



RESOLUTION OF THE CITY COUNCIL

No. 191

EFFECTIVE April 28, 2024

WHEREAS, House Bill 8000 and Senate Bill 2752 propose the establishment of an incentive program aimed at encouraging landlords to offer reduced rents to eligible tenants, addressing the critical need for affordable housing in Rhode Island; and

WHEREAS, Establishing the Reduced Housing Rent Pilot Program, a tax rebate structure established to incentivize property owners to enter into eighteen (18) month lease agreements with eligible tenants, offering significant rebates for reduced rents, thereby encouraging participation in the program; and

WHEREAS, This innovative program is to be administered by the state department of housing, ensuring that the initiative is implemented with expertise and efficiency; and

WHEREAS, An appropriation of three million dollars (\$3,000,000) for the fiscal year 2024-2025 has been proposed to fund this incentive program, demonstrating a significant commitment to making housing more affordable for Rhode Islanders; and

WHEREAS, The bills are designed to take effect upon passage, allowing for immediate action to be taken towards alleviating the housing affordability crisis in the state; and

WHEREAS, By providing financial incentives to landlords, House Bill 8000 and Senate Bill 2752, seek to increase the availability of reduced rent units, thereby directly benefiting tenants in need of affordable housing options; and

WHEREAS, The program represents a strategic investment in the well-being of Rhode Island residents, contributing to the economic stability and quality of life for individuals and families across the state; and

WHEREAS, The administration of this program by the state Department of Housing ensures that the initiative aligns with broader housing policies and goals, promoting cohesive and effective efforts to address housing affordability.

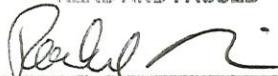

NOW, THEREFORE, BE IT RESOLVED, That the Providence City Council hereby expresses its strong support for House Bill 8000 and Senate Bill 2752, recognizing the bill's potential to significantly impact the availability of affordable housing in Rhode Island in a positive manner; and

BE IT FURTHER RESOLVED, That this resolution be transmitted to members of the Rhode Island State House of Representatives and Rhode Island State Senate, and the Office of the Governor, to affirm the Providence City Council's endorsement of House Bill 8000 as well as Senate Bill 2752 and their objectives to enhance housing affordability through landlord incentives.

IN CITY COUNCIL

APR 18 2024

READ AND PASSED


RACHEL M. KELLER, PRESIDENT

CLERK

Effective without the
Mayor's Signature


Tina L. Mastroianni
City Clerk

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- REDUCED HOUSING RENT
PILOT PROGRAM

Introduced By: Representatives Morales, Speakman, Giraldo, Cotter, Stewart, Vella-
Wilkinson, Alzate, Cortvriend, Edwards, and Slater
Date Introduced: March 05, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 11.5

REDUCED HOUSING RENT PILOT PROGRAM

42-11.5-1. Measuring reduced rent -- Rates.

(a) Reduced rents in Rhode Island shall be set in accordance with the standards found in
HUD Title 24 CFR part 92.252 (HOME Rent Limits), for the Rhode Island-Massachusetts metro
area, which shall be updated annually.

(b) The effective rates are as follows:

(1) One thousand one hundred seventy-one dollars (\$1,171) and under for a one-bedroom
unit;

(2) One thousand four hundred nine dollars (\$1,409) and under for a two-bedroom (2) unit;

(3) One thousand six hundred ninety-seven dollars (\$1,697) and under for a three-bedroom
(3) unit;

(4) One thousand eight hundred seventy-three dollars (\$1,873) and under for a four-
bedroom (4) unit; and

(5) Two thousand forty-eight dollars (\$2,048) and under for a five-bedroom (5) unit.

42-11.5-2. Tenant eligibility.

1 Tenants under this program shall meet the following requirements to ensure that the
2 households most susceptible of being cost burdened are benefitting from the program:

3 (1) Eligibility under the program is limited to households earning eighty percent (80%) or
4 below of the statewide area median income (AMI) and/or any Housing Choice Voucher Program
5 Recipient;

6 (2) Eligible tenants under this program shall be living in a legal rental unit with a verifiable
7 residential address; and

8 (3) The eligible tenant shall not be a relative of the landlord.

9 **42-11.5-3. Eligibility standards and responsibilities of the landlord.**

10 In order to be eligible for the program, the landlord shall meet the following standards:

11 (1) The landlord shall live in the same residential building where the landlord is renting
12 units to tenants;

13 (2) The landlord shall follow all existing landlord and tenant laws, including, but not
14 limited to, the provisions of chapter 18 of title 34 ("landlord tenant act") and chapter 24.3 of title
15 45 ("housing maintenance and occupancy code");

16 (3) The landlord shall agree to abide by "just cause" eviction policies which would only
17 permit an eviction for just cause which includes, but is not limited to, nonpayment of rent,
18 disturbing other tenants, creating a nuisance, and/or not permitting a landlord to make repairs; and

19 (4) If a tenant is evicted for just cause during enrollment in the program, the division of
20 taxation shall provide a prorated rebate to the landlord.

