

ARTICLE 12

RELATING TO HOUSING

1 SECTION 1. Sections 42-55-4 of the General Laws in Chapter 42-55 entitled “Rhode
2 Island Housing and Mortgage Finance Corporation” is hereby amended to read as follows:

3 **42-55-4. Creation of corporation – Composition – Personnel – Compensation.**

4 (a) There is authorized the creation and establishment of a public corporation of the state,
5 having a distinct legal existence from the state and not constituting a department of the state
6 government, with the politic and corporate powers as are set forth in this chapter to be known as
7 the "Rhode Island housing and mortgage finance corporation" to carry out the provisions of this
8 chapter. The corporation is constituted a public instrumentality exercising public and essential
9 governmental functions, and the exercise by the corporation of the powers conferred by this chapter
10 shall be deemed and held to be the performance of an essential governmental function of the state.
11 It is the intent of the general assembly by the passage of this chapter to authorize the incorporation
12 of a public corporation and instrumentality and agency of the state for the purpose of carrying on
13 the activities authorized by this chapter, and to vest the corporation with all of the powers, authority,
14 rights, privileges, and titles that may be necessary to enable it to accomplish these purposes. This
15 chapter shall be liberally construed in conformity with the purpose expressed.

16 (b) The powers of the corporation shall be vested in ~~seven (7)~~ nine (9) commissioners
17 consisting of the director of administration, or his or her designee; the general treasurer, or his or
18 her designee; the director of business regulations, or his or her designee; the executive director of
19 the housing resources coordinating council, or designee; the chairperson of the housing resources
20 steering committee, or designee; and four (4) members to be appointed by the governor with the
21 advice and consent of the senate who shall among them be experienced in all aspects of housing
22 design, development, finance, management, and state and municipal finance. The executive
23 director of the housing resources coordinating council and the chairperson of the housing resources
24 steering committee shall serve as non-voting, ex officio members of the board. On or before July
25 1, 1973, the governor shall appoint one member to serve until the first day of July, 1974 and until
26 his or her successor is appointed and qualified, one member to serve until the first day of July,
27 1975, and until his or her successor is appointed and qualified, one member to serve until the first
28 day of July, 1976 and until his or her successor is appointed and qualified, one member to serve
29 until the first day of July, 1977 and until his or her successor is appointed and qualified. During the
30 month of June, 1974, and during the month of June annually thereafter, the governor shall appoint
31 a member to succeed the member whose term will then next expire to serve for a term of four (4)
32 years commencing on the first day of July then next following and until his or her successor is

1 appointed and qualified. A vacancy in the office of a commissioner, other than by expiration, shall
2 be filled in like manner as an original appointment, but only for the unexpired portion of the term.
3 If a vacancy occurs when the senate is not in session, the governor shall appoint a person to fill the
4 vacancy, but only until the senate shall next convene and give its advice and consent to a new
5 appointment. A member shall be eligible to succeed him or herself. The governor shall designate a
6 member of the corporation to serve as chairperson. Any member of the corporation may be removed
7 by the governor for misfeasance, malfeasance, or willful neglect of duty.

8 (c) The commissioners shall elect from among their number a vice-chairperson annually
9 and those other officers as they may determine. Meetings shall be held at the call of the chairperson
10 or whenever two (2) commissioners so request. Four (4) commissioners of the corporation shall
11 constitute a quorum and any action taken by the corporation under the provisions of this chapter
12 may be authorized by resolution approved by a majority but not less than three (3) of the
13 commissioners present at any regular or special meeting. No vacancy in the membership of the
14 corporation shall impair the right of a quorum to exercise all of the rights and perform all of the
15 duties of the corporation.

16 (d) Commissioners shall receive no compensation for the performance of their duties, but
17 each commissioner shall be reimbursed for his or her reasonable expenses incurred in carrying out
18 his or her duties under this chapter.

19 (e) Notwithstanding the provisions of any other law, no officer or employee of the state
20 shall be deemed to have forfeited or shall forfeit his or her office or employment by reason of his
21 or her acceptance of membership of the corporation or his or her service to the corporation.

22 (f) The commissioners shall employ an executive director who shall also be the secretary
23 and who shall administer, manage, and direct the affairs and business of the corporation, subject to
24 the policies, control, and direction of the commissioners. The commissioners may employ technical
25 experts and other officers, agents, and employees, permanent and temporary, and fix their
26 qualifications, duties, and compensation. These employed persons shall not be subject to the
27 provisions of the classified service. The commissioners may delegate to one or more of their agents
28 or employees those administrative duties they may deem proper.

29 (g) The secretary shall keep a record of the proceedings of the corporation and shall be
30 custodian of all books, documents, and papers filed with the corporation and of its minute book and
31 seal. He or she, or his or her designee, or the designee of the board of commissioners, shall have
32 authority to cause to be made copies of all minutes and other records and documents of the
33 corporation and to give certificates under the seal of the corporation to the effect that the copies are
34 true copies and all persons dealing with the corporation may rely upon the certificates.

1 (h) Before entering into his or her duties, each commissioner of the corporation shall
2 execute a surety bond in the penal sum of fifty thousand dollars (\$50,000) and the executive director
3 shall execute a surety bond in the penal sum of one hundred thousand dollars (\$100,000) or, in lieu
4 of this, the chairperson of the corporation shall execute a blanket bond covering each commissioner,
5 the executive director and the employees or other officers of the corporation, each surety bond to
6 be conditioned upon the faithful performance of the duties of the office or offices covered, to be
7 executed by a surety company authorized to transact business in this state as surety and to be
8 approved by the attorney general and filed in the office of the secretary of state. The cost of each
9 bond shall be paid by the corporation.

10 (i) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict of
11 interest for a director, officer, or employee of any financial institution, investment banking firm,
12 brokerage firm, commercial bank or trust company, architecture firm, insurance company, or any
13 other firm, person, or corporation to serve as a member of the corporation. If any commissioner,
14 officer, or employee of the corporation shall be interested either directly or indirectly, or shall be a
15 director, officer, or employee of or have an ownership interest in any firm or corporation interested
16 directly or indirectly in any contract with the corporation, including any loan to any housing
17 sponsor or health care sponsor, that interest shall be disclosed to the corporation and shall be set
18 forth in the minutes of the corporation and the commissioner, officer, or employee having an
19 interest therein shall not participate on behalf of the corporation in the authorization of this contract.

20 SECTION 2. Chapter 42-128 of the General Laws entitled "Housing Resources Act of
21 1998" is hereby repealed in its entirety.

22 ~~**42-128-1. Findings.**~~

23 ~~(a) Rhode Island has an older housing stock which contributes invaluablely to community~~
24 ~~character, and in order to maintain the stability of neighborhoods and to sustain health communities,~~
25 ~~it is necessary to have programs for housing and community development and revitalization.~~

26 ~~(b) Rhode Island has an active private sector that is engaged in supplying housing.~~

27 ~~(c) Rhode Island has an active non-profit housing sector, which can, if provided adequate~~
28 ~~support, assist low and moderate income persons and works to improve conditions in~~
29 ~~neighborhoods and communities.~~

30 ~~(d) Housing that is not adequately maintained is a source of blight in communities and a~~
31 ~~cause of public health problems. Public health and safety are impaired by poor housing conditions;~~
32 ~~poisoning from lead paint and respiratory disease (asthma) are significant housing related health~~
33 ~~problems in Rhode Island.~~

1 ~~(e) There is an increasing need for supported living arrangements for the elderly and a~~
2 ~~continuing need for supported living arrangements for persons who are disabled and/or homeless.~~

3 ~~(f) Fair housing, and the potential of unequal treatment of individuals based on race,~~
4 ~~ethnicity, age, disability, and family, must be given continuing attention.~~

5 ~~(g) Housing costs consume a disproportionate share of income for many Rhode Islanders;~~
6 ~~housing affordability is a continuing problem, especially for first time home buyers and lower and~~
7 ~~moderate income renters; the high cost of housing adversely affects the expansion of Rhode Island's~~
8 ~~economy. Housing affordability and availability affect conditions of homelessness. The high cost~~
9 ~~of housing and the lack of affordable, decent housing for low income households is a source of~~
10 ~~hardship for very low income persons and families in Rhode Island.~~

11 ~~(h) The Rhode Island housing and mortgage finance corporation, which has provided more~~
12 ~~than two decades of assistance in addressing issues of both the affordability of home ownership~~
13 ~~and rental housing and the preservation of the housing stock for low and moderate income persons,~~
14 ~~is facing future funding shortfalls and must either increase revenues or reduce programs in order to~~
15 ~~remain viable.~~

16 ~~(i) The federal government has been reducing its commitment to housing since 1981, and~~
17 ~~there is no indication that earlier levels of federal support for housing will be restored.~~

18 ~~(j) Public housing authorities, which rely on federal support that is being reconsidered,~~
19 ~~have been and continue to be an important housing resource for low income families and the~~
20 ~~elderly.~~

