Rhode Island Housing
Proposed 2013 Legislative Priorities

The Intergovernmental Relations Committee of the Board of Commissioners of Rhode Island Housing met on January 17, 2013, at 8:30 a.m. at the offices of Rhode Island Housing. In attendance were committee Chair Denise Barge and committee members Jim DeRentis and Joseph Pratt. Staff members attending were Richard Godfrey, Peter Walsh and Amy Rainone.

The Intergovernmental Relations Committee of the Board recommends to the full Board the adoption of the following positions on the broad policy areas outlined below. The Committee may need to meet again as new bill introductions are posted to analyze individual pieces of legislation that address these policy areas and any other bills that may have an impact on the agency.

I. Increase policy makers' understanding of Rhode Island Housing's role in meeting the state's housing needs

Rhode Island Housing has a unique financial structure within state government and in many ways is more like a community bank than a typical state agency or department. The complex way that we are financed and the self-supporting nature of our budget make it challenging for policymakers to understand. At the same time, the Housing Resources Commission, (the state agency tasked with developing state housing policy) is state funded but has very limited staff and financial resources. As a result, Rhode Island Housing has often been called upon to fund and administer state housing programs and our funds have been tapped to close state budget gaps. It is critical that we increase policy makers' understanding of Rhode Island Housing's role in meeting the state's housing needs and the limitations on our resources to foster a collaborative approach to addressing the state's housing needs in a more sustainable way.

Tasks:

- Identify potential partners in the General Assembly and focus our efforts on educating them about Rhode Island Housing's role and resources.
- Develop clear, concise materials that help legislators understand how we earn our money, the constraints and demands on our budget and the programs and services that our budget currently supports.
- Engage policy-makers in our programs and services by partnering with them in hosting community-based events like partner trainings and homebuyer education as well as ribbon-cuttings and groundbreakings.

II. Defend Rhode Island Housing from unfunded mandates that limit our ability to carry out our mission

Protect Rhode Island Housing Programs and Resources

High Priority

In FY08 the Governor proposed and the General Assembly approved an appropriation of $26 million from Rhode Island Housing to help balance the state's budget. In FY12 and FY13 the state once again turned to Rhode Island Housing to provide funding to operate the Neighborhood Opportunity Program (NOP). Rhode Island Housing borrowed $12 million to fund the payment to the state and has been unable to generate sufficient excess revenues to retire that indebtedness. A lackluster housing market, funding cuts at the federal level and the continuing high unemployment rates have significantly reduced our revenues while increasing the number of Rhode Islanders seeking assistance through our programs. In FY13 we have had to make significant program and staffing reductions. Any further reallocation of Rhode Island Housing resources by the state would have serious repercussions for state housing programs and the people they serve.

Tasks:

- Continue to communicate with the Governor's office, House and Senate Finance Committees, and the leadership that Rhode Island Housing cannot currently afford to transfer additional resources to the state.
- Better communicate the value of the programs we administer in meeting the needs of Rhode Islanders.
- Oppose legislation that would restrict our ability to fulfill the mission and goals of the agency.

Oversight of Quasi-Public Agencies

High Priority

For the past several years legislation has been introduced to standardize reporting and operational practices and increase transparency of quasi-public agencies. With the downfall of 38 Studios last year, a renewed effort to pass quasi-public agency oversight legislation in the 2013 session is likely. Rhode Island Housing is committed to carrying out all aspects of our work with the highest standards of accountability, transparency and effectiveness. We are always working to serve the public interest and ensure that the statutory duties set forth for the agency are implemented in a way that is equitable and accessible to the public and goes above and beyond all state and federal requirements. As such, we already meet many of the requirements laid out in previously proposed legislation. We also support the goal of standardizing processes among quasi public agencies to better address potential transparency concerns.

Tasks:

- Update Oversight Presentation for 2013 and continue communication with House and Senate Government Oversight Committees.

- Support legislation that improves transparency and consistency of quasi-public operations without undermining financial stability or impeding the ability to fulfill the agency's statutory goals.

III. Support legislation that helps to address the state's housing needs

Assisted Living Financing

High Priority

The FY12 budget included a provision which dramatically cut state SSI reimbursement for low-income individuals in assisted living from $538 monthly to $332. Since the cut to the Enhanced SSI Benefit went into effect in October, 2011, the three facilities in the Rhode Island Housing Assisted Living Waiver Program have lost over $150,000 due to the reduced reimbursement rate, and one of the facilities has stopped accepting the lowest income residents who would need to rely on the Enhanced SSI Benefit. Article 18 of the FY13 state budget attempted to address this cut by providing a supplementary cash assistance payment of $206 per month for individuals in state licensed assisted living residences. While this change did restore funding to residents in some assisted living facilities, it specifically limited the supplementary payment to facilities that are not eligible to receive funding under Title XIX of the Social Security Act (Medicaid). The Rhode Island Housing Assisted Living Waiver Program facilities do receive Medicaid funding to cover the cost of services and therefore their residents were not eligible for the supplementary payment.

Tasks:

- Support legislation that provides adequate funding for assisted living facilities funded and created under the General Assembly's Rhode Island Housing Assisted Living Waiver Program.

Grow the budget within the Housing Resources Commission (HRC)

High Priority

In 2012 the Rhode Island Housing Resources Commission (HRC) adopted "Opening Doors Rhode Island: Strategic Plan to Prevent and End Homelessness." That plan provides a blueprint for ending homelessness in Rhode Island and identifies the funding and programs that will be needed to achieve that goal. The future of federal housing programs is unclear, but the recent trend has been toward reduced funding levels. As a result of the recession, Rhode Island non-profit organizations are also experiencing reduced funding levels. Rhode Island Housing can provide substantial funding for the initiative but if Rhode Island is to meet the housing needs proposed in Opening Doors, some increased state appropriations are also required.

