishing accurate replacement reserve deposit levels so reserves can accumulate prior to the need for replacement of building components.
- Funds for completing the first post-construction or rehabilitation CNA should be included in the development budget.
- Accurate assumptions in the development and underwriting phase are critical to a property's ability to fund reserves in the required amount. Income, expense and trending estimates must be realistic and based on experience of asset management staff using the most similar properties' actual history.

### Pre-Capitalized Reserves and Completion of Initial CNA

- The funding agencies strongly encourage and in some cases may require the capitalization of a replacement reserve account initially during the development stage in combination with required ongoing deposits in order to help match the future funds needed with actual replacement costs.
- New loan/grant applications for existing buildings not undergoing substantial rehabilitation must include a CNA to support the budgeted reserve deposit levels. For the purpose of this document, substantial rehabilitation is defined as rehabilitation that involves the upgrading or replacement of the majority of

building components to achieve a "like new" condition. Moderate rehabilitation is defined as selective replacement of building components that have come to the end of their useful life or are within five years of coming to the end of their useful life, or need to be upgraded to meet current building code requirements. In general, the cost of construction in a building undergoing moderate rehabilitation is less than 25% of the total development cost (consult with funders' staff on a case by case basis).

- New construction and/or substantial rehab properties must also complete a Capital Needs Assessment as part of Rhode Island Housing's firm commitment due diligence process. If the CNA is provided prior to loan closing, the replacement reserve deposit levels in the operating budget should reflect the amount indicated in the CNA.

### General CNA Report Requirements

- Initial CNAs on all projects must be completed by an approved third party who does not have an identity of interest relationship with the HTF recipient.
- Initial CNAs on projects that are not new construction or substantial rehab must not be older than two years of the loan application date. Site inspection must confirm that project's physical condition is consistent with the findings of the CNA.
- Each CNA report must cover a period of 20 years for both existing (rehab.) projects and new construction.
- Each CNA report must include a cash flow model, in spreadsheet format, providing an analysis of existing capital reserves and a detailed year by year schedule of expected repairs and replacement costs incurred. An inflation factor that is consistent with actual experience and historical data shall also be built into future replacement cost projections. It is recommended that an electronic copy of the spreadsheet be provided to the HTF recipient so that it can be used as an interactive record of capital costs and reserve balances moving forward.

### CNA Updates

Each CNA must be updated every five years for the life of the project. Updated CNAs should be incorporated into the yearly annual budget process as an integral part of capital planning and should reflect any changes in federal, state or local codes which may impact on future capital needs.

HTF recipients will have two options for fulfilling the requirement for five year CNA updates:

**Option one:** HTF recipients will hire a third party approved CNA provider to provide a new/updated CNA every five years.

**Option two:** HTF recipients who show the interest and capacity (in the opinion of funders) to perform an "in house" CNA review and update will be permitted to do so at the 5, 15, 25, etc. year review period. The requirement for a formal third party CNA will be for years 1, 10, 20, etc. HTF recipients wishing to pursue Option two shall perform the following:

- 1) Submit a letter of intent to the Asset Management Staff of your funding agency outlining the property to be reviewed, the name(s) of the in house staff tasked with performing the review, the qualifications of this/these staff member/s to perform a CNA review, and the current reserve balance surplus/shortfall projection based on the previous formal third party CNA which is to be reviewed and updated.

- 2) In house staff in performing the CNA review/update shall assess all appropriate building systems. Estimated Useful Life (EUL) estimates provided with these guidelines together with on-site experience and other sources shall be utilized to extend the review period an additional five (5) years maintaining a 20 year projection time horizon.
- 3) Upon completion of the update/review process a report shall be submitted to RHODE ISLAND Housing Development staff outlining the findings of the CNA update/review together with a projection spreadsheet reflecting the new extended 20 year time horizon. This report shall be reviewed and signed by the HTF recipient's Director of Asset Management (or equivalent) as well as by the HTF recipient's Executive Director.

## Required Components of a Capital Needs Assessment (CNA)

An effective CNA is composed of the following elements:

**The inventory component must include all of the building systems**, not just those that may require attention during the 20 year report period. Any item that has recently been replaced, and may not be expected to need attention again for the next 20 years or more, should still be listed for reference. If the assessor has made an assumption that a particular item represents an operating cost concern, the analysis should be shown to facilitate discussion and remediation.

**Each system or item included must have its age identified.** In older properties, ages of components may not coincide with the development's age. Ages may vary widely between items and even across a single item. i.e., Unit flooring may have been installed over a five-year period, which began eight years ago.

**Expected useful life (EUL) estimates are the key to replacement timing.** Capital planning is built on the idea that even systems that operate properly now will eventually fail. EULs should be adjusted from the norms found in various tables to the actual conditions at each development. EULs should be adjusted for climate, original materials and installation, maintenance practices, and resident demographic profiles. For example, elderly and family occupancy present different issues. Tables for typical estimated useful life cycles may be found on the Fannie Mae website and are attached as Appendix II of this document.

**Cost estimating is a critical part of capital planning** and the CNA consultant should take into account replacement costs adjusted for the local area. The ability to adjust costs for individual building circumstances and the relative purchasing power of the HTF recipient are equally important. *RS Means* and *Marshall and Swift* are reliable resources for this information.

**A detailed year-by-year cost summary of all of the anticipated capital needs should list not only how much needs to be spent but when.** While a steady level may be desirable from a financial viewpoint, peaks and valleys will more accurately describe the real needs of the property, especially at single-building developments.

**Narrative presentations should describe the current condition, maintenance history, and the rationale behind the consultant's cost and timing decisions**, therefore, an Executive Summary is especially helpful. Narratives allow for a description of the cause of current problems, details on location of problems, or discussion of alternatives like rebuilding a pump motor instead of replacing the whole pump.

**Photographs are required and are an invaluable tool when the report has a non- technical audience or is shared with a third party.** These readers may never have been in a boiler room or crawl space and may be unfamiliar with technical terms. Photographs can also support the findings and recommendations of the consultant. Showing the extent of the siding damage or the width of the foundation cracks can overcome a lot of resistance.

**Capital Need Assessments must incorporate plans to install or maintain required building code requirements and improvements required under ADA, Section 504 and/or Fair Housing Guidelines.**

**Optimum Energy Efficiency is critical.** In today's escalating and volatile utility markets, properties must be as energy efficient as possible and meet the highest standards possible to assure long-term operating sustainability. Recommendations on energy and utility efficiency improvements must be included as an essential part of the CNA. RHODE ISLAND Energy Conservation Code SBC-8-2013 and Rhode Island Housing Sustainability Standards and Water Conservation Standards, which can be found in Rhode Island Housing HTF Rehabilitation Standards, Section VII-C should be used as a frame of reference in achieving optimum energy efficiency.

**RHODE ISLAND HOUSING shall evaluate past and current operating and maintenance practices** for consistency with the project's operating pro forma and most recent CNA, and to ensure practices are consistent with the findings of the most recent physical inspection.

**Life Safety Issues.** The CNA must report the presence of potentially hazardous materials, waste or toxic substances including but not limited to the presence of mold, asbestos, lead, urea formaldehyde, etc. if observed.

**Most importantly, the CNA must evaluate existing capital reserves and annual contributions to reserves against the long-term spending plan.** This analysis, presented as a spreadsheet cash flow analysis, will indicate the optimum annual contribution to reserves in a way that can be convincingly presented to funding agencies. The reserve plan should reflect real life constraints that are at odds with making the "optimum" contribution. Please go to [www.on-site-insight.com](http://www.on-site-insight.com), or [www.efanniemae.com/mf/guidesforms/pdf/forms/III-12.PDF](http://www.efanniemae.com/mf/guidesforms/pdf/forms/III-12.PDF) for detailed information and an example of acceptable CNA formatting.

#### Requirements of a Capital Needs Assessment Consultant

The CNA Consultant must meet minimum qualifications, professional education, training and experience to perform site visits and prepare CNA reports.

#### Professional Experience

- CNA Consultant, its personnel and subcontractors must be independent third-parties, unrelated to, and not have any financial or economic interest in the property; or
- CNA Consultant must not be an affiliated entity of the HTF recipient unless previously approved by RHODE ISLAND HOUSING.
- CNA Consultant must not be under suspension or debarment by HUD or Fannie Mae, involved as a defendant in criminal or civic action with HUD or Fannie Mae, and not be an Federal Housing Finance Agency (FHFA) prohibited party.
- Five years of professional experience in one or more of the following disciplines:
  - architecture;
  - engineering (structural, mechanical or civil); or
  - Construction management and cost estimating (which may include cost estimating experience associated with the preparation of a CNA Report). Three years of experience performing multifamily property condition physical needs assessments, completed a minimum of five property inspections, and reporting of property condition assessment findings in a

manner consistent with these Instructions or ASTM E2018-08 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process"; or

- Knowledge and experience with ASTM E2018-08; or
  - Minimum of three years history providing CNA reports acceptable to RHODE ISLAND HOUSING either directly or through a RHODE ISLAND approved CNA Consultant.
- RHODE ISLAND HOUSING may approve new CNA Consultants based on a review of a resume, sample reports and references.

