

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Management Committee
October 8, 2015

The Management Committee of the Rhode Island Housing convened at the offices of the Corporation on October 8, 2015 at 8:30 a.m. at the offices of Rhode Island Housing.

Committee members present were Committee Chair Macky McCleary, Steve McAllister and Kelly Rogers, designee for General Treasurer Magaziner.

Also present as an observer was Ellen Balasco, designee for Chair McCleary. The following Rhode Island Housing staff were also present: Barbara Fields, Executive Director, Peter Walsh, Deputy Director, Carol Ventura, Deputy Director, Kara Lachapelle, CFO, Leslie McKnight, Director of Loan Servicing, Michael Milito, Deputy Assistant Director, Guy Pirolli, Real Estate Manager, and Tony A'vant, Assistant Director of Design and Construction.

A quorum being present, the Chair called the meeting to order at approximately 8:30 am.

Upon a motion made by Commissioner Rogers and seconded by Commissioner McAllister, and unanimously approved, the agenda was amended to add the following item for discussion only.

- Update on Continuum of Care (CoC), HOME and NSP Matters

Ms. Fields then provided a brief update on each of the topics added for discussion.

As to the CoC, Rhode Island Housing continues to review pending invoices. Approximately \$350,000 has been approved and disbursed, and \$150,000 in invoices are in process awaiting HUD approval. WE anticipate some shortfall in funding that the recipients expect to receive and have budgeted for payment to cover a portion of the shortfall in the Program Budget.

A draft policies and procedures manual for the CoC requisition process has been completed with assistance from TAC, with the final manual expected to be approved next week. Training on the new procedures has been scheduled for later this month for CoC subrecipients and Rhode Island Housing staff.

As to the HOME audit, Rhode Island Housing provided HUD with documentation of the disbursements that were questioned in the audit. We have not received a response yet from HUD although one was expected by October 1. There may be a reimbursement request, but we anticipate it will be significantly less than originally identified.

As to NSP, the Housing Resources Commission (HRC) is taking the lead in preparing the response to the audit findings. Rhode Island Housing provided supporting documentation to the HRC some time ago, but we have not yet received feedback from either HUD or the HRC.

- Engagement of Property Preservation Vendor

Leslie McKnight made this presentation. Rhode Island Housing presently has 83 properties in its Real Estate Owned (REO) portfolio and expects an additional 132 from foreclosure proceedings involving Madeline Walker Act properties over the next year. To ensure that the properties are maintained in accordance with local law, as well as the guidelines and regulations of the investors and mortgage insurers, Rhode Island Housing must engage a property preservation vendor to assist in the maintenance of the portfolio.

Rhode Island Housing issued a Request for Proposals (RFP) in July 2015 seeking bids from firms to board, winterize, inspect, perform yard maintenance, remove debris and change locks for REO properties. Nine firms submitted bids which were reviewed and scored in accordance with the RFP. Staff recommends that the firm of Cityside Management Corporation (Cityside) be engaged to provide these services. Cityside was the highest scoring vendor and its proposed fees are consistent with FHA and FNMA approved fee schedules.

Following the presentation, the Committee asked a few questions and requested that the scoring matrix used by the staff to evaluate the proposals be included in the package to the full board.

Upon a motion made by Kelly Rogers and seconded by Steve McAllister, the Committee unanimously voted to recommend to the full Board approval of the engagement of Cityside to provide property preservation services.

- Award of Office Construction Contract

Guy Pirolli made this presentation.

Over the past two years, Rhode Island Housing has seen an increase in staffing throughout the organization. In response, staff completed a comprehensive review of available space in both the Earle and Slade/Garr buildings. In some areas, new staff was located in existing workstations that had been underutilized; in other cases, new workstations were constructed to accommodate new hires.

During the space planning exercise, it became evident that some existing and new staff would have responsibilities requiring private office space. At this time, there is no current vacant office space in either building to accommodate this need. Therefore, it was decided to construct four offices in the Slade/Garr building at the northeast corner of the building, known as the “turret”. In the original 1995 redesign of the building, these turret areas were to house offices; however, they were never built. Locating offices in these turrets would address our immediate need to house targeted staff and cause the least impact on existing floor plans, as well as minimizing relocation of existing staff. In addition to these offices, we will construct a “quiet room” available to nursing mothers, in accordance with the Governor’s recent directive. This room will also be used for various staff that require privacy for religious purposes.

Rhode Island Housing issued a Request for Proposals (RFP) in September seeking bids from qualified construction firms to provide construction services. Two proposals were received. A

committee of staff from the Facilities Department and Design and Construction, plus a representative of the project architect, reviewed the proposals in accordance with the RFP criteria.

Following this exercise, M&J Construction was the unanimous choice of the review committee. M&J has the experience and expertise to handle this assignment, and their free proposal was the low bid. In addition, their references from prior work were positive.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Rogers, the Committee unanimously voted to recommend to the full Board the engagement of M&J Construction to provide office construction services.

- Award of Emergency Generator Contract

Guy Pirolli made this presentation.