21 ~~(k) Rhode Island, unlike most other states, does not have an agency or department of state~~
22 ~~government with comprehensive responsibility for housing.~~

23 ~~(l) It is necessary and desirable in order to protect that public health and to promote the~~
24 ~~public welfare, to establish a housing resources agency and a housing resources commission for~~
25 ~~the purposes of improving housing conditions, promoting housing affordability, engaging in~~
26 ~~community development activities, and assisting the urban, suburban, and rural communities of the~~
27 ~~state.~~

28 ~~**42-128-2. Rhode Island housing resources agency created.**~~

29 ~~There is created within the executive department a housing resources agency with the~~
30 ~~following purposes, organization, and powers:~~

31 ~~(1) Purposes:~~

32 ~~(i) To provide coherence to the housing programs of the state of Rhode Island and its~~
33 ~~departments, agencies, commissions, corporations, and subdivisions.~~

1 ~~(ii) To provide for the integration and coordination of the activities of the Rhode Island~~
2 ~~housing and mortgage finance corporation and the Rhode Island housing resources commission.~~

3 ~~(2) Coordinating committee—Created—Purposes and powers:~~

4 ~~(i) The coordinating committee of the housing resources agency shall be comprised of the~~
5 ~~chairperson of the Rhode Island housing and mortgage finance corporations; the chairperson of the~~
6 ~~Rhode Island housing resources commission; the director of the department of administration, or~~
7 ~~the designee of the director; and the executive director of the Rhode Island housing and mortgage~~
8 ~~finance corporation. The chairperson of the Rhode Island housing resources commission shall be~~
9 ~~chairperson of the coordinating committee.~~

10 ~~(ii) The coordinating committee shall develop and shall implement, with the approval of~~
11 ~~the Rhode Island housing and mortgage finance corporation and the Rhode Island housing~~
12 ~~resources commission, a memorandum of agreement describing the fiscal and operational~~
13 ~~relationship between the Rhode Island housing and mortgage finance corporation and the Rhode~~
14 ~~Island housing resources commission and shall define which programs of federal assistance will be~~
15 ~~applied for on behalf of the state by the Rhode Island housing and mortgage finance corporation~~
16 ~~and the Rhode Island housing resources commission.~~

17 ~~(3) There is hereby established a restricted receipt account within the general fund of the~~
18 ~~state. Funds from this account shall be used to provide for the lead hazard abatement program,~~
19 ~~housing rental subsidy, with priority given to homeless veterans and homeless prevention assistance~~
20 ~~and housing retention assistance with priority to veterans.~~

21 ~~**42-128-3. Rhode Island Housing and Mortgage Finance Corporation.**~~

22 ~~The Rhode Island housing and mortgage finance corporation established by chapter 55 of~~
23 ~~this title shall remain an independent corporation and shall serve as the housing finance and~~
24 ~~development division of the Rhode Island housing resources agency.~~

25 ~~**42-128-4. Rhode Island housing resources commission.**~~

26 ~~The Rhode Island housing resources commission shall be an agency within the executive~~
27 ~~department with responsibility for developing plans, policies, standards and programs and~~
28 ~~providing technical assistance for housing.~~

29 ~~**42-128-5. Purposes.**~~

30 ~~The purposes of the commission shall be:~~

31 ~~(1) To develop and promulgate state policies, and plans, for housing and housing~~
32 ~~production and performance measures for housing programs established pursuant to state law.~~

33 ~~(2) To coordinate activities among state agencies and political subdivisions pertaining to~~
34 ~~housing.~~

1 ~~(3) To promote the stability of and quality of life in communities and neighborhoods.~~

2 ~~(4) To provide opportunities for safe, sanitary, decent, adequate and affordable housing in~~
3 ~~Rhode Island.~~

4 ~~(5) To encourage public private partnerships that foster the production, rehabilitation,~~
5 ~~development, maintenance, and improvement of housing and housing conditions, especially for~~
6 ~~low and moderate income people.~~

7 ~~(6) To foster and support no profit organizations, including community development~~
8 ~~corporations, and their associations and intermediaries, that are engaged in providing and housing~~
9 ~~related services.~~

10 ~~(7) To encourage and support partnerships between institutions of higher education and~~
11 ~~neighborhoods to develop and retain quality, healthy housing and sustainable communities.~~

12 ~~(8) To facilitate private for profit production and rehabilitation of housing for diverse~~
13 ~~populations and income groups.~~

14 ~~(9) To provide, facilitate, and/or support the provisions of technical assistance.~~

15 ~~**42-128-6. Commission — Membership and terms — Officers — Expenses — Meetings.**~~

16 ~~(a)(1) Membership. The commission shall have twenty eight (28) members as follows: the~~
17 ~~directors of departments of administration, business regulation, elderly affairs, health, human~~
18 ~~services, behavioral healthcare, developmental disabilities and hospitals, the chairperson of the~~
19 ~~Rhode Island housing and mortgage finance corporation, and the attorney general, shall be ex~~
20 ~~officio members; the president of the Rhode Island Bankers Association, or the designee of the~~
21 ~~president; the president of the Rhode Island Mortgage Banker's Association, or the designee of the~~
22 ~~president; the president of the Rhode Island Realtors Association, or the designee of the president;~~
23 ~~the executive director of the Rhode Island Housing Network; the executive director of the Rhode~~
24 ~~Island Coalition for the Homeless; the president of the Rhode Island Association of Executive~~
25 ~~Directors for Housing, or the designee of the president; the executive director of operation stand~~
26 ~~down; and thirteen (13) members who have knowledge of, and have a demonstrated interest in,~~
27 ~~housing issues as they affect low and moderate income people, appointed by the governor with the~~
28 ~~advice and consent of the senate: one of whom shall be the chairperson, one of whom shall be the~~
29 ~~representative of the homeless; one of whom shall be a representative of a community development~~
30 ~~corporation; one of whom shall be the representative of an agency addressing lead poisoning issues;~~
31 ~~one of whom shall be a local planner; one of whom shall be a local building official; one of whom~~
32 ~~shall be a representative of fair housing interests; one of whom shall be representative of an agency~~
33 ~~advocating the interest of racial minorities; one of whom shall be a representative of the Rhode~~
34 ~~Island Builders Association; one of whom shall be a representative of insurers; one of whom shall~~

1 ~~be a representative of a community development intermediary that provides financing and technical~~
2 ~~assistance to housing non-profits; one of whom shall be a non-profit developer; and one of whom~~
3 ~~shall be a senior housing advocate.~~

4 ~~(2) The terms of appointed members shall be three (3) years, except for the original~~
5 ~~appointments, the term of four (4) of whom shall be one year and the term of four (4) of whom~~
6 ~~shall be two (2) years; no member may serve more than two (2) successive terms.~~

7 ~~(b) Officers. The governor shall appoint the chairperson of the commission, who shall not~~
8 ~~be an ex-officio member, with the advice and consent of the senate. The commission shall elect~~
9 ~~annually a vice-chairperson, who shall be empowered to preside at meetings in the absence of the~~
10 ~~chairperson, and a secretary.~~

11 ~~(c) Expenses. The members of the commission shall serve without compensation, but shall~~
12 ~~be reimbursed for their reasonable actual expenses necessarily incurred in the performance of their~~
13 ~~duties.~~

14 ~~(d) Meetings. Meetings of the commission shall be held upon the call of the chairperson,~~
15 ~~or five (5) members of the commission, or according to a schedule that may be annually established~~
16 ~~by the commission; provided, however, that the commission shall meet at least once quarterly. A~~
17 ~~majority of members of the commission, not including vacancies, shall constitute a quorum, and~~
18 ~~no vacancy in the membership of the commission shall impair the right of a quorum to exercise all~~
19 ~~the rights and perform all of the duties of the commission.~~

20 **~~42-128-7. General powers.~~**

21 ~~The commission shall have the following powers, together with all powers incidental to or~~
22 ~~necessary for the performance of those set forth in this chapter:~~

23 ~~(1) To sue and be sued.~~

24 ~~(2) To negotiate and to enter into contracts, agreements, and cooperative agreements with~~
25 ~~agencies and political subdivisions of the state, not for profit corporations, for profit corporations,~~
26 ~~and other partnerships, associations and persons for any lawful purpose necessary and desirable to~~
27 ~~effect the purposes of this chapter.~~

28 ~~(3) To adopt by laws and rules for the management of its affairs and for the exercise of its~~
29 ~~powers and duties, and to establish the committees, workgroups, and advisory bodies that from~~
30 ~~time to time may be deemed necessary.~~

31 ~~(4) To receive and accept grants or loans as may be made by the Federal government, and~~
32 ~~grants, donations, contributions and payments from other public and private sources.~~

