

Rhode Island
SECOND
(2nd) Year
Annual Action
Plan 2015-
2019

**Program Year 2016
March 1, 2016 – June 30, 2017**

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Contents

| | |
|---|-----------|
| Executive Summary | 3 |
| ES-05 Executive Summary - 91.300(c), 91.320(b) | 3 |
| The Process..... | 7 |
| PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)..... | 7 |
| PR-10 Consultation - 91.110, 91.300(b); 91.315(l)..... | 8 |
| PR-15 Citizen Participation - 91.115, 91.300(c) | 16 |
| Second Year Annual Action Plan..... | 16 |
| AP-15 Expected Resources – 91.320(c)(1,2) | 17 |
| AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e) | 21 |
| AP-25 Allocation Priorities – 91.320(d)..... | 23 |
| AP-30 Methods of Distribution – 91.320(d)&(k)..... | 26 |
| AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii) | 50 |
| AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)..... | 53 |
| AP-50 Geographic Distribution – 91.320(f)..... | 54 |
| 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) | 65 |
| AP-75 Barriers to affordable housing – 91.320(i) | 66 |
| AP-85 Other Actions – 91.320(j) | 69 |
| AP-90 Program Specific Requirements – 91.320(k)(1,2,3)..... | 79 |

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 Partnership Program (HOME), and Emergency Solutions Grant Program (ESG). Beginning this Program Year (PY16), the Annual Action Plan will also serve as the application for the Housing Trust Fund (HTF). The Annual Action Plan also provides a forum for Rhode Island to report to HUD any changes or trends in affordable housing needs during the period since the submission of the most recent Consolidated Plan, and summarizes 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 Commerce Corporation's Office of Housing and Community Development 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.

In the spring of 2016, the state completed significant changes to the HOME Program and initiated procedures for the state's Housing Trust Fund allocation. The institutions in the state that manage CPD housing programs also agreed to change the program year used to measure the objectives and outcomes in this Consolidated Plan time cycle. These changes and occurrences required the submission of a substantial amendment to the Consolidated Plan during the drafting of this Annual Action Plan. HUD Boston, in July of 2016, approved the state's intention to change its program year for CPD programs to July through June, replacing the current structure of March through February. This second program year extends through June 30, 2017, beginning with the previous start date of March 1, 2016; therefore, this Action Plan considers activities planned for March 1, 2016 through June 30, 2017.

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 second 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
- Aged 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
- Improvements to the state's infrastructure that is crucial to future housing development
- Non-Housing Community Development investments in public services and facilities
- 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 68 rental units constructed, 539 rental units rehabilitated, 27 units of housing for the homeless added, along with 700 affordable units preserved under refinanced mortgages through Federal Financing Bank support; 1,309 households assisted through permanent supportive housing; nearly 3,000 persons assisted through the state's homeless shelters; an increased emphasis on all aspects of healthy homes, to complement lead-based paint abatement efforts, which will affect 354 homes; 1,600 households assisted with tenant-based vouchers, nearly 200 homeowners counseled through foreclosure mediation, tens of 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

Rhode Island Housing's ability to invest in multifamily affordable rental housing over the past few years has been limited compared to what has been a traditional investment level for the agency. Due to current market conditions, affordable multifamily housing development, rehabilitation, and preservation activities require significant federal, state, and/or private subsidies on top of what projects support in conventional permanent financing. Many of these sources of additional capital have either decreased or have been eliminated altogether. For example, the HOME program formerly provided over \$6 million to the state annually, but has recently fallen to \$3 million; and HUD Section 202, Section 811, and Supportive Housing programs now provide rental assistance rather than capital subsidies. As a result, Rhode Island Housing's rental development activity has declined. Even with these constraints, Rhode Island Housing has been able to make

significant investments in affordable housing, especially in the preservation of the currently-affordable stock. In the past three years, 1,393 housing units were preserved through a combined \$188.5 million (federal, state and private investments total). New development of affordable housing is struggling from the cuts in funding, with only 455 new units developed in the past three years. From 2004 to 2012, the state averaged 334 new affordable housing options developed annually; the average over the past three years has been only 152 new units.

c. Summary of Citizen Participation and Consultation Process

Throughout the Consolidated Plan development process in 2014, 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. Public hearings were held in different areas of the state during the Consolidated Plan planning process.

For this Annual Action Plan, an informational session convened developer partners, service agencies, public housing authorities (PHAs) and other stakeholders on April 1, 2016 and a public hearing convened for the reception of public comments on April 12, 2016. 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 Rhode Island Housing'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 April 1, 2016 for a 30-day public comment period. The draft plan was posted on the Rhode Island Housing website. Two written comments were submitted in response to the invitation to comment. Both of these comments concerned proposed changes to the HOME Program's homeownership development regulations, which would emphasize a recapture policy over a resale policy; both comments objected to this change with relation to homes developed through a Land Bank program. An attachment to this action plan includes the ads placed, the attendance sheet, and a full record of the citizen participation comments.

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

Many comments considered the potential uses for the new National Housing Trust Fund (HTF) allocation expected for the state to be \$3 million annually, mainly that the funds be used to preserve existing housing instead of developing new housing. Concerning the Annual Action Plan itself, comments and questions regarded citizen participation emphasis, and the state intends to address the comments regarding how citizen participation can be improved when it drafts new participation guidelines. Questions about the Substantial Amendments to the Consolidated Plan regarded the Resale and Recapture provisions for homeownership developments. Besides the comments and questions received at the public hearing, two written comments submitted during the comment period addressed the new Resale / Recapture provisions.

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

The Town of Jamestown, RI and the Church Community Housing Corporation both submitted comments preferring the same outcome. CCHC has had a successful history with its Land Bank program, to which the citizens of Jamestown have sometimes benefited, and the proposed new HOME Program resale/recapture provision would hinder that program's ability to remain as effective as possible, and asked to be exempt from the new provision. Both comments also asked that the Action Plan include the guidelines of the CCHC Land Bank's recapture provision in the language of the plan. The state cannot accept either of these two requests because they do not adhere to HOME Program guidelines.

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 |
|---|--|---|
| Lead Agency HOME, HTF and HOPWA programs | Rhode Island Housing (RIH) | Rhode Island Housing Mortgage and Finance Corporation (state housing finance agency) |
| CDBG and ESG Programs | Office of Housing and Community Development (OHCD) | Rhode Island Commerce Corporation (Commerce RI) |

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 Commerce Corporation (Commerce RI).

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

1. Introduction

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))

Section 811 Project Rental Assistance

The Section 811 Project Rental Assistance program is an initiative of HUD to assist extremely low-income people with disabilities to live independently in the community by providing rental subsidies linked with supportive services. Rhode Island Housing held an informational meeting to explain the program to developers, as developers of new housing will have the opportunity to apply for the use of these rental subsidies in new or existing housing. The persons eligible must be homeless, disabled, earning 30% of AMI or less and must have recently exited an institutional setting. Rhode Island Housing hired a Section 811 Program Coordinator to provide the outreach that will link eligible tenants that have exited institutional settings with the new housing opportunities available through the rental subsidies by working with the healthcare providers and the developers. The healthcare providers in Rhode Island are well coordinated through the Rhode Island Council on Community Mental Health Organizations, which is soon to merge into a new organization that combines mental health organizations with drug and alcohol treatment organizations into one new council. In addition, the Section 811 Program Coordinator will work with Horizon Health Partners, a parent organization of four community mental health centers that efficiently provides community services that reduce state costs and improves the quality of life for its clients. The coordinator will work with public housing authorities, community development corporations and private developers of low-to-moderate income housing to manage the subsidies, to find eligible tenant households, and match that household with the proper supportive services.

National Housing Trust Fund

The National Housing Trust Fund award is an opportunity to pair capital funding and operating funding to serve extremely low-income households effectively that may have disabilities or other special needs. The staff at Rhode Island Housing that is developing the regulations for the Housing Trust Fund program in Rhode Island worked with developers and service providers to understand how to best prioritize HTF awards. A high priority for program funds is the acquisition, rehabilitation, or new construction of housing units for homeless and special needs populations in conjunction with supportive services. This priority will have the effect of developers of housing and mental or physical health service providers to work together in applying for HTF awards. Rhode Island housing staff is prepared to answer questions from coordination entities (such as Horizon Health Partners) or with individual agencies or developers and will facilitate partnerships among health agencies and housing developers in order to best utilize capital and operating subsidies.

Evaluation-of-needs coordination among homelessness service providers

The Rhode Island Continuum of Care (RiCoC) has adopted the Vulnerability Index-Service Prioritization and Data Analysis Tool (VI-SPDAT) to prioritize access to needed housing and services for Rhode Island's homeless population. This tool is used when a person is first entered into the state's Homelessness 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. All homeless service providers will use the VI-SPDAT through HMIS as part of a new coordinated access system for all Continuum of Care members.

The standing committees of the Rhode Island Continuum of Care's Board of Commissioners (RiCoC Board) will include both housing agencies and health agencies (private and public) that will work together to improve joint-serving programs (such as supportive housing), which provides health services in a stable housing environment. Article IV of the RiCoC Governance Charter describes the required composition of the RiCoC Board as follows: At least two representatives of organizations providing housing or services for the homeless; At least two homeless or formerly homeless individuals; Members from the public and private sectors; and Representatives of the various subpopulations within the CoC, such as persons with substance use disorders, persons with HIV/AIDS, veterans, the chronically homeless, families with children, unaccompanied youth, the seriously mentally ill, and victims of domestic violence, dating violence, sexual assault and stalking, to the extent that someone is available and willing to represent that subpopulation on the board. One board member may represent the interests of more than one homeless subpopulation. The RiCoC Board will act on behalf of the RiCoC, with approval from the state's Housing Resources Commission (HRC), to fulfill the responsibilities assigned to continuums of care by the Department of Housing and Urban Development (HUD).

Preventing the discharge of persons in state care into homelessness

A Memorandum of Agreement (MOA) between the RI 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. A plan may call for independent living (if financial means or assistance is available), referral to small community-based agencies, substance abuse treatment centers, Medicaid Waiver assisted living, or long-term care facilities. The LeadSafe Homes Program (Rhode Island Housing) offers re-housing assistance for families of children hospitalized due to lead poisoning. The Rhode Island Housing First initiative provides supportive housing where tenancy is not conditional upon sobriety, and case management services. 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.

An MOA between The Dept. of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH) and OHCD dictates that patients of mental health institutions are not to be discharged into homelessness. BHDDH supports the Housing First model with Projects for Assistance in Transition from Homelessness (PATH) and Substance Abuse and Mental Health Services Administration (SAMHSA) 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 Housing First initiative offers housing for over 600 households through Shelter + Care vouchers (now assimilated into the Continuum of Care), RoadHome rental assistance (a Rhode Island Housing program) and mainstream subsidized housing. BHDDH is responsible for establishing a general discharge policy for patients of Rhode Island mental health institutions.

Other state departments, such as the Department of Health and Department of Children, Youth and Families have Memoranda of Understanding with OHCD to not discharge clients in state care into homelessness.

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 Dept. of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH) co-funds initiatives to address homelessness among those facing mental and physical health concerns with the Housing Resources Commission (HRC) and Rhode Island Housing’s competitively-awarded Continuum of Care grants (HEARTH Act Programs). All work together on the Interagency Council on Homelessness (ICH) and the Rhode Island Continuum of Care Board of Commissioners (RI CoC) and its many sub-committees. Rhode Island Housing and BHDDH were co-applicants in the awarding of over \$5 million in rental assistance and supportive services through the HUD Section 811 Project Rental Assistance program to prevent and reduce homelessness among disabled persons in the state. The two agencies will coordinate on the delivery and monitoring of these funds to the approximately 150 households this program will assist over the next eight years. The Continuum of Care’s new Recipient Approval and Evaluation Committee as well as the System Performance and Planning Committee will be heavily involved in assisting the administration of this program. The coordination of sources and strategies between the state’s housing and health-related departments along with Rhode Island Housing aides in the state’s effort to build housing for these vulnerable populations and to provide rental assistance and supportive services (case management) to these households where possible.

Through its Housing Resources Commission and Interagency Council on Homelessness, Rhode Island adopted Opening Doors Rhode Island (“ODRI”), a strategic plan to end homelessness. This plan, adopted in 2012 and fully aligned with the Federal Opening Doors plan, serves as a guiding document for the RICoC and is the guiding document for all homelessness programs described in the 2015-2019 Consolidated Plan.