Tasks:

- Support funding for implementation of the strategies in Opening Doors Rhode Island by increasing the HRC's budget
- Work with the HRC and our community partners to educate policy-makers about the need for an increased state housing budget.

Implement Opening Doors RI

High Priority

Opening Doors Rhode Island outlines a range of strategies to achieve the plan's goals of ending chronic homelessness and homelessness among veterans in five years and ending family homelessness in ten years. In addition to state appropriations, strong collaboration between state agencies and community-based partners will be required to implement the strategies in the plan.

Tasks:

- Through Rhode Island Housing's membership on the HRC and the Interagency Council on Homelessness, work with other state agencies to better coordinate resources and overcome barriers to implementing the strategies in the plan.
- Support legislation, if proposed, to assist in plan implementation.

Low and Moderate Income Housing Act

High Priority

Legislation that proposes changes to the Low and Moderate Income Housing Act is likely to be introduced again this year. In 2012, the Low and Moderate Income Housing Act Oversight Commission was again extended as a means to bring all parties together to evaluate if changes to the Act are needed. Members of the Oversight Commission include Rhode Island Housing and representatives from municipalities and housing advocacy groups.

Tasks:

- Support the transfer of all legislation dealing with the Low- Mod Housing Act to the Commission for review.
- Develop consistent messaging on Rhode Island Housing's role and position with regard to the Act.

Madeline Walker Act

Medium Priority

The Madeline Walker Act of 2006 was named after an 81-year-old Providence woman who was evicted from her home in December 2005 because she had unknowingly failed to pay a sewer bill of $496. Under the law, which went into effect January 1, 2007, cities, towns, and other taxing authorities are required to notify Rhode Island Housing of delinquent liens prior to tax sale, and Rhode Island Housing is given a right of first refusal to purchase the lien on any owner-occupied 1-3 unit property. Under the statute, Rhode Island

Housing may not file a petition for foreclosure of redemption for the tax liens it acquires for five years, as opposed to the one year redemption period allowed for all other purchasers of tax liens. The five-year redemption period is a major disincentive for Rhode Island Housing to purchase tax liens and has been particularly problematic when properties whose liens we have purchased end up being foreclosed upon or abandoned by their owners.

Tasks:

- Support modifications to the existing statute that will improve the efficiency of the tax lien acquisition program, reduce the burden on cities and towns, more effectively allocate resources to reach a greater number of struggling homeowners, and ensure that abandoned properties are quickly restored to productive use.
- Test Rhode Island Housing's ability to foreclose our right of redemption on foreclosed or abandoned property under a separate provision of existing state law.

Funding for Thresholds

Medium Priority

The Thresholds program provides funding to be used to develop housing for people with serious and persistent mental illness, and developmental disabilities and is an important resource to assist in implementation of Opening Doors Rhode Island. The Department of Behavioral Health, Developmental Disabilities and Hospitals' (BHDDH), FY13 budget included $1 million for Thresholds.

Task:

- Monitor budget and support continued investment in Thresholds program.

Statewide foreclosure conciliation

Medium Priority

Over the last few years, Rhode Island Housing has provided information and technical support for bills to reduce foreclosures and help tenants and owners stay in their homes. This year the Attorney General and housing advocacy groups will likely continue to push for deeper foreclosure protections that could include expanding the foreclosure conciliation process adopted by five Rhode Island communities to the statewide level and the establishment of a landlord/tenant relationship between foreclosing lenders and existing tenants or homeowners.

Four of Rhode Island's largest cities (Providence, Cranston, Warwick and East Providence) and the town of Warren have passed ordinances that require loan servicers to engage a Conciliation Conference Coordinator at a HUD-approved independent counseling agency before filing a foreclosure deed. To

date, Rhode Island Housing is the only local HUD-approved agency that has made these services available. Last year the Attorney General introduced legislation to take this ordinance statewide. Rhode Island Housing staff has provided assistance in improving the language of the bill.

Tasks:

- Support legislation that will create a statewide "foreclosure conciliation" process similar to those programs established by ordinances in Providence, Warwick, Cranston, East Providence and Warren.
- Provide technical assistance to other cities and towns that may be interested in adopting similar ordinances.
- Continue to monitor and provide information and technical advice on bills to reduce foreclosures and help tenants and owners stay in their homes.

Support Regulatory Relief for Development Activity

Medium Priority

State and local regulatory requirements and permitting processes remain a significant barrier to the development of affordable homes. These requirements often vary from one municipality to another and can add significantly to the cost and timeliness of the developments we finance. Last year the Governor established an Office of Regulatory Reform to work with state agencies and local municipalities on efforts to streamline local permitting processes and to recommend legislative and regulatory changes that may be need to foster the creation and retention of Rhode Island jobs. Other community partners, including the Rhode Island Builders Association and business groups may also be pursuing legislation to streamline development activity.

Task:

- Monitor legislation and make recommendations for changes that would address barriers to affordable housing development.

Historic Preservation Tax Credit

Medium Priority

Since the State Historic Preservation Tax Credit program was ended, there have been efforts to bring it back in some form or another. This program was very effective at stimulating redevelopment of historic properties, but was very expensive for the state. Unlike the federal Housing Credit program administered by Rhode Island Housing, the State Historic Preservation Tax Credit was not capped and did not have a process for prioritizing investments or evaluating the cost of proposed developments. The Governor and Leadership of the House and Senate have already voiced their support for re-

instituting the State Historic Preservation Tax Credit program in some form during the 2013 session.

Task:

- Support creation of a State Historic Preservation Tax Credit program that would improve the cost effectiveness of the program and promote developments that best align with state priorities including the creation of affordable homes and fostering KeepSpace communities.