33 ~~(5) To grant or loan funds to agencies and political subdivisions of the state or to private~~
34 ~~groups to effect the purposes of this chapter.~~

1 ~~(6) To secure the cooperation and assistance of the United States and any of its agencies,~~
2 ~~and of the agencies and political subdivisions of this state in the work of the commission.~~

3 ~~(7) To establish, charge, and collect fees and payments for its services.~~

4 ~~**42-128-8. Powers and duties.**~~

5 ~~In order to provide housing opportunities for all Rhode Islanders, to maintain the quality~~
6 ~~of housing in Rhode Island, and to coordinate and make effective the housing responsibilities of~~
7 ~~the agencies and subdivisions of the state, the commission shall have the following powers and~~
8 ~~duties:~~

9 ~~(1) Policy, planning and coordination of state housing functions. The commission shall~~
10 ~~have the power and duty:~~

11 ~~(i) To prepare and adopt the state's plans for housing; provided, however, that this provision~~
12 ~~shall not be interpreted to contravene the prerogative of the state planning council to adopt a state~~
13 ~~guide plan for housing.~~

14 ~~(ii) To prepare, adopt, and issue the state's housing policy.~~

15 ~~(iii) To conduct research on and make reports regarding housing issues in the state.~~

16 ~~(iv) To advise the governor and general assembly on housing issues and to coordinate~~
17 ~~housing activities among government agencies and agencies created by state law or providing~~
18 ~~housing services under government programs.~~

19 ~~(2) Establish, implement, and monitor state performance measures and guidelines for~~
20 ~~housing programs. The commission shall have the power and the duty:~~

21 ~~(i) To promulgate performance measures and guidelines for housing programs conducted~~
22 ~~under state law.~~

23 ~~(ii) To monitor and evaluate housing responsibilities established by state law, and to~~
24 ~~establish a process for annual reporting on the outcomes of the programs and investments of the~~
25 ~~state in housing for low and moderate income people.~~

26 ~~(iii) To hear and resolve disputes pertaining to housing issues.~~

27 ~~(3) Administer the programs pertaining to housing resources that may be assigned by state~~
28 ~~law. The commission shall have the power and duty to administer programs for housing, housing~~
29 ~~services, and community development, including, but not limited to, programs pertaining to:~~

30 ~~(i) Abandoned properties and the remediation of blighting conditions.~~

31 ~~(ii) Lead abatement and to manage a lead hazard abatement program in cooperation with~~
32 ~~the Rhode Island housing and mortgage finance corporation.~~

33 ~~(iii) Services for the homeless.~~

34 ~~(iv) Rental assistance.~~

- 1 ~~(v) Community development.~~
- 2 ~~(vi) Outreach, education and technical assistance services.~~
- 3 ~~(vii) Assistance, including financial support, to non-profit organizations and community~~
4 ~~development corporations.~~
- 5 ~~(viii) Tax credits that assist in the provision of housing or foster community development~~
6 ~~or that result in support to non-profit organizations performing functions to accomplish the~~
7 ~~purposes of this chapter.~~
- 8 ~~(ix) The Supportive Services Program, the purpose of which is to help prevent and end~~
9 ~~homelessness among those who have experienced long-term homelessness and for whom certain~~
10 ~~services in addition to housing are essential. State funding for this program may leverage other~~
11 ~~resources for the purpose of providing supportive services. Services provided pursuant to this~~
12 ~~subsection may include, but not be limited to: assistance with budgeting and paying rent; access to~~
13 ~~employment; encouraging tenant involvement in facility management and policies; medication~~
14 ~~monitoring and management; daily living skills related to food, housekeeping and socialization;~~
15 ~~counseling to support self-identified goals; referrals to mainstream health, mental health and~~
16 ~~treatment programs; and conflict resolution.~~

17 ~~**42-128-8.1. Housing production and rehabilitation.**~~

18 ~~(a) Short title. This section shall be known and may be cited as the "Comprehensive~~
19 ~~Housing Production and Rehabilitation Act of 2004."~~

20 ~~(b) Findings. The general assembly finds and declares that:~~

21 ~~(1) The state must maintain a comprehensive housing strategy applicable to all cities and~~
22 ~~towns that addresses the housing needs of different populations including, but not limited to,~~
23 ~~workers and their families who earn less than one hundred twenty percent (120%) of median~~
24 ~~income, older citizens, students attending institutions of higher education, low and very low income~~
25 ~~individuals and families, and vulnerable populations including, but not limited to, persons with~~
26 ~~disabilities, homeless individuals and families, and individuals released from correctional~~
27 ~~institutions.~~

28 ~~(2) Efforts and programs to increase the production of housing must be sensitive to the~~
29 ~~distinctive characteristics of cities and towns, neighborhoods and areas and the need to manage~~
30 ~~growth and to pace and phase development, especially in high-growth areas.~~

31 ~~(3) The state in partnership with local communities must remove barriers to housing~~
32 ~~development and update and maintain zoning and building regulations to facilitate the construction,~~
33 ~~rehabilitation of properties and retrofitting of buildings for use as safe affordable housing.~~

1 ~~(4) Creative funding mechanisms are needed at the local and state levels that provide~~
2 ~~additional resources for housing development, because there is an inadequate amount of federal~~
3 ~~and state subsidies to support the affordable housing needs of Rhode Island's current and projected~~
4 ~~population.~~

5 ~~(5) Innovative community planning tools, including, but not limited to, density bonuses~~
6 ~~and permitted accessory dwelling units, are needed to offset escalating land costs and project~~
7 ~~financing costs that contribute to the overall cost of housing and tend to restrict the development~~
8 ~~and preservation of housing affordable to very low income, low income and moderate income~~
9 ~~persons.~~

10 ~~(6) The gap between the annual increase in personal income and the annual increase in the~~
11 ~~median sales price of a single family home is growing, therefore, the construction, rehabilitation~~
12 ~~and maintenance of affordable, multi-family housing needs to increase to provide more rental~~
13 ~~housing options to individuals and families, especially those who are unable to afford~~
14 ~~homeownership of a single family home.~~

15 ~~(7) The state needs to foster the formation of cooperative partnerships between~~
16 ~~communities and institutions of higher education to significantly increase the amount of residential~~
17 ~~housing options for students.~~

18 ~~(8) The production of housing for older citizens as well as urban populations must keep~~
19 ~~pace with the next twenty year projected increases in those populations of the state.~~

20 ~~(9) Efforts must be made to balance the needs of Rhode Island residents with the ability of~~
21 ~~the residents of surrounding states to enter into Rhode Island's housing market with much higher~~
22 ~~annual incomes at their disposal.~~

23 ~~(c) Strategic plan. The commission, in conjunction with the statewide planning program,~~
24 ~~shall develop by July 1, 2006, a five (5) year strategic plan for housing, which plan shall be adopted~~
25 ~~as an element of the state guide plan, and which shall include quantified goals, measurable~~
26 ~~intermediate steps toward the accomplishment of the goals, implementation activities, and~~
27 ~~standards for the production and/or rehabilitation of year round housing to meet the housing needs~~
28 ~~including, but not limited to, the following:~~

29 ~~(1) Older Rhode Islanders, including senior citizens, appropriate, affordable housing~~
30 ~~options;~~

31 ~~(2) Workers, housing affordable at their income level;~~

32 ~~(3) Students, dormitory, student housing and other residential options;~~

33 ~~(4) Low income and very low income households, rental housing;~~

34 ~~(5) Persons with disabilities, appropriate housing; and~~

1 ~~(6) Vulnerable individuals and families, permanent housing, single room occupancy units,~~
2 ~~transitional housing and shelters.~~

3 ~~(d) As used in this section and for the purposes of the preparation of affordable housing~~
4 ~~plans as specified in chapter 45 22.2, words and terms shall have the meaning set forth in chapter~~
5 ~~45 22.2, chapter 45 53, and/or § 42 11 10, unless this section provides a different meaning or~~
6 ~~unless the context indicates a different meaning or intent.~~

7 ~~(1) "Affordable housing" means residential housing that has a sales price or rental amount~~
8 ~~that is within the means of a household that is moderate income or less. In the case of dwelling~~
9 ~~units for sale, housing that is affordable means housing in which principal, interest, taxes, which~~
10 ~~may be adjusted by state and local programs for property tax relief, and insurance constitute no~~
11 ~~more than thirty percent (30%) of the gross household income for a household with less than one~~
12 ~~hundred and twenty percent (120%) of area median income, adjusted for family size. In the case of~~
13 ~~dwelling units for rent, housing that is affordable means housing for which the rent, heat, and~~
14 ~~utilities other than telephone constitute no more than thirty percent (30%) of the gross annual~~
15 ~~household income for a household with eighty percent (80%) or less of area median income,~~
16 ~~adjusted for family size. Affordable housing shall include all types of year round housing,~~
17 ~~including, but not limited to, manufactured housing, housing originally constructed for workers and~~
18 ~~their families, accessory dwelling units, housing accepting rental vouchers and/or tenant based~~
19 ~~certificates under Section 8 of the United States Housing Act of 1937, as amended, and assisted~~
20 ~~living housing, where the sales or rental amount of such housing, adjusted for any federal, state, or~~
21 ~~municipal government subsidy, is less than or equal to thirty percent (30%) of the gross household~~
22 ~~income of the low and/or moderate income occupants of the housing.~~

