



**To:** Chairwoman June Speakman, Special Housing Commission to Study Rhode Island Low and Moderate Income Housing Act

**From:** Melina Lodge, Executive Director, Housing Network of Rhode Island

**Cc:** Lynne Urbani, Policy Director, RI House of Representatives

**Date:** February 15, 2022

**Re:** HNRI Recommendations on proposed changes to the LMIH Act

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On behalf of the Housing Network of Rhode Island and the 17 non profit affordable housing developers and Community Development Corporations we serve, I respectfully submit the following as changes that we believe will strengthen the Low and Moderate Income Housing Act and aid in increasing the production of long term deed restricted housing at the price points that Rhode Islanders need. I have appreciated Speaker Shekarchi's leadership in reconvening the Commission, the opportunity to lend my voice and expertise to the Commission's discussion and now, the possibility of further refining the Act to address its deficiencies and shortfalls.

**1. Stimulate Production of Affordable Housing**

- Include all multi-family rental apartments built under a Comprehensive Permit to be added to the local LMI housing inventory, so long as at least 25% of the units created are deed-restricted for households earning not more than 60% of AMI.  
*\*In Massachusetts, where multi-family (rental) residential project are constructed as part of a Comprehensive Permit, all of the units count toward the local inventory regardless of whether they are deed-restricted for affordability or not. The Commonwealth uses this as an incentive for constructing more housing.*
- Remove the Fee-in-Lieu of Developing Affordable Housing provision from the statute OR modify the formula for calculating the Fee in Lieu as follows:
  - Fee is equal to the difference between the average sales price of the proposed market rate development and the 80% AMI sales price of a similarly sized unit.  
Example: Developer is proposing 2-bedroom market rate condo with sales price of \$600,000. An 80% AMI 2-bedroom condo has a max sales price of \$250,000. Fee in Lieu is \$600,000 – 250,000 = \$350,000 per unit not built.
- Allow resident-owned mobile home parks to be counted toward LMI census, without the requirement of a long-term deed restriction, income eligibility, and monitoring.



- Apply a weighted formula to how Affordable Units are counted within the Low Moderate Income Housing Chart that favors the development of very low-income housing (prospectively, not retroactively);

**120% = 0.5**

**100% = 0.75**

**80% Rental = 0.75**

**80% HO = 1**

**60% = 1.5**

**50% and below = 2.0**

## **2. Improve Administrative Oversight**

- Require that the Housing Resources Commission (HRC) certify third-party Monitoring Agents, and that such certified Agents are designated by the developer and approved by HRC. Further, HRC must set threshold standards for the responsibilities of approved monitoring agents; formalize procedures for approving monitoring agents; periodically re-certify approved Agents and have the authority to remove that designation if needed.
- Strengthen this section of the statute to ensure the required Municipality Housing Plans are realistic and achievable, clearly define how state defines progress and establish which entity is best position to review and hold communities accountable.
- Create a permanent Low Moderate Income Housing Act Commission that meets at least once per year and is charged with ensuring timely assessment of the effectiveness of the statute in relation to the ever-changing housing needs and conditions of RI.

## **3. Reconsider Municipality Exemption**

- Eliminate the 15% rental housing exemption OR raise the limit of the exemption to 30%.
  - If the rental housing exemption is maintained, establish a timeline and methodology for more frequent analysis to confirm exemption status.

We would also be supportive of additional administrative changes to the State Housing Appeals Board and the Comprehensive Permit process that might be proposed by other Commission members so will weigh in more formally on those items when there is something more concrete for us to consider.

As always, I stand ready to answer any questions you might have or discuss of the point above further and can be reached by phone or email.