

2026 -- S 2674

=====
LC004832
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

AUTHORIZING THE CITY OF PROVIDENCE TO ISSUE NOT TO EXCEED \$25,000,000
GENERAL OBLIGATION BONDS AND NOTES TO FUND THE PROVIDENCE HOUSING
TRUST FUND TO FINANCE AFFORDABLE MULTI-FAMILY HOUSING PROJECTS IN
THE CITY

Introduced By: Senators Bissaillon, Ciccone, Bell, Mack, Famiglietti, and Kallman

Date Introduced: February 27, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Providence is hereby authorized, in addition to authority
2 previously granted, to issue bonds up to an amount not exceeding twenty-five million dollars
3 (\$25,000,000) from time to time under its corporate name and seal or a facsimile of such seal. The
4 bonds of each issue may be issued in the form of serial bonds or term bonds or a combination
5 thereof and shall be payable either by maturity of principal in the case of serial bonds or by
6 mandatory sinking fund installments in the case of term bonds, in annual installments of principal,
7 the first installment to be not later than five (5) years and the last installment not later than thirty
8 (30) years after the date of the bonds. All such bonds of a particular issue may be issued in the form
9 of zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a combination
10 thereof. The amount of principal appreciation each year on any bonds, after the date of original
11 issuance, shall not be considered to be principal indebtedness for the purposes of any constitutional,
12 charter or statutory debt limit or any other limitation. The appreciation of principal after the date of
13 original issue shall be considered interest. Only the original principal amount shall be counted in
14 determining the principal amount so issued and any interest component shall be disregarded.

15 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the city
16 treasurer and the mayor and shall be issued and sold in such amounts as the city council may
17 determine by resolution. The manner of sale, denominations, maturities, interest rates and other

1 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
2 proceedings of the city council authorizing the issuance or by separate resolution of the city council
3 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
4 authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds shall be
5 delivered to the city treasurer, and such proceeds, exclusive of premiums and accrued interest, shall
6 be expended: (1) To fund the Providence Housing Trust Fund to finance affordable multi-family
7 housing projects in the City (the "project"); (2) In payment of the principal of or interest on
8 temporary notes issued under section 3; (3) In repayment of advances under section 4; (4) In
9 payment of related costs of issuance of any bonds or notes; and/or (5) In payment of funded interest.
10 Proceeds shall be applied in accordance § 45-32-5(a)(1) of the general laws and chapter 13, article
11 III, section 13-18 of the Providence code of ordinances. No purchaser of any bonds or notes under
12 this act shall be in any way responsible for the proper application of the proceeds derived from the
13 sale thereof. The proceeds of bonds or notes issued under this act, any applicable federal or state
14 assistance and the other monies referred to in sections 6 and 9 shall be deemed appropriated for the
15 purposes of this act without further action than that required by this act. The bonds authorized by
16 this act may be consolidated for the purpose of issuance and sale with any other bonds of the city
17 heretofore or hereafter authorized; provided that, notwithstanding any such consolidation, the
18 proceeds from the sale of the bonds authorized by this act shall be expended for the purposes set
19 forth above.

20 SECTION 3. The city council may by resolution authorize the issuance from time to time
21 of interest bearing or discounted notes in anticipation of the issuance of bonds under section 2 or
22 in anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
23 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
24 issued under this act and the amount of original notes issued in anticipation of federal or state aid
25 may not exceed the amount of available federal or state aid as estimated by the city treasurer.
26 Temporary notes issued hereunder shall be signed by the manual or facsimile signatures of the city
27 treasurer and the mayor and shall be payable within five (5) years from their respective dates, but
28 the principal of and interest on notes issued for a shorter period may be renewed or paid from time
29 to time by the issuance of other notes hereunder, provided the period from the date of an original
30 note to the maturity of any note issued to renew or pay the same debt or the interest thereon shall
31 not exceed five (5) years. Any temporary notes in anticipation of bonds issued under this section
32 may be refunded prior to the maturity of the notes by the issuance of additional temporary notes;
33 provided that, no such refunding shall result in any amount of such temporary notes outstanding at
34 any one time in excess of two hundred percent (200%) of the amount of bonds which may be issued