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

The Rhode Island Continuum of Care (RICoC) Board of Commissioners is responsible for the following operations per its Governance Charter and participated in the development of all aspects of the 2015-2019 Consolidated Plan, most prominent of which were the sections on homelessness

and institutional delivery structure. Sections in the Governance Charter relative to ESG and HMIS administration include that the RICoC will:

Operations

- Monitor performance and outcomes of programs and report findings to HUD;
- Establish and operate a Coordinated Intake/Assessment System (VI-SPDAT) in consultation with Emergency Solutions Grant (ESG) recipient(s) and to meet the necessary requirements (cover the state of Rhode Island, be easily accessed by individuals and families seeking housing or services, be well-advertised, and include a comprehensive and standardized assessment tool);
- Approve and submit the annual application for funding to HUD in accordance with requirements outlined in the Notification of Funding Availability (NOFA) published by HUD;
- Establish priorities for funding projects in the state of Rhode Island and a project selection process that is transparent, inclusive and based on HUD standards; and
- In consultation with Emergency Solutions Grant (ESG) recipients (State Office of Housing and Community Development, Cities of Pawtucket, Providence and Woonsocket) establish written standards for ESG & RICoC funding.

Homeless Management and Information System (HMIS)

- Designates a single HMIS for the State of Rhode Island;
- Designates a single eligible applicant to serve as HMIS lead;
- Review, revise, and approve privacy, security, and data quality plans;
- Ensure consistent participation of recipients and sub-recipients in HMIS; and
- Ensure HMIS is in compliance with HUD regulations.

Planning

- Coordinate and operate housing and service system, which at a minimum will encompass outreach, engagement and assessment, shelter housing and supportive services, and homelessness prevention strategies;
- Conduct Point-In-Time Homeless Count at least biennially or as required by HUD;
- Identify gaps of needs and services at least annually, which include a housing inventory;
- Provide information for Consolidated Plan(s); and
- Consult with ESG recipients on allocating ESG funding and performance of programs.

The director of the state's Office of Housing and Community Development sits on the RICoC Board, which is staffed by Rhode Island Housing. Rhode Island Housing hired a new Continuum of Care program manager in 2016 to fill a key role in advancing the goals and strategies of the new RICoC governance and management.

2. 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 develop and implement affordable housing policies, to better understand municipal zoning practices and how they can be addressed in order to reduce barriers and affordable and fair housing, and to share statistical information relevant to growing housing needs, such as demographic changes based on age, race and ethnicity.

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.

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 Rhode Island Housing can assist in the preservation and rehabilitation of the aging public housing stock in 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 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.

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, to help prevent unlawful eviction, to receive foreclosure mediation, and to investigate instances of housing discrimination.

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 the developing the PY16 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))

Rhode Island Housing, the Rhode Island Statewide Planning Program and the Office of Housing and Community Development work together to collectively identify the housing-related conditions and needs of the state and coordinate on strategies to improve conditions and meet these needs. Each agency/department, per its mission, has roles and responsibilities specialties that are valuable in implementing the Consolidated Plan, while sharing the capacity to administer programming, provide technical assistance and deliver outcomes.

There are other state agencies that are social-service oriented and the populations they serve are greatly affected by the implementation of the 2015-2019 Consolidated Plan, and thus their input is vital to developing practical strategies to address special needs. The Department of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH) provided valuable information on the

progress of Opening Doors Rhode Island and other mental and physical health-related matter. This progress includes the use of the Medicaid Waiver to cover residential and supportive service needs of disabled and elderly persons and the current apparatus it has in place, blending federal, state and non-profit funds to deliver services to thousands of Rhode Islanders annually. There is significant overlap in the population in the state that lives in or requires affordable housing and that also receives services from BHDDH.

Other state agencies that serve populations with special housing needs include the Department of Health, the Department of Human Services and the Department of Children, Youth and Families. Various state-level committees and working groups put representatives of these departments in contact with both Rhode Island Housing and the Office of Housing and Community Development regularly, thus their participation in the implementation of the Consolidated Plan will not be a new effort but will be the result of continuing collaborations on providing housing-based supports and services to the state's most vulnerable populations.

Housing and community development, while both integral to serving high need populations, is also a broad mechanism in growing the state's labor market and improving economic growth in general. Public investments in housing development, especially for households currently cost-burdened by housing costs, have a ripple effect throughout the local economy. Those constructing the homes as well as those living in these homes earn money that is immediately recycled back into the economy in the purchase of local goods and services. Governor Gina Raimondo, with the establishment of the Rhode Island Commerce Corporation (CommerceRI), is implementing new initiatives that will help make Rhode Island more attractive to locate business, learn, work and live. Rhode Island's state agencies that focus on housing have embraced this vision, and part of implementing the Consolidated Plan will be to work with CommerceRI to aide in the state's mission to grow its economy while also addressing multiple needs of underserved populations. The merging of housing and economic development goals and strategies will help to stimulate economic development while improving accessibility to safe and affordable housing.

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

For this Annual Action Plan, an informational session convened developer partners, service agencies, public housing authorities (PHAs) and other stakeholders on April 1, 2016 and a public hearing convened for the reception of public comments on April 12, 2016. 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 Rhode Island Housing'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 April 1, 2016 for a 30-day public comment period. The draft plan was posted on the Rhode Island Housing website. Two written comments were submitted in response to the invitation to comment. Both of these comments concerned proposed changes to the HOME Program's homeownership development regulations, which would emphasize a recapture policy over a resale policy; both comments objected to this change with relation to homes developed through a Land Bank program.

Impact on goals-setting: The needs referenced from the citizen participation process about the lack of supply of housing that is affordable to all income levels, the old-age of the typically available housing stock and impediment to housing choice are also well represented in the Consolidated Plan's Strategic Plan, and thus will be the focus of this Action Plan. Additional comments received during participation conducted for this Action Plan that differed from the Consolidated Plan development is an increased emphasis on fair housing resources, which the state will try to address through Goal 7, affirmatively furthering fair housing.

Second Year Annual Action Plan

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

Introduction

The state anticipates availability of approximately **\$61.5 million in federal subsidies in the second 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 \$10.4 million; 58% of this non-federal funding comes from the state budget, the other 42% 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, SECOND PROGRAM YEAR

| Goal | Funding | Source Type | \$ PY16 |
|---|---|-------------------|---------------------|
| Goal 1 Develop and preserve affordable housing opportunities | HOME | Federal | \$3,023,400 |
| | 9% LIHTC - TC allocation only | Federal | \$2,730,000 |
| | CDBG - 25% of awards (total housing set asides) | Federal | \$1,243,646 |
| | Housing Preservation and Production Program (HPPP) | State | \$3,000,000 |
| | Building Homes Rhode Island (BHRI) | State | \$0 |
| | Housing Trust Fund - HERA 2008 | Federal | \$3,000,000 |
| | 4% LIHTC - TC allocation only | Federal | \$1,200,000 |
| | CDBG-DR Housing | Federal | \$926,527 |
| | GOAL TOTAL | TOTAL | \$15,123,573 |
| Goal 2 Prevent and end homelessness among chronically homeless, homeless veterans and homeless families while significantly reducing overall homelessness | State Rental Assistance | State | \$750,000 |
| | Emergency Solutions Grants Program - Entitlements | Federal | \$707,210 |
| | Emergency Solutions Grants Program - Statewide | Federal | \$671,713 |
| | Social Service Block Grant, Title XX | Federal | \$1,272,598 |
| | RI Homelessness Funding | State | \$1,640,013 |
| | Supportive Housing Program - Continuum of Care | Federal | \$5,262,197 |
| | HUD Section 811 Project-Based Rental Assistance | Federal | \$646,666 |
| | RoadHome Service Enriched Rental Assistance Program | RI Housing | \$2,325,000 |
| | HOPWA | Federal | \$685,495 |
| | Neighborhood Opportunities Program | RI Housing | \$1,300,000 |
| | Thresholds | State | \$1,000,000 |
| | GOAL TOTAL | TOTAL | \$16,260,892 |
| Goal 3 Improve the accessibility, health, safety, and energy efficiency of all Rhode Island homes | State Lead Program | State | \$400,000 |
| | HUD Lead Hazard Red. Prog (Lead and Healthy Homes) | Federal | \$833,333 |
| | CDBG Home Repair Program | Federal | \$994,917 |
| | | GOAL TOTAL | TOTAL |
| Goal 4 Provide Tenant-Based Rental Assistance to meet housing needs of lowest income households | Housing Choice Voucher Program | Federal | \$14,125,665 |
| | | GOAL TOTAL | TOTAL |
| Goal 5 Address Negative Impacts of Foreclosure Crisis | NFMC NeighborWorks Grant | Federal | \$252,461 |
| | Hardest Hit Fund Rhode Island - Round 5 | Federal | \$14,788,000 |
| | Hardest Hit Fund - Down Payment Assistance | Federal | \$2,700,000 |
| | | GOAL TOTAL | TOTAL |
| Goal 6 Promote economic development by addressing non-housing community development needs | CDBG - Balance of funds | Federal | \$2,736,022 |
| | CDBG - DR Balance of funds | Federal | \$3,673,473 |
| | | GOAL TOTAL | TOTAL |
| Goal 7 Affirmatively Further Fair Housing | GOAL TOTAL | | \$0 |
| ALL FUNDS - CALIBRATION LEVEL | | TOTAL | \$71,888,336 |

The state's housing finance agency, Rhode Island Housing, recently became a participant in the Treasury – HUD Federal Financing Bank (“FFB”) HFA Multifamily Risk Sharing Loan Financing Initiative for the financing of rental housing for low- and moderate-income households, which gives owners and sponsors of affordable housing in Rhode Island availability 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 700 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. Other new sources of assistance to achieve Rhode Island's housing and community development goals include:

- \$3,000,000 in Housing Trust Fund allocation from the federal fund authorized in 2008 and recently capitalized through payments from government-sponsored enterprises.
- \$3,000,000 from the Housing Preservation and Production Program, an allocation from the Rhode Island General Fund to support affordable housing capital costs.
- \$2,700,000 to fund ‘Renewed Homes’, a down payment assistance grant for homebuyers purchasing a formerly foreclosed home, funded through the US Treasury.
- \$14,788,000 to fund Rhode Island's Hardest Hit Fund, which will provide direct financial assistance to borrowers at risk of foreclosure.

TABLE 87 is not a required table; it organizes the available funding by goal. Goals 1, 2 and 4 have comparable funding availability in PY16. These three goals combine to absorb approximately 63% of the federal funding for all housing-related programs in PY16. While Goal 4's funding is entirely reliant on federal resources, the state will contribute 20% of Goal 1's resources and 21% of Goal 2's resources. Goals 4, 5 and 6 solely rely on federal funding. Strategies to address Goal 7 involve many of the other funding programs including rental assistance and development financing, but it does not have its own defined financial resource.

Anticipated Resources

TABLE 88 – ANTICIPATED RESOURCES – EConPLAN TEMPLATE TABLE

| Program | Source of Funds | Expected Amount Available Year 2 | | | |
|---|-----------------|----------------------------------|-------------------|-----------------------|--------------|
| | | Annual Allocation \$ | Program Income \$ | Prior Year Resources: | Total \$ |
| HOME | Public-federal | \$3,023,400 | \$0 | \$0 | \$3,023,400 |
| HOPWA | Public-federal | \$685,495 | \$0 | \$0 | \$685,495 |
| CDBG | Public-federal | \$4,974,585 | \$0 | \$0 | \$4,974,585 |
| CDBG - DR | Public-federal | \$4,600,000 | \$0 | \$0 | \$4,600,000 |
| ESG - State | Public-federal | \$671,713 | \$0 | \$0 | \$671,713 |
| ESG - Entitlements | Public-federal | \$707,210 | \$0 | \$0 | \$707,210 |
| 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 | \$5,262,197 | \$0 | \$0 | \$5,262,197 |
| Low Income Housing Tax Credits | Public-federal | \$3,930,000 | \$0 | \$0 | \$3,930,000 |
| Housing Choice Voucher Program | Public-federal | \$14,125,665 | \$0 | \$0 | \$14,125,665 |
| Lead Hazard Reduction Program Grant | Public-federal | \$766,667 | \$0 | \$0 | \$766,667 |
| Healthy Homes Grant | Public-federal | \$66,667 | \$0 | \$0 | \$66,667 |
| NFMC - NeighborWorks Grant | Public-federal | \$252,461 | \$0 | \$0 | \$252,461 |
| Hardest Hit Fund - Down Payment Assistance | Public-federal | \$2,700,000 | \$0 | \$0 | \$2,700,000 |
| Hardest Hit Fund Rhode Island - Round 5 | Public-federal | \$14,788,000 | \$0 | \$0 | \$14,788,000 |
| HUD 811 Project Rental Assistance | Public-federal | \$646,666 | \$0 | \$0 | \$646,666 |
| HRC Homelessness Funding | Public-state | \$1,640,013 | \$0 | \$0 | \$1,640,013 |
| Building Homes Rhode Island | Public-state | \$0 | \$0 | \$0 | \$0 |
| Housing Preservation and Production Program | Public-state | \$3,000,000 | \$0 | \$0 | \$3,000,000 |
| State Lead Hazard Reduction Funding | Public-state | \$400,000 | \$0 | \$0 | \$400,000 |
| Thresholds Program | Public-state | \$1,000,000 | \$0 | \$0 | \$1,000,000 |
| State Rental Assistance - Hmless | Public-state | \$750,000 | \$0 | \$0 | \$750,000 |
| Neighborhood Opportunities Program | Private | \$1,300,000 | \$0 | \$0 | \$1,300,000 |
| RoadHome | Private | \$2,325,000 | \$0 | \$0 | \$2,325,000 |
| TOTALS | | \$71,888,336 | \$0 | \$0 | \$71,888,336 |

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 1,600 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 PY16 are nearly \$72 million. Federal funding accounts for approximately \$61.5 million (86%) of available funds in PY16, and contributes to part of all goals for which funding is available.

