

# Rhode Island THIRD (3rd) Year Annual Action Plan 2015-2019

**Program Year 2017  
July 1, 2017 – June 30, 2018**

**FINAL**

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## Contents

<b>Executive Summary.....</b>	<b>3</b>
ES-05 Executive Summary - 91.300(c), 91.320(b) .....	3
<b>The Process.....</b>	<b>10</b>
PR-05 Lead & Responsible Agencies 24 CFR 91.300(b).....	10
PR-10 Consultation - 91.110, 91.300(b); 91.315(l) .....	11
PR-15 Citizen Participation - 91.115, 91.300(c) .....	18
<b>Second Year Annual Action Plan .....</b>	<b>18</b>
AP-15 Expected Resources – 91.320(c)(1,2) .....	19
AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e) .....	22
AP-25 Allocation Priorities – 91.320(d).....	24
AP-30 Methods of Distribution – 91.320(d)&(k).....	27
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii).....	51
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii).....	54
AP-50 Geographic Distribution – 91.320(f).....	55
AP-55 Affordable Housing – 24 CFR 91.320(g).....	57
AP-60 Public Housing - 24 CFR 91.320(j).....	59
AP-65 Homeless and Other Special Needs Activities – 91.320(h) .....	61
AP-70 HOPWA Goals – 91.320(k)(4).....	66
AP-75 Barriers to affordable housing – 91.320(i) .....	67
AP-85 Other Actions – 91.320(j) .....	70
AP-90 Program Specific Requirements – 91.320(k)(1,2,3).....	76

## Executive Summary

### ES-05 Executive Summary - 91.300(c), 91.320(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.

Rhode Island Housing is submitting this Annual Action Plan on behalf of the State of Rhode Island. Rhode Island Housing coordinated with the Office of Housing and Community Development and the Executive Office of Commerce to complete both the CDBG and ESG Action Plans. Jointly, these agencies undertook a lengthy planning process for the 2015-2019 State of Rhode Island Consolidated Plan and have developed the current Annual Action Plans in accordance with the goals set during the coordinated planning.

##### *a. Objectives and Outcomes Identified in the 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 third 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 127 rental units constructed, 900 rental units rehabilitated, 47 units of housing for the homeless added, 1,338 households assisted through permanent supportive housing; nearly 3,278 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 326 homes; 1,700 households assisted with tenant-based vouchers, 123 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.

*b. Evaluation of past performance*

This Annual Action Plan represents the third 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 PY16 is due for submission to HUD from the state by September 28, 2017. The CAPER will include the accomplishments only for the 2016 program year.

The state's housing finance agency, Rhode Island Housing, and the state department in charge of delivering housing services, the Office of Housing and Community Development have worked together 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 Rhode Island Housing since 1986, has 10,525 active units for which it has financed construction. Rhode Island Housing 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.

Program Year 2017 is the first program year in the five year 2015-2019 Consolidated Plan period in which the program year runs from July 1<sup>st</sup> to June 30<sup>th</sup> of the following year. All previous program years ran March 1<sup>st</sup> through February 28<sup>th</sup> of the following year.

*c. Summary of Citizen Participation and Consultation Process*

Throughout the Consolidated Plan development process in 2016-2017, Rhode Island Housing 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, Rhode Island Housing 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 similar to the annual meeting held by the Office of Housing and Community Development for its CDBG program. Documents were made available for review by the public through Rhode Island Housing. 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. In the case of the Annual Action Plan public hearing, the location was the State's Department of Administration's offices in Providence, RI, lasting from 5pm to 6pm on Tuesday, July 11, 2017; Spanish-speaking personnel were present at this meeting. Nine members of the public attended the hearing and provided many comments (summary provided below, full comments included in Appendix). This Annual Action Plan was issued on July 10<sup>th</sup> for a 30-day public comment period. The draft plan was posted on the Rhode Island Housing website.

When completed, copies of the Annual Action Plan will be sent to the Rhode Island State House Library. The Annual Action Plan will also be available to private citizens upon request.

*d. Summary of Comments or Views*

Comments were made at the public hearing on July 11<sup>th</sup>. A summary of the comments are as follows:

1. Comment: There is a need for operating subsidies to go with National Housing Trust Fund (HTF) new production awards. The low rents that are required to be offered to tenants will not generate enough operating cash flow for owners and operators without significant additional public assistance besides the HTF capital subsidy.

Response: Attempts will be made to make operating support available to projects that are funded with HTF funds.

2. Comment: The HOME Program regulations should clarify the possible uses of funds for homeownership projects, specifically if down payment assistance is eligible under the state program.

Response: HOME Program staff clarified that homeownership down payment assistance is not an eligible activity under the RI State HOME Allocation Plan. The development of homeownership opportunities for qualified buyers by eligible recipients is an eligible activity under the current HOME Allocation Plan, and such potential use of HOME funds will be clarified in the Allocation Plan.

3. Comment: A State goal should be considered that focuses on intergovernmental consolidation and the streamlining of regulations, including environmental reviews.

Response: The State recognizes that program requirements, in some instances, are not entirely consistent and may be administratively burdensome. The State, as appropriate, provides feedback to HUD on these issues. While not a specific goal in the Strategic Plan section of the 2015-2019 Consolidated Plan, the State reports on its progress in making development more efficient in Action Plan sections AP-75 and AP-85.

4. Comment: The State should assess the impact of HOME/HTF construction guidelines compared to private housing development guidelines and determine if there are unreasonable or overly burdensome demands on HOME/HTF developers.

Response: The State's strategy is to adopt construction guidelines that meet federal requirements as administrators of federal programming, while also adhering to state and local construction standards. Unfortunately, these parameters generate lengthy requirements for recipients of CPD funding when developing housing. It is a goal of RIHousing, as a source of financing for the development of affordable housing, to understand the effect of its design requirements on the overall construction costs incurred, and is in preliminary stages of developing a construction cost database to deliver such an assessment.

5. Comment: HUD monitoring procedures, with repetitious document requests, overly burdens administrative staff of CDCs, which often lack administrative funding, and makes maintaining compliance difficult.

Response: In order to continue to receive federal funding, the State must adopt the monitoring standards required of federal programs and assess compliance with such standards in regular intervals. Where possible, the State will provide more technical assistance to partners to aide in providing timely monitoring documentation.

6. Comment: Outreach for public hearing on the Annual Action Plan should be better coordinated with its stakeholders and more notifications should be given to increase

awareness and attendance. Comments also included that the State should exceed HUD's requirements for outreach regarding advertising the public hearing, such as working with partners, trade associations, and posting where people in low to moderate-income housing live. Public hearings on these documents should be framed as means to provide feedback into how federal resources are being used and how the funding is distributed within our communities.

Response: The State followed the requirements of its current Citizen Participation Plan in implementing public engagement for the PY17 Action Plan. Announcements for the public hearing were published in the Providence Journal two weeks prior to the date of the hearing as was posted in a newspaper that reaches Spanish-speaking regions of the State. The posting was available on RIHousing's and the State's website beginning two weeks prior to the hearing and remained posted until the day of the hearing and accommodations were made for disabled and non-English speaking citizens. The document was made available for review for 30 days. However, the State has a vested interest in integrating input from community partners and stakeholders on housing and community development needs to inform program priorities, and will continue efforts to collect and utilize this input during the development of planning documents.

Written comments received came primarily from representative of cities and towns that annually apply for State CDBG funding. The summary of the comments are as follows:

1. Comment – The State received comments from many non-entitlement municipalities objecting to changes proposed in the CDBG annual funding process. Many objected to the perceived modification in the State program's priorities. Parties were concerned that applications related to housing would be given the highest priority to the detriment of all other eligible categories of project funding.

Response – It is noted that "Housing" has been a priority of the Rhode Island CDBG program for decades. The State, however, acknowledges that heightened interest in this category could result in a large/exclusive use of funds for these activities. The State recognizes that the benefit of the CDBG program is its flexibility in being able to address all community development needs. Therefore, the State is revising its proposed distribution plan, reserving a minimum of 20% of the annual allocation for "lower" priority activities, including infrastructure improvements, public facilities and services, distributed through an annual competitive process as in previous cycles.

2. Comment – The State proposed to limit eligibility, for some activities, to those communities with the highest level of need, as defined by the community's Low/Moderate Income population. Comments were received opposing limitations on eligibility. One comment, however, was received supporting the focusing of resources to communities with highest level of need.

Response – The State is modifying its plan to allow all communities to submit applications through the annual competitive application process. Those communities and/or

applications benefitting areas with the highest level of need will, however, receive priority consideration.

3. Comment – The State proposed defining community need by the number of Low/Moderate Income Persons in the community. Comments were received objecting to the sole use of number noting some communities with small populations have high concentrations of LMI persons.

Response – The State has revised its methodology to factor both concentration (percentage) and total numbers of Low/Moderate Income persons in assessing community need. While need will be utilized as a ranking criteria, all communities are eligible to apply to the annual competitive process, as noted previously.

4. Comment – Comments were received concerning the public process used develop the Action Plan and proposed changes to the CDBG program.

Responses – Proposed changes were generally included in the Annual Action Plan which was distributed in accordance with the Citizens Participation Plan detailed in that document. Notice was posted in newspaper(s) of general circulation and a public hearing was held. This plan broadly attempts to reach the minority populations and the general public to obtain their view on the content.

In addition to public outreach outlined in the Citizens Participation Plan, the Office of Housing and Community Development held a community meeting to discuss the proposed CDBG changes and obtain input from municipalities. Comments received at this meeting, attended by representatives of nearly all non-entitlement communities, resulted in changes to the plan. The State will continue to work with municipalities in its efforts to ensure the program is operating effectively and efficiently.

