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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- HOUSING DEVELOPMENT
FUND

Introduced By: Senators Kallman, Lombardo, Acosta, Cano, Euer, Burke, DiPalma,
Gallo, Quezada, and Mack

Date Introduced: March 30, 2023

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
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 55.2

4 HOUSING DEVELOPMENT FUND

5 **42-55.2-1. Short title.**

6 This chapter shall be known and may be cited as the "Housing Development Fund."

7 **42-55.2-2. Definitions.**

8 As used in this chapter:

9 (1) "Affordable housing unit" means a unit that may be rented or sold to any individual
10 classified as "very low-income," "low-income" or "moderate-income" as those terms are defined in
11 federal law measured at the time of the purchase or for the duration of a rental tenancy of an eligible
12 unit.

13 (2) "Applicant" means a developer or occupant applying for a grant of money or land, or
14 loan or conditional loan under this chapter.

15 (3) "Business" means an entity registered with the secretary of state including, but not
16 limited to, a corporation as defined in § 44-11-1, a nonprofit corporation, benefit corporation,
17 limited liability company, and/or an unregistered business formed as a partnership, association or
18 sole proprietorship.

1 (4) "Capital investment" in a development or development project means costs or expenses
2 by a business or any affiliate of the business incurred after application for: real estate asset
3 acquisition, site preparation, construction, repair, renovation, improvement, equipping, or
4 furnishing on real property or of a building, structure, facility, or improvement to real property.

5 (5) "Department" means the department of housing established pursuant to § 42-64.34-1.

6 (6) "Developer" means a person, firm, corporation, partnership, association, political
7 subdivision, public housing authority or other entity, whether for-profit or not-for-profit, that
8 proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to
9 build, or builds a building or buildings or otherwise improves land or existing structures, which
10 division, building, or improvement of land qualifies for benefits under this chapter.

11 (7) "Fund" means the housing development fund created pursuant to this chapter.

12 (8) "Market rate housing unit" means a unit that may be sold to any individual earning any
13 amount without any income restriction and is sold at fair market value.

14 (9) "Occupant" means a resident as a tenant, owner, or joint venture partner, occupying
15 space pursuant to a lease or other occupancy agreement within any structure or building developed
16 on land which is subject to assistance being provided from the fund.

17 (10) "Owner-occupant" is an "occupant" who resides in a building or structure and is the
18 title holder of the parcel upon which the building or structure is situated.

19 (11) "Project cost" means the costs incurred in connection with a project by an applicant
20 until the issuance of a permanent certificate of occupancy, or until such other time specified by the
21 secretary of housing.

22 (12) "Project financing gap" means: the part of the total project cost that remains to be
23 financed after all other sources of capital have been accounted for (such sources will include, but
24 not be limited to, developer-contributed capital), which shall be defined through rules and
25 regulations promulgated by the department of housing.

26 (13) "Real estate assets" shall be defined to include, but not be limited to: land, buildings,
27 fixtures, improvements, easements, rights-of-way, and all other rights of ownership, possession
28 and/or use associated with real property.

29 (14) "Workforce related housing unit" means a unit that may be sold to any individual
30 earning above the threshold for an affordable housing unit, but below the maximum threshold set
31 pursuant to 26 U.S.C. § 143 as measured at the time of the purchase of an eligible unit or as may
32 otherwise be defined by federal law.

33 **42-55.2-3. Establishment of the fund -- Uses -- Composition.**

34 (a) The housing development fund (the "fund") is hereby established under the jurisdiction

1 of and shall be administered by the department of housing in order to promote the development,
2 redevelopment and update of housing in order to make housing more affordable and more available
3 in the state.

4 (b) The uses of the fund include:

5 (1) Financing real estate asset acquisition by the department for the land bank described in
6 chapter 55.3 of title 42;

7 (2) Filling project financing gaps for residential and multifamily real estate projects eligible
8 under the criteria created pursuant to § 42-165-6;

9 (3) Financing public infrastructure and public facilities to support or enhance residential
10 development projects on land owned by the land bank or projects qualifying for development under
11 § 42-165-6 including transportation, utility services such as water, sewer, electrical, and Internet
12 communications, parks, greenways, playgrounds and recreational spaces, and community facilities.

13 (4) Hiring of per diem, project based, part-time, or seasonal staff as determined to be
14 necessary by the secretary of housing to assist municipalities in the planning and/inspection of
15 potential projects and projects that are provided assistance from the fund.

16 (5) Provide support for voluntary "wraparound services" for those occupying housing units
17 completed with assistance from the fund to include, but not be limited to:

18 (i) Coordination with other agencies to ensure social worker assignment;

19 (ii) Assignment to an accountable care organization;

20 (iii) Financial literacy training;

21 (iv) Assistance in obtaining access to mental, social and behavioral health supports and
22 treatments;

23 (v) Substance abuse recovery; and

24 (vi) Other supports for residents to maintain their ability to fulfill the requirements of
25 tenancy as determined by the department.

26 (c) The fund shall consist of:

27 (1) Money appropriated from the American Recovery Program Act funds allocated to the
28 state;

29 (2) Money appropriated in the state budget to the fund;

30 (3) Money made available to the fund through federal programs or private contributions;

31 (4) Repayments of principal and interest from loans made from the fund;

32 (5) Proceeds from the sale, disposition, lease, or rental of collateral related to financial
33 assistance provided under this chapter;

34 (6) Application or other fees paid to the fund to process requests for financial assistance;

1 (7) Recovery made by the department or on the sale of an appreciated asset in which the
2 department has acquired an interest under this chapter; and

3 (8) Any other money made available to the fund.

4 (d) No assets in the fund shall be subject to attachment, execution, lien or other legal
5 process, judicial or administrative, in law or in equity, except when a particular asset within the
6 fund is pledged as security for any loan agreement and in such case the particular asset shall be
7 subject to lien, attachment or execution for satisfaction of the loan only and no other assets in the
8 fund shall be taken, reached or applied.

9 **42-55.2-4. Assistance -- Powers of the department -- Reports.**

10 (a) An applicant seeking assistance under this chapter shall submit a request to the
11 department pursuant to an application procedure prescribed by the secretary of housing.

12 (b) Any approval for funding under this chapter may only be granted under the authority
13 of the secretary of housing.

14 (c) The secretary may set the terms and conditions for assistance under this chapter by
15 regulation, program design, request for proposals or other predetermined method for which
16 applicants may apply.

17 (d) The secretary shall publish a report on the fund at the end of each fiscal year. The report
18 shall contain information on the commitment, disbursement, and use of funds allocated under the
19 fund. The report shall also, to the extent practicable, track the impact of projects that have been
20 completed using the fund including, but not limited to, information on housing availability and
21 economic data. The report is due no later than sixty (60) days after the end of the fiscal year, and
22 shall be provided to the speaker of the house of representatives, the president of the senate and the
23 secretary of commerce.

24 **42-55.2-5. Severability.**

25 If any clause, sentence, paragraph, section or part of this chapter shall be judged by any
26 court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate
27 the remainder thereof, but it shall be confined in its operation of the clause, sentence, paragraph,
28 section or part directly involved in the controversy in which that judgment shall have been rendered.
29 Notwithstanding the foregoing, in the event that any term or provision is judged by any court of
30 competent jurisdiction to be invalid, the general assembly shall promptly act to address such clause,
31 section, sentence, paragraph, or part directly involved in which the subject judgment shall have
32 been rendered in order to provide, as near as practicable, the result originally intended by such
33 clause, section, sentence, paragraph or part without running contrary to such judgment.

