

Draft

**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, October 16, 2014 at 8:30 a.m. at the Offices of the Corporation, 44 Washington Street, Providence, RI.

Commissioners in attendance were Chairman Andrew L. Cortés; Paul McGreevy, Director of Department of Business Regulation; Steven Hartford, Director of Business Administration (arrived at 8:34); Andrew Roos designee for General Treasurer Gina Raimondo and Stephen P. McAllister. Joe Monteiro and James DeRentis were absent.

Also in attendance were: Richard Godfrey, Executive Director; Carol Ventura, Deputy Director; Gayle Corrigan, Deputy Director; Kara Lachapelle, Director of Finance; Leslie McKnight, Director of Servicing; Carlos Hernandez, Director of Resident Services; Peter Walsh, Director of Homeownership and Customer Service and Michael Milito, Deputy Assistant Director.

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

Approval of Minutes of Board Meeting Held on September 18, 2014

Upon unanimous consent by the Board, the following was approved:

VOTED: That the Minutes of the Board Meeting held on September 18, 2014 be and hereby are approved.

Chairman's Report

Chairman Cortés did not have anything to report.

Committee Reports

Chairman Cortés noted that an Audit Committee meeting was held on September 18, 2014 and asked Commissioner Roos, as Chair of the Committee, to provide a brief overview of the meeting.

Commissioner Roos reported that Steve Geremia, of LGC&D discussed the scope of the audit and the results of audit procedures performed. The review work is substantially complete. Rhode Island Housing will receive an unqualified opinion on the financial statements. There were no material weaknesses in internal controls to be reported. After review by the Auditor General, the financial statements will be finalized by September 30 for submission to the state. Mr. Geremia also reported the results of the A-133 single audit. Three major grant programs were tested and again no material noncompliance or material weaknesses in internal controls were found in the programs.

The Committee discussed some GASB amendments that affected the financial statements for FY 2014. The biggest effect is seen in the deferred bond issuance costs, which are now required to be recognized in the year the bond is closed. This change resulted in a restatement of the beginning net position for FY 2014.

Upon a motion made by Commissioner McAllister and seconded by Commissioner McGreevy, the minutes of the Audit and Budget Committee and acceptance of the audit were approved.

Chairman Cortés also noted that the Management and Budget Committee met on October 10, 2014. The Committee considered the following matters: the proposed program budget for FY 2015; a request from HUD for reimbursement of funds paid to the Urban League for Safe Haven; and the requirements of the new Quasi-Public Accountability Act. Copies of the minutes of the Management and Budget Committee had been previously distributed to the Commissioners.

Upon a motion made by Commissioner Roos and seconded by Commissioner McGreevy the minutes of the Management and Budget Committee were unanimously accepted as presented.

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

Approval of FY 2015 Program Budget

Chairman Cortes gave this presentation.

At the June 19, 2014 meeting, the Board approved \$5.5 million for programs as part of the overall FY 2015 budget approval. At that time, staff had not completed a final recommendation as to allocation of those funds.

At the Board meeting of September 18, 2014, a proposed program budget was distributed to Board members and the Board referred the proposed program budget to the Management and Budget Committee for initial consideration. The Management and Budget Committee met on October 10, 2014 to review the proposed program budget and unanimously approved the proposal as presented. A memo to Board outlining the proposed program budget is was set forth as Attachment 1. The Minutes of the Management and Budget Committee Meeting were attached as Attachment 2.

As was done in FY 2014, staff will review Rhode Island Housing's financial situation at the end of the third quarter and may propose additional program allocations if funds permit. In FY 2014, additional funds were used for capital improvements to facilities for people who are homeless or at risk of becoming homeless, capital improvements to preserve and restore affordable homes and to pay for rental assistance.

Upon a motion made by Commissioner McAllister and seconded by Commissioner McGreevy, the following resolution was unanimously adopted.

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

WHEREAS: At a meeting of June 19, 2014, the Board of Commissioners adopted an overall budget for the fiscal year 2015 which included a proposed Program Budget of \$5.5 million; and

WHEREAS: The Management and Budget Committee has reviewed and approved the program budget set forth in Attachment 1.

NOW, THEREFORE IT IS HEREBY:

RESOLVED: That the Rhode Island Housing Program Budget for FY 2015 as set forth on Attachment 1 is hereby approved.