### Education Requirements

CNA Consultants must possess or have completed one of the following programs:

- Bachelor of Science degree in engineering, architecture, construction management, historic preservation, construction/building science or building facilities management.
- Property Inspection Risk Management course offered by the MBA;
- Real Estate Assessment Center ("REAC") for the Department of Housing and Urban Development ("HUD") as a Certified Home Inspector;
- Building Performance Institute (BPI);
- American Society of Home Inspectors ("ASHI");
- National Association of Home Inspectors ("NAHI");
- At least five years assessing multifamily properties and preparation of ASTM E2018-08 compliant reports; or
- Other approved professional certifications, registrations, or training recognized by a Government Sponsored Enterprise (GSE) or HUD.

### Insurance Requirements

The CNA Consultant must provide evidence of the following insurance coverage to RHODE ISLAND as an exhibit to the CNA report:

- Commercial General Liability Insurance with limits of at least \$1 million per occurrence and \$2 million aggregate with a maximum deductible amount of \$35,000.
- Professional Liability Insurance with limits of \$1 million per claim and \$2 million aggregate with a maximum deductible amount of \$100,000;
- Worker's Compensation insurance; and
- Automobile Liability Insurance for all owned (if any), non-owned and hired vehicles of \$1 million per accident.

The CNA Consultant should have appropriate insurance coverage in place for traveling to and from the Property and conducting work at the Property.

## Appendix I – Approved Independent CNA Consultants

### **CNA Realty Advisors**

165 Pine Street  
Rehobeth, MA 02769  
508-252-4638  
info@cnarealtyadvisors.com

### **Criterion Engineering**

22 Monument Square, Suite 600  
Portland, ME 04101  
800-242-1969  
Peter Holland

### **Dominion Due Diligence Group**

4121 Cox Road, Suite 200  
Glen Allen, VA 23060  
804-358-2020

### **Environmental Management Group**

222 Schilling Circle, Suite 275  
Hunt Valley, Maryland 21031  
888-364-8258

### **On-site Insight**

38 Chauncy Street, Suite 600  
Boston, MA 02111  
617-502-5985

## Appendix II - Estimated Useful Life (EUL) Tables

These Estimated Useful Life Tables for multifamily property systems and components are intended to represent standardized average estimated useful life ("EUL") values and are not intended to replace the professional judgment of the CNA Consultant in determining the Effective Age and Remaining Useful Life of the systems and components at the Property. The CNA Consultant should consider preventive maintenance practices, as well as environment, geographic, resident, and other factors when determining Effective Age and Remaining Useful Life of the systems and components of a multifamily Property. In addition to providing guidance on EUL values typically considered capital expenditure items, the EUL tables may include items that are typically considered general maintenance and repair items to be handled by in-house maintenance staff.

FLATWORK, PARKING AREAS AND WALKWAYS	Multifamily / Coop	Seniors	Students
Asphalt pavement	25	25	25
Asphalt seal coat	5	5	5
Concrete pavement	50	50	50
Curbing, asphalt	25	25	25
Curbing, concrete	50	50	50
Parking, stall striping	5	5	5
Parking, gravel surfaced	15	15	15
Security gate (site ingress/egress) - rolling gate / lift arm	10	10	10
Sidewalk, asphalt	25	25	25
Sidewalk, brick paver	30	30	30
Sidewalk, concrete	50	50	50

SITE LIGHTING	Multifamily / Coop	Seniors	Student
Building mounted exterior lighting	10	10	10
Building mounted High Intensity Discharge (HID) lighting	10	20	10
Lighting (pole mounted)	25	25	25

SITE FENCING AND RETAINING WALLS	Multifamily / Coop	Seniors	Students
Bulkhead (barrier) / partition wall /embankment	10	20	10
Fencing, chain-link (4' height)	40	40	40
Fencing, concrete masonry unit (CMU)	30	30	30
Fencing, dumpster enclosure (wood)	12	15	10
Fencing, PVC (6' height)	25	25	25
Fencing, Tennis Court (10' height)-Chain link	40	40	40
Fencing, wood privacy (6' height)	15	20	10
Fencing, wrought iron (4-6' height and decorative)	50	50	50
Retaining walls, 80 lb block type	50	50	50
Retaining walls, concrete masonry unit (CMU) with brick face	40	40	40
Retaining walls, timber (railroad tie)	25	25	25

STRUCTURAL FRAME AND BUILDING ENVELOPE			
<b>BUILDING STRUCTURES</b>	<b>Multifamily / Coop</b>	<b>Seniors</b>	<b>Students</b>
Carports	40	40	40
Canopy, concrete	50	50	50
Canopy, wood / metal	40	40	40
Garages	50	50	50
Storage Sheds	30	30	30
Penthouse (mechanical room)	50	50	50
<b>FOUNDATIONS</b>	<b>Multifamily / Coop</b>	<b>Seniors</b>	<b>Students</b>
Foundations	50+	50+	50+
Waterproofing (foundations)	50+	50+	50+
<b>FRAMING</b>	<b>Multifamily / Coop</b>	<b>Seniors</b>	<b>Students</b>
Brick or block	40	40	40
Precast concrete panel (tilt-up)	40	40	40
Wood floor frame	50+	50+	50+
<b>BUILDING ENVELOPE / CLADDING / EXTERIOR WALL FINISHES</b>	<b>Multifamily / Coop</b>	<b>Seniors</b>	<b>Students</b>
Aluminum Siding	40	40	40
Brownstone	40	40	40
Brick or Stone Veneer	50+	50+	50+
Cement-board siding (Hardi-plank)/ Cementitious (mfr) siding	45	45	45
Exterior Insulation Finishing Systems (EIFS)	20	20	20
Glass block	40	40	40
Granite block	40	40	40
Insulation, wall	50+	50+	50+
Metal/ glass curtain wall	30	30	30
Painting, Exterior	5-10	5-10	5-10
Pre-cast concrete panel	45	45	45
Stucco systems	50+	50+	50+
Vinyl siding	25	25	25
Wood shingle/ clapboard/ plywood, stucco, composite wood	20	20	20

ROOF SYSTEMS	Multifamily / Coop	Seniors	Students
Asphalt shingle (3-tab)	20	20	20
Built-up roof - Ethylene Propylene Diene Monomer (EPDM) / Thermoplastic Polyolefin (TPO)	20	20	20
Metal	40	40	40
Parapet wall	50+	50+	50+
Caps, copings (aluminum/ terra-cotta) - Parapet	25	25	25
Roof drainage exterior (gutter/ downspout)	10	10	10
Roof drainage interior (drain covers)	30	30	30
Roof railing	25	25	25
Roof structure	50+	50+	50+
Roof hatch	30	30	30
Roof skylight	30	30	30
Slab	50+	50+	50+
Slate, clay, concrete tile	40	40	40
Soffits (wood/ stucco)	20	20	20
Soffits (aluminum or vinyl)	25	25	25
Wood shingles (cedar shake)	25	25	25

DOORS AND WINDOWS	Multifamily / Coop	Seniors	Students
Exterior common door, aluminum and glass	30	30	30
Exterior common door, solid core wood or metal clad	25	25	25
Exterior unit door, solid wood/ metal clad	25	30	20
Residential Sliding Glass Doors	25	30	20
Residential French Glass Doors	25	30	20
Ceilings, open or exterior	30	30	30
Service door (roof)	25	30	20
Storm/ screen doors	7	10	5
Storm/ screen windows	10	15	7
Windows (frames and glazing), vinyl or aluminum	30	30	30

APPURTENANCES:	Multifamily / Coop	Seniors	Students
Chimney	40	40	40
Exterior stairs, wood	15	20	15
Exterior stairs, metal pan- concrete filled	30	30	30
Exterior stairs, concrete	50	50	50
Fire Escapes	40	40	40
Porches, concrete	50	50	50
Wood Decks	20	20	20

AMENITIES	Multifamily / Coop	Senior	Student
Basketball court	25	25	25
Mail kiosk	10	15	10
Mail facility, interior	20	25	20
Pool deck	15	15	15
Pool/ spa plaster liner	8	8	8
Tennis court / basketball court surface (paint markings)	5	7	5
Tennis court Surface (acrylic emulsion)	10	12	10
Tot-lot (playground equipment)	10	15	10
Tot-lot, uncompressed ground cover	2+	3+	2+

