

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Management Committee
June 10, 2024

A meeting of the Management Committee of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Board of Commissioners was held on Monday, June 10, 2024, at 3:00 p.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

Carol Ventura, Executive Director, opened the meeting and introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella stated that (i) this meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Mr. Rotella also asked that to prevent any feedback or background noise, telephone participants to please mute the telephone if not speaking. Additionally, Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Kelly Kenyon LeValley, Deputy General Counsel, provided additional guidance for the meeting. Ms. LeValley stated that the meeting was being held in person with all members of the Management Committee appearing in person. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Additionally, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. LeValley also stated that Chairman Pryor would preside over the meeting and requested that any Commissioner or staff member state their name prior to speaking for the benefit of listeners and to mute the phone when not speaking. She then invited Chairman Pryor to call the meeting to order.

A quorum being present, Chairman Pryor introduced himself and officially called the meeting to order at approximately 3:07 p.m. Chairman Pryor then invited Ms. Ventura to proceed with the roll call of Commissioners in attendance.

Ms. Ventura conducted a roll call of Commissioners participating in the meeting. Commissioners participating were: Chairman Pryor; Kayla Weststeyn, Designee for Jonathan Womer, Director of the Department of Administration; Robert Craven, Designee for General Treasurer James Diossa and Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation. Stephen P. McAllister was absent.

RIHousing staff participating were: Carol Ventura, Executive Director; Kara Lachapelle, Chief Financial Officer; Christine Hunsinger, Chief Strategy and Innovation Officer; Elizabeth Bioteau, Director Strategic Initiatives & Partnerships; Whitley Werts, Director of Human Resources; Katie Michaud, Assistant Director, Leased Housing and Rental Services; Nancy Bacon, Director of Accounting; Kelly Kenyon LeValley, Deputy General Counsel; and Carl Rotella, Director of Information Technology.

Members of the public were present via teleconference.

The following matters were then discussed by the Committee.

1. Approval of Minutes of the Management Committee Meeting Held on May 6, 2024.

Chairman Pryor asked for a motion and a second for the approval of the minutes of the Management Committee meeting held on May 6, 2024. A motion was made by Commissioner Designee Craven and seconded by Commissioner Designee Weststeyn.

There being no discussion, Kelly Kenyon LeValley, Deputy General Counsel conducted a voice vote of the Commissioners for the approval of the minutes of the Management Committee Meeting held on May 6, 2024.

The Commissioners voted to approve the minutes with two (2) votes in favor, Commissioner Designee Weststeyn abstaining, and zero (0) nay votes.

Ms. LeValley then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Management Committee Meeting held on May 6, 2024, are hereby approved.

Commissioner Designee Cabral arrived at 3:08 p.m.

2. Recommendation for Approval of The Public Housing Authority (PHA) Annual Plan

Chairman Pryor announced that Katie Michaud, Assistant Director, Leased Housing and Rental Services would present the request.

Ms. Michaud said that RIHousing acts as a public housing authority (“PHA”) with respect to the administration of Section 8 tenant-based rental subsidies provided by the U.S. Department of Housing and Urban Development (“HUD”) through the Housing Choice Voucher Program. In accordance with Title V of the Quality Housing and Work Responsibility Act of 1998 (the “Act”), RIHousing must adopt a streamlined annual PHA plan for this program that establishes goals and objectives for meeting the housing needs of the corporation’s jurisdiction (the “Annual Plan”). The Annual Plan includes RIHousing’s strategies for expanding the supply of assisted housing, promoting family self-sufficiency, and ensuring equal opportunity in housing. The Annual Plan must be approved by the Board of Commissioners and forwarded to HUD.

RIHousing’s Government Relations & Policy staff has reviewed the Annual Plan to ensure consistency with the State’s Consolidated Plan. In accordance with the requirements of the Act, the Annual Plan has been circulated to a Resident Advisory Board for review. In addition, a forty-five-day public comment period culminated in a public hearing on May 6, 2024.

Ms. Michaud then briefly reported on the recommended updates to the Annual Plan.

Finally, Ms. Michaud said that staff recommends authorizing the adoption of the Annual Plan substantially in the form set forth in an attachment that was included as part of the June 10, 2024, Management Committee package.

