

**MINUTES OF MEETING
OF THE
BOARD OF COMMISSIONERS**

A regular meeting of the Rhode Island Housing and Mortgage Finance Corporation Board of Commissioners was held on Thursday, March 21, 2013 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were: Chairman James DeRentis; Vice Chairwoman Denise Barge; Louis DeQuattro, designee for Paul McGreevy, Director of Department of Business Regulation; Chris Feisthamel, designee for General Treasurer Gina Raimondo; Steven Costantino, designee for Richard Licht, Director of Administration; Paul Dimeo and Jose Monteiro.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Susan Bodington, Deputy Director; Robert Wickey, Deputy Director/CFO; Kara Lachapelle, Director of Finance and Technology; Cathleen Paniccia, Director of Homeownership; Carol Ventura, Director of Development; Leslie McKnight, Director of Servicing; and Carlos Hernandez, Director of Resident Services.

Steven Richard, Counsel to the Corporation was also present, as were members of the public.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation and at the first floor bulletin board in the State House.

Chairman DeRentis called the meeting to order at approximately 8:30 a.m.

Approval of Minutes of Board Meeting Held on February 21, 2013

Upon a motion made by Commissioner Barge and seconded by Commissioner Dimeo the following was approved with 3 votes in favor, none opposed, and one abstention by Commissioner Feisthamel.

VOTED: That the Minutes of the Board Meeting held on February 21, 2013 hereby are approved.

Chairman's Report

The Chairman announced that after 22 years of service, Susan Bodington, Deputy Director for Programs is retiring at the end on March. Chairman DeRentis extended Rhode Island Housing's Board and staff's gratitude to Ms. Bodington for her support and dedication to Rhode Island Housing's goals and mission.

He also recognized and commended Ms. Bodnigton for her numerous contributions throughout the years in working with the State's homeless, the General Assembly and various community, state and municipal agencies.

Commissioner DeQuattro arrived at this point of the meeting at approximately 8:35 a.m.

Chairman DeRentis notified the Board that the Governor has submitted for approval, the re-appointment to the board of Joe Monteiro and the appointment of Andrew Cortes as a replacement for Denise Barge. Commissioner Barge has served the Board since April 2001 and declined when asked to serve a 4th term

Andrew Cortes is the Director of Building Futures whose mission is to meet the needs of the construction industry in Rhode Island through both the pre-apprenticeship program and the adoption of innovative policies and practices within the employer and construction user community.

With sincere appreciation, Mr. Godfrey and Chairman DeRentis acknowledged Commissioner Barge's numerous contributions during the many years she served on Rhode Island Housing's Board.

Commissioner Barge thanked Mr. Godfrey, Chairman DeRentis, the board and Rhode Island Housing for the opportunity of serving on Rhode Island Housing's Board of Commissioners.

Committee Reports

There were no committee meetings held during February.

Executive Director's Review of Recent Activities and Trends

Mr. Godfrey referred the Commissioners to his written report which included numerous attachments and briefly commented on several topics of interest.

Commissioner Monteiro arrived at this point of the meeting at approximately 8:38 a.m.

Mr. Godfrey announced that as previously stated, due to current inefficiencies in the bond market, Rhode Island Housing must adopt new ways of funding single - family mortgage lending activities. Rhode Island Housing is moving expeditiously to enter the mortgage backed securities ("MBS") market for funding single-family loans. While new to Rhode Island Housing, the national MBS market is very well developed with daily trading volume in excess of \$300 billion. Staff is working strategically and efficiently to implement the new initiatives.

Richard Godfrey, Amy Rainone and Peter Walsh participated in NCSHA's annual legislative conference in Washington, D.C. They met with each member of the Rhode Island delegation to discuss federal priorities for the year. Rhode Island's delegation remains deeply committed to supporting the programs and resources that are important to Rhode Island Housing but they remain frustrated on how to advance our goals given the wide political divide that exists in Washington.

