

**Request for Action
By the Trustees of the
Affordable Housing Trust Fund**

Authorization to Fund the HomeSafe Program

1. Summary of Issues

From 1986 through 2014 RIHousing administered the Emergency Housing Assistance Program (“EHAP”). The purpose of EHAP was to provide limited, one-time financial assistance to low-income households facing a short-term crisis, in an effort to prevent homelessness and preserve stable housing.

Recently, through solicitation of feedback in community listening sessions, RIHousing staff identified a renewed need for an emergency housing stabilization assistance program to aid in the prevention of homelessness and the stabilization of housing for at-risk Rhode Island households. RIHousing proposes a new program, to be called the HomeSafe Program (“HSP” or the “Program”), to provide temporary financial assistance to eligible Rhode Island residents for short-term emergency housing needs.

RIHousing proposes to fund the Program with an initial investment from the Affordable Housing Trust Fund (“AHT”) in the amount of four hundred thousand dollars (\$400,000.00), which will be deployed among qualifying agencies with the experience and capacity to administer a cash assistance program. Funds will be awarded through a competitive bid process administered by the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”).

The program guidelines describing eligible activities, households and programming are included as Attachment A.

2. Recommendation

Staff requests authorization from the Trustees to establish the Program substantially as described in Attachment A with initial funding from the AHT in an amount not to exceed four hundred thousand dollars (\$400,000.00).

3. Attachments

- A. Program Guidelines for the HomeSafe Program
- B. Resolution

Attachment A
Program Guidelines for the HomeSafe Program

Section 1. PROGRAM DESCRIPTION

The HomeSafe Program (“HSP” or the “Program”) is a Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) initiative designed to provide temporary financial assistance to eligible Rhode Island residents for short-term emergency housing needs. Subject to funding availability, RIHousing will allocate program funds to agencies through a competitive process. The program funds will be used by agencies to provide financial assistance to eligible households in need of emergency housing assistance.

Section 2. DEFINITIONS

As used in these Program Guidelines the following terms shall have the following meanings:

- 2.1.1 “Application” means an Application made by an adult member of a Household to a Participating Agency for an HSP assistance payment. The Application form shall, at a minimum, require the Household applicant to provide the information and documentation necessary for each Participating Agency to ensure that only eligible Households benefit from HSP funds.
- 2.1.2 “Participating Agency” means a service organization whose mission is to serve low-income households that may experience housing instability, and which has the fiscal and programmatic capacity to administer the HSP.
- 2.1.3 “Household” means an individual or group of individuals that share common living facilities within the State of Rhode Island and who, by satisfying the income guidelines and need threshold limits of the Program, qualify for an emergency housing assistance payment.
- 2.1.4 “Household Income” means the gross annual income of each individual residing in a Household, including the spouse and any relatives, for the 12-month and 90-day period prior to the date of Application.
- 2.1.5 Temporary HomeSafe Assistance Payment (“THSP”) means a payment made by a Participating Agency to a third party on behalf of a Household.

Section 3. ELIGIBLE HOUSEHOLDS

Households will apply for assistance through a RIHousing approved Participating Agency serving the city or town in which the Household is located or moving to. A Participating

Agency may approve an Application for assistance provided that the applicant has been a Rhode Island resident for no less than one year (365 days) or for a lesser period in the case of a Household fleeing domestic violence, and satisfies the following income guidelines and criteria for an eligible temporary housing crisis:

Income Guidelines

The income of a Household shall not exceed 50% of the Rhode Island statewide median income limits, adjusted for family size, as established by the United States Department of Housing and Urban Development (“HUD”), as the same may be revised from time to time.

Eligible Temporary Housing Crisis

HSP funds may be made available to a third party by a Participating Agency on behalf of a Household solely to meet a documented temporary emergency housing crisis. A documented temporary emergency housing crisis means a threatened or actual loss of housing, demonstrated by appropriate documentation as set forth below because of:

- (a) Temporary sickness or disability;
- (b) Loss of job and/or income within the 12-month period preceding an application for assistance;
- (c) A need to establish a new residence because of domestic violence in the Household, or in cases of human trafficking;
- (d) A need to establish a new residence because of a threat of lead paint poisoning to children;
- (e) Damage or destruction to a Household dwelling because of fire or another catastrophe;
- (f) A need to establish a new residence because of severe code violations or condemnation;
- (g) Moving from shelter or transitional housing to permanent supportive housing; or
- (h) A need to establish a new residence due to foreclosure.

Evidence of Housing Stability

A Household must demonstrate housing stability and the financial capacity to retain the dwelling after the award of HSP funds. A Participating Agency may rely upon the following types of documents in determining financial capacity:

- (a) bank statements;
- (b) pay stubs of all household income;
- (c) proof of assets;
- (d) copy of award letters for financial assistance, i.e. Supplemental Security Income, Social Security, unemployment, etc.; and
- (e) other verifiable records or information supporting the availability of income and/or assets.

