

Governor's FY 2018 Budget: Articles

Staff Presentation to the House Finance
Committee
March 2, 2017

Introduction

- Article 1, Section 12 – Neighborhood Opportunities Program
- Article 22 – Lead Prevention

Article 1, Sec. 12, Neighborhood Opportunities Program

- Neighborhood Opportunities Program was created by 2001 Assembly
 - Provide gap financing
 - Construction of affordable housing
 - Established operating reserve
 - Cover gap between rent and actual operating cost of each unit

Article 1, Sec. 12, Neighborhood Opportunities Program

- NOP consisted of three components
 - *Family Housing* - for very low income
 - *Permanent Supportive Housing* - for disabled, homeless, or in danger of homelessness
 - *Building Better Communities* - construction and homeownership opportunities
 - Revitalized communities

Article 1, Sec. 12, Neighborhood Opportunities Program

- State support of \$45.5 million from FY 2002 through FY 2011
 - \$10.0 million from general revenues
 - \$9.0 million from RICAP
 - \$26.5 million in debt issued through RIHMFC
 - State paid the debt service
 - Debt has been defeased
- Number of housing units created
 - Approximately 1,250

Article 1, Section 12 Neighborhood Opportunities Program

- Section 12 of Article 1 requires:
 - RI Housing to provide amount “as appropriate” from its resources support NOP
 - Agency must also provide report to
 - Chairpersons of both House and Senate Finance Committees
 - Director of Department of Administration
 - Detailing amount of funding provided and number of units created

Article 1, Sec.12, Neighborhood Opportunities Program

- Article 1 requirement for NOP support first appeared in FY 2012 budget
 - Amount specified in FY 2012 at \$1.5 million
 - FY 2013 – FY 2017 and FY 2018 proposal calls for amount “as appropriate”
- Through FY 2016, RI Housing:
 - Committed \$6.0 million
 - Each year’s commitments are paid out over several years
 - Support of 328 existing units

Article 1, Section 12 Neighborhood Opportunities Program

FY	Committed	Units Supporting	#of Years	Spent	% Spent
2012	\$1,500,000	27	10	\$918,336	61.2%
2013	\$1,300,000	25	10	\$361,964	27.8%
2014	\$1,189,701	166	4-5	\$596,523	50.1%
2015	\$1,300,000	86	1-4	\$397,231	30.6%
2016	\$ 680,435	24	5	-	-
2017	<i>Awards not yet made – likely April</i>				
Total	\$5,970,136	328		\$2,274,083	

Article 22 – Introduction

- Centralizes RI's lead prevention programs within the Department of Health
 - Identifies funding for DOH through existing resources currently dedicated to both housing and lead programs
 - Proposes changes to:
 - Which pre-1978 properties are subject to lead mitigation laws
 - Requirements of affected property owners

Article 22 – Background

- Lead Prevention Programs:
 - Housing Resources Commission
 - Department of Health
 - Interagency Coordinating Council
 - DOH
 - DEM
 - DHS
 - Housing Resources Commission
 - Attorney General
 - League of Cities and Towns appointee

Article 22 – Background

Lead Hazard Mitigation Act

- Housing Resources Commission
 - Designated as lead state agency for
 - Lead hazard mitigation planning
 - Education
 - Technical assistance and coordination of state projects
 - State financial assistance to property owners for lead hazard mitigation

Article 22 – Background

Department of Health

- Environmental Lead Program
 - Children under 6 yrs. of age
 - Physicians report diagnosis of lead poisoning to DOH within 10 days
 - Inquiries about lead poisoning
 - Arranges inspections when elevated blood levels are found

Article 22 – Background

Department of Health

- Makes referrals for case management
- Provides follow up
- Licenses lead professionals
 - Conduct environmental inspections and remove lead hazards from properties
- Conduct field investigations on sites where lead material is being performed

Article 22 – Background

- Interagency Coordinating Council
 - AG, League of Cities & Towns appointee, and directors from DOH, DEM, DHS, & HRC
 - Coordinate activities with respect to:
 - Environmental lead policy;
 - Development of educational materials;
 - Drafting regulations which have as their purpose reducing or preventing lead poisoning;
 - Enforcement of laws, regulations, & ordinances pertaining to lead poisoning & lead poisoning prevention

Article 22 – Background

Lead Hazard Mitigation Act of 2002

- Requirements of landlords:
 - Assess and fix any hazards to property
 - Perform lead-safe maintenance practices
 - Obtain certificate from proper inspector
 - Provide tenants with information about lead hazard and copy of inspection reports
 - Respond to tenant concerns about any lead hazards

Article 22 – Lead Prevention

- Article 22:
 - Centralizes lead poisoning prevention under Department of Health
 - Department to oversee interagency coordination activities
 - Adopt rules and regulations
 - Certify lead safe compliance for all residential units
 - Permitting lead inspectors

Article 22 – Lead Prevention

Pre-1978 Properties Exempted	Current Law	Article 22
Common areas in condos	Yes	No
Temporary housing	Yes	Yes
Elderly Housing	Yes	Yes
Housing for persons with disabilities	No	Yes
Zero bedroom units	No	Yes
2-3 units, one unit is occupied by owner	Yes	No

Article 22 – Lead Prevention

Duties of Property Owners	Current Law	Article 22
Lead hazard awareness seminar	Yes	No
Evaluate unit for lead hazards	Yes	No
Provide tenants with information, copy inspection compliance certificate	Yes	Yes
Correct lead hazards within 30 days of notice from tenants	Yes	Yes
New Owners – up to days after purchase to correct lead hazard	Yes	Yes

Article 22 – Lead Prevention

- 2014 Assembly increased Real Estate Conveyance Tax by \$0.30 to \$2.30
 - To HRC to fund lead & housing initiatives instead of general revenues
- Article 22 – as originally submitted
 - Splits existing \$0.30
 - \$0.05 to Department of Health
 - Fund program costs, including 3.0 new positions; 2.0 lead inspectors and one data manager
 - \$0.25 remains with HRC

Article 22 – Lead Prevention

- Governor requested amendment
 - Requires annual transfer of “not less than” \$590k from HRC to DOH
 - In lieu of split of \$0.30 dedicated tax
 - Transfer amount would be more stable
 - Proposed language does not appear to create mechanism for a transfer of more than \$590k
 - Other technical changes
 - Corrections to citations other clarifications
 - Still technical revisions needed to match intent

Article 22 – Lead Prevention

	HRC – Current Law \$0.30	Article 22- \$0.05	Article 22 – New Version	Difference
FY 2018*	\$4,166,667	\$694,445	\$590,000	\$(104,445)
FY 2017*	\$3,866,667	\$644,445	\$590,000	\$(54,445)
FY 2016	\$3,476,888	\$579,481	\$590,000	\$ 10,519
FY 2015	\$3,164,488	\$527,415	\$590,000	\$ 62,585

*November REC subject to change in May

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