NOTE: According to program managers, neither HOME nor CDBG will have program income available to allocate to future projects in the upcoming program year 2016.

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 \$6.44 for every \$1 of HOME funds spent on rental activities (as of year-end 2015). This leverage ratio is the 11th highest nationally among 51 state participating jurisdictions, though it

is technically in a tie for 1st among 27 states that qualify as producing ‘significant leveraging’ as a result of a historical 4 to 1 ratio or better. Also, this leveraging score of 6.44 is considerably higher than the median for state participating jurisdictions of 4.33.

HOME applications receive extra points in scoring when proposed projects have other sources of public and private funds committed. No federal funds are counted as match, only state and private funds are considered. 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).

Analysis of Rhode Island’s HOME commitments from 2010 to 2015 showed approximately \$16.5 million in HOME funds awarded that included over \$165 million in addition non-federal and private funding, a \$10:\$1 ratio. In the upcoming planning period this 10 to 1 ratio is likely to be replicated due to the sustained high levels of total development costs and the limited other federal capital subsidies for affordable housing development, which will also continue to far exceed match requirements.

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 PY16, the state’s ESG formula allocation will only make up 9% of the funding for the Consolidated Homeless Fund, 15% coming from other CPD funds (state and entitlements combined), another 26% coming from non-CPD federal funds (Social Services Block Grant), and the rest (50%) coming from the state’s Homelessness funding.

Private financing in the development of affordable housing (meeting Goal 1)

In Program Year 2016, it is likely that private funding will contribute to a larger share of total development cost than in the average program year, due to the new financing opportunities through the Federal Financing Bank. Analysis of likely funding shows that 6% will likely come from federal subsidies and another 7% from state and local subsidies – the remaining 87% of total development cost will come from Low Income Housing Tax Credit equity, proceeds from the sale of bonds, and other non-subsidized investments from private organizations or private funding utilized by public agencies. The heavier reliance on non-federal subsidies means a reduced reliance on tax payer funding to achieve state goals, but also reflects overall reductions in federal sources for developing affordable housing, and thus a lower overall production of affordable units.

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 1

| <i>Program Year 2016 (Year Two of 2015-2019 Planning Period) Summary of Funding and Outcomes by Goal</i> | | | |
|--|-------------------|--------------------------------------|-------------|
| Goal 1 - Develop and Preserve Affordable Housing | PY16 | Outcome | PY16 |
| HOME Investment Partnership Program | 3,023,400 | Rental units constructed | 68 |
| 9% Housing Tax Credit | 2,730,000 | Rental units rehabilitated | 539 |
| Community Development Block Grant - 25% setaside to AH | 1,243,646 | Homeowner Housing Added | 8 |
| Housing Preservation and Production Program (HPPP) | 3,000,000 | Homeowner Housing Rehabilitated | 4 |
| Building Homes Rhode Island | 0 | Housing for Homeless added | 27 |
| Housing Trust Fund - HERA 2008 | 3,000,000 | Rental Housing Added - DR | 0 |
| 4% Housing Tax Credit | 1,200,000 | Rental Housing Rehabilitated - DR | 60 |
| CDBG -DR Housing Stabilization Program | 926,527 | Rental units preserved - FFB | 700 |
| TOTAL | 15,123,573 | | |
| Goal 2 - End Homelessness | PY16 | Outcome | PY16 |
| CHF - State Rental Assistance | 750,000 | Other - PSH Households Assisted | 1,309 |
| CHF - Emergency Solutions Grants Program - Entitlement communities | 707,210 | Rapid Re-Housing - Households | 201 |
| CHF - Emergency Solutions Grants Program - Statewide | 671,713 | Shelter - Persons | 2,929 |
| CHF - Social Service Block Grant, Title XX | 1,272,598 | Shelter Beds Added | 32 |
| CHF - RI Homelessness Funding | 1,640,013 | Homelessness Prevented - Persons | 6 |
| Supportive Housing Program - Continuum of Care | 5,262,197 | HIV AIDS Housing Ops | 48 |
| HUD Section 811 Project-Based Rental Assistance (\$5.2 mill over 8 yrs) | 646,666 | VLI Household Rent Support (NOP) | 182 |
| RoadHome Service Enriched Rental Assistance Program | 2,325,000 | | |
| HOPWA | 685,495 | | |
| Neighborhood Opportunities Program* | 1,300,000 | | |
| Thresholds | 1,000,000 | | |
| TOTAL | 16,260,892 | | |
| Goal 3 - Healthy Homes | PY16 | Outcome | PY16 |
| State Lead Program | 400,000 | Home Health Hazards Remediated | 95 |
| HUD Lead Hazard Reduction Program | 766,667 | Rental units rehabilitated | 98 |
| HUD Healthy Homes funding | 66,667 | HO Housing Rehabilitated | 161 |
| CDBG Home Repair Program | 994,917 | | |
| TOTAL | 2,228,250 | | |
| Goal 4 - TBRA to Low Income Hseholds | PY16 | Outcome | PY16 |
| Housing Choice Voucher Program (Section 8) | 14,125,665 | Tenant-Based Rental Assistance | 1,600 |
| Goal 5 - Address Foreclosure Crisis | PY16 | Outcome | PY16 |
| Hardest Hit Fund - Down Payment Assistance Grants | 2,700,000 | Direct Financial Assistance - DPA | 135 |
| Hardest Hit Fund Rhode Island Round 5 | 14,788,000 | Direct Financial Assistance - HHF | 739 |
| NFMC Round 7 NeighborWorks Grant | 252,461 | Homeowners Assisted | 185 |
| TOTAL | 17,740,461 | | |
| Goal 6 - Non-Housing Community Development | PY16 | Outcome | PY16 |
| CDBG - Balance of funds (not housing or homeless setaside) | 2,736,022 | Public Facility/Imprvmt - Persons | 45,250 |
| CDBG-DR - Balance of Funds (not housing stabilization) | 3,673,473 | Public Services - Persons | 38,750 |
| TOTAL | 6,409,495 | Public Facility/Imprvmt DR - Persons | 70,000 |
| TOTALS | 71,888,336 | | |

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 2 funding for Goals 1 through 6 include an estimated \$71.9 million in funding from all sources. Of the estimated total, \$11,669,698 (16%) will come from HUD CPD program's state-level formula allocations (HOME, HTF, ESG and CDBG), \$707,210 will come from HUD CPD program's entitlement community-level formula allocations (Entitlement-ESG

commitments to Consolidated Homeless Fund) and another \$685,495 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 2016 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.

Additional funding available in PY16 than what was estimated in the 2015-2019 Consolidated Plan (summarized on page 17) allows the state to achieve additional outcomes than previously described. The \$3,000,000 in state funding will improve the state’s ability to substantially rehabilitate over 300 homes that are already affordable. The Housing Trust Fund will contribute to the new production or preservation of affordable housing. Depending on the quality of applications based on project type (rehabilitation costing less per unit than new construction), the state’s HTF is likely to contribute to the production and/or preservation of 50 units in PY16.

By participating in the Treasury-HUD Federal Financing Bank (“FFB”) HFA Multifamily Risk Sharing Loan Financing Initiative (the “Initiative”), the state will be able to preserve an additional 700 units in PY16. Risk Share provides credit enhancement for mortgages of multifamily housing projects whose loans are underwritten, processed, serviced, and disposed of by HFAs. HUD and the HFA share in the risk of the mortgage. The program provides full FHA mortgage insurance to enhance HFA bonds to investment grade. HFAs may share from 10 to 90 percent of the loss on a loan with HUD. The HFA reimburses HUD in the event of a claim pursuant to terms of the risk sharing agreement. Rhode Island Housing has been a HUD Risk Share lender since 1994. To date, Rhode Island Housing has closed 96 risk-share loans with 8,760 units. The total loan amount is approximately \$394 Million. There has never been a loan default or claim filed under the risk-share program. The US Treasury, by making funding available for homebuyers to receive down payment assistance grants (Renewed Homes Program) to buy foreclosed homes and by making additional Hardest Hit Fund money available to states to help current owners avoid foreclosure, will help Rhode Island provide an estimated 375 homeowners with direct financial assistance.

Section AP-55 describes in detail the amount of families to be provided affordable housing, estimated to total 4,545. We estimate that 67% of these families or households (3,067) will be extremely low-income, 25% will be very low-income (1,126) and 8% will be moderate-income (352). 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, HPPP, 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 | 25 | 0 | 20 | 0 | 0 | 55 | 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 |
| HCVP | 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 program’s 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 Relief 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://www.planning.ri.gov/community/development/disaster/>. 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?

The state plans to produce 234 new affordable homes (222 rental and 12 homeownership in PY16) while preserving the affordability 385 homes through re-financing and substantial rehabilitation work. With the new availability of the Treasury – HUD Federal Financing Bank HFA Multifamily Risk Sharing Loan Financing Initiative (FFB) with which current owners of affordable housing can refinance and extend affordability, the state is likely to be able to preserve 700 additional units in PY16. The difference between the 385 homes preserved through refinancing and substantial rehabilitation, is that the FFB project units will have only light rehabilitation, and has a per unit total development cost (\$71,429 average) that is much less than the typical 4% LIHTC with tax-exempt bond deal (\$123,399 average), so for the purposes of outcome descriptions, projects preserved through 4% LIHTC will be considered rental units rehabilitated while projects preserved through the FFB will be considered rental units preserved.

All of the funds associated with Goal 1, as described in TABLE 89, will combine to meet these objectives. The \$15 million in subsidies will leverage an estimated additional \$79 million in private funds to accumulate a total of \$93.8 million in total development cost to produce or preserve 1,379 affordable homes. 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 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.

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

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

Introduction:

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

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 30, rental units rehabilitated 539

HOME Program

The state's HOME program awards funding to sub-recipients 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 (of which there is none available in this program year to use to allocate to projects) to use on administration of the program. This amounts to \$302,340 as the cap on administration.

NOTE: See the full PY16 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.

1) High Priorities:

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

2) Medium Priorities:

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

Selection Criteria and Relative Importance:

Scoring of applications is based on the following factors:

| Scoring Factor | Total Possible Points |
|---|-----------------------|
| <u>Meeting State Priority Housing Needs:</u> The extent to which the proposal addresses one or more of the HOME Program Priorities outlined below (High priorities=30 points; Medium priorities=25 points; Low priorities=20 points; projects not matching funding priorities will be scored at the discretion of the staff but may not receive more than 15 points in this category) | 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 soundness- up to 6 points, deduction of up to 9 points for HOME findings in audit- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests- 3 points) | 20 |
| <u>Leverage and Match:</u> Commitment of and amount of leveraged resources and available match (non-federal match will be valued more highly) | 15 |
| <u>Use of Non-Federal Resources:</u> Diversified sources of investment (total investment of federal vs. state and private funding) | 10 |
| <u>Meeting Priority Housing Needs:</u> Demonstrated demand for units (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand) | 10 |

| | |
|---|------------|
| <u>Sustainable Design</u> : Utilizes green and/or sustainable design components | 10 |
| <u>Community Participation</u> : Evidence of community and/or resident participation in project planning or execution | 5 |
| <u>Public Benefit</u> : Project makes use of property owned, held, or controlled by State or federal agencies or authorities. <i>HOME funds cannot be utilized for acquisition of properties from the Rhode Island Housing Land Bank.</i> | 5 |
| <u>Geographic Diversity</u> : : HOME funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket (entitlement communities), which receive HOME allocations directly from HUD. Entitlement communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity. Priority will be given to non-entitlement communities who have yet to meet or exceed State requirements that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the follow: <ul style="list-style-type: none"> •accessibility to transit (1 point); •accessibility to employment centers (1point); •accessibility to high performing schools (1 point); •accessibility of community services (1 point) | 5 |
| <u>Duration of Affordability</u> : Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested (meets affordability - 2 points, 31-40 years – 3 points, 41-50 years – 4 points, 51+ years – 5 points) | 5 |
| <u>Meeting Priority Housing Needs</u> : Project addresses market/community need (including serving populations with special needs) | 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 |
| TOTAL | 125 |

Resource allocation by funding category

Of the total grant award for PY16, 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 2016 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).