1 under this act; and provided, further, that if the issuance of any such refunding notes results in any
2 amount of such temporary notes outstanding at any one time in excess of the amount of bonds
3 which may be issued under this act, the proceeds of such refunding notes shall be deposited in a
4 separate fund established with the bank which is the paying agent for the notes being refunded.
5 Pending their use to pay the notes being refunded, monies in the fund shall be invested for the
6 benefit of the city by the paying agent at the direction of the city treasurer in any investment
7 permitted under section 5. The monies in the fund and any investments held as a part of the fund
8 shall be held in trust and shall be applied by the paying agent solely to the payment or prepayment
9 of the principal of and interest on the notes being refunded. Upon payment of all principal of and
10 interest on the notes, any excess monies in the fund shall be distributed to the city. The city may
11 pay the principal of and interest on notes in full from other than the issuance of refunding notes
12 prior to the issuance of bonds pursuant to section 1 hereof. In such case, the city's authority to issue
13 bonds or notes in anticipation of bonds under this act shall continue; provided that: (1) The city
14 council passes a resolution evidencing the city's intent to pay off the notes without extinguishing
15 the authority to issue bonds or notes; and (2) That the period from the date of an original note to
16 the maturity date of any other note shall not exceed five (5) years.

17 SECTION 4. Pending any authorization or issuance of bonds hereunder or pending or in
18 lieu of any authorization or issuance of notes hereunder, the city treasurer, with the approval of the
19 city council may, to the extent that bonds or notes may be issued hereunder, apply funds in the
20 general treasury of the city to the purposes specified in section 2, such advances to be repaid without
21 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
22 federal or state assistance or from other available funds.

23 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable federal
24 or state assistance, pending their expenditure may be deposited or invested by the city treasurer, in
25 demand deposits, time deposits or savings deposits in banks which are members of the Federal
26 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
27 America or by any agency or instrumentality thereof or as may be provided in any other applicable
28 law of the State of Rhode Island or resolution of the city council or pursuant to an investment policy
29 of the city.

30 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
31 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
32 bonds or notes hereunder and, to the extent permitted by applicable federal laws, any net earnings
33 or profits realized from the deposit or investment of funds hereunder shall, in the discretion of the
34 city treasurer, be applied to the cost of preparing, issuing, and marketing bonds or notes hereunder

1 to the extent not otherwise provided, to the payment of the cost of the project, to the payment of
2 the principal of or interest on bonds or notes issued hereunder, to the revenues of the city and dealt
3 with as part of the revenues of the city from property taxes to the extent permitted by federal law,
4 or to any one or more of the foregoing. The cost of preparing, issuing, and marketing bonds or notes
5 hereunder may also, in the discretion of the city treasurer, be met from bond or note proceeds
6 exclusive of premium and accrued interest or from other monies available therefor. Any balance of
7 bond or note proceeds remaining after payment of the cost of the project and the cost of preparing,
8 issuing and marketing bonds or notes hereunder shall be applied to the payment of the principal of
9 or interest on bonds or notes issued hereunder. To the extent permitted by applicable federal laws,
10 any earnings or net profit realized from the deposit or investment of funds hereunder may, upon
11 receipt, be added to and dealt with as part of the revenues of the city from property taxes. In
12 exercising any discretion under this section, the city treasurer shall be governed by any instructions
13 adopted by resolution of the city council.

14 SECTION 7. All bonds and notes issued under this act and the debt evidenced hereby shall
15 be obligatory on the city in the same manner and to the same extent as other debts lawfully
16 contracted by it and shall be excepted from the operation of § 45-12-2 and any provision of the city
17 charter. No such obligation shall at any time be included in the debt of the city for the purpose of
18 ascertaining its borrowing capacity. The city shall annually appropriate a sum sufficient to pay the
19 principal and interest coming due within the year on bonds and notes issued hereunder to the extent
20 that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
21 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
22 notwithstanding any provisions of law to the contrary, all taxable property in the city shall be
23 subject to ad valorem taxation by the city without limitation as to rate or amount.

