

# Rhode Island's Housing Resources Commission: An Agency in Need of Reform

May 2025

## Introduction

Housing affordability has become a more pressing problem in Rhode Island over the past few years.¹ In response, the General Assembly has allocated hundreds of millions of dollars in state and federal funds to address the state's long inattention to housing production.² The General Assembly also has enacted dozens of pieces of legislation aimed at streamlining permitting and zoning processes to spur development.³

The increased attention to this issue has also led policymakers to examine the adequacy of the state's existing governmental agencies responsible for housing. Seeking to elevate housing policy, the General Assembly in 2022 created a new Department of Housing as the lead agency for housing in the state.<sup>4</sup> However, in establishing this new department, the Assembly essentially layered the new agency on top of the state's existing institutional framework for housing without clarifying roles between the new Department and two other bodies: the quasi-public Rhode Island Housing and Mortgage Finance Corporation (colloquially known as RIHousing) and the Housing Resources Commission (HRC). As a result, the three agencies share overlapping powers and responsibilities, and lines of authority are unclear.<sup>5</sup>

The HRC is a stakeholder body with wide statutory powers and has been responsible for housing policy, rulemaking, and programming in the state since its inception in 1998. Despite these extensive powers, the HRC receives little attention from policymakers, and its role is not widely understood by the general public. The HRC is also unique; it is the largest stakeholder body in the country with responsibilities for policymaking and funding authority. The HRC's design—with a combination of funding authority and statutorily designated members, some of whom have business before the HRC—creates inherent conflicts of interest which have never been formally addressed.

<sup>&</sup>lt;sup>1</sup> Of the \$244.7 million invested in new construction, \$159.6 million (65.2 percent) came from federal one-time pandemic era funding. For more details see RIPEC, <u>Housing Policy in Rhode Island</u>, Oct. 2024. A recent survey found that housing affordability was the most important public policy issue for Rhode Islanders. Neighbors Welcome RI, <u>Poll: Most Rhode Islanders Say the Cost of Homes is a Major Problem</u>, Mar. 18, 2025.

<sup>&</sup>lt;sup>2</sup> R.I. House Fiscal Advisory Staff, FY 2026 Budget Analysis: Housing. RIPEC, Housing Policy in Rhode Island, Oct. 2024.

<sup>&</sup>lt;sup>3</sup> R.I. General Assembly, "<u>House passes all 14 bills in Speaker Shekarchi's package of housing legislation</u>," May, 26, 2023. R.I. Governor's Office, "<u>Governor McKee Signs Housing Legislative Package into Law</u>," Aug. 29, 2024.

<sup>4</sup> R.I. House Fiscal Advisory Staff, <u>Housing as Enacted: FY 2024</u>.

<sup>&</sup>lt;sup>5</sup> RIPEC, <u>Housing Policy in Rhode Island</u>, Oct. 2024; R.I. Dept. of Housing, <u>Housing Governance Report 2024</u>, Dec. 2024.

With the Department recommending changes to the HRC as part of its proposed governance plan at the end of 2024, and the governor more recently offering a budget amendment that would reimagine the HRC as an advisory body, the future of the HRC remains in doubt.<sup>6</sup>

To inform the forthcoming policy decisions around housing governance in Rhode Island, this policy brief provides an in-depth analysis of the HRC, focusing particularly on its design, composition, functions, and comparability to similar stakeholder bodies nationwide. This brief builds on RIPEC's comprehensive report on housing, which provided a survey of the state's housing policy and an indepth analysis of the state's recent investments in affordable housing made largely from pandemicera federal funds.

# The History and Design of the HRC

#### **Powers and Duties**

Since its creation in 1998, the HRC's enabling law has remained consistent, with only a few relatively minor adjustments.<sup>7</sup> However, the HRC's activities have changed dramatically over time as the state became more actively involved in the development, production, and preservation of housing, and the HRC in turn took on a more prominent role in administering state programs.

The HRC has a broad statutory mandate which tasks it with providing housing opportunities and maintaining quality housing in Rhode Island. The agency is responsible for developing plans, policies, standards, and programs, and providing technical assistance for housing.<sup>8</sup> To advance these goals, the HRC has been granted powers in three broad areas: 1) policy, planning, and coordination; 2) establishing, implementing, and monitoring state performance measures and guidelines; and 3) administering programs.<sup>9</sup>

#### Policy, Planning, and Coordination

In the area of policy, planning, and coordination, the HRC is responsible for preparing and adopting the state's five-year strategic plan for housing. <sup>10</sup> The HRC also is empowered to prepare, adopt, and issue the state's housing policy; conduct research and report on housing issues in the state; advise

<sup>&</sup>lt;sup>6</sup> R.I. Dept. of Housing, <u>Housing Governance Report 2024</u>, Dec. 2024; R.I. OMB, <u>Governor's Budget Amendment #12</u>, Apr. 16, 2025.