RESOLVED: The Executive Director, or his designee, is authorized to take any actions he deems necessary and the best interests of Rhode Island Housing to carry out the foregoing resolution.

Executive Director's Review of Recent Activities and Trends

Mr. Godfrey referred the Commissioners to his written report and briefly commented on a few topics of interest.

Mr. Godfrey reported that HUD Secretary Julian Castro visited Rhode Island on October 10 to see how HUD's programs are being put to work in Rhode Island and learn more about the housing challenges facing our state, particularly the rapidly growing Latino population. Mr. Godfrey also participated in a program at Roger Williams University in which HousingWorks Rhode Island and the Latino Progress Institute shared with the Secretary and members of the Congressional Delegation information on the disproportionate housing cost burdens Latinos experience in Rhode Island and very low homeownership rate of this growing population. Mr. Godfrey noted that Rhode Island Housing has seen a significant increase in minority homebuyers in the past year, and he discussed with Secretary Castor the continuing need for HUD's support of low-downpayment options for low and moderate-income homebuyers.

Mr. Godfrey noted that on October 14, members of the Congressional delegation and representatives of the US Department of Agriculture joined Rhode Island Housing, Cathedral Development Group, Inc. and community partners to celebrate the renovation and preservation of Deerfield Apartments in North Smithfield, which has 80 affordable rental homes for seniors. Originally developed in three phases in the early 1990s, the property has undergone a dramatic transformation thanks to renovation work both inside and outside. Deerfield Apartments was recently refinanced in order to make \$1.4 million in improvements and to preserve its affordability for 40 years.

HousingWorks RI released its 10th annual Housing Fact Book at a luncheon on October 3. The Fact Book analyzes housing costs, household income, and the economic impact of housing cost burdens over the last decade. The 2014 Housing Fact Book Luncheon featured Gubernatorial candidates: Treasurer Gina Raimondo and Cranston Mayor Allan Fung. Each responded to a series of questions regarding their positions on housing issues in the state. Rhode Island Housing was recognized as a founding partner of HousingWorks RI.

Mr. Godfrey also shared information about several upcoming ribbon-cuttings events in Westerly and Providence. These are all excellent opportunities to raise awareness of the important housing needs facing our state with current and future elected officials, and Rhode Island Housing's role in helping to address those needs.

Mr. Godfrey noted that Rhode Island Housing has submitted the application for the state for Zero 2016 funding. Zero 2016 is a national campaign to end chronic homelessness among veterans by December 2015 and to end chronic homelessness by December 2016. The campaign is being led by the same group that organized the 100,000 Homes Campaign in recent years. At its last meeting, the CoC decided to apply to participate in the campaign. The application was due at the end of September.

Mr. Godfrey commented on the letter from HUD requesting reimbursement of up to 3 years of grant funds provided to the Urban League of Rhode Island for the Safe Haven program. Rhode Island Housing has been given an opportunity to provide additional information regarding these disbursements to demonstrate that the payments were proper. Mr. Godfrey noted that staff is preparing a response to HUD and assembling the requested additional information, and that we expect the ultimate reimbursement will be significantly less than the initial request.

A brief discussion followed. The Commissioners asked that the Board be advised of any communications that Rhode Island Housing receives from HUD. Commissioner Hartford also asked that Rhode Island Housing consider the Department of Administration as a valuable resource, especially the office of Grants Management, which would be happy to serve as HUD's third party reviewer for future disbursements.

Chairman Cortés thanked Commissioner Hartford for his offer of assistance. He noted that Rhode Island Housing is in the process of exploring various options and alternate viable solutions to address HUD's concerns, and he assured the Board that they would be kept apprised of developments.

Commissioner Roos asked for an update on the Bureau of Audit report action items. Mr. Godfrey stated that Rhode Island Housing has completed the Governance Charter and a number of the other recommendations were in process or completed. Chairman Cortés expressed his approval of the progress.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Roos, the Executive Director’s Report was approved as presented.

Approval of 2015 Qualified Allocation Plan (QAP)

Mr. Godfrey gave this presentation.

At the May 15, 2014 meeting, the Rhode Island Housing Board of Commissioners preliminarily approved and authorized publication of Rhode Island Housing’s intent to adopt the 2015 Qualified Allocation Plan (the “Plan”) governing the allocation of Housing Tax Credits. Rhode Island Housing published notice of the public hearing and draft Plan on our website on May 30. In addition, notice was posted in the Providence Journal on June 2.

