

RHODE ISLAND HOUSING AND
MORTGAGE FINANCE CORPORATION

RULES AND REGULATIONS OF THE CORPORATION GOVERNING CAPITAL FUND GRANTS
FOR EMERGENCY SHELTERS

SECTION 1. PROGRAM PURPOSES

1.1 Purposes of Program. Rhode Island Housing and Mortgage Finance Corporation recognizes a compelling need to provide safe and decent residential shelter to homeless, abused, battered and neglected persons of this State. The Corporation also recognizes that many Rhode Island shelters need repairs, renovations and improvements, and that without financial assistance, such shelters may be hard pressed to provide temporary shelter, food and other vital services to such persons. The corporation further recognizes that the number of homeless persons in this State is growing, and that more shelters may be needed in the future. The Capital Fund Grant Program was therefore established by the Corporation to provide direct grants to Eligible Shelters for any one or more of the following purposes:

- (i) The making of Capital Improvements to Existing Shelter Facilities;
- (ii) The purchase of Capital Equipment for use in or in connection with an Eligible Shelter; and
- (iii) Such other uses as the Board of Commissioners may from time to time authorize that are specifically stated in the Notice of Granting Cycle.

SECTION 2. DEFINITIONS

As used in these rules and regulations:

- 2.1.1 "Act" means the Housing and Mortgage Finance Corporation Act set forth in Chapter 55 of Title 42 of the Rhode Island General Laws of 1956, as amended.
- 2.1.2 "Application" means an application submitted by an Eligible Shelter to the Corporation for a Capital Fund Grant. Applications for Capital Fund Grants must satisfy the requirements of Section 3.2 of these Rules and Regulations.
- 2.1.3 "Board of Commissioners" means the Board of Commissioners of the Corporation.
- 2.1.4 "Capital Equipment" means equipment or fixtures used or to be used by an Eligible Shelter solely for the benefit of its clients. Capital Equipment may include, by way of example, kitchen fixtures and equipment, bed frames, box springs and mattresses, bathroom fixtures and equipment, heating and cooling equipment, and such other fixtures and equipment as the Board of Commissioners may from time to time deem appropriate; provided, however, that Capital Equipment shall not, in any event, include materials and supplies of a non-capital nature.
- 2.1.5 "Capital Fund Grant" means a grant by the Corporation to an Eligible Shelter, the proceeds of which shall be used for the purchase of Capital Equipment or for Capital Improvements or improvements to an Existing Shelter Facility or, if permitted by the Board of Commissioners in the Notice of Granting Cycle (hereinafter defined), for the construction of New Shelter Facilities.
- 2.1.6 "Capital Improvements" shall mean those repairs, renovations or improvements of a substantial nature but shall not include ordinary and necessary repairs or maintenance.
- 2.1.7 "Corporation" means Rhode Island Housing and Mortgage Finance Corporation, a public corporation organized and existing under the Act.
- 2.1.8 "DCYF" means the Rhode Island Department For Children, Youth and Families, an agency of the State of Rhode Island.

- 2.1.9 "DHS" means the Rhode Island Department of Human Services, an agency of the State of Rhode Island.
- 2.1.10 "Eligible Shelter" means an entity or organization located in the State of Rhode Island which provides onsite temporary emergency residential shelter to homeless, abused, battered or neglected individuals which is currently receiving or has, within twelve (12) calendar months prior to the date of receipt of the Application by the Corporation, received operating funds from DHS or DCYF. The Corporation shall maintain a list of the names and addresses of Eligible Shelters at its principal office.
- 2.1.11 "Eligible Shelter Owner" means the owner, lessee or sublessee of an Existing Shelter Facility which also (i) is an Eligible Shelter or (ii) controls and Eligible Shelter. An Eligible Shelter Owner must be a corporation or other entity or organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, which has received a determination letter to that effect from the Internal Revenue Service and must be exempt from taxation under the laws of the State of Rhode Island.
- 2.1.12 "Existing Shelter Facility" means the physical buildings and property used by an Eligible Shelter for shelter purposes which is in existence as of the date of a Notice of Granting Cycle.
- 2.1.13 "New Shelter Facility" means a new facility to be constructed, or real estate with existing improvements not previously used for shelter purposes, which is to be owned in fee by an Eligible Shelter Owner, which shall be located in the State of Rhode Island and which shall serve Rhode Island shelter clients. Capital Fund Grants may be awarded to Eligible Shelter Owners for the acquisition or construction of New Shelter Facilities only if the Notice of Granting Cycle specifically states that Capital Fund Grants to be awarded pursuant to such cycle may be used for such purpose.
- 2.1.14 "Proposal" means a proposal for a Capital Fund Grant set forth in the Application.