23 ~~(2) "Affordable housing plan" means a plan prepared and adopted by a town or city either~~
24 ~~to meet the requirements of chapter 45 53 or to meet the requirements of § 45 22.2 10(f), which~~
25 ~~require that comprehensive plans and the elements thereof be revised to conform with amendments~~
26 ~~to the state guide plan.~~

27 ~~(3) "Approved affordable housing plan" means an affordable housing plan that has been~~
28 ~~reviewed and approved in accordance with § 45 22.2 9.~~

29 ~~(4) "Moderate income household" means a single person, family, or unrelated persons~~
30 ~~living together whose adjusted gross income is more than eighty percent (80%) but less than one~~
31 ~~hundred twenty percent (120%) of the area median income, adjusted for family size.~~

32 ~~(5) "Seasonal housing" means housing that is intended to be occupied during limited~~
33 ~~portions of the year.~~

1 ~~(6) "Year-round housing" means housing that is intended to be occupied by people as their~~
2 ~~usual residence and/or vacant units that are intended by their owner for occupancy at all times of~~
3 ~~the year; occupied rooms or suites of rooms in hotels are year-round housing only when occupied~~
4 ~~by permanent residents as their usual place of residence.~~

5 ~~(e) The strategic plan shall be updated and/or amended as necessary, but not less than once~~
6 ~~every five (5) years.~~

7 ~~(f) Upon the adoption of the strategic plan as an element of the state guide plan, towns and~~
8 ~~cities shall bring their comprehensive plans into conformity with its requirements, in accordance~~
9 ~~with the timetable set forth in § 45-22.2-10(f), provided, however, that any town that has adopted~~
10 ~~an affordable housing plan in order to comply with the provisions of chapter 45-53, which has been~~
11 ~~approved for consistency pursuant to § 45-22.2-9, shall be deemed to satisfy the requirements of~~
12 ~~the strategic plan for low and moderate income housing until such time as the town must complete~~
13 ~~its next required comprehensive community plan update.~~

14 ~~(g) Guidelines. The commission shall advise the state planning council and the state~~
15 ~~planning council shall promulgate and adopt not later than July 1, 2006, guidelines for higher~~
16 ~~density development, including, but not limited to: (A) inclusionary zoning provisions for low and~~
17 ~~moderate income housing with appropriate density bonuses and other subsidies that make the~~
18 ~~development financially feasible; and (B) mixed-use development that includes residential~~
19 ~~development, which guidelines shall take into account infrastructure availability; soil type and land~~
20 ~~capacity; environmental protection; water supply protection; and agricultural, open space, historical~~
21 ~~preservation, and community development pattern constraints.~~

22 ~~(h) The statewide planning program shall maintain a geographic information system map~~
23 ~~that identifies, to the extent feasible, areas throughout the state suitable for higher density~~
24 ~~residential development consistent with the guidelines adopted pursuant to subsection (g).~~

25 ~~**42-128-9. Offices within the commission.**~~

26 ~~There shall be, as a minimum, the following offices within the commission: the office of~~
27 ~~policy and planning, the office of housing program performance and evaluation, the office of~~
28 ~~homelessness services and emergency assistance, and the office of community development,~~
29 ~~programs and technical assistance. The commission may establish by rule such other offices,~~
30 ~~operating entities, and committees as it may deem appropriate.~~

31 ~~**42-128-10. Appropriations.**~~

32 ~~The general assembly shall annually appropriate any sums it may deem necessary to enable~~
33 ~~the commission to carry out its assigned purposes; and the state controller is authorized and directed~~
34 ~~to draw his or her orders upon the general treasurer for the payment of any sums appropriated or so~~

1 much as may be from time to time required, upon receipt by him or her of proper vouchers approved
2 by the chairperson or the executive director.

3 **~~42-128-11. Executive director—Employees.~~**

4 ~~The commission shall appoint an executive director, who shall not be subject to the~~
5 ~~provisions of chapter 4 of title 36, and who shall serve as the state housing commissioner. The~~
6 ~~commission shall set the compensation and the terms of employment of the executive director. The~~
7 ~~commission shall also cause to be employed such staff and technical and professional consultants~~
8 ~~as may be required to carry out the powers and duties set forth in this chapter. All staff, including~~
9 ~~the executive director, may be secured through a memorandum of agreement with the Rhode Island~~
10 ~~housing and mortgage finance corporation, as provided for in § 42-128-2(2)(ii). Any person who~~
11 ~~is in the civil service and is transferred to the commission may retain civil service status.~~

12 **~~42-128-12. Coordination with other state agencies.~~**

13 ~~State agencies, departments, authorities, corporations, boards, commissions, and political~~
14 ~~subdivisions shall cooperate with the commission in the conduct of its activities, and specifically:~~
15 ~~the Rhode Island historical preservation and heritage commission shall advise the commission on~~
16 ~~issues of historical preservation standards as they pertain to housing and the use of historical~~
17 ~~preservation programs to improve housing and to enhance community character; the statewide~~
18 ~~planning program, created pursuant to § 42-11-10, shall advise the commission on issues of~~
19 ~~planning in general and land use controls and shall revise the state guide plan, as necessary, to~~
20 ~~achieve consistency with official state plans and policies for housing adopted by the commission,~~
21 ~~and the department of business regulation shall advise the commission on issues of business~~
22 ~~regulation affecting housing, shall review its regulations and practices to determine any~~
23 ~~amendments, changes, or additions which might be appropriate to advance the purposes of this~~
24 ~~chapter, and shall designate an official within the department to serve as liaison to, and the contact~~
25 ~~person for, the commission on issues related to housing.~~

26 **~~42-128-13. Open meetings law.~~**

27 ~~The housing resources agency, the coordinating committee, and the housing resources~~
28 ~~commission and any committee, council, or advisory body created by the commission shall~~
29 ~~conform to the provisions of chapter 46 of this title.~~

30 **~~42-128-14. Public records law.~~**

31 ~~The housing resources agency, the coordinating committee, and the housing resources~~
32 ~~commission and any committee, council, or advisory body created by the commission shall~~
33 ~~conform to the provisions of chapter 2 of title 38.~~

34 **~~42-128-15. Administrative procedures act.~~**

1 (4) There remains significant unmet need in Rhode Island for supportive living
2 arrangements for elderly, disabled, or homeless residents.

3 (5) State and local governments must partner to remove regulatory barriers to adequate
4 housing production, including by leveraging zoning and building regulations to facilitate the
5 construction, rehabilitation, and retrofitting of properties for safe and productive residential use.

6 (6) Innovative community planning and development tools are needed to offset escalating
7 land and project financing costs that contribute to the overall cost of housing and tend to restrict its
8 development and preservation.

9 (7) The state has the opportunity to foster the formation of cooperative partnerships
10 between communities and institutions of higher education to significantly increase the amount of
11 residential housing options for students.

12 (8) Rhode Island has an older housing stock that contributes invaluablely to community
13 character, but also requires resources to ensure that dwellings remain habitable and comply with
14 modern safety and accessibility standards.

15 (9) Housing that is not adequately maintained impairs public health and safety. Respiratory
16 disease (asthma) and poisoning from lead paint remain significant housing-related health problems
17 in Rhode Island. Additionally, there is increasing evidence that unstable housing conditions have a
18 significant negative impact on individual and public health.

19 (10) Rhode Island must give continuing attention to the unequal treatment of individuals
20 based on their race, ethnicity, age, disability, familial status, and other protected characteristics in
21 order to affirmatively further fair housing and foster inclusive communities free from
22 discriminatory barriers to opportunity.

23 (11) In order to comprehensively address housing challenges statewide, it is necessary and
24 desirable for the state to maintain a strategic housing plan that addresses the housing needs of
25 different populations including, but not limited to, workers and their families who earn less than
26 one hundred twenty percent (120%) of median income; older citizens; students attending
27 institutions of higher education; low and very low income individuals and families; and vulnerable
28 populations including, but not limited to, persons with disabilities, homeless individuals and
29 families, and individuals released from correctional institutions.

30 (12) To protect public health and welfare, it is necessary and desirable to establish a
31 division of housing and community development that administers programs to improve housing
32 conditions, promote housing affordability, engage in community development and disaster
33 assistance, provide services for the homeless, and assist the urban, suburban, and rural communities
34 of the state.

1 (13) To integrate, coordinate, and provide coherence to housing policies and programs
2 across the state’s agencies and political subdivisions, it is necessary and desirable to establish a
3 housing resources coordinating council that monitors and organizes state activity pertaining to
4 housing.