Chairman Pryor thanked Ms. Michaud for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of The Public Housing Authority (PHA) Annual Plan.

A motion was duly made by Commissioner Designee Cabral and seconded by Commissioner Designee Craven.

Chairman Pryor then asked if anyone had any questions.

A brief dialogue followed with Chairman Pryor inquiring about the internal review process for determining what changes are required to the Annual Plan. Ms. Michaud explained that staff reviews past goals established for the 5 Year Plan and how those are tracking. Depending on past progress, and any new initiatives put forward for future endeavors, RIHousing updates the plan accordingly.

There being no further questions, Ms. LeValley then conducted a voice vote of the Commissioners for Approval of The Public Housing Authority (PHA) Annual Plan.

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation for Approval of The Public Housing Authority (PHA) Annual Plan was unanimously approved.

3. Recommendation for Approval of Amendments to the RIHousing Administrative Plan

Chairman Pryor announced that Ms. Michaud would also report on the Administrative Plan.

Ms. Michaud stated that RIHousing operates several federal housing programs, one of which is the Section 8 Housing Choice Voucher Program (the “HCV Program” or the “Program”). The HCV Program offers rental subsidies to help income-qualifying families, senior citizens and disabled individuals afford safe, healthy homes of their choosing. RIHousing serves as a Public Housing Authority (“PHA”) in those Rhode Island communities that do not have standalone municipal housing authorities. RIHousing’s operation of the HCV Program is governed by an Administrative Plan, as provided by federal regulation.

As primarily an administrative matter, RIHousing is proposing to update its Administrative Plan to comply with the provisions in both HUD’s Housing Opportunities Through Modernization Act (“HOTMA”) and National Standards for the Physical Inspection of Real Estate (“NSPIRE”).

A summary of Proposed Administrative Plan changes and the full text of the changes were provided in attachments that were included as part of the June 10, 2024, Management Committee package. The amendments will become effective upon approval and adoption by the Board of Commissioners and following the close of a forty-five-day public comment period, which was advertised and culminated in a public hearing on May 6, 2024.

Finally, Ms. Michaud said that staff recommends adopting the amendments to the Administrative Plan, substantially in the form presented at the meeting.

Chairman Pryor thanked Ms. Michaud for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of Amendments to the RIHousing Administrative Plan.

A motion was duly made by Commissioner Designee Craven and seconded by Commissioner Designee Weststeyn.

Chairman Pryor then asked if anyone had any questions.

There being no questions, Ms. LeValley then conducted a voice vote of the Commissioners for the Approval of Amendments to the RIHousing Administrative Plan.

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation for Approval of Amendments to the RIHousing Administrative Plan was approved.

4. Recommendation for Approval of FY2024 Community Development Program Funding Awards

Chairman Pryor invited Elizabeth Bioteau, Director Strategic Initiatives & Partnerships to present the request.

Ms. Bioteau said that the request was for the approval of RIHousing to use grant funding under the Community Development Program (“CDP”).

The RIHousing CDP provides funding for projects under the Health and Housing Pilot which supports programs created in partnership between RIHousing-financed developments and healthcare organizations to co-locate or care coordinate with healthcare services to assist residents with healthcare needs. The goal is to allow residents to receive services or care coordination of services onsite to stay healthy and stably housed.

Funds will be awarded annually for a three-year term to allow for increased sustainability and for the ability to do a longer-term assessment of program outcomes.

RIHousing issued a Request for Proposals (“RFP”) for an award of CDP funding in March 2024. The RFP was posted on the RIHousing website, the Rhode Island Division of Purchases website, social media, and sent to approximately 1,200 organizations, municipalities, property managers, developers, healthcare entities, and interested parties via an email announcement. RIHousing received six (6) proposals in response to the RFP from six applicants. One (1) proposal was submitted after the deadline and two (2) proposals did not meet threshold criteria and were disqualified.

A committee consisting of the Chief Strategy and Innovation Officer, and RIHousing staff from the Executive Division and Leased Housing and Rental Services Division conducted a review of each proposal in accordance with the ranking criteria.