34 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND

1 GOVERNMENT" is hereby amended by adding thereto the following chapter:

2 CHAPTER 55.3

3 DEPARTMENT OF HOUSING LAND BANK PROGRAM

4 **42-55.3-1. Establishment of program.**

5 There is hereby established a program to be operated by the department of housing called
6 the "housing land bank."

7 **42-55.3-2. Establishment of account.**

8 The department of housing ("department") shall establish an account into which title to real
9 estate assets shall be deposited and held for use in the housing programs described in chapters 55.2
10 and 165 of this title.

11 **42-55.3-3. Acquisition of property and deposit into the land bank.**

12 (a) The department may acquire real property or interests in real property by gift, devise,
13 transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner
14 the department considers proper and deposit such property into the housing land bank ("land
15 bank").

16 (b) The department may use its own funds or funds in the housing development fund
17 created pursuant to chapter 55.2 of this title to acquire real property by purchase contracts, lease
18 purchase agreements, installment sales contracts, and/or land contracts, and may accept transfers
19 from municipalities, other quasi-public entities, nonprofit entities or the state upon such terms and
20 conditions as agreed to by the department and the municipality, entity or state.

21 (c) Notwithstanding any other law to the contrary, any municipality may freely transfer to
22 the land bank real property and interests in real property of the municipality on such terms and
23 conditions and according to such procedures as determined jointly by the municipality and the
24 department.

25 (d) The acquisition of real property by the department pursuant to this section, from entities
26 other than political subdivisions, shall be limited to real property that is tax delinquent, tax
27 foreclosed, subject to municipal receivership, vacant or abandoned, or unimproved land; provided,
28 however, that the land bank shall have authority to enter into agreements to purchase other real
29 property consistent with an approved development plan in accordance with chapter 165 of this title.

30 **42-55.3-4. Public inspection of records.**

31 (a) The department shall maintain and make available for public review and inspection a
32 complete inventory of all property received by the department for deposit into the land bank. Such
33 inventory shall include: the location of the parcel; the purchase price, if any, for each parcel
34 received; the current value assigned to the property for purposes of real property taxation; the

1 amount, if any, owed to the locality for real property taxation or as a payment in lieu of taxes; the
2 identity of the transferor; and any conditions or restrictions applicable to the property.

3 (b) All parcels received by the department and deposited into the land bank shall be listed
4 on the received inventory established pursuant to subsection (a) of this section within one week of
5 acquisition and shall remain in such inventory for one week prior to disposition. Such inventory
6 shall be listed on a website for the department accessible to the public.

7 **42-55.3-5. Departmental authority to reject proposed transfers of property.**

8 The department is hereby allowed to reject any proposed transfer of any real estate asset
9 for any reason including, but not limited to, polluted, contaminated or problematic parcels which
10 would, in the judgment of the department, create a harm to the finances, operations or interests for
11 the land bank, the department or the state.

12 **42-55.3-6. Property in the land bank exempt from legal process.**

13 (a) Any land deposited into the land bank shall not be subject to attachment, execution or
14 any judicial or administrative process during the period it is held by the department, unless that
15 parcel or asset is pledged as security for any loan agreement made for funding improvements related
16 to that parcel in which case such process shall be available against that asset only, and no liens,
17 finances, penalties, assessments or other charges shall be made against the property, the land bank, the
18 department or the state for any reason during the period it is held in the land bank.

19 (b) In the event there is a division in the freehold interest where only a portion of the rights
20 related to the property is located in the land bank, the remainder may be made subject to legal
21 process as long as such process does not act to divest the land bank of any of its attributes of
22 ownership or ability to develop the property.

23 (c) In the event of a divided ownership where a portion of the fee or property interest is
24 held by the land bank or any other conflict in ownership which may arise under this section, the
25 department may petition the superior court for partition in which after the required notice and
26 service of process is completed upon confirmatory motion, the land bank shall be awarded and
27 receive the whole fee simple interest by way of an interim order or a final judgment. An interim
28 order or a final judgment constitutes a recordable order which shall be considered binding in the
29 chain of title and any of the remainder portion claimed by another owner or creditor shall be subject
30 to owelty under the law or in equity based on the value of the interest transferred to the land bank.
31 Neither the department nor any land subject to such a partition action shall be restrained nor
32 enjoined and no equitable order shall issue to prevent the development of the property by the
33 department or its applicant or assignee.

34 **42-55.3-7. Required review of surplus land by state and municipal entities.**

1 (a) Conduct of required review. All state and municipal public bodies and quasi-public
2 entities shall conduct a review of real estate assets owned by or under the control of the body or
3 quasi-public entity and determine which real estate assets are not under current use or planned use
4 by December 31, 2023.

5 (b) Real estate asset planning. Each state and municipal public body and quasi-public entity
6 shall create a long-term plan for those real estate assets not in current use. Such a plan shall provide
7 an estimated date when each real estate asset will be employed for use by the agency, what the
8 proposed use will be, and if known, the estimated costs to develop the land for the proposed use.

9 (c) A list of all real estate assets which are not in use shall be submitted to the department
10 along with a list of those parcels for which there are plans to put said parcel to use within ten (10)
11 years and evidence of what that use will be.

12 (d) The department will evaluate each parcel submitted to the department, along with the
13 proposed use for each parcel so denominated by each public body, for the appropriateness for
14 development into residential housing units. A copy of the list shall also be provided to the state
15 properties committee.

16 (e) Notice to the department. If the department determines that a particular parcel listed on
17 any list required in subsections (b) and (c) of this section is determined to be appropriate for
18 residential real estate development, the department shall provide notice to the state or municipal
19 public body or quasi-public agency that is in control of or owns the parcel.

20 (f) Required donation or sale to land bank. Upon a determination by the department that a
21 particular real estate asset listed pursuant to subsection (d) of this section is suitable for residential
22 real estate development and the department has determined that it desires to acquire the real estate
23 asset for the land bank, if said parcel is not listed as being planned for use within the next ten (10)
24 years, the state or municipal public body or quasi-public agency, as applicable, shall be required,
25 upon notice by the department, to enter into a negotiation with the department for the transfer of
26 the parcel to the land bank. If the department and the state or municipal public body or quasi-public
27 agency cannot agree on a transfer value, then establishment of a value through binding arbitration
28 by a panel comprising of three (3) licensed real estate appraisers licensed to appraise the particular
29 type of property at issue shall be required with one appointed by the department, one by the owner
30 of the parcel and one chosen by the two (2) appraisers. The middle appraisal shall be considered
31 the final purchase price subject to acceptance by the department. If the value is such that the
32 department desires to continue with the purchase, then the state or municipal public body or quasi-
33 public agency shall be required to consummate the sale.

