

**Rhode Island Housing and Mortgage Finance Corporation**  
**Minutes of the Meeting of the Management Committee**  
**January 5, 2016**

The Management Committee of the Rhode Island Housing and Mortgage Finance Corporation convened at the offices of the Corporation at 2:00 pm on January 5, 2016. Committee members present were Chair Macky McCleary, Commissioner Steven McAllister and Kelly Rogers, designee of Treasurer Magaziner. Ellen Balasco, designee for Committee Chair McCleary was also present.

Also present were Barbara Fields, Executive Director, Carol Ventura, Deputy Director, Kara Lachapelle, CFO, Leslie McKnight, Director of Loan Servicing, Michael Milito, General Counsel and Cristen Raucci, Assistant Counsel

A quorum being present, Committee Chair McCleary called the meeting to order at 2:02 pm.

The Committee considered the following matters:

1. Approval of Recommendation for Engagement of Consultant Regarding the HOME Program.

Ms. Ventura made this presentation.

In order to meet its responsibilities as the state Participating Jurisdiction under the HOME Program, and to ensure continued compliance with new HUD regulations in April 2015 Rhode Island Housing engaged the Franke Consulting to evaluate Rhode Island Housing's current HOME policies and procedures and to produce a comprehensive policies and procedures manual incorporating HUD regulatory requirement. The work under that engagement has been completed and the manual has been completed.

The changes to be implemented under the new HUD Regulations and the manual are wide ranging and complex, involving organizational reassignments within and between departments, new positions and new legal documents. Therefore staff recommends an implementation phase extension to the existing contract with the Franke Consulting Group for a period of 12 months at a cost not to exceed \$45,000. Under this extension Franke will train new and existing staff, provide on-call consultation, review documents and provide advice on HOME policy changes as issued by HUD. Franke has similar 'retainer' contracts with several of the major state HOME grantees including New York and Michigan. He has worked under contract with HUD headquarters since 1991 and is currently helping HUD develop products to implement the 2013 HOME final rule.

Upon a motion made by Commissioner McAllister and seconded by designee Rogers, the Committee unanimously voted to recommend to the full Board the engagement Franke Consulting Group to provide implementation services.

2. Approval of Recommendation of Continuum of Care Operating Deficit Fund Awards.

Ms. Ventura made this presentation. Designee Rogers recused from this matter because the General Treasurer serves on the board of Crossroads, one of the organizations recommended for funding.

At its October 15, 2015 meeting, the Board of Commissioners approved the FY 2016 Program Budget, which included up to \$600,000 for agencies that have incurred operating deficits because of increased documentation standards for the Continuum of Care Program (“CoC”). On October 27, 2015, staff issued a Request for Proposals for assistance under the Operating Deficit Fund Program (the “Program”).

Five applications requesting \$248,816 from the Program were submitted on November 30, 2014. Staff reviewed all applications for eligibility and additional information was requested as necessary.

Staff recommends commitment of funding for the following five agencies in the amount of \$248,818 under the Rhode Island Housing Operating Deficit Fund.

<b>Agency</b>	<b>Facility</b>	<b>Funding Recommendation</b>
Operation Stand Down Rhode Island	Johnston & West Warwick	\$38,893
YWCA	Central Falls	\$11,013
Amos House	Providence	\$44,057
House of Hope	Warwick	\$41,298
Crossroads	Providence & West Warwick	\$113,555
	<b>TOTAL</b>	<b>\$248,816</b>

Upon a motion made by Commissioner McAlister and seconded by Committee Chair McCleary, the Committee voted to recommend the awards as set forth above. Designee Rogers did not participate in the discussion or vote on this matter.

### 3. Engagement of Outside Legal Counsel

Mr. Milito made this presentation. Designee Rogers recused from this matter because the General Treasurer has a personal involvement with individuals associated with some of the firms under consideration for engagement.

In late 2015, Rhode Island Housing issued a Request for Proposals from law firms interested in legal services to Rhode Island Housing for 2016 and 2017:

Notice of the RFP was posted on the web site maintained by the Division of Purchasing of the Department of Administration and Rhode Island Housing’s web site. In addition, notice of the RFP was provided to approximately 150 attorneys and law firms that had previously expressed an interest in providing legal services to Rhode Island Housing. Fifty-five firms submitted proposals in response to the RFP, several of which offered to provide services for more than one of the above substantive areas.