RIHousing staff recommends authorizing CDP funding in the amount of \$169,500 for the project submitted by Housing Opportunities Corporation and Wood River Health as set forth in an attachment that was included as part of the June 10, 2024, Management Committee package.

Ms. Bioteau did note that she had a correction to the RFA. She explained that the balance of the FY 2024 CDP allocation remaining after this award will be returned to the general fund. She also confirmed that the RFA will be revised to reflect that modification for the June 20, 2024, Board of Commissioners meeting.

Chairman Pryor thanked Ms. Bioteau for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of FY2024 Community Development Program Funding Awards.

A motion was duly made by Commissioner Designee Craven and seconded by Commissioner Designee Cabral.

Chairman Pryor then asked if anyone had any questions.

Commissioner Designee Cabral asked if the community healthcare worker funded by the program is medically trained or basically for administrative services. Ms. Bioteau confirmed that the healthcare workers are all medically trained professionals.

There being no further questions, Ms. LeValley then conducted a voice vote of the Commissioners for Approval of FY2024 Community Development Program Funding Awards.

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation for Approval of FY2024 Community Development Program Funding Awards was approved.

5. Recommendation for Approval of Engagement of Compensation Consulting Firm (CBIZ Compensation Consulting)

Chairman Pryor recognized Whitley Werts, Director of Human Resources who gave the presentation.

Ms. Werts said that the request was for approval to engage a firm qualified to provide services related to the study of RIHousing's comprehensive classification and compensation plan for two years. Specifically, the request seeks approval to engage the firm of CBIZ Benefits & Insurance Services, Inc. d/b/a CBIZ Compensation Consulting ("CBIZ") to assist with RIHousing's goal of offering market-competitive compensation to its employees.

From time-to-time RIHousing engages an experienced consulting firm to prepare an annual comprehensive classification and compensation study. A compensation study was last completed in 2021. Since that time, there have been significant changes in the local employment market, giving rise to the need for a new study and related services.

RIHousing currently has approximately 236 employees in the following categories:

- Officials, Managers, Administrators
- Professionals
- Administrative Support
- Service Maintenance

RIHousing has generally looked to finance industry companies, government agencies, and other state HFAs for a relevant market for comparison. The 2024 study shall include with respect to all positions and classifications: review of RIHousing's salary structure, position-specific pay, and job descriptions. The study will culminate in comprehensive recommendations as to pay grades, pay levels, placement scales, pay bands/ranges, appropriate titles, and career ladders over the course of a two-year engagement.

In February 2024, RIHousing issued a Request for Proposals (“RFP”) from qualified firms. Notice of the RFP was posted on RIHousing’s website. Six (6) firms submitted proposals in response to the RFP (the “Applicants”). A selection committee comprised of the Chief Administrative Officer, the Chief Financial Officer, the General Counsel, the Chief Strategy & Innovation Officer, and the Director of Human Resources reviewed the submissions and evaluated them in accordance with the criteria outlined in the RFP. The selection committee scored the responses based upon the firm’s professional capacity, fee structure, experience, continuity and expertise of account team, experience with firms of similar size with similar benefits and goals, recommendations by references, capacity to offer services directly rather than through subcontractors, firm minority status and affirmative action program or activities.

Based on the selection committee’s evaluation of all proposals, CBIZ was determined to be best qualified to provide comprehensive compensation study consulting services to RIHousing. The engagement is expected to cost \$65,000 for two years.

Chairman Pryor thanked Ms. Werts for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of Engagement of Compensation Consulting Firm (CBIZ Compensation Consulting).

A motion was duly made by Commissioner Designee Weststeyn and seconded by Commissioner Designee Cabral.

Chairman Pryor then asked if anyone had any questions.

A discussion followed with Chairman Pryor, noting that by statute quasi-public agencies are required to perform compensation studies. He asked if RIHousing reviewed the statute to ensure the solicitation is required. Ms. Werts confirmed that fact. She also mentioned that CBIZ has worked with other HFAs.

The Chairman also wanted to know how the previous firm engaged in 2021 compares to the recommended entity and if that firm applied for this RFP. Ms. Werts responded that MGT did reapply, and their previous performance was adequate. However, based on prior experience and references, the staff is recommending CBIZ. Ms. Ventura stated that CBIZ’s costs are lower.