5. Comment – One comment indicated the Draft plan was not available on the Office of Housing and Community Development (OHCD) website for review and comment.

Response – The Draft Action Plan was posted on the Office of Housing and Community Development's website (<http://www.ohcd.ri.gov>), under the "Special Announcements" section on the homepage throughout the comment period.

6. Comment – Comments were received expressing concern about the management of the CDBG program and time taken to announce awards in recent cycles.

Response – One objective of proposed changes is to improve the efficiency in the process used to award funds, allowing for more timely distribution of resources available. It should be noted that due to the limited funds available, a large percentage of applications received, while laudatory, are unable to be supported.



7. Comment – Comments questioned differences between the State CDBG Program priorities and those of the Administration and others.

Response – State program priorities must comply with federal requirements and reflect program regulatory constraints. For example, certain activities which benefit the residents of an area as a whole require concentrations of Low/Moderate Income populations which often times do not exist in non-entitlement municipalities. The proposed changes to the Method of Distribution (“MOD”), which prioritizes housing and economic development while providing opportunity for other classifications of activities, are generally consistent with the Administration’s priorities.

8. Comment – Comments expressed concern regarding the sudden, significant changes in the program’s Method of Distribution.

Response – The MOD, as presented in this Action Plan, does not significantly differ from previous years. Priorities and process are substantially consistent with recent application cycles.

*e. Summary of Comments or Views not accepted and the reasons therefore*

## The Process

### PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

**1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source**

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

TABLE I – LEAD AGENCY INFORMATION

Agency Role	Name	Department/Agency
<b>Lead Agency</b> <b>HOME, HTF and HOPWA Programs</b>	Rhode Island Housing (RIH)	Rhode Island Housing Mortgage and Finance Corporation (state housing finance agency)
<b>CDBG and ESG Programs</b>	Office Housing and Community Development (OHCD)	Rhode Island Executive Office of Commerce (EOC)

#### Narrative

The Annual Action Plan was developed in partnership between Rhode Island Housing (RIH), which is the state's quasi-public housing finance agency, and the Rhode Island Housing Office of Housing and Community Development (OHCD), which is a state government department within the Rhode Island Executive Office of Commerce (EOC).

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

### **1. Introduction**

The implementation of strategies defined in the Consolidated Plan and the PY17 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. Rhode Island Housing and OHCD formally consult with the network of housing service providers and communities when developing plans and programs. In less formal partnerships, Rhode Island Housing 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 (91.215(l))**

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 will continue to meet in PY17 and a forum, funded through MFP, will convene in September, 2017 to bring together housing developers and senior population healthcare providers and administrators to strengthen collaboration in meeting senior housing needs.

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. 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 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 PY17 (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 and evaluate outcomes, and develop funding, policies and procedures for the 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.

**Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities**

**BHDDH** 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's 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.

**RI Statewide Planning Program** Anticipated outcomes of ongoing consultation and improved coordination with RI's 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 to develop and implement affordable housing policies, to better understand municipal zoning practices and how they can be addressed in order to reduce barriers to affordable and fair housing, and to share statistical information relevant to growing housing needs, such as demographic changes based on age, race and ethnicity.

**RI Continuum of Care** 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.

**Interagency Council on Homelessness** Anticipated outcomes of ongoing consultation and improved coordination with ICH includes the continued progress in implementing the state's strategic plan to end homelessness, and achieving Goal 2, or reducing, preventing and ending homelessness.

**Rhode Island Coalition for the Homeless** Anticipated outcomes of ongoing consultation and improved coordination with RICH includes the continued use of and improvement of the state's 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's strategic plan to end homelessness, the information from which will be included in subsequent state Annual Action Plans and CAPERs.

**Office of Housing and Community Development** Anticipated outcomes of ongoing consultation and improved coordination with OHCD include the ongoing relationship in achieving the state's 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 Rhode Island's population, to coordinate actions to reduce barriers to fair and affordable housing and to raise support for housing policy in general.

**Housing Resources Commission** 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.

**Public Housing Association of Rhode Island** 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.

**Housing Network of RI** 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's 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.

**RI Department of Health** 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.

**RI DCYF** 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, particularly young people in DCYF care transitioning into the community.

**Rhode Island Builders Association** 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).

**Direct Action for Rights and Equality** 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.

**Rhode Island Legal Services** Anticipated Outcomes of coordinating with RILS is to help inform the public on their rights as tenants and owners, to help prevent unlawful eviction, to receive foreclosure mediation, and to investigate instances of housing discrimination.

**Executive Office of Housing and Human Services** Anticipated outcomes of coordinating with EOHHS include an increase in the use of Medicaid reimbursements to pay for housing stabilization and home-based health services provisions to persons in affordable and market-rate housing.

### 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

TABLE III – OTHER STATE PLANS CONSIDERED IN DEVELOPING PLAN

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Opening Doors Rhode Island: Strategic Plan to End Homelessness (ODRI)	Rhode Island Interagency Council on Homelessness (ICH)	Goal 2 of the 2015-2019 Strategic Plan incorporates all of the goals of Opening Doors RI, and contributes to the planned outcomes of that Plan
Statewide Economic Development Plan (ED Plan)	Rhode Island Statewide Planning Program (SPP)	Goal 5 of ED 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 ED Plan (infrastructure goals) overlap with Goal 6 of the 2015-2019 Strategic Plan
Rhode Island Regional Analysis of Impediments to Fair Housing (RAI)	Rhode Island Statewide Planning Program (SPP)	All seven goals of the 2015-2019 Strategic Plan are reflected as important to fair housing, as described in Chapter 6 of the RAI.

Three other state planning documents were considered in developing the PY17 Annual Action Plan: the Rhode Island Regional Analysis of Impediments to Fair Housing (2015), the Rhode Island Statewide Economic Development Plan (2014) and Opening Doors Rhode Island (2012). Table III describes how the goals of each plan overlap with the goals of the 2015-2019 Strategic Plan, the



component of the 2015-2019 Consolidated Plan that outlines the priority needs, goals, outcomes and strategies described in this Annual Action Plan.

**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 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 council members – will remain as important partners in the development of affordable housing in their municipalities, with many helping with and 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 PY17 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.

## **PR-15 Citizen Participation - 91.115, 91.300(c)**

### **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 similar to the annual meeting held by the Office of Housing and Community Development for its CDBG program. Documents were made available for review by the public through Rhode Island Housing. 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. In the case of the Annual Action Plan public hearing, the location was at the State Department of Administration's offices in Providence, RI; Spanish-speaking personnel were present at this meeting. Seven members of the public attended the hearing and provided many comments (summary provided below, full comments included in Appendix). This Annual Action Plan was issued on July 10, 2017 for a 30-day public comment period. The draft plan was posted on the Rhode Island Housing website.

**Impact on goals-setting:** Many comments received will impact CPD program moving forward. The State will make stronger efforts to gain public input into housing and community development needs when establishing program priorities, and will work with other agencies and partners to reduce the impact of construction guidelines and monitoring requirements on the administration of programming for partner agencies. Consultation will also include more community development advocates and stakeholders. However, the goals set in the 2015-2019 Consolidated Plan (these goals can be found in this Action Plan's Appendix, or see the Strategic Plan of the ConPlan) will not change during this program year.

## Second Year Annual Action Plan

### 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.

TABLE 87 – ANTICIPATED RESOURCES BY GOAL, THIRD PROGRAM YEAR

Goal	Funding	Source Type	\$ PY17
<b>Goal 1</b> Develop and preserve affordable housing opportunities	HOME	Federal	\$3,016,971
	9% LIHTC - TC allocation only	Federal	\$2,780,000
	CDBG Housing Development	Federal	\$2,001,526
	Housing Preservation and Production Program (HPPP)	State	\$0
	Building Homes Rhode Island (BHRI)	State	\$12,500,000
	Housing Trust Fund - HERA 2008	Federal	\$3,000,000
	4% LIHTC - TC allocation only	Federal	\$1,200,000
	CDBG-DR Housing	Federal	\$926,527
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$25,425,024</b>
<b>Goal 2</b> Prevent and end homelessness among chronically homeless, homeless veterans and homeless families while significantly reducing overall homelessness	State Rental Assistance	State	\$1,298,126
	Emergency Solutions Grants Program - Entitlements	Federal	\$689,238
	Emergency Solutions Grants Program - Statewide	Federal	\$671,955
	Social Service Block Grant, Title XX	Federal	\$1,272,598
	RI Homelessness Funding	State	\$3,620,518
	Supportive Housing Program - Continuum of Care	Federal	\$5,702,321
	HUD Section 811 Project-Based Rental Assistance	Federal	\$783,996
	RoadHome Service Enriched Rental Assistance Program	RI Housing	\$2,200,000
	HOPWA	Federal	\$660,654
	Neighborhood Opportunities Program	RI Housing	\$825,000
	Thresholds	State	\$1,000,000
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$18,724,406</b>
<b>Goal 3</b> Improve the accessibility, health, safety, and energy efficiency of all Rhode Island homes	State Lead Program	State	\$0
	HUD Lead Hazard Red. Prog (Lead and Healthy Homes)	Federal	\$1,133,333
	CDBG Home Repair Program	Federal	\$1,250,954
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$2,384,287</b>
<b>Goal 4</b> Provide Tenant-Based Rental Assistance to meet housing needs of lowest income households	Housing Choice Voucher Program	Federal	\$15,756,917
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$15,756,917</b>
<b>Goal 5</b> Address Negative Impacts of Foreclosure Crisis	NFMC NeighborWorks Grant	Federal	\$168,307
	Hardest Hit Fund Rhode Island - Round 5	Federal	\$14,788,000
	Hardest Hit Fund - Down Payment Assistance	Federal	\$3,000,000
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$17,956,307</b>
<b>Goal 6</b> Promote economic development by addressing non-housing community development needs	CDBG - Balance of funds	Federal	\$1,751,335
	CDBG - DR Balance of funds	Federal	\$3,673,473
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$5,424,808</b>
<b>Goal 7</b> Affirmatively Further Fair Housing	<b>GOAL TOTAL</b>		\$0
<b>ALL FUNDS - CALIBRATION LEVEL</b>			<b><u>TOTAL</u></b>
			<b>\$85,671,749</b>

The state's housing finance agency, Rhode Island Housing 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 expands the state's capacity to achieve housing preservation outcomes. 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 Rhode Island Housing and HUD share the insurance risk on a 50/50 basis.

