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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO TOWNS AND CITIES -- LOW AND MODERATE INCOME HOUSING

Introduced By: Senators Rogers, DeLuca, and de la Cruz

Date Introduced: January 10, 2024

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-53-3.1 of the General Laws in Chapter 45-53 entitled "Low and  
2 Moderate Income Housing" is hereby amended to read as follows:

3 **45-53-3.1. Formula to include non-income restricted multi-family rental units as low-**  
4 **and moderate-income housing.**

5 (a) In calculating the number of year-round housing units towards meeting the goals of an  
6 excess of ten percent (10%) of the year-round housing units consistent with local needs required  
7 pursuant to § 45-53-4, rental units in multi-family housing built after June 30, 2022, may be  
8 included as low- or moderate-income housing, in accordance with the following conditions:

9 (1) At least thirty percent (30%) of the units created are deed restricted for households  
10 earning not more than sixty percent (60%) of the area median income, adjusted for household size;  
11 or

12 (2) At least fifty percent (50%) of the units created are deed restricted for households  
13 earning not more than eighty percent (80%) of the area median income, adjusted for household  
14 size; and

15 (3) The proposed affordable units meet all other requirements of this chapter to be  
16 calculated as low- or moderate-income housing; and

17 (4) All non-deed restricted units developed under the same comprehensive permit shall be  
18 included in the low- and moderate-income housing inventory as one-half (0.5) units each.

19 (b) As used in this section and as applied to this chapter:

1 (1) "Area median income (AMI)" means area median household income as defined by the  
2 U.S. Department of Housing and Urban Development, adjusted for household size.

3 (2) "Multi-family housing" means a building with three (3) or more residential dwelling  
4 units or two (2) or more buildings on the same lot with more than one residential dwelling unit in  
5 each building.

6 (c) Residential units occupied by owners that meet all the criteria of this subsection shall  
7 also be counted in calculating the number of year-round housing units towards meeting the goals  
8 of an excess of ten percent (10%) of the year-round housing units consistent with local needs  
9 required pursuant to § 45-53-4.

10 (1) Municipalities may identify the bottom three percent (3%) of their residents, in term of  
11 income, who own their own homes, with or without a mortgage on the property, and whose income  
12 meets the low/moderate income housing (LMIH) income eligibility standards. Owning the home  
13 and using the property as a primary residence (the "primary residence") shall be a prerequisite to  
14 qualifying as low and moderate income housing under this subsection, and identifying and  
15 measuring the bottom three percent shall be based on households earning not more than eighty  
16 percent (80%) of the area median income, adjusted for household size. Every municipality electing  
17 to use this calculation shall establish a restricted receipt account known as the "LMIH Subsidy  
18 Fund."

19 (2) Municipalities may offer those residents identified in § 45-53-3.1(c)(1) a deferral of the  
20 portion of their property taxes on their primary residence only as is necessary to lower the cost of  
21 remaining in that property as their primary residence to meet LMIH income eligibility standards.  
22 The debt of all taxes uncollected above that level shall accrue without interest in a "lien account."  
23 This account shall be deemed a government subsidy for LMIH.

24 (3) Those resident(s) shall agree to deed restrict their primary residence for the term of  
25 their natural life, or their permanent vacation of the property, or their sale of the property. The lien  
26 shall remain attached to the property and upon sale, the accrued unpaid property taxes shall revert  
27 and be paid to the municipality from the sale proceeds to fund the "LMIH Subsidy Fund."

28 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
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1           The act would provide another method for municipalities to identify and calculate private  
2 residences as low and moderate income housing. This method would be in addition to and not in  
3 lieu of other methods permitted under law.

4           This act would take effect upon passage.

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