<sup>&</sup>lt;sup>7</sup> The powers and duties of the HRC have been altered twice since its creation. In 2008, the HRC was given administrative authority over the Supportive Services Program—designed to help prevent and end homelessness. R.I. Pub Laws, 2008, <u>ch.</u> 354 § 1. Services provided under this program include rental assistance, access to employment, life skills, conflict resolution, and referrals to health services. A second change in 2022 required that the HRC set aside in each funding round of its programs a "material award" that benefits a city or town with a population fewer than 25,000. RI. Gen Laws, § 42-128-8.

<sup>8</sup> R.I. Gen Laws § 42-128-4.

<sup>9</sup> R.I. Gen Laws § 42-128-8.

<sup>&</sup>lt;sup>10</sup> The plan is required to include quantifiable goals, steps to accomplish those goals, and standards for the production/rehabilitation of housing to address a range of housing needs among Rhode Islanders. Ibid; R.I. Gen Laws § 42-128-8.1. The HRC has historically partnered with RIHousing to produce this plan. RIHousing, <u>State of Rhode Island Consolidated Plan</u>, accessed Mar. 13, 2025.

the governor and General Assembly on housing issues; and coordinate housing activities among government agencies tasked with providing housing services.<sup>11</sup>

#### **State Performance Measures and Guidelines**

The HRC is responsible for promulgating performance measures for housing programs created under state law. This includes annual reporting on the outcomes of state programs and investments in housing for low- and moderate-income Rhode Islanders. Historically, the HRC has failed to provide this annual reporting, although it did submit reports for 2024 and 2025.<sup>12</sup>

#### **Program Administration**

The HRC—as conceived in 1998—was intended to be the agency responsible for state housing policymaking.<sup>13</sup> At the time, the state had no dedicated funding for housing production or preservation; instead, those activities were supported by federal programs administered by RIHousing.<sup>14</sup>

The original enabling legislation is somewhat confusing in that two new agencies were created. A Housing Resources Agency was established within the executive department for the purpose of providing "coherence to the housing programs of the state . . . and the departments, agencies, commissions, corporations and subdivisions thereof." In addition, the HRC was established as "an agency within the executive department [to] . . . be the planning and policy, standards and programs division of the Rhode Island Housing Resources Agency." In 2004, this definition of the HRC was changed to eliminate its location within the Housing Resources Agency and instead establish the HRC as a separate "agency within the executive department with responsibility for developing plans, policies, standards, and programs and providing technical assistance for housing." <sup>116</sup>

Beginning in 2004, the HRC's responsibility for programming was greatly expanded. The Neighborhood Opportunities Program was created in that year, with the establishment of the Building Homes RI (BHRI) Program following in 2006. With the creation of these new programs, the HRC's activities grew beyond developing program policies and standards to extend to the administration of programs, including the scoring and awarding of funding to qualifying housing development projects.<sup>17</sup>

<sup>12</sup> The HRC has been required to submit an annual report since its inception in 1998 but did not do so until 2024. R.I House Fiscal Advisory Staff, <u>FY 2026 Budget Analysis: Housing</u>; R.I. Dept. of Housing, <u>Housing Resources Commission: Reports</u>, accessed Mar. 13, 2025.

<sup>&</sup>lt;sup>11</sup> R.I. Gen Laws § <u>42-128-8</u>.

<sup>&</sup>lt;sup>13</sup> P.L. 1998, <u>ch. 31</u>, <u>art. 29</u>, § 1. Information also received from the Department of Housing through interviews with a former Executive Director of the HRC and a Coordinator of the HRC.

<sup>&</sup>lt;sup>14</sup> The state did have a small lead mitigation program funded with general revenues. R.I. OMB, <u>FY 2003: Program Supplement: Housing Resources Commission</u>. For a more detailed history of Rhode Island's housing policy see, RIPEC, <u>Housing Policy in Rhode Island</u>, Oct. 2024; Mike Milito, "Chronology of State Transfer of Housing and Homeless Programs to Rhode Island Housing," Dec. 2016.

<sup>&</sup>lt;sup>15</sup> R.I. Pub. Laws, 1998, <u>ch. 31</u>, <u>art. 29 § 1</u>.

<sup>&</sup>lt;sup>16</sup> R.I. Pub. Laws, 2004, <u>ch. 286, § 5</u>.