Sequestration cuts officially went into effect on March 1 reducing federal funding by \$85 billion which translates into an about 5% across-the-board cut for most non-defense discretionary programs. Mr. Godfrey anticipates that Rhode Island will see about \$15 million in cuts to housing programs as a result of sequestration. On March 4, HUD's Secretary Donovan sent Governor Chafee a letter describing some of the impacts these cuts will have on HOME, homeless programs, housing for persons living with HIV/AIDS and tenant based vouchers. Rhode Island Housing's senior staff expects additional guidance from HUD on how these cuts will be implemented in the coming weeks.

Commissioner Costantino arrived at this point of the meeting at approximately 8:43 a.m.

Convening of the Section 8 Committee

Upon a motion made by Commissioner Barge and seconded by Commissioner DeQuattro the Board unanimously adopted a motion to convene a meeting of the Section 8 Committee of the Board of Commissioners to consider approval of the Annual PHA Plan and approval of the Family Self Sufficiency (FSS) Action Plan. Chairman DeRentis introduced and welcomed Ayisha Ravello, a resident participant of the certificate and voucher program administered by Rhode Island Housing in its role as a Public Housing Authority as the Resident Member of the Section 8 Committee.

Approval of the Annual PHA Plan

Mr. Godfrey presented this request.

Rhode Island Housing acts as a Public Housing Authority (PHA) with respect to its administration of the Section 8 tenant-based subsidy program. In accordance with section 5121 of the Quality Housing and Work Responsibility Act of 1998, Rhode Island Housing must adopt an annual PHA Plan for the Section 8 tenant-based program which establishes goals and objectives to meet the jurisdiction's housing needs. The Agency Plan includes Rhode Island Housing's strategies to achieve objectives in the areas of expanding the supply of assisted housing, promoting family self-sufficiency and ensuring equal opportunity in housing.

In order to comply with the requirements for the Quality Housing and Work Responsibility Act, program participants were randomly selected to review the plan, a public hearing was held and a forty-five day public comment period was scheduled. A review was done by our development staff to ensure consistency with the State's comprehensive plan. The PHA Annual Plan must be approved by the Board of Commissioners, and be forwarded to the Department of Housing and Urban Development.

Attachment B sets forth the components of the Streamlined Annual Plan for Fiscal Year 2013. The Plan, in its entirety, is available for review at Rhode Island Housing in the Resident Services Division Section 8 Department.

Staff recommends that the attached Resolution authorizing the adoption of the PHA Annual Plan substantially in the form as presented at the meeting be approved.

Upon a motion made by Commissioner Barge and seconded by Commissioner Dimeo the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS, Rhode Island Housing, in its capacity as a Public Housing Authority is required to adopt the PHA Annual Plan for the Section 8 Tenant-Based program to comply with section 511 of the Quality Housing and Work Responsibility Act of 1998.

RESOLVED, Rhode Island Housing, in its capacity as a Public Housing Authority, be and hereby is authorized to adopt the PHA Annual Plan for the Section 8 Tenant-Based Program substantially in the form as presented to comply with the requirements of the Quality Housing and Work Responsibility Act of 1998.

Approval of Family Self Sufficiency (FSS) Action Plan

Mr. Godfrey made this presentation, with additional comments provided by Mr. Hernandez, Director of Resident Services.

Rhode Island Housing acts as a Public Housing Authority (PHA) with respect to its administration of the Section 8 tenant-based subsidy program. In accordance with section 511 of the Quality Housing and Work Responsibility Act of 1998, Rhode Island Housing must adopt a Family Self Sufficiency (FSS) Action Plan for the Section 8 Family Self Sufficiency Program which establishes goals and objectives for the participants.

The FSS Action Plan includes Rhode Island Housing's strategies to coordinate the use of assistance under the Housing Choice Voucher Program (HCVP) with public and private resources to enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, and make progress towards economic independence and self sufficiency.

The FSS Action Plan must be approved by the Board of Commissioners.

Staff recommends that the Board of Commissioners adopt the attached Resolution. Attachment B is the FSS Action Plan.