5 (14) To incorporate community and stakeholder input into the long-term vision for housing
6 policy in the state of Rhode Island, as well as to ensure the effective deployment of existing
7 resources, it is necessary and desirable to establish a housing resources steering committee that
8 advises the housing resources coordinating council on all matters pertaining to housing, including
9 policy goals, strategic directions, funding priorities, and guidelines and performance metrics for
10 state housing programs.

11 **42-128.3-2. Short title.**

12 This chapter shall be known as "The Housing and Community Development Act."

13 **42-128.3-3. Purposes.**

14 The purposes of this chapter are to:

15 (a) To promote stability and quality of life in communities and neighborhoods in Rhode
16 Island.

17 (b) To promote the availability of safe, sanitary, decent, adequate, affordable, and
18 accessible housing within communities and neighborhoods.

19 (c) To encourage and support partnerships between public and private institutions,
20 communities and institutions of higher education in order to develop and retain quality, healthy
21 housing and sustainable communities.

22 (d) To foster and support non-profit organizations, including community development
23 corporations, and their associations and intermediaries, that are engaged in providing services
24 related to housing and community development.

25 (e) To facilitate private, nonprofit and for-profit production and rehabilitation of housing
26 for diverse populations and income groups.

27 (f) To provide, facilitate, and/or support the provision of technical assistance related to
28 housing and community development.

29 **42-128.3-4. Division of Housing and Community Development created – Assignment**
30 **of contracts and transfer of employees – Offices – Powers and duties. – Organization.**

31 (a) Created. There is created within the executive branch a division of housing and
32 community development (“DHCD”) with responsibility for administering plans, policies,
33 standards, programs, and technical assistance for housing and community development.

1 (b) Assignment of contracts and transfer of employees. Any contracts or agreements to
2 which the office formerly known as the office of housing and community development (“OHCD”)
3 shall be assigned to DHCD. Any employees of OHCD shall be transferred to DHCD. Any existing
4 rules or regulations promulgated by OHCD shall remain in effect and be transferred to DHCD.
5 Whenever any general law, or public law, rule, regulation and/or bylaw, refers to the "office of
6 housing and community development," the reference shall be deemed to refer to and mean DHCD.

7 (c) Offices. DHCD may establish such offices and committees as it may deem appropriate.

8 (d) Powers and duties. In order to maintain the quality of housing in Rhode Island and
9 provide housing opportunities for all of its residents, DHCD shall have the following powers and
10 duties:

11 (1) To administer programs pertaining to housing, housing services, and community
12 development, including, but not limited to, programs pertaining to:

13 (i) Services for the homeless;

14 (ii) Rental assistance;

15 (iii) Community development;

16 (iv) Disaster assistance;

17 (v) Outreach, education and technical assistance services; and

18 (vi) Assistance, including financial support, to non-profit organizations and community
19 development corporations.

20 (2) To delegate any of its powers as necessary in order to accomplish the purposes of this
21 chapter.

22 (e) Organization. Consistent with § 42-64.19-7(h), DHCD shall be assigned to the
23 Executive Office of Commerce.

24 **42-128.3-5. Housing resources coordinating council created – Powers and duties –**
25 **Members –Employees – Assignment of contracts and transfer of employees.**

26 (a) Created. There is created within the executive branch a housing resources coordinating
27 council (“coordinating council”) that shall have as its purpose the coordination of housing policies
28 and programs across state agencies and political subdivisions in order to ensure the efficient and
29 effective deployment of resources.

30 (b) Powers and duties. The coordinating council is authorized and empowered to carry out
31 the following powers and duties:

32 (1) To negotiate and to enter into contracts and cooperative agreements with agencies and
33 political subdivisions of the state, not-for-profit corporations, for profit corporations, and other

1 partnerships, associations and persons for any lawful purpose necessary and desirable to effect the
2 purposes of this chapter, subject to the provisions of chapter 2 of title 37 as applicable.

3 (2) To establish committees, workgroups, and advisory bodies as deemed necessary to
4 advise on housing policy, strategy, and special topics.

5 (3) To develop, in consultation with the housing resources steering committee, state plans,
6 policies, and programs for housing.

7 (4) To adopt performance metrics and guidelines for state housing programs.

8 (5) To monitor and evaluate the performance of state housing programs, and to convey
9 updates to the housing resources steering committee on program performance, including progress
10 towards the goals and metrics identified in the state's strategic housing plan and/or plan to end
11 homelessness.

12 (6) To adopt, in consultation with the housing resources steering committee, measures to
13 promote inclusive community input on state housing plans, policies, programs, and deployment of
14 funds.

15 (7) To adopt by-laws and rules for the management of its affairs and the exercise of its
16 powers and duties.

17 (8) To grant or loan funds to agencies and political subdivisions of the state or to private
18 groups for any lawful purpose necessary and desirable to effect the purposes of this chapter.

19 (9) To secure the cooperation and assistance of the United States and any of its agencies.

20 (10) To establish, charge, and collect fees and payments for its services.

21 (11) To accept grant funds and in-kind contributions from governmental and private
22 entities.

23 (12) To delegate any of its powers in order to accomplish the purposes of this chapter.

24 (c) *Members.* The coordinating council shall be comprised of the chairperson of the Rhode
25 Island housing and mortgage finance corporation, or designee; the chairperson of the housing
26 resources steering committee; the secretary of commerce, or designee; the secretary of health and
27 human services, or designee; a member of the Rhode Island Continuum of Care who also represent
28 an agency or political subdivision of the state; and two (2) members appointed by the governor,
29 who each also represent an agency or political subdivision of the state. The governor shall designate
30 one of the coordinating council's members to be chairperson.

31 (d) *Employees.* The governor shall appoint, with the advice of the coordinating council, an
32 executive director of the coordinating council, who shall not be subject to the provisions of chapter
33 4 in title 36, and who may also serve in the executive office of commerce as the deputy secretary
34 of housing and homelessness. The coordinating council shall also cause to be employed such other

1 staff and technical and professional consultants as may be required to carry out the powers and
2 duties set forth in this chapter. All staff, including the executive director, may be secured through
3 a memorandum of agreement with the Rhode Island housing and mortgage finance corporation,
4 with the approval of Rhode Island housing and mortgage finance corporation, or any other agency
5 or political subdivision of the state, with the approval of the relevant agency or political subdivision.
6 Any person who is in the civil service and is transferred to the coordinating council may retain civil
7 service status.

8 (e) Assignment of contracts and transfer of employees. Any contracts or agreements to
9 which the agency formerly known the housing resources commission shall be assigned to the
10 coordinating council. Any employees of the agency formerly known as the housing resources
11 commission shall be transferred to the coordinating council. Any existing rules or regulations
12 promulgated by the housing resources commission shall remain in effect and be transferred to the
13 coordinating council. Whenever any general law, or public law, rule, regulation and/or bylaw,
14 refers to the "housing resources commission," the reference shall be deemed to refer to and mean
15 the coordinating council.

16 **42-128.3-6. Appropriations – Restricted receipts account.**

17 (a) The general assembly shall annually appropriate any sums it may deem necessary to
18 enable the coordinating council to carry out its assigned purposes; and the state controller is
19 authorized and directed to draw his or her orders upon the general treasurer for the payment of any
20 sums appropriated or so much as may be from time to time required, upon receipt by him or her of
21 proper vouchers approved by the chairperson or the executive director.

22 (b) The restricted receipt account within the general fund of the state known as “housing
23 resources commission” prior to July 1, 2020, shall henceforth be utilized by the housing resources
24 coordinating council. Funds from this account shall be used by the coordinating council to provide
25 for initiatives including housing production; lead hazard abatement; housing rental subsidy;
26 housing retention assistance; and homelessness services and prevention assistance, with priority to
27 veterans.

28 (c) There is hereby established a restricted receipt account within the general fund of the
29 state, to be known as the “housing production fund”. Funds from this account shall be administered
30 by the Rhode Island housing and mortgage finance corporation, subject to program and reporting
31 guidelines adopted by the coordinating council, for housing production initiatives, including:

32 (1) Financial assistance by loan, grant, or otherwise, for the planning, production, or
33 preservation of housing opportunities in Rhode Island, including housing affordable to workers and
34 located near major workforce centers; or

1 (2) Technical and financial assistance for cities and towns to support increased local
2 housing production, including by reducing regulatory barriers and through the housing incentives
3 for municipalities program.

4 **42-128.3-7. Rhode Island housing and mortgage finance corporation.**

5 The Rhode Island housing and mortgage finance corporation established by chapter 55 of
6 this title shall remain an independent corporation and shall serve as the housing finance and
7 development division of the state.