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;
- Eligible activities are proposed by an eligible entity meeting all HUD regulations for the HOME program as published in the Federal Register at 24 CFR Part 93.200-93.205;
- Proposed assistance amounts to a minimum of \$1,000 per unit
- Project is deemed feasible as presented;
- Cities and towns applying for funding must demonstrate a commitment to the creation and preservation of affordable housing, evidenced by Community Development Block Grant (CDBG) Budget proposed or committed over the span of three years;
- The project submission meets all Construction and Rehabilitation Guidelines (see the full PY16 HOME Annual Action Plan in the Grantee Unique Appendix for information on these guidelines);
- Project will begin within six (6) months of Commitment.

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

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

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

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 8, homeownership units rehabilitated 4.

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

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

Housing Trust Fund Program

NOTE: Please see the HTF Program: Distribution Method section of the Grantee Unique Appendix for the full distribution plan that addresses all required elements outlined in HUD CPD Notice 16-07.

The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Selection criteria and relative importance:

- 1) High Priorities:
 - a) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for extremely low-income families;
 - b) Acquisition and/or rehabilitation and/or new construction of housing units for homeless and special needs populations in conjunction with supportive services.

- c) Acquisition and/or rehabilitation and/or new construction of housing units that provide or will provide project-based rental assistance to eligible tenants.
- 2) Medium Priorities:
- a) Preservation of the existing affordable housing stock through rehabilitation, acquisition, or other eligible assistance ;
 - b) Acquisition and/or rehabilitation and/or new construction to provide units for extremely and very-low income one and two-person households;
 - c) Acquisition, and/or rehabilitation and/or new construction to provide rental units for extremely and very low-income elderly residents.
- 3) Low Priorities:
- a) Moderate rehabilitation of rental units for extremely and very low-income 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 units occupied by lower income families;
 - b) Acquisition and/or substantial rehabilitation and/or new construction to provide homeownership opportunities for extremely and very low-income families;
 - c) Funds used to create additional affordable housing units to assure no net loss of units as a result of demolition, conversions to homeownership, prepayment or voluntary termination of State or federally assisted mortgages.

Scoring of applications is based on the following factors:

| Scoring Factor Matrix | Total Possible Points |
|--|------------------------------|
| <u>Meeting State Priority Housing Needs</u> : The extent to which the proposal addresses one or more of the HTF Program Priorities outlined below (High priorities=30 points; Medium priorities=25 points; Low priorities=20 points; projects not matching funding priorities will be scored at the discretion of the staff but may not receive more than 15 points in this category) | 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 soundness- up to 6 points, deduction of up to 9 points for HOME findings in audit- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests- 3 points) | 20 |
| <u>Leverage and Match</u> : Commitment of and amount of leveraged resources and available match (non-federal match will be valued more highly) | 15 |
| <u>Use of Non-Federal Resources</u> : Diversified sources of investment (total investment of federal vs. state and private funding) | 10 |

| | |
|--|-----|
| <u>Meeting Priority Housing Needs:</u> Demonstrated demand for units (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand) | 10 |
| <u>Sustainable Design:</u> Utilizes green and/or sustainable design components | 10 |
| <u>Community Participation:</u> Evidence of community and/or resident participation in project planning or execution | 5 |
| <u>Public Benefit:</u> Project makes use of property owned, held, or controlled by State or federal agencies or authorities. <i>HTF funds cannot be utilized for acquisition of properties from the Rhode Island Housing Land Bank.</i> | 5 |
| <u>Geographic Diversity:</u> HTF funding is available to all communities in the State. Priority will be given to communities who have yet to meet or exceed State requirements that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the follow: <ul style="list-style-type: none"> •accessibility to transit (1 point); •accessibility to employment centers (1point); • accessibility to high performing schools (1 point); • accessibility of community services (1 point) | 5 |
| <u>Duration of Affordability:</u> Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested (meets affordability - 2 points, 31-40 years – 3 points, 41-50 years – 4 points, 51+ years – 5 points) | 5 |
| <u>Meeting Priority Housing Needs:</u> Project addresses market/community need (including serving populations with special needs) | 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 |
| TOTAL | 125 |

Resource allocation by funding category

Rhode Island Housing administers the state’s HTF award. The amount of funding varies annually but is not dependent on federal appropriations. No matter the amount of the total award, Rhode Island Housing utilizes 10% of the allocation for Rhode Island Housing’s administrative expenditures incurred at the minimum necessary to cover overall program administration. Of the balance, we estimate that at least 80% will go to rental housing production or rehabilitation and that no more than 10% will be allocated toward the development of homeownership opportunities. There is no set-aside for rental, homeownership, or operating reserves.

All Rhode Island HTF funds must assist Extremely Low Income Households earning less than 30% of Area Median Income until the national HTF balance reaches \$1 billion. After the national HTF balance exceeds \$1 billion, up to 25% of the funding may be used to assist Very Low Income Households earning less than 50% of Area Median Income.

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 included all attachments submitted on or before the application deadline;
- Eligible activities are proposed by an eligible entity meeting all HUD regulations for the HTF program as published in the Federal Register at 24 CFR Part 93.200-93.205;
- Proposed assistance amounts to a minimum of \$1,000 per unit
- Project is deemed feasible as presented;
- The project submission meets all Construction and Rehabilitation Guidelines (see description in HTF Program: Distribution Plan in Grantee Unique Appendix)
- Project will begin within six (6) months of Commitment.

HTF Application Funding Priorities

- The State will not distribute HTF funds through grants to subgrantees.
- The State will distribute HTF fund by selection applications submitted by eligible applicants. Per the Minimum Threshold Requirements as described in the Housing Trust Fund Method of Distribution, eligibility requirements for eligible applicants receiving HTF funds must meet all HUD regulations for the HTF program as published in the Federal Register at 24 CFR Part 93.200-93.205.
- The State will distribute HTF fund by selection applications submitted by eligible applicants. The criteria that will be used to select applications and the relative importance of these criteria are described in the Selection Criteria section of the Housing Trust Fund Method of Distribution. The Scoring Factor Matrix in that section includes the description of and relative importance of the selection criteria, including all of those criteria required to be included as described in 24 CFR §91.320(k)(5)(i).

Maximum per-unit development subsidy amounts for HTF projects

Pursuant to 24 CFR 93.300(a), all HTF grantees must establish maximum limitations on the total amount of HTF 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 HTF Allocation Plan on an annual basis.

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

To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of

the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose HCP has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.

The Housing Trust Fund Program will use these same standards as published for the HOME Program for Program Year 2016.

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

Rental units constructed 30, rental units rehabilitated 30, homeownership units constructed 8, homeownership units rehabilitated 4

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 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 and homeownership opportunities. The HTF Program outcome is Affordability.

CDBG Program

There is a cap of 3% of the grant and program income plus \$100,000 going to state administration of the program and technical assistance provided to UGLGs. Since there is no program income available for PY2016, this cap amounts to a cap of \$249,237.55 used for these purposes.

Selection criteria and relative importance:

Scoring CDBG: During the OHCD review, fundable activities will be scored competitively against each other using the following criteria.

a. Needs - A comparative Community Development Needs score will be generated for each eligible CDBG applicant. This "CD Needs" Score will constitute 50% of the community's application score.

b. Community Development Needs Criteria:

- Population
 - 0 to 20 points - low number to high number
- Family Income: Percentage of persons with annual income below HUD's LMI levels.
 - 0 to 10 points - low percentage to high percent
- Total number of person with annual incomes below HUD's LMI levels.
 - 0 to 10 points - low number to high number

c. Anticipated Project Benefits

Every activity determined "fundable" will be comparatively scored using the following criteria for each class of activity.

1) Housing activities will be rated relative to one another. Rehabilitation programs and housing projects will be ranked separately. A total maximum point for a housing proposal is 75.

a) Ratio of CDBG funds to the Number of Units Provided:

Up to 25 points will be provided to the most cost-effective CDBG activities (0-25; least cost per unit receives highest points). Activities which provide assistance between \$1 and \$15,000 per unit will be provided an equivalent score under these criteria. This provision is intended to promote comprehensive rehabilitation of structures assisted.

b) Community Priority:

Up to 25 points will be awarded based upon the local priority ranking of the specific activity. For example: Ranking Point Value 1 25; 2 22.5; 3 20, etc.

c) Community Revitalization:

Up to 25 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 15pts; if it is directly implementing activities under its Local Affordable Housing Plan, it will receive an additional 10pts.

2) Economic Development Activities will be rated relative to one another. A total maximum point for these activities is 75.

a) Cost Effectiveness:

Up to 50 points will be awarded to activities based upon the cost per benefit (0-50pts with the highest points going to projects which assist the greatest number of LMI people per CDBG dollar invested). Activities designed to meet similar national objectives will be grouped (LMIJobs, LMIArea, LMILimited Clientele) and ranked comparatively.

b) Community Priority:

Up to 25 points will be awarded based upon the local priority ranking of the specific activity. For example: Ranking Point Value 1 25; 2 22.5; 3 20, etc.

3) Community Facility and Services activities will be rated relative to one another. Total maximum points for a facility or service proposal is 40.

a) Cost Effectiveness:

Up to 30 points will be awarded to activities based upon the cost per benefit (0-30pts with the highest points going to projects which assist the greatest number of LMI people per CDBG dollar invested).

b) Community Priority:

Up to 10 points will be awarded based upon the local priority ranking of the specific activity. For example: Ranking Point Value 1 10; 2 9; 3 8, etc.

4) Slums and Blight activities will be rated relative to one another. Total maximum points for a Slums/Blight proposal is 40.

a) Cost effectiveness:

Up to 30 points will be awarded to activities based upon the total number of dilapidated structures or blighting influences to be rehabilitated, demolished, acquired, etc and indicators of the area served. 10 points will be provided to the activity eliminating the greatest percentage of dilapidated structures; 0 will be provide to the activity eliminating the least percentage of dilapidated structures for the subject area. 25% (up to 20 points) of the municipal's applicable LMI percentage will be the remainder of this score.

b) Community Priority: Up to 10 points will be awarded based upon the local priority ranking of the specific activity. For example: Ranking Point Value 1 10; 2 9; 3 8, etc.

5) Planning activities will be rated relative to one another. A total maximum point for a Planning proposal is 40.

a) Benefit:

Up to 30 points will be awarded based upon the total number and percentage of low/moderate persons located in the area to be served by this planning activity. The score will be equivalent to one-third of the areas LMI percentage (up to 30 points).

b) Community Priority:

Up to 10 points will be awarded based upon the local priority ranking of the specific activity. For example: Ranking Point Value 1 10; 2 9; 3 8, etc.

6) A multi-purpose application will be scored under each applicable subpart above and the score proportioned according to the percentage of the total fund allocated to each type of activity.

The PY16 Application Handbook is available at

<http://www.planning.ri.gov/documents/cdbg/cdbg16/16ApplicationHandbook.pdf>

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

Resource allocation by funding category

In Program Year 2016 (PY2016), the total funding allocated to the RI CDBG program is \$4,974,585. From this total, the amount of \$249,237 is set aside for State use in program administration; \$100,000 requiring no match; and \$149,237 (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 \$4,725,348 will be available to distribute to eligible subrecipients, as follows:

1. The State will set aside 25% of its available resources (\$1,181,337) for affordable housing purposes. Applications must create or preserve long-term affordable units that serve low/moderate income households-meeting the LMI Housing national objective.

No single application may request greater than one-third of the available setaside. A rolling application process will be utilized for the obligation of these funds. Applications may be submitted at any time during the year, following the most current application forms and procedures available. 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 up to the setaside established. Additional applications, above this setaside, may be considered through the annual competitive process.