Upon a motion made by Commissioner DeQuattro and seconded by Commissioner Barge the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS, Rhode Island Housing, in its capacity as a Public Housing Authority is required to adopt the FSS Action Plan for the Section 8 Tenant-Based program to comply with section 511 of the Quality Housing and Work responsibility Act of 1998.

RESOLVED, Rhode Island Housing, in its capacity as a Public Housing Authority, be and hereby is authorized to adopt the FSS Action Plan for the Section 8 Tenant –Based Program, substantially in the form as presented to the Commissioners, to comply with the requirements of the Quality Housing and Work Responsibility Act of 1998.

Upon a motion by Commissioner Barge and seconded by Commissioner DeQuattro, the Section 8 Committee adjourned at 8:49 a.m. and Chairman DeRentis reconvened the full Board in open session.

Approval of HOME Funds Awards

Susan Bodington, Deputy Director, announced that in accordance with an Advisory Opinion from the Ethics Commission, Mr. Godfrey did not participate in the review and recommendation of the HOME proposals since Mr. Godfrey's wife is the Executive Director of SWAP, one of the applicants for funding. Commissioner Barge represented the Board during the review of the proposals.

Carol Ventura, Director of Development, made these presentations. After the presentation, Ms. Ventura introduced representatives of two applicants; Nancy Whit of PCDC and Bert Cooper of Community Works who provided PowerPoint presentations on their respective projects.

Rhode Island Housing has administered the HOME Investment Partnerships Program since 1992. Rhode Island Housing expects to execute a grant agreement with the United States Department of Housing and Urban Development (HUD) for FY 2013 HOME Program funds. Assuming level funding, Rhode Island Housing anticipates an award of approximately \$3,000,000 of which \$2,700,000 would be available to fund proposals.

In anticipation of an award of HOME funds for FY 2013, Rhode Island Housing issued a Request for Proposal in December, 2012. Rhode Island Housing received 36 proposals requesting \$9 million in HOME funds in response to the RFP. All applications were reviewed by staff. Additional information was requested where necessary, and staff conducted site visits of selected proposals. In accordance with procedures adopted by the Board of Commissioners, the Executive Director did not participate in the review or consideration of any of the applications since his spouse is the Executive Director of one of the agencies seeking funding.

Following this review, all applications were rated based upon the scoring system in the Second Amendment of the Rules and Regulations of the HOME Program as adopted by the Board on May 19, 2005. All eligible applications were submitted to the HOME Program Advisory Committee for review. The Committee convened on February 26, 2013, and recommends

seventeen (17) proposals for HOME funding. These recommendations will commit \$2,697,269 of FY 2013 HOME Program funds and Program Income.

Sixteen of the recommended applications were submitted by nonprofit organizations. Six of the nonprofit organizations are designated as Community Housing Development Organizations (CHDOs). The proposed project sites are located in the following communities: Central Falls, Pawtucket, Providence, Tiverton, Wakefield, Westerly and Woonsocket. HOME regulations require that all of the funded homes be occupied by families and individuals with incomes not exceeding 80% of the area median and that 90% of the rental apartments be occupied by tenants with incomes not exceeding 60% of the area median. In this round, 59 HOME-assisted apartments will serve families and individuals with incomes not exceeding 50% of area median income.

A total of \$2,697,269 is recommended to be committed at this time. This amount will directly fund 73 rental and homeownership opportunities. The recommended developments will produce an additional 136 affordable homes that are not HOME-assisted.

With the approval of these proposals, 99% of FY 2013 HOME project funds will be committed. These recommendations increase the commitment of HOME Program funds since 1992 to \$86,826,375 to produce 4,305 affordable homes in 583 developments.

The attached resolution authorizing the allocation of \$2,697,269 in HOME funds is recommended for approval, contingent on the availability of funding and subject to completion of a subsidy layering review, environmental review in accordance with requirements at 24 CFR Part 58, and compliance with HOME Program regulations.