34 (g) Parcels exempt from the required donation or sale. The following real estate assets shall

- 1 be exempt from the required sale procedure in subsection (f) of this section:
- 2 (1) All real estate assets under the control of the Quonset development corporation within
3 the Quonset business park;
- 4 (2) All real estate assets under the control of the Rhode Island airport corporation;
- 5 (3) All real estate assets under the control of the department of transportation held for
6 proposed roads, highways, railways or other transportation infrastructure;
- 7 (4) All real estate assets under the control of the Rhode Island public transit authority;
- 8 (5) All real estate assets in the immediate vicinity of the state house and state offices in the
9 capitol district as bounded westerly by Interstate 95, southerly by Memorial Boulevard, northerly
10 by Orms Street and easterly (from north to south) by Charles Street then by Mill Street and then by
11 the Moshassuck River;
- 12 (6) All real estate assets connected with judicial branch activities;
- 13 (7) All real estate assets controlled by the department of corrections;
- 14 (8) All real estate assets controlled by the university of Rhode Island;
- 15 (9) All real estate assets controlled by Rhode Island college that are located in Providence;
- 16 (10) All real estate assets located in Cranston at the John O. Pastore Center or in its
17 immediate vicinity;
- 18 (11) All real estate assets controlled by the office of veterans' services in the vicinity of the
19 Rhode Island veterans' cemetery and the Rhode Island veterans' home;
- 20 (12) All real estate assets related to Eleanor Slater Hospital including, but not limited to,
21 facilities in Cranston and Burrillville;
- 22 (13) All assets located in a flood zone;
- 23 (14) All assets located in a wetland designated by the department of environmental
24 management;
- 25 (15) All assets located within the jurisdiction of the coastal resources management council;
- 26 (16) All real estate assets which are subject to any farm, forest or open space restriction
27 against building through the department of environmental management, any agricultural
28 conservancy trust, or any not-for-profit entity or trust;
- 29 (17) All state parks, conservation areas, management areas, beaches, fishing areas and
30 other sites subject to the management and/or control of the department of environmental
31 management;
- 32 (18) All parcels designated by the director of the department of emergency management as
33 necessary for emergency preparation purposes;
- 34 (19) All parcels abutting or adjacent to hospitals and healthcare facilities that are reserved

1 for future expansion of the healthcare or hospital facility;

2 (20) Real estate assets subject to the control or oversight of the I-195 redevelopment
3 commission;

4 (21) Real estate assets owned, controlled or overseen by the Rhode Island historical
5 preservation & heritage commission; and

6 (22) Any property being operated as a farm, for recreational purposes, open space, or as a
7 water supply or for the provision of utilities or serves as a buffer to any watershed, water supply or
8 utility.

9 (h) Donation or sale prior to disposition. Prior to any disposition of any real estate asset by
10 any state or municipal public body or quasi-public agency through sale, long-term lease of more
11 than five (5) years, surplus of property, auction, donation or other method, notice shall be provided
12 to the department along with the opportunity to timely evaluate the property and decide whether to
13 exercise an option to purchase or decline to purchase the parcel which shall not be less than forty-
14 five (45) days. Notice of the proposed auction date, sale date or date of the disposition shall be
15 provided to the department. Unless a public auction or sale is required pursuant to other law or
16 judicial order, the department shall have the right of first refusal for purchase of the real estate asset
17 by the land bank at:

18 (1) The advertised price, or, if none, then;

19 (2) At the price offered by an alternative buyer, or, if none, then;

20 (3) At the lowest price acceptable to the selling entity if acceptable to the department. The
21 department shall inform the selling agency of its decision to exercise its right of first refusal prior
22 to the auction date, sale date or disposition date contained in the original notice.

23 SECTION 3. Title 42 of the General Laws entitled "STATE AFFAIRS AND
24 GOVERNMENT" is hereby amended by adding thereto the following chapter:

25 CHAPTER 165

26 DEPARTMENT OF HOUSING RESIDENTIAL DEVELOPMENT PROGRAMS

27 **42-165-1. Definitions.**

28 (a) As used in this chapter, words and terms, shall have the meaning set forth in § 42-55.2-
29 2 unless this chapter provides a different meaning or unless the context indicates a different
30 meaning or intent.

31 (b) Within this chapter, the following words and terms shall have the following meanings
32 unless the context indicates a different meaning or intent:

33 (1) "Department" means the department of housing established pursuant to § 42-64.34-1.

34 (2) "Foreclosing governmental unit" means any municipality, water service, sewer provider

1 with the power to sell a property through chapter 9 of title 44 or with the power to foreclose as well
2 as the "department."

3 (3) "Housing structures" means a building or structure containing one or more "housing
4 units."

5 (4) "Housing units" means a building or a portion of a building which is conveyed or rented
6 to a single family for their occupancy. Such units shall be separate from all other units in a structure
7 and contain separate rooms for each of the following purposes: at least one bathroom with a shower
8 and/or tub unit, one kitchen with a refrigerator, kitchen sink and cooking appliances, a living or
9 common family space, at least two (2) bedrooms, and a closed space for utilities and mechanicals
10 servicing the unit.

11 (5) "Land bank" means housing land bank established in § 42-55.3-1.

12 (6) "Secretary" means the secretary of housing appointed pursuant to § 42-64.34-1.

13 (7) "State and municipal public bodies" means, the state, any city, any town and any
14 executive, legislative, judicial, regulatory, or administrative body of the state, or any political
15 subdivision thereof; including, but not limited to: any department, division, agency, commission,
16 board, office, bureau, authority; any school, fire, or water district, or other agency of Rhode Island
17 state or local government.

18 **42-165-2. Creation of programs.**

19 The department of housing is hereby authorized to create and establish programs for
20 promoting and encouraging the preservation, expansion and sound development of new and
21 existing residential housing units thereby increasing the housing security of the citizens of this state
22 in safe and affordable housing which shall also promote the economic development of the state by
23 ensuring safety for its workforce and families.

24 **42-165-3. General powers.**

25 (a) Except to the extent inconsistent with any specific provision of this chapter, the
26 department shall have and may exercise all general powers set forth in chapters 55.2, 55.3 and
27 64.34 of this title necessary or convenient to effect its purposes, which shall include the powers to
28 acquire and to dispose of real property, subject to the provisions of this chapter, without the
29 necessity of obtaining the approval of the state properties committee or otherwise complying with
30 the provisions of title 37 and to dispose of projects as provided for in § 42-64-11.

31 (b) The department is further authorized:

32 (1) To ask, demand, recover, collect, receive, hold, and possess all sums of money, debts,
33 dues, goods, wares, merchandise, chattels, effects, bonds, notes, checks, drafts, accounts, deposits,
34 safe deposit boxes, interests, dividends, stock certificates, certificates of deposit, insurance benefits

1 and proceeds, documents of title, personal and real property, tangible and intangible property, and
2 property rights, liquidated or unliquidated, that now are, or hereafter, shall be, or become, due,
3 owing, or payable in respect to the property, and upon receipt thereof, or of any part thereof, to
4 make, sign, execute, and deliver such receipts, releases, or other discharges for the same as the
5 secretary shall deem proper and deliver the amounts required to the housing development fund
6 created by chapter 55.2 of this title.

7 (2) To lease, purchase, exchange and acquire, and to bargain, contract, and agree for the
8 lease, purchase, exchange, and acquisition of, and to take, receive, possess, and manage any real or
9 personal property related in any way to the property, tangible and intangible, or any interest therein.

10 (3) Subject to the right of any tenant under chapter 18 of title 34, to enter into and upon all
11 and each of the real properties constituting a part of, or related in any way, to the property, and to
12 let, manage, and improve the real property or any part thereof, and to repair or otherwise improve
13 or alter, and to insure any buildings or structures thereon.

14 (4) Subject to the provisions of this chapter, to market and sell, either at public or private
15 sale, or exchange any part or parts of the real or personal properties, including indebtedness or
16 evidence thereof, constituting a part of or related in any way to the property, including sales on
17 credit, and for that purpose to execute and receive all promissory notes, bonds, mortgages, deeds
18 of trust, security agreements, and other instruments that may be necessary or proper, and to bargain,
19 contract, and agree with respect to the sale or exchange of such properties; and to execute and
20 deliver good and sufficient deeds, bills of sale, assignments, or other instruments or endorsements
21 for the conveyance or transfer of the same; and to give receipts for all or any part of the purchase
22 price or other consideration.