A public hearing on the proposed Plan was held at the offices of Rhode Island Housing on Tuesday, July 8, 2014. Susan Aitcheson, President of Women’s Development Corporation (“WDC”), attended the meeting. Written comments were received from Susan Aitcheson; Jennifer Hawkins, Associate Executive Director of Olneyville Housing Corporation; Jim Reed, Executive Director of the Housing Authority of the City of Newport; Barbara Sokoloff of Barbara Sokoloff Associates, Inc.; Stephen Vadnais, Executive Director of the Pawtucket Housing Authority and Deron Lovaas of the Urban Solutions Group of the Natural Resources Defense Council.

Staff has proposed additional changes to the Plan based upon some of the public comments received from our partners. These changes seek to amplify and explain our goals and procedures.

Section II.A	Funding Round schedule
Section III.A.1	Development Team Capacity
Section III.B	Scoring Criteria – Rhode Island based firms and apprenticeships
Section III.B	Scoring Criteria – KeepSpace
Section III.C.1, 4, 8	Scoring Assessment Criteria

An external committee (the “Committee”) was formed to solicit feedback on the proposed scoring system and to develop the 2015 Qualified Allocation Plan. A meeting of the Committee was held on August 28, 2014 to finalize the scoring and to incorporate comments received during the public comment period. The Committee meeting members included: Joseph Garlick, Executive Director of NeighborWorks Blackstone River Valley; Sharon Wells, Executive Director of West Elmwood Housing Development Corporation; Barbara Sokoloff of Barbara

Sokoloff Associates; Jeanne Cola, Executive Director of LISC; and Andrew Cortes, Chairman of the Board of Commissioners.

The changes proposed to the approved Draft Qualification Allocation Plan include modifying the funding round schedule to provide an opportunity for a meeting with our partners to review the new application and scoring criteria. In addition, definitions of terms were incorporated into the Plan and points for MBWE utilization and registered apprenticeship programs were incorporated in the scoring system. Staff will conduct a public informational meeting to present the new application forms and scoring system to interested developers on October 14, 2014.

The Plan will become effective upon (i) final approval by the Board of Commissioners of the Plan; (ii) approval by the Governor; and (iii) 20 days after filing with the Secretary of State.

Chairman Cortés thanked Ms. Ventura, Deputy Director for the extensive work done on this year’s Plan that enabled an open and transparent review process.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Roos the following resolution was unanimously adopted in the form presented to the meeting, which the Final Qualified Allocation Plan is attached as part of the October 16, 2014 board package.

**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 been designated by the Governor as the Principal Housing Agency and Tax Credit Allocation Agency for the State of Rhode Island (the “State”);

WHEREAS, The Revenue Reconciliation Act of 1989, as amended, requires tax credit allocating agencies to allocate low-income housing tax credits according to a Qualified Allocation Plan (the “Plan”);

WHEREAS, The Plan must establish priorities and criteria for allocating the tax credits that best meet the housing needs of residents of the State of Rhode Island and must be adopted pursuant to a public hearing and comment period; and

WHEREAS, Housing needs for the State of Rhode Island have been established pursuant to the Rhode Island Consolidated Plan: 2010 – 2015 and are incorporated into the 2015 Qualified Allocation Plan.

NOW, THEREFORE, BE IT:

RESOLVED: That Rhode Island Housing adopt the attached 2015 Qualified Allocation Plan for the State of Rhode Island, and hereby recommends the Plan be approved and endorsed by the Governor of the State of Rhode Island and Providence Plantations.

RESOLVED: That Rhode Island Housing develop and distribute a Request for Proposals (RFP) soliciting applications for 2015 Housing Tax Credits pursuant to the Plan.

Approval of Transfer of Physical Assets (TPA) for Meadowbrook Apartments

Mr. Godfrey made this presentation.

Meadowbrook Apartments I (the “Development”) is a family development with 47 affordable apartments in South Kingstown. The Development was originally financed in 1996 under the low income housing tax credit program and utilized financing from Rhode Island Housing. The Development contains 17 two-bedroom and 30 three-bedroom apartments. All apartments are affordable under the tax credit program and are restricted as such until 2028.

The owner of the development is Meadowbrook Apartments Limited Partnership (“MALP”). The current general partner of MALP is Property Advisory Group (“PAG”), an affiliate of CDG, which owns 1% of the partnership. The original investor limited partner in the Development was SunAmerica Housing Fund 401 (“SunAmerica”), which held a 99% limited partner interest.

