

**Rhode Island**

**FIFTH**

**Year Annual Action Plan**

**2015-2019**

**Program Year 2019**  
**July 1, 2019 – June 30, 2020**

**AMENDED VERSION**

**Amnd. 3: CDBG-CV, HOPWA and HOME July 17, 2020**

**Amnd. 2: CHF/ESG only April 23, 2020**

**Amnd. 1: CDBG/CDBG-CV only April 16, 2020**

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# Executive Summary

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

### Introduction

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

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

#### *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 fifth program year of the 2015-2019 plan, Rhode Island will continue to evaluate and address the overarching priorities identified in the Consolidated Plan. These include:

- Increased housing opportunities for low-to-moderate income households
- Preserved affordability of the state's current stock of low-to-moderate income housing
- Rehabilitated foreclosed homes and properties
- An end to chronic homelessness
- An end to homelessness among the Veteran population in the state
- Substantially decreased homelessness overall
- Fitting aged housing to the needs of its residents
- Elimination of lead-based paint hazards in households with children under 6 years of age
- Improvements to the state's infrastructure that is crucial to future housing development
- Non-Housing Community Development investments in economic development, public services and facilities/infrastructure

- Permanent Supportive Housing
- Removed Barriers to Fair and Affordable Housing

The strategies set forth in the Annual Action Plan for the coming program year seek to address how resources are leveraged and partnerships created to consistently meet the housing needs of Rhode Island's at-risk populations. Performance expectations include 42 rental units constructed, 463 rental units rehabilitated, 21 units of housing for the homeless added, 1,354 households assisted through permanent supportive housing; approximately 3,000 persons assisted through the state's homeless shelters; an increased emphasis on all aspects of healthy homes, to complement lead-based paint abatement efforts, which will affect 374 homes; 1,800 households assisted with tenant-based vouchers (including HOME emergency TBRA), 50 households provided with assistance from the Hardest Hit Fund, thousands of persons assisted by investments in non-housing community development, and a continued commitment to break down barriers to affordable housing, including the promotion of fair housing and implementation of affirmative fair marketing, as well as supporting anti-poverty efforts. These strategies are especially aimed to address the needs of extremely and very low-income households, special needs populations and homeless populations as discussed below.

*b. Evaluation of past performance*

This Annual Action Plan represents the fifth year of implementation of the objectives set forth in the 2015-2019 Consolidated Plan. Ninety days after the close of the state's HUD Program Year (July through June), the State submits the Consolidated Annual Performance Evaluation Report (CAPER); the CAPER for PY18 is due for submission to HUD from the state by September 28, 2019. The CAPER will include the accomplishments only for the 2018 program year.

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

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

State lawmakers and citizens see that these housing programs have important and lasting effects on communities and the economy. Rhode Island voters have passed two recent housing bonds, in 2006 and 2012. The combined \$75 million in state funding was allocated to support the

development or preservation of nearly 2,000 affordable homes in the state, and attracting a total of \$468 million in development costs. Voters passed another housing bond in 2016, which will provide an additional \$50 million for state housing programs.

*c. Summary of Citizen Participation and Consultation Process*

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

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

This Annual Action Plan was issued on April 22<sup>nd</sup> for a 30-day public comment period. The draft plan was posted at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) and [www.rihousing.com](http://www.rihousing.com). An English language advertisement ran in the Providence Journal and a Spanish language advertisement ran in Noticias Rhode Island. The Annual Action Plan public hearing was held at the State's Department of Administration in Providence, RI, at 5pm on Tuesday, May 7, 2019; Spanish-speaking personnel were present at this meeting.

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

*d. Summary of Comments or Views*

No comments were received during the original public comment period.

Substantial Amendment 3: The following comment was received from a non-profit service provider: There is a "huge need for essential items for low and moderate income people due to COVID-19. ...we are concerned that 'public services' are not adequately funded under this plan... Those funds [private funds for contactless delivery of food and COVID-19 supplies] are close to being exhausted and we are concerned

that we will be unable to continue this program as the pandemic continues for at least another year. No CDBG funds have been used in this effort to date, but could play a critical role.”

Response: Both the State and HUD recognize the increase in demand for public services as a result of the coronavirus pandemic. HUD has waived the 15% public services cap on the CDBG program for CDBG-CV, PY19 and PY20 CDBG allocations. OHCD previously amended this PY19 AAP (April 2020, Substantial Amendment #1) to remove the public services cap on PY19 CDBG funds. The CDBG-CV method of distribution will also reflect the critical role of public services in responding to, and preventing, the spread of coronavirus. Public services are identified as a high priority activity type for CDBG-CV funds on page 45 of this plan.

## The Process

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

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

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

TABLE I – LEAD AGENCY INFORMATION

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

#### Narrative

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

#### Consolidated Plan Public Contact Information

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

### **Introduction**

The implementation of strategies defined in the Consolidated Plan and the PY19 Action Plan is carried out by dozens of state agencies, departments and quasi-public entities, working together with a network of for-profit and nonprofit service providers and housing developers, and guided by the Housing Resources Commission (HRC). The HRC was created by legislation in 1998 to be the State's planning and policy, standards and programs agency for housing issues. Established under Rhode Island General Laws (R.I.G.L. 42-128) (RI Housing Resources Act of 1998), the HRC is comprised of 28 members, representing a wide range of constituents. OHCD provides staff support to the HRC.

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

### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))**

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

Home Stabilization Initiative: Rhode Island's Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) has conducted several pilot programs since 2008 for vulnerable populations that have proven the cost effectiveness of providing permanent supportive housing to individuals who are cycling through emergency systems or have been unable to leave expensive institutions due to the lack of affordable housing and community-based support services that focus on housing retention. The Home Stabilization amendment was accepted in 2015, and continuing in PY19, EOHHS (The Executive Office of Health and Human Services) and BHDDH will work together to create certification standards in partnership with the Centers for Medicare and Medicaid Services (CMS). These standards intend to allow for organizations to become providers of home stabilization services that can be billed to Medicaid.

Money Follows the Person (MFP) Demonstration Program: In 2011, RI received a federal grant for MFP, designed to increase options for elderly and persons with disabilities to receive care in the community. MFP is part of the “rebalancing” efforts of the American Care Act to shift full-time institutional care to community-based settings. National and local findings of MFP efforts since 2011 emphasize how the lack of affordable, accessible housing is the biggest barrier to these rebalancing efforts, keeping too many persons in expensive, full-time institutional settings instead of at home receiving similar care. In response to this barrier, MFP has created a housing working group that works to understand what organization and community services already exist for the elderly and disabled population. The working group includes long-term care representatives, home care nurses, Residential Service Coordinators (RSC), assisted living professionals and housing professionals. This housing group coordinated the Senior Health and Housing Forum, hosted by HousingWorks RI at Roger Williams University, in September 2017. The forum covered best practices in meeting the health and housing needs of Rhode Island’s seniors and strengthened collaborations among housing developers and healthcare providers. This working group will continue to meet in PY19.

Section 811 Project Rental Assistance: RIHousing received \$5.6 million in 2015 to administer the Section 811 Project Rental Assistance Program for RI, a project that provides renewable project based rental assistance for five years to affordable housing projects that serve extremely low income persons with disabilities. While administered by RIHousing, the program is a partnership that also includes EOHHS and BHDDH, which will – through facilitation with owners of units award rental assistance contracts – provide case management services, transportation and employment services, support for independent living skills training, mental health services and making connections to Medicaid via these services. Through June of 2018, RIHousing has approved 70 units under this program, and is in the process of executing rental assistance contracts with additional developers in PY19.

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

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

The state uses a housing first model to place families and individuals quickly into housing and requires treatment and services as a prerequisite to maintaining that housing. The CoC uses HMIS to identify previously homeless families seeking further homeless services and applies rapid re-housing services to these households. Both the CoC and ESG intend to increase the amount allocated for rapid re-housing and diversion for families in PY19 (utility assistance, first month's rent, security, etc.) The CoC is committed to maximize funding for CoC and ESG rapid re-housing through reallocations. RIHousing staffs the Continuum of Care and both RIHousing and OHCD are members of the CoC Board.

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

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

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

State staff that administers the ESG program and ESG entitlement representatives sit on several of the CoC standing committees, including the HMIS Committee. This committee develops and annually reviews HMIS privacy plans, security plans, data quality plans and all other policies and

procedures required by regulation. The Rhode Island Coalition for the Homeless is the HMIS Lead Agency and has a memorandum of agreement with the RI CoC. The determination for assistance via ESG and CoC transitional or permanent supportive housing programs are based on HMIS data, which includes each individual's or household's vulnerability assessment score and priority designation.

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

**BHDDH** Anticipated outcomes of ongoing consultation and improved coordination with BHDDH include the successful administration of the HUD 811 PRA Grant, achieving many goals outlined in the Strategic Plan, including ending and reducing homelessness, maintaining the protocol of not discharging a BHDDH patient into homelessness, coordinating with BHDDH on the administration of the Consolidated Homeless Fund as BHDDH passes through funding into this program, maintaining and improving BHDDH's support of and use of the Housing First model, and continuing to assist BHDDH in using Medicaid funds to fund housing-based supports for disabled Rhode Islanders.

**RI Statewide Planning Program** Anticipated outcomes of ongoing consultation and improved coordination with RI's SPP include blending the strategies and goals found in housing and economic development-related sections of the State Guide Plan with Consolidated Plans, to work with SPP in aiding cities and towns to develop and implement affordable housing policies, to better understand municipal zoning practices and how they can be addressed in order to reduce barriers to affordable and fair housing, and to share statistical information relevant to growing housing needs, such as demographic changes based on age, race and ethnicity.

**RI Continuum of Care** Anticipated outcomes of ongoing consultation and improved coordination with RICOC include the achievement of goals outlined in the Strategic Plan, specifically Goals 1, 2, 4 and 7. The RICOC will primarily work to achieve Goal 2, reducing, preventing and ending homelessness through the administration of competitively-awarded federal funds dedicated to this purpose.

**Rhode Island Coalition for the Homeless** Anticipated outcomes of ongoing consultation and improved coordination with RICH includes the continued use of and improvement of the state's HMIS as well as continuing to advocate at the local, state and national level for funding and policy related to ending homelessness. RICH will also produce yearly updates on the implementation of the state's strategic plan to end homelessness, the information from which will be included in subsequent state Annual Action Plans and CAPERs.

**Office of Housing and Community Development** Anticipated outcomes of ongoing consultation and improved coordination with OHCD include the ongoing relationship in achieving the state's housing goals (as summarized in the Strategic Plan), to maintain efforts to sustain and improve funding for housing and homelessness in the state, to comply with all regulations and policies related to the

federal programs that currently assist Rhode Island's population, to coordinate actions to reduce barriers to fair and affordable housing and to raise support for housing policy in general.

**Housing Resources Commission** Anticipated outcomes of ongoing consultation and improved coordination with the HRC include the ongoing relationship in achieving access to safe and affordable housing for all Rhode Islanders, and coordination to create strong neighborhoods, improving the economic climate of the State.

**Public Housing Association of Rhode Island** Anticipated outcomes of ongoing consultation and improved coordination with PHARI include coordinating public housing policies that positively address state priorities, such as ending homelessness and achieving fair housing goals, while also working with PHAs to best determine ways that RIHousing can assist in the preservation and rehabilitation of the aging public housing stock in the state. RIHousing is also working with PHARI on the implementation of a coordinated waitlist for tenant-based vouchers throughout the State.

**Housing Network of RI** Anticipated outcomes of ongoing consultation and improved coordination with HNRI include better understanding and communicating the housing needs in the State, working with the State's network of nonprofit housing developers to increase production of the housing needs to meet these needs, and providing information at the municipal level for the purpose of engaging stakeholders from all communities.

**HousingWorksRI** Anticipated outcomes of ongoing consultations and improved coordination with HWRI concerning on-going research on housing production, preservation and financing in Rhode Island in support of public and private policy and program work.

**RI Department of Health** Anticipated outcomes of ongoing consultation and improved coordination with HEALTH include sustaining memorandums of agreement with other state agencies in preventing homelessness and housing-related problems among the populations these departments serve and to share information that is crucial in understanding housing need and how housing relates to the health and safety of Rhode Islanders.

**RI DCYF** Anticipated outcomes of ongoing consultation and improved coordination with DCYF include sustaining memorandums of agreement with other state agencies in preventing homelessness and housing-related problems among the populations these departments serve and to share information that is crucial in understanding housing need and how housing relates to the health and safety of Rhode Islanders, particularly young people in DCYF care transitioning into the community.

**RI Department of Education** Anticipated outcomes of ongoing consultation and improved coordination around the intersection of housing and education. Specifically, engaging with DoE on the McKinney-Vento Homeless Students coordinators and Early Learning Council on the importance of housing stability.

**Rhode Island Builders Association** Anticipated outcomes of ongoing consultation and improved coordination with RIBA includes the continued engagement of policymakers and stakeholders in policies that promote construction of safe and affordable housing (not just deed-restricted but low-cost market rate housing).