23 (5) To sign, endorse, execute, acknowledge, deliver, receive, and possess such applications,
24 contracts, agreements, options, covenants, deeds, conveyances, trust deeds, mortgagees deeds,
25 security agreements, bills of sale, leases, mortgages, assignments, insurance policies, bills of lading,
26 warehouse receipts, documents of title, bills, bonds, debentures, checks, drafts, bills of exchange,
27 notes, stock certificates, proxies, warrants, commercial paper, receipts, withdrawal receipts, and
28 deposit instruments relating to accounts or deposits in, or certificates of deposit of, banks, savings
29 and loan or other institutions or associations, proofs of loss, evidences of debts, releases, and
30 satisfactions of mortgages, judgments, liens, security agreements, and other debts and obligations,
31 and other instruments in writing of whatever kind and nature as may be necessary or proper in the
32 exercise of the rights and powers herein granted.

33 (6) To enter into subordination agreements, inter-creditor agreements, reinstatement
34 agreements, "stand still" and "stand-by" agreements, modification agreements, forbearance

1 agreements, and other contracts having the effect of subordinating, modifying, renewing,
2 restructuring or otherwise altering the rights, obligations, or liabilities of the department or its
3 predecessors, under or with respect to any indebtedness, property, or other assets constituting or
4 securing any property.

5 (7) To make demands, give notices of default, notices of intention to accelerate, notices of
6 acceleration, or such other notices as the department deems necessary or appropriate, and to take
7 other actions and exercise other rights that may be taken under the terms of any loan agreements,
8 security agreements, guaranties, or other documents or agreements evidencing, or otherwise
9 relating to, the property, including foreclosure, lease, sale, taking possession of, realization upon,
10 or any other disposition of any property or any collateral therefor or guarantee thereof.

11 (8) To exercise any powers and any duties previously vested in the commerce corporation
12 or now vested in the department as a partner, joint venture, participant, or other joint-interest holder
13 with respect to any property, or to concur (or not) with persons jointly interested with the
14 department in any property.

15 (9) With respect to the property:

16 (i) To sue on, or otherwise prosecute, any claim or cause of action, or commence or seek
17 any legal, equitable, or administrative or other remedy in any legal, administrative, arbitration,
18 mediation, or other proceeding whatsoever (including, non-judicial repossessions and foreclosures
19 or similar actions to recover collateral);

20 (ii) To defend, or otherwise participate for, or in the name of, the department in any legal,
21 administrative, arbitration, mediation, or other proceedings;

22 (iii) To process, determine, or adjudge any claim or cause of action for, or in the name of,
23 the department;

24 (iv) To compromise, settle, discharge or resolve, or make, execute, or deliver any
25 endorsements, acquittances, releases, receipts, or other discharges of any claim, cause of action,
26 determination, judgment, or other proceeding for, or in the name of, the department; and

27 (v) To prepare, execute, and file ad valorem, franchise and other tax returns, protests and
28 suits against taxing authorities, and to prepare, execute, and file other governmental or quasi-
29 governmental reports, declarations, applications, requests and documents in connection with any
30 property, and to pay taxes in connection with the property as the department deems necessary or
31 appropriate, or as otherwise required by law.

32 (10) To own, hold, improve, operate, manage, and regulate utilities for properties subject
33 to its control or ownership and to establish rates, fees, and charges, to adopt regulations, and to
34 impose penalties for any services or utilities it provides, or causes to have available, and to have

1 functions and exercise powers as necessary and appropriate as the successor to the commerce
2 corporation under the provisions of §§ 42-64-4, 42-64-7.4, 42-64-7.8, 42-64-7.9 and 42-64-9.1
3 through 42-64-9.10, inclusive or under its own authority as granted by law.

4 (11) Subject to the provisions of this chapter, to enter into agreements with any city, town,
5 district, or public corporation with regard to application and/or administration of zoning or other
6 land use ordinances, codes, plans, or regulations, and cities, towns, districts, and public
7 corporations are hereby authorized and empowered, notwithstanding any other law to the contrary,
8 to enter into such agreements with the department and to do all things necessary to carry out their
9 obligations under such agreements.

10 (12) To be exempt from taxation for projects which have not been completed, to pay
11 twenty-five percent (25%) of the real estate taxes owed to a municipality for projects which have
12 been completed and where a housing unit is in the possession of the department, and to enter into
13 agreements for payments in lieu of taxes in the same manner as provided for in § 42-64-20. Any
14 payments in lieu of taxes for housing completed under this chapter with the assistance of funds or
15 property provided pursuant to chapter 55.2 and/or 55.3 of this title shall be exempt from the
16 calculation of the maximum tax rate and/or levy under § 44-5-2.

17 (13) To purchase and obtain water supply and water service from any city, town, water
18 district, or other water supply authority. In particular, the department is authorized to:

19 (i) Enter into agreements or contracts with any city, town, water district, or other water
20 supply authority to purchase, acquire, and receive water supply and water service.

21 (ii) Enter into cooperative agreements with cities, towns, counties, water districts, or other
22 water supply authorities for the interconnection of facilities or for any other lawful corporate
23 purposes necessary or desirable to effect the purposes of this chapter.

24 (iii) Connect the water supply system on any property or project controlled, approved,
25 owned or overseen by the department with any city, town, water district, or other water supply
26 authority that receives or has a connection with the city of Providence and/or the Providence water
27 supply board (or any successor thereof) and purchase, connect to, receive, and enter into agreements
28 to receive water supply from any city, town, water district, or other water supply authority
29 regardless of the origin of such water supply. The city of Providence and the Providence water
30 supply board (and any successor thereof) are authorized and directed to supply water to property,
31 projects and location as directed by the department either directly or via connections between the
32 property or project and any city, town, water district, or other water supply authority,
33 notwithstanding any terms to the contrary in any agreement, including, without limitation, any
34 agreement between any city, town, water district, or other water supply authority and the city of

1 Providence and/or the Providence water supply board (or its or their predecessors), or the provisions
2 of chapter 16 of title 39. In addition, the provisions of § 18 of chapter 1278 of the public laws of
3 Rhode Island of 1915 as amended, and any other public law that would conflict with the terms
4 hereof, are hereby amended to authorize the provision of water supply by the city of Providence
5 and the Providence water supply board (or any successor thereof) to any property or project of the
6 department and to authorize any additional connections in accordance herewith. There shall be no
7 requirement that the department demonstrate public necessity before entering into such agreements,
8 connecting to such water supplies, or receiving such water as described in this section, but the
9 department shall be subject to the other applicable provisions of chapter 15 of title 46.

10 (c) Any third party shall be entitled to rely on a writing signed by the secretary or in his or
11 her name to conclusively establish the identity of a particular property as property for all purposes
12 hereof.

13 (d) The provisions of § 42-64-13(d) shall apply to land, real estate assets and projects
14 owned by or under the supervision of, the department or lawfully approved by the secretary.

15 **42-165-4. Development of new housing.**

16 (a) The department shall formulate a program for the development of new housing units
17 where a portion of the housing is set aside from projects to ensure affordability. The program shall
18 provide for housing to be developed using assets, including, but not limited to, funds and real estate
19 assets, held by the land bank established pursuant to § 42-55.3-1, the housing development fund
20 and other sources available to the department. The program shall solicit applications from
21 businesses, not-for-profit entities and developers for the construction of the housing units, or the
22 department may undertake the work of development by use of its staff and contracting with
23 businesses, individuals and entities for the completion of the work. The department sponsored
24 residential development program shall have general criteria that applies to the construction of all
25 housing units and housing structures as well as specific criteria that applies based on different
26 project sizes as further described in this chapter.