<sup>&</sup>lt;sup>17</sup> R.I. Dept. of Housing, Housing Resources Commission, accessed Apr. 3, 2025. R.I. Secretary of State, <u>Rules and Regulations Applicable to the Neighborhood Opportunities Program</u>, accessed Apr. 3, 2025.

Under its enabling legislation, the HRC has the power and responsibility to administer a wide range of housing programs assigned under state law. Currently, these programs relate to:

- Remediating blighted conditions
- Lead abatement
- Services for the homeless
- Rental assistance
- Community development
- Outreach, education, and technical assistance services
- Financial support to nonprofit organizations and community development corporations
- Tax credits that assist in the provision of housing
- The Supportive Services Program to help prevent and end homelessness<sup>18</sup>

#### Membership

The HRC is a 28-member body consisting of a combination of ex-officio members, statutorily designated positions, and representatives of organizations identified by statute and appointed by the governor.<sup>19</sup> The only member of the HRC without a statutory classification is the chairperson, who is appointed by the governor.<sup>20</sup> Figure 1 depicts the HRC's membership.

Appointed members serve terms of up to three years, with the qualification that no member serve more than two successive terms.<sup>21</sup> However, it is not unusual for members to serve past the end of their terms awaiting a governor's appointment to

# Figure 1 Housing Resources Commission Membership

#### Ex Officio

Director Department of Administration

Director Department of Business Regulation

Director Department of Healthy Aging

Director Department of Health

Director Department of Human Services

Director Department of BHHDD

Chair RIHousing

Attorney General

#### **Statutorily Designated**

President RI Banker's Association

President RI Mortgage Banker's Association

President RI Realtor's Association

Executive Director RI Housing Network

Executive Director RI Coalition for the Homeless

President RI Association of Executive Directors for Housing

Executive Director of Operation Stand Down

#### Appointed by Governor

Chairperson

#### Appointed by Governor (Representative of)

Homelessness

Community Development Corporation

Agency Addressing Lead Poisoning Issues

Local Planner

Local Building Official

Fair Housing Interests

Agency Advocating for Racial Minorities

Rhode Island Builder's Association

Representative of a City/Town with a Population < 25,000

Representative of a Community Development Intermediary

Non-Profit Developer

#### Senior Housing Advocate

Note: governor's appointments are required to be members who have both knowledge of and an interest in, housing issues that affect low-and moderate-income people.

Source: R.I. Gen. Laws § 42-128-6.

<sup>18</sup> R.I. Gen Laws § 42-128-8.

<sup>&</sup>lt;sup>19</sup> There have only been small changes to the membership of the HRC since its inception. Originally the chair was selected from the body of the membership, but in 1999 the office of chair was made a direct gubernatorial appointment. R.I. Pub. Laws, 1999, <u>ch. 30</u>, § 1. In the same year, an appointed position was created for a senior housing advocate. R.I. Pub. Laws, 2014, <u>ch. 465</u> § 1. In 2014, the Executive Director of Operation Stand Down was added. In 2022, a representative of insurers was replaced with a representative from a city or town with a population below 25,000. R.I. Pub. Laws, 2022, <u>ch. 307</u> § 1.

<sup>20</sup> Historically the chair has always been a representative of a non-profit service provider. R.I. Gen Laws § 42-128-6.

<sup>&</sup>lt;sup>21</sup> Ibid. Some members serve one- and two-year terms.

replace them.<sup>22</sup> It is also common for appointed members to serve on the HRC over multiple non-consecutive terms by receiving appointments in different capacities.<sup>23</sup> As a result, some appointed members who served on the HRC when it was created in 1998 still serve as active members today.<sup>24</sup>

Statutorily designated organizational representatives have no term limits. In consequence, some members in this category have served on the HRC for extended periods of time because of their longstanding roles within their respective organizations.<sup>25</sup>

#### **Current Composition**

Despite the 28-member statutory requirement, the HRC currently has only 18 active members. Current members include all eight ex officio members; all seven statutorily designated organizational representatives; and three governor's appointments representing a local planning board, a fair housing advocate, and a non-profit developer. All other appointed member seats,

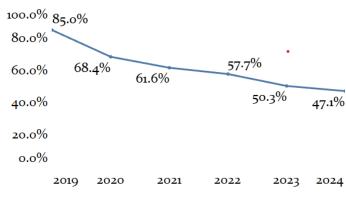
including the chairperson, are currently vacant and await appointments from the governor.<sup>26</sup>