**Direct Action for Rights and Equality** DARE is a Providence-based community organizer that hosts a Tenant and Homeowner Association, the primary objective of which is to protect persons from losing their homes. The anticipated outcomes of working with DARE is to include citizens most affected by state housing policies in the development of programs and to best utilize funds and policies to help those in the most need of assistance.

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

**Center for Justice** Anticipated outcomes of coordinating with the Center with their eviction clinic and continued education of the public on healthy housing and housing conditions and housing risks.

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

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

Not Applicable

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

TABLE III – OTHER STATE PLANS CONSIDERED IN DEVELOPING PLAN

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Opening Doors Rhode Island: Strategic Plan to End Homelessness (ODRI)	Rhode Island Interagency Council on Homelessness (ICH)	Goal 2 of the 2015-2019 Strategic Plan incorporates all of the goals of Opening Doors RI, and contributes to the planned outcomes of that Plan
Statewide Economic Development Plan (ED Plan)	Rhode Island Statewide Planning Program (SPP)	Goal 5 of ED Plan (coordinate economic, housing and transportation investments) overlaps with Goals 1, 3 and 6 of the 2015-2019 Strategic Plan; Goals 6 and 7 of the ED Plan (infrastructure goals) overlap with Goal 6 of the 2015-2019 Strategic Plan
Rhode Island Regional Analysis of Impediments to Fair Housing (RAI)	Rhode Island Statewide Planning Program (SPP)	All seven goals of the 2015-2019 Strategic Plan are reflected as important to fair housing, as described in Chapter 6 of the RAI.

Three other state planning documents were considered in developing the PY19 Annual Action Plan: the Rhode Island Regional Analysis of Impediments to Fair Housing (2015), the Rhode Island Statewide Economic Development Plan (2014) and Opening Doors Rhode Island (2012). Table III describes how the goals of each plan overlap with the goals of the 2015-2019 Strategic Plan, the component of the 2015-2019 Consolidated Plan that outlines the priority needs, goals, outcomes and strategies described in this Annual Action Plan.

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

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

The public housing authorities in these entitlement communities, as well as the city of Newport, contribute to state CoC management, working to place members of their waitlists into housing opportunities based on the same vulnerability index used for state homelessness programs. The

City of Pawtucket's housing authority, for instance, now has a homeless priority for its project-based and tenant-based housing placement.

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

Local leaders – mayors and city/town council members –remain important partners in the development of affordable housing in their municipalities, by supporting CDBG applications for affordable housing/housing rehab, and by speaking at the public events held to promote successful project completion. Local government officials representing the hardest hit areas of the state have been, and will continue to be, important to educating their municipalities' homeowners on the availability of Hardest Hit Fund Rhode Island funding, of which approximately \$2 million will be awarded in PY19 to homeowners. HUD CPD program entitlement communities collaborate with the state in developing regional Analysis of Impediments documents and coordinate on policies to reduce these impediments.



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

### **Summary of citizen participation process/Efforts made to broaden citizen participation**

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

This Annual Action Plan was issued on April 22<sup>nd</sup> for a 30-day public comment period, with advertisements in the Providence Journal (English) and Noticias Rhode Island (Spanish, [www.noticiasrhodeisland.com](http://www.noticiasrhodeisland.com)). The draft plan was posted at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) and [www.rihousing.com](http://www.rihousing.com). The Annual Action Plan public hearing was held at the State's Department of Administration in Providence, RI, at 5pm on Tuesday, May 7, 2019; Spanish-speaking personnel were present at this meeting.

Substantial Amendment 1 (CDBG, April 2020): This amendment constitutes a substantial amendment because it includes a change in the method of distribution of CDBG funds (grant/award limits) and the addition of section covering the first CDBG-CV supplemental allocation. Due to the COVID-19 pandemic, the State of Rhode Island observed a modified public comment period of 5 days, in accordance with waivers issued by HUD.

The amendment was made available at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) beginning April 21, 2020 for a 5-day public comment period, with an advertisement in the Providence Journal on the same date. Notification of the public comment period was sent to OHCD's CDBG listserv on April 22, 2020. No comments were received during this period.

Substantial Amendment 2 (CHF, April 2020): This amendment constitutes a substantial amendment because it includes a change in the method of distribution of CHF funds (addition of homeless prevention as an eligible activity). Due to the COVID-19 pandemic, the State of Rhode Island observed a modified public comment period of 5 days, in accordance with waivers issued by HUD.

The amendment was made available at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) beginning April 23, 2020 for a 5-day public comment period, with an advertisement in the Providence Journal on the same date. No comments were received during this period.

Substantial Amendment 3 (CDBG, HOPWA and HOME, July 2020): This amendment constitutes a substantial amendment because it includes the addition of the second CDBG-CV supplemental

allocation. Due to the COVID-19 pandemic, the State of Rhode Island observed a modified public comment period of 5 days, in accordance with waivers issued by HUD.

The amendment was made available at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) and at [rihousing.com](http://rihousing.com) beginning July 17, 2020 for a 5-day public comment period, with an advertisement in the Providence Journal and ProvidenceenEspanol.com on the same date. Comments and responses are summarized on pages 6-7.

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

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

### Summary

The state anticipates availability of approximately \$49.7 million in federal subsidies in the fifth 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 \$19.6 million; 89% of this non-federal funding comes from the state budget, the other 11% from RIHousing's resources. The programs that these funds assist also rely on leveraged private financing and private equity derived from the sale of tax credits and public bonds, especially those programs associated with Goal 1: Develop and Preserve Affordable Housing Opportunities.

TABLE 87 – ANTICIPATED RESOURCES BY GOAL, FIFTH PROGRAM YEAR

Goal	Funding	Source Type	\$ PY19
<b>Goal 1</b> Develop and preserve affordable housing opportunities	HOME	Federal	\$2,975,044
	9% LIHTC - TC allocation only	Federal	\$3,166,875
	CDBG Housing Development	Federal	\$1,624,257
	Housing Preservation and Production Program (HPPP)	State	\$0
	Building Homes Rhode Island (BHRI)	State	\$13,400,000
	Housing Trust Fund - HERA 2008	Federal	\$3,000,000
	4% LIHTC - TC allocation only	Federal	\$1,200,000
	CDBG-DR Housing	Federal	\$0
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$25,366,176</b>
<b>Goal 2</b> Prevent and end homelessness among chronically homeless, homeless veterans and homeless families while significantly reducing overall homelessness	State Rental Assistance	State	\$850,000
	Emergency Solutions Grants Program - Entitlements	Federal	\$699,575
	Emergency Solutions Grants Program - Statewide	Federal	\$699,115
	Social Service Block Grant, Title XX	Federal	\$1,272,598
	HRC Homeless Funding	State	\$2,950,000
	Supportive Housing Program - Continuum of Care	Federal	\$5,262,197
	HUD Section 811 Project-Based Rental Assistance	Federal	\$783,996
	RoadHome Service Enriched Rental Assistance Program	RI Housing	\$2,200,000
	HOPWA	Federal	\$660,654
	Neighborhood Opportunities Program	RI Housing	\$0
	Thresholds	State	\$200,000
	CDBG-CV Emergency Assistance	Federal	\$2,000,000
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$17,578,135</b>
<b>Goal 3</b> Improve the accessibility, health, safety, and energy efficiency of all Rhode Island homes	State Lead Program	State	\$0
	HUD Lead Hazard Red. Prog (Lead and Healthy Homes)	Federal	\$1,133,333
	CDBG Home Repair Program	Federal	\$1,353,547
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$2,486,880</b>
<b>Goal 4</b> Provide Tenant-Based Rental Assistance to meet housing needs of lowest income households	Housing Choice Voucher Program	Federal	\$13,095,541
	HOME Emergency TBRA	Federal	\$500,000
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$13,595,541</b>
<b>Goal 5</b> Address Negative Impacts of Foreclosure Crisis	NFMC NeighborWorks Grant	Federal	\$0
	Hardest Hit Fund Rhode Island - Round 5	Federal	\$2,000,000
	Hardest Hit Fund - Down Payment Assistance	Federal	\$0
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$2,000,000</b>
<b>Goal 6</b> Promote economic development by addressing non-housing community development needs	CDBG - Balance of funds	Federal	\$2,436,385
	CDBG - DR Balance of funds	Federal	\$0
	CDBG-CV Balance of funds	Federal	\$5,909,230
	<b>GOAL TOTAL</b>	<b>TOTAL</b>	<b>\$8,345,615</b>
<b>Goal 7</b> Affirmatively Further Fair Housing	<b>GOAL TOTAL</b>		<b>\$0</b>
ALL FUNDS - CALIBRATION LEVEL		<b>TOTAL</b>	<b>\$69,372,347</b>

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

### Anticipated Resources

TABLE 88 – ANTICIPATED RESOURCES, ECON PLAN TEMPLATE TABLE

Program	Source of Funds	Expected Amount Available Year 5			
		Annual Allocation \$	Program Income \$	Prior Year Resources:	Total \$
HOME	Public-federal	\$3,475,044	\$0	\$3,723,228	\$7,198,272
HOPWA	Public-federal	\$660,654	\$0	\$0	\$660,654
CDBG	Public-federal	\$5,414,189	\$0	\$2,000,000	\$7,414,189
CDBG-CV	Public-federal	\$7,909,230	\$0	\$0	\$7,909,230
CDBG - DR	Public-federal	\$0	\$0	\$0	\$0
Neighborhood Stabilization Program	Public-federal	\$0	\$0	\$1,100,000	\$1,100,000
ESG - State	Public-federal	\$699,115	\$0	\$0	\$699,115
ESG - Entitlements	Public-federal	\$699,575	\$0	\$0	\$699,575
HERA - Housing Trust Fund	Public-federal	\$3,000,000	\$0	\$3,000,000	\$6,000,000
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	\$4,366,875	\$0	\$0	\$4,366,875
Housing Choice Voucher Program	Public-federal	\$13,095,541	\$0	\$0	\$13,095,541
Lead Hazard Reduction Program Grant	Public-federal	\$1,000,000	\$0	\$0	\$1,000,000
Healthy Homes Grant	Public-federal	\$133,333	\$0	\$0	\$133,333
NFMC - NeighborWorks Grant	Public-federal	\$0	\$0	\$0	\$0
Hardest Hit Fund - Down Payment Assistance	Public-federal	\$0	\$0	\$0	\$0
Hardest Hit Fund Rhode Island - Round 5	Public-federal	\$2,000,000	\$0	\$0	\$2,000,000
HUD 811 Project Rental Assistance	Public-federal	\$783,996	\$0	\$0	\$783,996
HRC Homelessness Funding	Public-state	\$2,950,000	\$0	\$0	\$2,950,000
Building Homes Rhode Island	Public-state	\$13,400,000	\$0	\$0	\$13,400,000
Housing Preservation and Production Program	Public-state	\$0	\$0	\$0	\$0
State Lead Hazard Reduction Funding	Public-state	\$0	\$0	\$0	\$0
Thresholds Program	Public-state	\$200,000	\$0	\$0	\$200,000
State Rental Assistance - Hmless	Public-state	\$850,000	\$0	\$0	\$850,000
Neighborhood Opportunities Program	Private	\$0	\$0	\$0	\$0
RoadHome	Private	\$2,200,000	\$0	\$0	\$2,200,000
TOTALS		\$69,372,347	\$0	\$9,823,228	\$79,195,575

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 RIHousing as part of its obligations as a statewide Public Housing Authority. This program provides, on average, housing assistance payments near \$650 per month to over 1,700 households in the state, over 90% of which are either very low income or extremely low- income

households. TABLE 88 also shows that the total available funds to achieve the state goals in PY19 are \$79.1 million, including prior year funds and program income. Federal funding accounts for approximately \$59.5 million (75%) of all available funds in PY19 and contributes to part of all goals for which funding is available.

*NOTE: OHCD completed its assessment of prior year funds, and identified additional available program income and/or prior year funds for the CDBG Program to be distributed via the PY18 application cycle and PY19 application cycle, if necessary.*

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

*State HOME Program*

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

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

*ESG Match*

To comply with ESG requirements applicants must match Consolidated Homeless Funds (CHF) funds **from non-federal HEARTH ACT sources of funds**. Applicants are required to include all funds to be used as match in their program budgets. If approved for funding, applicants will need to submit documentation substantiating the availability and amount of matching funds. **Matching funds must also be for the same time period as the funding period and must meet CHF Program eligibility requirements**. Any applicant that is unable to meet match requirements may request a partial waiver and must detail their justification for not being able to meet this requirement.

In PY19, the state's ESG formula allocation will only make up 11.01% of the funding for the Consolidated Homeless Fund, with 10.51% coming from other CPD funds (ESG entitlements combined), another 19.69% coming from non-CPD federal funds (Social Services Block Grant), and the rest (58.79%) coming from the state's Homelessness funding.