27 (b) In addition to income restrictions, for projects which are administered by the
28 department for operation by the department, a public housing authority or other quasi-public entity
29 the criteria shall include caps on rental of any units to an amount based on percentage of income to
30 ensure affordability in a manner similar to the method calculation pursuant to Section 8 guidelines
31 pursuant to 42 U.S.C. § 1437f, § 3535(d) and 24 C.F.R. Part 982.

32 **42-165-5. Municipal sponsored residential development projects.**

33 (a) The department shall administer a municipal sponsored residential development project
34 program where the department is permitted to provide funding from the housing development fund

1 and/or land from the land bank in support of the municipal residential development project which
2 is primarily built for affordable housing, workforce eligible housing or disability housing purposes
3 with appropriate dispositions and deed restrictions as provided in this chapter.

4 (b) Municipal sponsored projects. For any project sponsored by a municipality an
5 application shall be presented to the department for funding or for the provision of land through the
6 land bank. Any funding shall be made contingent on completion of the project, the issuance of
7 certificates of occupancy and disposition to owners or lessees. No less than fifty percent (50%) of
8 the housing units shall be made available for affordable housing, and no less than seventy-five
9 percent (75%) shall be made available for affordable housing and workforce eligible housing in
10 any project. A lien shall exist on any real estate which is transferred from the department and all
11 improvements made thereon which shall be forgiven upon completion of the project and disposition
12 to an eligible owner. For any municipally sponsored project the municipality shall provide at least
13 ten percent (10%) of the funds or one hundred thousand dollars (\$100,000), whichever is less, for
14 the funding of the project. The municipality's portion of the funding may be satisfied by grants,
15 contributions, donations or other sources and need not be derived from the municipality's general
16 revenues or general fund.

17 **42-165-6. Criteria for development projects.**

18 (a) The general criteria applying to the original construction of all new housing
19 developments sponsored by the department shall include the following:

20 (1) Each housing structure shall have at least one housing unit. In structures with two (2)
21 or more housing units, the units shall be separately accessible from a common area or from the
22 outside and able to be locked by the occupants;

23 (2) Each housing structure shall be constructed using similar materials of similar type,
24 grade, size, quantity and quality and appear to be relatively uniform except as to color of siding or
25 paint and any land characteristics specific to the parcel, whether divided or subdivided or not;

26 (3) Each housing structure's internal features shall be relatively uniform as to the type,
27 grade, size, quantity and quality of materials, the number of rooms, and the size of rooms, except
28 that disability or accessible housing may have larger dimensions and a different design to
29 accommodate for the needs of the proposed occupants;

30 (4) Construction shall comply with all applicable building codes;

31 (5) Construction shall ensure sufficient utility service including, but not limited to:

32 (i) Water by private wells of acceptable water quality, flow rate and quantity or public
33 water supply access;

34 (ii) Sewer or sufficient treatment or septic facilities compliant with department of

1 environmental management regulations and the law;

2 (iii) Electric;

3 (iv) Electric, natural gas connection, or oil or propane storage for each housing structure

4 with separate meters or tanks for each housing unit for the purpose of providing heat and hot water;

5 and

6 (v) Broadband or higher Internet connectivity;

7 (6) Housing structures shall be built to be energy efficient, with such further requirements

8 as determined by the secretary in consultation with the state building code commission and the

9 office of energy resources including consideration of the requirements of 42 U.S.C. § 12709;

10 (7) Located, when possible, near existing public transportation; and

11 (8) Shall be constructed in a manner where the housing structures are built to look similar

12 to other existing structures present in the community or municipality where the project is located.

13 (9) The prevailing wage requirements of chapter 13 of title 37 shall apply to all projects:

14 (i) funded with monies or in-kind contributions provided by or through the department of

15 housing;

16 (ii) Developed under a program created or administered by the department of housing;

17 (iii) Any project otherwise overseen by the department of housing.

18 (10) All projects will be subject to liens in favor of the department of housing until

19 disposition to ensure conformity with the requirements of this chapter and such regulations as are

20 promulgated by the department of housing.

21 (b) Specific criteria for housing developments sponsored by the department dependent on

22 project size are as follows:

23 (1) Developments of ten (10) or more housing structures. In all projects where there are ten

24 (10) or more housing structures the following criteria shall be required:

25 (i) At least one unit for each ten (10) structures shall be designed and constructed to be

26 fully handicapped accessible in all areas of the housing unit;

27 (ii) Fifty percent (50%) of the housing units shall be designated as affordable housing units;

28 (iii) Seventy-five percent (75%) of the housing units shall be designated as either workforce

29 eligible housing or affordable housing;

30 (iv) The remaining housing units shall be eligible to be sold at full market rates;

31 (v) An area of the development shall be reserved for recreational space sufficient in size

32 and location to be accessible by the whole development and useful to the residents therein;

33 (vi) For the development of real estate parcels equal to or larger than ten (10) acres before

34 any division or subdivision thereof, twenty-five percent (25%) of the parcel shall be held for open

1 or forest space; and

2 (vii) Any other additional criteria that the department shall deem appropriate for the
3 purposes of this chapter and the program.

4 (2) Developments of five (5) to nine (9) housing structures. In all projects where there are
5 five (5) to nine (9), inclusive, housing structures:

6 (i) At least one housing unit shall be designed and constructed to be fully handicapped
7 accessible in all areas of the housing unit;

8 (ii) Thirty percent (30%) of the housing units shall be designated as affordable housing
9 units;

10 (iii) Fifty percent (50%) of the housing units shall be designated as workforce eligible
11 housing or affordable housing;

12 (iv) The remaining housing units shall be eligible to be sold at full market rates; and

13 (v) Any other additional criteria that the department shall deem appropriate for the purposes
14 of this chapter and the program.

15 (3) Developments of one to four (4) housing structures. In all projects where there are one
16 to four (4), inclusive, housing structures:

17 (i) Fifty percent (50%) of the housing units shall be designated as affordable housing units;

18 (ii) Sixty percent (60%) of the housing units shall be designated as workforce eligible
19 housing or affordable housing;

20 (iii) The remaining housing units shall be eligible to be sold at full market rates; and

21 (iv) Any other additional criteria that the department shall deem appropriate for the
22 purposes of this chapter and the program.

23 **42-165-7. Authorization to develop additional criteria for projects.**

24 In developing the program and any regulations, additional criteria or bylaws that the
25 department may adopt, the secretary shall seek input from the building and trade industry
26 representatives, pertinent not-for-profit entities, municipalities, other state agencies and the public.

27 **42-165-8. Protecting and improving existing multifamily housing.**

28 (a) The department shall administer a program for the production and ownership of new or
29 rehabilitated multifamily housing in partnership with local public housing authorities and other
30 public agencies, including, but not limited to, redevelopment agencies and economic development
31 agencies. The department may provide low interest or no-interest loans, forgivable loans, gap
32 funding, or any combination of the above to such public agencies for the construction or
33 rehabilitation of mixed-income multifamily housing. The department may purchase multifamily
34 residence units, provide low interest or no-interest loans, forgivable loans, gap funding, or any

1 combination of the above to owners of multifamily units, builders, not-for-profit corporations and
2 developers to ensure that multifamily housing units are not closed or lost.

3 (b) No portion of the program shall be used for payment of rent of occupied units or
4 purchase mortgage relief for owners. In formulating policies for this program, the department shall
5 work with public housing authorities, the Rhode Island housing and mortgage finance corporation,
6 not-for-profits and other businesses, entities and individuals to coordinate resources and ensure
7 both that there is a remedy when no other remedy exists and that there is as little financial and
8 administrative duplication as possible.