## Anticipated Resources

TABLE 88 – ANTICIPATED RESOURCES – eCONPLAN TEMPLATE TABLE

Program	Source of Funds	Expected Amount Available Year 3			
		Annual Allocation \$	Program Income \$	Prior Year Resources:	Total \$
HOME	Public-federal	\$3,016,971	\$0	\$0	\$3,016,971
HOPWA	Public-federal	\$660,654	\$0	\$0	\$660,654
CDBG	Public-federal	\$5,003,815	\$0	\$0	\$5,003,815
CDBG - DR	Public-federal	\$4,600,000	\$0	\$0	\$4,600,000
ESG - State	Public-federal	\$671,955	\$0	\$0	\$671,955
ESG - Entitlements	Public-federal	\$689,238	\$0	\$0	\$689,238
HERA - Housing Trust Fund	Public-federal	\$3,000,000	\$0	\$0	\$3,000,000
Title XX - Social Services Block Grant	Public-federal	\$1,272,598	\$0	\$0	\$1,272,598
Continuum of Care (former SHP & S+C)	Public-federal	\$5,702,321	\$0	\$0	\$5,702,321
Low Income Housing Tax Credits	Public-federal	\$3,980,000	\$0	\$0	\$3,980,000
Housing Choice Voucher Program	Public-federal	\$15,756,917	\$0	\$0	\$15,756,917
Lead Hazard Reduction Program Grant	Public-federal	\$1,000,000	\$0	\$0	\$1,000,000
Healthy Homes Grant	Public-federal	\$133,333	\$0	\$0	\$133,333
NFMC - NeighborWorks Grant	Public-federal	\$168,307	\$0	\$0	\$168,307
Hardest Hit Fund - Down Payment Assistance	Public-federal	\$3,000,000	\$0	\$0	\$3,000,000
Hardest Hit Fund Rhode Island - Round 5	Public-federal	\$14,788,000	\$0	\$0	\$14,788,000
HUD 811 Project Rental Assistance	Public-federal	\$783,996	\$0	\$0	\$783,996
HRC Homelessness Funding	Public-state	\$3,620,518	\$0	\$0	\$3,620,518
Building Homes Rhode Island	Public-state	\$12,500,000	\$0	\$0	\$12,500,000
Housing Preservation and Production Program	Public-state	\$0	\$0	\$0	\$0
State Lead Hazard Reduction Funding	Public-state	\$0	\$0	\$0	\$0
Thresholds Program	Public-state	\$1,000,000	\$0	\$0	\$1,000,000
State Rental Assistance - Hmless	Public-state	\$1,298,126	\$0	\$0	\$1,298,126
Neighborhood Opportunities Program	Private	\$825,000	\$0	\$0	\$825,000
RoadHome	Private	\$2,200,000	\$0	\$0	\$2,200,000
TOTALS		\$85,671,749	\$0	\$0	\$85,671,749

TABLE 88 is the required table for the eConPlan. It shows that the largest single source of federal subsidies for housing-related purposes is the Housing Choice Voucher Program administered through Rhode Island Housing as part of its obligations as a statewide Public Housing Authority. This program provides, on average, housing assistance payments near \$650 per month to over 1,700 households in the state, over 90% of which are either very low income or extremely low-income households. TABLE 88 also shows that the total available funds to achieve the state goals in

PY17 are \$85.7 million. Federal funding accounts for approximately \$64.2 million (77%) of available funds in PY17, and contributes to part of all goals for which funding is available.

*NOTE: Per program managers, HOME and CDBG will not have program income available to allocate to projects in the upcoming program year 2017.*

**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*

Historically, the state's 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 2017). This leverage ratio is the 10<sup>th</sup> highest nationally among 51 state participating jurisdictions, though it is technically in a tie for 1<sup>st</sup> among 29 states that qualify as producing 'significant leveraging' as a result of a historical 4 to 1 ratio or better. Also, this leveraging score of 6.25 is considerably higher than the median for state participating jurisdictions of 4.35.

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 PY17, the state's ESG formula allocation will only make up 9% of the funding for the Consolidated Homeless Fund, 8% coming from other CPD funds (ESG entitlements combined), another 18% coming from non-CPD federal funds (Social Services Block Grant), and the rest (65%) coming from the state's Homelessness funding.

**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

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

TABLE 89 – GOALS AND OBJECTIVES YEAR 3

<i>Program Year 2017 (Year Three of 2015-2019 Planning Period) Summary of Funding and Outcomes by Goal</i>			
<b>Goal 1 - Develop and Preserve Affordable Housing</b>	<b>PY17</b>	<b>Outcome</b>	<b>PY17</b>
HOME Investment Partnership Program	3,016,971	Rental units constructed	127
9% Housing Tax Credit	2,780,000	Rental units rehabilitated	900
Community Development Block Grant	2,001,526	Homeowner Housing Added	22
Housing Preservation and Production Program (HPPP)	0	Homeowner Housing Rehabilitated	10
Building Homes Rhode Island	12,500,000	Housing for Homeless added	47
Housing Trust Fund - HERA 2008	3,000,000	Rental Housing Added - DR	24
4% Housing Tax Credit	1,200,000		
CDBG - DR Housing Stabilization Program	926,527		
<b>TOTAL</b>	<b>25,425,024</b>		
<b>Goal 2 - End Homelessness</b>	<b>PY17</b>	<b>Outcome</b>	<b>PY17</b>
CHF - State Rental Assistance	1,298,126	Other - PSH Households Assisted	1,338
CHF - Emergency Solutions Grants Program - Entitlement communities	689,238	Rapid Re-Housing - Households	199
CHF - Emergency Solutions Grants Program - Statewide	671,955	Shelter - Persons	3,278
CHF - Social Service Block Grant, Title XX	1,272,598	Shelter Beds Added	29
CHF - RI Homelessness Funding	3,620,518	Homelessness Prevented - Persons	6
Supportive Housing Program - Continuum of Care	5,702,321	HIV AIDS Housing Ops	48
HUD Section 811 Project-Based Rental Assistance (\$5.2 mill over 8 yrs)	783,996	VLI Household Rent Support (NOP)	116
RoadHome Service Enriched Rental Assistance Program	2,200,000		
HOPWA	660,654		
Neighborhood Opportunities Program	825,000		
Thresholds	1,000,000		
<b>TOTAL</b>	<b>18,724,406</b>		
<b>Goal 3 - Healthy Homes</b>	<b>PY17</b>	<b>Outcome</b>	<b>PY17</b>
State Lead Program	0	Home Health Hazards Remediated	97
HUD Lead Hazard Reduction Program	1,000,000	Rental units rehabilitated	87
HUD Healthy Homes funding	133,333	HO Housing Rehabilitated	142
CDBG Home Repair Program	1,250,954		
<b>TOTAL</b>	<b>2,384,287</b>		
<b>Goal 4 - TBRA to Low Income Hseholds</b>	<b>PY17</b>	<b>Outcome</b>	<b>PY17</b>
Housing Choice Voucher Program (Section 8)	<b>15,756,917</b>	Tenant-Based Rental Assistance	1,700
<b>Goal 5 - Address Foreclosure Crisis</b>	<b>PY17</b>	<b>Outcome</b>	<b>PY17</b>
Hardest Hit Fund - Down Payment Assistance Grants	3,000,000	Direct Financial Assistance - DPA	425
Hardest Hit Fund Rhode Island Round 5	14,788,000	Direct Financial Assistance - HHF	375
NFMC Round 7 NeighborWorks Grant	168,307	Homeowners Assisted	123
<b>TOTAL</b>	<b>17,956,307</b>		
<b>Goal 6 - Non-Housing Community Development</b>	<b>PY17</b>	<b>Outcome</b>	<b>PY17</b>
CDBG - Balance of funds	1,751,335	Public Facility/Improvmnt - Persons	15,000
CDBG-DR - Balance of Funds (not housing stabilization)	3,673,473	Public Services - Persons	150
<b>TOTAL</b>	<b>5,424,808</b>	Public Facility/Improvmnt DR - Persons	70,000
<b>TOTALS</b>	<b>85,671,749</b>		

### Goals Summary Information

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. TABLE 89 summarizes the funds available by goal and the proposed outcomes as previously related in the aforementioned tables

from the Strategic Plan. Program Year 3 funding for Goals 1 through 6 include an estimated \$85.7 million in funding from all sources. Of the estimated total, \$11,692,741 (14%) will come from HUD CPD program's state-level formula allocations (HOME, HTF, ESG and CDBG), \$689,238 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 grant applied for by Rhode Island Housing (HOPWA). Additionally, \$4.6 million will come from the HUD CPD supplemental program CDBG – Disaster Recovery funds applied for by the state's Office of Housing and Community Development. Other HUD funds to support Rhode Island's housing and homelessness goals in Program Year 2017 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.