Commissioner Designee Weststeyn inquired about the implementation schedule and the proposed completion of the study. Ms. Werts mentioned that the study will take approximately three (3) to four (4) months and the first year’s goal will be to produce the study and classification of positions. In the second year, CBIZ will evaluate the market to determine if adjustments are required. That is why the engagement is for two (2) years. The timeline is for three (3) to four (4) months to forward pertinent paperwork for CBIZ to assess the market, report on findings, and communicate findings to RIHousing’s leadership team. The anticipated outcome is that CBIZ will recommend the Corporation change its pay scales and propose some salary increases. Ms. Whitley will then confer with Kara Lachapelle, Chief Financial Officer to determine if the proposed recommendations are warranted. RIHousing reserves the option to not implement all recommendations presented, however, it’s prudent to have the analysis and know how the market is trending regarding pay scales.

Commissioner Designee Weststeyn then wanted to know what the results have been in the past in terms of increases in pay scales. Ms. Werts stated that some of the positions will not be affected and some will require adjustment.

Ms. Ventura stressed that not all positions will require salary adjustments. However, the lower grade positions may be less than market levels and may need adjustments.

Kara Lachapelle further noted that there is some flexibility in the Corporation's budget. In the past, RIHousing was able to absorb some of those increases, such as accounting for turnovers, staff retirements, etc. Therefore, the projected savings is part of the budget. Furthermore, Ms. Lachapelle anticipated that a similar situation is expected for the FY 2025 year. She emphasized that the Corporation's main concern is being competitive and the retention of staff.

Commissioner Designee Weststeyn noted that it's a tiered system and wanted to ensure that an overlap situation did not occur.

Ms. Lachapelle confirmed that the first year is for the majority of staff and the second year is simply an update. Ms. Lachapelle also substantiated that she did not expect to have two (2) huge consecutive increases. Additionally, if there was something extraordinary, then staff would return to the board for approval.

There being no further questions, Ms. LeValley, Deputy General Counsel, then conducted a voice vote of the Commissioners for Approval of Engagement of Compensation Consulting Firm (CBIZ Compensation Consulting).

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation for Approval of Engagement of Compensation Consulting Firm (CBIZ Compensation Consulting) was unanimously approved.

6. Recommendation for Approval of Engagement of Continuum of Care Performance Monitoring Consultant (Technical Assistance Collaborative, Inc. – TAC)

Chairman Pryor asked Elizabeth Bioteau to present the recommendation.

Ms. Bioteau said that the request was for approval to engage Technical Assistance Collaborative, Inc. ("TAC") to monitor the performance of Continuum of Care ("CoC") grantees. The CoC is a grant program of the U.S. Department of Housing and Urban Development ("HUD") that supports housing and services for homeless persons. RIHousing serves as the CoC's Collaborative Applicant on behalf of the Rhode Island Continuum of Care ("RiCoC").

HUD CoC grants provide funding to deliver supportive housing and homelessness systems projects throughout Rhode Island. HUD requires the Collaborative Applicant to monitor the performance of CoC grantees annually. Monitoring generally focuses on grant administrative requirements and compliance with the HEARTH Act, McKinney-Vento Homeless Assistance Act, and regulations contained in 24 CFR 578 and the CoC Program Interim Rule. The performance monitoring process begins with a risk assessment of all grantees to inform which projects to monitor and the scale of monitoring exercise to undertake. Then, monitoring visits are conducted in accordance with the resulting monitoring plan. Reports are issued to each agency monitored. A final summary report is also issued to the RiCoC containing high-risk findings and portfolio-wide themes. Then the Collaborative Applicant conducts technical assistance and training for the grantees on topics and themes identified in the monitoring visits. RIHousing has contracted with TAC multiple times for consulting services to support CoC performance monitoring, including in 2023.

In January 2024 RIHousing issued a Request for Proposals (“RFP”) for a qualified firm to provide performance monitoring of CoC grantees for 2024. The RFP was posted on the RIHousing website, the State of Rhode Island Division of Purchases website, social media, and sent to RIHousing’s RFP notification list via email. RIHousing received one (1) proposal in response to the RFP from one (1) qualified firm, Technical Assistance Collaborative, Inc.

