

Rhode Island Housing and Mortgage Finance Corporation
44 Washington Street
Providence, Rhode Island 02903

PUBLIC NOTICE OF PROPOSED RULEMAKING

Pursuant to the provisions of title 42, chapter 55, section 5 of the Rhode Island General Laws and in accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-3(a)(1), the Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) hereby gives notice of its intend to amend the Rules and Regulations of the Corporation Applicable to the Rental Housing Capital Improvement Program.

The purpose of this amendment is to broaden the scope of the Program to provide loan funding for capital improvements to rental housing developments financed or funded by Rhode Island Housing.

The proposed amended regulation and concise summary of non-technical amendments are available for public inspection in person at Rhode Island Housing, 44 Washington Street, Providence, Rhode Island 02903; by telephone request to Carol Ventura, Director of Development, at (401) 457-1129, or by email to cventura@rhodeislandhousing.org.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication or overlap was identified based on available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by April 30, 2014 to Carol Ventura, Director of Development, 44 Washington Street, Providence, Rhode Island 02903, cventura@rhodeislandhousing.org. A public hearing to consider the proposed amendment shall be held on May 2, 2014 at 9:00 AM at 44 Washington Street, Providence, Rhode Island 02903 at which time and place all persons interested therein will be heard. All are welcome at Rhode Island Housing. If any reasonable accommodation is needed to ensure equal access, service or participation, please contact Marilena DiCristofano by telephone at (401) 457-1135 or by email to mdiscristofano@rhodeislandhousing.org at least three (3) business days prior to the hearing.

Richard Godfrey
Executive Director

Rhode Island Housing and Mortgage Finance Corporation
44 Washington Street
Providence, Rhode Island 02903

**CONCISE SUMMARY OF PROPOSED NON-TECHNICAL AMENDMENTS TO
RULES AND REGULATIONS OF THE CORPORATION APPLICABLE TO THE
RENTAL HOUSING CAPITAL IMPROVEMENT PROGRAM**

The following is a concise summary of proposed non-technical amendments, provided in accordance with the Administrative Procedures Act, Section 42-35-3(a)(1) of the Rhode Island General Laws:

1. The regulation has been amended throughout to remove references to “RIH” and substitute “Rhode Island Housing” therefor.
2. Section 1 of the regulation is amended to express the expansion of the Program to include other types of developments financed or funded by Rhode Island Housing.
3. Section 3.1 is amended to specify additional types of Eligible Properties that may apply for Program funding.
4. Section 3.3 is amended to include “the needs of the development” as an additional evaluation criterion.
5. Section 4.1 is amended to clarify the potential requirement for a Capital Needs Assessment.
6. Section 4.3 is amended to clarify the possible loan terms.
7. Section 5.1 is amended to clarify the reference to the Rules and Regulations.

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION
RULES AND REGULATIONS OF THE CORPORATION
APPLICABLE TO THE RENTAL HOUSING CAPITAL IMPROVEMENT
PROGRAM

SECTION 1: PROGRAM PURPOSES

1.1 Program Purposes and Objectives. Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”), hereby promulgates Rules and Regulations (the “Regulations”) applicable to the Rental Housing Capital Improvement Program (“RHCIP”). The primary purpose of the RHCIP is to fund necessary capital improvement work in Rhode Island Housing financed developments including but not limited to: Housing Tax Credit (HTC) developments and HOME Program funded rental developments.

SECTION 2: CONSTRUCTION OF RULES AND REGULATIONS

2.1 Definitions. As used in these Regulations:

2.2.1 “Act” means the Rhode Island Housing and Mortgage Finance Corporation Act more particularly set forth in Chapter 55 of Title 42 of the Rhode Island General Laws of 1956 as amended.

2.2.2 “Board of Commissioners” or “Board” means the Board of Commissioners of Rhode Island Housing.

2.2.3 “Rhode Island Housing” means Rhode Island Housing and Mortgage Finance Corporation, a public corporation organized and existing under the Act.

2.2.4 “Development” means a site or an entire building, or two or more buildings, together with the site or sites on which the building or buildings are located, that are under common ownership, management, and were financed through Rhode Island Housing.

SECTION 3: ALLOCATION OF FUNDS

3.1 Eligible Properties. Eligibility for RHCIP funds is limited to properties financed and/or funded through Rhode Island Housing. Funds will be made available both for critical maintenance items as well as aesthetic improvements that can improve the quality of life for residents. Owners must be in good standing with Rhode Island Housing in order to apply for funds.

~~3.2 Inspection Process. On a monthly basis, all housing developments financed with LIHTCs are inspected by Corporation staff for compliance with all applicable rules and regulations. Reports are issued monthly and identify all physical conditions that need addressing. Upon implementation of the RHCIP program, these reports will highlight the necessary work and require a written plan for addressing these items from the management agent within 90 days of receipt of the report. If a management agent does not provide a written plan within the time frame, RHH will hold the management fee until such time that there is an acceptable plan in place. It is anticipated that management agents will establish plans to address the work but will not always be able to identify resources for carrying the plan out. In these situations, the owner will be encouraged to apply for RHCIP funds.~~

3.2 Application Requirements: Applications will be accepted on a rolling basis. Management agents/owners will be eligible to apply to RHCIP only when a plan has been formulated and approved by Rhode Island Housing. The application must include: general information about the property and the owner, a description of the proposed scope of work, identification and evidence of other funding where applicable, and terms of the assistance required.

3.3 Application Awards: Rhode Island Housing will make the determination of how much funding, if any, the development shall receive. Funds will be allocated based on the needs of the development, soundness of the rehabilitation plan, the availability of other sources to fund the necessary work and the severity of the disrepair, among other factors.

SECTION 4. PROGRAM ADMINISTRATION

4.1 Scope of Work. Rhode Island Housing staff will work with the owner to determine that the scope of work outlined in the application phase is comprehensive and addresses all necessary work. Staff may require a Capital Needs Assessment to be conducted.

4.2 Contracting. The owner may be required to bid out the scope of work to a minimum of three qualified bidders.

4.3 Funding Terms. Funds will be available in the form of a loan, either amortizing or deferred. Exceptions may be made depending on the ability of the development to support additional debt. ~~The applicant will request funds and the Corporation will make a determination of the terms on a case by case basis.~~

4.3 Release of Funds. Funds will be distributed to contractors as work is completed and approved by Rhode Island Housing staff or a third party.

SECTION 5. MISCELLANEOUS

5.1 Monitoring. To ensure compliance with these Rules and Regulations, Rhode Island Housing will conduct site visits and inspections and may require reports and information to document compliance with these Rules and Regulations.

5.2 Modification of Proposals. In awarding funds to eligible applicants, Rhode Island Housing reserves the right to modify, amend, or reduce funding or the scope of activities as proposed in the application.

5.3 Additional Requirements. Rhode Island Housing reserves the right to supplement any of the foregoing guidelines and requirements from time to time by Program Bulletin.