Section AP-55 describes in detail the amount of families to be provided affordable housing, estimated to total 4,514. We estimate that 67% of these families or households (3,024) will be extremely low-income, 25% will be very low-income (1,129) and 8% will be moderate-income (361). These percentages are based on current program income-based performance metrics.

## 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

TABLE 90 – FUNDING ALLOCATION PRIORITIES

Program   Goal	Goal 1 - Affordable Housing Development (%)	Goal 2 - Homelessness (%)	Goal 3 - Safe and Healthy Housing (%)	Goal 4 - Tenant Based Rental Assistance (%)	Goal 5 - Address Foreclosure Crisis (%)	Goal 6 - Non-Housing Community Development (%)	Total (%)
HOME	100	0	0	0	0	0	100
HOPWA	0	100	0	0	0	0	100
CDBG	40	0	25	0	0	35	100
CDBG - DR	13	0	0	0	0	87	100
ESG - State	0	100	0	0	0	0	100
ESG - Entitlements	0	100	0	0	0	0	100
HERA - Housing Trust Fund	100	0	0	0	0	0	100
Title XX - SSBG - CHF	0	100	0	0	0	0	100
Continuum of Care	0	100	0	0	0	0	100
LIHTC	100	0	0	0	0	0	100
HCVF	0	0	0	100	0	0	100
Federal - Lead	0	0	100	0	0	0	100
Federal - Healthy Homes	0	0	100	0	0	0	100
NFMC - NW Grant	0	0	0	0	100	0	100
HHF - DPA Grant	0	0	0	0	100	0	100
HHFRI Rd 5	0	0	0	0	100	0	100
HUD 811 PRA	0	100	0	0	0	0	100
State Hmeless Funding	0	100	0	0	0	0	100
BHRI	100	0	0	0	0	0	100
HPPP	100	0	0	0	0	0	100
State - Lead	0	0	100	0	0	0	100
Thresholds Program	0	100	0	0	0	0	100
State RA - Hmelss	0	100	0	0	0	0	100
NOP	0	100	0	0	0	0	100
RoadHome	0	100	0	0	0	0	100

### Reason for Allocation Priorities

Rhode Island’s need for affordable housing development, and the lack of other sources for capital assistance, has led to the HOME and HTF programs’ focus on Goal 1. The state CDBG program funds



the most diverse set of priorities of any state program; bolstering efforts to develop affordable housing while previously reliable capital sources have dried up, funding the Home Repair program to provide resources to low-income households throughout the state that do not qualify for other funding, and funding crucial public facility, public service and public infrastructure needs to non-entitlement communities. The state's allocation priorities under the Disaster Recovery program are based directly on the needs resulting from the damage caused by the 2010 floods and Hurricane Sandy. A robust analysis of the needs resulting from that storm damage, and the resulting funding availability for the different efforts is available at <http://ohcd.ri.gov/community-development/cdbg-dr/>. The funding of programs to prevent and end homelessness through ESG, state and entitlement, and HOPWA, thus each's 100% focus on Goal 2, relates to the state's Strategic Plan to End Homelessness, known as Opening Doors Rhode Island.

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

All of the funds associated with Goal 1, as described in TABLE 89, will combine to meet the objectives of developing or preserving close to 1,200 affordable homes. Based on analysis of previous years' funding of affordable development, the \$25.4 million in capital subsidies (See TABLE 89) will leverage an additional \$130 million in other private funding. All Goal 1 funds, which now includes the state's Housing Trust Fund allocation, will directly address priority needs 1, 2 and 3 and described in TABLE 74, section SP-25 of the Consolidated Plan 2015-2019 Strategic Plan, while various funds will simultaneously address priority needs 4, 5, 6, 7, 8, 11 and 12 depending on the proposals funded. These funds are distributed to qualified developers with eligible project proposals to develop affordable housing (the ConPlan priority needs are included in the Appendix of this Action Plan).

The Consolidated Homeless Fund combines five different program sources associated with Goal 2, as described in TABLE 89, to fund rapid re-housing, emergency shelter operations and homelessness prevention. The Continuum of Care, RoadHome and State Rental Assistance programs go to fund the state's permanent supportive housing opportunities, although they function as separate programs. The Thresholds Program develops housing for disabled and homeless persons in need of health services and those funds help add shelter beds and permanent housing opportunities. HOPWA funds housing assistance for homeless persons with AIDS while NOP funds the operations of rental units that offer reduced rents and supportive services for households that qualify as homeless. All of these programs combine to prevent and end homelessness, which is Goal 2 of the 2015-2019 Consolidated Plan, and shares the goals outlined in Opening Doors Rhode Island, the state's plan to end homelessness. Priority needs 4, 5 and 6 (TABLE 74 of the Consolidated Plan 2015-2019) are directly addressed by the distribution of these funds. These funds are distributed to qualified service providers located in Rhode Island that offer eligible programming for homeless persons and households.

The LeadSafe Homes Program (LSHP) of Rhode Island Housing 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). Rhode Island Housing'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 Rhode Island Housing, 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 FY17) and will help underwater householders refinance (approximately 75 households to be assisted in FY17). 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.

All priority needs, found in TABLE 74 of the 2015-2019 Consolidated Plan, can also be found in the Appendix to this Action Plan (PY17).

## **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**

#### ***Low Income Housing Tax Credits***

##### Selection criteria and relative importance:

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.

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.

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.

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.

**NOTE:** The full Rhode Island Qualified Allocation Plan for 2017 funding rounds is available at [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)

#### Resource allocation by funding category

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.

#### Threshold factors and grant size limits

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.

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

Rental units constructed 34, rental units rehabilitated 546

### ***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).

**NOTE:** See the full PY17 HOME Annual Action 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;

a)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),	5

<p>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).</p> <p>Additional points will be given for each of the following:</p> <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>	
<p><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)</p>	5
<p><u>Priority Housing Needs of the State:</u> Connectedness to State Consolidated Plan priority needs</p>	5
<p><u>Additional Merits:</u> Preference for underserved segments of the population as defined in the State’s Consolidated Plan</p>	5
<p><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)</p>	5
<p><u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design &amp; Construction standards.</p>	5
TOTAL	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 90% will go to rental housing production or rehabilitation with 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.

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. 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 30, rental units rehabilitated 30, homeownership units constructed 4, homeownership units rehabilitated 2.

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.

#### ***Housing Trust Fund Program***

NOTE: Please see the HTF Allocation Plan section of the Grantee Unique Appendix for the full allocation plan.

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.

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 (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> 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:	5

<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>	
<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.

### Resource allocation by funding category

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

### Threshold factors and grant size limits

#### **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 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;
- 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

#### 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).

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

- 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.

### ***CDBG Program***

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.

#### Selection criteria and relative importance:

The State's goal is to maximize the impact of CDBG funding by prioritizing activity types and communities of greatest need.

A minimum of twenty percent of the State's PY2017 CDBG allocation, after deduction of 1-3 below, will be distributed on an annual competitive basis. An application for annual competitive resources may be submitted for the following activity types eligible under the HCDA: Public facilities, Infrastructure, Public Services, Slums/Blight Elimination, and Planning. Applications will be accepted from all non-entitlement municipalities. Due to CDBG program regulatory limits, the aggregate amount awarded to Public Service activities, including job training activities, shall not exceed \$600,000.

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 at any time during the year, 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. All Rhode Island municipalities, except those receiving direct CDBG entitlements from HUD, are eligible to apply via the rolling application process. Though we anticipate the majority of proposals to request significantly less, no individual project will receive an award of more than 20% of the state's annual allocation.

- 1) Housing rehabilitation: Rehabilitation of single family (one-four units) housing. Only applications meeting the Low/Moderate Income Housing national objective will be considered. Applications will be processed as they are received.
- 2) Economic Development: Two types of applications, listed below, will be considered. Staff will evaluate proposals in consultation with the Executive Office of Commerce (EOC), CommerceRI,



the Governor's Workforce Board (GWB), the Dept. of Labor and Training (DLT), and the Governor's Office, as applicable.

- a) Applications for assistance to businesses that meet the Low/Moderate Income Jobs national objective; and
- b) Applications for job training meeting the Low/Moderate Income Limited Clientele national objective. Job training proposals must have a primary goal of developing or upgrading specialized or advanced skills in a specific field/industry with the direct intent to obtain a new job or enhance performance in a current job. Successful proposals will provide participants with industry- and/or job-specific skills, and include evidence of employer support or industry demand. Subsequent funding requests must demonstrate significant rates of job placement and/or job advancement by participants. Proposals for general job readiness training will not be considered.

Job training reporting requirements shall include CDBG Program reporting, and supplemental reporting generally mirroring the RI Governor's Workforce Board and Workforce Innovation and Opportunity Act (WIOA) requirements. Job training is categorized as a public service. The aggregate PY17 cap for all public services is approx. \$650,000. Based upon funding limitations, per person or service program caps may be imposed.

- 3) Affordable Housing: 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). Staff will evaluate proposals in consultation with Rhode Island Housing, other financing stakeholders, and the Governor's Office. The State will accept applications on an ongoing basis, and will review applications quarterly in the order received.

Such applications will be reviewed for eligibility and submitted to the Steering Committee for consideration. Only those applications which can demonstrate they are immediately ready to proceed, with necessary funding substantially obligated, may be considered. The Steering Committee may obligate the balance of PY17 funds including program income, less amounts set-aside for program administration. Activities will be prioritized based upon project cost, and benefit to low/moderate income persons.

