

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- AFFORDABLE HOUSING  
RENT PILOT PROGRAM

Introduced By: Senators Kallman, Ruggerio, Miller, Gu, Acosta, McKenney, Mack,  
Quezada, and Burke

Date Introduced: March 08, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 11.5

4 AFFORDABLE HOUSING RENT PILOT PROGRAM

5 **42-11.5-1. Measuring affordable rent.**

6 (a) Affordable rents shall be set in accordance with the standards found in HUD Title 24  
7 CFR 92.252 (HOME Rent Limits), RI-MA Metro FMR Area High Home Rent Limit (updated  
8 annually).

9 (b) The effective 2023-2024 rates are as follows:

10 (1) One thousand one hundred seventy-one dollars (\$1,171) and under for a one-bedroom  
11 unit;

12 (2) One thousand four hundred nine dollars (\$1,409) and under for a two-bedroom (2) unit;

13 (3) One thousand six hundred ninety-seven dollars (\$1,697) and under for a three-bedroom  
14 (3) unit;

15 (4) One thousand eight hundred seventy-three dollars (\$1,873) and under for a four-  
16 bedroom (4) unit; and

17 (5) Two thousand forty-eight dollars (\$2,048) and under for a five-bedroom (5) unit.

18 **42-11.5-2. Tenant eligibility.**

1 (a) To ensure that households most susceptible of being housing cost burdened are  
2 benefitting from this program, a landlord's tenants shall meet the following requirements:

3 (1) Income-restricted to households earning eighty percent (80%) or below of the Statewide  
4 Area Median Income (AMI) and/or a Housing Choice Voucher Program Recipient;

5 (2) Shall be living in a legal rental unit with a verifiable residential address (e.g., cannot be  
6 a makeshift garage or storage shed); and

7 (3) Cannot be a relative of the landlord.

8 **42-11.5-3. Eligibility standards and responsibilities of the landlord.**

9 In order to be eligible for the program, the landlord would be required to meet the following  
10 standards:

11 (1) Live in the same residential building where they are renting out units to their tenants  
12 (owner-occupied);

13 (2) If program funds are still available after one hundred eighty (180) days of the first  
14 accepted application, the department of housing would be authorized to begin accepting  
15 applications from property owners who own six (6) residential units or less (without the  
16 requirement that their units be owner-occupied);

17 (3) Follow all existing housing and tenant laws, not limited to code enforcement;

18 (4) Agree to abide by "just cause" eviction policies. (In other words, if they want to evict a  
19 tenant while being a part of the program, it shall be for a just cause such as non-payment and/or  
20 intentional property damage); and

21 (5) If a tenant is evicted for just cause during enrollment in the program, the division of  
22 taxation would still be able to provide a prorated rebate to the landlord.

23 **42-11.5-4. Tax rebate structure.**

24 A landlord who enters an eighteen (18) month lease agreement with an eligible tenant on  
25 or after January 1, 2025, under the affordable rent program under this chapter, shall be eligible for  
26 the following rebates after the lease has concluded:

27 (1) Affordable one-bedroom unit: four thousand eight hundred dollars (\$4,800) (a rebate  
28 installation of one thousand six hundred dollars (\$1,600) every one hundred eighty (180) days);

29 (2) Affordable two-bedroom (2) unit: six thousand dollars (\$6,000) (a rebate installation of  
30 two thousand dollars (\$2,000) every one hundred eighty (180) days);

31 (3) Affordable three-bedroom (3) unit and plus: seven thousand five hundred dollars  
32 (\$7,500) (a rebate installation of two thousand five hundred dollars (\$2,500) every one hundred  
33 eighty (180) days).

34 **42-11.5-5. Governing responsibility.**

1           (a) The state department of housing shall be the managing entity responsible for the design  
2 and oversight of this program, including the acceptance of applications into the program and  
3 monitoring of projected exhaustion. The department shall be responsible for promulgating the rules  
4 and regulations, under chapter 35 of title 42, related to: the application process that a qualifying  
5 landlord and tenant would have to complete in order to be approved for the program, including, but  
6 not limited to:

- 7           (1) Verifying property ownership;  
8           (2) Proof of lease agreement;  
9           (3) Verifiable income from the tenant; and  
10          (4) Identity verification, and any additional documentation deemed necessary by the  
11 department.

12          (b) The department is authorized to use existing operational funds to contract with an  
13 outside vendor and monitoring agent(s) to implement the program.

14          (c) The department would be authorized to stop receiving and reviewing applications after  
15 four hundred (400) applicants have been successfully accepted into the program.

16          (d) The department would be required to gather utilization data and trends around the pilot  
17 program and report back to the governor, speaker of the house, and senate president by January 10,  
18 2026.

19          **42-11.5-6. Tax rebates.**

20          (a) The division of taxation shall be responsible for the issuance of a tax rebate after being  
21 authorized by the department of housing. Following an approved application, the applicant shall  
22 receive a rebate installment from the division every one hundred eighty (180) days until the lease  
23 is finalized.

24          (b) If program funds are still available after one hundred eighty (180) days of the first  
25 accepted application, the department of housing shall be authorized to begin accepting applications  
26 from property owners who own six (6) residential units or less and without the requirement that  
27 their units be owner-occupied.

28          **42-11.5. Funding for pilot program.**

29          To measure the impact and participation of this pilot program, the general assembly shall  
30 appropriate the sum of three million dollars (\$3,000,000) million in the fiscal year 2024-2025 state  
31 budget for the administration of the program and the distribution of rebates.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- AFFORDABLE HOUSING  
RENT PILOT PROGRAM

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1           This act would establish and fund an affordable housing pilot program at reduced rents to  
2 be administered by the state department of housing with an appropriation of three million dollars  
3 (\$3,000,000) for fiscal year 2024-2025.

4           This act would take effect upon passage.

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