2025 -- H 5956

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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND HOUSING RESOURCES ACT OF 1998

Introduced By: Representatives Speakman, and Casey

Date Introduced: February 28, 2025

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

SECTION 1. Section 42-128-8.1 of the General Laws in Chapter 42-128 entitled "Rhode Island Housing Resources Act of 1998" is hereby amended to read as follows:

42-128-8.1. Housing production and rehabilitation.

(a) **Short title.** This section shall be known and may be cited as the “Comprehensive Housing Production and Rehabilitation Act of 2004.”

(b) **Findings**. The general assembly finds and declares that:

(1) The state must maintain a comprehensive housing strategy applicable to all cities and towns that addresses the housing needs of different populations including, but not limited to, workers and their families who earn less than one hundred twenty percent (120%) of median income, older citizens, students attending institutions of higher education, low- and very-low income individuals and families, and vulnerable populations including, but not limited to, persons with disabilities, homeless individuals and families, and individuals released from correctional institutions.

(2) Efforts and programs to increase the production of housing must be sensitive to the distinctive characteristics of cities and towns, neighborhoods, and areas and the need to manage growth and to pace and phase development, especially in high-growth areas.

(3) The state in partnership with local communities must remove barriers to housing development and update and maintain zoning and building regulations to facilitate the construction,

rehabilitation of properties and retrofitting of buildings for use as safe affordable housing.

(4) Creative funding mechanisms are needed at the local and state levels that provide additional resources for housing development, because there is an inadequate amount of federal and state subsidies to support the affordable housing needs of Rhode Island's current and projected population.

(5) Innovative community planning tools, including, but not limited to, density bonuses and permitted accessory dwelling units, are needed to offset escalating land costs and project financing costs that contribute to the overall cost of housing and tend to restrict the development and preservation of housing affordable to very-low income, low-income, and moderate-income persons.

(6) The gap between the annual increase in personal income and the annual increase in the median sales price of a single-family home is growing, therefore, the construction, rehabilitation and maintenance of affordable, multi-family housing needs to increase to provide more rental housing options to individuals and families, especially those who are unable to afford homeownership of a single-family home.

(7) The state needs to foster the formation of cooperative partnerships between communities and institutions of higher education to significantly increase the amount of residential housing options for students.

(8) The production of housing for older citizens as well as urban populations must keep pace with the next twenty-year (20) projected increases in those populations of the state.

(9) Efforts must be made to balance the needs of Rhode Island residents with the ability of the residents of surrounding states to enter into Rhode Island's housing market with much higher annual incomes at their disposal.

(c) **Strategic plan.** The commission, in conjunction with the statewide planning program, shall develop by July 1, 2006, a five-year (5) strategic plan for housing, which plan shall be adopted as an element of the state guide plan, and which shall include quantified goals, measurable intermediate steps toward the accomplishment of the goals, implementation activities, and standards for the production and/or rehabilitation of year-round housing to meet the housing needs including, but not limited to, the following:

(1) Older Rhode Islanders, including senior citizens, appropriate, affordable housing options;

(2) Workers, housing affordable at their income level;

(3) Students, dormitory, student housing and other residential options;

(4) Low-income and very-low income households, rental housing;

(5) Persons with disabilities, appropriate housing; and

(6) Vulnerable individuals and families, permanent housing, single-room occupancy units, transitional housing and shelters.

(d) As used in this section and for the purposes of the preparation of affordable housing plans as specified in chapter 22.2 of title 45, words and terms shall have the meaning set forth in chapter 22.2 of title 45, chapter 53 of title 45, and/or § 42-11-10, unless this section provides a different meaning or unless the context indicates a different meaning or intent.

(1) "Affordable housing" means residential housing that has a sales price or rental amount that is within the means of a household that is moderate income or less. In the case of dwelling units for sale, housing that is affordable means housing in which principal, interest, taxes, which may be adjusted by state and local programs for property tax relief, and insurance constitute no more than thirty percent (30%) of the gross household income for a household with less than one hundred and twenty percent (120%) of area median income, adjusted for family size for all residential housing requiring federal funding or grants originating from the Department of Housing and Urban Development; and up to thirty-eight percent (38%) of the gross household income for a household with less than one hundred and twenty percent (120%) of area median income, adjusted for family size for all residential housing using any other means of financing other than federal funds originating from the Department of Housing and Urban Development including, but not limited to, private funding, state funding, and funding from a government-sponsored enterprise such as Fannie Mae. Provided, however, that exclusively for the residents of New Shoreham, their affordable housing eligibility standards shall include households whose adjusted gross income is less than one hundred forty percent (140%) of their residents' median income, adjusted for family size. In the case of dwelling units for rent, housing that is affordable means housing for which the rent, heat, and utilities other than telephone constitute no more than thirty percent (30%) of the gross annual household income for a household with eighty percent (80%) or less of area median income, adjusted for family size.