*CDBG Match*

The State provides its required CDBG match through the salary and fringe benefits for multiple employees. The allowed administration amount for PY19 is \$262,425 with \$162,425 (3% of the State's allocation) needing to be matched dollar for dollar. The salary and fringe benefits for one of these employees is paid entirely with State dollars totaling approx. \$115,000. The remaining funds requiring one to one match (\$47,426) will be matched on a dollar for dollar basis by federally-unreimbursed time spent by OHCD staff working on the projects and initiatives of the

CDBG program.

**If appropriate, describe publicly 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)**

### **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. TABLES 89 A and 89 B summarize the funds available by goal and the proposed outcomes as related in the aforementioned tables from the Strategic Plan. TABLE 89 A covers the programs directly administered by OHCD and TABLE 89 B covers the programs administered by RIHousing. Program Year 5 funding for Goals 1 through 6 initially included an estimated \$61.4 million in funding from all sources. Of the estimated total, \$11,252,007 (18%) will come from HUD CPD program's state-level formula allocations (HOME, HTF, ESG and CDBG), \$699,575 will come from HUD CPD program's entitlement community-level formula allocations (Entitlement-ESG commitments to Consolidated Homeless Fund) and another \$660,654 will come from HUD CPD programs in the form of a competitive HOPWA grant. In response to the coronavirus pandemic, a supplemental \$7.9m in CDBG-CV funds was awarded by HUD CPD.

Other HUD funds to support Rhode Island's housing and homelessness goals in Program Year 2019 include competitively-awarded sources from the HUD Office of Special Needs Assistance Programs (SNAPS) – through the Continuum of Care programs. Additional funding will come from the Office of Lead Hazard Control and Healthy Homes (OLHCHH) – through HUD Lead Hazard and Healthy Homes funding and the Office of Public and Indian Housing (PIH) – through the Housing Choice Voucher Program. US Treasury programs include the Low-Income Housing Tax Credit Program, the Hardest Hit Fund Program and, in partnership with HUD, the Federal Financing Bank as a source for risk share loans (though this program does not include subsidies). Other federal, state and private financing supports these initiatives to achieve the proposed outcomes. Goal 7, Affirmatively Furthering Fair Housing, does not have an outcome attributable to the number of persons, business or households served. Strategies to address Goal 7 involve many of the other funding programs including rental assistance and development financing.

Section AP-55 describes in detail the amount of families to be provided affordable housing, estimated to total 3,640. We estimate that 67% of these families or households (2,439) will be extremely low-income, 25% will be very low-income (910) and 8% will be moderate-income (291). These percentages are based on current program income-based performance metrics.

TABLE 89 A – OHCD PROGRAMS: GOALS AND OBJECTIVES, YEAR 5

<b>Program Year 2019 (Year Five of 2015-2019 Planning Period) Summary of Funding and Outcomes by Goal</b>			
<b>OHCD Administered Programs by ConPlan Goal</b>	<b>PY19 Funding</b>	<b>Outcome</b>	<b>Units (or %)</b>
<b>Goal 1 - Develop and Preserve Affordable Housing</b>			
CDBG Affordable Housing Set-Aside	1,624,257	Rental units rehabilitated	10
<b>SUBTOTAL</b>	<b>1,624,257</b>		
<b>Goal 2 - End Homelessness</b>			
CHF - HRC State Rental Assistance	850,000	Rapid Re-Housing - Households	250
CHF - Emergency Solutions Grants Program - Entitlement co	699,575	Shelter - Persons	3,000
CHF - Emergency Solutions Grants Program - Statewide	699,115	Min % of clients exiting to perm housin	50%
CHF - Social Service Block Grant, Title XX	1,272,598	Max % of clients existing to emergency,	10%
CHF - HRC Homelessness Funding	2,950,000		
HOPWA	660,654	HIV AIDS Housing Ops - Households	50
CDBG-CV Emergency Assistance	2,000,000	Emergency Assistance - Households	500
<b>SUBTOTAL</b>	<b>9,131,942</b>		
<b>Goal 3 - Healthy Homes</b>			
CDBG Home Repair (Housing Rehab) Program	1,353,547	Rental units rehabilitated	4
		Homeowner units rehabilitated	50
<b>SUBTOTAL</b>	<b>1,353,547</b>		
<b>Goal 5 - Address Foreclosure Crisis</b>			
Neighborhood Stabilization Program (NSP) (prior year funds)	0	Rental units rehabilitated/reconstructe	4
		Homeowner units rehabilitated/reconst	1
<b>SUBTOTAL</b>	<b>0</b>		
<b>Goal 6 - Non-Housing Community Development</b>			
CDBG - Public Services, including Job Training	800,000	Public Services - Persons	750
CDBG - Economic Development	282,838	Small businesses	3
CDBG - Public Facilities/Infrastructure	1,353,547	Public Facilty/Imprvmnt - Persons	15,000
CDBG-DR (prior year funds)	0	Infrastructure - linear feet	1,000
		Public Facilty - Facilities	10
CDBG-CV	5,909,230	TBD	TBD
<b>SUBTOTAL</b>	<b>8,345,615</b>		
<b>TOTAL</b>	<b>20,455,361</b>		



TABLE 89 B – RIHOUSING PROGRAMS: GOALS AND OBJECTIVES, YEAR 5

<i>Program Year 2019 (Year Five of 2015-2019 Planning Period) Summary of Funding and Outcomes by Goal</i>			
<b>RIHousing Administered Programs by ConPlan Goal</b>			
<b>Goal 1 - Develop and Preserve Affordable Housing</b>	PY19	<b>Outcome</b>	PY19
HOME Investment Partnership Program	2,975,044	Rental units constructed	42
9% Housing Tax Credit	3,166,875	Rental units rehabilitated	463
Housing Preservation and Production Program (HPPP)	0	Homeowner Housing Added	7
Building Homes Rhode Island	13,400,000	Homeowner Housing Rehabilitated	3
Housing Trust Fund - HERA 2008	3,000,000	Housing for Homeless added	21
4% Housing Tax Credit	1,200,000		
<b>TOTAL</b>	<b>23,741,919</b>		
<b>Goal 2 - End Homelessness</b>	PY19	<b>Outcome</b>	PY19
Supportive Housing Program - Continuum of Care	5,262,197	Other - PSH Households Assisted	1,354
HUD Section 811 Project-Based Rental Assistance (\$5.2 mill over 8 yrs)	783,996	Shelter Beds Added	24
RoadHome Service Enriched Rental Assistance Program	2,200,000	Homelessness Prevented - Persons	6
Neighborhood Opportunities Program	0	VLI Household Rent Support (NOP)	0
Thresholds	200,000		
<b>TOTAL</b>	<b>8,446,193</b>		
<b>Goal 3 - Healthy Homes</b>	PY19	<b>Outcome</b>	PY19
State Lead Program	0	Home Health Hazards Remediated	115
HUD Lead Hazard Reduction Program	1,000,000	Rental units rehabilitated	98
HUD Healthy Homes funding	133,333	HO Housing Rehabilitated	161
<b>TOTAL</b>	<b>1,133,333</b>		
<b>Goal 4 - TBRA to Low Income Hseholds</b>	PY19	<b>Outcome</b>	PY19
Housing Choice Voucher Program (Section 8)	13,095,541	Tenant-Based Rental Assistance	1,800
HOME Emergency TBRA	500,000		
<b>TOTAL</b>	<b>13,595,541</b>		
<b>Goal 5 - Address Foreclosure Crisis</b>	PY19	<b>Outcome</b>	PY19
Hardest Hit Fund - Down Payment Assistance Grants	0	Direct Financial Assistance - DPA	0
Hardest Hit Fund Rhode Island Round 5	2,000,000	Direct Financial Assistance - HHF	50
NFMC Round 7 NeighborWorks Grant	0	Homeowners Assisted	0
<b>TOTAL</b>	<b>2,000,000</b>		
<b>TOTALS</b>	<b>48,916,986</b>		

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

### Introduction:

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

### Funding Allocation Priorities

TABLE 90 – FUNDING ALLOCATION PRIORITIES

Program   Goal	Goal 1 - Affordable Housing Development (%)	Goal 2 - Homelessness (%)	Goal 3 - Safe and Healthy Housing (%)	Goal 4 - Tenant Based Rental Assistance (%)	Goal 5 - Address Foreclosure Crisis (%)	Goal 6 - Non-Housing Community Development (%)	Total (%)
HOME	85	0	0	15	0	0	100
HOPWA	0	100	0	0	0	0	100
CDBG	30	0	25	0	0	45	100
CDBG-CV	0	25	0	0	0	75	100
CDBG - DR	0	0	0	0	0	100	100
NSP	0	0	0	0	100	0	100
ESG - State	0	100	0	0	0	0	100
ESG - Entitlements	0	100	0	0	0	0	100
HERA - Housing Trust Fund	100	0	0	0	0	0	100
Title XX - SSBG - CHF	0	100	0	0	0	0	100
Continuum of Care	0	100	0	0	0	0	100
LIHTC	100	0	0	0	0	0	100
HCVF	0	0	0	100	0	0	100
Federal - Lead	0	0	100	0	0	0	100
Federal - Healthy Homes	0	0	100	0	0	0	100
NFMC - NW Grant	0	0	0	0	100	0	100
HHF - DPA Grant	0	0	0	0	100	0	100
HHFRI Rd 5	0	0	0	0	100	0	100
HUD 811 PRA	0	100	0	0	0	0	100
State Hmeless Funding	0	100	0	0	0	0	100
BHRI	100	0	0	0	0	0	100
HPPP	100	0	0	0	0	0	100
State - Lead	0	0	100	0	0	0	100
Thresholds Program	0	100	0	0	0	0	100
State RA - Hmelss	0	100	0	0	0	0	100
NOP	0	100	0	0	0	0	100
RoadHome	0	100	0	0	0	0	100

### Reason for Allocation Priorities

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

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

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

All of the funds associated with Goal 1, as described in TABLE 89, will combine to meet the objectives of developing or preserving close to 1,200 affordable homes. Based on analysis of previous years' funding of affordable development, the \$25.5 million in capital subsidies (See TABLE 89) will leverage an additional \$130 million in other private funding. All Goal 1 funds, which now includes the state's Housing Trust Fund allocation, will directly address priority needs 1, 2 and 3 and described in TABLE 74, section SP-25 of the Consolidated Plan 2015-2019 Strategic Plan, while various funds will simultaneously address priority needs 4, 5, 6, 7, 8, 11 and 12 depending on the proposals funded. These funds are distributed to qualified developers with eligible project proposals to develop affordable housing (the ConPlan priority needs are included in the Appendix of this Action Plan).

The Consolidated Homeless Fund combines five different program sources associated with Goal 2, as described in TABLE 89, to fund rapid re-housing, state rental assistance, permanent supportive housing vouchers and emergency shelter operations, street outreach and RI Homelessness Systems Development Work. 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 RIHousing combines funding from HUD and from the state to remediate lead-paint and other healthy homes hazards (mold, lack of insulation, contamination, pest problems, unsafe conditions), providing these services to nearly 100 homes annually (combining both homeowners and rental housing). RIHousing's LSHP staff takes in applications, completes the inspection and analysis of need of a home, schedules a contractor walkthrough advertised to all state-licensed lead hazard work contractors, coordinates scope of work review and work plan between lowest bidder and owner, relocates tenants temporarily if needed, clears the final work with owner and contractor, then pays the contractor directly based on invoices once the work is cleared. The CDBG Home Repair Program provides funding to units of general local government (UGLGs), sometimes individual municipalities or groups of municipalities, to operate funding programs to homeowners in need of rehabilitation assistance. Priority needs 7 and 8 (TABLE 74 of the Consolidated Plan 2015-2019) are directly addressed by the distribution of funds to LSHP and municipal home repair programs (CDBG).

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

The Hardest Hit Fund Rhode Island addresses priority need 3 (to rehabilitate foreclosed homes and properties) and priority need 6 (decreased homelessness), these needs being identified in the 2015-2019 ConPlan. HHFRI will continue to provide loan modification assistance to households and will help underwater householders refinance. These two programs prevent homelessness by allowing homeowners facing foreclosure or hardship to stay in their homes.

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.

The Neighborhood Stabilization Program (NSP) has been reactivated. Non-profit community development corporations report a sufficient supply of vacant, abandoned and/or foreclosed properties in existing target neighborhoods. NSP funds are awarded to non-profit developers to rehabilitate such properties for residential use. This program directly addresses priority needs 3 and 1 (TABLE 74 of the Consolidated Plan 2015-2019).

## **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 and the HOME emergency TBRA program do not make funds available through competitive rounds, but provide housing assistance payments to landlords on behalf of qualified tenants. When a tenant leaves either program, a new tenant is re-certified from the waiting list then provided a voucher with which to find an eligible housing unit in the private rental market. The state's HOPWA competitive grant program provides renewal funding to its two sponsors, AIDS Care Ocean State and the Community Care Alliance and does not solicit requests for proposals. The following programs solicit funding proposals through competitive rounds save for the LeadSafe Homes Program and allocation of 4% Housing Tax Credits, which accept applications on a rolling basis.