9 (c) The department shall also operate the program in such a manner that it will act as a
10 clearinghouse or "one-stop-shop" for information for owners, investors, occupants and residents
11 for the protection and improvement of existing multifamily housing units.

12 **42-165-9. Rehabilitation of closed and endangered multifamily housing.**

13 (a) The department shall administer a program for the rehabilitation of multifamily housing
14 that is no longer rented to tenants and to rehabilitate multifamily units that are endangered of being
15 lost from the market.

16 (b) The department may purchase multifamily residence units, provide low interest or no-
17 interest loans, forgivable loans, gap funding, or any combination of them to builders, not-for-profit
18 corporations and developers and owners of multifamily units to ensure that previously operational,
19 but currently closed multifamily housing units, are brought back to the market and that endangered
20 multifamily housing units are not closed or lost. Endangered multifamily units may include, but
21 not be limited to, properties in receivership, properties in bankruptcy, properties in foreclosure,
22 properties in tax sale, properties with building code violations, properties with fire code violations,
23 properties with municipal code violations, properties with zoning violations, properties with lead
24 paint hazards, properties in high market rent areas where consolidation of multiple units into a
25 single unit are threatened, units where portions of the unit have been previously and lawfully rented
26 as separate units, and other properties as determined by the department. In formulating policies for
27 this program, the department shall work with public housing authorities, the Rhode Island housing
28 and mortgage finance corporation, not-for-profits and other businesses, entities and individuals to
29 coordinate resources and ensure both that there is a remedy when no other remedy exists and that
30 there is as little financial and administrative duplication as possible. The department shall also
31 operate the program in such a manner that it will act as a clearinghouse or "one-stop-shop" for
32 information for owners, investors, occupants and residents for the protection and improvement of
33 existing multifamily housing units.

34 **42-165-10. Municipal incentives for housing development.**

1 (a) Municipalities are encouraged to approve and sponsor affordable housing and
2 workforce eligible housing development. For municipalities that approve and sponsor such projects
3 the following adjustments to their municipal and education aid shall be made:

4 (1) For projects approved by the municipality and the department after the effective date
5 of this chapter, but before July 1, 2024, education aid shall be increased to the local education
6 authority on a per capita basis for each additional student enrolled in public schools in an amount
7 equal to the district's per pupil cost multiplied by one hundred percent (100%) for each additional
8 child living in such housing for a period of five (5) years and a bonus of one-half (1/2) of the
9 increase shall be provided to the municipality in which the student's residence in the new housing
10 unit is located for a period of five (5) years. In the event a student who moves into housing
11 developed under this chapter requires special education services, the department of education shall
12 pay for ninety percent (90%) of the student's additional services each year above the per pupil cost
13 for the period the student remains in the housing unit or remains as a student in the district,
14 whichever is less.

15 (2) For projects approved by the municipality and the department on or after July 1, 2024,
16 but before January 1, 2025, education aid shall be increased to the local education authority on a
17 per capita basis for each additional student enrolled in public schools in an amount equal to the
18 district's per pupil cost multiplied by seventy-five percent (75%) for each additional child living in
19 such housing for a period of five (5) years and a bonus of one-half (1/2) of the increase shall be
20 provided to the municipality in which the student's residence in the new housing unit is located for
21 a period of five (5) years. In the event a student who moves into housing developed under this
22 section requires special education services, the department of education shall pay for seventy-five
23 percent (75%) of the student's additional services each year above the per pupil cost for the period
24 the student remains in the housing unit or remains as a student in the district, whichever is less.

25 (3) For projects approved by the municipality and the department on or after January 1,
26 2025, but before July 1, 2025, education aid shall be increased to the local education authority on
27 a per capita basis for each additional student enrolled in public schools in an amount equal to the
28 district's per pupil cost multiplied by fifty percent (50%) for each additional child living in such
29 housing for a period of five (5) years and a bonus of one-half (1/2) of the increase shall be provided
30 to the municipality in which the student's residence in the new housing unit is located for a period
31 of five (5) years. In the event a student who moves into housing developed under this section
32 requires special education services, the department of education shall pay for fifty percent (50%)
33 of the student's additional services each year above the per pupil cost for the period the student
34 remains in the housing unit or remains as a student in the district, whichever is less.

1 (4) For projects approved by the municipality and the department on or after July 1, 2025,
2 but before July 1, 2026, education aid shall be increased to the local education authority on a per
3 capita basis for each additional student enrolled in public schools in an amount equal to the district's
4 per pupil cost multiplied by twenty-five percent (25%) for each additional child living in such
5 housing for a period of three (3) years and a bonus of one-half (1/2) of the increase shall be provided
6 to the municipality in which the student's residence in the new housing unit is located for a period
7 of five (5) years. In the event a student who moves into housing developed under this section
8 requires special education services, the department of education shall pay for twenty-five percent
9 (25%) of the student's additional services each year above the per pupil cost for the period the
10 student remains in the housing unit or remains as a student in the district, whichever is less.

11 (5) For projects approved on or after July 1, 2026, no bonus municipal aid or education aid
12 shall be awarded under this section.

13 (b) The education aid calculations made in subsection (a) of this section shall be adjusted
14 based on the municipality's attainment of the goals set out in chapter 53 of title 45. When any
15 municipally approved project increases the number of affordable housing units, the projected total
16 upon completion shall be used to determine the aid in this section. The calculation of the aid
17 adjustment shall be made irrespective of whether the municipality has been deemed to have a
18 feasibility condition or exemption from percentage of affordable housing set out in chapter 53 of
19 title 45 (low and moderate income housing). Education aid increases set out in this section shall be
20 adjusted as follows:

21 (1) For projects approved prior to July 1, 2024, no adjustment shall be made.

22 (2) For projects approved on or after July 1, 2024, municipalities shall have their increase
23 reduced by the ratio of the difference between ten percent (10%) and the projected amount attained
24 after completion of all approved projects divided by the ten percent (10%) requirement. In no event
25 shall the amount be reduced below fifty percent (50%) of the increase that would have been
26 awarded had no reduction been made pursuant to this subsection.

27 (c) The general assembly shall ensure that the bonus aid provisions contained within this
28 section are appropriated for each year in which the incentives are awarded.

29 **42-165-11. Enforcement of minimum affordable housing standards.**

30 (a) Beginning July 1, 2026, in any city or town where the benchmark for affordable housing
31 set forth in chapter 53 of title 45 (low and moderate income housing) has not been satisfied,
32 irrespective of any determination of infeasibility or exemption from the ten percent (10%) threshold
33 for affordable housing, affordable housing planned development units to be constructed pursuant
34 to chapter 53 of title 45 shall not need approval of the municipality, notwithstanding any municipal

1 law or other statute to the contrary, but instead shall be required to seek approval solely from the
2 department.

3 (b) With regard to an affordable housing development undertaken by the department or by
4 an applicant who applies to the department for project approval pursuant to subsection (a) of this
5 section, the department shall require that the project comply with municipal laws in effect in the
6 municipality where the project is located, except the project does not need to comply with any
7 comprehensive plan, any restrictions on building, any restrictions on the use or planned use
8 infrastructure or other restrictions inhibiting development and such restrictions shall not be valid
9 as against projects approved by the department. Further, the following requirements authorized as
10 standard provisions that may be imposed under a municipal zoning law or other municipal
11 ordinance shall not apply to any project approved by the department:

12 (1) The dimensions, size, lot coverage, floor area ratios, and layout of lots or development
13 areas;

14 (2) The density and intensity of use; and

15 (3) Any other requirement imposed pursuant to § 45-24-33(a)(4)(x).