A brief discussion followed the presentations with Ms. Ventura answering the Commissioners' questions regarding HOME allocations and how potential cuts from sequestration impact the projects.

Upon a motion made by Commissioner DeQuattro and seconded by Commissioner Barge the following resolution was unanimously approved:

**Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") expects to enter into an agreement with the U.S. Department of Housing and Urban Development to administer the HOME Program and;

WHEREAS: Rhode Island Housing anticipates authorization to disburse approximately \$3,000,000 in Federal Fiscal Year 2013 HOME funds to eligible entities in order to create affordable housing opportunities, and;

WHEREAS: The applicants listed in Attachment B as presented at this meeting have submitted applications which meet the requirements of the HOME Program and;

WHEREAS: Staff of Rhode Island Housing and the HOME Program Advisory Committee have reviewed each of the eligible applications submitted and the Advisory Committee has recommended that HOME funds be committed to the proposals listed in Attachment B as presented at this meeting.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That Rhode Island Housing commit \$2,697,269 in Fiscal Year 2013 HOME program funds and program income, in accordance with the program description as approved by the United States Department of Housing and Urban Development, to the proposals as recommended by the HOME Program Advisory Committee in Attachment B.

RESOLVED: That any Deputy Director and the Director of Development, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

RESOLVED: That the foregoing resolution is subject to receipt of sufficient HOME funding from the U.S. Department of Housing and Urban Development.

Approval of Neighborhood Opportunity Program (NOP) Funding Awards

Susan Bodington, Deputy Director, and Carol Ventura, Director of Development, made this presentation. In accordance with an Advisory Opinion from the Ethics Commission, Mr. Godfrey did not participate in the review and recommendation of the NOP proposals since SWAP's Executive Director is Mr. Godfrey's wife.

The Neighborhood Opportunities Program (NOP) was, from its inception in 2001 until FY 2011, a state-funded program of the Housing Resources Commission. NOP has provided the gap funding necessary for the development and operation of housing for very low-income families and for homeless and disabled individuals and households requiring supportive services. The FY 2012 state budget required Rhode Island Housing to provide funding for NOP. For FY 2013 Rhode Island has budgeted \$1,300,000 for NOP.

In response to a Request for Proposals that was issued in December, 2012, Rhode Island Housing received sixteen proposals requesting \$3,779,127 in operating subsidy. All applications were reviewed by staff. Additional information was requested where necessary.

Rhode Island Housing requested that the NOP subcommittee of the Housing Resources Commission serve as a community advisory committee in the review of applications. The committee convened on March 5, 2013, and recommends six proposals for NOP operating

subsidies totaling \$1,300,000. This award will provide funding for twelve new NOP units and will extend affordability of seventeen existing NOP units for an additional ten years.

The proposed project sites are located in the following communities: Coventry, Jamestown, Johnston, North Kingstown, Pawtucket, and West Warwick. In this round, twenty-nine NOP-assisted apartments will serve families and individuals with household incomes not exceeding 40% of State median income, including twenty homeless and disabled adults and nine families.

The attached resolution authorizing the allocation of \$1,300,000 for NOP funds is recommended for approval.

Upon a motion made by Commissioner Dimeo and seconded by Commissioner Barge the following was approved with 6 votes in favor, none opposed, and one abstention by Commissioner Feisthamel.

**Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS: Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) has agreed to fund and administer the Neighborhood Opportunities Program (NOP) for FY 2013 and;

WHEREAS: Rhode Island Housing has budgeted \$1,300,000 in FY 2013 agency funds to award to eligible entities under NOP in order to create affordable housing opportunities for very low-income individuals and families, and;

WHEREAS: Rhode Island Housing received sixteen applications for NOP funding in response to a Request for Proposals which have been reviewed by Rhode Island Housing staff and the NOP Subcommittee of the Housing Resources Commission to determine their eligibility for NOP funding; and

WHEREAS: Rhode Island Housing staff and the Housing Resources Commission NOP Subcommittee have recommended that NOP funds be committed to the proposals listed in Attachment A as presented at this meeting.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That Rhode Island Housing commit \$1,300,000 to the proposals identified in Attachment A subject to the availability of funding, and;

RESOLVED: That the Executive Director, any Deputy Director and the Director of Development, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution.