A committee consisting of RIHousing staff from the Executive division conducted a review of the proposal in accordance with the ranking criteria set forth in the RFP. The proposal’s pricing was in accordance with similar, known consulting firms engaging in this field and is comparable to past RIHousing contracts issued for this work. The committee is recommending approval of TAC. TAC will commence work in approximately September 2024 and complete the relevant monitoring reports by the end of 2024. The resulting training and technical assistance portion of the scope of work is expected to continue into the first calendar quarter of 2025. All performance monitoring elements as outlined in the RFP and the firm’s RFP response are anticipated to be complete by the end of March 2025.

Staff recommends the engagement of Technical Assistance Collaborative, Inc.

Chairman Pryor thanked Ms. Bioteau for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of Engagement of Continuum of Care Performance Monitoring Consultant (Technical Assistance Collaborative, Inc. – TAC).

A motion was duly made by Commissioner Designee Weststeyn and seconded by Commissioner Designee Craven.

Chairman Pryor then asked if anyone had any questions.

There being no questions or comments, Ms. LeValley conducted a voice vote of the Commissioners for Approval of the Engagement of Continuum of Care Performance Monitoring Consultant (Technical Assistance Collaborative, Inc. – TAC).

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation for Approval of the Engagement of Continuum of Care Performance Monitoring Consultant (Technical Assistance Collaborative, Inc. – TAC) was unanimously approved.

7. Recommendation for Approval of Pre-Qualification of Lean Process Improvement Firms

Chairman Pryor asked Christine Hunsinger, Chief Strategy and Innovations Officer to give the presentation.

Ms. Hunsinger stated that the request was to authorize RIHousing to establish a roster of consultants able to provide Lean Process Improvement consultation as needed for divisions and programs within RIHousing to improve efficiency.

Periodically, RIHousing utilizes Lean Process Improvement to streamline and improve programmatic function. RIHousing issued a Request for Proposals (“RFP”) for firms that are qualified to facilitate Lean Process Improvement, which includes conducting staff assessments, analyzing current processes and program objectives and goals, facilitating stakeholder engagement, providing recommendations

for program improvement, and as needed, providing consultation on implementation of recommendations.

The RFP notice was posted on the RIHousing website, and the website maintained by the State of Rhode Island Department of Administration, Division of Purchases. In addition, the RFP was sent by email to more than 400 consultants and organizations.

Overall, RIHousing received proposals from seven (7) unique firms. A selection committee comprised of RIHousing staff (the “Review Committee”) reviewed the responses in accordance with the criteria set forth in the RFP and determined whether respondents were qualified to perform the required services. RIHousing seeks approval to include the following four (4) firms on its roster for Lean Process Improvement consultation:

Guidehouse Inc.
LSA Digital
The Efficiency Group, LLC
Turner and Townsend

The selected firms will appear on RIHousing’s roster of pre-qualified Lean Process Improvement consultants for a period of three years, which period may be extended if determined by staff to be in the best interests of the corporation. Staff will engage firms from the list on an as-needed basis or solicit bids for projects consistent with RIHousing’s Purchasing Policies.

Following the presentation, Chairman Pryor thanked Ms. Hunsinger and asked for a motion and a second to recommend to the Board of Commissioners Approval of Pre-Qualification of Lean Process Improvement Firms.

A motion was duly made by Commissioner Designee Craven and seconded by Commissioner Designee Cabral.

Chairman Pryor then asked if anyone had any questions.

A short discussion followed with Commissioner Designee Weststeyn requesting clarification on the term “roster” and Ms. Hunsinger explaining its intended use.

Ms. Weststeyn then enquired how it differs from the State’s Master Price Agreement (MPA) structure. Ms. Hunsinger confirmed that the roster is very similar, and the pricing threshold follows the MPA’s structure. Ms. Hunsinger verified that a roster has been utilized in the past for legal services, for the lead department, and for the engagement of communications professionals.

Chairman Pryor asked Ms. Hunsinger where she expects to employ the roster. Ms. Hunsinger replied that there are various programs that have a lot of steps dictated by assorted entities such as HUD and other federal regulation agencies. In the past, the process has been used for the Lead Program to determine if processes can be improved. Ms. Ventura announced that staff intends to review the Development application process to see if it can be streamlined.