### **Distribution Methods**

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

##### Selection criteria and relative importance:

Many of the allocation priorities defined in the state's Qualified Allocation Plan ("QAP") for its Low-Income Housing Tax Credit program are based on federal criteria as well as state criteria. Federal tax code requires that preference for an allocation of credits must be given to developments serving the lowest income residents, developments which commit to the longest period of affordability and developments located in a qualified census tract (QCT). Eligibility requirements for any type of tax credit are based on complex federal regulations, and the state advises all developers to consult qualified tax attorneys or accountants to determine eligibility for the credit.

RIHousing 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 RIHousing as the permanent lender.

RIHousing 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), it is then scored using the QAP's scoring criteria, which favors 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.

RIHousing staff conducts an initial review to determine if a project meets threshold requirements, and subsequently scores these projects. Staff then presents results of reviews to its funding

committee composed of senior staff and representatives from its Board of Commissioners for formal scoring and allocation determinations. Aggregate assessments and scores in no way guarantees an award of tax credits to a particular development.

**NOTE:** The full Rhode Island Qualified Allocation Plan for 2019 funding rounds is available at [https://www.rihousing.com/filelibrary/State\\_of\\_Rhode\\_Island\\_2019\\_Qualified\\_Allocation\\_Plan.pdf](https://www.rihousing.com/filelibrary/State_of_Rhode_Island_2019_Qualified_Allocation_Plan.pdf)

#### Resource allocation by funding category

In accordance with federal tax code, RIHousing 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 125, rental units rehabilitated 712

### **HOME Program**

The state's HOME program awards funding for the purpose of acquisition, rehabilitation and new construction of affordable housing. In addition, HOME funds provide emergency assistance to tenants impacted by the Covid-19 crisis through the HOME emergency TBRA program. Under waivers and suspensions granted by HUD on April 10, 2020, there is a cap of 25% of the HOME award plus program income to use on administration of the program. Additionally, in line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO). Finally under the same waivers and suspensions noted above there is a cap of 10% of the HOME award that can be allocated toward CHDO operating assistance.

**NOTE:** See the full PY19 HOME Annual Action Allocation Plan in the Grantee Unique Appendix

Selection for HOME development funds criteria and relative importance:

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

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

Rhode Island priorities for HOME development funds include three Tiers found below.

- 1) Tier 1 / High Priorities:
  - a) Substantial rehabilitation and/or new construction to provide new rental units for low and very low-income families;
  - b) Substantial rehabilitation and/or new construction to provide new homeownership opportunities for low-income families;
  - c) Substantial rehabilitation and/or new construction of new housing units for homeless and special needs populations (as defined in the Consolidated Plan), in conjunction with supportive services.
- 2) Tier 2 / Medium Priorities:
  - a) New construction to provide new rental units for low and very-low income one and two-person households;
  - b) Preservation of the existing affordable housing stock through rehabilitation. (Properties eligible for assistance under 24 CFR 248 “Prepayment of Low Income Housing Mortgages” are ineligible for HOME funds)
- 3) Tier 3 / Low Priorities:
  - a) Moderate rehabilitation of rental units for low and very low-income households throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families;
  - b) Acquisition only for the purposes of any of the above-mentioned activities.

Selection Criteria and Relative Importance:

Scoring of applications is based on the following factors:

<b>Scoring Factor</b>	<b>Total Possible Points</b>
<u>Meeting Program Priorities:</u> The extent to which the proposal addresses one or more of the HOME Program Priorities outlined below (Tier 1 priorities=30 points; Tier 2 priorities=25 points; Tier 3 priorities=20 points)	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities:</u> Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match:</u> Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15

<u>Demonstrated demand:</u> Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project:</u> Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10
<u>Design and Construction Standards:</u> Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation:</u> Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity:</u> HOME funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket (entitlement communities), which receive HOME allocations directly from HUD. Entitlement communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity. Priority will be given to non-entitlement communities who have yet to meet or exceed State requirements that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> <li>•accessibility to transit (1 point);</li> <li>•accessibility to employment centers (1point);</li> <li>• accessibility to high performing schools (1 point);</li> <li>• accessibility of community services (1 point)</li> </ul>	5
<u>Duration of Affordability:</u> Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HOME affordability varies dependent on project type and level of HOME investment. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State:</u> Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits:</u> Preference for underserved segments of the population as defined in the State’s Consolidated Plan	5
<u>Additional Merits:</u> Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5
<u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
<b>TOTAL</b>	130

Resource allocation by funding category

Of the total grant award for PY19, 25% will go to project administration and a maximum of 10% will be held to support Community Housing Development Organizations (CHDO) operating expenses.

Of the balance, we estimate that 85% will go to rental housing production, rehabilitation, and homeownership projects, with 15% allocated to the HOME emergency TBRA program. There is no specific 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 2019 program year.

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

**Funding Categories:**

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

Threshold factors and grant size limits

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

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

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

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

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

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

Estimated goal outcome indicators include: Rental units constructed 18, rental units rehabilitated 24, homeownership units constructed 2, homebuyers assisted in the purchase of HOME-assisted housing 2.

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

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

### **Housing Trust Fund Program**

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

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

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

accordance with an established formula.

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

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

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

Selection criteria and relative importance:

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

Scoring Factor	Total Possible
<u>Meeting Program Priorities:</u> The extent to which the proposal addresses one or more of the HTF Program Priorities outlined below (Tier 1 priorities=30 points; Tier 2 priorities=25 points; Tier 3 priorities=20 points;	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities:</u> Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match:</u> Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand:</u> Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project:</u> Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10
<u>Design and Construction Standards:</u> Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation:</u> Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5

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

Rhode Island Program Priorities

Rhode Island priorities include three Tiers found below.

- 1) Tier 1:
  - a) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for extremely low-income (ELI) families;
  - b) Acquisition and/or rehabilitation and/or new construction of rental housing units for homeless and special needs populations in conjunction with supportive services;
  - c) Acquisition and/or rehabilitation and/or new construction of rental housing units that provides or will provide project-based rental assistance to eligible tenants.
- 2) Tier 2:
  - a) Preservation of existing affordable rental housing stock through rehabilitation, acquisition, or other eligible assistance;
  - b) Acquisition and/or rehabilitation and/or new construction to provide rental units for one and two-person households;
  - c) Acquisition, and/or rehabilitation and/or new construction to provide rental units for elderly residents
- 3) Tier 3:
  - a) Moderate rehabilitation of rental units for families throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of family units;

- b) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for very low-income (VLI) families, as permitted by the regulations

### Geographic Diversity

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

### Applicant Capacity

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

### Project-based Rental Assistance

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

### Duration of Affordability Period

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

### Priority Housing Needs in the State

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

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

### Leveraging

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

### Resource allocation by funding category

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

- Real property acquisition
- Site improvements and development hard costs
- Conversion
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance
- Reasonable administrative and planning costs

### Threshold factors and grant size limits

#### **Eligibility Requirements**

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

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

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

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

### **Application Requirements**

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

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

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

### **Selection Criteria**

#### *Minimum Requirement Threshold*

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

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

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

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

The Housing Trust Fund Program will use the same standards as published for the HOME Program for Program Year 2019, and outlined as follows:



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

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

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

- It is expected that the HTF will contribute to the development or preservation of 40 units of housing per year. This estimate is based on analysis of previous funding rounds and anticipated demand for the program. If less units of housing are assisted with HTF funds than this expectation, then allocation priorities will be reconsidered in future program years.
- In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, RIHousing will evaluate the HTF Program using the IDIS Outcome Performance Measurement System.
- The HTF Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units. The HTF Program outcome is Affordability.

#### **CDBG Program**

The Rhode Island Executive Office of Commerce, Office of Housing and Community Development ("OHCD") administers the State's Community Development Block Grant ("CDBG") Program for those communities that do not receive allocations directly from the U.S. Department of Housing and Urban Development. The State's goal is to maximize the impact of CDBG funding by prioritizing activity types and communities of greatest need.

A minimum of thirty percent of the State's PY2019 CDBG allocation will be distributed on an annual competitive basis for the following priority activity types eligible under the HCDA: Public facilities, Infrastructure and Public 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. Future year funding may be committed contingent upon receipt and availability of funds. Priority populations and activities as detailed in the State's Non-Housing Community Development needs assessment may receive extra consideration. Communities are

reminded that the CDBG application is highly competitive. The State intends to fund the most impactful activities in the communities of greatest need, however, not all applicants are guaranteed an award.

A rolling application process will be utilized to obligate funds to the following high priority activity categories: Housing Rehabilitation, Economic Development, and Affordable Housing. Applications may be submitted beginning August 1, 2019, following the most current application forms procedures available. Such applications will be reviewed for eligibility. Only those applications which can demonstrate the activity meets program requirements, and can immediately proceed, with necessary funding substantially obligated, may be considered. OHCD staff may consult with other state agencies during the review.

Any funds remaining from PY15 or earlier will be de-obligated effective June 30, 2020 (excluding contracts with termination dates after June 30, 2020). Any program income returned, or any additional funds recaptured, deobligated, reallocated or otherwise available shall be available in accordance with the PY19 distribution process. New awards may be funded with PY19 funds and/or prior source year CDBG funds, at the sole discretion of OHCD. Awards may be shifted to different source year funds, prior to processing of the initial draw request for an activity, to expedite closure of older grant years. Over the course of each year, in consideration of a project's timeline, future year funding may be tentatively committed to specific activities proposed, subject to availability. These amounts will be deducted from the total available in that year's application cycle.

Selection criteria and relative importance:

All Rhode Island municipalities, except those receiving direct CDBG entitlements from HUD, are eligible to apply via competitive and rolling application processes. Threshold criteria for rolling applications are described in the thresholds section below. The following process/criteria apply to the competitive application only.

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

- Completeness of application;
- Fundability - meets Eligibility and National Objective requirements;
- Process Issues - meets necessary regulatory public comment processes;
- Consistency with Program Design.

Scoring: Applications will be scored based upon the following:

- Total number and/or concentrations of low/moderate income persons served by the proposed activity;
- Cost per LMI person served by the proposed activity;
- Priority activities:
  - Public Improvements/Facilities – water/sewer and street/streetscapes activities are considered the highest priorities;

- Public Services – job training and essential services for the homeless and elderly are prioritized. In addition, public services to ameliorate the adverse impacts of COVID-19 on low/moderate-income populations are prioritized.

Committee Evaluation: Committees comprised of individuals with expertise in community development issues will use the scoring results described above as a guide in consideration of proposals received. The committees may reduce and/or eliminate a request based upon the following criteria:

- Timeliness – Any activity not likely to proceed in a timely fashion shall be eliminated from consideration. Timeliness requirements vary depending on activity type, as outlined in application materials;
- Other Sources/Reviews – Any activity with an available, alternative source of funds may be eliminated from consideration. Such alternatives may or may not be under State control. Activities may also be eliminated from consideration if the proposal has not progressed through necessary/appropriate review steps by other State/local authorities.
- Capacity/Performance – Any activity that lacks the experience and/or capacity to implement the proposed activity shall be eliminated from consideration. Demonstrated past performance and resolution of prior monitoring/audit findings will be taken into consideration. Outstanding issues will be considered.
- Feasibility/Accuracy – Any activity that is not feasible as described in the application, may be eliminated from consideration. Cost effectiveness of the proposal will be reviewed under this criterion. If the information provided in the application is inaccurate, it may also be eliminated.

The committees may factor geographic distribution to assure areas are served equitably.

#### Access to application manuals

Application materials, including details on the application criteria and the PY19 CDBG Schedule, will be publicly available on the CDBG webpage at: <http://ohdc.ri.gov/community-development/cdbg/>.

A community application workshop will be conducted at the beginning of the competitive application process.

#### Resource allocation by funding category

All applications will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations, and threshold requirements. Any activity deemed not in compliance with such requirements will be eliminated from consideration. OHCD staff may consult with other state agencies during the threshold review. As described above, the State will use rolling and competitive application processes to distribute PY19 and remaining prior years funds.

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

- Goal 1 (Affordable Housing Development) – 30% of the State’s CDBG allocation - Applications must create or preserve long-term affordable units at any residential facility that provides transition or permanent housing and serves low/moderate income households. Capital improvements at

homelessness shelters are eligible for assistance under this category, as transitional housing. Activities must meet the LMI Housing national objective (or LMI Limited Clientele in the instance of shelters).

- Goal 3 (Safe and Healthy Housing) – 25% of the State’s CDBG allocation - Housing rehabilitation: Rehabilitation of single family (one-four units) housing. Only applications meeting the Low/Moderate Income Housing national objective will be considered; and
- Goal 6 (Non-Housing Community Development) – 45% of the State’s CDBG allocation - Includes Economic Development, Public Facilities/Infrastructure, and Public Services.

The above percentages include administration costs. The amount of \$262,425 will be set aside for State use in program administration. The State will determine local administration awards, ranging from 5% to 25% based upon the activities funded, their size and complexity. For example, a construction project which requires extensive environmental review and federal labor standards compliance may receive an additional 15% to support administrative costs, while a small public service proposal may receive little administrative funds. Microenterprise assistance and direct assistance activities may receive up to 25% for local administration/activity delivery. All administrative expenses must be supported by time sheets/billing and other verifiable documentation.

