



OFFICE OF MANAGEMENT & BUDGET

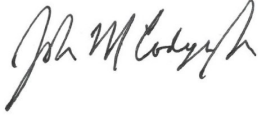
State Budget Office

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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer 

Date: May 5, 2023

Subject: Amendments to FY 2024 Appropriations Act (23-H-5200)

The Governor requests that several amendments be made to the FY 2024 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of 2024. A detailed description of each amendment requested is provided in the attached documents, but significant items include the following:

- Municipal Homelessness Support Initiative – \$1.0 million from general revenues to support municipal efforts to address homelessness with a focus on ensuring that emergency shelters succeed in local communities. This amendment reallocates \$1.0 million no longer required by the Department of Revenue’s Payments in Lieu of Taxes program in FY 2024 after a data update.
- Housing Predevelopment and Capacity Building – an additional \$2.3 million from State Fiscal Recovery Funds (SFRF) for Housing Predevelopment and Capacity Building. \$1.2 million will support a housing development-focused municipal fellows program; \$900,000 will support a transit-oriented development pilot program; and \$200,000 will support research and programming to address barriers to housing opportunities for low and moderate income Rhode Islanders.
- Proactive Housing Development – \$1.4 million from SFRF for proactive development activities that will be conducted by a subsidiary of RI Housing.
- Targeted Housing Development – \$21.0 million from SFRF for Targeted Housing Development appropriated at the Department of Housing. \$17.0 million will be allocated to a priority project fund that advances the development of supportive housing, housing dedicated to vulnerable Rhode Islanders, and other housing-related priorities, and \$4.0 million will support the development of transit-oriented housing.
- Housing-Related Infrastructure – \$4.3 million from SFRF to support physical infrastructure that is necessary to produce additional housing, with funding targeted at pre-development and development of site-related infrastructure.
- Preservation of Affordable Housing Units - \$500,000 from SFRF reallocated from the existing Home Repair and Community Revitalization program to a new program that will focus on the preservation of affordable housing units.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

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JC:23-Amend-12

Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Brian Daniels, Interim Director of Administration; Director of the Office of Management
and Budget

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2024

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2024

Department of Housing

Increase General Revenue in the Central Management Program, Page 9, Line 8, by \$978,755, from \$4,997,895 to \$5,976,650. This amendment supports municipal efforts to address homelessness with a focus on ensuring that emergency shelters succeed in local communities. This amendment reallocates \$1.0 million no longer required by the Department of Revenue's Payments in Lieu of Taxes program after a data update, see 24-DOR1 (24-Housing1).

Increase "OHCD Predevelopment and Capacity Fund", Page 9, Line 11 by \$2,300,000 from \$500,000 to \$2,800,000. This amendment adds \$2,300,000 in federal SFRF appropriations to the Department of Housing to support a housing development-focused municipal fellows program, grants for municipalities, and research and programming to address barriers to housing opportunities for low and moderate income Rhode Islanders (24-Housing2).

Page 9, insert New Line 20 titled "Proactive Housing Development" in the amount of \$1,400,000. This amendment adds \$1,400,000 in federal SFRF appropriations to the Department of Housing for proactive development activities that will be conducted by a subsidiary of the Rhode Island Housing and Mortgage Finance Corporation (24-Housing3).

Page 9, insert New Line 21 titled "Targeted Housing Development" in the amount of \$21,000,000. This amendment adds \$21,000,000 in federal SFRF appropriations to the Department of Housing to support a program to develop housing in targeted areas and support priority housing projects. \$17,000,000 will be dedicated to a priority projects fund and \$4,000,000 will be dedicated to the development of transit-oriented housing (24-Housing4).

Page 9, insert New Line 22 titled "Housing Related Infrastructure" in the amount of \$4,300,000. This amendment adds \$4,300,000 in federal SFRF appropriations to the Department of Housing to support physical infrastructure that is necessary to produce additional housing, with funding targeted at pre-development and development of site-related infrastructure (24-Housing5).

Decrease Federal Funds for "Home Repair and Community Revitalization", Page 9, Line 18 by \$500,000, from \$10,000,000 to \$9,500,000. This amendment reallocates \$500,000 of federal SFRF appropriations to "Preservation of Affordable Housing Units" (24-Housing6).