Approval of Temporary Appointment of Division Directors to Deputy Directors

Mr. Godfrey gave this presentation.

This Request for Action (“RFA”) seeks authorization for the Executive Director to appoint any Division Director to serve temporarily as a Deputy Director for the purpose of executing and delivering any contracts or instruments which may be entered into by a Deputy Director and/or approving or carrying out any corporate action which may be approved or carried out by a Deputy Director under the Rhode Island Housing by-laws or any resolution of the Board of Commissioners.

To address an increase in staff requests for executive signatures and approvals, the Board of Commissioners in 2007 updated corporate signatory authority to permit the Chairman, Executive Director (or his or her designee) and any Deputy Director, each acting singly, to execute instruments and agreements involving HUD programs (e.g., grant applications and agreements, agreements with housing sponsors), instruments regarding loan programs (e.g., granting and discharging of loans, execution of use and regulatory agreements), and the like. Numerous other resolutions of the Board authorize actions to be carried out or approved exclusively by the Executive Director or any Deputy Director.

In light of Susan Bodington’s upcoming retirement, and to ease the potential burden on executive staff during the transition period, staff recommends that the Executive Director be authorized to appoint any Division Director to serve temporarily as a Deputy Director for the purpose of carrying out the above-described actions.

The attached resolution authorizing the Executive Director to appoint any Division Director to serve temporarily as Deputy Director is recommended for approval.

Upon a motion made by Commissioner Costantino and seconded by Commissioner DeQuattro the following resolution was unanimously approved:

**Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation**

WHEREAS, The Board of Commissioners has, by resolution dated August 9, 2007, authorized the Chairman, Executive Director (or his or her designee) and any Deputy Director, each acting single, to execute and deliver any and all agreements, contracts, certificates, loan commitments, discharges, amendments, or other instruments of any type in the name of and on behalf of Rhode Island Housing, in furtherance of any actions by Rhode Island Housing authorized by the Board of Commissioners; and

WHEREAS, The Board of Commissioners has, in numerous instances, by resolution, authorized the Executive Director and any Deputy Director, exclusively, to approve or carry out actions in the name of and on behalf of Rhode Island Housing; and

WHEREAS, Rhode Island Housing anticipates a temporary vacancy in one of two Deputy Director positions as of the end of March, 2013;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, That, until such time as the Deputy Director vacancy created by the retirement of Susan Bodington has been filled or the position reconstituted, the Executive Director be and hereby is authorized, empowered and directed to appoint from time to time any Division Director to serve temporarily as Deputy Director for the purpose of executing and delivering any and all agreements, contracts, certificates, loan commitments, discharges, amendments, or other instruments of any type in the name of and on behalf of Rhode Island Housing, in furtherance of any actions by Rhode Island Housing authorized from time to time by the Board of Commissioners;

RESOLVED, That, until such time as the Deputy Director vacancy created by the retirement of Susan Bodington has been filled or the position reconstituted, the Executive Director be and hereby is authorized, empowered and directed to appoint from time to time any Division Director to serve temporarily as Deputy Director for the purpose of approving or carrying out any corporate action that a Deputy Director is authorized to approve or carry out in the by-laws of Rhode Island Housing or pursuant to any action by the Board of Commissioners;

RESOLVED, That the Chairman, the Executive Director (or his or her designee) and any Deputy Director (or Acting Deputy Director), each acting singly, be and hereby is authorized, empowered and directed to take any and all such further actions as each may deem necessary, convenient or advisable, in such officer's sole discretions, to carry out the foregoing Resolution.

There being no further business to discuss, a motion was duly made by Commissioner Dimeo and seconded by Commissioner DeQuattro to adjourn the open meeting at approximately at 9:26 a.m.

Respectfully submitted,

Richard Godfrey
Secretary and Executive Director