**MECHANICAL/ELECTRIC/ PLUMBING SYSTEMS**

WATER DISTRIBUTION AND DOMESTIC HOT WATER SYSTEMS	Multifamily / Coop	Seniors	Students
Feedwater only (hydronic)	10	10	10
Condensate and feedwater (steam)	Included in boiler	Included in boiler	Included in
Cooling Tower	25	25	25
DHW Circulating Pumps	by size	by size	by size
Domestic Hot Water (DHW) - supply / return	30	30	30
Tank only, dedicated fuel	10	10	10
Exchanger in storage tank	15	15	15
Exchanger in boiler	15	15	15
External tankless	15	15	15
Instantaneous (tankless type)	10	10	10
Domestic Hot Water Storage Tanks, Small (up to 150 gallons)	15	15	15
Domestic Hot Water Storage Tanks, Large (over 150 gallons)	15	15	15
Domestic Cold Water Pumps	15	15	15
Heating Water Circulating Pumps	by size	by size	by size
Heating Water Controller	15	15	15
Hot and Cold Water Distribution	50	50	50
Solar Hot Water	20	20	20
Water Softening and Filtration	15	15	15

SANITARY WASTE AND VENT	Multifamily / Coop	Seniors	Students
Purchased Steam Supply Station	50	50+	50+
Sanitary Waste and Vent System	50	50+	50+
Sewage Ejectors	50	50	50

SUMP PUMP	Multifamily / Coop	Seniors	Students
Residential Sump Pump	7	7	7
Commercial Sump Pump	15	15	15

HEATING/COOLING SYSTEM AND CONTROLS	Multifamily / Coop	Senior	Student
Pad/ roof condenser	20	20	20
A/C window unit or through wall	10	10	10
Evaporative Cooler	15	15	15
Fan coil unit, electric	20	20	20
Fan coil unit, hydronic	30	30	30
Furnace (electric heat with A/C)	20	20	20
Furnace (electric heat with A/C)	20	20	20
Furnace (gas heat with A/C)	20	20	20
Packaged terminal air conditioner ( PTAC)	15	15	15
Packaged HVAC (roof top units)	20	20	20
Heat pump condensing component	20	20	20
Heater, electric baseboard	25	25	25
Heater, wall mounted electric or gas	20	20	20
Hydronic heat/ electric A/C	20	20	20
Line Dryers	15	15	15
Master TV System	10	10	10
Motorized Valves	12	12	12
Outdoor Temperature Sensor	10	10	10
Pneumatic lines and Controls	30	30	30

BUILDING HEATING WATER TEMPERATURE CONTROLS	Multifamily / Coop	Seniors	Students
Chilled Water Distribution	50+	50+	50+
Chilling Plant	15	15	15
Cooling Tower	25	25	25
Fuel Oil Storage	25	25	25
Fuel Transfer System	25	25	25
Gas Distribution	50+	50+	50+
Heat Sensors	15	15	15
Heat Exchanger	35	35	35
Heating Risers and Distribution	50+	50+	50+

VENTILATION SYSTEMS	Multifamily / Coop	Seniors	Students
Combustion Air, Duct with fixed louvers	30	30	30
Combustion Air, Motor louver and duct	25	25	25
Flue Exhaust	w/boiler	w/boiler	w/boiler
Free Standing Chimney	50+	50+	50+

ELECTRICAL SYSTEMS	Multifa	Seniors	Student
Common area	15	15	15
Buzzer/Intercom, central panel	20	20	20
Central Unit Exhaust, roof mounted	15	15	15
Compactors	15	15	15
Dumpsters	10	10	10
Electrical distribution center	40	40	40
Electric main	40	40	40
Emergency Generator	25	25	25
Gas lines	40	40	40
Gas main	40	40	40
Heating supply/ return	40	40	40
Power distribution	40	40	40
Transformer	30	30	30

BOILER ROOM EQUIPMENT	Multifamily / Coop	Seniors	Students
Blowdown and Water Treatment	25	25	25
Boiler Room Pipe Insulation	Included in boiler	Included in boiler	Included in boiler
Boiler Room Piping	Included in boiler	Included in boiler	Included in boiler
Boiler Room Valves	15	15	15
Boiler Temperature Controls	Included in boiler	Included in boiler	Included in boiler

VERTICAL TRANSPORTATION - ELEVATORS	Multifamily / Coop	Senior	Student
Electrical Switchgear	50+	50+	50+
Electrical Wiring	30	30	30
Elevator, Controller, dispatcher	15	20	10
Elevator, Cab	15	20	10
Elevator, Machinery	30	30	30
Elevator, Shaft-way Doors	20	20	20
Elevator, Shaft-way Hoist rails, cables, traveling	25	25	25
Elevator, Shaft-way Hydraulic piston and leveling	25	25	25

BOILERS	Multifamily / Coop	Seniors	Students
Oil-fired, sectional	22	22	22
Gas/ dual fuel, sectional	25	25	25
Oil/ gas/ dual fired, low MBH	30	30	30
Oil/ gas/ dual fired, high MBH	40	40	40
Gas fired atmospheric	25	25	25
Electric	20	20	20

FIRE SAFETY AND FIRE PROTECTION SYSTEMS	Multifamily / Coop	Senior	Student
Call station	10	15	10
Emergency Generator	25	25	25
Emergency Lights	8	10	5
Fire Extinguisher	10	15	5
Fire Pumps	20	20	20
Fire Suppression	50+	50+	50+
Smoke and Fire Detection System, central panel	15	15	15

INTERIOR ELEMENTS (COMMON AREA / DWELLING UNIT)			
INTERIOR / COMMON AREA FINISHES	Multifamily / Coop	Seniors	Students
Common area doors, interior (solid wood/ metal clad)	20	20	20
Common area floors, ceramic / quarry tile, terrazzo	50+	50+	50+
Common area floors, wood (strip or parquet)	30	30	30
Common area floors, resilient tile or sheet	15	15	15
Common area floors, carpet	5	5	5
Common area floors, concrete	50+	50+	50+
Common area railing	20	20	20
Common area ceiling, concrete	50+	50+	50+
Common area ceiling, acoustic tile (drop ceiling), drywall /	10	10	10
Common area countertop and sink	20	20	20
Common area, refrigerator	10	10	10
Common area dishwasher	15	15	10
Common area disposal	5	7	3
Common area kitchen cabinets, wood	15	20	10
Common area walls	15	25	10
Interior railings	20	25	15
Interior lighting	15	20	10
Public bathroom accessories	7	12	5
Public bathroom fixtures	15	20	10

DWELLING FIRE, SAFETY AND SECURITY	Multifamily / Coop	Seniors	Students
Unit Smoke/Fire Detectors *	5	5	5
Unit Carbon Monoxide Detectors *	5	5	5
Unit Buzzer/Intercom	20	20	20

\*Tested annually, batteries changed annually.

DWELLING UNIT CEILINGS	Multifamily / Coop	Seniors	Students
Concrete	50	50+	50+
Acoustic Tile / Drywall / Plaster	10	15	10

DWELLING UNIT FIXTURES	Multifamily / Coop	Senior	Student
Bathroom: Vanity	10	15	10
Bathroom: Fixtures / Faucets	15-	20+	15-20
Bathroom: Fiberglass Bath / Shower	20	25	18
Bathroom: Toilet	50+	50+	40
Bathroom: Toilet Tank Components	5	5	5
Bathroom: Vent / Exhaust	10	10	10
Interior Doors	15	30	10
Kitchen: Cabinets (wood construction)	20	25	15
Kitchen: Cabinets (particle board)	15	20+	13
Kitchen: Dishwasher	5-10	10-12	5-8
Kitchen: Microwave	10	12	8
Kitchen: Range	15	25	15
Kitchen: Range-hood	10	20	10
Kitchen: Refrigerator	10	20	10
Window covering	3	5	1+

DWELLING UNIT FLOORS	Multifamily / Coop	Senior	Student
Ceramic / Tile / Terrazzo	20	25	20
Wood (strip/ parquet)	15	20	20
Resilient Flooring	10	15	7
Carpet	7	10	3+
Concrete	50+	50+	50+

DWELLING UNIT HVAC AND MECHANICAL EQUIPMENT	Multifamily / Coop	Senior	Student
A/C window unit or through wall	10	10	10
Evaporative cooler	15	15	15

**Rhode Island Housing**  
**National Housing Trust Fund Rehabilitation Standards**

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Rhode Island Housing National Housing Trust Fund Rehabilitation Standards

2/3/2017

**I. PURPOSE OF STANDARDS**

- A. The National Housing Trust Fund Rehabilitation Standards (known herein as the "HTF Standards") are designed to outline the requirements for building rehabilitation for all RHODE ISLAND HOUSING National Housing Trust Fund (HTF) funded multi-family housing projects. The HTF Standards are applicable to all RHODE ISLAND HOUSING HTF-funded rehabilitation projects. The HTF Standards, though a requirement specifically to the development entity in direct receipt of RHODE ISLAND HOUSING HTF funding, are written to provide guidance to all relevant members of a project development team.
- B. The goal of the RHODE ISLAND HOUSING HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.
- C. If a project is out of compliance with the HTF Standards, the recipient shall bring to the attention of RHODE ISLAND HOUSING staff the specific portion of the project that does not comply, stating the reasons for non-compliance. RHODE ISLAND HOUSING staff will make a determination as to whether an exception to the HTF Standards shall be granted.