21 **42-11.5-4. Tax rebate structure.**

22 A property owner who enters an eighteen (18) month lease agreement with an eligible
23 tenant on or after January 1, 2025, under the reduced rent incentive program under this chapter,
24 shall be eligible for the following program rebates:

25 (1) Four thousand eight hundred dollars (\$4,800) for a reduced rent one-bedroom (1) unit
26 with a rebate installation of one thousand six hundred dollars (\$1,600) every one hundred eighty
27 (180) days;

28 (2) Six thousand dollars (\$6,000) for a reduced rent two-bedroom (2) unit with a rebate
29 installation of two thousand dollars (\$2,000) every one hundred eighty (180) days);

30 (3) Seven thousand five hundred dollars (\$7,500) for a reduced rent three-bedroom (3) unit
31 and plus with a rebate installation of two thousand five hundred dollars (\$2,500) every one hundred
32 eighty (180) days).

33 **42-11.5-5. Governing responsibility.**

34 (a) The state department of housing shall be the managing entity responsible for the design

1 and oversight of this program, including the acceptance of applications into the program and
2 monitoring of projected exhaustion. The department shall be responsible for promulgating the rules
3 and regulations, under chapter 35 of title 42 ("administrative procedures"), related to the application
4 process that a qualifying landlord and tenant would have to complete in order to be approved for
5 the program, including, but not limited to, the following:

6 (1) Verifying property ownership;

7 (2) Proof of lease agreement;

8 (3) Verifiable income from the tenant; and

9 (4) Identity verification, and any additional documentation deemed necessary by the
10 department.

11 (b) The department is authorized to use existing operational funds to contract with an
12 outside vendor and monitoring agent(s) to implement the program.

13 (c) The department may stop receiving and reviewing applications after four hundred (400)
14 applicants have been successfully accepted into the program.

15 (d) If program funds are still available after one hundred eighty (180) days of the first
16 accepted application, the department of housing shall be authorized to begin accepting applications
17 from property owners who own six (6) residential units or less and without the requirement that
18 their units be owner-occupied.

19 (e) The department shall gather utilization data and trends relative to the pilot program and
20 report back to the governor, speaker of the house, and senate president by January 10, 2026.

21 **42-11.5-6. Tax rebates.**

22 (a) The division of taxation shall be responsible for the issuance of a tax rebate after being
23 authorized by the department of housing. Following an approved application, the applicant shall
24 receive a rebate installment from the division every one hundred eighty (180) days until the lease
25 is finalized.

26 (b) The division of taxation is authorized to promulgate rules and regulations necessary to
27 carry out the provisions of this chapter.

28 **42-11.5. Funding for pilot program -- Appropriation.**

29 In order to measure the impact and participation of this pilot program, there is hereby
30 appropriated out of money in the treasury not otherwise appropriated for the fiscal year 2024-2025,
31 the sum of three million dollars (\$3,000,000) for the administration of the program and the
32 distribution of rebates under this chapter.

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

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LC004872

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT -- REDUCED HOUSING RENT
PILOT PROGRAM

- 1 This act would establish and fund an incentive program for landlords to offer reduced rents
2 to eligible tenants. The program would be administered by the state department of housing with an
3 appropriation of three million dollars (\$3,000,000) for fiscal year 2024-2025.
4 This act would take effect upon passage.

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LC004872
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- AFFORDABLE HOUSING
RENT PILOT PROGRAM

Introduced By: Senators Kallman, Ruggerio, Miller, Gu, Acosta, McKenney, Mack,
Quezada, and Burke

Date Introduced: March 08, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 11.5

AFFORDABLE HOUSING RENT PILOT PROGRAM

42-11.5-1. Measuring affordable rent.

(a) Affordable rents shall be set in accordance with the standards found in HUD Title 24
CFR 92.252 (HOME Rent Limits), RI-MA Metro FMR Area High Home Rent Limit (updated
annually).

(b) The effective 2023-2024 rates are as follows:

(1) One thousand one hundred seventy-one dollars (\$1,171) and under for a one-bedroom
unit;

(2) One thousand four hundred nine dollars (\$1,409) and under for a two-bedroom (2) unit;

(3) One thousand six hundred ninety-seven dollars (\$1,697) and under for a three-bedroom
(3) unit;

(4) One thousand eight hundred seventy-three dollars (\$1,873) and under for a four-
bedroom (4) unit; and

(5) Two thousand forty-eight dollars (\$2,048) and under for a five-bedroom (5) unit.