16 (c) For any project proposed, approved or undertaken under this section, the provisions of
17 § 42-165-6 shall apply and if less than five (5) units are being produced, then that at least fifty
18 percent (50%) of the units shall be reserved for affordable housing units and twenty-five (25%)
19 percent shall be reserved for workforce eligible housing units and if less than five (5) units are
20 being produced, all of the units shall be reserved for affordable housing units.

21 (d) Any appeal of an approval or denial by the department of any project under this section
22 shall be made to the superior court within thirty (30) days of the approval or denial being mailed to
23 the applicant in writing and be given priority on the trial calendar. Upon review, the superior court
24 shall determine whether the secretary or the department abused its discretion and if not, the appeal
25 shall be denied. The question on appeal shall be treated as a matter of law that may be resolved by
26 summary judgment. In the event the applicant is allowed to proceed, the applicant as a prevailing
27 party is entitled to costs, attorneys' fees and costs of litigation from any party that caused the appeal
28 to be brought to the superior court, along with an award of all interest charges incurred due to a
29 delay in the project.

30 (e) Neither a municipality nor an abutter shall have any rights to appeal a decision of the
31 department. The sole remedy of an abutter shall be an action at law for any direct damages to their
32 property or for personal injuries.

33 (f) Beginning on the effective date of this chapter:

34 (1) Whenever any municipality lacks the resources, personnel or ability to approve a

1 project, provide a certificate, or make an inspection, any aspect of a project or any other matter
2 related to a project that has been approved by the department, the municipality shall notify the
3 department in writing within three (3) business days. Upon notification, the department may
4 provide personnel to undertake the inspection or work on the approval of any project it has approved
5 and such inspection or approval work shall be deemed to be an approval by the municipality.

6 (2) Any failure by a municipality to act on a request by an applicant of a project approved
7 by the department or by the department for an approval, certificate, inspection or other matter
8 within thirty (30) days shall be deemed to constitute an inability to undertake the necessary work.
9 After the expiration of thirty (30) days, the department shall make a written determination of such
10 inability and provide a copy of the determination to the municipality. After providing the notice to
11 the municipality, the department may provide the staffing to make the necessary determination that
12 is impeding the progress of the department within thirty (30) days and such an approval shall be
13 deemed to be an approval by the municipality.

14 **42-165-12. Coordination with Rhode Island infrastructure bank.**

15 (a) The department shall act in coordination with the Rhode Island infrastructure bank to
16 ensure the availability of resources to ensure the success of applicants and of the expansion of
17 housing units through development.

18 (b) The department is authorized to act as a clearing house for information and as a point
19 of contact for applicants and others to achieve help from the Rhode Island infrastructure bank on
20 eligible projects where funding, assistance and expertise may be available from the Rhode Island
21 infrastructure bank.

22 **42-165-13. Coordination with other state agencies and quasi-publics.**

23 (a) The department shall act in coordination with all other state agencies, quasi-publics,
24 and municipalities, who in turn are hereby required to assist and consult with the department to
25 ensure the availability of resources and information to ensure the success of applicants and of the
26 expansion of housing units through development.

27 (b) The department is authorized to act as a clearing house for information and as a point
28 of contact for applicants and others to achieve help from other state and local public bodies and
29 quasi-publics where funding, assistance and expertise may be available from said state and local
30 public bodies and quasi-publics.

31 (c) The department is further authorized to coordinate with federal, state and municipal
32 agencies and not-for-profit organizations to provide "wrap around services" to occupants of
33 housing units completed.

34 **42-165-14. Restrictions on dispositions of projects and housing units by the**

1 **department and/or the land bank.**

2 (a) Upon approval of any project, the department shall have a lien against the property on
3 which the project is located which shall be discharged upon the completion of the project and proper
4 sale in accordance with this chapter. In the event that the project is not completed and the
5 department determines that the project cannot be completed by the party in charge of the
6 development, the department shall have the right to foreclose on the lien through a non-judicial
7 foreclosure, take a deed-in-lieu of foreclosure or otherwise resort to the remedies existing in law
8 and equity of a first-position secured creditor.

9 (b) Upon completion of a project, residential housing units may only be sold to individuals
10 who are first-time homebuyers for owner-occupied housing.

11 (c) Any housing approved by the department, whether built or operated by any public
12 agency or any nonprofit organization or by any limited equity housing cooperative or any private
13 developer, that is developed under any program administered by the department shall contain a
14 deed restriction that requires that the housing unit remain owner-occupied and not rented and that
15 any resale requires that the new purchaser shall be a first-time homebuyer in the same category the
16 seller was when the seller purchased the structure (i.e. affordable housing, workforce eligible
17 housing, or market price housing). The deed restriction shall be enforceable by the department for
18 ninety-nine (99) years from the original grant or such other period that is either agreed to by the
19 applicant who originally develops the project and the department; provided, however, that period
20 is not less than thirty (30) years from initial occupancy. Any violation of the deed restriction results
21 in a reversion of the unit to the department for sale to another person qualifying under this chapter.

22 (d) In the event of the death of an owner of a housing unit produced under a program
23 administered by the department and still subject to the deed restriction described in this section
24 then a family member or next of kin shall be entitled to inherit the housing unit as long as they
25 occupy the housing unit within nine (9) months of the date of death of the decedent irrespective of
26 their income level and thereafter, the housing unit remains owner-occupied by the heir, family
27 member or next of kin. In the event the heir, family-member or next-of-kin does not occupy the
28 housing unit within nine (9) months, the department shall purchase the housing unit at fair market
29 value and pay the money to the estate of the decedent. Upon purchase by the department, the
30 housing unit shall be resold by the department as if it were the first sale after development and the
31 unit shall remain in the same category for sale (i.e. affordable housing, workforce related housing,
32 market rate housing) as the housing unit was designated by the developer with a new deed
33 restriction period in the subsequent sale.

34 (e) Not-for-profit entities or agencies whose mission is to provide affordable, low cost, or

1 workforce eligible housing for rent. Upon the sale, a deed restriction shall be in place enforceable
2 by the department that requires units to be rented solely to individuals and/or families for primary
3 housing in eligible categories (i.e. affordable housing, low cost, or workforce eligible housing).
4 Such a restriction shall be perpetual or for the life of the entity granted the property. After the entity
5 is provided notice of the violation by the department and being provided a reasonable opportunity
6 to cure, any violation of the deed restriction results in a reversion of the parcel with all
7 improvements upon which the housing structure or housing unit in violation is located.

8 **42-165-15. Reporting.**

9 The department shall submit to the governor, the president of the senate, and the speaker
10 of the house, within six (6) months after the close of its fiscal year, a complete and detailed report
11 setting forth:

12 (1) Its operations and accomplishments;

13 (2) Its receipts and expenditures during the fiscal year in accordance with the categories
14 and classifications established by the department for its operating and capital outlay purposes
15 including a listing of all private consultants engaged by the department on a contract basis and a
16 statement of the total amount paid to each private consultant;

17 (3) Its assets and liabilities at the end of its fiscal year including a schedule of its leases and
18 mortgages and the status of the reserve, special or other funds;

19 (4) Its strategic plan and operating plan for the current fiscal year and proposed for the next
20 fiscal year;

21 (5) A general statement of needs and opportunities relevant to its purposes; and

22 (6) A listing of all fees paid to attorneys during the fiscal year. The report required by
23 subsections (2) and (3) of this section shall be prepared by independent certified public accountants
24 in accordance with generally accepted principles of accounting.

