

2018 -- H 7291

LC003950

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES AND PROJECTS

Introduced By: Representatives Messier, Coughlin, Johnston, Tobon, and Barros

Date Introduced: January 25, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-31-8 of the General Laws in Chapter 45-31 entitled  
2 "Redevelopment Agencies" is hereby amended to read as follows:

3 **45-31-8. Definitions.**

4 The following definitions and general provisions govern the construction of chapters 31 -  
5 - 33 of this title:

6 (1) "Agency" means a redevelopment agency created by this chapter.

7 (2) "Arrested blighted area" means any area which, by reason of the existence of physical  
8 conditions including, but not by way of limitation, the existence of unsuitable soil conditions, the  
9 existence of dumping or other unsanitary or unsafe conditions, the existence of ledge or rock, the  
10 necessity of unduly expensive excavation, fill or grading, or the necessity of undertaking unduly  
11 expensive measures for the drainage of the area or for the prevention of flooding or for making  
12 the area appropriate for sound development, or by reason of obsolete, inappropriate, or otherwise  
13 faulty platting or subdivision, deterioration of site improvements, inadequacy of utilities, diversity  
14 of ownership of plots, or tax delinquencies, or by reason of any combination of any of the  
15 foregoing conditions, is unduly costly to develop soundly through the ordinary operations of  
16 private enterprise and impairs the sound growth of the community.

17 (3) "Blighted and substandard area" includes a "slum blighted area", a "deteriorated  
18 blighted area", or an "arrested blighted area", or any combination of these areas. "Blighted and  
19 substandard area" shall also include those areas where the presence of hazardous materials, as

1 defined in § 23-19.14-2, impairs the use, reuse, or redevelopment of impacted sites.

2 (4) "Bonds of agency" means any bonds, notes, interim certificates, debentures, or other  
3 obligations issued by an agency pursuant to §§ 45-33-5 -- 45-33-15.

4 (5) "Community" means a city or town.

5 (6) "Deteriorated blighted area" means any area in which there exist buildings or  
6 improvements, either used or intended to be used for living, commercial, industrial, or other  
7 purposes, or any combination of these uses, which by reason of:

8 (i) Dilapidation, deterioration, age, or obsolescence;

9 (ii) Inadequate provision for ventilation, light, sanitation, open spaces, and recreation  
10 facilities;

11 (iii) High density of population and overcrowding,

12 (iv) Defective design or unsanitary or unsafe character or conditions of physical  
13 construction;

14 (v) Defective or inadequate street and lot layout; and

15 (vi) Mixed character, shifting, or deterioration of uses to which they are put, or any  
16 combination of these factors and characteristics, are conducive to the further deterioration and  
17 decline of the area to the point where it may become a slum blighted area as defined in  
18 subdivision (18), and are detrimental to the public health, safety, morals, and welfare of the  
19 inhabitants of the community and of the state generally. A deteriorated blighted area need not be  
20 restricted to, or consist entirely of, lands, buildings, or improvements which of themselves are  
21 detrimental or inimical to the public health, safety, morals, or welfare, but may consist of an area  
22 in which these conditions exist and injuriously affect the entire area.

23 (7) "Federal government" means the United States of America or any agency or  
24 instrumentality, corporate or otherwise, of the United States of America.

25 (8) "Legislative body" means the city council or town council.

26 (9) "Obligee of the agency" or "obligee" include any bondholder, trustee or trustees for  
27 any bondholder, or lessor demising to the agency property used in connection with a  
28 redevelopment project or any assignee or assignees of that lessor, and the federal government.

29 (10) "Planning commission" or "commission" means a planning commission or other  
30 planning agency established under any state law or created by or pursuant to the charter of the  
31 community.

32 (11) "Project area" means all or any portion of a redevelopment area. A project area may  
33 include lands, buildings, or improvements which of themselves are not detrimental or inimical to  
34 the public health, safety, morals, or welfare, but whose inclusion is necessary, with or without

1 change in their conditions or ownership, for the effective redevelopment of the area of which they  
2 are a part.

3 (12) "Public hearing" means a hearing before a legislative body or before any committee  
4 of the legislative body to which the matter to be heard has been referred.

5 (13) "Real property" means lands, including lands underwater and waterfront property,  
6 buildings, structures, fixtures, and improvements to the lands, and every estate, interest, privilege,  
7 easement, franchise and right, legal or equitable, including rights of way, terms for years and  
8 liens, charges or encumbrances by way of judgment, attachment, mortgage, or otherwise, and the  
9 indebtedness secured by liens.

10 (14) "Redevelopment" means the elimination and prevention of the spread of blighted  
11 and substandard areas. Redevelopment may include the planning, replanning, acquisition,  
12 [construction](#), rehabilitation, improvement, [furnishing, equipping](#), clearance, sale, lease, or other  
13 disposition, or any combination of these, of land, buildings, or other improvements for residential,  
14 recreational, commercial, industrial, institutional, public, or other purposes, including the  
15 provision of streets, utilities, recreational areas, [and other infrastructure](#) and other open spaces  
16 consistent with the needs of sound community growth in accordance with the community's  
17 general plan and carrying out plans for a program of voluntary repair and rehabilitation of  
18 buildings or other improvements, [and may include such other acts within a redevelopment area](#)  
19 [permitted pursuant to chapters 31 through 33, inclusive, of this title as determined by the](#)  
20 [legislative body to be consistent with the purposes of chapters 31 through 33, inclusive, of this](#)  
21 [title](#).