**Note:** At the time of publication and adoption of the HTF Standards, the adopted codes referenced are those currently in force. As standards and codes change and are put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

**II. ADDITIONAL STANDARDS**

- A. Standards: In addition to the requirement that recipients of National Housing Trust Fund funding must conform to these HTF Standards, developments must also conform to Rhode Island Housing's Guidelines for Development ("RIH Guidelines"). **Where conflicts exist between these HTF standards and the RIH Guidelines, the most stringent standards shall apply.** The HTF Standards and the RIH Guidelines include the following:
  1. The Housing Trust Fund Standards (HTF Standards) include three guidance documents:
    - a. **These HTF Standards**
    - b. **Exhibit A:** The Property Maintenance Code Inspection Form, also known as the "Inspectable Items and Observable Deficiencies form".
      - i. Exhibit A is designed to exceed the Rhode Island Property Maintenance Code SBC-8-2013 and the Uniform Physical Condition Standards (UPCS). The form, also called the "Inspectable Items and Observable Deficiencies form", includes descriptions of the types and degrees of deficiency for each item that any HTF-assisted project must address, at a minimum. Deficiency categories are: minor (Level 1), major (Level 2) or severe (Level 3). If the housing is occupied at the time of construction or rehabilitation, any life-threatening deficiencies must be identified and addressed immediately, per the instructions noted in Exhibit A. All other deficiencies found using Exhibit A will need to be addressed in the project's scope of work per coordinated review with Rhode Island Housing staff.

c. **Exhibit B:** The Capital Needs Assessment (CNA) Guidance.

- i. Exhibit B is a tool for HTF recipients to plan for the long-term physical health of the affordable housing properties constructed or rehabilitated using HTF funding. The completion of a Capital Needs Assessment is critical to determining the scope of work, and thus in determining the project's capital expenses (Section V of these Standards). Further, the CNA is critical to determining the expected useful life of all building systems, and thus in determining the needed replacement reserves for maintenance expenses (Section VI of these Standards).

2. The Rhode Island Housing Guidelines for Development (RIH Guidelines) documentation is available online at <http://www.rhodeislandhousing.org/sp.cfm?pageid=570#anchor1>.

- a. Link note: Select Section 3: Guidelines for Development (PDF) on the webpage referenced above.
- b. The remaining sections of the HTF Standards will reference the parts and page numbers of the Guidelines for Development (see red text throughout this document on cross-referencing directions). **Please note** that the RIH Guidelines are updated annually and page number references are representative only of the Guidelines in effect for the current year. For this version of the HTF Rehab Standards, the **2017 Guidelines for Development** are in effect, available on the Rhode Island Housing website, see link above.

B. The implementation of the most stringent standards to the design and construction of the housing rehabilitation (Section II.A above) is the responsibility of both the HTF recipient and Rhode Island Housing:

1. HTF recipients are required to use both these HTF Standards, Exhibit A and Exhibit B of these HTF Standards, and the RIH Guidelines, as guides in developing construction documentation (in coordination with architects and engineers) to be included in project applications.
2. Rhode Island Housing Design and Construction staff will review construction documents (required per § 93.301(a)(2)(iv) and § 93.301(b)(2) of HTF Regulations) to make sure that the most stringent standards have been applied to all design, construction and health & safety components of the project. The Design and Construction staff will use these HTF Standards to check the standards against the referenced sections of the RIH Guidelines. The analysis of most stringent standards application will occur at the following project timeframe milestones:
  - a. The Scope and Cost Review process during the application review period;
  - b. Construction contract documents review process between preliminary award and funding commitment;
  - c. And all phases of inspection (required prior to processing funding requisitions, upon unit occupancy, etc.)

**III. QUALITY OF WORK**

- A. HTF recipients shall ensure that all rehabilitation work is completed in a thorough and workmanlike manner in accordance with:

1. Industry practice and contractually agreed upon plans and specifications (cross-reference with Part 2, Section 2 of RIH Guidelines, page 14 to 20) and
  2. Mutually agreed upon change orders during the construction process (cross-reference with Part 2, Section 5 of RIH Guidelines, parts A.B and A.I, pages 53 & 54). HTF recipients will employ best practice industry standards relating to quality assurance to verify all work completed.
- B. Project Design Professionals
1. Projects will be designed by licensed professional per the Rhode Island Rules and Regulations for Design Professionals (<http://www.bdp.state.ri.us/>). All architects, engineers and design professionals shall be registered and/or licensed in the State of Rhode Island.
  2. It is the responsibility of each licensed professional to ensure that the scope of work is completed in accordance with the generally accepted practices in their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes. (See Section IV below for Code Compliance and Section V below for Scope of Work determination.)
  3. In addition, the architect or engineer will provide contract specifications that stipulate quality standards, materials choices and installation methods and standards. Such specifications may reference other appropriate standards set by different trades associations and testing agencies such as ASTM, Underwriters Laboratory (U/L), Tile Council of America, Gypsum National Roofing Contractors Association (NRCA) Architectural Woodwork Institute, SMACNA, AFME, etc.
- C. By meeting the various code requirements as a minimum standard (see Section IV below), together with the other standards herein or in attendant RHODE ISLAND HOUSING policies, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation.
- D. Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

#### IV. CODE COMPLIANCE & HEALTH AND SAFETY

- A. All work shall comply with all applicable Rhode Island State and local codes, ordinances, and zoning requirements (cross-referenced in introduction to Part II of RIH Guidelines, page 11). Key currently updated Rhode Island State Building & Fire Code Regulations are located at: <http://sos.ri.gov/divisions/Open-Government/State/building-and-fire-codes>.

Applicable state codes include but are not limited to:

1. Rhode Island Building Code SBC-1-2013
2. Rhode Island One and Two Family Dwelling Code SBC-2-2013
3. Rhode Island Plumbing Code SBC 3-2013
4. Rhode Island Mechanical Code SBC-4-2013
5. Rhode Island Electrical Code SBC-5-2013
6. Rhode Island Property Maintenance Code SBC-6-2013
7. Rhode Island Energy Conservation Code SBC-8-2013

8. Enforcement and Implementation Procedures for Projects Under the Jurisdiction of the State of Rhode Island SBC-9
  9. Code Interpretations SBC-10
  10. Public Building Accessibility Meeting Standards SBC-17
  11. Fuel Gas Code SBC-19-2013
  12. Rhode Island Rehabilitation Building and Fire Code for Existing Buildings and Structures SRC-1-202
  13. Rhode Island Fire Safety Code, 2013
  14. NFPA 1, Fire Code, 2012
  15. NFPA 101, Life Safety Code, 2012
  16. NFPA 72, National Fire Alarm and Signaling Code, 2010 edition
  17. NFPA 13, Installation of Sprinkler Systems, 2010 edition
  18. NFPA 720, Installation of Carbon Monoxide Detection and Warning Equipment, 2012 edition
- B. Please note that the HTF recipient must demonstrate compliance with all state and local codes through project affiliation with professional design team drawing certifications (e.g. architectural design stamp) and/or other approved methods such as state inspector certification.
- C. A code review analysis will be produced by the project's design professionals itemizing the applicable codes for each area of discipline.

#### **V. SCOPE OF WORK DETERMINATION**

- A. In developing scopes of work, HTF recipients will work with RHODE ISLAND HOUSING to ensure that all requirements are satisfied under these HTF Standards (and its exhibits) and RIH Guidelines, and that the proposed scope of work meets the goals of Part I above.
- B. RHODE ISLAND HOUSING approval of all scopes of work is required in accordance with RHODE ISLAND HOUSING standard practice as outlined in RHODE ISLAND HOUSING Policy & Procedures for Project Underwriting (see pages 2 thru 10 of RIH Guidelines).
- C. While it is required that a project application include a preliminary scope of work, Rhode Island Housing staff will review and propose revisions to the scope of work between the preliminary award of HTF funds and the commitment of HTF funds to a project.

#### **VI. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING**

- A. In developing scopes of work on housing rehabilitation projects, HTF recipients will consider the remaining expected useful life of all building components with regards to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (30 years) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years shall be considered for future replacement (for entire expected useful life requirements, see Exhibit B, Appendix II).