2. The State will set aside 25% of its available resources (\$1,181,337) for economic development purposes. Applications under this setaside must meet the LMI Jobs national objective. A rolling application process will be utilized for the obligation of these funds. Applications may be submitted at any time during the year, following the most current application forms and procedures available. 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 up to the setaside established. Additional applications, above this setaside, may be considered through the annual competitive process.

3. The State will set aside 20% of its available resources (\$945,070) to support housing rehabilitation efforts. This amount may be offset by housing rehabilitation allocations from the prior year which have not yet been obligated to a specific project/site. Communities may receive base allocations, estimated as what the community is expected to obligate over the next year. Once exhausted, additional amounts may be accessible through the state. Housing Rehabilitation “base” allocations are based upon past program performance and identified unmet need at the date the application is submitted.

4. Small City/Mini Entitlements are eligible for a minimum allocation of \$250,000/each. This amount will be reserved from the above for eligible activities contained in the community’s application.

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

6. While there is no specific set aside in PY2016, Technical Assistance funds may be requested on an ongoing basis. Requests must detail how the investment will improve the administrative capacity of subrecipients to undertake community development programs. The State may support these technical assistance activities through the annual competitive process and/or reallocate its administrative funds as determined necessary and appropriate. Examples of eligible activities are outlined in HUD CPD Notice 99-09.

Remaining monies, after deduction of 1-6 above, will fund applications on an annual competitive basis. An application for annual competitive resources may be submitted for any activity eligible

under the HCDA, including those with an established set aside (affordable housing/economic development/homelessness services).

Any uncommitted funds recaptured, de-obligated, reallocated, or otherwise available from prior program years will be applied to projects proposed in the annual application cycle. Funding reserved for set asides may be incorporated into the annual CDBG competitive cycle as necessary based on applications received. Any funds remaining from PY 12 or earlier will be de-obligated as of May 13, 2016.

Communities are reminded that the CDBG application is highly competitive. The State intends to fund the best activities in the neediest communities, however not all communities are guaranteed an annual award.

Any additional funds recaptured, reallocated or otherwise available subsequent to grant awards or any program income returned to the State subsequent to grant awards shall be reserved or held for the following application cycle (at the State's discretion). If greater than \$200,000 becomes available, the State may, at its discretion, open a special application cycle to distribute these funds. The forms and procedures applicable to this special application cycle will mirror those of the annual competitive process. There would be no application limits imposed during special application cycles.

NOTE: For the purpose of relating these allocation priorities to those described in Table 90, CDBG set aside 1 (affordable housing) is the 25% of CDBG funds allocated to meet the priorities addressed by Goal 1, and set aside 3 (housing rehabilitation) is the 20% of CDBG funds allocated to meet the priorities addressed by Goal 3. Set aside 2 (economic development) is 25% of the 55% of the CDBG funds allocated to meet the priorities addressed by Goal 6, non-housing community development. Past program allocation analysis shows that the remaining funds after these set asides are met go to meet non-housing community development goals, usually to fund public infrastructure, public facility or public service projects.

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.

During this process, OHCD shall complete a quantifiable analysis (See "Scoring" below) of proposals, the results of which will be provided to the Application Steering Committee for their deliberations.

8. Thresholds Review: All activities which pass the "Fundability" test previously described, shall be reviewed under the "Thresholds" criteria detailed elsewhere in this handbook. Division of Planning staff shall conduct this review and may comment on and/or eliminate activities under consideration if it is determined they are inconsistent with State/federal policies and requirements. Areas to be reviewed include:

a. State and Local Plans: Proposed projects must be consistent with the local Comprehensive Plan, State Land Use Plan, Municipal Affordable Housing Plan, and the State Strategic Affordable Housing Plan, or meet the general standards and principles set forth in the aforementioned plans applicable to the activity.

- Flood Plains
- Planning Transportation Actions
- Stream Discharge
- Historic Resources
- Ground Water Aquifers and Recharge Areas
- Farmland

9. Application Steering Committee: The Steering Committee will undertake a qualitative review guided by the quantitative scoring, threshold comments and assisted by OHCD staff. The Committee's award recommendations should reflect a reasonable balance between community development needs and effective competitiveness of individual project proposals.

Activities will be reviewed in the general order of category priority. The review will consist of a project by project analysis grouped by activity type (eg. Neighborhood Revitalization, Housing Rehabilitation, Housing Development, Economic Development, Public Facilities/Services and Planning/Other).

Activities will be eliminated from consideration if the Committee feels they do not meet any of the following tests:

a. Timeliness - if an activity is not likely to proceed in a timely fashion (within the next 12 months).

b. Other Sources/Reviews - if an alternative source of funds is available in support of the proposal. It should be noted this committee often has no control over such alternatives resources. The Committee may also eliminate activities from consideration if they feel the proposal has not progressed through necessary/appropriate review steps by other State/local authorities.

c. Capacity/Performance - if the administrative agency for the activity lacks the experience and/or capacity to implement the proposed activity. Demonstrated past performance and resolution of prior monitoring/audit findings will be taken into consideration. Outstanding issues will be considered.

d. Feasibility/Accuracy - if a proposal is not feasible as described in the application, the committee may eliminate it 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.

Remaining activities which meet the above specified requirements will be considered for funding. The committee will weight its deliberations on the following ranked priorities:

- Neighborhood Revitalization efforts
- Provision of Housing Opportunities
- Provision of Employment Opportunities
- Provision of Community Facility 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, and community priority ranking. Priority populations and activities as detailed in the State's Non-Housing Community Development needs assessment may receive extra consideration.

10. Governor's Role: Recommended award adjustments, if any, by the Governor shall be based on the recommendation of the Steering Committee. Modification to the recommendations may be made based on the following criteria:

- An activity conflicts with other State projects or priorities.
- An activity duplicates other State projects.
- The recommendation(s) are not consistent with State objectives/policies.

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

Rental units rehabilitated (Goal 1) - 35, homeowner housing rehabilitated (Goal 3) - 161, public facility and infrastructure improvements other than low-mod housing benefit (Goal 6) - 45,250 persons, public services other than low-mod housing benefit (Goal 6) - 38,750 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://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.

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?

Rental housing rehabilitated (Goal 1) - 60, public facility and infrastructure improvements other than low-mod housing benefit (Goal 6) - 70,000 persons

Consolidated Homeless Fund (State ESG Program)

To increase program performance and efficiency, while reducing administrative burden, the Emergency Solution Grant (ESG) Entitlement Cities of Pawtucket, Providence and Woonsocket have joined with the State (Office of Housing and Community Development, Housing Resources Commission and Department of Human Services (in accordance w/ a OHCD MOA)) to create the Consolidated Homeless Fund Partnership. Herein, the State of Rhode Island will be referred to as the CHF Partnership. State ESG formula allocations (\$437,834) are combined with the ESG funds allocated to entitlement communities (\$707,210), with additional state funds coming from a direct allocation to the HRC (\$2,390,013), and a pass through of social service funds from the Title XX program (\$1,272,598). In total, the CHF will have available \$4,807,655 for PY16. NOTE: Of the \$671,713 State ESG award, \$50,378 will fund administrative costs and \$183,500 will fund the state's

Homeless Management Information System (HMIS), leaving \$437,834 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'16 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 non-profit organizations are eligible to apply for funding. Grants may be used for one or more of the following activities:

1. Shelter Renovations
2. Emergency Shelter Operation
3. Essential Services and Street Outreach
4. Homelessness Prevention
5. Rapid Re-Housing (IHSP)
6. Homeless Management Information System (HMIS)

Associated administrative costs may also be supported. Total ESG funds used for administrative activities cannot exceed 7.5% of the CHF Partnership's fiscal year grant.

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 PY16 grant funds committed for homeless assistance activities (hold harmless need amount), whichever is greater.

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 - 2,929; emergency shelter beds - 32; homelessness prevented - 6 persons; rapid re-housing - 201 households

Continuum of Care

Selection criteria and relative importance:

The Continuum of Care program makes funding available on annual basis, submitting a funding notice publically once per year. Most projects selected are renewals of previous awards; however, not all projects are renewed upon application and often new programs are awarded funding. To be eligible for a renewal a project must first meet threshold criteria, then projects are selected based on ranking in a defined scoring system, summarized as follows: Proposed participants are eligible for the project component type; Activities are eligible under the CoC Program rules; Answers the questions in the detailed instructions; Data provided is consistent; Attachments correspond to the attachment list in e-snaps, contain accurate and complete information and contain the current date.

Scoring criteria is then based on the following categories: Data quality; APR submissions; Drawdowns; Match Documentation; Housing First; Transitional Housing for substance abuse, domestic violence or youth; Permanent supportive housing that fills bed with the chronically homeless upon turnover; Commitment to sign up residents to Affordable Care Act.

Further points can be gained from high performance outcomes, as measured in the previous calendar year regarding: Housing stability, as defined by 6 months; Moving from transitional to permanent housing, Increase income upon exit; Total persons with earned income and Receiving mainstream services.

For new projects applying to be funded for the first time, there is a varied set of threshold requirements, as well as the following criteria, based on yes or no answers to the following questions: Do the activities and housing provided fill a gap in the housing and services activities of the Rhode Island Continuum of Care; Is the project able to be implemented within six months; What is the agency's success with other projects in the CoC; Does the project adopt a low-barrier, housing first model; Does the project show how mainstream services will be optimized; Will the project prioritize those with the greatest need to fill the units; Does the project leverage at a minimum 150% of the amount requested.

Resource allocation by funding category

Though set parameters for resource allocation by funding category do not exist for the Continuum of Care, there is a high emphasis on permanent supportive housing for this program. Funding awards for 2014 showed the following allocations by category: 78% permanent supportive housing (PSH), 18% transitional housing (TH), 2.5% sponsor-based rental assistance (SRA), and 1.5% to support the state's Homeless Management Information System (HMIS).

Threshold factors and grant size limits

To be eligible for a renewal a project must first meet threshold criteria, met by a supported answer of 'yes' to the following questions: Project Applicant's performance has met the plans and goals established in the initial application as amended; Project applicant demonstrates all timeliness standards for grants being renewed, including expenditure of funds have been met; Has the performance in assisting program participants achieve and maintain independent living met with success and has a record of success; Has the project recipient ever been unwilling to accept technical assistance, have a history of inadequate financial accounting practices, have indications of

program mismanagement, have a drastic reduction in the population served, made program changes without HUD approval or lost a project site?

To be eligible for a new project funding award, the project must first meet threshold criteria per **HUD guidelines**: Project applicants and potential sub-recipients must meet the eligibility requirements of the CoC Program as described in the CoC program interim rule and provide evidence of eligibility required in the application (e.g. nonprofit documentation); Project applicants and potential sub-recipients must demonstrate the financial and management capacity and experience to carry out the project as detailed in the project application and to administer federal funds. Demonstrating capacity may include a description of the applicant/sub-recipient experience with similar projects and with successful administration of other federal funds; Project applicants must submit the required certifications as specified in this FY2016 CoC Funding notice; The population to be served must meet program eligibility requirements as described in the Act, and the project application must clearly establish eligibility of project applicants. See the 2016 CoC Program NOFA for details.

To be eligible for a new project funding award, the project must also meet threshold criteria under **Rhode Island Continuum of Care guidelines**, met by a supported answer of 'yes' to all of one set of the following questions: Does the project create new permanent supportive housing with 100% of the beds dedicated for use by the chronically homeless? Does it recognize that those coming from transitional housing are not considered chronically homeless? or Does the project create new rapid re-housing for homeless households with children who enter directly from the streets or emergency shelters. Does it intend to include victims of domestic violence? Does it realize that persons coming from transitional housing are not eligible?

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

Permanent supportive housing - approximately 600 households per year

LeadSafe Homes Program

The LeadSafe Homes Program (LHSP) provides financial assistance (Program Funds) in the form of a loan to make houses and residential rental properties lead safe. Program Funds are provided to convert lead hazards to a lead-safe condition.

Selection criteria and relative importance:

Selection is based on adequate completion of an application, in which all eligibility guidelines are met and all required forms are submitted. Program Eligibility: Child under the age of six living in or frequently visiting the home; Home built before 1978 (the year that lead was banned from paint); Owner/tenants are income qualified; Mortgage, insurance and taxes are current; Clear title to the property; Funds are available for single- and multi-family homeowners. Single-family homeowners need only to submit the application. Multi-family homeowners must submit both the application and tenant information request form. Selection of a project for funding is based on availability of funding, there are not funding rounds.

Priorities – the more answers that can be documented in the affirmative, the more likely an application will be approved:

1. Is there a lead poisoned child living at the Property? If yes, is child Medicaid eligible?
2. Was the Property cited by the Rhode Island Department of Health?
3. Is there a home-based day care or foster/adoptive care at the Property? If yes, how many children under six years of age are there?
4. Are you renting to families with Section 8 certificates or vouchers?
5. Are there households at the Property with a child under six years of age?
6. Does a child under six years of age visit the Property more than 14 days per year?