22 (15) "Redevelopment area" means any area of a community which its legislative body  
23 finds is a blighted and substandard area whose redevelopment is necessary to effectuate the public  
24 purposes declared in this chapter.

25 (16) "Redevelopment plan" means a plan, as it exists from time to time, for a  
26 redevelopment project, which:

27 (i) Conforms to the general plan for the community as a whole; and

28 (ii) Is sufficiently complete to indicate land acquisition, demolition and removal of  
29 structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out  
30 in the project area, zoning and planning changes, if any, land uses, maximum densities, building  
31 requirements, and the plan's relationship to definite local objectives, respecting appropriate land  
32 uses, improved traffic, public transportation, public utilities, recreational and community  
33 facilities, and other public improvements.

34 (17) "Redevelopment project" means any work or undertaking of an agency pursuant to

1 chapters 31 -- 33 of this title.

2 (18) "Slum blighted area" means any area in which there is a predominance of buildings  
3 or improvements, either used or intended to be used for living, commercial, industrial, or other  
4 purposes, or any combination of these uses, which by reason of: (i) dilapidation, deterioration,  
5 age, or obsolescence; (ii) inadequate provision for ventilation, light, sanitation, open spaces, and  
6 recreation facilities; (iii) high density of population and overcrowding; (iv) defective design or  
7 unsanitary or unsafe character or condition of physical construction; (v) defective or inadequate  
8 street and lot layout; and (vi) mixed character or shifting of uses to which they are put, or any  
9 combination of these factors and characteristics, are conducive to ill health, transmission of  
10 disease, infant mortality, juvenile delinquency, and crime; injuriously affect the entire area and  
11 constitute a menace to the public health, safety, morals, and welfare of the inhabitants of the  
12 community and of the state generally. A slum blighted area need not be restricted to, or consist  
13 entirely of, lands, buildings, or improvements which of themselves are detrimental or inimical to  
14 the public health, safety, morals, or welfare, but may consist of an area in which these conditions  
15 predominate and injuriously affect the entire area.

16 (19) "State government" means the state of Rhode Island, or any agency or  
17 instrumentality of the state, corporate or otherwise.

18 (20) "State public body" means the state, or any city or town or any other subdivision or  
19 public body of the state or of any city or town.

20 SECTION 2. Section 45-32-5 of the General Laws in Chapter 45-32 entitled  
21 "Redevelopment Projects" is hereby amended to read as follows:

22 **45-32-5. Corporate powers of agencies.**

23 (a) Each redevelopment agency constitutes a public body, corporate and politic,  
24 exercising public and essential governmental functions, and has all the powers necessary and  
25 convenient to carry out and effectuate the purposes and provisions of chapters 31 -- 33 of this  
26 title, including the powers enumerated in this section in addition to others granted by these  
27 chapters:

28 (1) To sue and be sued; to borrow money; to compromise and settle claims; to have a  
29 seal; and to make and execute contracts and other instruments necessary or convenient to the  
30 exercise of its powers.

31 (2) To make, and, from time to time, amend and repeal bylaws, rules, and regulations,  
32 consistent with chapters 31 -- 33 of this title, to carry into effect the powers and purposes of these  
33 chapters.

34 (3) To select and appoint officers, agents, counsel, and employees, permanent and

1 temporary, as it may require, and determine their qualifications, duties, and compensation.

2 (4) Within the redevelopment area or for purposes of redevelopment: to purchase, lease,  
3 obtain an option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal  
4 property, or any estate or interest in it, together with any improvements on it; to acquire by the  
5 exercise of the power of eminent domain any real property or any estate or interest in it, although  
6 temporarily not required to achieve the purposes of chapters 31 -- 33 of this title; to clear,  
7 demolish, or remove any and all buildings, structures, or other improvements from any real  
8 property so acquired; to rehabilitate or otherwise improve any or all substandard buildings,  
9 structures, or other improvements; to insure or provide for the insurance of any real or personal  
10 property or operations of the agency against risk or hazard; and to rent, maintain, rehabilitate,  
11 improve, manage, operate, repair, and clear the property.

12 (5) To develop as a building site or sites any real property owned or acquired by it.

13 (6) To cause streets and highways to be laid out and graded, and pavements or other road  
14 surfacing, sidewalks, and curbs, public utilities of every kind, parks, playgrounds, and other  
15 recreational areas, off street parking areas and other public improvements to be constructed and  
16 installed.