Rhode Island Housing has developed a Disaster Plan to be implemented in situations that would prohibit normal business operations. The current plan was designed for use specifically during periods of inclement weather, such as a hurricane or severe blizzard, or loss of power in the electrical grid servicing the Downcity district. A primary focus of the current plan was establishing a process for Rhode Island Housing management to contact staff, vendors and necessary state or municipal agencies during an emergency that prevented access to our building, as well as to provide directions to staff on continuation of essential business operations during a time that the building was inaccessible or unusable.

While the plan contains information regarding essential contact information, and direction as to actions that should be taken to allow business at Rhode Island Housing to continue off-site, the plan was not as robust in addressing business continuity caused by loss of power caused by various incidents, such as fire, adverse weather or problems in the electric grid infrastructure. In light of several minor power outages that did affect the building operations, it was decided to explore the possibility of installing back-up emergency generators to provide short-term power to the building to permit continued operations.

Rhode Island Housing, with the assistance of architectural firm Union Studios, engaged Trinity Engineering to design a plan that would provide emergency backup power through two 70kw generators (one on each building). These would enable Rhode Island Housing to continue business operations for a short period of time (3-5 business days) should an emergency occur that interrupted power. These generators would provide power to the computer room in the Slade/Garr building as well as full power to the entire Earle Building, which is the designated location for key staff to continue business operations during an emergency. Once the generators kick in, all lighting, HVAC and life safety components in the Earle Building will be operational. The elevator will also be operational through manual switching.

In September, Rhode Island Housing issued a Request for Proposals (“RFP”) seeking bids from experienced firms to act as general contractors for the implementation of the emergency generator plan developed by Trinity Engineering. Rhode Island Housing received two proposals in response to the RFP. A committee of staff from the Facilities Department and Design and

Construction, plus a representative of the project architect and engineer, reviewed the proposals in accordance with the RFP criteria.

Following this exercise, EW Burman Construction was the unanimous choice of the review committee. EW Burman has the experience and expertise to handle this assignment, and their free proposal was the low bid. In addition, Rhode Island Housing has successfully worked previously with them, and they have just completed a similar assignment for CVS.

Upon a motion made by Commissioner Rogers and seconded by Commissioner McAllister, the Committee unanimously voted to recommend to the full Board the engagement of EW Burman to provide emergency generator construction services.

- Appointment of Trustees to the Affordable Housing Trust

Barbara Fields made this presentation.

In 1988 Rhode Island Housing established the Affordable Housing Trust to provide funds to support the development and preservation of affordable housing in Rhode Island. The Trust provides that Rhode Island Housing, as Grantor, has the power to appoint Trustees as necessary when vacancies in Trustees occur. The Trust also provides that any Trustee who is no longer employed by, or serves as a commissioner of Rhode Island Housing shall be deemed to have resigned as Trustee without the need for notice or acceptance of such action.

Historically, the Chair of the Board of Commissioners, the Executive Director and the Chief Financial Officer of Rhode Island Housing have served as Trustees of the Trust. The persons who formerly served as Trustees are no longer employed by, or serve as a Commissioner or Rhode Island Housing, and successor Trustees need to be appointed.

Upon a motion made by Commissioner McAllister and seconded by Commissioner Rogers, the Committee unanimously voted to recommend that (i) Nicolas P. Retsinas, Barbara G. Fields and Kara Lachapelle be appointed as successor Trustees, and (ii) the Chair and Vice Chair of the Board be authorized to take any action necessary to carry out and reflect these appointments.

- Recommendation of FY 2016 Program Budget

Barbara Fields made this presentation.

At its June 19, 2015 meeting, the Board of Commissioners approved the overall Agency budget for FY 2016. That budget contained a line item for \$5.5 million for Programs. At that meeting, staff indicated that the specific programs to be funded from this line item were still under consideration and a recommendation would be presented to the Board at a later date.

Since the June 19 meeting, staff has been refining the proposed Program Budget for consideration by the Board. Ms. Fields presented the proposed Program Budget to the Committee and engaged in a discussion with the Committee members regarding the specific items included in the Program Budget. The Committee recommended a few minor changes to the proposed Program Budget to

increase funding for the Working Cities initiative and add language clarifying that the proposed operating fund supports the Continuum of Care effort. Upon a motion made by Commissioner Rogers and seconded by Commissioner McAllister, the Committee unanimously voted to recommend to the full Board that the proposed FY 2016 Program Budget be adopted, with the changes requested by the Committee.

Upon a motion made by Commissioner Rogers and seconded by Commissioner McAllister, and unanimously approved, the agenda was amended to add the following item for discussion only.

- Discussion of Proposed Charitable Donations and Contributions

Mike Milito made this presentation to advise the Committee of the request for contributions and support that will be presented to the full Board at the October meeting for the Fund for Community Progress. No vote was taken on this item.

There being no further business, upon a motion made by Commissioner Rogers and seconded by Commissioner McAllister, the meeting of the Management Committee was adjourned at 9:45 am.

Respectfully submitted,

Barbara G. Fields
Executive Director and Secretary of the Management Committee