- B. The industry standard period for CNAs is 20 years; however, project CNAs must be updated every five years during the life of the project to ensure projected capital needs through the 30-year HTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
- C. Once a scope of work has been developed by the HTF recipients and their development team, the HTF recipient must also develop a capital plan in compliance with RHODE ISLAND HOUSING policy on Capital Needs Assessments. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate replacement reserves funding to be viable for at least 20 years (the length of the capital plan), with subsequent updates every five years during the 30-year affordability period.
- Example #1: Kitchen cabinets with a remaining useful life of 8 years may be permitted to remain in place and not included in the rehabilitation scope. However, adequate funding shall be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
  - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since RHODE ISLAND HOUSING requires updates of CNA's to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6-25. During these 5-year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D. Monthly replacement reserves contributions of at least \$25 per unit per month (pum) are required through the 30- year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent 5-year updates) indicate that replacement costs for the period exceed the amount generated by a \$25 pum contribution, a higher pum contribution will be required.
- E. HTF recipients and their development teams should ensure that all building components are analyzed as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way that maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.

## VII. ENERGY EFFICIENCY

- A. All RHODE ISLAND HOUSING HTF-funded projects shall be subject to the RHODE ISLAND HOUSING "Policy on Sustainability and Water Conservation in Multifamily Residential Properties." Contained within this policy are as follows and can be found in detail in Section VII-C below. As outlined in those standards, all projects will either achieve the target energy efficiency objectives of the standard or present RHODE ISLAND HOUSING with an operational case for project sustainability pursuant to the financial structure of the project (cross-reference with RIH Guidelines, Division 1, General Requirements, Part B., page 23).

- B. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes (cross-reference with RIH Guidelines page 23).
- C. **Sustainability and Water Conservation Standards:** Building healthy buildings requires a systematic approach to building planning. All the choices we make in our designs and specifications affect other choices in the system. Rhode Island Housing cannot list all the factors in building healthy homes in one place in a specification. Each application will be assessed according to the degree to which each development team succeeds in designing healthier and more sustainable developments (cross-reference with RIH Guidelines for Development, Division 1, General Requirements, Part B. on page 23).
- All buildings must be designed to meet RI Energy Conservation Code SBC-8-2013.
  - New construction multi-family homes financed through Rhode Island Housing are encouraged to achieve Energy Star Certification under the last iteration of the guidelines, Version 3.1 revision 8. At a minimum, all new construction homes are required to meet National Grid's Rhode Island Residential New Construction Tier 2 Program Requirements.
  - All completely rehabilitated buildings must be compliant with National Grid's Rhode Island Residential New Construction Code Plus, Tier 1 or Tier 2 Requirements. Rhode Island housing strongly encourages all developments to meet the highest energy retrofit program requirements that their financing will allow.
  - Energy Star Program Rebates at development completion for building, lighting and appliances are required. Anticipated Energy Star Rebates and NGRID rebates are to be included as a capital source in the development budget.
  - All Moderate Rehabilitated Buildings are encouraged to seek energy efficiency program incentives and rebates from N-Grid when upgrading boilers, lighting, insulation, air sealing and appliances.
  - Promote Healthy Home / Asthma free design by thoroughly ventilating a building prior to occupancy.
  - Owners that intend to design their developments to LEED or similar sustainable standards must demonstrate that their projects are cost effective and must seek non-federal or state funding for all third party verifications and commissioning.
  - Building team approach. (Partnering with the owner, architect, contractor and Rhode Island Housing throughout the design phase)
  - Design basement spaces to be dry and conditioned to minimize mold and mildew. Discourage the use of unnecessary drywall in basement areas.
  - Building design to meet Rhode Island climate.
  - Provide adequate space for comprehensive trash recycling.
  - All newly installed plumbing fixtures shall meet the current published EPA Water Sense standards.
  - Properties with site irrigation systems shall be equipped with time clocks, rain sensors, abatement meters and drip systems at plantings.

**VIII. DISASTER MITIGATION** (No Cross-Reference in RIH Guidelines)

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- A. To the extent applicable/relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. earthquakes, hurricanes, floods, wildfires) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.
- B. Specifically regarding flood hazards, the most relevant potential natural disaster for the State of Rhode Island:
  - 1. Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
  - 2. Projects shall meet fluvial erosion prevention requirements per local municipality regulations.

**IX. BIDDING AND PROJECT MANAGEMENT** (Cross-Reference with RIH Guidelines, Section 1. Design and Construction, Underwriting Guidelines and Timeframe, pages 3 & 14).

All projects will be bid in accordance with the RHODE ISLAND HOUSING procurement policy, which applies to all RHODE ISLAND HOUSING HTF-funded projects. HTF recipients will submit a project management plan with their application that will outline how the project will be managed (e.g. General Contractor (GC) competitive bid process using an AIA A101 Stipulated Sum Agreement or General Contractor (GC) open book, negotiated bid process using AIA A102 COST PLUS FEE with GMP agreement). Any changes to project management operational structure that substantially varies from the plan provided to RHODE ISLAND HOUSING at the time the HTF funding is awarded requires prior notification to RHODE ISLAND HOUSING HTF staff.

**X. PROJECT ARCHITECTURAL REHABILITATION DESIGN STANDARDS**

- A. **BUILDING OCCUPANCY & CONSTRUCTION TYPE** (No Cross-Reference in RIH Guidelines)
  - 1. Fire resistance rating separation requirements per code
  - 2. Shall comply with Rhode Island Fire Safety Code, 2013, NFPA 1, 2012 and NFPA 1012012
- B. **HISTORIC BUILDINGS** (No Cross-Reference in RIH Guidelines)
  - 1. Shall comply with NFPA 1012012
  - 2. Shall comply with RI SBC -1-2013 & SBC-2-2013
  - 3. Historic buildings shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings. In addition, all scopes of work shall be reviewed and approved by the Rhode Island Preservation & Heritage Commission Office.
- C. **ACCESSIBILITY REQUIREMENTS** (Cross-Reference with standards found at RIH Guidelines, Section 1, Part F, pages 25 and 26).
  - 1. Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.
  - 2. General Requirements:

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- a. Projects shall meet applicable Federal and State Regulations and Rules
  - b. The number of accessible apartment units shall be determined by the code requirements
  - c. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide (DOJ), as applicable
  - d. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205
  - e. Projects shall comply with the accessibility standards in the Rhode Island State Building Code SBC-1-2013.
  - f. Projects shall comply with the Rhode Island Public Buildings Accessibility Meeting Standards SBC-17.
3. Projects shall comply with other standards as may apply or be required by funding sources
4. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8
- a. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
    - i. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS)
    - ii. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
    - iii. Common spaces must be made accessible to the greatest extent feasible
  - b. For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.
- D. BUILDING DESIGN** (Cross-reference with RIH Guidelines Section 3, Division 1 General Requirements [pages 22 thru 27] and Section 6 Additional Recommended Practices [pages 64 thru 66])
- 1. HTF recipients are encouraged to draft an architectural program document outlining the goals for the project.
  - 2. Building access – in general the access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
  - 3. Means of egress components shall be in conformance with Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012 including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
  - 4. Apartment layout:
    - a. Room sizes –minimum in accordance with RI SBC-1-2013 & RI SBC-2-2013.

- b. Interior environment shall comply with RI SBC-1-2013 & RI SBC-2-2013. Note: Sections of IBC Chapter 12 not specifically adopted by State of Rhode Island are to be used as a design guideline parameter.
- c. Kitchens – in general, for apartment buildings – each unit will have a functional and code-compliant kitchen
  - i. SRO's and other special housing types may be an exception
- d. Baths – in general, for apartment buildings – each unit will have a functional and code compliant bath in accordance with RI SBC-1-2013 & RI SBC-2-2013
  - i. SRO's and other special housing types may be an exception
- 5. Storage – adequate clothes closets, pantry and general storage shall be provided.
- 6. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. HTF recipients are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.
- 7. Solid Waste Disposal – provision shall be made to enable the tenants and property management staff to handle and store solid waste and recycling plan approved by Rhode Island Housing.
- 8. Existing outbuildings and utility structures which are being retained, shall be in sound and serviceable condition, and not create health, safety, or undue maintenance issues for the project.

