AN ACT

RELATING TO PROPERTY -- THE GREEN HOUSING PUBLIC-PRIVATE PARTNERSHIP ACT

Introduced By: Representatives Tobon, Casey, Barros, Vella-Wilkinson, Williams, Edwards, O'Brien, Craven, Corvese, and J Lombardi

Date Introduced: April 14, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 34 of the General Laws entitled "PROPERTY" is hereby amended by adding thereto the following chapter:

CHAPTER 37.2

THE GREEN HOUSING PUBLIC-PRIVATE PARTNERSHIP ACT

34-37.2-1. Short title.

This act shall be known and may be cited as "The Green Housing Public-Private Partnership Act."

34-37.2-2. Legislative findings.

It is hereby found and declared as follows:

(1) Energy costs for housing projects are skyrocketing and will likely continue to increase.

(2) Energy use by housing projects contributes substantially to the problems of pollution and global warming.

(3) Housing projects can be built using high-performance methods that save energy; reduce water consumption; improve indoor air quality, and water; preserve the environment; and make homes more environmentally resilient.

(4) This law is necessary to efficiently utilize public and private funds in construction projects and would provide a method to incentivize homeowners and investors who build or purchase properties built in compliance with the provisions of this chapter with crypto currency.
payments as a credit for reducing utility expenses.

(5) Immediate action to develop housing using green site standards is imperative to ensure compliance with the goals established by the Act on Climate.


For purposes of this chapter, the following definitions shall apply:

(1) "Bank" means any corporation, excluding national banks, having a place of business within this state which engages in banking business.

(2) "Construction" means the process of building, altering, repairing, improving, or demolishing any housing structure of any kind.

(3) "Cryptocurrency" means a digital or virtual currency that is secured by cryptography.

(4) "Department" means the department of business regulation.

(5) "Equivalent standard" means a high-performance green building standard, for housing construction other than LEED, LEED for Neighborhood Development, and SITES, that provides a rating system or measurement tool, that, when used, leads to outcomes, similar or equivalent to, LEED, LEED for Neighborhood Development, and SITES outcomes, in terms of green building, green infrastructure, and green site performance; current accepted equivalent standards, include green globes, Northeast collaborative high-performance schools protocol; or other equivalent high-performance green building, green infrastructure, and green site standards accepted by the department.


34-37.2-4. Rhode Island green housing fund.

(a) There is hereby authorized and created within the department of business regulation (DBR) a fund to be known as "the green housing fund" for the purpose of receiving up to five hundred million ($500,000,000) dollars in donations from Rhode Island banking institutions, and a one-time appropriation of one hundred twenty-five million dollars ($125,000,000) from the state, which donations and/or appropriation may include funds from the American Rescue Plan Act of 2021, Pub. L. No. 117-2.

(b) The fund shall be used for the purpose of funding approved housing projects to be administered through the department in consultation with the executive office of commerce.

(c) Housing projects must comply with LEED or equivalent to LEED standards to qualify
34-37.2-5. Green housing - State responsibilities.

The State of Rhode Island department of business regulation (DBR) shall be responsible for the following duties pursuant to this chapter:

(1) The department shall guarantee all loans issued pursuant to this chapter in exchange for a right to acquire the property if the loan subject to the property is defaulted on.

(2) The department shall provide for the negotiation of all conditions of any sales or lease transaction authorized pursuant to this chapter and such negotiations shall be executed in the best interests of the buyer/lessee.

(3) The department shall develop and maintain a list of shovel ready projects in conjunction with the towns and cities and may, when necessary, exercise all powers of eminent domain permitted by law.

(4) The department shall develop and maintain a supply chain network for construction materials which shall be implemented to supply local businesses with sufficient construction materials supplies to be used exclusively for housing projects pursuant to this chapter. Local businesses would be required to reserve building materials acquired through this supply chain network for green housing public-private projects only.

34-37.2-6. Green housing - State benefits.

In exchange for the states contributions pursuant to this chapter, the state shall be entitled to the following:

(1) A twenty five percent (25%) ownership interest in any housing project pursuant to this chapter; and

(2) A twenty five percent (25%) interest in any revenue generated by any project pursuant to this chapter which shall include, but not be limited to, revenue generated from rent payments; and

(3) A twenty five percent (25%) interest in any equity achieved through an increase in the value of the property subject to any housing project pursuant to this chapter; and

(4) Twenty five percent (25%) of any profit which is realized as a result of the sale of any property subject to a housing project under this chapter.

34-37.2-7. Contractors partnership required.

Any contractor or developer who undertakes a project pursuant to this chapter shall:

(1) Partner with a minority-owned business as defined in § 37-14.1-3 with a minimum diversion of interest in the partnership as sixty percent (60%) interest to the contractor and forty percent (40%) interest to the minority business owner. The parties subject to this division in interest...
would share in the seventy-five percent (75%) interest in any housing project allocated to the contractor or property owner pursuant to this chapter with the remaining twenty-five percent (25%) interest in the project allocated to the state.

34-37.2-8. Green housing rent to own program.

The department of business regulation shall establish a rent-to-own program for home buyers who have lived in an approved housing project location as a tenant at the same location for five (5) years consecutively.

Upon completion of the fifth year of a consecutive tenancy, a tenant may apply to the department, for a STOP/HEDGE rent to own agreement, which would be effective upon the granting of notice by the lessee to the property owner that the lessee wishes to purchase the property subject to the lease. The property owner, upon execution of the agreement with the lessee, would be required to credit the lessee twenty-five percent (25%) of all prior rent payments as a down payment on the property that was previously subject to the lease.

34-37.2-9. Green housing eligibility.

(a) When possible, preference for approval to sell a property developed under the green housing public-private partnership act shall be provided to persons who are current residents of the town or city where the project is located.

(b) The department shall promulgate rules and regulations relating to eligibility under this chapter including an online application system available on the department website.

34-37.2-10. Green housing carbon credits.

(a) The public utility commission shall issue an annual report detailing the reduction in utility costs realized by a housing project under this chapter as a result of the construction standards set pursuant to § 34-37.2-4 and any ongoing efforts to reduce carbon emissions. Any reduction amount of utility costs attributable to any housing construction project pursuant to this chapter shall be assigned a credit amount which credit shall be eligible for redemption by way of crypto currency in the form of a green coin to be issued by the department to the property owner.

(b) Any revenue generated by the state pursuant to this section because of its status as a twenty-five percent (25%) interest owner, shall be deposited in a restricted receipt account for the purposes of funding future projects under this chapter.

34-37.2-11. Appropriation.

There shall be appropriated out of money in the treasury not otherwise appropriated for the fiscal year 2022-2023, the sum of one hundred twenty-five million dollars ($125,000,000) as a one-time appropriation for the purposes of funding this chapter.

34-37.2-12. Rules and regulations.
The department of business regulation may issue reasonable rules and regulations, consistent with this chapter, as are necessary to carry out the intent and purpose and implementation of the responsibilities under this chapter.


If any clause, sentence, paragraph, or part of this chapter or the application thereof to any person or circumstance shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate the remainder of this chapter or its application to other persons or circumstances.

SECTION 2. This act shall take effect upon passage.

============
LC005797
============
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N   A C T
RELATING TO PROPERTY -- THE GREEN HOUSING PUBLIC-PRIVATE PARTNERSHIP ACT

***

1. This act would create the green housing public-private partnership act to incentivize the construction of properties with climate emissions reduction goals.
2. This act would take effect upon passage.

==========
LC005797