#### Threshold factors and grant size limits

For the competitive round, limits on the number of activities and amounts which may be requested will be identified in the application handbook. For clarity, additional details relative to each activity type have been separated.

Residential Rehabilitation Thresholds (Up to 25%): National Objective (income & family size backup documentation); Inspection/scope/cost documentation; Procurement documentation (bid, quotes); Environmental documentation; Ownership and other applicant data.

Limit: The State will reserve up to 25% (\$1,353,547) of its annual award for residential rehabilitation purposes. Any funds not obligated by the conclusion of the annual competitive application cycle described below will be deobligated for these purposes and distributed at that time. Up to 20% may be used for documented housing operating and administrative costs. Individual projects may not exceed \$120,000/unit. No individual community may submit requests for more than 20% of the total housing rehab amount reserved.

Affordable Housing Thresholds (No category limit specified - Projected 30%): National Objective & Eligibility Compliance; Financial Feasibility (Construction and/or Operating); Cost necessary & reasonable; Long-term affordability; Developer risk; Staff and Committee criteria detailed in the annual competitive process below.

Limit: Ongoing - The State will fund applications on a first-come, first-served basis, up to a maximum allowed when factoring other set-asides. Therefore, it is projected that 30% (\$1,624,257) of the State’s allocation would be available for this purpose. No individual application may receive more than \$250,000/unit.

Economic Development Thresholds (No category limit specified): National Objective & Eligibility Compliance; Public Benefit requirements; Financial/Project Feasibility; Cost necessary & reasonable; and Underwriting. Limit: Ongoing - The State will fund applications on a first-come, first-served basis, up to a maximum allowed when factoring other set-asides. The State does not project significant obligations under this category. Individual proposals must meet the aggregate public benefit requirements for the program.

Public Facilities/Public Improvements & Public Service Thresholds (Minimum of 30%): OHCD Staff Review/Fundability. All applications received will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations. Any activity deemed not compliant with such requirements will be eliminated from consideration. Limit: The State will reserve 30% (\$1,624,257) to support public facility/improvement and public service proposals. Of that, a minimum of 10% (\$541,419) will be used to support public service proposals. In accordance with guidance from HUD, to address public service needs related to COVID-19, the maximum total cap on public service activities has been eliminated from PY'19 CDBG funds. Applications will be accepted annually using a competitive application cycle described above.

Expected outcome measures:

Rental units rehabilitated (Goal 1) - 14, homeowner housing rehabilitated (Goal 3) – 50, public facility and infrastructure improvements other than low-mod housing benefit (Goal 6) - 15,000 persons, public services other than low-mod housing benefit (Goal 6) - 750 persons

**CDBG COVID-19 Supplemental Allocations #1, 2 (CDBG-CV)**

The State of Rhode Island has received an initial allocation of \$3,227,111 in supplemental CDBG-CV funds, as authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CDBG-CV funds may only be used to prevent, prepare for, and respond to coronavirus. The State of Rhode Island was awarded a second CDBG-CV allocation of \$4,682,119, also authorized by the CARES Act. In accordance with the CARES Act, CDBG-CV #2 funds may be distributed statewide, to CDBG entitlement and non-entitlement areas.

In April 2020, the State requested waivers to 1) directly carry-out CDBG-CV activities, and 2) allow funds to be distributed statewide (to CDBG entitlement and non-entitlement areas). As of early July, this waiver request remained pending with HUD.

The final *Rhode Island CDBG-CV Handbook*, with a detailed method of distribution for all CDBG-CV funds, will be available for public comment after CDBG-CV guidance and/or waivers are issued by HUD. An initial, abbreviated version of the *Handbook*, with a method of distribution for a limited portion of the CDBG-CV funds may be released earlier, to address immediate local needs resulting from coronavirus.

All CDBG-CV funded activities must address the impacts of, and/or unmet needs resulting from, the COVID-19 pandemic. Given the impacts of the COVID-19 pandemic, the following activity types eligible under the HCDA are high priorities for CDBG-CV funding: Public Services 105(a)(8); and Microenterprise Assistance 105(a)(22). Other possible activity types include, but are not limited to: Economic Development Assistance for For-Profit Business 105(a)(17); Payment of Non-Federal Share 105(a)(9); and Program Administrative Costs 105(a)(13). In accordance with the Stafford Act, non-duplication of benefits must be fully documented for all CDBG-CV assisted activities.

The State anticipates that the majority of CDBG-CV funds will be distributed directly to eligible subrecipients, including non-profit organizations providing services predominately to low/moderate-

income clientele. Activities will be funded, in whole or in part, based upon state priorities, in accordance with HUD guidance, taking into account funding constraints, unmet needs, geographic distribution of resources and applicants' organizational capacity. Vulnerable populations, such as very low-income persons, persons with limited English proficiency, and ethnic/racial minorities may receive extra consideration. Additional CDBG-CV allocations may be committed contingent upon receipt and availability of funds.

All CDBG-CV funds shall be distributed in accordance with the *Rhode Island CDBG-CV Handbook*, that shall be made available to the public at [www.ohcd.ri.gov](http://www.ohcd.ri.gov) at least five days prior to the obligation and/or distribution of any such funds. The *Rhode Island CDBG-CV Handbook* shall detail the method of distribution (including selection criteria, resource allocations, threshold factors, and grant size limits) and may be amended from time to time.

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

Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, at <http://ohcd.ri.gov/community-development/cdbg-dr/>. There are some variations due to differing regulations, the types of damages associated with either disaster, and the State's evolving experience with CDBG-DR. Both grants are subject to the same general review process and evaluation criteria, as described below.

#### Selection criteria and relative importance:

OHCD staff is responsible for verifying that each proposed project fulfills at least one CDBG national objective, and meets threshold and eligibility requirements as articulated in the request for letters of interest, application and federal regulations, and that CDBG-DR funds are the best available resource for implementation of the proposal. Proposals that meet these criteria are then evaluated by the Review Committee (the Committee). The Committee is comprised of representatives from OHCD, RIEMA, the RI Commerce Corp., the Division of Planning, the Department of Transportation, the Department of Environmental Management, the Coastal Resources Management Council, and the Governor's Office.

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

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

Given the federal requirement that 50% of the CDBG-DR funds must be used to primarily benefit

LMI persons, the Committee may review projects benefiting LMI persons separately from projects fulfilling other national objectives. Each project undergoes a competitive review by the Committee. Factors the Committee considers in evaluating proposals include, but are not limited to, the following:

- Fulfillment of low and moderate income National Objective
- Disaster recovery need in the area (neighborhood, municipality, or county) the project will affect. CDBG-DR needs assessment will be based on the most current data at the time of review of projects.
- Applicant capacity
- Ability to leverage other funding sources

#### Resource allocation by funding category:

Rhode Island has been allocated funds in Hurricane Sandy and 2010 Floods CDBG-DR Funds. Of this amount, (5%) will be set aside for administrative purposes. The balance will be awarded to units of local government, non-profit organizations serving low and moderate income (LMI) persons, or agencies of state government, through a competitive application process.

In order to ensure that program requirements, as listed in the applicable federal register notices, are met, at least 50% of CDBG-DR funds will be awarded to activities that primarily benefit low and moderate income persons. The remaining funds will be awarded to proposals that meet any of the three National Objectives, subject to other applicable grant requirements.

#### Threshold factors and grant size limits:

HUD allocated CDBG Disaster Recovery funds based on the best available impact and unmet needs data. Every activity must meet one of the CDBG national objectives: Benefiting Low and Moderate Income Persons; Preventing or Eliminating Slums or Blight; and Meeting Urgent Needs AND address an unmet need resulting from the disaster.

Eligible activities are determined primarily by applicable federal laws and regulations, and letters of interest and/or applications submitted by municipalities and non-profit organizations. The overall list of eligible CDBG activities is set forth by 42 U.S.C. 5305 and amended by applicable CDBG-DR Federal Register Notices. HUD's Environmental Review Procedures and Floodplain Management regulations, codified at 24 CFR 58 and 24 CFR 55, respectively, apply.

All units of general local government in Rhode Island are eligible to apply for CDBG-DR funds, however, a minimum of 80% of the Hurricane Sandy CDBG-DR grant funds must be expended in Washington County.

Requirements at 42 U.S.C. 5306 are waived to the extent necessary to allow a state to use its disaster recovery grant allocation directly to carry out state-administered activities. Agencies of state government and non-profit organizations serving LMI persons are generally eligible to apply

for CDBG-DR funds. OHCD reserves the right to distribute CDBG-DR funds to a State Agency, or to a direct sub-recipient of the state. Non-profit organizations serving LMI persons are eligible direct sub-recipients of Hurricane Sandy CDBG-DR funds.

Within Washington and Newport Counties, generally only projects and activities located outside of CBRS Units will be eligible for CDBG-DR funds, pursuant to HUD guidance provided March 19, 2013. Locations of CBRS Units are available on the U.S. Fish and Wildlife Service website, at <http://www.fws.gov/CBRA/Maps/Mapper.html>.

Furthermore, no activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source will be eligible, unless the activity is designed or modified to minimize harm to or within the floodplain. At a minimum, actions to minimize harm must include elevating or flood-proofing new construction and substantial improvements to one foot above the base flood elevation and otherwise acting in accordance with U.S. Executive Order 11988 and 24 CFR part 55. Threshold Criteria includes: Regulatory compliance; Feasibility; Timeliness of project implementation; unmet need and Compliance with the State's Land Use 2025 Plan.

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

Public facility and infrastructure improvements (Goal 6) – 330 persons

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

Detailed methods of distribution for the 2010 Floods and Hurricane Sandy CDBG-DR grants are available in their respective Action Plans, [at www.ohcd.ri.gov](http://www.ohcd.ri.gov). There are some variations due to differing regulations, the types of damages associated with either disaster, and the State's evolving experience with CDBG-DR. Both grants are subject to the same general review process and evaluation criteria, as described below.

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

To increase program performance and efficiency, while reducing administrative burden, the Emergency Solutions Grant (ESG) Entitlement Cities of Pawtucket, Providence, and Woonsocket have joined with the State of Rhode Island Office of Housing and Community Development, Housing Resources Commission and the Department of Human Services (in accordance with a OHCD MOA) to create the Consolidated Homeless Fund Partnership (CHFP). Herein the State of Rhode Island will be referred to as the CHF Partnership. State ESG formula allocations (\$699,115) are combined with the ESG funds allocated to entitlement communities (\$699,575) with additional state funds coming from a direct allocation to the HRC (\$3,800,000) and a pass through of social service funds from the Title XX program (\$1,272,598). In total, the CHF will have available \$6,471,288 for PY19. Note: of the \$699,115 State ESG award \$52,433 will fund administrative costs, leaving \$646,682 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:

The CHFP Partnership staff will conduct a threshold review of all applications, before forwarding them to the CHF/CoC Review Committee. The threshold review will determine the following:

- Application Completeness
- Applicant Eligibility
- Applicants Compliance with CHF/ESG Requirements

Applications found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not receive further consideration.

All applications that meet the threshold criteria listed above will be forwarded to the CHF/CoC Evaluation Committee. The review committee will thoroughly review and evaluate the applications against rating criteria, such as, but not limited to the following:

- Applicant's Proposed Service Plan (100 points)
  - Applicants plan to serve eligible populations
  - Applicants plan to provide linkages to appropriate services
  - Applicant's description of how it will assist clients with increasing income
  - Applicant's description of how it will assist with obtaining housing
  - Applicant's budget request is reasonable in comparison to similar projects, appropriate match funds are provided, administrative costs are consistent with CHF policies and procedures and do not exceed limitations.
  - Applicant's description of how it will comply with CHF/ESG Requirements
- Program Performance Data (100 points)
  - Applicant's fiscal and programmatic management.
  - Bed Utilization Rate/Units Secured
  - Average length of stay in project meets system performance standard.
  - Number of exits to positive destinations meets system performance standard.
  - Number of exits to negative destinations meets system performance standard.
  - Changes in income both earned and non-earned from program entry to exit meets system performance standard.

The CHFP Partnership reserves the right not to fund any proposal.

The Committee will recommend funding to the appropriate authorities, who will then make the grantee awards.

All Appendices and Downloadable Application Forms are available at:

<http://ohcd.ri.gov/homelessness/funds-grants.php>.

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.

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 PY18 grant funds committed for homeless assistance activities (hold harmless need amount), whichever is greater. Given these limits, on an annual basis, 60% of State ESG funds are used for shelter operations and essential services while 40% is made available for rapid re-housing.

