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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO TOWNS AND CITIES -- HOUSING -- STATE-FUNDED RENTAL SUBSIDY PROGRAM

Introduced By: Senator Melissa A. Murray

Date Introduced: February 27, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative Findings and Purpose.

2 (a) The General Assembly finds as follows:

3 (1) The lack of genuinely affordable rental housing for extremely low, very low, and low-
4 income households remains a primary driver of homelessness in Rhode Island;

5 (2) Federal Continuum of Care (CoC) funded housing programs often serve individuals
6 and families with the highest barriers to housing stability, yet available rental assistance is
7 insufficient to ensure long-term affordability and stability;

8 (3) Many households exiting homelessness require a rental subsidy that is tied to their
9 household income, rather than typical area median income (AMI) thresholds associated with
10 development financing; and

11 (4) The creation of a state-funded rental subsidy program that provides project-based rental
12 assistance aligned to tenants' income will help reduce reliance on emergency shelters, improve
13 housing stability, and maximize the effectiveness of federal homeless assistance resources.

14 (b) The purpose of chapter 71 of title 45 is to establish a state-funded rental subsidy
15 program, including a dedicated allocation for project-based rental assistance to support eligible
16 households experiencing homelessness or at risk of homelessness.

17 SECTION 2. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
18 amended by adding thereto the following chapter:

1 CHAPTER 71

2 STATE-FUNDED RENTAL SUBSIDY PROGRAM

3 **45-71-1. Definitions.**

4 As used in this chapter:

5 (1) "Administering agency" means the State of Rhode Island executive office of housing.

6 (2) "AMI" means area median income as determined by the U.S. Department of Housing
7 and Urban Development (HUD), adjusted for family size.

8 (3) "Continuum of care (CoC)" means the federally designated continuum of care for the
9 State of Rhode Island.

10 (4) "Eligible household" means an individual or household experiencing homelessness or
11 is at risk of homelessness as defined by HUD who:

12 (i) Is extremely low-income, very low-income, or low-income according to current HUD
13 income limits; or

14 (ii) Has a long-term disability and needs community-based supportive services.

15 (iii) Priority for assistance under this program shall be given to households referred through
16 the Rhode Island continuum of care for permanent housing projects and to households identified
17 pursuant to the state's Olmstead Plan.

18 (5) "Income" means gross annual income including, but not limited to; wages, salaries, tips,
19 bonuses, public assistance, retirement, disability benefits, unemployment compensation, and
20 interest income.

21 (6) "Project-based rental assistance" means a housing subsidy attached to a specific unit,
22 where assistance continues for the household occupying that unit.

23 (7) "National standards for physical inspection of real estate (NSPIRE)" means standards
24 established by the U.S. Department of Housing and Urban Development, which set uniform health,
25 safety, and habitability requirements for federally assisted housing inspections administered by
26 HUD.

27 **45-71-2. State rental subsidy program established and capitalized.**

28 (a) There is hereby established a state-funded rental subsidy program administered by the
29 executive office of housing, to provide project-based rental assistance to permanent housing
30 projects with units reserved for eligible households as defined in this chapter.

31 (b) The program is hereby capitalized with twenty-five million dollars (\$25,000,000)
32 appropriated from the general fund for fiscal year beginning July 1, 2026.

33 (1) Funds appropriated pursuant to this section shall be deposited into a restricted account
34 administered by the executive office of housing and shall remain available until expended for the

1 purposes of this chapter.

2 (2) Capitalized funds may be committed on a multi-year basis to provide project-based
3 rental assistance to owners or developers serving eligible households.

4 (c) The administering agency shall adopt rules consistent with this chapter and existing
5 program guidelines, including rent determination, income certification and housing quality
6 standards.

7 (d) The administering agency as defined in § 45-71-1 shall make every reasonable attempt
8 to implement the program so that households who face the greatest barriers to accessing housing
9 are not excluded from participating due to screening criteria such as tenant selection plans.

10 **45-71-3. Eligible use of funds.**

11 (a) Funds capitalized under this chapter shall be used to provide project-based rental
12 assistance payments to owners or developers of permanent housing projects that agree to reserve
13 assisted units for eligible households.

14 (b) The administering agency as defined in § 45-71-1 may enter into agreements with
15 property owners and/or housing developers to provide project-based rental assistance consistent
16 with this chapter.

17 (c) Assistance provided pursuant to the provisions of this chapter shall:

18 (1) Ensure that the tenant portion of rent does not exceed thirty percent (30%) of gross
19 household income, less applicable utility allowances;

20 (2) Be tied to the income of the assisted household and shall not be conditioned on area
21 median income limits applicable to the housing development; and

22 (3) Be layered with any other federal funding or housing resources when applicable.

23 (d) If deemed necessary by the administering agency, up to ten percent (10%) of available
24 funds under this chapter may be used to provide tenant-based rental assistance for populations that
25 face the greatest barriers to accessing housing and may not be served by project-based rental
26 assistance.

27 **45-71-4. Rent and payment standards.**

28 (a) Rent for units assisted under this chapter shall be established at the greater of:

29 (1) The rent necessary to ensure tenant payment does not exceed thirty percent (30%) of
30 gross household income, less utility allowances; or

31 (2) Any applicable minimum rent requirement established under program guidelines.

32 (b) Units assisted shall meet NSPIRE standards.

33 **45-71-5. Nondiscrimination and fair housing.**

34 The administering agency as defined in § 45-71-1 shall ensure compliance with all federal

1 [and state nondiscrimination laws, including fair housing protections related to source of income.](#)

2 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- HOUSING -- STATE-FUNDED RENTAL SUBSIDY
PROGRAM

1 This act would establish the state-funded rental subsidy program. The act would authorize
2 an initial capitalization of twenty-five million dollars (\$25,000,000), to create the program to help
3 Rhode Islanders with the lowest incomes exit homelessness and stay stably housed. This act would
4 also authorize the appropriation from the state general fund beginning July 1, 2026.

5 This act would take effect upon passage.

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