There being no further discussion, Kelly Kenyon LeValley then conducted a voice vote of the Commissioners for Approval of Pre-Qualification of Lean Process Improvement Firms.

The Commissioners voted to approve the motion with three (3) votes in favor, Commissioner Designee Weststeyn abstaining, and zero (0) nay votes.

Ms. LeValley then officially stated that the recommendation for Approval of Pre-Qualification of Lean Process Improvement Firms was approved.

8. Recommendation for Approval of Revisions to Employee Handbook

Chairman Pryor announced that Whitley Werts would give the presentation.

Ms. Werts said that the request was for approval of revisions to the RIHousing Employee Handbook in accordance with staff recommendations.

The Quasi-Public Corporations Accountability and Transparency Act, chapter 155 of title 42 of the Rhode Island General Laws, requires that Boards of quasi-public corporations adopt certain written policies and procedures, including the following, which are customarily part of the RIHousing employee handbook: (i) travel, including lodging, meals, and incidental expenses; (ii) credit card use; (iii) employee reimbursement for business expenses; and (iv) personnel policies, including hiring, dismissing, promoting, and compensating employees of the corporation.

RIHousing maintains an Employee Handbook encompassing many of the written policies and procedures required under the Accountability Act and other policies that are advisable to be maintained for legal or business reasons. RIHousing conducts periodic reviews and updates of the Employee Handbook. In May 2024, Human Resources, Executive, and Legal staff reviewed RIHousing's Employee Handbook for consistency within the document, developments within the agency, legal updates, and to promote clarity. The last comprehensive review of the Employee Handbook took place in 2022.

As a result of this year's review effort, several areas in the Employee Handbook were identified for updates. Two new policies were added: Consent to Photography/Videography/Audio Recording and Merit Increase Policy and Guidelines. Notable changes were made to several existing policies, including Employment Categories, Introductory Period, Family and Medical Leave, Flex-Time Program, Termination and Severance, Business Expenses, Attendance and Punctuality, and Progressive Discipline. Supplemental Sick Leave was removed since it is no longer offered. The Handbook has also been revised to incorporate gender-neutral language throughout.

Attachments outlining the proposed revisions to the RIHousing Employee Handbook were included as part of the June 10, 2024, Management Committee package.

Chairman Pryor thanked Ms. Werts for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of Revisions to Employee Handbook.

A motion was duly made by Commissioner Designee Weststeyn and seconded by Commissioner Designee Craven.

Chairman Pryor then opened the meeting for questions.

Commissioner Designee Weststeyn applauded the revisions. She noted the removal of the amount of educational reimbursement and asked why. Ms. Werts responded that the amount is subject to change on a yearly basis, therefore staff decided to remove it.

The Commissioner also asked Ms. Werts to expound on the change to the supplemental sick policy. Ms. Lachapelle explained that the supplemental sick was for staff that had excess vacation time. If that was the case, staff were allowed to carry over three (3) weeks' worth of vacation time. Anything above the three (3) weeks would be banked. The time could not be paid out and could only be used if the employee had totally exhausted their vacation and sick hours. RIHousing found that it was not being used often and was not promoting the benefit of employees taking their vacation time.

A brief discussion followed with Chairman Pryor asking for clarification on changes in the business expenses. Ms. Werts stated that the changes were mostly for clarification purposes. As an example, she mentioned limited reimbursement for non-preferred hotels since most conferences offer a preset governmental rate for preferred hotels.

The Chairman also asked if RIHousing has a policy addressing the gifts policy and wanted to know the last time that was reviewed. Ms. Werts responded that it was revised in 2022. The Chairman recommended scheduling a conversation at another time to review the matter.

Also discussed was the merit increase policy. Chairman Pryor asked that Ms. Werts expound on the changes. She said that the clarification was to ensure that staff are aware of the policy that merit increases are not automatic for all staff. Basically, the policy emphasizes that it is performance-based and there is the possibility that it will not be funded yearly.