The initial tax credit compliance period for the Development expired at the end of 2013. Accordingly, the financial benefits of the tax credits and depreciation losses have been substantially realized by the original tax credit investor. The general partner of the development is an affiliate of Cathedral Development Group (“CDG” or the “Developer”). CDG has requested Rhode Island Housing’s approval of the transfer of the limited partner interest. The proposed replacement limited partner is CDG Meadowbrook, LLC, an affiliate of the Developer.

This TPA request involves two changes: 1) the sale of the original investor limited partner to a new limited partner, and 2) a change from an ownership structure in which the general partner owns 1% and the limited partner 99% of the partnership interest, to one in which the general partner will own 20% and the limited partner 80% of the partnership interest.

SunAmerica and CDG have negotiated a purchase price of \$50,000 for the limited partner interest and submitted a Purchase and Sales Agreement as part of the TPA request. In addition, CDG submitted the following documents for Rhode Island Housing’s approval:

- Assignment and Assumption Agreement
- Fourth Amendment to the Amended and Restated Agreement and Certificate of Limited Partnership of Meadowbrook Apartments Limited Partnership
- Articles of Organization of the new Limited Partner
- Second Amended and Restated Agreement of Limited Partnership of Meadowbrook Apartments Limited Partnership. This document, to which the withdrawing limited

partner is not a party, provides for the change in the holding of the partnership interest to 20% general partner and 80% limited partner.

Rhode Island Housing's Development Division has had meetings with the developer to discuss post year 15 operations and potential refinancing of the Development. At the June 2014 Board of Commissioners meeting, the Board gave Preliminary Approval to a refinancing of the Development. As part of the refinancing transaction, the borrower was asked to provide a Capital Needs Assessment to determine the overall physical condition of the site and buildings to inform the scope of work. The Development continues to provide safe and affordable housing for families in South Kingstown.

Staff has reviewed the request under the Rules and Regulations Governing Proposed Prepayments or Transfers and has determined that the proposed transaction complies with these requirements. The Loan Servicing division has determined that the Development has no outstanding capital improvement needs and has adequate reserves on hand to meet anticipated future maintenance needs. The management team for the property remains unchanged. Finally, since the loan documents and regulatory agreements associated with the recent preservation refinance will remain in place, the development will continue to be affordable to low and moderate-income persons as originally structured.

Upon a motion made by Commissioner McGreevy and seconded by Commissioner Roos, the following resolution was unanimously adopted:

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

RESOLVED: That the transfer of the limited partner interest in Meadowbrook Apartments Limited Partnership by SunAmerica Housing Fund 401, to CDG Meadowbrook, LLC and the change in ownership percentages to be 20% General Partner interest and 80% Limited Partner interest be, and hereby is, approved, subject to the following terms and conditions::

1. Receipt by the Corporation of all application materials required in Phases 2 and 3 of the Regulations Governing Proposed Prepayments and Transfers, with the exception of such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and the protection of the interests of the Corporation.
2. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of the Corporation with respect to the Development.
3. Final Approval by Rhode Island Housing of the documentation associated with the transfer of limited partnership interest and the change in ownership percentages.

RESOLVED: That the Executive Director, and any Deputy Director, each acting singly, be and hereby is authorized to execute and deliver on behalf of the Corporation all documents necessary or advisable to consummate such transfer and to take such further actions as he or she shall deem necessary of advisable in connection therewith.

Approval of HOME Funds Awards

Mr. Godfrey along with Carol Ventura, Deputy Director, made this presentation.

Rhode Island Housing has administered the HOME Investment Partnerships Program, an initiative of the United States Department of Housing and Urban Development (HUD) since 1992. The funds allocated to Rhode Island Housing for the HOME Program in Fiscal Year 2014 total \$3,017,887, with \$2,565,205 available for new proposals.

In anticipation of the award of HOME funds for FY 2014, Rhode Island Housing issued a Request for Proposals in December, 2013. Rhode Island Housing received 26 proposals requesting \$7.6 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.

Following this review, all applications were rated based upon the scoring system in the Third Amendment of the Rules and Regulations of the HOME Program as adopted by the Board of Commissioners on December 21, 2006. In addition, staff considered the requirements for HOME funding issued by HUD in its 2013 Final HOME Rule. These impose new contractual deadlines and stipulate that applicants have all other funding sources committed when applying for HOME project funds.