8 **42-128.3-8. Housing resources steering committee created – Powers and duties –**
9 **Members – Officers – Expenses – Meetings.**

10 (a) Created. There is created a standing committee to be known as the housing resources
11 steering committee (“steering committee”). The steering committee is established for the purposes
12 of incorporating community and stakeholder input into: (i) the long-term vision for housing policy
13 in the state of Rhode Island, and (ii) the deployment of existing resources.

14 (b) Powers and duties. The steering committee shall have the powers and duties:

15 (1) To adopt the state of Rhode Island’s strategic housing plan; provided, however, that
16 this provision shall not be interpreted to contravene the prerogative of the state planning council to
17 adopt a state guide plan for housing.

18 (2) To adopt the state of Rhode Island’s plan to end homelessness.

19 (3) To monitor and evaluate the progress of state housing programs towards the goals and
20 metrics identified in the state’s strategic housing plan and/or plan to end homelessness.

21 (4) To make recommendations to the coordinating council on all matters pertaining to
22 housing, including policy goals, strategic directions, funding priorities, and guidelines and
23 performance metrics for state housing programs.

24 (5) To make recommendations to the coordinating council on program and reporting
25 guidelines for the housing production fund established pursuant to § 42-128.3-6(c).

26 (6) To make recommendations to the coordinating council on strategies to ensure inclusive
27 community input on state housing plans, policies, and program development.

28 (7) To conduct research and make independent reports on housing issues, including by (i)
29 inviting experts and other witnesses to submit testimony and (ii) contracting with experts and
30 consultants as necessary to inform deliberations and recommendations.

31 (8) To accept grant funds and in-kind contributions from governmental and private entities.

32 (9) To adopt by-laws and rules for the management of its affairs and for the exercise of its
33 powers and duties.

1 (c) Members. The steering committee shall be comprised of nineteen (19) members as
2 follows:

3 (1) Thirteen (13) members to be appointed by the governor with the advice and consent of
4 the senate and drawn from the following areas: disability advocacy; homelessness; veterans
5 services and welfare; banking and lending; fair housing and/or civil rights advocacy; education
6 advocacy; healthy housing and/or health equity; the business community; public housing
7 authorities; for-profit development; non-profit development and/or community development
8 corporations; local government; seniors and healthy aging; colleges and universities; realty and
9 homeownership; or any other area deemed necessary to advance the activities of the steering
10 committee.

11 (2) The six (6) members of coordinating council who represent a state agency or political
12 subdivision.

13 (3) The terms of steering committee members appointed pursuant to § 42-128.3-8(c)(1)
14 shall be three (3) years, except for the original appointments, the term of four (4) of whom shall be
15 one year and the term of four (4) of whom shall be two (2) years; no member may serve more than
16 two (2) successive terms.

17 (d) Officers. The governor shall designate one of the steering committee's members to be
18 chairperson. The steering committee shall elect annually a vice-chairperson, who shall be
19 empowered to preside at meetings in the absence of the chairperson, and a secretary.

20 (e) Expenses. Members of the steering committee appointed pursuant § 42-128.3-8(c)(1)
21 shall serve without compensation, but may be reimbursed for their reasonable actual expenses
22 necessarily incurred in the performance of their duties.

23 (f) Meetings. Meetings of the steering committee shall be held upon the call of the
24 chairperson, or five (5) members; provided, however, that the steering committee shall meet at least
25 once quarterly. A majority of members, not including vacancies, shall constitute a quorum, and no
26 vacancy in the membership shall impair the right of a quorum to exercise all the rights and perform
27 all of the duties of the steering committee.

28 **42-128.3-9. Coordination with other state agencies.**

29 All departments, boards, agencies, and political subdivisions of the state shall cooperate
30 with DHCD, the coordinating council, and the steering committee, and furnish any advice and
31 information, documentary and otherwise, that may be necessary or desirable to facilitate the
32 purposes of this chapter.

33 **42-128.3-10. Definitions – Strategic housing plan – Updates – Conformity –**
34 **Guidelines.**

1 (a) Definitions. As used in this section and for the purposes of the preparation of affordable
2 housing plans as specified in chapter 45-22.2, words and terms shall have the meaning set forth in
3 chapter 45-22.2, chapter 45-53, and/or § 42-11-10, unless this section provides a different meaning
4 or unless the context indicates a different meaning or intent.

5 (1) "Affordable housing" means residential housing that has a sales price or rental amount
6 that is within the means of a household that is moderate income or less. In the case of dwelling
7 units for sale, housing that is affordable means housing in which principal, interest, taxes, which
8 may be adjusted by state and local programs for property tax relief, and insurance constitute no
9 more than thirty percent (30%) of the gross household income for a household with less than one
10 hundred and twenty percent (120%) of area median income, adjusted for family size. In the case of
11 dwelling units for rent, housing that is affordable means housing for which the rent, heat, and
12 utilities other than telephone constitute no more than thirty percent (30%) of the gross annual
13 household income for a household with eighty percent (80%) or less of area median income,
14 adjusted for family size. Affordable housing shall include all types of year-round housing,
15 including, but not limited to, manufactured housing, housing originally constructed for workers and
16 their families, accessory dwelling units, housing accepting rental vouchers and/or tenant-based
17 certificates under Section 8 of the United States Housing Act of 1937, as amended, and assisted
18 living housing, where the sales or rental amount of such housing, adjusted for any federal, state, or
19 municipal government subsidy, is less than or equal to thirty percent (30%) of the gross household
20 income of the low and/or moderate income occupants of the housing.

21 (2) "Affordable housing plan" means a plan prepared and adopted by a town or city either
22 to meet the requirements of chapter 45-53 or to meet the requirements of § 45-22.2-10(f), which
23 require that comprehensive plans and the elements thereof be revised to conform with amendments
24 to the state guide plan.

25 (3) "Approved affordable housing plan" means an affordable housing plan that has been
26 reviewed and approved in accordance with § 45-22.2-9.

27 (4) "Moderate income household" means a single person, family, or unrelated persons
28 living together whose adjusted gross income is more than eighty percent (80%) but less than one
29 hundred twenty percent (120%) of the area median income, adjusted for family size.

30 (5) "Seasonal housing" means housing that is intended to be occupied during limited
31 portions of the year.

32 (6) "Year-round housing" means housing that is intended to be occupied by people as their
33 usual residence and/or vacant units that are intended by their owner for occupancy at all times of

1 the year; occupied rooms or suites of rooms in hotels are year-round housing only when occupied
2 by permanent residents as their usual place of residence.

3 (b) Strategic housing plan. The steering committee, in conjunction with the statewide
4 planning program, shall adopt a four (4) year strategic plan for housing, which plan shall be adopted
5 as an element of the state guide plan, and which shall include quantified goals, measurable
6 intermediate steps toward the accomplishment of the goals, implementation activities, and
7 standards for the production and/or rehabilitation of year-round housing to meet the housing needs
8 including, but not limited to, the following:

9 (1) Older Rhode Islanders, including senior citizens, appropriate, affordable housing
10 options;

11 (2) Workers, housing affordable at their income level;

12 (3) Students, dormitory, student housing and other residential options;

13 (4) Low income and very low income households, rental housing;

14 (5) Persons with disabilities, appropriate housing; and

15 (6) Vulnerable individuals and families, permanent housing, single room occupancy units,
16 transitional housing and shelters.

17 (c) Updates. The strategic housing plan shall be updated and/or amended as necessary, but
18 not less than once every four (4) years.

19 (d) Conformity. Upon the adoption of the strategic housing plan as an element of the state
20 guide plan, towns and cities shall bring their comprehensive plans into conformity with its
21 requirements, in accordance with the timetable set forth in § 45-22.2-10(f), provided, however, that
22 any town that has adopted an affordable housing plan in order to comply with the provisions of
23 chapter 45-53, which has been approved for consistency pursuant to § 45-22.2-9, shall be deemed
24 to satisfy the requirements of the strategic plan for low and moderate income housing until such
25 time as the town must complete its next required comprehensive community plan update.

26 (e) Guidelines. The steering committee shall advise the state planning council, and the state
27 planning council shall promulgate and adopt, guidelines for higher density development, including,
28 but not limited to: (i) inclusionary zoning provisions for low and moderate income housing with
29 appropriate density bonuses and other subsidies that make the development financially feasible;
30 and (ii) mixed-use development that includes residential development, which guidelines shall take
31 into account infrastructure availability; soil type and land capacity; environmental protection; water
32 supply protection; and agricultural, open space, historical preservation, and community
33 development pattern constraints.

1 (f) The statewide planning program shall maintain a geographic information system map
2 that identifies, to the extent feasible, areas throughout the state suitable for higher density
3 residential development consistent with the guidelines adopted pursuant to subsection (e)
4 immediately above.

5 **42-128.3-11. Open meetings law.**

6 DHCD, the coordinating council, steering committee, and any other committee, council, or
7 advisory body created by the coordinating council shall conform to the provisions of chapter 46 of
8 this title.