Further information on how to apply and links to federal websites and eligible activities, see the state's CDBG webpage at: <http://ohdc.ri.gov/community-development/cdbg/>.

#### Resource allocation by funding category

In Program Year 2017 (PY2017), the total funding allocated to the RI CDBG program is \$5,003,815. From this total, the amount of \$250,114 is set aside for State use in program administration; \$100,000 requiring no match; and \$150,114 (3% of the State's allocation) matched by the State on a 50/50 basis. The State may hold aside additional amounts for administration necessary due to CDBG program income available at the local level. The State may, at its discretion, also hold aside



amounts necessary to make required repayments on Section 108 loan guarantees. The remainder, approximately \$4,753,701 will be available to distribute to eligible subrecipients.

As described under *Selection criteria and relative importance*, a rolling application process will be utilized to obligate funds to the following high priority activity categories: Housing Rehabilitation, Economic Development, and Affordable Housing. Any uncommitted funds recaptured, de-obligated, reallocated, or otherwise available from prior program years will be applied to eligible applications received under the rolling application process.

During January 2018, twenty percent (20%) of the State's allocation, plus any remaining balance of uncommitted funds will be available for the annual competitive round. Public facilities, Infrastructure, and Public Service activities will be eligible for CDBG assistance through the annual competitive round.

Any funds remaining from PY 13 or earlier will be de-obligated effective the date of this final Action Plan.

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.

Any program income returned, or any additional funds recaptured, reallocated or otherwise available shall be available in accordance with the PY17 distribution process.

***NOTE: The CDBG funds are split among multiple Funding Allocation Priorities, with estimates shown below and in Table 90.***

- ***Goal 1 (Affordable Housing Development) – 40% of the State's CDBG allocation;***
- ***Goal 3 (Safe and Healthy Housing) – 25% of the State's CDBG allocation; and***
- ***Goal 6 (Non-Housing Community Development) – 35% of the State's CDBG allocation.***

#### Threshold factors and grant size limits

OHCD Staff Review/Fundability: All applications will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations. Any activity deemed not in compliance with such requirements will be eliminated from consideration. Areas under consideration in this part include:

- a. Completeness of application. Applications (in whole or in part) which are not complete or lack information necessary for the effective review of the proposal may be eliminated from consideration.
- b. Fundability. Any activity proposed which does not meet Eligibility and National Objective requirements will be eliminated from consideration.
- c. Process Issues. An application/activity which has not progressed through necessary regulatory public comment processes may be eliminated from consideration.

d. Consistency with program design. Any activity not submitted in accordance with program requirements (such as on the forms provided and on the timeline dictated) shall be eliminated from consideration.

e. 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.

f. Other Sources/Reviews. - Any activity with an available, alternative source of funds shall be eliminated from consideration. Such alternatives resources 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.

g. Capacity/Performance. – Any activity within an administrative agency 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.

h. Feasibility/Accuracy. - Any activity that is not feasible as described in the application, may be eliminated from consideration. Cost effectiveness of the proposals will be reviewed under this criterion. If the information provided in the application is inaccurate, it may also be eliminated.

Rolling Application Process: OHCD staff may consult with other state agencies during the threshold review, as indicated under *Selection criteria and relative importance*. Activities determined to meet all threshold requirements shall receive funding awards.

Annual Application Process: Activities determined to meet all threshold requirements shall be forwarded to the Steering Committee for consideration. The Steering Committee shall minimally consist of representatives of OHCD, the Governor's Office, a foundation, a CDBG entitlement community, and RIDOT/RIDEM. The Steering Committee will undertake a qualitative review guided by the quantitative scoring and threshold comments, with assistance by OHCD staff. The Committee's award recommendations should reflect a reasonable balance between community development needs and effective competitiveness of individual project proposals. The committee will weight its deliberations on the following ranked priorities:

- Greatest Community Development Need, as defined in the Request for Proposals
- Neighborhood Revitalization Efforts
- Provision of Community Facility/Infrastructure Improvements
- Provision of Services

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. Priority populations and activities as detailed in the State's Non-Housing Community Development needs assessment may receive extra consideration.

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

Rental units rehabilitated (Goal 1) - 20, 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) - 150 persons

### ***CDBG-Disaster Recovery Program***

Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, at <http://ohcd.ri.gov/community-development/cdbg-dr/>. 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.

#### Selection criteria and relative importance:

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.

OHCD staff prepares reviews of each eligible, proposed project for the Committee, which include:

- A summary of the project;
- Identification of national objective;
- Mapping of physical location on CBRS (Coastal Barrier Resource System) Mapper and FEMA’s most recent and current data source at time of application.
- Quantitative metric data;
- Assessment of link to qualified disaster impacts and unmet need;
- Qualitative analysis of the proposed timeline;
- Qualitative analysis of the project’s feasibility, impact and other criteria.

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. Factors the Committee considers in evaluating proposals include, but are not limited to, the following:

- Fulfillment of low and moderate income National Objective

- 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.
- Applicant capacity
- Ability to leverage other funding sources

Resource allocation by funding category:

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.

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.

Threshold factors and grant size limits:

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.

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.

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.

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 <http://www.fws.gov/CBRA/Maps/Mapper.html>.

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.

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

Public facility and infrastructure improvements other than low-mod housing benefit (Goal 6) - 70,000 persons

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, at <http://www.planning.ri.gov/>. 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.

***Consolidated Homeless Fund (State ESG Program)***

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 (\$671,955) are combined with the ESG funds allocated to entitlement communities (\$698,238) with additional state funds coming from a direct allocation to the HRC (\$4,918,644) and a pass through of social service funds from the Title XX program (\$1,272,598). In total, the CHF will have available \$7,564,008 for PY 17. Note: of the \$671,955 State ESG award \$50,396 will fund administrative costs, leaving \$621,559 to be included in the Consolidated Homeless Fund.

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.

Selection criteria and relative importance:

Applications will be rated by OHCD on the following criteria:

1. Number of clients served.
2. Population served.

3. Services provided and/or Mainstream Resources accessed.
4. Location of shelter (taking into account other public resources allocated/available to the program)
5. Consideration will be given to program effectiveness in meeting adopted performance measures, as outlined in the application packet.
6. Extra consideration will be given to those agencies which have been effective in their discharge of clients/consumers.

Following rating and review by CHF Partnership staff for compliance with state and federal program requirements, the Review Committee will evaluate all proposals. The Committee will recommend funding to the Governor and Mayors of Pawtucket, Providence, and Woonsocket, who will then make the grantee awards.

All Appendices and Downloadable Application Forms are available at:

<http://www.planning.ri.gov/community/homelessness/funds-grants.php>

The review committee will thoroughly review and evaluate the applications against rating criteria, such as, but not limited to the following:

1. Agency Capacity and Prior Performance: Experience and capacity of the applicant to successfully undertake proposed activities (maximum points 50 points).

- How experienced is the applicant in working with the target population? (proven track record of providing direct service to persons who are homeless or at risk of homelessness)
- Has the applicant demonstrated effective grant management?
  - Expended previous grant awards correctly and in a timely manner?
  - Produced and submitted prior grant's performance and financial reports correctly and on time.
- Does the applicant have any unresolved audit findings?

2. Degree to which the proposed program will meet the needs of the target population and CHFP needs and priorities (maximum 45 points).

3. Feasibility of Program Budget (maximum 25 points)

- Are the proposed costs reasonable in light of program design? Are the program costs proportional to the number of households and individuals to be served?

4. Performance/Program Evaluation (maximum 30 points)

- Did the applicant achieve prior grant objectives?
- Is the applicant currently utilizing HMIS?
- Are the indicators of success proposed for the program realistic and achievable?
- The plan for documenting and reporting indicators of success is sound.

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 PY'17 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.

#### Resource allocation by funding category

Private not-profit organizations are eligible to apply for funding. Grants may be used for one of more of the following activities:

1. **Street Outreach** - Funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people (*“unsheltered homeless people” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under § 576.2.*) 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. The eligible costs and requirements for essential services consist of: engagement; case management; emergency health and mental health services (***services that are typically paid for with Medicaid funds are not eligible for funding***); transportation and services for special populations.



2. **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:

- A. **Essential Services** – CHFP funds may be used to provide 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.
- B. **Shelter Renovations** – Eligible costs include labor, materials, tools and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). 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. Applicants are encouraged to pursue other sources of funding for shelter renovation activities.*
- C. **Shelter Operations** – Eligible costs are the 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.*

*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*

**Due to the limited availability of CHFP funds, however, priority will be given to Street Outreach, Essential Services and Shelter Operation activities.**

3. **Rapid Rehousing and State Rental Assistance** – Rapid Rehousing Programs are 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 after the family or individual obtains housing. Individuals or households receiving this type of assistance must have an income (s) at or below 30% of AMI. Enrollment in a rapid rehousing program should rely heavily on a guided case management plan to ensure long term stability for program participants.

Rental Assistance Programs are designed to help the chronically homeless achieve housing stability. The primary goal is to address the barriers and challenges that cause individuals and families to be



chronically homeless, while also working to stabilize program participants in housing through the provision of wrap around services after the family or individual obtains housing.

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.*

**Up to \$280,000 is available under State Rental Assistance for Veterans experiencing homelessness.** *Applicants with experience working with this population are encouraged to apply for this funding.* The overall arching goals for applicants applying for Veterans rental assistance funding are to: 1) successfully engage and house veterans in stable housing, and 2) promote housing retention for Veterans through supportive services that help veterans to retain their housing once housed. Services will be specifically targeted to Veterans who are living in public spaces or shelters. Priority will be given to Veterans who are not eligible for VA housing programs due to their discharge status or length of service. Veterans will be eligible for this program based on high acuity determined by a standardized vulnerability assessment.