17 (7) To prepare or have prepared all plans necessary for the redevelopment of blighted and  
18 substandard areas; with the consent and approval of the community planning commission, to  
19 carry on and perform, for and on behalf of the commission, all or any part of the planning  
20 activities and functions within the community; to undertake and perform, for the community,  
21 industrial, commercial, and family relocation services; to obtain appraisals and title searches; to  
22 make investigations, studies, and surveys of physical, economic, and social conditions and trends  
23 pertaining to a community; to develop, test, and report methods and techniques and carry out  
24 research and other activities for the prevention and the elimination of blighted and substandard  
25 conditions and to apply for, accept, and utilize grants of funds from the federal government and  
26 other sources for those purposes; and to enter upon any building or property in any  
27 redevelopment area in order to make investigations, studies, and surveys, and, in the event entry  
28 is denied or resisted, an agency may petition the superior court in and for the county in which the  
29 land lies for an order for this purpose. Upon the filing of a petition, due notice of it shall be served  
30 on the person denying or resisting entry, and after a hearing on the petition, the court shall enter  
31 an order granting or denying the petition.

32 (8) To undertake technical assistance to property owners and other private persons to  
33 encourage, implement, and facilitate voluntary improvement of real property.

34 (9) To undertake and carry out code enforcement projects pursuant to the provisions of

1 appropriate federal legislation.

2 (10) To invest any funds held in reserves or sinking funds or any funds not required for  
3 immediate disbursement, in property or securities in which savings banks may legally invest  
4 funds subject to their control; and to purchase its bonds at a price not more than the principal  
5 amount and accrued interest, all bonds so purchased to be cancelled.

6 (11) To lend money, and to sell, lease, exchange, subdivide, transfer, assign, pledge,  
7 encumber (by mortgage, deed of trust, or otherwise), or otherwise dispose of any real or personal  
8 property or any estate or interest in it acquired under the provisions of chapters 31 -- 33 of this  
9 title, to the United States, the state government, any state public body, or any private corporation,  
10 firm, or individual at its fair value for uses in accordance with the redevelopment plan,  
11 irrespective of the cost of acquiring and preparing the property for redevelopment. In determining  
12 the fair value of the property for uses in accordance with the redevelopment plan, the agency shall  
13 take into account, and give consideration to, the uses and purposes required by the plan, the  
14 restrictions upon, and the obligations assumed by the purchaser or lessee of the property, and the  
15 objectives of the redevelopment plan for the prevention of the recurrence of blighted and  
16 substandard conditions. Any lease or sale of the property may be made without public bidding  
17 provided, that no sale or lease is made until at least ten (10) days after the legislative body of the  
18 community has received from the agency a report concerning the proposed sale or lease.

19 (12) To obligate the purchaser or lessee of any real or personal property or any estate or  
20 interest in it to:

21 (i) Use the property only for the purpose and in the manner stated in the redevelopment  
22 plan;

23 (ii) Begin and complete the construction or rehabilitation of any structure or improvement  
24 within a period of time which the agency fixes as reasonable; and

25 (iii) Comply with other conditions that in the opinion of the agency are necessary to  
26 prevent the recurrence of blighted and substandard conditions and otherwise to carry out the  
27 purposes of chapters 31 -- 33 of this title. The agency, by contractual provisions, may make any  
28 of the purchasers' or lessees' obligations, covenants, or conditions running with the land, and may  
29 provide that, upon breach thereof, the fee reverts to the agency.

30 (13) To exercise all or any part or combination of the powers granted in this chapter.

31 ~~(b)(14) Nothing contained in this chapter authorizes an agency to~~ To construct ~~any~~ new  
32 buildings for residential, recreational, commercial, ~~or~~ industrial, institutional, public or other uses  
33 contemplated by the redevelopment plan.

34 (15) To grant or loan any redevelopment project revenues, or other revenues, including

1 the proceeds of any issue of bonds or notes issued pursuant to this chapter to an individual or any  
2 nonprofit organization or governmental or quasi-governmental entity or private enterprise, in  
3 order to finance the cost of any portion of a redevelopment project authorized pursuant to  
4 chapters 31 through 33 of this title, including, without limiting the generality of the foregoing, the  
5 cost of acquiring land for, and constructing or rehabilitating, furnishing and equipping residential,  
6 commercial, industrial, institutional, public, or recreational facilities, within a redevelopment  
7 area, or to loan bond or note proceeds in order to refinance any such loans.

8 ~~(e)~~(b) Nothing contained in this chapter authorizes an agency to retain for a period in  
9 excess of five (5) years from the date of acquisition, or within another additional period of time  
10 that the legislative body fixes as reasonable, the fee or any estate or interest in it to any building,  
11 structure, or other improvement, not demolished or otherwise removed, which has been acquired  
12 by the agency in accordance with the redevelopment plan.

13 SECTION 3. The provisions of this act are severable, and if any of its provisions are held  
14 unconstitutional or invalid for any reason by any court of competent jurisdiction, the decision of  
15 the court shall not affect or impair any of the remaining provisions.

16 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES AND PROJECTS

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- 1           This act would permit redevelopment agencies to finance the construction of projects for
- 2 residential, recreational, commercial, industrial, institutional, public, or other purposes
- 3 contemplated by a redevelopment plan.
- 4           This act would take effect upon passage.

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