#### Resource allocation by funding category

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

1. **Street Outreach (\$150,000 estimated available funds)** - Funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people (*"unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1)(i) of the "homeless" definition under § 576.2.*) for the purposes of connecting them with emergency shelter, housing or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. The eligible costs and requirements for essential services consist of: engagement; case management; emergency health and mental health services (***services that are typically paid for with Medicaid funds are not eligible for funding***); transportation and services for special populations.
2. **Emergency Shelter (estimated \$2,872,732 available funds)**– Funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters. Each of these are described as follows:
  - A. **Essential Services** – CHFP funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows: Case Management, Childcare, Education Services, Employment Assistance and Job Training, Outpatient Health

Services, Legal Services, Life Skills Training, Mental Health Services, Substance Abuse Treatment, Transportation and Services for Special Populations.

- B. Shelter Renovations – Eligible costs include labor, materials, tools and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a governmental entity or private nonprofit organization. However, due to the limited availability of CHFP funds, priority will be given to Essential Services and Shelter Operation activities. Applicants are encouraged to pursue other sources of funding for shelter renovation activities.
- C. Shelter Operations – Eligible costs are the costs of maintenance, including (minor or routine repairs) rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. *Applicants interested in submitting proposals to operate Harrington Hall (the 112 Bed State Shelter) owned by the State are encouraged to submit proposals for shelter operations funding.*

*Individuals and families defined as Homeless under the following categories are eligible for assistance under Emergency Shelter:*

- *Category 1-Literally Homeless*
- *Category 2-Imminent Risk of Homeless*
- *Category 3 –Homeless Under Other Federal Statutes*
- *Category 4- Fleeing/Attempting to Flee DV*

**3. Rapid Rehousing and State Rental Assistance and Voucher-Based Permanent Supportive Housing (estimated \$1,850,000 available funds) –**

- A. Rapid Rehousing Programs are designed to help those who are homeless quickly transition out of homelessness (less than 28 days after entering shelter) into permanent housing. The primary goal is to stabilize program participants in housing as quickly as possible and to provide wrap-around services after the family or individual obtains housing. Individuals or households receiving this type of assistance must have an income (s) at or below 30% of AMI. Enrollment in a rapid rehousing program should rely heavily on a guided case management plan to ensure long term stability for program participants.
- B. Rental Assistance Programs are designed to help the chronically homeless achieve housing stability. The primary goal is to address the barriers and challenges that cause individuals and families to be chronically homeless, while also working to stabilize program participants in housing through the provision of wrap around services after the family or individual obtains housing.

Rapid Re-housing and State Rental Assistance, *may be provided to program participants who meet the criteria under category (1) of the “homeless” definition in § 576.2 or who meet the criteria under category (4) of the “homeless” definition and live in an emergency shelter or other place described in category (1) of the “homeless” definition.*

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

a) Financial Assistance-

1. **Security deposits-** CHF funds may pay for a security deposit that is equal to no more than 1 months’ rent.
2. **Moving costs-**CHF funds may pay for reasonable moving costs, such as truck rental or hiring a moving company.
3. **Rent-** CHF funds may be used to provide up to 24 months of rapid rehousing and/or state rental assistance during any three-year period. Project based rental assistance is allowed, provided that the property is not owned by the Sub recipient/Contractor.
4. **Landlord Risk Mitigation Funds** – Funds to reimburse landlords for damages to a unit beyond the amounts covered by a security deposit. No more than an incidental amount should be set aside for landlord risk reduction funds.

b) Services Costs -Subject to the general restrictions under § 576.103 and § 576.104, CHF funds may be used to pay the costs of providing the following services:

1. **Housing Search and Placement/Housing Navigators** - Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
2. **Housing Stability Case Management**-CHF funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. **This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing.**
3. **Credit Repair**-CHF funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

### **C. Voucher-Based Permanent Supportive Housing/Pay for Success**

Applicants wishing to provide Permanent Supportive Housing may apply for Pay for Success Initiative Funds that will be supported through five distinct pools of resources:

- 1) [25-30] HRC permanent rental subsidies (no funding for services) available through this RFP

- 2) [25-30] matching permanent rental subsidies (excluding services) provided by the applicant
- 3) supportive services that are billable to Medicaid
- 4) private funding (procured separately from this RFP) for an additional [50-75] permanent rental subsidies
- 5) private funding (procured separately from this RFP) to cover the funding gap between what is Medicaid billable and the true cost of high-quality supportive services (including clinical and tenancy supports)

***Preliminary Criteria:***

- Applicants must be able to bill Medicaid and/or be willing to subcontract with community or behavioral health provider to bill Medicaid to offset a portion of the costs of supportive services for PSH participants.
- Applicants must be willing to match the amount of rental subsidies requested for this initiative.
- Applicants must demonstrate a track record of providing high-quality permanent supportive housing for chronically homeless and high-acuity populations—including data related housing stability of PSH participants
- Applicants must demonstrate a plan to secure [100-125] housing units over the next twelve months for PSH project participants
- Priority will be given to those applicants that propose a partnership structure amongst multiple organizations (i.e., a public housing authority, a housing provider, and a community health center) will
- Priority will be given to those applicants for which there is a partner that is an eligible provider of the ACT or IHH model

**4. Homeless Prevention Activities (estimated available funds – COVID supplemental assistance only)**

– Funds may be used to assist households at risk of losing their permanent housing, including individuals and families at imminent risk of becoming literally homeless according to HUD’s definition. Specifically, supplemental COVID-19 resources, including supplemental ESG funds, may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in 24 CFR 576.2.

Rental assistance may include related housing costs, allowable under 24 CFR 576.103, 576.105, and 576.106, such as rental arrears and utilities. ESG support for such costs shall in no instance exceed the applicable durations established by HUD. Other homeless prevention activities may include follow-up services to assist households with maintaining their housing as necessary to prevent homelessness.

The method of distribution for supplemental COVID resources may differ from the process outlined in this section. Any such differences will be made publicly available, in accordance with applicable HUD guidance.

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

#### Threshold factors and grant size limits

The CHFP will commission a Fund Distribution Review Committee to review and evaluate all proposals. Before a submitted application can be evaluated, it will first undergo a threshold review to determine:

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

All applications that meet the threshold criteria listed above will be ranked by the CHFP RFP Review Committee. Applications found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not receive further consideration. The review committee will thoroughly review and evaluate the applications against rating criteria (as described above). The CHFP reserves the right not to fund any proposal.

The eligible activities for funding, and thus the key criteria for which funding is awarded, are for use in operating or maintaining an emergency shelter, as well as essential services for the residents utilizing the shelter, for use relating to essential services for unsheltered persons, and for use in the renovation of emergency shelter facilities.

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

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

Emergency overnight shelter assistance - 3,000; homelessness prevented - 6 persons; rapid re-housing - 250 households

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

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

Yes

### **Available Grant Amounts**

See “Grant Limitations” section of provided acceptance process

### **Acceptance process of applications**

Rhode Island Section 108  
Loan Guarantee Program

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

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

### Eligible Activities

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

1. Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development activities.
2. Rehabilitation of real property owned or acquired by the entity applicant, city or town or its designated public agency.
3. Payment of interest on obligations guaranteed under the 108 Program.
4. Relocation payments and other relocation assistance.
5. Clearance, demolition and removal, including movement of structures to other sites, or building and improvements on real property acquired or rehabilitated pursuant to numbers 1 and 2 above.
6. Site preparation, including construction, reconstruction or installation of public improvements, utilities or facilities (other than buildings) related to the redevelopment or

- use of the real property acquired or rehabilitated pursuant to paragraphs and above.
7. Payment of issuance, underwriting, servicing and other costs associated with private sector financing of notes or other obligation guaranteed under this subpart.
  8. Economic development programs including acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures or other real property, equipment and improvements. Assistance may be provided to private-for-profit, and private or public nonprofit sub-recipients where assistance is appropriate to carry-out the economic development activity.
  9. Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), site improvements, and utilities, for an economic development purpose.
  10. A debt service reserve in accordance with requirements.

#### National Objectives

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

#### Application Period and Grant Limitations

- The state will accept applications throughout the year. Total state exposure will not exceed \$25 million 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 following measures for certain classes of activity (examples shown below). If a community feels an alternative measure is more appropriate, it must return justification for its assertion along with its annual contract agreement.

- Housing Rehabilitation:
  - Decent Housing - Availability/Accessibility
- Affordable housing projects/developments:

- Decent Housing - Affordability
- Neighborhood Revitalization/Facilities:
  - Suitable Living Environment - Availability/Sustainability
- Services:
  - Dependent upon nature of services.
- Job Creation Activities:
  - Economic Opportunity – Availability

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

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

No

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

Not applicable

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

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

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

HOME funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. However, applicants from these three communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity and the City can document that it has obligated all the funds it had previously budgeted for that activity. The scoring system favors communities with the lowest percentage of affordable housing units to encourage a more equitable distribution of affordable housing throughout the State. Additional HOME emergency Tenant-Based Rental Assistance Funds will be made available to tenants regardless of their home community.

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

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

NSP funding is limited to NSP Target Areas, with high foreclosure rates. A map of NSP Target Areas is available at <http://ohcd.ri.gov/community-development/nsp/documents/NSPtargetAreasMap.pdf>.

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

HTF funding is available to all communities in the state. However, priority will be given to communities who have yet to meet or exceed state requirements that at least 10% of housing stock is affordable. Only six of the state's 39 municipalities meet this threshold, though these six towns combine to contain 25% of the state's non-seasonal housing units. Geographically-based distribution criteria for HTF funds also include factors that contribute to improving or sustaining

economic opportunity for the future tenants or owners of the homes developed. These criteria include additional points for accessibility to transit, accessibility to employment centers, accessibility to high performing schools and accessibility to community services.

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

### **Rationale for the priorities for allocating investments geographically**

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

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

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

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

CDBG-DR priority to Washington County is based on the amount of damage done by the storms for

which the DR grants cover in that County relative to the rest of the state.

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

### Introduction:

In PY19, the state plans to serve a total of 3,640 households through affordable housing programs, including 1,425 homeless households (39% of total), as well as 2,215 non-homeless households (61% of total). The majority of persons served with affordable housing will be through rental assistance (85% of those served), while the remaining 15% 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)	1,425
Non-Homeless (Rest Goal 1 and 4)	2,215
Special-Needs	0
<b>Total</b>	<b>3,640</b>

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance (HCVP, NOP, HOPWA, PSH, HOME emergency TBRA Total)	3,204
The Production of New Units	70
Rehab of Existing Units	466
Acquisition of Existing Units	0
<b>Total</b>	<b>3,740</b>

### Discussion:

The state plans to fund the production or preservation of 536 low- to moderate-income homes with the resources it has available, rehabilitating 466 existing structures (either producing new

affordable options or preserving existing housing) and 70 homes constructed new (all of which will be counted as new affordable housing options). It is estimated that 21 new affordable units will be devoted to house homeless or formerly homeless households, the balance will serve non-homeless households. Though it is not a specific outcome stated as an accomplishment for Goal 1, many of the households served through the production or rehab of units for the development of affordable housing will contain special-needs populations.

All persons and households assisted through the accomplishments of Goal 2 are counted as homeless households supported in TABLE 91, as are the 21 units of rental housing for the homeless added in Goal 1. The eCon Planning Suite: Desk Guide for this section asks applicants to “not include the provision of emergency shelter, transitional shelter, or social services” to the total of households supported, thus only permanent supportive housing (PSH), HOPWA and NOP outcomes are included from Goal 2. These outcomes combine to support homeless households through rental assistance with those households assisted through the Housing Choice Voucher Program, though HCVP is combined with the outcomes of Goal 1 not directly toward homeless households to equal the number of non-homeless households supported by affordable housing in PY19.

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



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

### **Introduction:**

RIHousing, 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**

#### **2019 GOALS:**

- **Use the Housing Choice Voucher Program (HCVP) to further HUD’s Opening Doors initiative to end homelessness.** In calendar years 2016 2017 and 2018, 100% of new admissions to the HCV Program were homeless households. This preference continues to carry the highest weight and RIHousing expects to continue to serve homeless households with the majority of its HCVP resources. RIHousing adopted a new local preference two years ago for families “moving up” from Permanent Supportive Housing to the HCV Program. The “move-up” preference is part of a larger effort among RIHousing and community services providers to increase housing opportunities for homeless families and individuals. By moving families from supportive housing into the HCV Program, additional supportive housing opportunities will be created for currently homeless households. As of December 2018, RIHousing has issued 38 vouchers under these programs and continues to receive referrals from participating service providers.
- **Work with other Public Housing Authorities to more effectively meet the housing needs of all families.** RIHousing successfully opened the Centralized Waitlist Portal on December 17, 2017, with 17 agencies participating throughout the state, and plans to make efforts to encourage the remaining Rhode Island housing authorities to join the system in PY19. With the Centralized Waitlist Portal families have the option of applying for assistance throughout the state through a one-time application process.
- **Better utilize state and federal funds to provide residents with additional supports and perform better owner outreach.** Since the inception of the Housing Stabilization Specialist (HSS) program in Summer 2016, RIHousing’s HSS has assisted 90 tenants in locating units and prevented 120 potential terminations through a combination of mediation and referral services and will continue to build on these numbers in PY19 as well. They have also begun to conduct informational presentations to owner groups throughout the state about the advantages of participating in the HCV program and steps that RIHousing has taken to streamline operations.