**Up to \$120,000 is available under State Rental Assistance for Domestic Violence Households.** *Applicants with experience working this this population are encouraged to apply for this funding.*

Rapid Rehousing and State Rental Assistance must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short-and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400. Rapid Rehousing and Rental Assistance may include tenant-based and/or project-based rental assistance.

Applicants applying for Rapid Rehousing and Rental Assistance funds must utilize the coordinated assessment system as required under 576.400 to evaluate individuals and families applying for or receiving rapid rehousing and rental assistance.

Funds may be used to provide housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to help homeless individual (s) and/or family (ies) move as quickly as possible into housing and achieve stability in that housing.

The CHFP retains the right to reduce, amend, or eliminate applications and/or awards based on the availability of funding and forthcoming federal regulations for the programs listed above.

#### **4. Housing Navigators and Landlord Risk Mitigation (estimated \$280,000 funds available)**

State funds may be used to apply for funds for Housing Navigators and Landlord Risk Mitigation as defined below:

- a. **Housing Navigators** - establish relationships with property managers/landlords to identify units suitable for rent. Navigators serve the system as a whole and must collaborate with all vendors/providers.
- b. **Landlord Risk Mitigation Funds** – Funds to assist in securing units for program participants with multiple barriers to housing. The fund will provide added support to landlords by offering them

the option to be reimbursed for excessive damages to a unit beyond the amounts covered by a security deposit.

#### Threshold factors and grant size limits

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:

- Application Completeness
- Applicant Eligibility
- Applicant HMIS Capacity
- Target Population Eligibility
- Proposed Service Eligibility

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.

There is no restriction on the maximum amount an applicant may request.

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

Emergency overnight shelter assistance - 3,278; emergency shelter beds - 29; homelessness prevented - 6 persons; rapid re-housing - 199 households

## **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**

See “Grant Limitations” section of provided acceptance process

### **Acceptance process of applications**

Rhode Island Section 108  
Loan Guarantee Program

The Office of Housing and Community Development recognizes that non-entitlement communities find it difficult to access large scale funding for specific economic and housing development activities. The National Affordable Housing Act of 1990 amended Section 108 of the Housing and Community Development Act to enable non-entitlement communities to apply to the State and to HUD to finance revenue producing activities that meet the accepted CDBG national objectives and eligibility criteria.

The State of Rhode Island may pledge up to \$25 million of future CDBG allocation in support of eligible activities.

### 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 dollar 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. The state pledges 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:

- 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

(Note: For terms longer than 10 years, or where in any one year the 108 payment exceeds the annual State CDBG entitlement, HUD will also exert itself into project underwriting.)

- 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.
  - impaired collateral
  - reduced interest rates
  - poor cash flow and/or credit risks
- 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:
  - Decent Housing - Availability/Accessibility
- Affordable housing projects/developments:
  - Decent Housing - Affordability
- Neighborhood Revitalization/Facilities:
  - Suitable Living Environment - Availability/Sustainability
- Services:
  - Dependent upon nature of services.
- Job Creation Activities:
  - Economic Opportunity – Availability

**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**

As is referred to in SP-35, The general strategy of the Housing Tax Credit program is described on page 4 of the state's QAP, "...prioritizes strateg[ies] to redevelop neighborhoods most heavily affected by the foreclosure crisis...simultaneously endeavor[ing] to continue to provide affordable housing opportunities in communities where few opportunities currently exist".

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.

State CDBG funds for housing rehabilitation, economic development, and affordable housing are available for 33 of the 39 cities and towns in Rhode Island. The Cities of Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are all entitlement communities that receive CDBG allocations directly from HUD. Therefore, these six entitlement communities are not eligible under the State CDBG program, but may be eligible for CDBG Disaster Recovery funds (see below).

Rhode Island's CDBG-DR funding is available statewide. However, 80% of the Hurricane Sandy allocation is reserved for activities in Washington County, designated a "most impacted and distressed county." Eligible "Sandy" disasters include Hurricanes Sandy and Irene, and the February 2013 Winter Storm (Nemo).

The Consolidated Homeless Funds has five regional zones for allocation purposes, with a maximum of 15% of all allocated funds through the CHF going to Northern Rhode Island (which includes one entitlement community, Woonsocket), and a maximum of 10% of allocated funds going to East Bay Rhode Island, Southern Rhode Island, and Kent County each. According to the 2016-2017 CHF Request for Proposals, 70-75% of all CHF funds will be allocated to assist programs in Providence and the Metro Providence vicinity.

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.

Receiving new funding in 2016, Building Homes Rhode Island (state-funded housing capital program) will not contain a geographic preference. There's no explicit language prioritizing certain geographic areas. However, the evaluation process includes that "The Division of Planning staff in the Department of Administration will review applications for consistency with the State Land Use Plan, the Rhode Island Strategic Housing Plan, local affordable housing plans, and elements of the State Guide Plan as applicable."

### **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 is 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.



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

### Introduction:

In PY17, the state plans to serve a total of 4,514 households through affordable housing programs, including 1,549 homeless households (34% of total), as well as 2,965 non-homeless households (66% of total). The majority of persons served with affordable housing will be through rental assistance (71% of those served), while the remaining 29% 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.

TABLE 91 – ONE YEAR GOALS FOR AFFORDABLE HOUSING BY SUPPORT REQUIREMENT

One Year Goals for the Number of Households to be Supported	
Homeless (Homeless Housing Added, PSH Households, HOPWA, NOP)	1,549
Non-Homeless (Rest Goal 1 and 4)	2,965
Special-Needs	0
<b>Total</b>	<b>4,514</b>

TABLE 92 – ONE YEAR GOALS FOR AFFORDABLE HOUSING BY SUPPORT TYPE

One Year Goals for the Number of Households Supported Through	
Rental Assistance (HCVP, NOP, HOPWA, PSH Total)	3,202
The Production of New Units	173
Rehab of Existing Units	1,139
Acquisition of Existing Units	0
<b>Total</b>	<b>4,514</b>

### Discussion:

The state plans to fund the production or preservation of 1,083 low- to moderate-income homes with the resources it has available, rehabilitating 910 existing structures (either producing new affordable options or preserving existing housing) and 173 homes constructed new (all of which will be counted as new affordable housing options). It is estimated that 47 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 47 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 PY17.

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

#### 2017 GOALS:

- Rhode Island Housing has executed four new Project Based Voucher contracts. **These new contracts will add an additional twenty-five (25) new Project Based units to our portfolio in Providence, Cumberland and South Kingstown.** Rhode Island Housing will also renew three Project Based Voucher contracts which will ensure the continued affordability of 65 units.
- **Use the Housing Choice Voucher Program (HCVP) to further HUD's Opening Doors initiative to end homelessness.** Rhode Island Housing has adopted two new local preferences: 1) families "moving up" from Permanent Supportive Housing to independent tenancy, and 2) families at risk of increased rent burden and/or homelessness due to expiring rental subsidies. Rhode Island Housing will initially allocate up to 50 Housing Choice Vouchers towards the initiative. An increment of 20 additional vouchers may be allocated at PHA's discretion if additional referrals reaches 20 depending on funding availability.
- Rhode Island Housing will adopt 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.
- **Work with other Public Housing Authorities to more effectively meet the housing needs of all families.** Rhode Island Housing is a participant in a statewide Centralized Wait List Portal where families will have the option of applying for assistance throughout the state through a one-time application process. The Centralized Wait List Portal is planned to be operational by the end of 2017. Rhode Island Housing has been selected to serve as the Centralized Wait List Portal Administrator for all participating PHAs.
- **Better utilize state and federal funds to provide residents with additional supports.** Rhode Island Housing will use a per-voucher fee that is assessed to participating agencies to implement a new Rhode Island Housing staff position to provide administrative support functions related to the Centralized Wait List Portal.

**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.

Rhode Island Housing has served as Family Self Sufficiency (FSS) program coordinator for more than 20 years and currently has 149 participants actively enrolled in the program, of which 65% 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 2016, we had 13 families graduate from the program and disbursed over \$109,732 in Family Self Sufficiency (FSS) escrow funds. There are currently 18 families participating in the Housing Choice Homeownership Program; four of those families purchased their homes in 2016.

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

Not applicable

## **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 2017 planned to address outcomes of the 2012 plan include:

- Seek PHA support of Veterans housing: The Opening Doors committee continues to see a gap between federal and state regulations/policies regarding the support of Veterans. A sub-committee is working on an action plan, which will be presented at a 2017 Interagency Council on Homelessness meeting. RIHousing and the Continuum of Care have prioritized rental assistance vouchers to Veterans and together their programming will continue to make progress in ending Veteran homelessness.
- Coordinate assessment / application process for homeless – RIHousing will work with PHAs in 2017 to develop 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 \$700,000 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 PY17 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 PY17, the Consolidated Homeless Fund will benefit from increased 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.

### **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 than can complete a diversion interview.

## **AP-70 HOPWA Goals – 91.320(k)(4)**

The state is not a HOPWA formula grantee, but Rhode Island Housing has received competitive HOPWA awards, including a \$1.98 million three-year award granted in 2016. As described in the Strategic Plan, specifically shown in TABLE 81, HOPWA contributes to Goal 2, to prevent and end homelessness in the state, and anticipates serving 48 households per year.

In Program Year 17, year three of the current planning period, the state will support units provided in permanent housing facilities developed, leased, or operated with HOPWA funds for 30 households and units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds for 18 households.