Commissioner Designee Weststeyn commended RIHousing on implementing the policy offering medical benefits at the start of employment. She applauded that change and noted that it's advantageous for recruitment purposes.

There being no further questions or comments, Ms. LeValley then conducted a voice vote of the Commissioners for Approval of Revisions to the Employee Handbook.

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation for Approval of Revisions to the Employee Handbook was unanimously approved.

9. Recommendation for Approval of Fiscal Year (FY) 2025 Operating Budget

Chairman Pryor invited Carol Ventura to report on the FY 2025 operating budget.

Ms. Ventura said that the request was for approval of the proposed FY 2025 Operating Budget including projected revenue and expenses for the upcoming year. She thanked the Commissioners for taking time to meet with staff to review the budget. She mentioned that the suggestions and recommendations offered were appreciated.

Next, the Executive Director stated that she was happy to report that RIHousing is wrapping up 2024 with a strong bottom line, forecasting a net revenue of \$16 million. Ms. Ventura announced that for the upcoming fiscal year staff anticipates the continued administration of State Fiscal Recovery Funds (SFRF). As a result of the funding, RIHousing can fund more multi-family transactions.

Furthermore, staff expects continued execution of homeownership programs, though a reduction from FY 2024 projected results which were bolstered by the State Downpayment Assistance Grant funded through the American Rescue Plan Act (ARPA). RIHousing will continue to use the most

effective financing strategies such as tax-exempt, taxable, and variable-rate bonding and selling in the TBA market if appropriate.

The proposed FY 2025 budget offers net revenue of \$11 million and an increase of \$3 million in net interest income. That is due to strong loan production and continued financing of Homeownership loans through the issuance of bonds. Additionally, staff anticipates an increase in fee income due to the administration of Section 8 program and loan servicing fees.

The budget also includes the provision for loan losses of \$2 million. That is primarily to offset the uninsured portion of new Multifamily Development loans. RIHousing has increased its investment in programs based on the availability of funding.

Continuing, Ms. Ventura said that operating expenses reflect an increase relating to property maintenance including interior painting and carpeting, roof replacement, and the conversion of the HVAC system from gas to electric.

Merit increases are included in the FY 2025 budget and staff intends to conduct a compensation study for those increases. Personnel expenses also contain an increase in medical expenses and merit increases for staff. Other increases within the budget include investments in technology, insurance, and other benefit costs.

Ms. Ventura paused and asked Ms. Lachapelle to provide the major highlights of the budget.

The attachment that was included as part of the June 10, 2024, Management Committee package contained a summary memorandum, the programmatic and operating budget forecasts, and various charts and graphs.

Ms. Lachapelle mentioned that page three (3) of the presentation summarized the programs that RIHousing directly funds. As Ms. Ventura reported, RIHousing was able to increase program expenditure based on the strong bottom line. RIHousing boosted funding to the ELI operating support program for extremely low-income tenants and the developers that support those tenants. The budget proposes continued support for LISC and the Healthy Housing, Healthy Community initiative.

The Corporation will also continue to fund a reserve for the homeownership program to assist first time homebuyers if they experience an unforeseen expense, such as the replacement of a heating system. Furthermore, RIHousing provides downpayment assistance to certain customers that are not a part of the mortgage revenue bonds. Finally, staff are supporting the Zero Energy Ocean State (ZEOS) program in partnership with OER to promote energy efficiency.

Next, Ms. Lachapelle said that page four (4) outlined the descriptions for each of the programs. Page five (5) depicted a summary of revenue and expenses that categorized main areas where the Corporation is earning money. The first line showcased the spread that RIHousing earns between the interest rate RIHousing is allowed to charge the borrower and borrowing costs for the Corporation in the bond market. RIHousing is restricted by IRS regulations in terms of what the borrower can be charged. Ms. Lachapelle noted that the Corporation was ahead in the current fiscal 2024-year budget but predicts a small downtick in FY 2025. That is related to potential decreases in federal funds rate. As the rates decrease, RIHousing anticipates some refinance activity from its portfolio.

Next, Ms. Lachapelle remarked that the fee income is what RIHousing earns to administer programs such as the Contract Administration program, the ARPA programs as well as fees for closing and servicing loans. The Corporation also sells its loans directly to Fannie Mae and Freddie Mac and that is reflected as the gain on sales.