Page 9, insert new Line 23, titled "Preservation of Affordable Housing Units" in the amount of \$500,000. This amendment reallocates \$500,000 in federal SFRF appropriations from "Home Repair and Community Revitalization" to a new program that will support the preservation of affordable housing units (24-Housing6)

Page 9, Line 21: Strike the following: "and Community Development."

Department of Revenue

Decrease General Revenue for Payment in Lieu of Tax Exempt Properties in the State Aid program, Page 11, Line 12, by \$978,755, from \$50,180,167 to \$49,201,412. This amendment adjusts the Payment in Lieu of Tax-Exempt Properties (PILOT) program to reflect final revised state-owned property assessments (24-DOR1).

SECTION 16, APPROPRIATIONS IN SUPPORT OF FY 2024

Page 46, Line 11 through Page 47, Line 31: Strike and replace with the following:

Department of Housing

Housing- Development of Affordable Housing. These funds shall expand a program at the Rhode Island housing and mortgage finance corporation to provide additional investments in the development of affordable housing units in conjunction with general obligation bond funds and/or other sources of available financing according to guidelines approved by the Coordinating Committee of the Housing Resources Commission. Of this amount, ten million (\$10,000,000) shall be available to the Rhode Island housing and mortgage finance corporation to establish a pilot program that shall direct funds to support low-income public housing through project-based rental assistance vouchers and financing for pre-development, improvement, and housing production costs. Within eighteen (18) months, any money available for the pilot that is not yet allocated to viable projects, or which has been awarded to public housing authorities which are unable to demonstrate substantial completion of all work within eighteen (18) months of receipt of any such funds, shall be returned to this program and no longer be included in the pilot. Determination of viability and substantial completion under the pilot shall be at the sole discretion of the Secretary of Housing.

Housing - Targeted Housing Development. These funds shall create a program at the department of housing to develop housing in targeted areas and/or priority projects. Of this overall program, seventeen million (\$17,000,000) shall be allocated into a priority project fund that advances development in such priority categories as permanent supportive housing, housing dedicated to vulnerable Rhode Islanders, and other specific priorities as may be determined by the Secretary of Housing. Of this overall program, four million dollars (\$4,000,000) shall be allocated to a support the development of transit-oriented housing as approved by the Secretary of Housing.

Housing - Site Acquisition. These funds shall be allocated to the Rhode Island housing and mortgage finance corporation toward the acquisition of properties for redevelopment as affordable and supportive housing to finance projects that include requirements for deed restrictions not less than thirty (30) years, and a non-recourse structure.

Housing - Down Payment Assistance. Administered by the Rhode Island housing and mortgage finance corporation, these funds shall be allocated to a program to provide down payment assistance to eligible first-time home buyers to promote homeownership.

Housing - Workforce Housing. These funds shall be allocated to the Rhode Island housing and mortgage finance corporation to support a program to increase the housing supply for families earning up to 120 percent of area median income.

Housing - Affordable Housing Predevelopment Program. These funds shall be allocated to the Rhode Island housing mortgage finance corporation to support predevelopment work, for proposed affordable housing developments to build a pipeline of new projects and build the capacity of affordable housing developers in the state to expand affordable housing production.

Housing - Home Repair and Community Revitalization. These funds shall expand the acquisition and revitalization program administered by the Rhode Island housing and mortgage finance corporation to finance the acquisition and redevelopment of blighted properties to increase the number of commercial and community spaces in disproportionately impacted communities and or to increase the development of affordable housing. Residential development will serve households earning no more than 80 percent of area median income. Commercial and community spaces must serve or meet the needs of residents of a census tract where at least 51 percent of the residents are low-and moderate-income persons. Of this amount, four million five hundred thousand (\$4,500,000) will support critical home repairs within the same communities.

Housing - Preservation of Affordable Housing Units. These funds shall support a program to preserve affordable housing units.