#### **XI. REHABILITATION CONSTRUCTION STANDARDS**

- A. **SITE** (Cross-reference with RIH Guidelines Section 3, Division 2 [pages 27 thru 29])
  - 1. General:
    - a. Assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
    - b. Site design and engineering shall be by a licensed professional civil engineer, or other qualified professional.
    - c. Design and systems shall conform to all applicable codes, rules and regulations:
      - i. Local and municipal zoning
      - ii. 2013 Rhode Island Fire and Building Code or current adopted
    - d. A Project Review Sheet shall be submitted to the Rhode Island Department of Environmental Management (RIDEM) to determine other permit requirements related to site design and construction:
      - i. Sewer and Septic – Rhode Island Waste Water System and Potable Water Supply Rules – RIDEM permit
      - ii. Domestic Water - Rhode Island Waste Water System and Potable Water Supply Rules - RIDEM permit.
      - iii. Storm Water Permits relating to erosion control and storm water management and discharge RIDEM permit.
      - iv. Hazardous Waste Site Remediation RIDEM permits.
      - v. Access to State Highways – RI Department of Transportation (RIDOT) rules and regulations as may be required

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- vi. RIDOT Physical Alteration permits.
  - vii. Wetlands – Review with State Water Quality Division permit.
  - viii. RI Coastal Resources permits
2. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
  3. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion.
  4. Sewer connections to municipal sewage systems and on-site waste water treatment system:
    - a. Existing sewer laterals that are to be reused should be evaluated to assure that they are serviceable and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5- year updates during the 30-year affordability period.
    - b. New systems designed to conform to the State “Wastewater System & Potable Water Supply Rules” RIDEM permit) regulations.
  5. Water service:
    - a. Existing municipal water supplies to buildings shall be evaluated to assure that they are serviceable, of adequate capacity and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
    - b. Required new systems shall be designed to conform to the State “Wastewater System & Potable Water Supply Rules” RIDEM permit) regulations, and the American Waterworks Association (AWWA) guidelines.
  6. Vehicular access to public way – site design shall conform to local zoning and RI Department of Transportation regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
  7. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize Institute of Transportation Engineers (ITE) guidelines in the design.
  8. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.
  9. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
  10. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.

11. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense.
    - a. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
  12. Solid waste collection & storage –Provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures with gates shall be provided and must be accessible as required by code.
  13. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
    - a. Energy efficient lighting shall conform to current Energy Star Standards and the RHODE ISLAND HOUSING "Policy on Energy Efficiency & Water Conservation in Multi-family Residential Properties" (see section VII-C of these standards).
  14. Fuel Storage – On site outdoor placement and storage of fuels per applicable regulations and utility requirements.
  15. Underground or overhead utilities – as regulated by code and utility rules.
- B. FOUNDATIONS** (Cross-Reference with RIH Guidelines Section 3, Division 3 [page 29])
1. Existing foundations shall be examined by qualified professionals
    - a. Foundations to be adequately sized, free of broken components or deterioration which may compromise the load bearing structural integrity.
    - b. Design and implement structural reinforcements or reconstruction as necessary.
  2. Above-grade masonry unit block or brick shall be reasonably stable, plumb and sound with no missing units or voids.
  3. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly.
  4. New below-grade structures to conform to RI SBC-1-2013 & RI SBC-2-2013 as appropriate.
  5. Basement floors:
    - a. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
    - b. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
    - c. Dead spaces
      - i. provide concrete rat slabs,
      - ii. where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
  6. Moisture mitigation
    - a. Water and damproofing – where possible and as may be required by existing conditions of groundwater and storm-water intrusion into subsurface portions of buildings, provide waterproofing or damp proofing as appropriate.

- b. Provide vapor barriers covered with a wear layer of pea-stone over earthen basement or crawl space floors to remain.
  - c. Ventilation of basements and crawl spaces per RI SBC-1-2013 & RI SBC-2-2013.
- C. **MASONRY COMPONENTS** (Cross-Reference with RIH Guidelines Section 3, Division 4 [pages 29 & 30])
- 1. Buildings with masonry bearing walls shall be examined for their structural integrity. Existing masonry building components shall be examined to assure sound condition, and repaired as necessary to provide the load-bearing capacity, resistance to water penetration, and aesthetic quality to assure the assemblies will perform for the purpose intended. Masonry shall be plumb, and structurally sound.
  - 2. Repair or replace deteriorated portions or missing units. Brick veneer shall be sound, or repaired to be sound.
  - 3. Masonry mortar joints shall be sound, and free of loose or deteriorated mortar, with no voids. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly, and prevent water intrusion.
  - 4. Historic masonry designated to remain shall be restored to sound serviceable condition, and in accordance with Section 106 of National Historic Preservation Act. Where masonry is considered historic, repairs will be carried out utilizing the Secretary of the Interior's "Standards of Rehabilitation" (<https://www.nps.gov/tps/standards/rehabilitation.htm>) and related NPS Preservation Briefs for "Repointing Mortar Joints on Historic Masonry Buildings"
  - 5. Chimneys
    - a. Assure structural integrity, reconstruct, and point as necessary
    - b. If used for fuel heating appliances – provide lining as may be required by code and as prescribed by the heating appliance manufacturer.
- D. **STRUCTURE** (Cross-Reference with RIH Guidelines Section 3, Division 1, Part G [page 26])
- 1. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
  - 2. In general, structure evaluation and design shall be in conformance with RI Building and Fire Code, current edition.
    - a. In most residential rehab projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards.
    - b. Consideration shall be given if there are any proposed changes in use which would impact the historical loading.
  - 3. Deficiencies identified shall be addressed and repairs designed and specified as necessary to correct such conditions:
    - a. Repairs shall be made to any deteriorated load-bearing structural elements.
    - b. Reinforce, install supplemental or replace structural members determined not to be adequate for use.
- E. **ENCLOSURE - SHELL** (Cross-reference with RIH Guidelines Section 3, Division 7, Parts B and C [pages 31 & 32])
- 1. Roofing

- a. Existing
    - i. Examine existing roofing and flashing systems to determine suitability for continued use. Continued life expectancy of existing roofing should be a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
    - ii. Repair existing roofing as required.
    - iii. Existing historical slate roofs shall be repaired in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements if applicable (<https://www.nps.gov/tps/standards/rehabilitation.htm>).
  - b. New Roofing
    - i. New roofing shall be installed where existing roofing does not meet requirements for continued use.
    - ii. New roofing system components shall be compatible, and include - the nail base, the underlayment layer, ice & water shield self-adhesive membrane flashings, metal flashings and roofing.
      - Strip existing roofing and dispose of properly.
      - Examine exposed existing substrate for structural soundness
      - Install new roofing system per code and per NCRA trade practices, and manufacturer specifications.
      - Flashings – deteriorated flashings shall be replaced, and the weather proof integrity of the roof system shall be assured.
  - c. Ventilation
    - i. Roof assemblies shall be properly ventilated in accordance with applicable code requirements, and appropriate building science detailing.
2. Exterior Finishes
- a. Cladding
    - i. Wood Siding –
      - Examine existing siding for soundness – shall be free of major cracks, rot, and other deterioration which may compromise its useful life and be suitable to hold exterior paint.
      - Siding shall be free of gaps and holes and provide continuous weatherproof system.
      - Repair or re-side as necessary to provide a weather resistant enclosure.
      - Replace existing wood siding on historic buildings as necessary in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
    - ii. Masonry
      - Masonry bearing walls and veneers shall be restored as necessary
        1. Refer to Section XI C – Masonry
        2. Refer also to Section XI F.2.b for insulation requirements
        3. All work on historic masonry shall be done in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

- iii. Other existing cladding system types and materials shall be repaired and/or restored in-kind with matching or similar materials to provide a durable weather resistant enclosure.
3. Trim – Exterior trim and architectural woodwork.
- a. Existing wood trim:
    - i. Existing trim to remain must be sound, free of defects and deterioration which compromises its use.
    - ii. Repair and restore trim to usable condition. Patch or replace in kind any deteriorated wood trim components.
    - iii. Repair of historic woodwork and trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to Architectural Woodwork Institute (AWI) standards.
  - c. Other trim materials (PVC, cementitious, etc.) which are suitable may be used as appropriate and shall be installed per manufacturer’s recommendations.
  - d. Trim which is part of the weather tight enclosure shall be flashed or caulked with joint sealers as necessary to prevent water intrusion.
4. Paint
- a. In general, all existing exterior wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint and/or the sound condition of existing coatings
  - b. Examine surfaces and apply paint only to sound acceptable materials / surfaces.
    - i. Prepare surfaces properly, removing loose or peeling previous paint.
    - ii. Paint prep shall be done in accordance with applicable lead safe standards. (See Section XI N.1.b of these HTF Standards.)
  - c. Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
  - d. Exterior paint systems shall be compatible, and installed in accordance with manufacturers’ specifications.
5. Porches, decks and steps
- a. Existing porches, decks, steps and railings proposed to remain shall be examined and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
    - i. Inspect structure for soundness and reconstruct any deteriorated members as required.
    - ii. Install new support piers as may be required.
    - iii. Patch existing decking with matching materials, or install new durable decking.
  - b. Railings
    - i. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
    - ii. Shall meet code requirements for height of protective guards, or have supplemental guards installed.