Regarding expenses, RIHousing anticipates an additional \$2 million for loan loss reserves. Staff has not seen high losses, but it's prudent to be sufficiently funded. For operating expenses, the budget reflected a 2.55% increase in office maintenance for painting, carpeting, etc. Amortization for the capital projects related to the roof and HVAC system along with merit increases for staff was also emphasized, as well as increases in technology and insurance costs.

Ms. Lachapelle referenced pages six (6) and seven (7) of the charts and graphs that provided comparisons by division and a historical look at expenses. She mentioned that pages nine (9) and ten (10) were added to showcase all line items that total up to the reflected budget.

Ms. Lachapelle then welcomed questions from the Committee.

A short discussion followed with Commissioner Designee Cabral referencing the loan loss reserve amount and asking if the amount remains the same every year. Ms. Lachapelle said the amount differs yearly depending on recommendations by the Corporation's external auditors to ensure that the Corporation has adequate reserves to cover mortgages. The rating agencies also review and offer input on the allocation.

Commissioner Designee Weststeyn noted that on page three (3) the budget reflects an amount of \$7.2 million for programs. She wanted to know where that is generated. Ms. Lachapelle explained that it's the net income, similar to the State's rainy-day fund.

Commissioner Designee Weststeyn then asked what the process was when evaluating programs and a discussion ensued. Ms. Lachapelle stated that depending on the program and if staff is working with sponsors/community developers, they are required to provide updates on how the program is fairing. If the developer applied for a grant to use for resident services, they must submit a quarterly statement outlining how the funds are spent, the impact, and how they are serving the residents with the funds. For the rental assistance programs, RIHousing reviews the number of units assisted and the tenants in the units. Conditional on the program, RIHousing might determine that some of the tenants might be able to transition out of the subsidy, therefore RIHousing is looking for that number to decrease. Ms. Lachapelle said that the Corporation will continue to fund programs that are effective. If a program is not working, RIHousing is able to make changes to streamline effectiveness. If a program is not viable, then staff might phase out that program.

Ms. Ventura confirmed that was the case with the State Rental Assistance Program. Tenants living in those units were not receiving needed services as it was not designed for that purpose. As a result, RIHousing initiated the Road Home Rental Assistance Program which was more effective. At the same time, the Corporation absorbed the Neighborhood Opportunities Program (NOP). Staff does analyze the outcomes and effectiveness of the programs to determine if tenants are able to transition from subsidized units to mainstream resources such as specialty vouchers or RIHousing's own Housing Choice Voucher Program. An example is the New Lease program that is being discontinued since there was only one participant and one owner.

The ELI Operating Support Program has been added to the Leased Housing and Rental Services Division under the purview of Elizabeth Bioteau and Katie Michaud. That program will be operational in 2025.

Commissioner Designee Weststeyn asked for clarification on the purpose of the ELI Operating Support Program. Ms. Bioteau stated that the program is designed to combat homelessness and the extremely low-income population.

Chairman Pryor thanked Ms. Ventura and Ms. Lachapelle for the presentation and asked for a motion and a second to recommend to the Board of Commissioners Approval of Fiscal Year (FY) 2025 Operating Budget.

A motion was duly made by Commissioner Designee Craven and seconded by Commissioner Designee Cabral.

Chairman Pryor then asked if anyone had any further questions.

There being no further questions, Ms. LeValley then conducted a voice vote of the Commissioners for Approval of Fiscal Year (FY) 2025 Operating Budget.

The commissioners unanimously voted to approve the motion.

Ms. LeValley then officially stated that the recommendation Approval of Fiscal Year (FY) 2025 Operating Budget was unanimously approved.

Adjournment

There being no further business to discuss, Chairman Pryor asked for a motion to adjourn the meeting. A motion was duly made by Commissioner Designee Weststeyn and seconded by Commissioner Designee Craven to adjourn the meeting.

Ms. Kelly Kenyon LeValley, Deputy General Counsel then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to adjourn the meeting.

The meeting was adjourned at approximately 4:01 p.m.

In closing, Chairman Pryor thanked everyone for participating.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director