Evidence of Eligible Temporary Housing Crisis

(i) A threatened or actual loss of housing due to temporary sickness or disability, or loss of job and/or income, shall be evidenced by:

- (a) A notice of termination of employment;
- (b) Pay stubs evidencing a reduction in wages;
- (c) Documentation of unemployment or temporary disability benefits;
- (d) Evidence of a reduction or termination of federal or state benefits or other income support; and/or
- (e) Any other documentation that may be considered relevant by the Participating Agency.

(ii) A threatened or actual loss of housing due to domestic violence shall be evidenced by:

- (a) Police report or protective order; and/or
- (b) Letter from a domestic violence shelter or counselor.

(iii) A threatened or actual loss of housing due to a threat of lead poisoning shall be evidenced by:

- (a) Citation from the Department of Health;
- (b) Municipal citation or condemnation;
- (c) Confirmation of leaded surfaces from a Department of Children, Youth and Families representative;
- (d) Housing Court action; and/or
- (e) Documentation from Rhode Island Legal Services or Center for Justice or other organization that represents tenants in landlord disputes or for retaliatory actions due to complaints

(iv) A threatened or actual loss of housing due to fire, a catastrophe, severe code violations or condemnation shall be evidenced by:

- (a) Letter or condemnation notice from the city or town;
- (b) Violation notice from the Department on Health; and/or
- (c) Insurance records.

(v) Other circumstances:

- (a) In the case of the need to relocate due to foreclosure a copy of the Notice to Quit.
- (b) If the Household leases a Five-Day Demand Notice for Non-Payment of Rent pursuant to R.I. Gen. Laws 34-18-35 duly signed by the landlord must accompany the application.

(c) If the Household owns the home a Notice of Default in the payment of amounts or other similar notice duly signed by the mortgagee, or a Notice of Tax sale must accompany the application.

Each Participating Agency shall obtain other evidence, certifications, affidavits and verifications necessary to protect against collusion and fraud. RIHousing will periodically examine this evidence to ensure that Participating Agencies are adequately documenting evidence of a Household's temporary housing crisis.

ELIGIBLE PROGRAM EXPENDITURES AND ASSISTANCE

Program funds shall be used only to pay arrearages in rent, to make payments on an outstanding mortgage to bring it current, late fees on a rental or mortgage account, to pay a security deposit for an apartment, to cover moving costs associated with relocation or to pay utility assistance. This payment shall be made directly to the third party (landlord, mortgage company, etc.) by the Participating Agency on behalf of the Household.

A Household may only receive HSP funding once. In emergency situations, the Participating Agency may request that RIHousing approve a waiver of this provision. Only one adult individual residing in a Household may apply to a Participating Agency for a THSP on the Household's behalf.

The maximum amount of assistance to be paid on behalf of any Household is \$2,000 and may be applied to any combination of eligible assistance activities. If a household that was provided with a security deposit relocates, the transfer of the security deposit will be allowed.

Section 4. PROGRAM MONITORING AND ENFORCEMENT

Prior to receiving an allocation of HSP funds, each Participating Agency shall enter into an agreement with RIHousing. The agreement will set forth requirements on the management and disbursement of HSP funds, monitoring obligations, recordkeeping requirements and reporting requirements.

Attachment B

Resolution of the Trustees of the Affordable Housing Trust Fund

WHEREAS: the Affordable Housing Trust Fund was created by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) for the sole purpose of making homeownership to low- and moderate-income residents of the State of Rhode Island more affordable; and

WHEREAS: RIHousing staff has identified a need to provide emergency financial assistance to households struggling with housing expenses and proposes to establish the HomeSafe Program (the “Program”) to provide emergency housing assistance in accordance with the program guidelines set forth at Attachment A; and

WHEREAS: funding of the Program in an amount not to exceed \$400,000 will assist in the preservation of stable housing in Rhode Island.

NOW, THEREFORE, IT IS HEREBY

RESOLVED: that the Affordable Housing Trust Fund, acting by and through its Trustees, be, and is hereby authorized, to commit up to \$400,000 to the HomeSafe Program described at Attachment A;

RESOLVED: that participating agencies for the Program be selected in a competitive process administered by RIHousing and funding awards to such participating agencies be approved by the Trustees of the Affordable Housing Trust Fund; and

RESOLVED: that the Executive Director of RIHousing, the Deputy Executive Director of RIHousing, and the Director of Leased Housing and Rental Services of RIHousing, each acting singly, be and hereby are authorized and directed to take any and all actions they deem necessary and appropriate to carry out the foregoing resolutions.