24 SECTION 8. Any bonds or notes issued under the provisions of this act, if properly
25 executed by the officers of the city in office on the date of execution, shall be valid and binding
26 according to their terms notwithstanding that before the delivery thereof and payment therefor any
27 or all of such officers shall for any reason have ceased to hold office.

28 SECTION 9. The city, acting by resolution of its city council is authorized to apply for,
29 contract for and expend any federal or state advances or other grants of assistance which may be
30 available for the purposes of this act, and any such expenditures may be in addition to other monies
31 provided in this act. To the extent of any inconsistency between any law of this state and any
32 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
33 where applicable, whether contracted for prior to or after the effective date of this act, may be
34 repaid as a cost of the project under section 3.

1 SECTION 10. Bonds and notes may be issued under this act without obtaining the approval
2 of any governmental agency or the taking of any proceedings or the happening of any conditions
3 except as specifically required by this act for such issue. In carrying out any project financed in
4 whole or in part under this act, including where applicable the condemnation of any land or interest
5 in land, and in the levy and collection of assessments or other charges permitted by law on account
6 of any such project, all action shall be taken which is necessary to meet constitutional requirements
7 whether or not such action is otherwise required by statute, but the validity of bonds and notes
8 issued hereunder shall in no way depend upon the validity or occurrence of such action.

9 SECTION 11. The city treasurer and the mayor, on behalf of the city are hereby authorized
10 to execute such instruments, documents or other papers as either of them deem necessary or
11 desirable to carry out the intent of this act and are also authorized to take all actions and execute all
12 documents necessary to comply with federal tax and securities laws, which documents or
13 agreements may have a term coextensive with the maturity of the bonds authorized hereby,
14 including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute
15 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes
16 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

17 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds
18 and notes under this act may be extinguished by resolution of the city council, without further action
19 by the general assembly, seven (7) years after the effective date of this act.

20 SECTION 13. At the general election on November 3, 2026, there shall be submitted to
21 electors of the city a question in substantially the following form: "Shall an act passed at the 2026
22 session of the general assembly entitled 'AN ACT AUTHORIZING THE CITY OF
23 PROVIDENCE TO ISSUE NOT TO EXCEED \$25,000,000 GENERAL OBLIGATION BONDS
24 AND NOTES TO FUND THE PROVIDENCE HOUSING TRUST FUND TO FINANCE
25 AFFORDABLE MULTI-FAMILY HOUSING PROJECTS IN THE CITY' be approved?" and the
26 warning for the election shall contain the question to be submitted. From the time the election is
27 warned and until it is held, it shall be the duty of the city clerk to keep a copy of this act available
28 at the clerk's office for public inspection, but the validity of the election shall not be affected by
29 this requirement. To the extent of any inconsistency between this act and the city charter, this act
30 shall prevail. To the extent of any inconsistency between this act and any private, public, general,
31 special or any other law, and the city home rule charter and city ordinances, this act shall prevail.

1 SECTION 14. Sections 13 and 14 of this act shall take effect upon passage. The remainder
2 of the act shall take effect upon approval by the electors of the city of the question provided for in
3 section 13.

=====
LC004832
=====

EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF PROVIDENCE TO ISSUE NOT TO EXCEED \$25,000,000
GENERAL OBLIGATION BONDS AND NOTES TO FUND THE PROVIDENCE HOUSING
TRUST FUND TO FINANCE AFFORDABLE MULTI-FAMILY HOUSING PROJECTS IN
THE CITY

1 This act would authorize the city of Providence to issue not more than \$25,000,000 in
2 general obligation bonds and notes to fund the providence housing trust fund to finance affordable
3 multi-family housing projects in the city.

4 Sections 13 and 14 of this act would take effect upon passage. The remainder of the act
5 would take effect upon approval by the electors of the city of the question provided for in section
6 13.

=====
LC004832
=====