The City of Providence is a formula grantee of HOPWA funds, in which it receives approximately \$1 million per year to serve persons living with HIV or AIDS. The City of Providence is responsible for describing the annual goals of its HOPWA program.

## **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. One new investment approved in 2017 is a \$250,000 state appropriation to offset costs to build or retrofit existing homes to accommodate elderly or disabled residents. Improvements could include the installation of wheelchair ramps, grab bars for bathroom showers, widening doorways or any other renovations that would make it easier and safer for elderly or disabled individuals to stay in their homes. Governor Gina Raimondo has included level funding (\$1 million) for Thresholds in her FY18 budget. Thresholds is administered by Rhode Island Housing and provides funding to be used to develop housing for people with serious and persistent mental illness and developmental disabilities. Many organizations in the State are also advocating for federal legislation that has been introduced in Congress to improve and expand the extremely successful Low-Income Housing Tax Credit program (S548/HR1661). If enacted, this legislation would significantly increase production and preservation of housing in Rhode Island.

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 PY17 will 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.

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.

#### Advocate for Housing Policies

In 2017, Rhode Island Housing advocated for the Source of Income Fair Housing Legislation. This legislation would prohibit discrimination in housing based on a person's receipt of a lawful source of income. It is specifically targeted to protect tenants that receive Section 8 Housing Choice Vouchers. Under this legislation, prospective tenants could not be denied an opportunity to rent an apartment solely because they have a section 8 voucher. While the bill did not pass in 2017 – it is expected to be reintroduced in 2018. Rhode Island Housing has also joined the State's Attorney General in advocating to eliminate the sunset provision of the successful Foreclosure Mitigation Law. The law requires that homeowners be offered the opportunity for foreclosure mitigation before their lender proceeds to foreclosure. Rhode Island Housing provides foreclosure mitigation services. The law is scheduled to sunset in 2018.

#### 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**

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 2017, RIHousing has approved 70 units under this program, and is in the process of executing rental assistance contracts with additional developers in PY17. 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 PY17 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 PY17 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.

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

The state's Office of Housing and Community Development 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 2016, and the pipeline of projects suggests that further progress will be made in PY17.

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. The state estimates that loan closings in PY17 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 4<sup>th</sup> 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.

Rhode Island Housing'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 will complete remediation work in 97 households in the third 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 PY17, Rhode Island Housing 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 2017. The Alliance released its first policy brief on the status of lead poisoning and lead hazards in RI in February of 2017 and will continue to research the scope of healthy housing issues in PY17.

### **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 PY2017, there will be 149 participants actively enrolled in the program at any given time, with an estimated 18 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 the implementation of these projects will begin in PY17.

The Rhode Island Continuum of Care will continue to improve and formalize its institutional structure in PY17. A full time CoC Planner / Program Manager has been hired to better coordinate the various functions of the CoC Committees and 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 administer 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.

## 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 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

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.**

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: No household can receive any assistance related to RRH/RA funds unless they are enrolled in Financial Counseling. No household can continue to receive RRH/RA 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, 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

- Moving cost assistance
- 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: 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.

**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(I)(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.**

### **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:**

The Rhode Island HOME Resale Provision is added at the end of 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:**

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.

### **HOME Resale and Recapture Policies**

Pursuant to the requirements set forth in 92.254(a)(5), Rhode Island Housing's HOME Resale and Recapture Policies outline the provisions for homeownership units assisted by the agency. The HOME Agreement and Homebuyer Agreement will specify the type of assistance given, the value, and which provision will be used.

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#### **Period of Affordability**

The chart below outlines the *minimum* affordability period allowed under 92.254(a)(4). In all cases, the HOME affordability period will be the minimum prescribed in the chart, but Rhode Island Housing may approve longer note and mortgage terms and additional resale restriction periods as local extended use restrictions not subject to HOME requirements (the minimum together with any locally imposed period, hereinafter the "Period of Affordability"). The HOME Agreement and

Homebuyer Agreement, Deed Restriction and/or Lien will specify which provision will be used and the Period of Affordability for the unit.

Recapture: Based on the *direct HOME subsidy* provided to the homebuyer.

Resale: Based on the *total* amount of HOME funds invested in the housing.

If the total HOME direct subsidy (recapture) or total HOME funds (resale) in the unit is:	The Minimum Affordability Period is:
Under \$15,000	5 years
Between \$15,000 - \$40,000	10 years
Over \$40,000	15 years

~ END PERIOD OF AFFORDABILITY PROVISION ~

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### **Recapture Provision**

*All HOME-assisted units that are purchased on or after 2016 will be subject to Rhode Island Housing Recapture policy as described in this section, with the exception of units that are subject to the Resale Provisions described in the section that follows.*

As provided in 92.254(a)(5)(ii), when a HOME-assisted homebuyer unit subject to the Recapture Provision is sold, either voluntarily or involuntarily, during the Period of Affordability, the unit may be sold to any willing buyer at any price the market will bear. When a sale occurs within the HOME Period of Affordability, some or all of the HOME funds are subject to recapture from the net proceeds of the sale, unless Rhode Island Housing permits a subsequent low-income buyer to assume the HOME obligation, as provided below.

Rhode Island Housing will utilize the full recapture model specified in 92.254(a)(5)(ii)(A)(1), which requires that all of the direct assistance provided to the original homebuyer be recaptured from the net proceeds of the sale within the Period of Affordability. HOME assistance will be forgiven at the end of the Period of Affordability.

- Direct Buyer Assistance shall mean the amount of HOME assistance that enables the homebuyer to purchase the unit. Rhode Island Housing considers Direct HOME Assistance to include:
  - The direct assistance includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer at closing.
  - In addition, direct subsidy includes any pass-through assistance of HOME funds originally spent on development costs that covers the difference between the fair

market value and price of the property and buyer funds (first mortgage and buyer funds) to make the home affordable to the buyer. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value, the difference between the fair market value and the purchase price is considered to be directly attributable to the Direct HOME Assistance. (Any development funds that paid for costs in excess of the fair market value and sales price will be considered a “Development Subsidy” and not included in the buyer financing.)

- Net Proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and seller closing costs.

The HOME Recapture Policy is enforced through the use of a standard form Homebuyer Agreement and Lien signed by the homebuyer at closing which specifies:

- The length of the Period of Affordability;
- That the home must be the Buyer’s principal residence throughout the Period of Affordability;
- The amount of direct buyer assistance subject to the recapture provision; and
- 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.

Please see Exhibit A for example of Recapture Policy.

### **Amount of Recapture**

The amount recaptured by Rhode Island Housing from the homeowner will be the full amount of the direct HOME subsidy that the homebuyer received when they originally purchased the home, as outlined in the HOME Homebuyer Agreement, but shall not exceed the amount of net proceeds of the sale. Net proceeds are equal to the sales price of the Premises minus any superior loan repayment, other than HOME funds, and any closing costs.

### **Assumption by an Eligible Buyer**

While a HOME-assisted homebuyer unit subject to recapture may be sold to any buyer, as permitted by 92.254(a)(5)(ii), Rhode Island Housing may permit a subsequent homebuyer who is verified to be low-income (as defined by HUD at the time of resale) to assume the HOME assistance, subject to the HOME requirements for the remainder of the HOME Period of Affordability, if no additional HOME assistance is provided.

### **Enforcement of Non-Compliance**

If the housing does not continue to be the principal residence of the family for the duration of the Period of Affordability, and the housing has not been sold to another party, Rhode Island Housing will attempt to bring the unit into compliance and enforce the HOME Homebuyer Agreement and

Lien. Failure to restore compliance during the Period of Affordability can result in full repayment of the HOME funds, which may include the Direct Buyer Assistance and Development Subsidy.

~ END RECAPTURE PROVISION ~

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### **Resale Provision**

*Resale provisions will be used only for the following activities:*

- *HOME-assisted units purchased prior to January 2016 are subject to the previous Rhode Island Housing Resale policy;*
- *HOME-assisted units which receive no direct buyer subsidy to lower the purchase price from fair market value to an affordable price; and*
- *HOME-assisted units for which resale restrictions are otherwise imposed, such as those subject to community land trust restrictions.*

As provided in 92.254(a)(5)(i), when a HOME-assisted homebuyer sells his/her property subject to HOME resale restrictions, either voluntarily or involuntarily, during the Period of Affordability:

1. The property shall be sold to another low-income buyer who will use the property as his/her principal residence;
2. The original homebuyer shall receive a fair return on investment (calculated as homebuyer's down payment plus capital improvements made to the home – see section "Calculating Fair Return on Investment" below); and
3. The property shall be sold at a price that is "affordable to a reasonable range of low-income buyers" as determined by Rhode Island Housing's Purchase Price Calculator ("PPC") but not to exceed HOME purchase price limits.

The HOME Resale Policy is enforced through the execution of a Homebuyer Agreement signed by the homebuyer at closing and recording of a Deed Restriction at closing. The Homebuyer Agreement and Deed Restriction in combination specify:

- The length of the Period of Affordability;
- That the home must be the Buyer's principal residence throughout the Period of Affordability;
- 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
- 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 Homebuyer Agreement and Deed Restriction will be subject to all remaining requirements of the Homebuyer Agreement and Deed Restriction.

Please see Exhibit A for an example of the Resale Policy.

### **Qualifying the New Buyer**

The new buyer of the assisted unit must be determined to be low income (at or below 80% of Area Median Income as determined by HUD) based upon the income limits in effect at the time of approval of the buyer. Income qualification and documentation must occur as prescribed in 92.203, 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.

### **Calculating Fair Return on Investment**

Rhode Island Housing defines a "fair return" to include the full value of the capital investments of the original homebuyer (as defined below) plus the market appreciation/depreciation of those investments as calculated below.