It should be noted that in order to participate in the LeadSafe Homes Program, all children under six (6) years of age living at the Property must have a blood lead test within six months of the start of the lead work.

Resource allocation by funding category

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.

Threshold factors and grant size limits

Household occupant information for owner occupied properties is required at the time you apply to the LeadSafe Homes Program (the “Program”). If the property is not owner occupied a Tenant Information Request form for each of the units must accompany your application. Rhode Island Housing will verify and evaluate this information to determine your eligibility to participate in the Program. All individuals living in the house must be identified.

The following documents that must be completed in order to process your request for funds under the Rhode Island Housing Lead Safe Homes Program: Funding Application; Certification of Applicant’s Household Occupants; Good Faith Estimate; Applicant’s Affidavit and Certification of Current Income; Blood Lead Testing Form; Program Outline and Acknowledgment and Agreement.

Under 91.110 (d), the state is required to consult with local governments in non-entitlement areas regarding Method of Distribution. The following is the state’s response to how this requirement is fulfilled:

The State holds a CDBG workshop each year with the non-entitlement communities. This workshop serves as the consultation with the communities regarding the method of distribution for the CDBG funds. The State holds one competitive application round each year, with all 33 non-entitlement communities eligible to apply for funds. Historically all 33 non-entitlement communities have received funds, however recently the State has regionalized some awards, allowing for the continuation of services for the entire service area with one community serving as the clearinghouse for that activity. The State also has a Housing Rehabilitation set-aside, an Economic Development set-aside and an Affordable Housing set-aside. These funds are available on a rolling basis and are available to all communities throughout the state.

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

Home health hazards remediated - 95 homes; rental units rehabilitated - 98 homes; homeownership housing rehabilitated - 161 homes.

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 will 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

The state's Qualified Allocation Plan, which determines the criteria for rating Low Income Housing Tax Credit applications prioritizes geographies in two ways: 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.

The Cities of Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are all entitlement communities that receive CDBG allocations directly from HUD. These communities do not apply specifically for State CDBG funds. However, the Rhode Island CDBG program has set-aside regulations to assist in the development and operation of emergency shelters (as part of the Consolidated Homeless Fund), many of which are located in entitlement communities. Even though the Consolidated Homeless Fund is used to fund many urban shelters and programs (that are operated in a CDBG entitlement community), the State CDBG funds are often distributed to those shelters in South County and Newport County, two areas of the state without an entitlement community. As with the Consolidated Homeless Fund, although BHRI often funds affordable housing development projects in urban areas with entitlement communities, State CDBG funding most often assist those projects seeking BHRI funds for much needed affordable housing development in non-entitlement communities, although by regulation this is not a requirement of receiving the State CDBG funds.

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.

Housing Trust Fund – Geographic Distribution

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

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 § 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. These project funding thresholds serve as implicit geographic priorities for State funds.

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. Only five communities have reached the 10% goal, two of which are entitlement communities (Providence and Woonsocket), the other three are not (Central Falls, Newport and New Shoreham).

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 earmarked 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 PY16, the state plans to serve a total of 4,545 households through affordable housing programs, including 1,566 homeless households (34% of total), as well as 2,979 non-homeless households (66% of total). The majority of persons served with affordable housing will be through rental assistance (70% of those served), while the remaining 30% 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) | 1,566 |
| Non-Homeless (Rest Goal 1 and 4) | 2,979 |
| Special-Needs | 0 |
| Total | 4,545 |

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) | 3,166 |
| The Production of New Units | 76 |
| Rehab of Existing Units | 1,303 |
| Acquisition of Existing Units | 0 |
| Total | 4,545 |

Discussion:

The state plans to fund the production or preservation of 1,379 low- to moderate-income homes with the resources it has available, with 1,085 of that total (79%) being the rehabilitation and preservation of existing affordable housing, 282 of that total being the new construction or rehabilitation of rental homes not previously affordable for the purpose of serving low- to moderate-income households (20%) and 12 (1%) being the construction or rehabilitation of homes for the purpose of providing deed-restricted homeownership opportunities to qualified buyers. Of

the 282 homes to be newly added to the affordable housing stock, it is estimated that 27 homes 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. Of the 1,085 homes to be preserved, 385 will require significant rehabilitation and will be funded through tax-exempt bonds and 4% Low Income Housing Tax Credits while the other 700 will require minimal rehabilitation and will be refinancing with a Rhode Island Housing serviced loan funded by the Federal Financing Bank through a risk sharing program.

All persons and households assisted through the accomplishments of Goal 2 are counted as homeless households supported in TABLE 91, as are the 27 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 PY16.

Housing Trust Fund contribution to affordable housing provision in PY16

The priorities of the Housing Trust Fund are located in AP-30 Methods of Distribution. High priorities include providing rental units to extremely low-income families and/or homeless or special needs populations. Medium priorities include the preservation of existing affordable housing, provision of new housing opportunities for extremely low income or very low-income one or two person households or elderly households. Low priorities include the housing rehabilitation that addresses home safety or accessibility needs, the provision of homeownership opportunities for extremely low income or very low-income households and the protection against the loss of affordable housing units. As is evident, the highest priorities for HTF is the provision of new affordable housing to extremely low income families or special needs populations, including homeless populations. The lack of other resources to develop new housing (the expiration of Building Homes Rhode Island availability) along with the addition of new sources to preserve existing housing (the Federal Financing Bank) lead to the assumption that the state’s HTF allocation in PY16 will go the creation of new affordable housing. Further, some percentage of that funds going to develop housing to serve homeless populations. Based on the per-unit subsidy costs of developing new housing per previous HOME funding rounds, it is likely that the HTF will contribute to the production of 15 new units (20% of new units in PY16, see table 92), the rehabilitation of 35 existing units (3% of existing units in PY16, see table 92). All 50 of these new and existing units will be new contributions to the state’s affordable housing inventory. Of the 50 units, an estimated 8 will support homeless households (0.5% of all homeless to be supported, 30% of the new homeless housing to be added, see table 91) and 42 units will support non-homeless households (1.4% of non-homeless households supported, see table 91).

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

2016 GOALS:

- Rhode Island Housing has invited three developments that have already gone through a competitive bidding process to apply for Project Based Voucher Program Assistance. **We estimate sixteen (16) new Project Based Voucher units will be added to our portfolio before the end of the fiscal year.** Thirteen units will be located in Providence and assist several targeted populations such as victims of domestic violence, elderly or disabled individuals. Rhode Island Housing has also renewed three Project Based Voucher contracts, ensuring the continued affordability of 36 units.
- **Use the Housing Choice Voucher Program (HCVP) to further HUD's Opening Doors initiative to end homelessness.** In February 2015, Rhode Island Housing opened its Housing Choice Voucher Program (HCVP) to homeless families and individuals. We received over 5,000 applications from interested parties and were able to add approximately 1,100 qualified applicants to our waiting list.
- **Work with other Public Housing Authorities to create a more streamlined process for applying for assistance, possibly creating a universal application and waiting list.** Rhode Island Housing is working with the Providence Housing Authority in order to coordinate a joint waiting list opening for Spring/Summer 2016.
- **Work with other Public Housing Authorities to open our waiting lists simultaneously so applicants have an opportunity to apply to as many waiting lists as possible.** Rhode Island Housing has met with Executive Directors of a number of Public Housing Authorities, in addition to leadership from the local trade association, in order to begin the process of creating a statewide waiting list and intake system. Rhode Island Housing intends to submit a proposal to administer this centralized waiting list on behalf of all Public Housing Authorities in the state.
- **Better utilize state and federal funds to provide residents with additional supports.** Rhode Island Housing has partnered with the State in order to make it easier for Rhode Island's homeless population to obtain permanent housing. We have received a \$100,000 grant to assist homeless applicants from our waiting list with security deposits.

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 150 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. Since 2009, 67 families have graduated from the program and have collectively received more than \$533,955 in savings. In 2015, we had 17 families graduate from the program and disbursed over \$137,280 in Family Self Sufficiency (FSS) escrow funds. There are currently 15 families participating in the Housing Choice Homeownership Program; four of those families purchased their homes in 2015.

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 Rhode Island Continuum of Care established three placement committees to meet the goals of Opening Doors RI (End Veteran Homelessness by 2015; End Chronic Homelessness by 2017; End Family and Youth Homelessness by 2020; and Set a Path to End All Homelessness by 2020). The Board of the CoC reached out to key stakeholders to co-chair the committees – a rep. from the VA hospital and Operation Stand Down RI for the veterans group, the RI Coalition for the Homeless and Crossroads RI for chronic homeless and reps from Foster Forward and Kids Count for Youth and Families. The co-chairs in turn asked those they saw as necessary to be on the committee (Housing providers, service providers, reps. from CoC funded projects) and opened up membership to all interested persons. A mix of policy and those providing the work was the goal. The committees meet bi-weekly to case conference and place those at the top of the priority lists. Each committee includes a board member who reports quarterly on the progress of their committee based on meeting attendance and HMIS reports.

Zero: 2016 is a national campaign to end homelessness among veterans and the chronically homeless by the end of 2016. The State of Rhode Island has been chosen as a participating community, and has pledged to accelerate its housing efforts in order to achieve these goals.

Zero: 2016 is a continuation of the 100,000 Homes campaign by Community Solutions, which housed over 100,000 homeless individuals in less than four years. Following that success, Community Solutions has launched Zero: 2016 with the goal of housing chronic and veteran homelessness by 2016.

Though Rhode Island did not participate in 100,000 Homes, it is now one of five states to have joined Zero: 2016. For Rhode Island, this means moving the goals of the existing Opening Doors Rhode Island: The State Strategic Plan to Prevent and End Homelessness forward by a year.

Rhode Island was selected as one of 5 states and 67 communities to tackle ending homelessness with help from Community Solutions. In addition to embracing the goal of ending homelessness for veterans by the end of 2015 and for the chronically homeless by the end of 2016, Rhode Island became the first state or community to include a goal to end family homelessness, which we plan to do by 2017.

Housing Trust Fund and Homeless / Special Needs Populations

The distribution of Housing Trust Fund dollars prioritizes the acquisition, rehabilitation and new construction of housing units for homeless and special needs populations in conjunction with supportive services. The Housing Trust Fund prioritizes these activities by awarding 30 points in the application scoring for meeting these high priorities, while awarding an additional 5 points to applications that include executed Memorandums of Understanding with service partners, which often accompany the development of supportive housing. The second-to-last category of the Scoring Factor Matrix includes 5 additional points for meeting priority housing needs, which the Matrix notes includes serving populations with special needs. As stated in AP-55 Affordable Housing, of the 50 units likely to be created using HTF awards in 2016, an estimated 8 will support homeless households (0.5% of all homeless to be supported, 30% of the new homeless housing to

be added, see table 91) and 42 units will support non-homeless households (1.4% of non-homeless households supported, see table 91).

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.

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. No new transitional housing programs are currently being developed, with rapid re-housing replacing that program model. There is also a decreased use of hotel/motel vouchers, which are utilized predominantly during extreme weather situations.

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 households for the housing. 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 by 2016. 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. Finally, Rhode Island Housing has prioritized homelessness and those who are living in permanent supportive housing but are able to move on to mainstream housing in opening its HCVP wait list (See goals in AP-60).

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 (calendar year 2016) 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.

The Division of Behavioral Health's primary effort in provision of services to the homeless is through its grant for Projects for Assistance in Transition from Homelessness (PATH). The grant, for \$300,000, targets people who are suffering from serious mental illness and substance abuse and who are homeless or at risk of becoming homeless.

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.

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, and will continue to apply for and administer HOPWA grants in the upcoming planning period. 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 16, year two 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.

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

The Governor's FY16 budget includes new real estate tools that will encourage construction in urban areas and in historic structures. These tools include tax credits, state-level tax increment financing and assistance for local tax stabilization agreements and \$3 million in capital to support the development of affordable homes. This money funded the Housing Preservation and Production Program, which is administered by Rhode Island Housing. Through the state's Commerce Corporation, the state allocates Rebuild Rhode Island Tax Credits, for which affordable housing programs are eligible to apply. A large public housing rehabilitation project in Pawtucket was awarded \$3.7 million in March of 2016 Governor Gina Raimondo has included a new \$50 million state housing bond to the FY17 budget; however, this funding is subject to a voter referendum in November of 2016.