Several staff committees were established by the various business lines to review proposals for services within their respective areas. The proposals received were reviewed and evaluated in accordance with the RFP criteria.

The following firms are recommended for engagement by Rhode Island Housing:

**General Counsel/Issuers Counsel**

- Nixon Peabody, LLP

**Litigation Services**

- Adler Pollock and Sheehan
- Harrison Law Associates
- Higgins Cavanagh and Cooney
- Nixon Peabody, LLP

**Mortgage Foreclosure and Bankruptcy Services**

- Roberts Carroll Feldstein & Peirce
- Salter McGowan Sylvia & Leonard
- Shechtman Halperin Savage LLP

**Tax Lien Foreclosure Services**

- Roberts Carroll Feldstein & Peirce
- Madonna and Connors
- Andreoni Law Offices

**Single Family Closing Services**

- Lincoln Abstract
- LaPlante, Sowa and Goldman
- Accardo Law
- Ronald Markoff
- Glenn Andreoni
- Gerald Mosca
- Sleprow & Sleprow
- Michael Lima
- DeAngelis & McNamara
- Robert Ragosta

- James Caruolo
- Loffredo & Sciotti
- Hobson & Coutu
- McGunagle Hentz
- Thomas Madonna
- Miller, Scott & Holbrook
- Parnagian & Marinelli

#### **Rental Development Loan Closing Services**

- Brown Rudnick LLP

#### **Land Bank/NSP Services**

- McGunagle Hentz PC
- Roberts Carroll Feldstein & Peirce

#### **State Housing Appeal Board Services**

- Nixon Peabody, LLP

After a period of discussion, and on a motion made by Commissioner McAllister and seconded by Committee Chair McCleary, the Committee voted to recommend the engagement of the above firms to the full Board. Designee Rogers did not participate in the discussion or vote on this matter.

#### **4. Approval of Recommendation for Adoption of Multi-Family Development Bond**

Rhode Island Housing finances its multi-family loans by issuing bonds identified for that purpose. Rhode Island Housing has approximately \$90 million of multifamily loans in process or closed that may require bond financing during the next year. At this time, it is necessary to issue bonds to finance loans closing in the next few months, as well as to provide anticipatory funding for upcoming loan production. Sizing of the issuance would also include required debt service reserves. In addition, due to the current low interest rate environment, Rhode Island Housing may have the opportunity to refund approximately \$50 million of previously issued multifamily bonds at lower rates.

This authorization will permit Rhode Island Housing to fund the loans in process and refund the previously issued multifamily bonds.

Upon a motion made by Commissioner McAllister and seconded by Designee Rogers, the Committee unanimously voted to recommend to the Board that the resolutions authorizing the issuance of Multi-Family Development Bonds.

5. Approval of Recommendation of External Charitable Donations and Contributions.

There being no items needing approval, this agenda item was passed.

At this point of the meeting, at 2:50 pm, Committee Chair left the meeting and Designee Balasco took his place.

6. Discussion and Update of CoC Program

Ms. Ventura made this presentation.

Ms. Ventura advised the Committee that Rhode Island Housing continues to investigate the possibility transitioning to a lesser role in the CoC. Meetings have been held with interested parties and the general consensus is that this transition would be beneficial to all parties. Ms. Ventura next reported on the results of a meeting with HUD, and on status of paying outstanding requisitions.

The goal is to have Rhode Island Housing transition to a new role by the end of the current fiscal year.

There were no votes taken regarding this item

7. Discussion of HOME Program

Ms. Ventura made this presentation.

She reported that good progress has been made in the audit resolution process. We have had positive conversations with HUD representatives and expect to reach final resolution, with repayment significantly less than originally required, within the next several months. All funds repaid to HUD will remain in Rhode Island Housing's account, for reuse in other projects.

Ms. Ventura also noted that there have been no comments received from the public regarding the proposed repeal of the Rhode Island Housing HOME regulations, and this matter will be presented to the full Board for action later in January.

There were no votes taken regarding this item.

There being no further business, the meeting was adjourned at 3:20 pm.

Respectfully submitted,

---

Barbara Fields, Secretary