(i) Affordable housing shall include all types of year-round housing, including, but not limited to: manufactured housing; housing originally constructed for workers and their families; accessory dwelling units; housing accepting rental vouchers and/or tenant-based certificates under Section 8 of the United States Housing Act of 1937, as amended; and assisted living housing, where the sales or rental amount of such housing, adjusted for any federal, state, or municipal government subsidy, is less than or equal to thirty percent (30%) of the gross household income of the low and/or moderate income occupants of the housing.

(ii) Mobile and manufactured homes shall be included as affordable housing if such home

constitutes a primary residence of the occupant or occupants; and such home is located within a community owned by the residents or the land containing the home is owned by the occupant or occupants; and such home was constructed after June 15, 1976; and such home complies with the Manufactured Home Construction and Safety Standards of the United States Department of Housing and Urban Development.

(iii) In that New Shoreham has reached its ten percent (10%) low- and moderate-income housing goal, and for so long as they maintain at least ten percent (10%) of their year-round housing stock as low- and moderate-income housing as defined in § 45-53-3(5)(ii), and inasmuch as there are provable economic impacts related to the municipalities' substantial offshore location, residential housing units produced for sale in which principal, interest, taxes, which may be adjusted by state and local programs for property tax relief, and insurance constitute no more than thirty percent (30%) of the gross household income for a household with less than one hundred forty percent (140%) of the area median income, adjusted for family size, shall be counted towards the municipalities' low- and moderate-income housing inventory as defined in § 45-53-3(9).

(2) "Affordable housing plan" means a plan prepared and adopted by a town or city either to meet the requirements of chapter 53 of title 45 or to meet the requirements of § 45-22.2-10(f), which require that comprehensive plans and the elements thereof be revised to conform with amendments to the state guide plan.

(3) "Approved affordable housing plan" means an affordable housing plan that has been reviewed and approved in accordance with § 45-22.2-9.

(4) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted gross income is more than eighty percent (80%) but less than one hundred twenty percent (120%) of the area median income, adjusted for family size.

(5) "Seasonal housing" means housing that is intended to be occupied during limited portions of the year.

(6) "Year-round housing" means housing that is intended to be occupied by people as their usual residence and/or vacant units that are intended by their owner for occupancy at all times of the year; occupied rooms or suites of rooms in hotels are year-round housing only when occupied by permanent residents as their usual place of residence.

(e) The strategic plan shall be updated and/or amended as necessary, but not less than once every five (5) years.

(f) Upon the adoption of the strategic plan as an element of the state guide plan, towns and cities shall bring their comprehensive plans into conformity with its requirements, in accordance with the timetable set forth in § 45-22.2-10(f); provided, however, that any town that has adopted

an affordable housing plan in order to comply with the provisions of chapter 53 of title 45, which has been approved for consistency pursuant to § 45-22.2-9, shall be deemed to satisfy the requirements of the strategic plan for low- and moderate-income housing until such time as the town must complete its next required comprehensive community plan update.

(g) **Guidelines.** The commission shall advise the state planning council and the state planning council shall promulgate and adopt not later than July 1, 2006, guidelines for higher density development, including, but not limited to: (1) Inclusionary zoning provisions for low- and moderate-income housing with appropriate density bonuses and other subsidies that make the development financially feasible; and (2) Mixed-use development that includes residential development, which guidelines shall take into account infrastructure availability; soil type and land capacity; environmental protection; water supply protection; and agricultural, open space, historical preservation, and community development pattern constraints.

(h) The statewide planning program shall maintain a geographic information system map that identifies, to the extent feasible, areas throughout the state suitable for higher density residential development consistent with the guidelines adopted pursuant to subsection (g).

SECTION 2. 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 -- RHODE ISLAND HOUSING RESOURCES ACT OF 1998

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This act would amend the definition of affordable housing to create separate categories for housing using private or state financing as opposed to financing from the federal government.

This act would take effect upon passage.

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