- c. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
  - d. Historic porches designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - e. All porch elements shall be able to withstand the weather elements to prevent premature deterioration.
- F. **ENCLOSURE – THERMAL** (Cross-Reference with RIH Guidelines Section 3, Division 7, Part A [page 31] & Part D.2 [pages 33 & 34])
- 1. Energy Efficiency - In general, most buildings will be rehabbed with a goal of increasing the thermal shell efficiency.
    - a. All RHODE ISLAND HOUSING HTF funded projects shall be subject to the RHODE ISLAND HOUSING "Policy on Sustainability and Water Conservation in Multifamily Residential Properties." Contained within this policy are as follows and can be found in detail in Section VII-C. As outlined in those standards all projects will either achieve the target energy efficiency objectives of the standards or present RHODE ISLAND HOUSING with an operational case for project sustainability pursuant to the financial structure of the project.
    - b. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
  - 2. Insulation
    - a. Insulation levels shall conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties" Contained within this policy are as follows and can be found in detail in section VII-C.
    - b. Masonry walls shall be insulated utilizing current building science detailing to ensure ongoing integrity of masonry systems.
  - 3. Air sealing – comply with the Rhode Island Multifamily Air Sealing Protocol (MASP) per the "RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
    - a. Attention must be paid to the air barrier of each building and should be well thought out, detailed, and carefully executed.
    - b. Blower door testing shall be performed to verify compliance and successful execution.
  - 4. Indoor air quality
    - a. In general, all thermal upgrades to a building will take into consideration indoor air quality and moisture control/mitigation, and apply the current state of the art building science in this regard. Treatment of existing stone, concrete or masonry basement walls and of existing basement earthen floors or uninsulated basement slabs will be taken into consideration with regard to the need for moisture mitigation.
  - 5. Ventilation
    - a. Venting of crawl spaces, attics and sloped ceilings shall be per code.
    - b. See Section XI E.1.c of these HTF Standards for roof assembly ventilation.

- G. ACOUSTICAL TREATMENTS** (Cross-Reference with RIH Guidelines Section 3, Division 7, Part D. Sound Insulation [pages 33 & 34])
- Dwelling units separated acoustically per RI SBC-1-2013 & RI SBC-2-2013 as a guideline minimum standard.
- H. DOORS** (Cross-Reference with RIH Guidelines Section 3, Division 8, Part B [pages 36 & 37])
1. General
    - a. Doors to meet code requirements of Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012
    - b. Meet egress requirements for dimensions, swing and clearances, and be accessibility compliant as required.
    - c. Be sound and secure.
    - d. New doors shall be installed per manufacturers' recommendations and standard trade practice standards.
    - e. Flash properly, and have shim spaces insulated.
    - f. Existing doors to remain should be examined and determined to be suitable for reuse with a remaining life after restoration of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
      - i. Restore as required to provide useful life.
      - ii. Shall be tested and modified as necessary to operate properly.
      - iii. Install new weather stripping and sweeps to provide seal against weather elements and air infiltration.
      - iv. Historic doors designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  2. Apartment doors

Apartment unit entry doors shall be fire rated as required.
  3. Other doors – Access doors shall meet code requirements for fire rating.
  4. Door hardware shall operate properly, be secure and shall meet accessibility standards Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012.
- I. WINDOWS** (Cross-Reference with RIH Guidelines Section 3, Division 8, Part A [pages 35 & 36])
1. Windows shall be of legal egress size when required by code. In townhouse apartments, existing windows which are non-conforming egress size shall be reviewed and meet the RI SBC-1-2013, SBC-2-2013, Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012
  2. Existing windows:
    - a. Existing windows to remain should be examined and determined to be suitable for reuse with a reasonable remaining life after restoration of 30 years without undue future maintenance, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
    - b. Capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.

- c. Install new weather stripping to provide seal against weather elements and air infiltration.
  - d. Air seal shim spaces and window weight pockets if possible.
  - e. Restore and modify as required to provide useful life.
  - f. Shall be tested and modified as necessary to operate smoothly and properly per code.
  - g. Historic windows designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - h. Hardware shall be intact and operational, or be replaced with new hardware as required
3. New Windows:
- a. Where existing windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
  - b. New windows shall be code compliant, and conform with the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
  - c. Additionally, new window units should be tested assemblies meeting ASTM standards for water penetration & air leakage.
  - d. All windows shall be installed per manufacturer's installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.
- J. **INTERIOR FINISHES** (Cross-reference with RIH Guidelines Section 3, Division 9, Parts A & B[pages 37 & 38])
- 1. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade.
  - 2. Rhode Island Fire Safety Code 2013, NFPA 101, 2012 (Reference also Chapter 8 of the RI SBC-1-2013).
  - 3. Walls & ceilings
    - a. Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
    - b. Where existing finishes are proposed to remain as part of a fire rated assembly, the State Preservation & Heritage Commission Office shall assist in making a determination as to the suitability. Refer to codes as they pertain to archaic materials, and relevant NPS Preservation Briefs.
  - 4. Flooring
    - a. Existing wood flooring in good condition should be repaired, sanded and refinished.
    - b. All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
  - 5. Trim - Wood trim and architectural woodwork

- a. Existing trim shall be repaired and restored to usable condition, free of deterioration which compromises its use. Repair of historic woodwork & trims shall be in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements (<https://www.nps.gov/tps/standards/rehabilitation.htm>).
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to AWI standards.
6. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner (See Section XI N.1.b).
- K. **SPECIALTIES** (Cross-Reference with RIH Guidelines Section 3, Division 10, [page 39])
1. Toilet accessories – each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements where necessary.
  2. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
  3. Signage and identification – building signage shall be provided as appropriate:
    - a. Including building address 911 #'s, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with Rhode Island Fire Safety Code, 2013, NFPA 101, 2012 Life Safety Code, and be accessibility compliant and 911 approved.
  4. Exit signage will be provided as required by code and be accessibility compliant as required.
  5. Fire protection specialties – provide fire extinguishers in buildings, and in apartments as required by code and/or by state or local fire marshal "AHJ". Locate as directed by AHJ.
  6. Shelving – provide durable, cleanable shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.
- L. **EQUIPMENT** (Cross-Reference with RIH Guidelines Section 3, Division 11 [pages 39 & 40])
1. All new equipment to be ENERGY STAR® rated. Existing equipment to be retained and continued to be used shall be in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30- year affordability period.
  2. Equipment shall conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
  3. Kitchen appliances –
    - a. provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
    - b. Existing appliances to be reused shall be in good and serviceable condition.
    - c. Provide other appliances (such as microwaves) as may be appropriate to the project.
    - d. All appliances in accessible apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.

4. Laundries –where adequate space is available and when appropriate to meet the project goals, washers and dryers may be provided in laundry rooms or in apartments.
  - a. Heat pump dryers are encouraged where appropriate and readily available.
  - b. Where a project is served by natural gas, consideration of the use of natural gas dryers is encouraged. In projects not served by natural gas, propane fired dryers should be considered for cost of operation reasons where feasible and appropriate.
5. Solid waste handling – Provide trash and recycling receptacles as appropriate to enable the tenants and property management staff to handle and store solid waste in compliance with Rhode Island Resource Recovery Corporation’s Rules and Regulations.
 

Playground: For all family oriented developments, HTF recipients shall demonstrate that playground facilities are in reasonable proximity or shall incorporate a playground as part of the development.

**M. FURNISHINGS - CASEWORK** (Cross-Reference with RIH Guidelines Section 3, Division 12 [pages 40 & 41])

1. Kitchen cabinetry and counters
  - a. Existing cabinetry and/or countertops proposed to remain shall be in good condition with a remaining useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New cabinetry
    - i. High-pressure plastic laminate and/or wood exterior surfaces. Minimum ¼” thickness of face frames and 5/8” thickness for doors, drawer faces and end panels. ½” thick shelves. Solid wood doors preferred.
    - ii. All cabinets shall meet requirements for HUD severe use. Cabinet doors will be equipped with raised or recessed panels and door knobs. The use of flat panel cabinet doors shall be reviewed on a case-by-case basis. Door pulls shall be installed at handi-capped units. Shall be of good quality, meeting ANSI/KCMA A161.1-2012 “Performance & Construction Standards for Kitchen Cabinetry and Bath Vanities” standards. Other industry standards for cabinetry may be used as guidelines, such as the Kitchen Cabinet Manufacturer’s Association (KCMA) “Severe Use Specification – 2014,” the Architectural Woodwork Institute’s (AWI) Woodwork Standards and Cabinet Fabrication Handbook.
    - iii. Counter Tops: Materials - laminate with rolled front edge and backsplash.
      - Shop fabricated as one piece assembly where possible. Seal field joints.
      - Installed level and securely fastened to cabinetry
2. Bath cabinetry and counters – vanity lavatory tops, when used, should be one piece integral bowl with integral backsplash

**N. SPECIAL CONSTRUCTION** (Cross-Reference with RIH Guidelines Section 3, Division 13 [page 41])

1. Hazardous materials and remediation – see “RHODE ISLAND HOUSING Guidelines for Development Section 3.3 (Environmental Guidelines including HUD’s Lead Safe Housing Rule, see page 67 of RIH Guidelines).
  - a. Asbestos – project will be assessed for the existence of asbestos-containing building materials by qualified professionals:

- i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
  - ii. Removal of asbestos shall be carried out per Federal EPA and State regulations and rules.
- b. Lead - Health and Safety and Lead Safe Housing
- i. All scopes of work performed pursuant to this rehabilitation standard shall support the maintenance of project compliance with the Rhode Island Department of Health Rules and Regulations for Lead Poisoning Prevention R23-24.6PB and Rhode Island Department of Environmental Management Regulations 9 & 24.
  - ii. Lead-Based Paint
    - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities). Rehabilitation of target housing must be completed in a manner which insures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:

Federal Regulations:

- HUD Lead Safe Housing Rule (24 CFR, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing.
- EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead-safe work practices to complete the work. HTF recipients must ensure contractors are properly trained and licensed. More information is available at: <http://www2.epa.gov/lead>
- HUD/EPA Disclosure Regulations (24 CFR, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at: [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_12347.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf)
- OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: [https://www.osha.gov/pls/oshaweb/owadisp.show\\_document?p\\_table=STANDARD\\_S&p\\_id=10641](https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARD_S&p_id=10641)
- Rhode Island Rules and Regulations for Lead Poisoning Prevention, R23-24.6-PB, April 2014 (T) Title 18, Chapter 38:
  - Rhode Island law requires all work that disturbs paint in target housing and child care facilities to be completed using lead safe work practices.