SECTION 3. APPLICATION PROCEDURE AND REVIEW PROCEDURE

3.1 Procedure of the Corporation; Notice of Granting Cycle. The Board of Commissioners may, at such times as it deems appropriate, establish a granting cycle or cycles for the purpose of awarding Capital Fund Grants. Upon the establishment of a granting cycle, the Corporation shall deliver written notice (the "Notice of Granting Cycle") to each Eligible Shelter (at its address on file with the Corporation) at least forty-five (45) days prior to the deadline established for the submission of Proposals for such granting cycle. The Notice of Granting Cycle shall state:

- (i) The purpose or purposes for which Capital Fund Grants may be used for such granting cycle;
- (ii) The Corporation's deadline for receipt of Applications for such granting cycle; and
- (iii) Such other terms, conditions and requirements, consistent with these rules and regulations, that the Board of Commissioners deems appropriate.

Applications may be reviewed by staff of the Corporation not more than thirty (30) days after the established deadline for submission. Applications shall thereafter be granted or denied funding by the Board of Commissioners at its regularly scheduled meeting after completion of staff review of all Applications for such cycle. During the review period, staff may contact and meet with an Eligible Shelter Owner for the purpose of clarifying an Application or for obtaining further information not contained in the Application.

An Eligible Shelter may withdraw its Application at any time, but no Applications, shall be amended in whole or in part without the prior written approval of the Corporation.

3.2 Contents of Application. Eligible Shelters seeking a Capital Fund Grant shall submit to the Corporation one (1) original Application together with three (3) copies thereof. Applications shall be

on forms approved by the Corporation, and shall contain the following information together with such other information as the Corporation may from time to time require as set forth in the Notice of Granting Cycle:

- (i) The name, address and telephone number of the Eligible Shelter and the Eligible Shelter Owner together with the name of the individual(s) designated to correspond and communicate with the Corporation in connection with the Application and Proposal;
- (ii) A copy of the determination letter to the Eligible Shelter Owner under Section 501(c)(3) of the Internal Revenue Code, as amended;
- (iii) Certified copies of the organizational documents of the Eligible Shelter Owner such as its Articles of Incorporation and by-laws, declaration of trust, if any, and partnership agreement, if any, together with all amendments thereto and such other organizational documents as may be required by the Corporation from time to time;
- (iv) Certified copies of resolutions of the Board of Directors or other managing body of the Eligible Shelter Owner authorizing the Proposal and submission of the Application;
- (v) A copy of the budget for the Proposal which clearly sets forth the manner in which the Capital Fund Grant proceeds requested will be allocated, the purchase price and name of names of any supplier of Capital Equipment proposed to be purchased and a schedule pursuant to which Capital Fund Grant installments will be requested by the Eligible Shelter;
- (vi) A copy of the most recently available audited annual financial statements of the Eligible Shelter Owner prepared in accordance with generally accepted accounting principles consistently applied and duly certified by a licensed certified public accountant;
- (vii) A statement from the Eligible Shelter Owner as to the manner in which the Proposal, if funded, will assist the Eligible Shelter in better serving the clients of the Eligible Shelter;
- (viii) A statement from the Eligible Shelter Owner as to the manner in which the Proposal comports with the long terms capital needs of the Eligible Shelter;
- (ix) Evidence of receipt by the Eligible Shelter of operating funds from DHS or DCYF within twelve (12) months prior to receipt of the Application by the Corporation; and
- (x) With respect to an Proposal for Capital Improvements to an Existing Shelter Facility or for the construction of a New Shelter Facility (if authorized in the Notice of Granting Cycle):
 - (a) Copies of the plans and specifications for such Proposal and evidence that plans and specifications will conform to applicable codes and ordinances;
 - (b) Copies of all deeds and leases to, and mortgages and other encumbrances on, the premises upon which Capital Improvements are to be made or New shelter Facilities are or will be constructed together with copies of all necessary consents and approvals of third parties; and
 - (c) Copies of all bids of contractors submitted in connection with the Proposal. (Each Eligible Shelter shall submit not less than three (3) different bids signed by licensed contractors in connection with any Proposal for Capital Improvements or construction work in general.)