Housing Trust Fund and AP-75 Barriers to Affordable Housing

Rhode Island Housing will also begin to design program regulations for the state's Housing Trust Fund allocation, and plans to distribute the first round of funding from this program by the end of the program year. As the HTF will undoubtedly contribute to positive outcomes on affordable housing and homelessness goals, state leaders will continue to advocate for annual HTF allocations as well as for other federal housing subsidies and financing programs.

Work with municipalities to improve incentives to develop affordable housing

Rhode Island Housing, in partnership with the Statewide Planning Program, is developing a template inclusionary zoning ordinance that meets the requirements of the new law and can help municipalities adapt their own ordinances to comply with the changes to the law. In particular, this template ordinance will demonstrate appropriate methodologies for sizing municipal incentives to offset the cost to the developer of providing the required affordable homes and incorporating the fee-in-lieu option.

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. The 2015 General Assembly session includes several new property tax burden exemptions aimed at protected classes. In the upcoming program year, Rhode Island Housing will continue to exercise its right of first refusal to purchase at tax sale liens on 1-3 unit owner-occupied residential properties, given to RIH under the Madeline Walker Act passed by the General Assembly in 2006.

Statewide standards related to the development of housing

Wetland setbacks

A survey prepared by RIBA in 2013 showed that 18 of 39 municipalities have wetland setback requirements that exceed state DEM standards, many to varying degrees. Legislation passed in 2013 created a commission tasked with establishing statewide standardized wetland setback requirements. The recommendations from that commission have been incorporated into legislation that is being considered by the General Assembly in the 2015 session.

Regulatory Reform

The state is developing an e-permitting initiative, which will establish a uniform web-based system for the Rhode Island Building Commissioner and Fire Marshal, to be used by the State, its municipalities and taxpayers for statewide electronic plan review, permit management, and inspection system management. Warwick, Cranston, Pawtucket, Newport, North Kingstown, West Warwick, North Providence, Westerly, North Smithfield and Woonsocket will provide online building permit services, as part of the first of a two-phase initiative launched by former Gov. Lincoln Chafee to automate and streamline the process of municipal permitting, also supported in the FY16 Budget, the first for Governor Gina Raimondo.

Improve public utility infrastructure in areas outside the urban core

In the 2015 Governor's proposed budget, the Governor and Treasurer teamed up to initiate the expansion of the Rhode Island Clean Water Finance Agency to operate a new State Infrastructure Bank, an entity that would serve as a middleman in the financing of environmentally friendly capital projects, such as deep energy retrofits or solar-panel installation.

Discussion:

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

Per Foster Forward, Rhode Island's leading advocacy and programming organization for youth aging out of foster care, "on or shortly after their 18th birthday, young people in the Rhode Island foster care system lose their foster care benefits. It's called "aging out," and it affects over one hundred young adults each year."

The R.I. Department of Children, Youth & Families (DCYF) is the principal agency charged with ensuring that youth aging out of foster care do not become homeless and that families are sustainably housed prior to reunification. A DCYF representative co-chairs the Family & Youth subcommittee of the Continuum of Care along with the Foster Forward and R.I. Kids Count. The subcommittee is responsible for carrying out the state objective to end homelessness among families, children and youth within 10 years. The Rhode Island Council of Resource Providers (RICORP), the Ocean State Network and its multiple provider partners, Child and Family Services of Newport and its multiple partners, Rhode Island Housing, the RI Coalition for the Homeless, PICA, and the House of Hope are all represented on the committee and take an active role in ensuring homeless youth are housed in sustainable settings and families have supports necessary to remain stably housed.

De-institutionalized elderly and disabled

Past actions that will continue in upcoming planning period and second program year

The state has implemented many programs and policies intended to reduce reliance on state hospitals or nursing homes through the deinstitutionalization and diversion of people who could be well served by less restrictive living environments, including in the community with long term care services. Some examples of which include:

- a. The Office of Mental Health Advocate

The Office of the Mental Health Advocate was created in 1975 when the legislature re-wrote and reformed the Mental Health Law of Rhode Island. This reform was part of a national movement toward deinstitutionalization of mentally ill individuals, a movement which began in the 1950's and became a centerpiece of public policy in the 1970's after the United States Supreme Court declared

that all states must provide Constitutional Due Process and legal counsel to individuals subjected to involuntary hospitalization.

b. Rhode Island Community Medication Assistance Program

The Rhode Island Community Medication Assistance Program (CMAP) provides psychotropic/addiction medications to community clients who require them in order to avoid psychiatric hospitalization or substance abuse detoxification but who cannot afford them. The program originated when the cost of medication was identified as a stumbling block in the process of deinstitutionalization of the State hospital in Rhode Island over 25 years ago.

c. Parent Deinstitutionalization Subsidy Aid program

The Rhode Island Legislature, pursuant to R.I.G.L. 40.1-1-10.1 as amended, established the Parent Deinstitutionalization Subsidy Aid program in 1978 within the Department of Mental Health, Retardation and Hospitals (MHRH), now BHDDH.

This subsidy program makes available care, treatment and training to eligible individuals in family homes rather than in public institutions. The subsidy program thereby furthers the provision of home and community-based care, treatment, and training to eligible individuals. A series of amendments has broadened eligibility to include individuals in other public institutions as well as certain individuals who have not been institutionalized.

The subsidy program seeks to assist both children and adults who experience a mental or physical condition of sufficient severity to cause them to be admitted to a State institution if there were not a specialized community program available.

In 2013, the General Assembly, as a provision to this law, directed BHDDH to develop options, fiscal impact analysis, and recommendations for the expansion of shared living services to siblings of individuals with developmental disabilities who are no longer able to be cared for at home by aging parents.

Recent actions to continue effect in second program year

a. Continuum of Care, Chronically Homeless/High Need Individuals Committee

This new committee, which replaces the previous Health and Housing Stability Committee, was developed as part of the new Rhode Island Continuum of Care Governance Charter, which took effect in 2015. The committee will use a case management approach using a service priority assessment to house chronically homeless/high need individuals, including but not limited to those that meet the HUD definition of chronically homeless, formerly incarcerated individuals, and high users of Medicaid in the most appropriate housing program. The committee will also help identify housing programs to meet the unique needs of the household, and inform policy makers about policies which create barriers to successful placement.

b. Money Follows the Person program, also known as Rhode to Home

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. Participation in the demonstration will be strictly voluntary and participants will receive information about long-term care options so that they can make an informed decision. The Rhode to Home is designed as a person-centered system, where the participant and his/her family/guardian are involved in all stages of the assessment, plan development and care delivery processes.

The RI Global Consumer Choice Waiver (1115 Waiver) approved by the federal Department of Health and Human Services, Centers for Medicare and Medicaid and Services (CMS), provides flexibility to transform the State's Medicaid program and the long-term care (LTC) system. The Money Follows the Person (MFP) grant will help the State meet one of the primary goals of the 1115 Waiver which is to rebalance State expenditures from institutional settings to a home and community based setting.

- c. HUD 811 Project Rental Assistance (*see AP-85, enhance coordination between housing and social service agencies*)

Housing Trust Fund and actions to overcome obstacles to meeting underserved needs

The Housing Trust Fund emphasizes the state's need to allow elderly and disabled populations to stay in their communities. The HTF distribution plan prioritizes projects that provide handicapped access for persons with disabilities and for the elderly. The Scoring Factor Matrix shows that application scoring points can be added if the project addresses community need, such as serving populations with special needs and the project process access to resident services and supports, both of which would help the state overcome obstacles to meeting non-homeless special needs populations.

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.

Since early 2008, the state's BHDDH has operated 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.

Providing housing opportunities

Committing funds to developments that propose to house and provide services to ex-offenders and inmates has not been high priority for Rhode Island's affordable housing programs, as simply too many other populations in need have received more focus, which is a reason why this population is currently determined to be underserved.

In April of 2015, approval was given to sell a property formerly used as supportive housing to Community Resources for Justice ("CRJ"), to develop a Residential Reentry Center on the site in Pawtucket for Rhode Island residents returning from federal prison. CRJ stated that they would provide a safe, structured, supervised environment and offer housing, employment, finances, counseling and treatment for mental and addiction issues. The project will require no subsidy financing for acquisition, redevelopment or operations. Fourteen full-time jobs will be created, and it will be the first facility of its type in Rhode Island. The proposal for this project was reviewed by a committee composed of Rhode Island Housing, Rhode Island BHDDH, Rhode Island DOA, and Rhode Island's Local Initiatives Support Corporation (LISC).

Actions planned to foster and maintain affordable housing

The primary focus of Rhode Island's Consolidated Plan continues to be the achievement of its affordable housing goals, implicit in that goal is the most efficient use of its Housing Tax Credits. As stated in the Strategic Plan, the state plans on preserving 1,085 units of rental housing by extending affordability and rehabilitating multifamily housing developments (Goal 1). The combination of housing tax credits, tax exempt bond financing, public subsidies and private financing will leverage close to \$100 million in the second program year, which has been bolstered from previous years' preservation capability by the utilizing of the Federal Financing Bank to offer better rates to borrowers using the Treasury – HUD Federal Financing Bank HFA Multifamily Risk Sharing Loan Financing Initiative.

Other non-Housing Tax Credit preservation activities will include public housing rehabilitation paid for by local PHAs using Capital Funds, and Rhode Island Housing will likely provide much needed refinancing or second mortgages to multifamily developments with rehabilitation needs but do not otherwise qualify for tax credits. These deals tend to close sporadically and are thus not included in annual plans, but accomplishments as they occur will be reported in each program year's CAPER.

Housing Trust Fund and planning to foster and maintain affordable housing

The state plans to award funding through the HTF program in order to foster and maintain affordable housing in PY16, to projects that are likely to be certified for occupancy within at least twelve months of the award date. Based on the per-unit subsidy costs of developing new housing per previous HOME funding rounds, it is likely that the HTF will contribute to the production of 15 new units (20% of new units in PY16, see table 92), the rehabilitation of 35 existing units (3% of existing units in PY16, see table 92). All 50 of these new and existing units will be new contributions to the state's affordable housing inventory. Of the 50 units, an estimated 8 will support homeless households (0.5% of all homeless to be supported, 30% of the new homeless housing to be added, see table 91) and 42 units will support non-homeless households (1.4% of non-homeless households supported, see table 91).

Actions planned to reduce lead-based paint hazards

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

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. LSHP achieves this goal by remediating lead-based paint hazards, and will complete remediation work in 95 households in the second 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.

Housing Trust Fund and lead-based paint hazards

Per §93.351, Housing assisted with HTF funds is subject to the regulations at 24 CFR part 35, subparts A, B, J, K, and R. The participating jurisdiction that will manage the HTF for Rhode Island, Rhode Island Housing, has trained staff that will ensure that these regulations are met. The state also has a LeadSafe Homes Program that may be combined with HTF awards to federally subsidize the removal of lead-based paint hazards in home projects awarded HTF funds.

Actions planned to reduce the number of poverty-level families

Family Self Sufficiency program

The Family Self-Sufficiency program, as the name suggests, does more than just provide rental assistance, but works with renters to develop escrow accounts in order to save to become homeowners. Rhode Island Housing runs a voluntary FSS program through its authority as a PHA, and receives approximately \$180,000 per year to support three full-time FSS coordinators. The program is currently at 93% capacity in terms of actual enrollment and maximum enrollment allowed; 62% of participating families have escrow account balances and several families are participating in educational programs with the intent of becoming homeowners. Since 2009, 67 families have graduated from the program and have collectively received more than \$533,955 in savings. In 2015, we had 17 families graduate from the program and disbursed over \$137,280 in Family Self Sufficiency (FSS) escrow funds. There are currently 15 families participating in the Housing Choice Homeownership Program; four of those families purchased their homes in 2015. RIH conducts outreach to all HCVP participants to participate in the Homeownership program by holding quarterly presentations in which all tenants are invited to attend; RIH also provides support to other PHAs in increasing participation in Homeownership programs throughout the state.

Anti-Poverty programs, summary and first program year new actions

The state, through its social service agencies, pays for or sponsors many anti-poverty programs for families, such as:

Rhode Island Works Program: The RI Works Program provides cash assistance to families with children up to age 18 and work readiness services for enrolled parents. RI Works is the state's version of providing temporary assistance for needy families.

The **Earned Income Tax Credit** provides a tax credit and/or refund to people who earn low to moderate wages. The payment can be received as part of the end-of-year tax filing and a portion can be received in the worker's weekly paycheck. Workers who qualify for the federal EITC also qualify for a state EITC which is a portion of the federal amount.