Housing - Predevelopment and Capacity Building. These funds shall support a program to increase contract staffing capacity to administer proposed affordable housing projects. These funds will support research and data analysis, stakeholder engagement, and the expansion of services for people experiencing homelessness. Of these funds, one million two hundred thousand dollars (\$1,200,000) shall support a housing development-focused municipal fellows program within the department of housing; nine hundred thousand dollars (\$900,000) shall support grants for municipalities, including to study and implement zoning changes that up-zone or otherwise enable additional housing development in proximity to transit or for payments in accordance with a transit-oriented development pilot program; and two hundred thousand dollars (\$200,000) shall support research and programming to address barriers to housing opportunities for low and moderate income Rhode Islanders.

Housing - Homelessness Assistance Program. These funds shall support a program to expand housing navigation, behavioral health, and stabilization services to address pandemic related homelessness. The program will support both operating subsidies for extremely low-income housing units and services for people transitioning from homelessness to housing, including individuals transitioning out of the adult correctional institutions.

Housing - Homelessness Infrastructure. These funds shall be used to support a program to respond to and prevent homelessness, including but not limited to, acquisition or construction of temporary or permanent shelter and other housing solutions and stabilization programs, of which ten million (\$10,000,000) shall support Crossroads Rhode Island sponsored housing development based and/or housing- based solutions, wrap-around services and administrative costs of implementation.

Housing - Proactive Housing Development. These funds shall be used to support proactive development activities, including staffing, that are conducted by a subsidiary of the Rhode Island housing and mortgage finance corporation, established pursuant to § 42-55-5.1.

Housing - Housing Related Infrastructure. These funds shall be allocated to the Rhode Island infrastructure bank as established in R.I. Gen. Laws Chapter 46-12.2 or another entity designated by the Secretary of Housing to support physical infrastructure that is necessary to produce additional housing. All expenditures made with these funds must be for the pre-development and development of site-related infrastructure for housing that meets pricing and/or income criteria and other criteria established by the Department of Housing. Such criteria may permit mixed-income and/or mixed-use housing. By June 30, 2024, any funds

available for the program that are not yet allocated to viable physical infrastructure projects, or which have been awarded to physical infrastructure projects or municipalities which are unable to demonstrate substantial completion of all work by December 31, 2026, shall be reallocated to other housing-related purposes. Determination of the viability and/or substantial completion of physical infrastructure projects shall be at the sole discretion of the Secretary of Housing.

With respect to all housing state fiscal recovery fund programs listed above, all solicitations, program guidelines, and awards shall require concurrence from the Secretary of Housing.

Summary of Governor's Article 1 Amendments to FY 2024 Appropriations Act (23-H-5200)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (24-AGENCY#)
FY 2024 Expenditures (Original Governor's Recommend)	5,302,778,725	5,526,017,996	386,814,952	2,535,441,068	13,751,052,741	
February 14, 2023 Amendments	25,667	(320,000)	(169,608)	5,237,284	4,773,343	
March 8, 2023 Amendments	183,073	(24,789,779)	-	4,000,000	(20,606,706)	
March 17, 2023 Amendments	(224,284)	2,057,963	2,891,838	-	4,725,517	
April 7, 2023 Amendments	-	11,421,784	-	376,440	11,798,224	
April 17, 2023 Amendments	33,837,600	26,674,520	(274,952)	200,000	60,437,168	
May 5, 2023 Housing Amendments						
Department of Housing						
<i>Municipal Homelessness Support Initiative</i>	978,755	-	-	-	978,755	24-Housing1
<i>ARP SFRF: Predevelopment and Capacity Building</i>	-	2,300,000	-	-	2,300,000	24-Housing2
<i>ARP SFRF: Proactive Housing Development</i>	-	1,400,000	-	-	1,400,000	24-Housing3
<i>ARP SFRF: Targeted Housing Development</i>	-	21,000,000	-	-	21,000,000	24-Housing4
<i>ARP SFRF: Housing Related Infrastructure</i>	-	4,300,000	-	-	4,300,000	24-Housing5
<i>ARP SFRF: Preservation of Affordable Housing Units</i>	-	[\$500,000]	-	-	[\$500,000]	24-Housing6
Department of Revenue						
<i>PILOT Program Reduction</i>	(978,755)				(978,755)	24-DOR1
Total	-	29,000,000	-	-	29,000,000	
Grand Total	5,336,600,781	5,570,062,484	389,262,230	2,545,254,792	13,841,180,287	