

2023 -- H 6084 SUBSTITUTE B

LC002193/SUB B

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TOWNS AND CITIES -- ZONING ORDINANCES

Introduced By: Representatives Felix, Shekarchi, Azzinaro, Hull, Kazarian, and Tanzi

Date Introduced: March 03, 2023

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 45-24 of the General Laws entitled "Zoning Ordinances" is hereby
2 amended by adding thereto the following section:

3 **45-24-77. Transit-oriented development pilot program - Effective January 1, 2024.**

4 (a) Findings and declarations. The general assembly finds and declares that in order to
5 increase the availability of residential housing near convenient public transportation, alleviate
6 traffic congestion and further the goals of chapter 6.2 of title 42, the Act on Climate, enacted in
7 2021, there is a need to identify growth centers for higher density housing, considering the capacity
8 for water service, sewer service, transit connections, and employment centers.

9 (b) Establishment. To fulfill the findings and declarations of this section, a transit-oriented
10 development pilot program is hereby established which shall allow municipalities to apply for funds
11 for residential development.

12 (c) Applicability. Effective January 1, 2024, in addition to the criteria to be established by
13 the department of housing as set forth in subsection (d) of this section, to qualify for the pilot
14 program, a municipality must have developable land or properties which is within a one-quarter
15 (1/4) mile radius of a regional mobility hub or a one-eighth (1/8) mile radius of a frequent transit
16 stop as such terms are defined in the 2020 Rhode Island transit master plan or its successor
17 document.

18 (d) Authority. The department of housing, in conjunction with input and data from the
19 department of transportation and division of statewide planning, is hereby authorized to promulgate

1 rules and regulations consistent with this section which establish:

2 (1) The criteria to qualify for consideration into the pilot program;

3 (2) The process for the application, submission requirements and pre-requisites, including,
4 but not limited to, an established zoning overlay district or other provisions which provide increased
5 density for residential development at a minimum of ten units per acre (10 U/A), mandates for the
6 development of affordable housing, and the easing of dimensional restrictions and parking
7 requirements for such development;

8 (3) Criteria for acceptance into the pilot program;

9 (4) Reporting requirements for municipalities accepted into the pilot program; and

10 (5) Penalties for lack of compliance with the pilot program regulations.

11 (e) Reporting. Beginning on December 31, 2024, the department of housing shall publish
12 an annual report regarding development under this pilot program, funds distributed and/or
13 committed, and such report shall include categories of metrics and data agreed upon by the
14 department of housing, department of transportation, and the participating municipalities.

15 SECTION 2. Section 42-64.19-3 of the General Laws in Chapter 42-64.19 entitled
16 "Executive Office of Commerce" is hereby amended to read as follows:

17 **42-64.19-3. Executive office of commerce.**

18 (a) There is hereby established within the executive branch of state government an
19 executive office of commerce effective February 1, 2015, to serve as the principal agency of the
20 executive branch of state government for managing the promotion of commerce and the economy
21 within the state and shall have the following powers and duties in accordance with the following
22 schedule:

23 (1) On or about February 1, 2015, to operate functions from the department of business
24 regulation;

25 (2) On or about April 1, 2015, to operate various divisions and functions from the
26 department of administration;

27 (3) On or before September 1, 2015, to provide to the Senate and the House of
28 Representatives a comprehensive study and review of the roles, functions, and programs of the
29 department of administration and the department of labor and training to devise recommendations
30 and a business plan for the integration of these entities with the office of the secretary of commerce.
31 The governor may include such recommendations in the Fiscal Year 2017 budget proposal; and

32 (4) On or before July 1, 2021, to provide for the hiring of a deputy secretary of commerce
33 and housing who shall report directly to the secretary of commerce. On July 1, 2022, the deputy
34 secretary of commerce and housing shall succeed to the position of secretary of housing, and the

1 position of deputy secretary of commerce and housing shall cease to exist under this chapter. All
2 references in the general laws to the deputy secretary of commerce and housing shall be construed
3 to mean the secretary of housing. The secretary of housing shall be appointed by and report directly
4 to the governor and shall assume all powers, duties, and responsibilities formerly held by the deputy
5 secretary of commerce and housing. Until the formation of the new department of housing pursuant
6 to chapter 64.34 of this title, the secretary of housing shall reside within the executive office of
7 commerce for administrative purposes only. The secretary of housing shall:

8 (i) Prior to hiring, have completed and earned a minimum of a master's graduate degree in
9 the field of urban planning, economics, or a related field of study or possess a juris doctor law
10 degree. Preference shall be provided to candidates having earned an advanced degree consisting of
11 an L.L.M. law degree or Ph.D. in urban planning or economics. Qualified candidates must have
12 documented five (5) years' full-time experience employed in the administration of housing policy
13 and/or development;

14 (ii) Be responsible for overseeing all housing initiatives in the state of Rhode Island and
15 developing a housing plan, including, but not limited to, the development of affordable housing
16 opportunities to assist in building strong community efforts and revitalizing neighborhoods;

17 (iii) Coordinate with all agencies directly related to any housing initiatives and participate
18 in the promulgation of any regulation having an impact on housing including, but not limited to,
19 the Rhode Island housing and mortgage finance corporation, the coastal resources management
20 council (CRMC), and state departments including, but not limited to: the department of
21 environmental management (DEM), the department of business regulation (DBR), the department
22 of transportation (DOT) and statewide planning, and the Rhode Island housing resources
23 commission;

24 (iv) Coordinate with the housing resources commission to formulate an integrated housing
25 report to include findings and recommendations to the governor, speaker of the house, senate
26 president, each chamber's finance committee, and any committee whose purview is reasonably
27 related to, including, but not limited to, issues of housing, municipal government, and health on or
28 before December 31, 2021, and annually thereafter which report shall include, but not be limited
29 to, the following:

30 (A) The total number of housing units in the state with per community counts, including
31 the number of Americans with Disabilities Act compliant special needs units;

32 (B) The occupancy and vacancy rate of the units referenced in subsection (a)(4)(iv)(A);

33 (C) The change in the number of units referenced in subsection (a)(4)(iv)(A), for each of
34 the prior three (3) years in figures and as a percentage;

1 (D) The number of net new units in development and number of units completed since the
2 prior report;

3 (E) For each municipality the number of single-family, two-family (2), and three-family
4 (3) units, and multi-unit housing delineated sufficiently to provide the lay reader a useful
5 description of current conditions, including a statewide sum of each unit type;

6 (F) The total number of units by income type;

7 (G) A projection of the number of status quo units;

8 (H) A projection of the number of units required to meet housing formation trends;

9 (I) A comparison of regional and other similarly situated state funding sources that support
10 housing development including a percentage of private, federal, and public support;

11 (J) A reporting of unit types by number of bedrooms for rental properties including an
12 accounting of all:

13 (I) Single-family units;

14 (II) Accessory dwelling units;

15 (III) Two-family (2) units;

16 (IV) Three-family (3) units;

17 (V) Multi-unit sufficiently delineated units;

18 (VI) Mixed use sufficiently delineated units; and

19 (VII) Occupancy and vacancy rates for the prior three (3) years;

20 (K) A reporting of unit types by ownership including an accounting of all:

21 (I) Single-family units;

22 (II) Accessory dwelling units;

23 (III) Two-family (2) units;

24 (IV) Three-family (3) units;

25 (V) Multi-unit sufficiently delineated units;

26 (VI) Mixed use sufficiently delineated units; and

27 (VII) Occupancy and vacancy rates for the prior three (3) years;

28 (L) A reporting of the number of applications submitted or filed for each community
29 according to unit type and an accounting of action taken with respect to each application to include,
30 approved, denied, appealed, approved upon appeal, and if approved, the justification for each
31 approval;

32 (M) A reporting of permits for each community according to affordability level that were
33 sought, approved, denied, appealed, approved upon appeal, and if approved, the justification for
34 each approval;

1 (N) A reporting of affordability by municipality that shall include the following:

2 (I) The percent and number of units of extremely low-, very low-, low-, moderate-, fair-
3 market rate, and above-market-rate units; including the average and median costs of those units;

4 (II) The percent and number of units of extremely low-, very low-, low-, and moderate-
5 income housing units required to satisfy the ten percent (10%) requirement pursuant to chapter 24
6 of title 45; including the average and median costs of those units;

