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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - HOUSING INCENTIVES FOR
MUNICIPALITIES

Introduced By: Senator Ryan W. Pearson

Date Introduced: June 22, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "State Affairs and Government" is
2 hereby amended by adding thereto the following chapter:

3 CHAPTER 42-128.4

4 HOUSING INCENTIVES FOR MUNICIPALITIES

5 **42-128.4. Short title.**

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

7 **42-128.4-2. Establishment of program.**

8 There is hereby established a housing incentive for municipalities program to be
9 administered as set forth in section 42-128-2.1, in consultation with the division of statewide
10 planning and the Rhode Island housing and mortgage finance corporation.

11 **42-128.4-4. Purposes.**

12 The coordinating committee is authorized and empowered to carry out the program for the
13 following purposes:

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

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

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

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

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

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

6 **42-128.4-4. Definitions.**

7 As used in this chapter:

8 (1) "The coordinating committee" means the Rhode Island housing resources coordinating
9 committee established pursuant to § 42-128-2(2).

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

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

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

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

28 **42-128.4-5. Adoption of housing incentive districts.**

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

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

33 (c) A housing incentive district shall comply with this chapter and any minimum
34 requirements established by the coordinating committee.

1 (d) The zoning ordinance for each housing incentive district shall specify the procedure for
2 land development and subdivision review within the district in accordance with this chapter and
3 the regulations of the coordinating committee.

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

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

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

10 (1) Providing technical assistance for the preparation, adoption, or implementation of laws,
11 regulations, or processes related to residential development; and

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

14 **42-128.4-7. Rules and regulations - Reports.**

15 (a) The coordinating committee is hereby authorized to promulgate such rules and
16 regulations as are necessary to fulfill the purposes of this chapter, including, but not limited to,
17 provisions relating to: application criteria; eligible locations for housing incentive districts;
18 minimum requirements for housing incentive districts; eligible students for the calculation
19 of school impact offset payments; and the amount and method of payment to cities and towns
20 for school impact offset payments.

21 (b) The coordinating committee shall include in its annual report information on the
22 commitment and disbursement of funds allocated under the program. The report shall be provided
23 to the governor, the secretary of commerce, speaker of the house of representatives and the
24 president of the senate.

25 **42-128.4-8. Program integrity.**

26 Program integrity being of paramount importance, the coordinating committee shall
27 establish procedures to ensure ongoing compliance with the terms and conditions of the program
28 established herein, including procedures to safeguard the expenditure of public funds and to ensure
29 that the funds further the purposes of the program.

30 **42-128.4-9. Cooperation.**

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

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - HOUSING INCENTIVES FOR
MUNICIPALITIES

1 This act would establish a housing incentive for municipalities program to support and
2 assist municipalities in promoting housing production that adequately meets the needs of current
3 and future residents while preserving the state's open space, farmland and natural beauty using
4 housing incentive districts.

5 This act would take effect upon passage.

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