9 **42-128.3-12. State purchasing laws.**

10 DHCD, the coordinating council, the steering committee, and any other committee,
11 council, or advisory body created by the coordinating council shall conform to the provisions of
12 chapter 2 of title 37 as applicable.

13 **42-128.3-13. Public records law.**

14 DHCD, the coordinating council, the steering committee, and any other committee,
15 council, or advisory body created by the coordinating council shall conform to the provisions of
16 chapter 2 of title 38.

17 **42-128.3-14. Administrative procedures act.**

18 (a) DHCD may adopt any rules and regulations, including measurable standards, in
19 accordance with the provisions of chapter 35 of this title that may be necessary to carry out the
20 purposes of this chapter.

21 (b) The coordinating council may adopt any rules and regulations, including measurable
22 standards, in accordance with the provisions of chapter 35 of this title that may be necessary to
23 carry out the purposes of this chapter.

24 **42-128.3-15. Annual reports.**

25 (a) The coordinating council shall submit for each calendar year by March 1 of the next
26 year a report to the governor and the general assembly on its activities, findings, and
27 recommendations regarding housing issues, including the number and dollar amount of its
28 programs.

29 (b) DHCD shall submit for each calendar year by March 1 of the next year a report to the
30 governor and the general assembly on its activities, findings, and recommendations regarding
31 housing issues, including the number and dollar amount of its programs.

32 **42-128.3-16. Severability and liberal construction.**

33 If any provision of this chapter or the application of any provision to any person or
34 circumstance is held invalid, the invalidity shall not affect other provisions or applications of the

1 chapter, which can be given effect without the invalid provision or application, and to this end the
2 provisions of this chapter are declared to be severable. The provisions of this chapter shall be
3 construed liberally in order to accomplish the purposes of the chapter, and any specific power given
4 to DHCD, the coordinating council, or the steering committee shall not be deemed to exclude or
5 impair any power otherwise in this chapter conferred upon DHCD, the coordinating council, or the
6 steering committee.

7 SECTION 4. Title 42 of the General Laws entitled "STATE AFFAIRS AND
8 GOVERNMENT" is hereby amended by adding thereto the following chapter:

9 CHAPTER 42-128.4

10 HOUSING INCENTIVES FOR MUNICIPALITIES

11 **42-128.4. Short title.**

12 This chapter shall be known as "Housing Incentives for Municipalities."

13 **42-128.4-2. Establishment of program.**

14 There is hereby established a housing incentive for municipalities program to be
15 administered as set forth in this chapter by the housing resources coordinating council
16 ("coordinating council"), in consultation with the division of statewide planning and the Rhode
17 Island housing and mortgage finance corporation.

18 **42-128.4-4. Purposes.**

19 The coordinating council is authorized and empowered to carry out the program for the
20 following purposes:

21 (a) To foster and maintain strong collaborations with municipalities in the state.

22 (b) To support and assist municipalities in promoting housing production that adequately
23 meets the needs of Rhode Island's current and future residents.

24 (c) To make diverse, high-quality, and accessible housing options readily available to
25 residents within their local communities.

26 (d) To enable residents to live near convenient public transit and other commercial and
27 cultural resources.

28 (e) To make development decisions fair, predictable, and cost effective.

29 (f) To foster distinctive, attractive, and resilient communities, while preserving the state's
30 open space, farmland, and natural beauty.

31 **42-128.4-4. Definitions.**

32 As used in this chapter:

33 (1) "The coordinating council" means the Rhode Island housing resources coordinating
34 council established pursuant to § 42-128.3-5.

1 (2) "Eligible locations" means an area designated by the coordinating council as a suitable
2 site for a housing incentive district by virtue of its infrastructure, existing underutilized facilities,
3 or other advantageous qualities, including (i) proximity to public transit centers, including
4 commuter rail, bus, and ferry terminals; or (ii) proximity to areas of concentrated development,
5 including town and city centers or other existing commercial districts.

6 (3) "Eligible student" means a child that (i) lives in a newly constructed dwelling unit
7 within a housing incentive district, to the extent that the unit could not have been realized under the
8 underlying zoning, and (ii) attends a school in the city or town.

9 (4) "School impact offset payments" means a payment to a city or town to help offset
10 increased municipal costs of educating eligible students.

11 (5) "Housing incentive district" means an overlay district adopted by a city or town
12 pursuant to this chapter. A housing incentive district is intended to encourage residential
13 development and must permit minimum residential uses. A housing incentive district may
14 accommodate uses complimentary to the primary residential uses, as deemed appropriate by the
15 adopting city or town; however, the majority of development on lots within a housing incentive
16 district must be residential. Land development plans within a housing incentive district shall be
17 treated as minor land development plans, as defined by § 45-23-32, unless otherwise specified by
18 ordinance.

19 **42-128.4-5. Adoption of housing incentive districts.**

20 (a) In its zoning ordinance, a city or town may adopt a housing incentive district in any eligible
21 location.

22 (b) The adoption, amendment, or repeal of such ordinance shall be in accordance with the
23 provisions of chapter 45-24.

24 (c) A housing incentive district shall comply with this chapter and any minimum requirements
25 established by the coordinating council.

26 (d) The zoning ordinance for each housing incentive district shall specify the procedure for
27 land development and subdivision review within the district in accordance with this chapter and
28 the regulations of the coordinating council.

29 (e) Nothing in this chapter shall affect a city or town's authority to amend its zoning ordinances
30 under chapter 45-24.

31 **42-128.4-6. Assistance to municipalities.**

32 (a) The coordinating council is authorized and empowered, at its discretion, to provide all
33 manner of support and assistance to municipalities in connection with fostering local housing
34 production, including, but not limited to:

1 (1) Providing technical assistance for the preparation, adoption, or implementation of laws,
2 regulations, or processes related to residential development.

3 (2) Authorizing the Rhode Island housing and mortgage finance corporation to issue school
4 impact offset payments to participating municipalities.

5 **42-128.4-7. Rules and regulations - Reports.**

6 (a) The coordinating council is hereby authorized to promulgate such rules and
7 regulations as are necessary to fulfill the purposes of this chapter, including, but not limited to,
8 provisions relating to: application criteria; eligible locations for housing incentive districts;
9 minimum requirements for housing incentive districts; eligible students for the calculation of
10 school impact offset payments; and the amount and method of payment to cities and towns for
11 school impact offset payments.

12 (b) The coordinating council shall include in its annual report information on the
13 commitment and disbursement of funds allocated under the program. The report shall be provided
14 to the governor, the secretary of commerce, speaker of the house of representatives and the
15 president of the senate.

16 **42-128.4-8. Program integrity.**

17 Program integrity being of paramount importance, the coordinating council shall establish
18 procedures to ensure ongoing compliance with the terms and conditions of the program established
19 herein, including procedures to safeguard the expenditure of public funds and to ensure that the
20 funds further the purposes of the program.

21 **42-128.4-9. Cooperation.**

22 Any department, agency, council, board, or other public instrumentality of the state shall
23 cooperate with the coordinating council in relation to the implementation, execution and
24 administration of the program created under this chapter.

25 SECTION 5. Sections 44-25-1 and 44-25-2 of the General Laws in Chapter 44-25
26 entitled "Real Estate Conveyance Tax" are hereby amended to read as follows:

27 **44-25-1. Tax imposed – Payment – Burden.**

28 (a) There is imposed, on each deed, instrument, or writing by which any lands, tenements,
29 or other realty sold is granted, assigned, transferred, or conveyed to, or vested in, the purchaser or
30 purchasers, or any other person or persons, by his or her or their direction, or on any grant,
31 assignment, transfer, or conveyance or such vesting, by such persons which has the effect of making
32 any real estate company an acquired real estate company, when the consideration paid exceeds one
33 hundred dollars (\$100), a tax at the rate of (1) two dollars and thirty cents (\$2.30) for each five
34 hundred dollars (\$500), or fractional part of it, of the first five hundred thousand dollars (\$500,000)

1 of the consideration paid, and (2) at the rate of four dollars and sixty cents (\$4.60) for each five
2 hundred dollars (\$500), or fractional part of it, of the consideration paid in excess of five hundred
3 thousand dollars (\$500,000)-which that is paid for the purchase of property or the interest in an
4 acquired real estate company (inclusive of the value of any lien or encumbrance remaining at the
5 time of the sale, grant, assignment, transfer or conveyance or vesting occurs, or in the case of an
6 interest in an acquired real estate company, a percentage of the value of such lien or encumbrance
7 equivalent to the percentage interest in the acquired real estate company being granted, assigned,
8 transferred, conveyed or vested),~~which. The~~ tax is payable at the time of making, the execution,
9 delivery, acceptance or presentation for recording of any instrument affecting such transfer grant,
10 assignment, transfer, conveyance or vesting. In the absence of an agreement to the contrary, the tax
11 shall be paid by the grantor, assignor, transferor or person making the conveyance or vesting.