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

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

homeownership goal.

RIHousing has served as Family Self Sufficiency (FSS) program coordinator for more than 20 years and currently has 153 participants actively enrolled in the program, of which 69% have established savings accounts. Family Self Sufficiency (FSS) enables individuals and families who receive assistance through the Housing Choice Voucher Program (HCVP) to learn the fundamentals of money management and achieve economic independence. In 2018, we had 24 families graduate from the program and disbursed over \$163,954 in Family Self Sufficiency (FSS) escrow funds. There are currently 22 families participating in the Housing Choice Homeownership Program; four of those families purchased their homes in 2018.

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

Not applicable

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

### **Introduction**

The 2012 Opening Doors Rhode Island: Plan to End Homelessness in Rhode Island guides the State's plan for homelessness alleviation and prevention. Actions in 2019 planned to address outcomes of the 2012 plan include:

- Address Veterans housing needs: The Veteran Placement Committee meets biweekly, enabling key stakeholders to coordinate on ending Veteran homelessness.
- Coordinate assessment / application process for homeless – RIHousing will continue to work with PHAs in 2019 to implement a common application process and to utilize the new universal housing waitlist (shared by RIHousing's PHA program and local PHA programs) to coordinate information regarding prioritized populations. The state's Veterans Affairs department is also looking to connect to this network of information.
- Coordinate training activities for permanent supportive housing providers – The committee will look at ways to fund training and advise providers on how to take advantages of trainings, with an emphasis on peer training.
- Increase economic security. The committee will look to develop partnerships with the Governor's Workforce Investment Board, the Department of Labor and Training.

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

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

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

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

placement and make referrals to available housing resources. RI CoC policies requires providers of permanent supportive housing to implement a low barrier approach to entering programs and receiving assistance.

The Consolidated Homeless Fund awards funding to eligible projects for street outreach, which provides essential services to unsheltered homeless persons connecting them with emergency shelter, housing or critical services. The eligible costs and requirements for essential services consist of engagement, case management, emergency health and mental health services, transportation and services for special populations.

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

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

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

Chronically homeless individuals and families have been a priority for placement into permanent supportive housing in Rhode Island for the past 4 years. This commitment has been supported by the institutionalization of the VI-SPDAT, which prioritizes housing for the homeless. The coordinated entry system is being implemented with this tool, a referral in the HMIS and with placement committees which are part of the RI Continuum of Care structure. Rhode Island is receiving technical assistance to increase placements of homeless veterans and the chronically homeless through its Zero:2016 campaign, which is a focus on the Opening Doors RI goal of ending chronic homelessness and Veteran homelessness. Rhode Island also received a HUD Section 811 rental assistance award for 150 units. These units will serve chronically homeless and homeless in institutions. RIHousing, 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.

The RICoC in PY19 has the goal of re-allocating resources from transitional supportive housing to permanent supportive housing. The CoC will provide technical assistance to the TSH providers to help transition their projects or help find other resources to maintain that housing, while also re-

allocating other resources to tenant-based rental assistance to further increase the opportunities for persons to avoid homelessness.

RI CoC placement committees are provided a list from HMIS on families and individuals ranked by longest to shortest length of stay. Referrals from the coordinated entry system prioritize those with the longest time homeless. In PY19, the Consolidated Homeless Fund will benefit from continued funding for rapid re-housing, which has been identified as the best way to reduce length of time in shelters. The CoC requires projects to eliminate entrance barriers and adopt a Housing First model.

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

### **Foster Care**

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

### **Health Care**

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

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

### **Mental Health**

An MOA between BHDDH and OHCD dictates that patients of mental health institutions are not to

be discharged into homelessness. BHDDH supports the Housing First model with PATH and SAMSHA grants for client-centered permanent housing and funds new supportive housing for people with serious mental illness and developmental disabilities through the Thresholds program (administered by RIHousing).

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

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

## **Corrections**

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

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

RI has initiated a comprehensive approach to offender reentry (established through Executive Order 04-02). This approach, facilitated with technical assistance from the National Institute of Corrections, represents the combined efforts of the Department of Corrections, the state legislature, numerous other state agencies, local governments, law enforcement and countless community agencies. The committee includes key state agencies and is divided into three tiers. The first tier, comprised mainly of cabinet-level appointees, focuses on larger policy issues. The second tier, consisting of departmental appointees and directors of community based organizations, examines management issues. The third tier, comprised of front-line worker and managers, addresses programmatic issues.

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

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

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

The state is not a HOPWA formula grantee, but the state of Rhode Island has received competitive HOPWA awards, including a \$1.98 million three-year award granted in 2016. As described in the Strategic Plan, specifically shown in TABLE 81, HOPWA contributes to Goal 2, to prevent and end homelessness in the state, and anticipates serving 50 households per year in 43 units.

In Program Year 19, year five of the current planning period, the state will support units provided in permanent housing facilities developed, leased, or operated with HOPWA funds for 36 households and units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds for 14 households. All clients residing in HOPWA supported units will receive supportive services such as case management, and life skills training as needed.

The State will utilize the additional \$221,009 received through the CARES ACT for HOPWA in PY 19 to better serve clients who may be a risk for and/or suffering from COVID 19. Specifically, these funds will be used to purchase PPE, cleaning supplies, hygiene supplies, and furniture (that is easy to clean and sanitize). Funds will also be used to purchase an 8-10 seat passenger van to transport clients to medical and social service appointments and to distribute food bank supplies to clients in need. A portion of funds will be reserved to support clients who need to be isolated, as a result of COVID, in hotel settings.

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



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

### **Introduction:**

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

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

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

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

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

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

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

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

Work with municipalities to improve incentives to develop affordable housing

Proposed legislation would create a municipal infrastructure grant program to issue grants and assistance for infrastructure projects that support job creation, housing, and community development. In 2017, legislation was passed that requires that city and town building permit fees recover no more than the cost of permitting activities during the period of normal building activity. The RI house of Representatives has also established a Low and Moderate Income Housing Commission that is assessing the status of municipal implementation of the Low and Moderate Income Housing Act and recommending changes. The Commission may generate recommendations for legislative changes to that Act in the next session. Rhode Island is actively working on accessory dwelling unit policy to serve as a source of housing development that assists disabled and elderly persons to remain close to family and community supports. A new law that took effect January 1, 2017 allows owner-occupied single family homes to construct accessory dwelling units (also known as in-law apartments) as a reasonable accommodation for family members who are 62 years old, or older, provided all other laws are followed. Prior to this legislation, municipalities could restrict the development of in-law apartments only to disabled family members. While the state considers this legislation a removal of a barrier to affordable housing, the advocacy community in PY19 will continue to work with its members and other partners to educate Rhode Islanders about their right to develop in-law apartments for elderly family members, and to ensure compliance on the part of municipalities.

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. RIHousing also

administers the Madeline Walker program, which gives the Agency the right of first refusal to purchase liens on 1-4 unit owner-occupied properties at tax sale and work with those homeowners to get on a payment plan so that they can remain in their homes.

#### Support Housing Development

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

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

### **Introduction:**

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

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

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

#### Youth aging out of foster care

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

In 2019, YESS Aftercare will serve close to 300 participants. YESS participants live in a variety of settings, with the majority (53%) living with a supportive adult. This person is typically a former foster parent, extended family member, or other positive connection that has been identified by the participant. A quarter of the participants live in their own apartments, roughly 11% live in an apartment with a roommate, and the remaining 11% live in a dormitory or some other temporary living arrangement.

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

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

- Access to financial coaching

### De-institutionalized elderly and disabled

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

Section 811 Project Rental Assistance: RIHousing was awarded \$5.6 million in 2015 to administer the Section 811 Project Rental Assistance Program for RI, a project that provides renewable project based rental assistance for five years to affordable housing projects that serve extremely low income persons with disabilities, and targets de-institutionalized elderly and disabled populations. BHDDH will – through facilitation with owners of units, award rental assistance contracts – provide case management services, transportation and employment services, support for independent living skills training, mental health services and making connections to Medicaid via these services to the eligible populations. Through June of 2019, RIHousing has approved 70 units under this program, and is in the process of executing rental assistance contracts with additional developers in PY19. In total, the Section 811 program will serve 150 households, 50 of which will be dedicated to high users of Medicaid, 50 for those in institutions ready for discharge with no housing and 50 for those who cannot sustain their housing.

Accessory dwelling units: The State has successfully advocated for the statewide accommodation for the development of accessory dwelling units (in-law apartments), on the site of single family owner-occupied dwellings, for disabled and elderly family members. Such a law prohibits municipalities from restricting in-law apartment development for this use. While the passage of these laws is an important step in allowing families to move their elderly or disabled family members to leave institutions into an affordable care setting, it is up to municipal officials (zoning boards of review, primarily) to recognize these laws. State agencies will work in PY19 to inform homeowners of their rights regarding in-law apartments and engage municipal stakeholders in the proper assessment of the law and to encourage, where applicable, the use of such in-law apartment development.

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

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

#### *Preventing homelessness*

Most of the work for re-entry is conducted through the local re-entry councils of which probation and parole staff takes the lead in creating. Homeless provider agencies and homelessness advocates participate to create the linkage between the discharge plans and the support systems in the community. They also report on-going housing issues of the re-entry population to the Chronically Homeless/High Need Individuals Committee of the Continuum of Care. Most persons

are discharged to their families in temporary situations, so DOC discharge planners ensure that the person has access to all the local information related to housing, community programs and networking activities related to housing. They work with housing outreach workers to locate affordable housing and the SOAR program to access SSI and SSDI. Targeting this population within DOC facilities helps divert many at-risk prisoners from homelessness upon release or shortly thereafter.

BHDDH operates the Transition from Prison to Community Program (TPCP), in conjunction with the Department of Corrections (DOC), the Rhode Island Parole Board. The program's substance abuse treatment providers have been working closely to assist in the transition of inmates back into their communities by providing/coordinating substance abuse services to those individuals who are eligible for parole and in need of services upon their release from the ACI. The Rhode Island Adult Drug Court has been in existence for about 12 years. Its purpose is to improve the quality of participant's lives in a timely and effective manner through substance abuse treatment, social services, and justice interventions, to help reduce the incidence of substance abuse among participants and decrease their involvement in the criminal justice system.

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

OpenDoors, a private, Providence-based social service organization that helps inmates adjust to life after their release, will continue to sponsor in PY19 a program called the "9 Yards Program" that provides subsidized housing, educational training and workforce services for six months following prison release. The program is paid for with money from the Corrections Department, the Governor's Workforce Board and the Damiano Fund. 9 Yards participants recidivated back to prison less than those that did not participate in the program. The State funding of this program contributes to its goal of preventing homelessness of recently released prisoners.

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

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

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

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

The Housing Resources Commission, as the state's planning and policy, standards and programs agency on housing issues, develops regulations for affordable housing development and promotes the implementation of the Low to Moderate Income Housing Act, which allows developers to utilize a comprehensive permitting process for housing development that includes at least 25% of units as low- to moderate-income units. Municipal participation in the programs has proven successful as many municipalities made progress toward the goal of having 10% of its housing stock affordable to low- and moderate-income households in 2018, and the pipeline of projects suggests that further progress will be made in PY19.

RIHousing will continue to utilize funds through the Federal Financing Bank, a partnership between HUD and the US Treasury to provide financing for the preservation of affordable housing, to maintain the state's stock of affordable opportunities. RIHousing estimates that loan closings in PY19 will preserve 1,000 units above and beyond preservation outcomes achieved through the 4% Low-Income Housing Tax Credits and tax-exempt bonds.

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

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

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

In PY19, RIHousing will continue to award to eligible projects portions of its \$3.4 million, three-year grant to provide healthy housing technical assistance and to remediate lead-based paint hazards in the state.

The Rhode Island Alliance for Healthy Homes will continue to advocate for better cooperation among state agencies, to educate private homeowners, and procure more funding for healthy

homes investment in 2019. The Alliance will continue to research the scope of healthy housing issues in PY19.

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

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

RIHousing will continue to administer a Family Self Sufficiency (FSS) program, which enables individuals and families who receive assistance through the Housing Choice Voucher Program (HCVP) to learn the fundamentals of money management and achieve economic independence. In PY19, there will be 153 participants actively enrolled in the program at any given time, with an estimated 22 families participating in the Housing Choice Homeownership Program.

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

The coordination of State, Federal, and private resources will improve access to housing and community development resources and focus these resources to high priority areas and initiatives. Recommendations continue to be made on how to improve the administration of programs by State agencies. Closer communication ties among agencies with housing programs are also being pursued to improve program coordination. Periodic meetings of the State agencies improve the coordination of current funding programs as well as implementation of new housing policies and programs.