Of the 26 proposals submitted, thirteen (13) indicated that the Rhode Island Housing HOME Program was either the only source from which they were seeking project funds or that all other funds had been previously committed. These thirteen were considered by the HOME Program Advisory Committee on April 22, 2014, after which the Committee recommended four (4) for funding. The Rhode Island Housing Board of Commissioners awarded a total of \$542,539 to these four (4) projects at its May 15, 2014 meeting, an amount that will directly fund 21 rental and two homeownership opportunities and produce an additional 42 affordable homes that are not HOME-assisted

The HOME Advisory Committee reconvened on September 17, 2014 to consider a second funding round for proposals not receiving awards in May. The Advisory Committee recommends funding six (6) proposals for a total commitment of \$2,129,500.00. All six applications were submitted by nonprofit organizations, three of which are designated Community Housing Development Organizations (CHDOs). The \$2,129,500 recommended commitment will directly fund 43 HOME units and support the development of an additional

102 affordable homes that are not HOME-assisted. The proposed sites are Tiverton, Burrillville, Providence, Exeter and North Kingstown.

With the approval of these six recommended proposals, 100% of FY 2014 HOME project funds will be committed. The recommendations increase Rhode Island Housing's total HOME commitment since 1992 to \$89,464,414 for production of 4,473 affordable homes in 593 developments.

The attached resolution authorizing the allocation of \$2,129,500 in HOME funds is recommended for approval, contingent on the availability of funding and subject to completion of environmental reviews in accordance with requirements at 24 CFR Part 58, and compliance with HOME Program regulations.

Representatives from the proposed recipients were present and available to respond to questions from the Commissioners.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Hartford, the following resolution was 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") will 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 \$3,017,887 in Federal Fiscal Year 2014 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 \$2,129,500 in Fiscal Year 2014 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 the Executive Director or any Deputy Director is hereby 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 Amendments to the Rhode Island Housing PHA Administrative Plan

Mr. Godfrey presented this request.

Rhode Island Housing operates several federal housing programs, one of which is the Section 8 Housing Choice Voucher Program (the "HCV Program" or "Program"). The HCV Program offers rental subsidies to help income-qualifying families, senior citizens and disabled individuals afford safe, healthy homes of their choosing. Rhode Island Housing serves as a Public Housing Authority ("PHA") in a number of Rhode Island communities. In that capacity Rhode Island Housing makes subsidy payments directly to landlords on behalf of participating families, and the families pay the difference between the rent charged by their landlords and the amounts subsidized by the Program. Rhode Island Housing's operation of the HCV Program is governed by an internal Administrative Plan (the "Plan"), developed as required by federal regulation.

In connection with Rhode Island Housing's ongoing efforts to reduce administrative burdens on Program participants and adopt best practices in the administration of the Program, staff recently undertook a review of the Plan. The Plan currently in effect was adopted by the Rhode Island Housing Board of Commissioners by resolution dated June 16, 2011 and has not been formally updated since.

As a result of this review, staff identified several areas in which the Plan should be updated to reflect current best practices and reduce administrative burden on Program participants and administrators. These areas include the Plan's general tenant selection preferences and procedures regarding PHA selection of Project Based Voucher developments, as well as the Agency's interim recertification policy.

Staff has proposed a series of amendments, summarized below, to the Administrative Plan to ensure that the Plan reflects current practice and complies with applicable HUD requirements.

- Chapter 4 has been revised to better assist chronically homeless individuals per HUD notice PIH 2013-15. In addition, several preferences that were found to cause an undue administrative burden regarding verification were removed.
- Chapter 4 has been revised to the methods the PHA will use when selecting families from the waiting list to participate in the voucher program by a random selection process (lottery).

- Chapter 11 has been revised to remove the policy prohibiting interim certifications. This will better allow administration of the Program funds on behalf of eligible families.
- Chapter 17 has been revised to reflect the methods the PHA will use when selecting developments to participate in the Project based voucher program, and sets forth the new advertising methods the Rhode Island Housing will use to notify interested parties that a Request for Proposal (RFP) has been issued.

The proposed amendments to the Plan are consistent with Rhode Island Housing's Annual Plan, which will be reviewed by the Board of Commissioners and HUD. These amendments will become effective upon approval and adoption by the Rhode Island Housing Board of Commissioners.