42-11.5-2. Tenant eligibility.

1 (a) To ensure that households most susceptible of being housing cost burdened are
2 benefitting from this program, a landlord's tenants shall meet the following requirements:

3 (1) Income-restricted to households earning eighty percent (80%) or below of the Statewide
4 Area Median Income (AMI) and/or a Housing Choice Voucher Program Recipient;

5 (2) Shall be living in a legal rental unit with a verifiable residential address (e.g., cannot be
6 a makeshift garage or storage shed); and

7 (3) Cannot be a relative of the landlord.

8 **42-11.5-3. Eligibility standards and responsibilities of the landlord.**

9 In order to be eligible for the program, the landlord would be required to meet the following
10 standards:

11 (1) Live in the same residential building where they are renting out units to their tenants
12 (owner-occupied);

13 (2) If program funds are still available after one hundred eighty (180) days of the first
14 accepted application, the department of housing would be authorized to begin accepting
15 applications from property owners who own six (6) residential units or less (without the
16 requirement that their units be owner-occupied);

17 (3) Follow all existing housing and tenant laws, not limited to code enforcement;

18 (4) Agree to abide by "just cause" eviction policies. (In other words, if they want to evict a
19 tenant while being a part of the program, it shall be for a just cause such as non-payment and/or
20 intentional property damage); and

21 (5) If a tenant is evicted for just cause during enrollment in the program, the division of
22 taxation would still be able to provide a prorated rebate to the landlord.

23 **42-11.5-4. Tax rebate structure.**

24 A landlord who enters an eighteen (18) month lease agreement with an eligible tenant on
25 or after January 1, 2025, under the affordable rent program under this chapter, shall be eligible for
26 the following rebates after the lease has concluded:

27 (1) Affordable one-bedroom unit: four thousand eight hundred dollars (\$4,800) (a rebate
28 installation of one thousand six hundred dollars (\$1,600) every one hundred eighty (180) days);

29 (2) Affordable two-bedroom (2) unit: six thousand dollars (\$6,000) (a rebate installation of
30 two thousand dollars (\$2,000) every one hundred eighty (180) days);

31 (3) Affordable three-bedroom (3) unit and plus: seven thousand five hundred dollars
32 (\$7,500) (a rebate installation of two thousand five hundred dollars (\$2,500) every one hundred
33 eighty (180) days).

34 **42-11.5-5. Governing responsibility.**

1 (a) The state department of housing shall be the managing entity responsible for the design
2 and oversight of this program, including the acceptance of applications into the program and
3 monitoring of projected exhaustion. The department shall be responsible for promulgating the rules
4 and regulations, under chapter 35 of title 42, related to: the application process that a qualifying
5 landlord and tenant would have to complete in order to be approved for the program, including, but
6 not limited to:

7 (1) Verifying property ownership;

8 (2) Proof of lease agreement;

9 (3) Verifiable income from the tenant; and

10 (4) Identity verification, and any additional documentation deemed necessary by the
11 department.

12 (b) The department is authorized to use existing operational funds to contract with an
13 outside vendor and monitoring agent(s) to implement the program.

14 (c) The department would be authorized to stop receiving and reviewing applications after
15 four hundred (400) applicants have been successfully accepted into the program.

16 (d) The department would be required to gather utilization data and trends around the pilot
17 program and report back to the governor, speaker of the house, and senate president by January 10,
18 2026.

19 **42-11.5-6. Tax rebates.**

20 (a) The division of taxation shall be responsible for the issuance of a tax rebate after being
21 authorized by the department of housing. Following an approved application, the applicant shall
22 receive a rebate installment from the division every one hundred eighty (180) days until the lease
23 is finalized.

24 (b) If program funds are still available after one hundred eighty (180) days of the first
25 accepted application, the department of housing shall be authorized to begin accepting applications
26 from property owners who own six (6) residential units or less and without the requirement that
27 their units be owner-occupied.

28 **42-11.5. Funding for pilot program.**

29 To measure the impact and participation of this pilot program, the general assembly shall
30 appropriate the sum of three million dollars (\$3,000,000) million in the fiscal year 2024-2025 state
31 budget for the administration of the program and the distribution of rebates.

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

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LC005276
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT -- AFFORDABLE HOUSING
RENT PILOT PROGRAM

- 1 This act would establish and fund an affordable housing pilot program at reduced rents to
2 be administered by the state department of housing with an appropriation of three million dollars
3 (\$3,000,000) for fiscal year 2024-2025.
4 This act would take effect upon passage.

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LC005276
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