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

In PY19, the Housing Resources Commission will award \$1,001,189 (source: state real estate conveyance tax) to projects that address key components of a systems development and capacity building program to meet the objectives of Opening Doors Rhode Island. Key components will include:

- A coordinated entry system for the State



- The Homeless Management Information System
- Innovate projects to meet one or more goals of Opening Doors RI

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

The Rhode Island Continuum of Care will continue to improve and formalize its institutional structure in PY19. Three full time CoC Program Representatives have been hired to better coordinate the programs serving homeless persons in the state across various governmental and nongovernmental agencies through planning and monitoring.

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

*HUD Section 811 Project Rental Assistance Program*

RIHousing, 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 Rhode Island’s strong infrastructure and supportive service system to administer the HUD Section 811 PRA Program in Rhode Island.

Systems change associated with implementation of the PRA will result in seamless communications between EOHHS, BHDDH and RIHousing; 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

RIHousing, 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. RIHousing, 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.

### **Actions Planned to Support Housing Security During COVID-19**

The mass unemployment driven by the COVID-19 pandemic has placed thousands of low- and moderate-income renters at risk of losing their housing. As of early June, the Census estimates that 32,000 Rhode Island renters were unable to pay their rent, the majority of whom earn below \$35,000 per year. Recent analysis from RIHousing found that an estimated 19,000 renter households may be at risk of being unable to pay their rent by August, when federal unemployment enhancements expire. These households rely on income from an at-risk industry, and would become severely cost burdened if the primary earner were to lose their job. On average, these households would require approximately \$500 in assistance per month to stay current on their rent payments while they are unemployed.

Rhode Island has committed \$1.5 million in ESG-CV funds and \$5.5 million in COVID-19 Relief funds to support HousingHelpRI, a new emergency rental assistance program. The program has already received over 5,700 applications. These funds are only available to those facing an immediate housing crisis on a temporary basis, but many renters will require ongoing support for the duration of their unemployment. Rhode Island proposes to allocated \$500,000 in HOME funds towards emergency tenant-based rental assistance.

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

### Emergency Solutions Grant (ESG)

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

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

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

Individuals and families who meet HUD’s definition of Homeless (as defined by HUD Homelessness Categories 1-4) or HUD’s definition of “at risk of homelessness” are eligible to receive services through CHF. Generally, these include individuals and families who are:

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

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

Program Participant Eligibility by Program Type					
Program	Category 1	Category 2	Category 3	Category 4	Category 5
Street Outreach	X				
Emergency Shelter	X	X	X	X	
Rapid Rehousing	X			X	
State Rental Assistance	X			X	
Homeless Prevention		X			X

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

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

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

### **Purpose**

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

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

### **Target Population**

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

### **Universal Assessment**

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

### **HMIS**

All CHF funded Street Outreach programs are required to enter clients in the Homeless Management Information System (HMIS) at first contact per the ESG and CoC Interim Rule (24 CFR

576 and 578). This helps to ensure coordination between service providers through the Coordinated Entry System (CES) while avoiding duplication of services and client data, and provides an opportunity to document homelessness.

### **Coordinated Entry System**

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

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

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

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

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

- **Diversion Assessment** - Any trained staff person may conduct the Diversion Interview and Assessment. If a household presents at or calls any shelter, housing, or other program and requests services to assist with a current or impending episode of homelessness, and that program has trained staff available, that program may serve as an "Assessment Entity", and will administer the Diversion Assessment upon initial contact. If the program does not have trained staff available, the program will immediately refer the household to an Assessment Entity or the Coordinating Entity and that entity will conduct or arrange the Diversion Assessment and Shelter Intake, if applicable, in person or by phone. The Assessment Entity will submit the Diversion Interview and Assessment Form and Shelter Intake Form, if applicable the Coordinating Entity.
- **Eligibility and Referral Notifications** - The Coordinating Entity will review the Diversion Interview and Assessment Form and Shelter Intake Form, if applicable, and issue an Eligibility Decision and Referral Notification indicating for which services the applicant household is eligible and making a referral for indicated services. To ensure immediate access to emergency shelter, Assessment Entities may make direct referrals to Emergency

Shelter, and Emergency Shelter programs may admit clients they determine eligible, if the client presents outside of the normal operating hours of the Coordinating Entity. In all other cases, all Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-Housing, and Permanent Supportive Housing programs may only accept referrals made by the Coordinating Entity or Universal Waitlist Committee.

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

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

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

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

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

The provision of essential services related excludes the following items:

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

Description of Essential Service Activities:

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

the acquisition of vocational licenses and/or certificates.

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

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

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

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

- Legal Services – Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.
- Life Skills Training – The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
- Mental Health Services – Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. Funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Mental health services are the application of therapeutic processes to



personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

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

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

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

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

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

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

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

- Submission of assessment forms to the Coordinating Entity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Standard (v) also requires coordination with mainstream services and housing providers for which ESG-funded activities must be coordinated and integrated to the maximum extent possible. The

Program Type descriptions on pages 36 thru 46 of the Consolidated Home Fund Policies and Procedures Manual outlines how each program, as part of intake and triage, attempt to provide households and individuals that use emergency shelters with services that match them, if possible, with other mainstream and targeted homeless services.

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

Model Eligibility/Entry Requirements -

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

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

All eligibility requirements stipulated by funders will apply.

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

Persons and families with members that have high VI-SPDAT scores

Rapid Re-Housing must meet HUD’s definitions of:

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

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

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

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

1. Literally Homeless

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

AND

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

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

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

- Housing Stabilization Plan: No household can receive (or continue to receive) any assistance related to RRH/RA funds unless they have created (and are abiding by) a Housing Stabilization Plan with their RRH/RA case manager or other authorized representative.

Financial Counseling: The CHF suggests that households receiving state rental assistance and/or Rapid Rehousing receive Financial Counseling to ensure long-term success in their supported units.

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

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

- Short-term rental assistance (3 months)

- Medium-term rental assistance (4 to 24 months)

- Security deposits

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

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

Monthly rental assistance maximum will be based on that fiscal year's fair market rent, as measured by HUD. A clause about rent reasonableness also exists: Rent Reasonableness: Agencies MUST

ensure that State Rental Assistance/RRH funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "Rent reasonableness" means that the total rent charged, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

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

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

- o Initial Request for Services - Households in need of services to resolve a housing crisis may initiate a request through the 211 Call Center or any Assessment Entity.
- o ASSESSMENT ENTITY – Any human services agency with a staff trained to complete the required assessments, may submit assessments to the Coordinating Entity on clients' behalf.
- o Diversion Assessment – The assessment explores possible housing options to avoid shelter entry and assesses the type of intervention that is most appropriate to meet a household's housing needs. It is required prior to shelter admission and submitted to the Coordinating Entity.
- o Shelter intake - If a household cannot be diverted from homelessness, the Shelter Intake assesses basic needs and captures HMIS required data elements. It is required for all shelter admissions and submitted to the Coordinating Entity. All clients placed in Emergency Shelters, with the exception of Emergency Winter Shelter, will retain their bed assignments until they exit shelter either through a planned placement or through arrangements made on their own
- o Eligibility and Referral Notifications - The Coordinating Entity reviews assessment forms and issues decisions indicating the services the applicant household is eligible for and making a referral for the indicated services.

- o Primary worker - The staff person indicated on the Diversion Assessment as having primary case management responsibility for the applicant household (e.g., a street outreach worker, a shelter/transitional/rapid re- housing case manager, a mental health/medical case manager) receives all Eligibility Decision and Referral Notifications from the Coordinating Entity and is responsible for: notifying the client, obtaining clarifying information, ensuring that the client understands the decision and next steps, providing assistance to participate in any scheduled appointments and in filing appeals. In cases in which the client has no pre-existing Primary Worker, the Assessment Entity fulfills that responsibility.
  
- o Vacancy Tracking - The Coordinating Entity will manage a centralized vacancy tracking system for all Emergency Shelter, Program Shelter, Transitional Housing, Rapid Re-housing, and Permanent Supportive Housing programs and will make referrals to appropriate vacant beds when available.
  
- o Waitlist Management – The Coordinating Entity will manage a centralized waitlist for emergency shelter, transitional housing and rapid re-housing, prioritizing households based on priorities described in the policies and procedures. The Universal Waitlist Committee will manage a centralized wait list for all Permanent Supportive Housing. Households that have been continuously, literally homeless for the longest period of time will be prioritized for permanent supportive housing placement. Scores on the Vulnerability Index will be used as an additional filter to determine waitlist placement.
  
- o Next Step Assessments and Family SPDAT or VI -SPDAT- Next Step Assessments and the Family SPDAT or VI-SPDAT will be used to determine the intervention necessary to resolve homelessness for any household that remains literally homeless. Next Step Assessments will continue to occur and be submitted to the Coordinating Entity at specified intervals, until the household is placed in permanent housing or otherwise resolves their homelessness.
  
- o Program Admissions –Emergency Shelter programs may admit clients they determine eligible outside of business hours. In all other cases, programs may only accept clients referred via the Statewide Coordinated Access System. Receiving Programs may only decline households under limited circumstances, such as, there is no actual vacancy available, the household presents with more people than referred, or, based on their individual program policies and procedures, the program has determined that the household cannot be safely accommodate. The Coordinating Entity will review the determination and issue another referral or schedule a case conference.
  
- o Case Conferences – When needed, the Coordinating Entity will convene a case conference to resolve barriers to the client receiving the indicated level of service. The Coordinating Entity may also require a case conference to review and determine next steps when a homeless household refuses to engage in a housing plan or otherwise take steps to resolve their homelessness.



o Appeals: All clients shall have the right to appeal eligibility determinations issued by either the Coordinating Entity or any Receiving Program.

o Those experiencing or at risk of domestic violence/abuse When a homeless or at-risk household is identified by 211 or an Assessment Entity to be in need of domestic violence services, that household will be referred to the 24 Hour Domestic Violence Helpline. If the household does not wish to seek or is not able to obtain DV specific services, the household will have full access to the Statewide Coordinated Access System.

#### BOARD DECISIONS

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

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

### **Reference 24 CFR 91.220(l)(1)**

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

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

**Total Program Income - Zero**

### **Other CDBG Requirements**

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

**Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. – This Annual Action Plan is part of the three-year overall benefit period of 2017, 2018, and 2019.**

## **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 of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

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

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

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

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

HOME funds will not be used for this purpose.

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

**Introduction**

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

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

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

***Part I***

**Qualifying the New Buyer**

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

his/her/their principal residence during the HOME Period of Affordability. The State conducts annual monitoring to ensure this requirement is met.

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

**Part II**

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

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

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

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

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

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

"Capital Improvements" are elements that may add to the value of the unit or prolong its useful life, are of function and quality consistent with comparable affordable housing units, and are owned solely by the owner (not part of any common areas). Maintenance is not considered a capital improvement. Improvements that are funded by federal, state or local grant programs are not eligible. Some examples of capital improvements include the replacement of non-operational heating or hot water systems, installation of energy-efficient windows, adding insulation to the home, additions such as a bedroom, bathroom or garage, accessibility improvements such as bathroom modifications or wheelchair ramps, and outdoor improvements such as a paved driveway, retaining wall or fence. The value of the capital improvement for the fair return on investment formula will be the actual costs of the improvements as documented by the homeowner's receipts. Determination of eligible capital improvements to be included in the fair return on investment formula will be at the discretion of Rhode Island Housing.

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

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

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

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

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

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

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

### ***Part III***

#### **Continued Affordability**

The State is obligated to ensure that the owners of HOME-assisted units receive a Fair Return on Investment and that the unit(s) remain affordable to a range of income eligible households upon resale. To maintain continued affordability, the State will target subsequent purchase to households earning 70- 80% of the Area Median Income, spending no more than 30 percent (30%) of gross household income on fixed housing costs (principal, interest, property taxes, condominium fees, if applicable, and insurance), assuming current interest rates offered for a 30-year, fixed rate loan and a down payment of 3.5%. Rhode Island Housing maintains a purchase price calculator (<https://www.rihousing.com/sp.cfm?pageid=571>) that will be used to determine the home's affordability to households earning between 70-80% AMI.

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

### ***Part IV***

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

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

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

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

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

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

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

In HOME-assisted homebuyer projects, the affordability restrictions imposed may be suspended upon foreclosure, transfer in lieu of foreclosure, or assignment of an FHA mortgage to HUD. The Period of Affordability will be reinstated if, during the original Period of Affordability, the owner of record prior to the termination event, obtains an ownership interest in the housing. To preserve affordability, Rhode Island Housing will attempt to prevent foreclosure or utilize its rights to identify an eligible buyer to purchase the housing and assume the existing HOME responsibilities. Affordability must be preserved by a subsequent purchase at a reasonable price by a qualified low-income homebuyer who will use the property as their principal residence and who agrees to the remainder of the Period of Affordability. If this does not occur, repayment of the entire HOME investment by Rhode Island Housing is required.

**d. Subordination**

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

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

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



## Explanations of Resale Scenarios and Examples

### Example of Calculating Fair Return on Investment

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

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

## **Various Equity Scenarios, Explanations**

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

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

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

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

### *Scenario 3 – Resale of home yields no Equity*

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

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

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

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

## **Appendix: Public Comments Received**

Refer to *ES-05 Executive Summary* for a summary of comments and responses.