Upon a motion made by Commissioner McGreevy and seconded by Commissioner Hartford, the following resolution was unanimously adopted:

**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 been designated by the United States Department of Housing and Urban Development ("HUD") as a Public Housing Authority ("PHA") in connection with the Section 8 Housing Choice Voucher Program (the "HCV Program");

WHEREAS: Part 982.54 of Title 24 of the Code of Federal Regulations requires each PHA to administer its HCV Program according to an Administrative Plan (the "Plan");

WHEREAS: The Plan must establish local policies for administration of the program in accordance with HUD requirements and must be adopted by the PHA Board of Commissioners; and

WHEREAS: Staff has established the need to revise portions of the Administrative Plan to conform to HUD requirements and reduce administrative burdens on Program participants and staff;

NOW, THEREFORE, BE IT:

RESOLVED: That Rhode Island Housing hereby approves and adopts the amendments to the Rhode Island Housing Administrative Plan substantially in the form presented at this meeting.

Approval of Engagement of Housing Quality Standards (HQS) Inspection Services Provider

Mr. Godfrey delivered this presentation.

This Request for Action is for authority to engage Nan McKay & Associates, Inc. to provide Housing Quality Standards (“HQS”) inspection services in accordance with the guidelines established by the Department of Housing and Urban Development (“HUD”) for the Housing Choice Voucher Program (“HCVP”).

In July, Rhode Island Housing issued a Request for Proposals (RFP) seeking bids from qualified vendors to perform Housing Quality Standards (“HQS”) inspection services for the Housing Choice Voucher Program (“HCVP”). HCVP is a federal program through which Rhode Island Housing provides assistance to qualified individuals and families renting privately owned housing units in certain Rhode Island communities.

HUD regulations require that housing units receiving assistance must be inspected to ensure that they meet HQS guidelines to be eligible for a subsidy. The RFP sought bids from qualified firms to conduct these inspections.

The RFP required that the successful bidder maintain a staff level and managerial resources adequate to handle the volume of HQS inspection activity associated with Rhode Island Housing’s ACC, which is estimated to be 2,700 initial, annual/biennial and specials inspections and re-inspections annually. The inspectors performing services for the successful bidder must possess and maintain the necessary skill and judgment to perform all the duties and responsibilities customarily associated with performing HQS inspections and documenting such inspections. All inspectors must have Housing Quality Standards certifications, a valid driver’s license and the use of an automobile for work purposes.

Two firms responded to the RFP. The RFP Review Committee, comprised of Rhode Island Housing staff, reviewed the proposals and evaluated them against the selection factors set forth in the RFP; cost, quality of services, customer service and capacity.

Based on the anticipated level of inspection services and the evaluation factors, the Committee recommends that Nan McKay and Associates, Inc. be engaged to provide HQS inspections as needed to Rhode Island Housing. The proposed fee schedule for these services is set forth in Attachment C.

The attached resolution authorizing the engagement of HQS inspection services firm identified in Attachment B is recommended for approval.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Roos, the following resolution was unanimously adopted:

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

Whereas: Rhode Island Housing administers the Housing Choice Voucher Program (“HCVP”) which provides rental assistance on behalf of eligible tenants living in privately-owned apartments which meet HUD Housing Quality Standards (“HQS”) in various communities around the state; and

Whereas: Rhode Island Housing issued a Request for Proposals from qualified firms to provide HQS inspection services; and

Whereas: Staff of Rhode Island Housing have reviewed each of the submitted proposals and recommend engaging the firm of Nan McKay and Associates, Inc. to provide HQS inspection services.

Now, therefore, it is hereby

Resolved: That Rhode Island Housing is authorized to engage the firm of Nan McKay and Associates, Inc. to provide HQS inspection services for a period of two years to provide HQS inspection services.

Resolved: That the Executive Director, any Deputy Director and the Director of Resident Services, each acting singly, is authorized to negotiate and execute any and all contracts, agreements and other documents on such terms and conditions that he or she deems necessary and in the best interest of Rhode Island Housing to carry out the foregoing resolution.

**Approval of Engagement of Communications and Public Information Services
Consultant**

Mr. Godfrey presented this request.

