



RIPEC

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Representative Marvin L. Abney
Chair, House Committee on Finance
Room 35
Rhode Island State House
Providence, RI 02903

May 7, 2025

RE: House Bill 5076— New Article— Governor’s Budget Amendment #12

Dear Chairperson Abney,

I am writing on behalf of the Rhode Island Public Expenditure Council (RIPEC) in strong support of House Bill 5076, Governor’s Budget Amendment # 12, that would make substantial statutory changes consistent with the recommendations of the 2024 Housing Organizational Report issued by the Department of Housing in 2024.

The Report recommendations reflected in the Budget Amendment include consolidating the programmatic and policy responsibilities of the Housing Resources Commission (HRC) into a new Executive Office of Housing, establishing the Secretary of Housing as the statutory chair of the RI Housing and Mortgage Finance Corporation (RIHousing), establishing the Executive Office of Housing as the agency responsible for drafting the state’s Qualified Allocation Plan (QAP) for Low-Income Housing Tax Credits, and transferring oversight and reconstituting the HRC into a purely advisory body.¹

This amendment would begin to address the urgent need to resolve the state’s housing governance issues by establishing clear responsibilities between the new Executive Office of Housing and the state’s other two housing agencies, the HRC and RIHousing. As RIPEC found in its October report on housing, when the Department of Housing was created in 2022, the General Assembly deferred modifying the authorities of the existing agencies and as a result, the three share overlapping powers and responsibilities, and lines of authority are unclear.² This is particularly troubling considering the HRC and the Department of Housing are both tasked with

¹ R.I. OMB, [Governor’s Budget Amendment #12](#), April 16, 2025.

² RIPEC, [Housing Policy in Rhode Island](#), October 2024.

many of the same top-line responsibilities under law.³ These powers and duties should be placed in the Executive Office of Housing, which carries direct accountability to the governor as part of the executive branch.

As the law is currently written, the HRC has wide statutory powers, and has been responsible for housing policy, rulemaking, and programming in the state since its inception in 1998.⁴ Despite these broad powers, the agency receives little attention, and its role is not widely understood. There are many reasons the HRC is neither currently—nor has it ever been—the appropriate agency to hold decision-making authority over housing policy, programming, or funding. These include declining membership and attendance, conflicts of interest, lack of transparency, and the uniqueness of the design compared to stakeholder bodies in other states.

A 28-member stakeholder body, the HRC currently has only 18 members and ten vacancies awaiting appointment from the governor. Attendance at meetings has declined every year since 2019, with attendance in 2024 dipping to 47.1 percent and meetings cancelled or ending early due to a lack of a quorum. Membership at the HRC is heavily weighted toward non-profit advocacy groups and service providers—some that have frequent business in front of the HRC itself. As a result, the HRC has had a persistent issue with conflicts of interest evidenced by the large number of abstentions that take place around funding and policy decision-making. Transparency is also an ongoing issue at the HRC, with attention to record-keeping varying considerably over time, and records related to funding decisions either not kept or unavailable to the public. Lastly, the HRC’s combination of size, policy and programming responsibilities, and funding authority is unique among stakeholder housing agencies in among states, which are typically advisory in nature only.

This amendment also would place responsibility for drafting the QAP with the Executive Office of Housing. The QAP is the clearest expression of the state’s policy preferences in terms of how scarce housing dollars are allocated. RIPEC has reported that the QAP—currently drafted by RIHousing—has deemphasized costs and provided little to no incentive for producing mixed-income developments.⁵ These preferences in the QAP are partially responsible for the state’s low levels of housing production despite its historic investment of pandemic-era federal dollars and for an escalation in the cost of development—with some projects exceeding \$500,000 per unit.⁶ Since the QAP requires the governor’s approval, it is most appropriate that the new Executive Office of Housing has the responsibility and accountability for drafting the QAP.

Rhode Island’s housing affordability challenges require urgent action at the state level. Currently, our housing institutional structure—with overlapping responsibilities and unclear lines of authority between the agencies tasked with addressing these issues—is ill-suited to

³ Ibid.

⁴ R.I. Gen. Laws § [42-128-8](#).

⁵ RIPEC, [Housing Policy in Rhode Island](#), October 2024; RIHousing, [Minutes of the Meeting of the Credit Committee](#), August 7, 2024.

⁶ RIPEC, [Housing Policy in Rhode Island](#), October 2024.

meet those challenges. RIPEC offers full support for Governor's Budget Amendment #12, which seeks to resolve these issues by consolidating authority under a new Executive Office of Housing.

Sincerely,

A handwritten signature in blue ink that reads "Michael DiBiase". The signature is fluid and cursive, with the first name "Michael" and last name "DiBiase" clearly legible.

Michael DiBiase
President & CEO
Rhode Island Public Expenditure Council

RIPEC is a nonpartisan and nonprofit public policy research organization dedicated to providing objective research and analysis that addresses the critical challenges surrounding public finance and economic opportunity in Rhode Island.