25 **42-165-16. Compliance with chapter 18 of title 34 required.**

26 The owner of any housing unit, completed with assistance or resources provided by the
27 housing development fund, the land bank, or programs established under this chapter, where a
28 completed housing unit is to be rented to a qualified individual or family shall be subject to and
29 shall comply with the provisions of chapter 18 of title 34 ("residential landlord and tenant act").

30 **42-165-17. Inconsistent provisions.**

31 Insofar as the provisions of this chapter are inconsistent with the provisions of any other
32 law or ordinance, general, special or local, the provisions of this chapter shall be controlling.

33 **42-165-18. Construction.**

34 This chapter, being necessary for the welfare of the state and its inhabitants, shall be

1 [liberally construed in order to effectuate its purposes.](#)

2 **42-165-19. Severability.**

3 [If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by any](#)
4 [court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate](#)
5 [the remainder of the chapter but shall be confined in its operation to the clause, sentence, paragraph,](#)
6 [section, or part directly involved in the controversy in which that judgment shall have been](#)
7 [rendered.](#)

8 SECTION 4. Section 42-64-11 of the General Laws in Chapter 42-64 entitled "Rhode
9 Island Commerce Corporation" is hereby amended to read as follows:

10 **42-64-11. Disposition of projects.**

11 (a) Notwithstanding the provisions of any other law, the Rhode Island commerce
12 corporation may sell or lease to any person, firm, partnership, or corporation, or to any local
13 redevelopment agency, or to any state or federal agency or instrumentality, or to any municipality
14 or political subdivision of the state empowered to enter into the sale or lease, any project without
15 public bidding or public sale, for consideration and upon terms as may be agreed upon between the
16 corporation and the purchaser or lessee; provided that in the case of a lease, the term shall not
17 exceed ninety-nine (99) years. The sale or lease or agreement may be consummated as entered into
18 prior to, at the date of, or subsequent to the acquisition of completion of the project. Where a
19 contract of sale or lease is entered into prior to the completion of construction of the project to be
20 conveyed or leased, the corporation may complete the project prior or subsequent to the
21 consummation of the sale or lease.

22 (b) In connection with the corporation's disposition by sale, lease, or otherwise of any of
23 its projects, the corporation is authorized to require that the party acquiring the project, or any
24 interest therein or any right to use or occupy the project, may not sell, assign, convey, lease,
25 sublease, or otherwise dispose of, in whole or in part, its interest in the project or its right to use
26 and occupy the project without the approval, in writing, of the corporation. The corporation may
27 not unreasonably withhold that approval; and shall state the reason or reasons upon which that
28 withholding of approval is based. In determining whether to grant or withhold that approval, the
29 corporation shall consider whether the proposed disposition will further the purposes of this chapter
30 and may consider any and all other relevant factors as well.

31 (c) The provisions of subsection (b) shall not be deemed to limit in any manner the
32 corporation's authority in connection with the disposition by sale, lease, or otherwise of any of its
33 projects or to impose those terms and conditions permitted by law with respect to those dispositions
34 as it shall determine to be desirable.

1 (d) The corporation shall dispose, by sale, lease, transfer or other agreement, of projects on
2 or related to former Navy lands in the town of North Kingstown through the Quonset Development
3 Corporation as provided for in chapter 64.10 of this title and may dispose, by sale, lease, transfer
4 or other agreement, of other projects related to land and real estate development, regardless of
5 location in Rhode Island, through the Quonset Development Corporation as may be mutually
6 agreeable to the corporation and the Quonset Development Corporation.

7 [\(e\) The corporation may dispose, by sale, lease, transfer or other agreement, of projects](#)
8 [related to land and real estate development, regardless of location in Rhode Island, to the housing](#)
9 [department as may be mutually agreeable to the corporation and the secretary of housing.](#)

10 SECTION 5. Section 37-6-6 of the General Laws in Chapter 37-6 entitled "Acquisition of
11 Land" is hereby amended to read as follows:

12 **37-6-6. Notice to Rhode Island economic development corporation of proposed**
13 **acquisition or disposal.**

14 Before acquiring and before disposing of any land or other real property or any interest,
15 estate, or right therein, by conveyance, grant, lease, or license, except by license terminable by will,
16 the acquiring authority shall give written notice of its contemplated or proposed action to the Rhode
17 Island ~~economic development corporation~~ [department of housing](#) and afford the ~~corporation~~
18 [department of housing](#) a reasonable opportunity to study and make its recommendations thereon.

19 SECTION 6. Section 45-24-28 of the General Laws in Chapter 45-24 entitled "Zoning
20 Ordinances" is hereby amended to read as follows:

21 **45-24-28. Continuation of ordinances — Supercession — Relation to other statutes.**

22 (a) Any zoning ordinance or amendment of the ordinance enacted after January 1, 1992,
23 shall conform to the provisions of this chapter. All lawfully adopted zoning ordinances shall be
24 brought into conformance with this chapter by December 31, 1994. Each city and town shall review
25 its zoning ordinance and make amendments or revisions that are necessary to bring it into
26 conformance with this chapter.

27 (b) All zoning ordinances adopted under authority of §§ 45-24-1 through 45-24-26 or any
28 special zoning enabling act that is in effect on June 17, 1991, shall remain in full force and effect
29 until December 31, 1994, unless earlier amended so as to conform to the provisions of this chapter,
30 except that § 45-24-37 and § 45-24-44 shall become effective on January 1, 1992.

31 (c) Former §§ 45-24-1 through 45-24-26 and all special zoning enabling acts, including,
32 but not limited to, chapter 2299 of the public laws of 1922, as amended (town of Westerly); chapter
33 1277 of the public laws of 1926, as amended (town of Narragansett); chapter 2065 of the public
34 laws of 1933, as amended (town of West Warwick); chapter 2233 of the public laws of 1935, as

1 amended (town of Johnston); chapter 2079 of the public laws of 1948, as amended (town of North
2 Kingstown); chapter 3125 of the public laws of 1953, as amended (town of New Shoreham);
3 chapter 101 of the public laws of 1973, as amended (town of South Kingstown); are repealed
4 effective December 31, 1994. All provisions of zoning ordinances adopted under authority of the
5 provisions of former §§ 45-24-1 through 45-24-26 or of any special act are repealed and are null
6 and void as of December 31, 1994, unless amended so as to conform to the provisions of this
7 chapter.

8 (d) Chapter 24.1 of this title, entitled “Historical Area Zoning”, and chapter 3 of title 1,
9 entitled “Airport Zoning”, are not superseded by this chapter; provided, that any appeal to the
10 superior court pursuant to chapter 24.1 of this title, entitled “Historical Area Zoning”, or pursuant
11 to chapter 3 of title 1, entitled “Airport Zoning”, is taken in the manner provided in § 45-24-69.

12 (e) Nothing in this chapter shall be construed to limit the authority of agencies of state
13 government to perform any regulatory responsibilities.

14 [\(f\) Nothing in this chapter shall be construed to supersede or interfere with development](#)
15 [undertaken by the housing department or its programs in accordance with chapters 55.2, 55.3 and/or](#)
16 [165 of title 42.](#)

17 SECTION 7. 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 DEVELOPMENT
FUND

1 This act would create funding of affordable housing programs within the department of
2 housing. The act would also create a land bank program as well as residential development
3 programs for the construction of low-income housing units by the department and the cities and
4 towns.

5 This act would take effect upon passage.

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