Action in PY16

The Governor's Budget Article 13 increases the minimum wage to \$10.10 next year and expands the state earned income tax credit from 12.5 percent to 15 percent of the federal credit (the Governor indicated an interest in further expanding the EITC pending available resources following the mid-year revenue forecast). Senator Goldin and Representative Slater have each introduced bills ((S 2156 and H 7347, respectively) to further increase the EITC to 20 percent of the federal credit. Lawmakers have made real progress in these two areas over the past two years and we are pleased to see a commitment to raising the labor and living standards of our workers going forward.

These two measures are particularly important in light of the persistent decline in Rhode Island's low wages since 2000, and the gap between low wages in Rhode Island and those in Connecticut and Massachusetts, evident in Figure 1.

Research shows that coupling an EITC increase with an increase in the minimum wage has a greater impact on reducing poverty than either does on its own. This finding contradicts those who point to one approach as superior to the other in helping low-wage workers make ends meet. Both, together, have maximum beneficial impact. Using these policies together also requires that businesses and our government both play key roles in boosting incomes for workers in low-wage sectors, which is both fair and practical.

Today, minimum wage workers do not earn enough to meet basic needs. The Rhode Island Standard of Need, a study that documents the cost of living in the Ocean State, shows that a single adult needed to earn \$11.86 per hour in order to meet his or her most basic needs in 2014.

Property Tax Relief Circuit Breaker Program: State-funded tax credit to senior and disabled homeowners and renters whose property taxes exceed between 3% and 6% of their household income. For renters, property tax is calculated at 20% of annual rent. The maximum credit is \$300.

HealthSource RI – Affordable Health Coverage: HealthSource RI is the state’s new health insurance marketplace for Rhode Islanders, in which families and individuals with income below 400% of the federal poverty level ("FPL") may be eligible for a tax credit from the federal government to help pay for enrolling in a health plan. **Rite Care** and **Rite Share**, which provide comprehensive medical coverage through the Medical Assistance Program to pregnant women, children and their parents or caretaker relatives, are now options, under HealthSource RI, with eligibility dependent on income.

New proposals for the state’s **Governor’s Workforce Board** (“GWB”) include increased opportunities for apprenticeships and the “work immersion program” which would provide subsidies to employers to hire unemployed adults and post-secondary school students on a short term basis with the hope that this will lead to a full-time job. Subsidized employment has been used by many states to help link out of work residents to available jobs.

Action in PY16

Starting in July, Rhode Island employers will have the flexibility of applying for matching grants between \$5,000 and \$40,000 to upgrade their workers’ skills based on their training needs and budget cycles — not based on an annual deadline set by the state. In the past year, GWB Incumbent Worker Training Grants (IWTG) have enabled 150 companies to train more than 5,500 workers. The GWB has approved \$1.7 million in total funding allocations for Incumbent Worker Training Grants (IWTG) for fiscal year 2016. The GWB discussed changing the annual grants to rolling grants at the committee and full board level in February and March and has since worked out the details for soliciting, reviewing, and awarding the grants.

The **Rhode Island Department of Labor and Training** has a Workforce Development Services Division (“WDSD”), which describes itself as “the single point of contact in Rhode Island for

employment, workforce information and education and training services. WDSO oversees all programs that guide jobseekers to suitable employment and facilitates the connection between employers and qualified workers.

Address Negative Effects of Foreclosure Crisis

The need for ongoing foreclosure counseling and mitigation is still great, as shown by the state's 4th highest national 90+ day delinquent rate (Q4 2015) and a stubbornly high negative equity rate at 13.5%, which is 5th highest nationally (Q4 2015), and the state will find other ways to support the successful counseling efforts provided since the crisis began. The Rhode Island Housing Help Center will continue to field requests for counseling services, with many of these householders receiving in-person counseling, which is funded by national foreclosure mediation grant funding, state funds provided through the mortgage crisis settlement and Rhode Island Housing's own funds. RIH's Help Center will also continue its foreclosure mediation role, which brings together the homeowner, their counselor and the servicer to participate in a good faith effort to work out the challenges facing the borrower. These services will help the state achieve Goal 5 of the 2015-2019 Strategic Plan and will likely serve nearly 200 households with in-person counseling and mediation services, while fielding close to 2,000 calls to the HelpCenter.

PY16 Action

Two additional programs will be funded beginning in PY16 to help address the foreclosure crisis. The first is a program administered by Rhode Island Housing and called 'Renewed Homes'. The program provides \$20,000 in down payment assistance to qualified first-time homebuyers purchasing previously foreclosed homes and other eligible properties in 10 Rhode Island communities. The initiative is funded by the U.S. Department of the Treasury's Hardest Hit Fund program.

The Renewed Homes program is structured as a forgivable second mortgage. Buyers who remain in homes purchased with the program for at least 5 years are not required to repay the second mortgage. If the buyer sells, refinances, or no longer uses the home as their primary residence within the first 5 years after closing the loan, a portion of the second mortgage would need to be repaid.

The down payment assistance is available to first-time homebuyers purchasing a one to four family home or condominium. Buyers must also obtain a Rhode Island Housing first mortgage through a participating lender or Rhode Island Housing. Eligible properties must be in one of the targeted communities, which include Central Falls, Cranston, East Providence, Johnston, North Providence, Pawtucket, Providence, Warwick, West Warwick, and Woonsocket. In order to be eligible, properties must have been the subject of a qualifying event, including foreclosure, receivership, transfer by deed in lieu of foreclosure, or approval for short sale by a mortgage lender.

The second program, Hardest Hit Fund, was previously administered by Rhode Island Housing from 2010 to 2013, serving over 3,000 households with funds from the US Treasury. In February of 2016, The U.S. Department of the Treasury announced it would exercise its authority to obligate up to \$2 billion in additional Troubled Asset Relief Program (TARP) funds to the Hardest Hit Fund (HHF)

program. The additional investment in HHF will enable participating state Housing Finance Agencies (HFAs) to continue assisting struggling homeowners and stabilizing neighborhoods in many of the nation's hardest hit communities. The fifth round of HHF funding will be allocated among participating HFAs in two phases of \$1 billion each, the first phase includes an allocation of \$9,680,817 for Rhode Island. Phase 2 will be a competitive application process based on need, in which Rhode Island would be eligible for an additional \$39 million for its Hardest Hit Fund program upon acceptance of its application. The program was designed to leverage the expertise of state and local partners by funding locally-tailored foreclosure prevention and neighborhood stabilization solutions.

Actions planned to develop institutional structure

The coordination of State, Federal, and private resources will improve access to housing and community development resources and the targeting of these resources to high priority areas and initiatives. Rhode Island will continue to analyze the delivery system of affordable housing to identify areas of problem and issues. 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.

Coordinated Access System

As part of conformance to the 2009 HEARTH Act, the state will require participation in the new Coordinated Access System for all Receiving Programs funded by ESG, the RI CoC, RoadHome, State Consolidated Homeless Fund, and State Rental Assistance. Require that participating programs adhere to the Policies and Procedures for the Statewide Coordinated Access System. The Rhode Island Continuum of Care designed the Statewide Coordinated Access System ("CAS") to coordinate and strengthen access to diversion, housing and shelter services for families and individuals who are homeless or at risk of homelessness throughout the state of Rhode Island.

The Statewide CAS institutes consistent and uniform assessment and referral processes to determine and secure the most appropriate response to each individual or family's immediate and long-term housing needs. the Statewide CAS includes: A uniform and standard assessment process to be used for all those seeking homeless assistance and procedures for determining the appropriate next level of assistance to resolve the homelessness of those admitted to shelter or other temporary housing accommodations; Establishment of uniform guidelines among components of homeless assistance (shelter, transitional housing, rapid rehousing, and permanent supportive housing) regarding: eligibility for services, priority populations to be served, expected outcomes and targets for length of stay; Agreed upon priorities for accessing homeless assistance; Referral policies and procedures from the system of coordinated access to homeless services providers to facilitate access to services; and a policies and procedure manual detailing the operations of CAS.

Initial use of the CAS began in December of 2014, the results of which are described in NA-40 of the Consolidated Plan. The system focuses on the use of a Vulnerability Index to help administrating entities with the intake of households facing a housing crisis, with the subsequent use of a Service Prioritization Decision Assistance Tool to determine placement decisions.

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

HUD Section 811 Project Rental Assistance Program

Rhode Island Housing (RIH), the Executive Office of Health and Human Services (EOHHS), and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) will build on their strong history of collaboration and the Rhode Island’s strong infrastructure and supportive service system to operationalize the HUD Section 811 PRA Program in Rhode Island.

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

The effects of this system change will be measured by:

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

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

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.

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

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

Eligible populations:

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

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

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

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

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

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 F-SPDAT/VI-SPDAT scores

Rapid Re-Housing (IHSP) Must meet HUD’s definitions of:

- Literally homeless (Category 1) (all CoC funded projects)
- At imminent risk of homelessness (Category 2) or
- 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 Intensive Housing Stabilization Program (IHSP) has its own manual for policies and procedures, available online at: <http://www.planning.ri.gov/documents/ihsp/IHSPManual11.pdf>. This program is one of three eligible activities for funding through the Consolidated Homeless Fund, and is the only eligible activity in which rental assistance is an eligible activity to fund. The program’s funding is intended to serve persons who are living in a Shelter (or on the street) or would enter a shelter BUT FOR THIS ASSISTANCE. Households eligible for IHSP-funded financial assistance and/or services may be individuals and/or families. They MUST meet all of the following criteria:

- Shelter Prevention Services -

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

OR

- Shelter/Street Homeless - 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 IHSP are allowed to retain \$1,000 in cash assets and one vehicle per adult household member (not to exceed more than two vehicles total per household)).
- Sustainability: Clients must be likely to sustain housing once assistance ends. There is no minimum income requirement to enter the program and clients may receive longer periods of assistance (up to 24 months) to help build stability and independence.
- Intensive Case Management: No household can receive (or continue to receive) any assistance related to IHSP funds unless they have been assessed by an IHSP case manager and are receiving intensive case management (minimum of 2 visits a month, with at least one each month in the household’s residence once housed).

- Housing Stabilization Plan: No household can receive (or continue to receive) any assistance related to IHSP funds unless they have created (and are abiding by) a Housing Stabilization Plan with their IHSP case manager or other authorized representative.
- Financial Counseling: No household can receive any assistance related to IHSP funds unless they are enrolled in Financial Counseling. No household can continue to receive IHSP services unless they have completed Financial Counseling.

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

Financial Assistance: Limited to short-term rental assistance, 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)
- Rent arrearages (up to 6 months)
- Security deposits
- Utility deposits
- Utility payments (up to 18 months including up to 6 months arrearages)
- 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(l)(1)

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

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

Total Program Income - Zero

Other CDBG Requirements

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

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

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 and HOME Recapture provisions are added at the end of this section. **NOTE:** The HOME Recapture provision is a draft and is pending review from HUD.

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:

HOME funds will not be used for this purpose.

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

HOME funds will not be used for this purpose.

Rhode Island Housing HOME Investments Partnership Program Resale Policy

The HOME rule at Section 92.254(a)(5) requires that all HOME-assisted homebuyer housing be acquired by an eligible low-income family, and the housing must be the principal residence of the family throughout the affordability period. If the home is transferred, voluntarily or otherwise, during the period of affordability, it must be made available for subsequent purchase only to a buyer whose family qualifies as low-income, and will use the property as its principal residence. The HOME resale provision must enforce these requirements as any housing assisted with HOME funds must remain affordable for the duration of the period of affordability.

Enforcement of Resale Provisions

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

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

Definition of Fair Return on Investment

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

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

Calculation of Appreciation Standard

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

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

Example

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

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

Resale

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

- Affordable to a reasonable range of low-income buyers shall mean that the principal, interest, taxes and insurance (PITI) shall not exceed 30% gross monthly income for buyers between 70% and 80% of area median income. In no circumstance can the sale price of the home exceed the maximum of that range, which is the 80% AMI sales price.
- If the fair market value of the home falls within the reasonable price range to remain affordable to low-income homebuyers, as defined in the previous paragraph, and the subsequent homeowner's income falls beneath this range, additional assistance may be provided to the subsequent homeowner in the form of down-payment assistance. The source of this assistance will be non-federal funds that are applicable for this use.
- It is important to note that in certain circumstances, such as a declining housing market where home values are depreciating or are stagnant, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price.
- If net proceeds exceed the fair return on investment owed to the original homebuyer, then the original homebuyer shall be obligated the entirety of their fair return on investment amount **and** 60% of the remaining net proceeds. The other 40% of the remaining net proceeds will be returned to Rhode Island Housing's HOME account for the future development of affordable housing.