7 (III) The percent and number of units for the affordability levels above moderate-income
8 housing, including a comparison to fair-market rent and fair-market homeownership; including the
9 average and median costs of those units;

10 (IV) The percentage of cost burden by municipality with population equivalent;

11 (V) The percentage and number of home financing sources, including all private, federal,
12 state, or other public support; and

13 (VI) The cost growth for each of the previous five (5) years by unit type at each
14 affordability level, by unit type;

15 (O) A reporting of municipal healthy housing stock by unit type and number of bedrooms
16 and providing an assessment of the state's existing housing stock and enumerating any risks to the
17 public health from that housing stock, including, but not limited to: the presence of lead, mold, safe
18 drinking water, disease vectors (insects and vermin), and other conditions that are an identifiable
19 health detriment. Additionally, the report shall provide the percentage of the prevalence of health
20 risks by age of the stock for each community by unit type and number of bedrooms; and

21 (P) A recommendation shall be included with the report required under this section that
22 shall provide consideration to any and all populations, ethnicities, income levels, and other relevant
23 demographic criteria determined by the secretary, and with regard to any and all of the criteria
24 enumerated elsewhere in the report separately or in combination, provide recommendations to
25 resolve any issues that provide an impediment to the development of housing, including specific
26 data and evidence in support of the recommendation. All data and methodologies used to present
27 evidence are subject to review and approval of the chief of revenue analysis, and that approval shall
28 include an attestation of approval by the chief to be included in the report;

29 (v) Have direct oversight over the office of housing and community development (OHCD)
30 and shall be responsible for coordinating with the secretary of commerce a shared staffing
31 arrangement until June 30, 2023, to carry out the provisions of this chapter;

32 (vi) On or before November 1, 2022, develop a housing organizational plan to be provided
33 to the general assembly that includes a review, analysis, and assessment of functions related to
34 housing of all state departments, quasi-public agencies, boards, and commissions. Provided,

1 further, the secretary, with the input from each department, agency, board, and commission, shall
2 include in the plan comprehensive options, including the advantages and disadvantages of each
3 option and recommendations relating to the functions and structure of the new department of
4 housing.

5 [\(viii\) Establish rules and regulations as set forth in § 45-24-77.](#)

6 (b) In this capacity, the office shall:

7 (1) Lead or assist state departments and coordinate business permitting processes in order
8 to:

9 (i) Improve the economy, efficiency, coordination, and quality of the business climate in
10 the state;

11 (ii) Design strategies and implement best practices that foster economic development and
12 growth of the state's economy;

13 (iii) Maximize and leverage funds from all available public and private sources, including
14 federal financial participation, grants, and awards;

15 (iv) Increase public confidence by conducting customer centric operations whereby
16 commercial enterprises are supported and provided programs and services that will grow and
17 nurture the Rhode Island economy; and

18 (v) Be the state's lead agency for economic development.

19 (2) [Deleted by P.L. 2022, ch. 388, § 1 and P.L. 2022, ch. 442, § 1.]

20 (c) The office shall include the office of regulatory reform and other administration
21 functions that promote, enhance, or regulate various service and functions in order to promote the
22 reform and improvement of the regulatory function of the state.

23 **SECTION 3. Section 42-64.34-1 of the General Laws in Chapter 42-64.34 entitled "The**
24 **Department of Housing" is hereby amended to read as follows:**

25 **42-64.34-1. Department established.**

26 Effective January 1, 2023, there is hereby established within the executive branch of the
27 state government a department of housing. The head of the department shall be the secretary of
28 housing, who shall be appointed by the governor [with the advice and consent of the senate](#). [The](#)
29 [position of secretary is hereby created in the unclassified service. The secretary shall hold office at](#)
30 [the pleasure of the governor. Before entering upon the discharge of duties, the secretary shall take](#)
31 [an oath to faithfully execute the duties of the office.](#)

32 SECTION 4. This act shall take effect on January 1, 2024.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- ZONING ORDINANCES

1 This act would create the transit-oriented development pilot program to encourage
2 residential housing near convenient public transportation.

3 This act would take effect on January 1, 2024.

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