Periodically Rhode Island Housing solicits proposals for communications and public information services as needed in support of its mission. In accordance with established practice of the Board of Commissioners, Rhode Island Housing issued a Request for Proposals (RFP) in August 2014. The RFP notice was listed on the Rhode Island Housing website and the website maintained by the RI Division of Purchasing of the Department of Administration. In addition, the RFP was sent by email to 47 public information and communication agencies in Rhode Island.

Rhode Island Housing received proposals from ten (10) agencies.

The responding agencies were:

- (add)ventures

- Basics Group, Inc.
- DK Communications
- Fish Advertising
- HCC Marketing, Inc.
- LNG13
- Ninedot
- Ninigret Partners + BGP Strategies
- RDW Group, Inc.
- Worldways Social Marketing

A Communications Services Review Committee (Review Committee) composed of staff, our Deputy Directors and the Executive Director reviewed the proposals, met to evaluate the proposals.

The proposals were evaluated against the selection criteria outlined in the RFP:

- Professional capacity to undertake the Scope of Work.
- Ability to provide the communications/public information services requested in a professional and timely manner.
- Ability to maintain the high customer service and public information standards of Rhode Island Housing.
- Ability to meet the eligibility requirements as set forth in the RFP.
- Current media contacts.
- Proposed fee structure.
- Previous work experience and performance with Rhode Island Housing and/or similar organizations and quality of prior work product.
- Agreement to grant full intellectual property rights to Rhode Island Housing.
- Other pertinent information submitted.

Based on the Review Committee's rankings and discussions it decided to interview the two top ranked candidates:

- DK Communications
- Worldways Social Marketing

Following the interviews, the Review Committee examined the following considerations as they relate to our communications needs in the following areas:

- Communications strategy and implementation
- Overall management
- Design
- Writing
- Media relations
- Crisis communications
- Public relations

- Web design
- Social media
- Production of collateral materials (i.e. Annual report, brochures, etc.)

In the RFP, Rhode Island Housing reserved the right to select one or more firms to meet our communications and public information needs. Each of the above-listed firms offers strengths and areas of expertise that will best position us to meet future challenges and opportunities and provide vital information to all Rhode Islanders on important housing-related issues.

Based on the evaluation of the proposals and the interviews, the Review Committee recommends that DK Communications be engaged as the primary communications firm for Rhode Island Housing. As a full-service communications firm with a proven track record in strategic communications with on-staff experts in public and media relations, DK Communications is able to provide the strategic direction for our communications and public information efforts.

In addition, the Review Committee recommends that Worldways Social Marketing be engaged to provide discrete communications and design services to complement and support the work of DK Communications. Worldways has experience with government agencies, nonprofits and foundations and brings extensive experience with multilingual and multicultural populations facing income, literacy and other challenges. Together we feel these two firms will provide the best communications and public information services to Rhode Island Housing and the people we serve.

Cost proposals are difficult to compare because the amount and nature of communications work varies significantly from time to time. Firms were invited to submit proposed hourly rates, monthly retainer and estimates for various types of work. DK Communications had the lowest range of hourly rates and its monthly retainer and work estimates were mid-range. Worldways was mid-range for hourly rates but in a lower range for retainer and work estimates.

Upon a motion made by Commissioner McGreevy and seconded by Commissioner Hartford, the following resolution was unanimously adopted:

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

Resolved: That Rhode Island Housing be and hereby is authorized to engage DK Communications to provide primary communications and public information services to Rhode Island Housing on such matters as the Executive Director or his designee deems advisable or necessary.

Resolved: That Rhode Island Housing be and hereby is authorized to engage Worldways Social Marketing as needed on such matters as the Executive Director or his designee deems advisable or necessary.

Resolved: That the term of these engagements shall be for two years, renewable on staff's determination that it is in the best interest of Rhode Island Housing and subject to funding availability.

Resolved: That the Executive Director or his designee, or any Deputy Director, each acting singly, be and hereby is authorized to take any and all actions, including specifically the authority to negotiate terms and fees of the engagements as they may determine are in the best interests of Rhode Island Housing, and to execute any and all agreements and to take such further actions as they deem necessary to carry out the above resolutions.

Following the action items, Chairman Cortés opened the floor for public comments. The audience did not have any comments.

There being no further business to discuss, a motion was duly made by Commissioner Roos and seconded by Commissioner Hartford to adjourn the open meeting at approximately at 9:18 a.m.

Respectfully submitted,

Richard Godfrey
Secretary and Executive Director