12 (b) In the event no consideration is actually paid for the lands, tenements, or realty, the
13 instrument or interest in an acquired real estate company of conveyance shall contain a statement
14 to the effect that the consideration is such that no documentary stamps are required.

15 ~~(e) The tax administrator shall contribute~~

16 (c) The tax shall be distributed as follows:

17 (i) With respect to the portion of the tax assessed against the first five hundred thousand
18 dollars (\$500,000) of the consideration paid: the tax administrator shall contribute to the distressed
19 community relief program the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of
20 the face value of the stamps to be distributed pursuant to § 45-13-12, and to ~~the housing resources~~
21 ~~commission~~ restricted receipts account established pursuant to § 42-128.3-6(2) the sum of thirty
22 cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps. ~~Funds will be~~
23 ~~administered by the office of housing and community development, through the housing resources~~
24 ~~commission.~~ The state shall retain sixty cents (\$.60) for state use. The balance of the tax shall be
25 retained by the municipality collecting the tax.

26 (ii) With respect to the portion of the tax assessed against the consideration paid in excess
27 of five hundred thousand dollars (\$500,000): the tax administrator shall contribute to the distressed
28 community relief program the sum of thirty cents (\$.30) per four dollars and sixty cents (\$4.60) of
29 the face value of the stamps to be distributed pursuant to § 45-13-12, to the restricted receipt account
30 established pursuant to § 42-128.3-6(2) the sum of thirty cents (\$.30) per four dollars and sixty
31 cents (\$4.60) of the face value of the stamps, and to the housing production fund established
32 pursuant to § 42-128.3-6(3) the sum of two dollars and thirty cents (\$2.30) per four dollars and
33 sixty cents (\$4.60) of the face value of the stamps. The state shall retain sixty cents (\$.60) for state
34 use. The balance of the tax shall be retained by the municipality collecting the tax.

1 (iii) Notwithstanding the above, in the case of the tax on the grant, transfer, assignment or
2 conveyance or vesting with respect to an acquired real estate company, the tax shall be collected
3 by the tax administrator and shall be distributed to the municipality where the real estate owned by
4 the acquired real estate company is located provided, however, in the case of any such tax collected
5 by the tax administrator, if the acquired real estate company owns property located in more than
6 one municipality, the proceeds of the tax shall be allocated amongst said municipalities in the
7 proportion the assessed value of said real estate in each such municipality bears to the total of the
8 assessed values of all of the real estate owned by the acquired real estate company in Rhode Island.
9 Provided, however, in fiscal years 2004 and 2005, from the proceeds of this tax, the tax
10 administrator shall deposit as general revenues the sum of ninety cents (\$.90) per two dollars and
11 thirty cents (\$2.30) of the face value of the stamps. The balance of the tax on the purchase of
12 property shall be retained by the municipality collecting the tax. The balance of the tax on the
13 transfer with respect to an acquired real estate company, shall be collected by the tax administrator
14 and shall be distributed to the municipality where the property for which interest is sold is
15 physically located. Provided, however, that in the case of any tax collected by the tax administrator
16 with respect to an acquired real estate company where the acquired real estate company owns
17 property located in more than one municipality, the proceeds of the tax shall be allocated amongst
18 the municipalities in proportion that the assessed value in any such municipality bears to the
19 assessed values of all of the real estate owned by the acquired real estate company in Rhode Island.
20 With respect to the revenue collected by the division of taxation on behalf of each municipality in
21 this section, before distributing said revenue to the municipalities, a two percent (2%)
22 administrative fee shall be deducted therefrom and transferred to the general fund.

23 (d) For purposes of this section, the term "acquired real estate company" means a real
24 estate company that has undergone a change in ownership interest if (i) such change does not affect
25 the continuity of the operations of the company; and (ii) the change, whether alone or together with
26 prior changes has the effect of granting, transferring, assigning or conveying or vesting, transferring
27 directly or indirectly, 50% or more of the total ownership in the company within a period of three
28 (3) years. For purposes of the foregoing subsection (ii) hereof, a grant, transfer, assignment or
29 conveyance or vesting, shall be deemed to have occurred within a period of three (3) years of
30 another grant(s), transfer(s), assignment(s) or conveyance(s) or vesting(s) if during the period the
31 granting, transferring, assigning or conveying or party provides the receiving party a legally binding
32 document granting, transferring, assigning or conveying or vesting said realty or a commitment or
33 option enforceable at a future date to execute the grant, transfer, assignment or conveyance or
34 vesting.

1 (e) A real estate company is a corporation, limited liability company, partnership or other
2 legal entity which meets any of the following:

3 (i) Is primarily engaged in the business of holding, selling or leasing real estate, where 90%
4 or more of the ownership of said real estate is held by 35 or fewer persons and which company
5 either (a) derives 60% or more of its annual gross receipts from the ownership or disposition of real
6 estate; or (b) owns real estate the value of which comprises 90% or more of the value of the entity's
7 entire tangible asset holdings exclusive of tangible assets which are fairly transferrable and actively
8 traded on an established market; or

9 (ii) 90% or more of the ownership interest in such entity is held by 35 or fewer persons and
10 the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in
11 a real estate company. An indirect ownership interest is an interest in an entity 90% or more of
12 which is held by 35 or fewer persons and the purpose of the entity is the ownership of a real estate
13 company.

14 (f) In the case of a grant, assignment, transfer or conveyance or vesting which results in a
15 real estate company becoming an acquired real estate company, the grantor, assignor, transferor, or
16 person making the conveyance or causing the vesting, shall file or cause to be filed with the division
17 of taxation, at least five (5) days prior to the grant, transfer, assignment or conveyance or vesting,
18 notification of the proposed grant, transfer, assignment, or conveyance or vesting, the price, terms
19 and conditions of thereof, and the character and location of all of the real estate assets held by real
20 estate company and shall remit the tax imposed and owed pursuant to subsection (a) hereof. Any
21 such grant, transfer, assignment or conveyance or vesting which results in a real estate company
22 becoming an acquired real estate company shall be fraudulent and void as against the state unless
23 the entity notifies the tax administrator in writing of the grant, transfer, assignment or conveyance
24 or vesting as herein required in subsection (f) hereof and has paid the tax as required in subsection
25 (a) hereof. Upon the payment of the tax by the transferor, the tax administrator shall issue a
26 certificate of the payment of the tax which certificate shall be recordable in the land evidence
27 records in each municipality in which such real estate company owns real estate. Where the real
28 estate company has assets other than interests in real estate located in Rhode Island, the tax shall
29 be based upon the assessed value of each parcel of property located in each municipality in the state
30 of Rhode Island.

31 **44-25-2. Exemptions.**

32 (a) The tax imposed by this chapter does not apply to any instrument or writing given to
33 secure a debt.

1 (b) The tax imposed by this chapter does not apply to any deed, instrument, or writing
2 wherein the United States, the state of Rhode Island, or its political subdivisions are designated the
3 grantor.

4 (c) The tax imposed by this chapter does not apply to any deed, instrument, or writing that
5 has or shall be executed, delivered, accepted, or presented for recording in furtherance of, or
6 pursuant to, that certain master property conveyance contract dated December 29, 1982, and
7 recorded in the land evidence records of the city of Providence on January 27, 1983, at 1:30 p.m.
8 in book 1241 at page 849, and relating to the capital center project in the city of Providence.

9 (d) The qualified sale of a mobile or manufactured home community to a resident-owned
10 organization as defined in § 31-44-1 is exempt from the real estate conveyance tax imposed under
11 this chapter.

12 (e) No transfer tax or fee shall be imposed by a land trust or municipality upon the
13 acquisition of real estate by the state of Rhode Island or any of its political subdivisions.

14 (f) Nothing in § 44-25-1(a) shall be construed to impose a tax upon any grant, assignment,
15 transfer, conveyance or vesting of any interest, direct or indirect, among owners, members or
16 partners in any real estate company with respect to an affordable housing development where:

17 (i) The housing development has been financed in whole or in part with federal low-income
18 tax credits pursuant to §42 of the Internal Revenue Code; or

19 (ii) At least one of the owners, members or partners of the company is a Rhode Island
20 nonprofit corporation or an entity exempt from tax under § 501(c)(3) of the Internal Revenue Code,
21 or is owned by a Rhode Island nonprofit corporation or an entity that is exempt from tax under §
22 501(c)(3) of the Internal Revenue Code, and the housing development is subject to a recorded deed
23 restriction or declaration of land use restrictive covenants in favor of the Rhode Island housing and
24 mortgage finance corporation, the state of Rhode Island housing resources commission, the federal
25 home loan bank or any of its members, or any other state or local government instrumentality under
26 an affordable housing program. No such real estate company shall be an acquired real estate
27 company under this section.

28 SECTION 6. This article shall take effect on July 1, 2020.