

**The Board of Commissioners held a special meeting on Wednesday, April 30, 2014 for the following reasons:**

- 1. Meeting Called to Order**
- 2. Roll Call**
- 3. Resident Assistance Demonstration (RAD)**
- 4. Adjournment.**

**The meeting was called to order by Chairperson Kevin Rabbitt at 5:10 P.M. with a motion by Commissioner Goulet and a seconded by Commissioner Nieves.**

**Upon a Roll Call, those “Present” and “Absent” were as follows:**

**Present**

**Absent**

**Kevin Rabbitt, Chairperson**

**Reinaldo Nieves, Jr., Vice Chairperson**

**Stella Carrera, Commissioner    Absent**

**Raymond Gannon, Commissioner    Absent**

**Harvey E. Goulet, Commissioner**

**Diane Legrand, Commissioner**

**Robert Ricci, Commissioner**

**Stephen A. Vadnais, Executive Director**

**Maureen McNulty, Executive Secretary**

**Joseph Loconto, Director of Finance**

**John Montalbano, Attorney**

**Megan Glasheen, Attorney Reno & Cavanaugh, PLLC, Washington, DC**

**Gayle Epp, EJP Consulting Group, Inc.**

**Charlene Regan, EJP Financial Consultant**

**RAD Presentation:**

**Chairperson Rabbitt turned the meeting over to Stephen Vadnais, Executive Director. Director Vadnais introduced Gayle Epp from EJP Consulting Group, Inc., Charlene Regan, EJP Financial Consultant and from Reno & Cavanaugh in Washington, DC, Megan Glasheen, Attorney and RAD specialists. This meeting is to let the Board know how the RAD process will be financed and to explain the MOU process. He further stated that Gayle Epp from EJP developed the plan, and worked on the task order on getting the RAD Development Team together. Today we negotiated with the developers Omni/Winn with Attorney Glasheen who works for Reno and Cavanaugh in Washington, DC and has closed ten RAD deals.**

**Attorney Glasheen reviewed her RAD presentation to the Board for a question and answer period. She explained that Reno & Cavanaugh focuses and advocates for public housing and lobby on public housing issues. Her clients are housing authorities and work closely with local councils also. We are very engaged with HUD on RAD programs. The program was capped at 60K units with numerous**

applications. Congress is expected to expand the program and eliminate the cap so everyone can apply. Commissioner Goulet asked if we have a RAD project in Rhode Island. Newport Housing has a similar project but it is not the same. Vice Chairperson Rabbitt asked who now runs Newport Housing and Ms. Glasheen said Trinity Financial. They answer to Newport Housing, are audited, budget reviewed annually by housing authority approval through a Regulatory and Operating Agreement. Reno and Cavanaugh do Control Agreements, annual budgets, etc. and look to the private owner. The people with the finances answer to the investors and the housing authorities.

Commissioner Goulet was concerned as to what guarantee the residents would have five to ten years from now concerning housing. Director Vadnais stated that the housing project has to remain affordable for 15 years and the authority maintains the ground lease. All existing residents are guaranteed that they will stay in their unit. We cannot reduce the number of units; residents get newer units and the operating costs are reduced. Director Vadnais noted that it is very important that this housing authority takes this project as a learning tool, etc. and look at the next project to be 50% of the developer position.

The first documentation is the Master MOU. This becomes challenging if we don't have a RAD award. We did secure the 4% bond allocation and we are in line for the HUD award. The question is

can we move forward in absence of the RAD. The MOU comes to the Board of Commissioners for approval. When you close on RAD, HUD requires the property to be used for the term and requires you to follow the RAD rules: (1) No reduction of units (2) Residents have the right to return. To insure the housing authority is connected to the property, the housing authority has the right of first refusal on the property and that has to be offered to the housing authority.

Attorney Glasheen stated that we would do a control agreement. Director Vadnais asked Attorney Glasheen to touch on how the developer fees are controlled. She said Rhode Island Housing has rules on how much fees would be. Investors look closely at this and HUD has regulatory limits on fees. Documents that would come to the housing authority would consist of RAD use agreement, HUD control agreement, Operating partnership agreement, Limited rights of the housing authority as a partner to have a say in things. Chairperson Rabbitt asked if HUD would do inspections under RAD once a year. Attorney Glasheen said we would still be inspected a lot.

Chairperson Rabbitt asked what if Omni/Winn would want to sell. She stated that we have the right of first refusal. They would be in for 15 years even though it is not mandatory. Ms. Charlene Regan said investors have Omni/Winn's interest first.

Director Stephen Vadnais notes other agreements: (1) Davis Bacon wages, (2) Section 3 low-income people, (3) Fully utilize S3 requirements to get jobs on projects. First preference to Pawtucket and Rhode Island contractors (4) Get residents into apprenticeship

programs “Build Futures” and contracts with unions to get residents jobs.

A question from Chairperson Rabbitt was “how can we get into a comfort zone”? Attorney Glasheen suggested the Board travel to examples close by, i.e., Connecticut and Massachusetts are places available. These examples are not RAD because RAD is so new. They would be a HOPE VI with less money, new construction or rehab. Director Vadnais said he will continue to update the board as we need to move forward on the funding for this project. We are looking at \$2 MM in bond money from the state of Rhode Island. The 9% financing LIHTC application is due in October. We need to do an RFP to get a needs assessment done. Commissioner Goulet asked for a schedule to date. Director Vadnais said nothing is concrete as we are in the RAD process. We are waiting and moving ahead at the same time. There will be a control agreement at the closing “a living document” the Board would have to agree to.

There being no further business Chairperson Rabbitt asked for the meeting to be closed in due form at 6:20 pm following a motion made by Commissioner Goulet, seconded by Vice Chairperson Nieves and passed by all present.

Upon roll call the “Ayes” and “Nays” were as follows:

**AYES**

**NAYS**

**Chairperson Rabbitt**

**Vice Chairperson Nieves**

**Commissioner Carrera Not present**

**Commissioner Gannon Not present**

**Commissioner Goulet**

**Commissioner Legrand**

**Commissioner Ricci**

**Adjournment 6:20 pm**