#### **Meeting Frequency and Attendance**

The HRC is statutorily required to meet at least four times a year, and quarterly meetings were generally normal practice until 2023, when the HRC began to meet monthly.<sup>27</sup>

Meeting attendance has been declining at the HRC, even before meetings became more frequent. As depicted in Figure 2, the average meeting attendance of active members (appointed and ex officio) has

# Figure 2 Average Attendance at HRC Meetings, 2019 - 2024



Note: RIPEC calculations Source: HRC, Public Minutes, 2019-2024

<sup>&</sup>lt;sup>22</sup> For example, the most recent chairperson was originally appointed in 2017 and served until the end of 2024, nearly a year after his appointed term was concluded. R.I. Secretary of State, <u>Housing Resources Commission</u>, accessed Apr. 8, 2025; HRC, <u>Meeting Minutes</u>, Dec. 17, 2024. The fair housing representative on the HRC was originally appointed in 2017, with a term expiring in 2023 and currently holds a seat on the HRC without any further action from the governor. R.I. Secretary of State, <u>Housing Resources Commission</u>, accessed Apr. 8, 2025.

<sup>&</sup>lt;sup>23</sup> For example, one member has been a representative of fair housing interests and has held a seat as the Executive Director of the Rhode Island Housing Network. R.I. Secretary of State.

 $<sup>^{24}</sup>$  The former Director of the Housing Network of Rhode Island in 1998 now serves on the HRC as a representative of fair housing. Information received from the R.I. Secretary of State.

<sup>&</sup>lt;sup>25</sup> For example, the Executive Director of the Housing Network of Rhode Island has served on the HRC for more than ten years. Ibid.

<sup>&</sup>lt;sup>26</sup> The R.I. Department of Housing noted that it was unclear when these vacancies would be filled considering the Department's governance plan included reconstituting or replacing the HRC altogether. Information received from the R.I. Dept. of Housing.

<sup>&</sup>lt;sup>27</sup> R.I. Gen Laws § <u>42-128-6</u>. In 2015, there is a record of only one HRC meeting. R.I. Secretary of State, <u>Housing Resources Commission: Open Meetings</u>, accessed Mar. 14, 2025. RIPEC calculations.

declined every year since 2019, from 85.0 percent to 47.1 percent in 2024.<sup>28</sup> The HRC also has been forced to adjourn meetings due to lack of a quorum in recent years. In 2022 and 2023, the HRC adjourned or cancelled six out of 17 total meetings for this reason (35.3 percent). At several meetings, HRC members discussed the problem of attendance, meeting cancellations, and possible removal of those members repeatedly absent from meetings.<sup>29</sup>

#### **HRC Organization**

#### **Department**

Over time, the HRC has gone through multiple reorganizations and has been hosted by various agencies and departments. The HRC's original offices were located at RIHousing and moved to the executive branch in the Department of Administration in 2005. In 2010, while remaining in the Department of Administration, the HRC was moved to the Division of Statewide Planning.<sup>30</sup> In 2006—via executive order—the HRC was merged with the Office of Community Development to create a new Office of Housing and Community Development (OHCD).<sup>31</sup> The OHCD was transferred to the Department of Commerce in 2015 and later to the newly created Department of Housing in 2024.<sup>32</sup>

#### **Staffing**

The original Housing Resources Act of 1998 created four separate Offices within the HRC: the Office of Policy and Planning; the Office of Housing Program Performance and Evaluation; the Office of Homelessness Services and Emergency Assistance; and the Office of Community Development, Programs, and Technical Assistance. In 1999, the HRC commissioned a fifth Office—the Office of Homeownership—and hired four individuals to coordinate the five Offices.<sup>33</sup>

These individuals, while serving as staff supporting the HRC, were actually employed by the executive department attached to the HRC at the time, with the employee salaries included in that agency's budget. For example, the position of the current coordinator of the HRC is included in the Department of Housing's budget. Other than these employees of the host agencies, the General Assembly has never provided the HRC with dedicated administrative support or staff to assist with operations.<sup>34</sup>

<sup>&</sup>lt;sup>28</sup> Data acquired from the public minutes of the HRC. RIPEC calculations.

<sup>&</sup>lt;sup>29</sup> HRC, <u>Public Minutes</u>, Apr. 18, 2022.

<sup>&</sup>lt;sup>30</sup> R.I. Dept. of Housing.

<sup>&</sup>lt;sup>31</sup> R.I. Dept. of Housing, <u>Programs</u>, accessed Mar. 18, 2025.

<sup>&</sup>lt;sup>32</sup> R.I. OMB, <u>FY 2017 Budget: Executive Office of Commerce Housing and Community Development;</u> R.I. House Fiscal Advisory Staff, <u>Budget Analysis: Housing FY 2026</u>.