The Corporation reserves the right to waive any of the foregoing requirements and to reject incomplete, insufficient or inadequate Applications at its sole option and discretion.

3.3 Selection Criteria.

The Board of Commissioners shall consider the following criteria, in addition to any recommendations of staff, in determining whether to award a Capital Fund Grant to an Eligible Shelter that has submitted an Application:

- (i) The need to make Capital Improvements to an Existing Shelter Facility for the health, safety and well being of the clients of the Eligible Shelter.
- (ii) The need to make an Eligible Shelter more efficient on a cost/benefit basis in meeting the needs of its clients.
- (iii) The need to expand an Eligible Shelter or to create New Shelter Facilities to accommodate a larger client base.

3.4 Capital Fund Grant Agreement.

If the Application is approved by the Board of Commissioners, the Eligible Shelter Owner shall enter into a Capital Fund Grant Agreement with the Corporation prior to disbursement of Capital Fund Grant proceeds. With respect to Capital Fund Grants for Capital Improvements or for the acquisition or construction of New Shelter Facilities, such Agreement shall provide for disbursements in the form of progress payments which shall be made only upon the satisfaction and fulfillment of certain conditions by the Eligible Shelter Owner. Any Capital Fund Grant Agreement may also require the Eligible Shelter Owner to maintain casualty and liability insurance on the Existing Shelter Facilities or New Shelter Facilities in such amounts as the Corporation deems necessary, and may require the Eligible shelter Owner to hold the Corporation harmless from and against any and all liabilities and claims arising out of any capital Fund Grant project. Any Capital Fund Grant Agreement may also contain such other terms and conditions as the Corporation may in its sole discretion determine including, without limitation, (i) prohibitions against changing the use of an Existing Shelter Facility or New Shelter Facility for a stated period of time, (ii) regular reporting requirement to the Corporation, and (iii) the imposition of penalties and/or legal or equitable remedies available to the Corporation against any Eligible Shelter Owner that has violated the terms and conditions of its Capital Fund Agreement.

SECTION 4. MISCELLANEOUS

4.1 Notice.

Notice of a Granting Cycle shall be deemed delivered to an Eligible Shelter when deposited in the United States mails or with an express courier, with postage thereon, addressed to such Eligible Shelter at its address on file with the Corporation.

4.2 Receipt of Applications.

Applications shall be deemed received by the Corporation when stamp-dated "Received" by the Corporation. To be eligible for consideration, Applications must be received by the Corporation not later than 5:00 p.m. on the date established as the deadline in the Notice of Granting Cycle.

4.3 Notice of Address Change.

Each Eligible Shelter Owner shall notify the Corporation in writing of any change of address of each Eligible Shelter owned, leased or subleased by such Eligible Shelter Owner.

4.4 Maximum Grant Amount.

The maximum Capital Fund Grant amount awarded shall not exceed One Hundred Thousand Dollars (\$100,000) in any one granting cycle for each Existing or New Shelter Facility. Each Existing or New Shelter Facility shall not receive another Capital Fund Grant within twelve (12) months after the execution and delivery of a Capital Fund Grant Agreement with the Corporation.

4.5 Advertisements, Promotions, etc.

The Corporation may from time to time make reference to and use information regarding Eligible Shelters and Eligible Shelter Owners in advertisements, brochures, newspaper articles, periodicals

and in other promotional materials in connection with the Capital Fund Grant program established pursuant to these Rules and Regulations.

4.6 Applicability.

These Rules and Regulations shall apply to all Applications for Capital Fund Grants received by the Corporation in accordance with these Rules and Regulations.