



TO: Chairwoman June Speakman, Special Housing Commission to Study Rhode Island Low and Moderate Income Housing Act
FR: Jennifer Hawkins – Executive Director, ONE Neighborhood Builders
CC: Lynne Urbani - Policy Director, RI House of Representatives
DATE: February 7, 2022
RE: Recommendations related to Low and Moderate Income Housing Act

Thank you to you and Speaker Shekarchi for your collaboration and leadership to develop legislative solutions that address the immense need for quality affordable housing in Rhode Island. On behalf of ONE Neighborhood Builders, I respectfully offer the following recommendations for strengthening the Rhode Island Low and Moderate Income Housing Act. I look forward to working with you and colleagues in the RI House of Representative in the coming months to craft legislation to realize these modifications.

I. Stimulate Production of Affordable Housing

- 1) 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 40% of the units created are deed-restricted for households earning not more than 60% of AMI.
In Massachusetts, where a multi-family residential (rental) project is 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.
- 2) 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.
- 3) 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.
- 4) Ease the burden of constructing Accessory Dwelling Units (ADU). One quick fix is to remove the requirement that an ADU be occupied by related family member. ONE|NB is part of a small working group that is crafting more specific language around ADU legislation informed by the recent presentation by AARP. Detailed recommendations will be forthcoming.

- 5) Apply a weighted formula to the calculation used to determine the number of housing units that may be counted towards a municipality's 10% goal of Low Moderate Income Housing. I suggest the following methodology to incentivize the development of very low-income (50% of Area Median Income) housing, and further, to favor the development of homeownership opportunities.

120% AMI = 0.5

100% AMI = 0.75

80% AMI *Rental* = 0.75

80% AMI *Homeownership* = 1

60% AMI = 1.5

50% AMI and below = 2.0

I. Improve Administrative Oversight

- 1) 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.
- 2) Strengthen 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 positioned to review and hold communities accountable.
- 3) 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.

I understand my colleagues are suggesting administrative changes to the Comprehensive Permit process, for example, to more clearly define how negative findings of fact are to be demonstrated, and to institute requirements related to appointing alternates for seats, modified time standards, and the like. I look forward to reviewing these suggestions and offering support as applicable.

III. Reconsider Municipality Exemption

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