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.

Approvable capital improvements include, but are not limited to: (a) additions to the property's living space; and (b) the addition of a deck, porch or car garage.

Improvements shall not include:

- Repair or replacement of improvements existing at the time of purchase due to normal wear and tear or the lack of preventive maintenance;
- Landscaping or other yard improvement;
- Luxury improvements that are not permissible under HOME (such as swimming pools);
- Interior or exterior painting or cosmetic treatments; or
- Aesthetic changes based on homeowner design preference that do not add to the value and utility of the property.

All improvements must have been installed and inspected per applicable 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.

The current value of the homeowner's investment and the fair return on that investment at time of resale will be calculated by adjusting the value of the homeowner's investment by the percentage change in the federal Housing Price Index (HPI) between the base month and the most recent month index for New England (seasonally adjusted), as published online at <http://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx>.

The base month will be determined as follows:

- The base month for the original buyer's down payment will be the month of the original purchase; and
- The base month for each capital improvements will be the month in which the improvement was completed 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/depreciation percentage on the original investment.

### **Determining Affordability to a Reasonable Range of Low-Income Buyers**

Affordable to a reasonable range of low-income buyers shall mean that the principal, interest, taxes and insurance (PITI) based on standard down payment and lending terms shall not exceed 30% gross monthly income for buyers between 70% and 80% of area median income (AMI).

The sales price of the home cannot exceed the maximum price indicated by the affordable range – i.e., the price affordable to a buyer at 80% AMI. Initial sales price and maximum resale price will be determined by the lower of the price calculated using the Rhode Island Housing PPC or the HUD maximum sales price for the community in which the home is located. Initial sale and resale price must be calculated in consultation with Rhode Island Housing HOME staff.

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 beneath this range, additional assistance may be provided to the subsequent homeowner. The source of this assistance is expected to be non-federal funds that are applicable for this use. However, additional HOME funds may be provided to the new buyer under 92.254(a)(9), and in such cases the Period of Affordability will be recalculated based on the additional HOME assistance.

### **Return to the Seller**

If the net proceeds of a sale within the maximum sales price exceed the fair return on investment as calculated above, then the original homebuyer will be entitled to receive the entirety of their fair return on investment amount plus 100% of any remaining net proceeds, net of seller closing costs.

***It is important to note that this policy does not guarantee a return to the homeowner.*** Under certain market circumstances such as a declining housing market where home values are depreciating or are stagnant, the original homebuyer may not be able to sell the home for the maximum price or receive a full return on his or her investment as calculated above.

### **Resale Restrictions on the New Buyer**

Upon approval of all requirements contained in this policy, Rhode Island Housing will approve the sale to the new low-income buyer, and permit assignment of all remaining obligations under the deed restriction to the approved new buyer. The home must remain affordable for the remaining balance of the original Period of Affordability, except that if the new buyer receives additional HOME funds to make the purchase affordable, the Period of Affordability will be recalculated based on the additional HOME assistance.

### **Enforcement of Non-Compliance**

If the housing does not continue to be the principal residence of the family for the duration of the Period of Affordability, and the housing has not been sold to another party, Rhode Island Housing will attempt to bring the unit into compliance and enforce the HOME Homebuyer Agreement and Deed Restriction. Failure to restore compliance could result in repayment of HOME funds.

~ END RESALE PROVISION ~

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### **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. Under such circumstances, the following Recapture and Resale provisions apply:

Recapture: Rhode Island Housing will act in accordance with its HOME Homebuyer Agreement/Lien and attempt to recoup any net proceeds that may be available through the foreclosure sale. Once available net proceeds, if any, have been recaptured, the affordability requirements are terminated. Rhode Island Housing's repayment obligation is limited to the amount of the HOME subsidy, if any, that is able to be recovered from the net proceeds of the sale.

Resale: Affordability must be preserved by a subsequent purchase at a reasonable price by a 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 is required.

~ END SUSPENSION PROVISION ~

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### **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 documents. In the event of subordination, the Period of Affordability will continue through the full term, as outlined in the Homebuyer Agreement, Deed Restriction, and/or Lien.

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 in order to prevent the loss of the unit(s).

~ END SUBORDINATION PROVISION ~

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### **Exhibit A**

Rhode Island Housing's HOME Resale and Recapture Policies outline the provisions for homeownership units assisted by the agency. The HOME Agreement and Homebuyer Agreement will specify the type of assistance given, the value, and which provision will be used. The following are examples of our HOME Resale and Recapture Policies.

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#### **Example: Recapture Provision**

A home with a 10-year Period of Affordability was purchased in May of 2016 for \$160,000, inclusive of buyer down payment of \$5,000, a first mortgage with Bank A of \$130,000, and a Direct HOME Subsidy in the amount of \$25,000 in HOME funds. The original buyer decides to sell the house on the market in March of 2023 for \$175,000, and owes \$125,000 on their superior loan with Bank A.

- Scenario 1 – Market Sale: The original buyer sells the home for \$175,000. The net proceeds of the sale is the sales price (\$175,000) less the remainder of the superior loan (\$125,000), and seller closing costs assumed to be \$3,000, which would equal \$47,000. In this scenario, the Direct HOME Subsidy of \$25,000 would be repaid from the net proceeds (\$47,000), resulting in the original home owner returning the full subsidy of \$25,000 to Rhode Island Housing and retaining \$22,000 from the proceeds of the sale at closing. The home is no longer subject to the HOME recapture requirements.
- Scenario 2 – Assumption by Eligible Buyer: The home is sold for the same \$175,000, but the new homebuyer pre-qualified with Rhode Island Housing's HOME staff as an eligible low-income homebuyer, agrees to assume the HOME mortgage for the remainder of the Period of Affordability (which ends in 2026), and receives no additional assistance from the HOME program. The net proceeds of the sale is the sales price (\$175,000) less the remainder of the superior loan (\$125,000), and seller closing costs assumed to be \$3,000, which would equal \$47,000. In this scenario, the new buyer assumes the existing \$25,000 HOME mortgage, and the original home owner would receive \$47,000 from the proceeds of the sale at closing. The home would remain subject to HOME recapture requirements until 2026 or a subsequent sale using the Recapture Provision.

- Scenario 3 – Market Sale with insufficient net proceeds: If the original buyer sells the home for \$150,000 on the market to a homebuyer that does not assume the HOME Period of Affordability obligations. The net proceeds of the sale would be calculated as: the sales price (\$150,000) less the remainder of the superior loan (\$125,000) and closing costs (\$3,000), which would equal \$22,000. In this scenario, the HOME direct subsidy (\$25,000 for this home) would be greater than the net proceeds (\$22,000), resulting in the original home owner returning \$22,000 to Rhode Island Housing and receiving no net proceeds from the sale. The home would no longer be subject to HOME recapture requirements.

~ END RECAPTURE EXAMPLE ~

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### **Example: Resale Provision**

A three bedroom single family home in Cumberland (Providence County) with a 15-year Period of Affordability 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 July of 2016. The homeowner's investment is \$8,480.

#### **Fair Return on Investment:**

- The relevant listing month Housing Price Index (HPI) level is 226.19 (July 2016), with the relevant HPI of the original purchase being 196.90 (May 2012), producing a percentage change of 14.876%  $((226.19/196.90) - 1.000 = .14876)$ . The appreciation on the down-payment is thus 14.876% of the original down-payment (\$3,480), or \$517.68.
- The relevant HPI of the original construction investment is 204.91 (June 2013). The percentage change from that month to the relevant active month is 10.385%  $((226.19/204.91) - 1.00 = .10385)$ . The appreciation on the home improvement is thus 10.385% of the \$5,000 invested, or \$519.25.
- The total appreciation on the owner's investments is summed to be \$1,036.93  $(\$517.68 + \$519.25 = \$1,036.93)$ .
- Added to the original combined investments of \$8,480, the fair return on investment to the homeowner upon resale is thus \$9,516.93.

#### **Sales Price of Home**

Rhode Island Housing HOME staff will determine the home's resale price as the lesser of the HOME Program Sales Limit OR the sales price as determined by the Rhode Island Housing PPC.

Per the HOME Program, the maximum sales price in Cumberland (Providence County) allowable at the time of the sale (July 2016) for the home was \$184,000.

Per the PPC, the maximum sales price in Cumberland (Providence County) allowable at the same of sale was \$280,756.

Therefore, as the lower of the two, the maximum allowable sales price in this example is \$184,000.

Scenario 1 – Sale with Excess Proceeds: After marketing, the house sells to an income eligible buyer for \$182,000. Net proceeds from the sale are \$15,500 ( $\$182,000 - \$166,500 = \$15,500$ ); the seller receives the full value of the fair return on investment of \$9,516.93, and 100% of the excess proceeds of \$5,983.07 ( $\$15,500 - \$9,516.93 = \$5,983.07$ ) are returned to the seller as well, net of seller closing costs.

Scenario 2 – Sale with No Excess Proceeds: After marketing, the house sells to an income eligible buyer for \$176,000. Net proceeds from the sale are \$9,500 ( $\$176,000 - \$166,500 = \$9,500$ ); the seller receives the net proceeds of the sale \$9,500 net of seller closing costs but does receive a full return on the value of their investment (\$9,516.93). There are no excess proceeds.

Scenario 3 – Sale with No Return: After marketing, the house sells to an income eligible buyer for \$165,500. There are no Net Proceeds from the sale ( $\$165,500 - \$166,500 = \$0$ ) nor will the seller receive any return on their investment.

~ END RESALE EXAMPLE ~

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