Rehabilitation completed according to the federal regulations described above will generally fulfill this requirement. Rhode Island does ban certain unsafe practices that are allowed under some of the federal regulations, including power sanding and grinding, dry scraping, and use of certain kinds of paint strippers.

- O. **CONVEYANCE SYSTEMS** (Cross-Reference with RIH Guidelines Section 3, Division 14 [page 41])
1. Elevators may be installed when appropriate and possible, when such elevator is part of the project's program goals, or as required by code, as follows:
    - a. Installed per code NFPA 101,
    - b. Rhode Island Fire Safety Code, 2013
    - c. ASME 17.1-17.3 Safety Code for Elevators - 2013
    - d. State of Rhode Island Elevator Safety Code, 2012
  2. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5- year updates during the 30-year affordability period, and approved by agencies having jurisdiction.
- P. **MECHANICAL** (Cross-Reference with RIH Guidelines Section 3, Division 15 [pages 41 thru 45])
1. General:
    - a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
    - b. Energy efficiency:
      - i. All RHODE ISLAND HOUSING HTF funded projects shall conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
      - ii. As outlined in the HTF Standards, all projects will either achieve the target energy efficiency objectives of the standard or present RHODE ISLAND HOUSING with an operational case for project sustainability pursuant to the financial structure of the project.
      - iii. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
    - c. All mechanical systems shall meet all applicable codes:
      - i. Rhode Island 2013 Fire & Building Code & NFPA 101 Life Safety Code, 2012 Edition
      - ii. Rhode Island Mechanical Code, RI SBC-4-2013.
      - iii. Rhode Island Fuel Gas Code, RI SBC-19-2013
      - iv. Rhode Island Plumbing Code, RI SBC-3-2013. 2012 Rhode Island Fire & Building Code
      - v. Rhode Island Energy Conservation Code, RI SBC-8-2013 as they may apply:
      - vi. Plumbing fixtures will be accessibility compliant as required.
      - vii. Rhode Island Rules & Regulations for Boiler and Pressure Vessels (R.I.G.L -28-25) effective 12/12/2011 as it pertains to boilers and pressure vessels

<http://sos.ri.gov/documents/archives/regdocs/released/pdf/3b493e49b0a2a162589891f1e4b0f9c3/4721.pdf> Page 16).

2. Fire protection
  - a. In general, all buildings assisted with HTF funds shall have fire suppression as required by applicable codes with approved sprinkler systems installed as required by Rhode Island Fire Safety Code, 2013, NFPA 101, 2012 and NFPA 1, 2012:
    - i. System design to conform to applicable NFPA standard 13, 2013.
    - ii. System installed by State approved persons holding appropriate licenses..
  - b. Where possible, piping for the sprinkler system shall be concealed.
3. Plumbing
  - a. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. Substandard or critical non-code compliant components shall be replaced.
  - b. Use water-saving shower heads and faucet aerators as required by the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
  - c. All fixtures, piping fittings and equipment shall be lead-free in accordance with the Rhode Island Plumbing Rules.
  - d. Kitchen fixtures – When existing kitchen fixtures are not reused in accordance with a. above, new sinks and faucets, and associated plumbing shall be installed in each apartment.
  - e. Bath fixtures – When existing bath fixtures are not reused in accordance with a. above, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in each apartment.
    - i. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
  - f. Provision for laundry rooms or laundry hook-ups may be made per project's program requirements.
  - g. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
4. Heating
  - a. System design:
    - i. Designed and constructed to conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
    - ii. Where existing components of a system are proposed to be reused, they will be examined and determined to be in good and serviceable condition, code compliant and

- have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
- b. Temperature control - The temperature in each apartment shall be individually thermostatically controlled.
  - c. Provide adequate heat in common spaces.
5. Pipe Insulation:
- a. Insulate all hot and cold water pipes for both domestic and mechanical use to conserve heat and minimize condensation. Large buildings require insulation on all domestic and mechanical hot and cold water piping throughout the building. In handicapped units all exposed pipes shall be insulated with a protective insulated jacket.
  - b. Insulate interior rainwater conductors.
  - c. For hot and cold water and mechanical pipes up to 2", insulation shall be 1" thick. For larger pipes, insulation shall be 1.5" thick. For runouts insulation thickness shall be ½".
6. Avoid installing plumbing piping in exterior walls.
- a. Minimum equipment efficiencies per Efficiency Rhode Island's Energy Conservation Code RI SBC-8-2013.
  - b. Motors and pumps – high efficiency Brushless Permanent Magnet Pumps (BLPM) with variable frequency drives (VFD).
  - c. Control wiring and control strategies with outdoor temperature reset.
  - d. Finned Tube Radiation – where used - high output heavy gauge enclosure baseboard finned tube radiation is recommended to provide a more durable product with a longer expected useful life. Replace existing as appropriate.
7. Ventilation
- a. Code-compliant indoor air quality will be addressed by the installation of either exhaust only or balanced (heat recovery) ventilation systems as required by:
    - i. Fire protection of system ducts per NFPA 101, 2012
    - ii. ASHRAE 62.2
  - b. RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C. Balanced mechanical ventilation systems are encouraged.
  - c. Ventilation controls shall be per applicable codes
8. Domestic Hot Water:
- a. System shall be designed RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
  - b. Install pipe insulation per code.
- Q. **ELECTRICAL** [Cross-Reference with RIH Guidelines Section 3, Division 16 [pages 45 thru 47]]
1. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.

2. Project electrical must be installed by a licensed electrician
3. Energy efficiency:
  - a. RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C. Design shall be comply with all the applicable codes:
    - Rhode Island State Fire & Building Code, 2013
    - NFPA 101, 2012 Life Safety Code
    - NFPA 72, National Fire Alarm and Signaling Code, 2010
    - NFPA 720, Standard for the Installation of Carbon Monoxide Detection and Warning Equipment, 2012 edition.
4. In general, the electrical system should be new throughout a building:
  - a. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. The designer, in concert with the State electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
5. Utility connections shall be installed per the rules and regulations of the electrical utility.
6. Electrical service and metering:
  - a. The service entrance size shall be calculated to handle the proposed electrical loads.
  - b. Metering and disconnects shall be per code and mounted at approved locations.
7. Elevator wiring shall conform to the ANSI 17.1 as modified by the Rhode Island Elevator Safety Code, 2012.
8. Electrical distribution system:
  - a. Lighting and receptacle circuits shall be designed per code.
  - b. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
  - c. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
9. Artificial Lighting shall be provided using Rhode Island Energy Conservation Code, RI SBC-8-2013.
  - a. HTF recipients are required to upgrade to Energy Star® Category.
10. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
  - a. Energy Star compliant site lighting fixtures are required.
11. Emergency and exit lighting/illuminated signage shall be per the Rhode Fire Safety Code, 2013, NFPA 101, 2012, Life Safety Code.
12. Fire detection and alarms:

- a. Shall be installed as required by code: NFPA 101, and comply with NFPA 72, 2010 and NFPA 1, 2012.
  - b. Smoke detectors shall be installed per Rhode Island Fire Safety Code, 2013.
  - c. CO detectors shall be installed per 2013 Rhode Island State Fire and NFPA 720, 2012.d. Where required – system annunciation shall be in accordance with NFPA 1, 2012.
13. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
14. PV Solar – an optional solar-powered photovoltaic panel system may be installed in accordance with the National Electrical code, RI SBC-5-2013, State energy code, and the regulations of the governing utility.

These Housing Trust Fund Standards include two additional guiding documents:

**Exhibit A: The Property Maintenance Code Inspection Form,**  
also known as the "Inspectable Items and Observable Deficiencies form"

**Exhibit B: Capital Needs Assessment (CNA) Guidance**