<sup>&</sup>lt;sup>33</sup> R.I. Gen Laws § <u>42-128-9</u>. The offices of community development and technical assistance and the office of homeownership were the responsibility of one coordinator. R.I. Dept. of Housing.

<sup>34</sup> Boston Consulting Group, Housing Supply and Homelessness in Rhode Island, Apr. 2023.

#### Committees and Structure

The HRC has an internal organization, but its workflow is difficult to discern from publicly available documents. The Offices of the HRC have their own individual Coordinators who are responsible for respective housing policy and program areas. In addition, each Office of the HRC is assigned a cochair that includes a board member or members of the HRC.<sup>35</sup> The work of the Offices in conjunction with the assigned board member has historically not been considered to be subject to the open meetings requirements under statute, so evidence of their deliberations and work product is only evidenced if mentioned in the public minutes of the entire HRC.<sup>36</sup>

The work of the Offices of the HRC is done in partnership with and supplemented by various HRC committees, including an Executive Committee, Governance Committee, and Funding Committee. The Executive Committee approves the annual budget of the HRC.<sup>37</sup> The Governance Committee approves work plans for staff, staff assignments and focus areas, and the meeting structure of the HRC.<sup>38</sup> The Funding Committee approves the distribution of funds under the authority of the HRC. For example, from 2004 to 2024, the Funding Committee has been responsible for reviewing applications and recommending awards from bond funds totaling \$165.0 million allocated through the Building Homes Rhode Island (BHRI) Program.<sup>39</sup>

The Governance and Executive Committees do not appear to have followed the record-keeping and public documentation mandates of the state's Open Meetings law as specifically required for committees of the HRC in the agency's enabling law.<sup>40</sup> As such, the activities of HRC committees are evidenced only through periodic mentions in the HRC's public minutes and are not available for public review.

Unlike the HRC's Governance and Executive Committees, the Funding Committee has announced public meetings, although there is virtually no documentation of their activities. Over the last ten years, membership of the committee has included a representative from HousingWorksRI, the Housing Network of Rhode Island, the Rhode Island Coalition to End Homelessness, and the Local Initiatives Support Corporation, as well as staff from the Office of Housing and Community Development, the Department of Housing, and RIHousing.<sup>41</sup> Since 2019, the Funding Committee has met five times. In meetings held in 2019 and 2020, the discussion, deliberation, and votes taken were conducted in executive session and the minutes of these meetings remain under seal.<sup>42</sup> For the

<sup>35</sup> HRC, Meeting Minutes, Sept. 9, 2005.

<sup>&</sup>lt;sup>36</sup> Information received from the Dept. of Housing.

<sup>37</sup> HRC, Meeting Minutes, Jan. 18, 2008.

<sup>38</sup> HRC, Meeting Minutes, Mar. 30, 2012.

<sup>&</sup>lt;sup>39</sup> The BHRI Program was funded through four separate bond issues in 2006, 2011, 2016, and 2021. R.I. Dept. of Housing, Building Homes Rhode Island, accessed Mar. 21, 2025.

<sup>40</sup> R.I. Gen. Laws § <u>42-128-13</u>.

<sup>&</sup>lt;sup>41</sup> Also included on the Committee were a representative from the Rhode Island Department of Behavioral Health, Developmental Disabilities, and Hospitals, a representative from the Rhode Island Bankers, and the chairperson of the HRC. A list Funding Committee members was received from the Department of Housing.

<sup>&</sup>lt;sup>42</sup> The 2019 and 2020 meetings have public minutes that do not explain the reason for entering into executive session but note that the executive session minutes were sealed so as not to "jeopardize any strategy and/or negotiation with respect

meetings held in 2021, 2022, and 2024, the Committee was considered an informal working group created by the chair of the HRC and did not keep meeting minutes. However, the Committee did make formal recommendations at subsequent meetings of the full HRC.<sup>43</sup>

#### **Funding**

Historically, the HRC has not had a line-item in the state budget for staff or operations and the Offices of the HRC have been funded through its host departments or agencies. The General Assembly has granted allocations to fund various programs overseen by the HRC, but these funding amounts have been contained within the budgets of the Department of Administration, the Department of Commerce, or the Department of Housing.<sup>44</sup>

Since FY 2015, the HRC has been given specific responsibility to allocate expenditures from the Housing Resources Restricted Receipt Account, funded through real estate conveyance tax revenues. These funds, which have totaled \$44.3 since the program was first established, were intended to be used for housing production, lead hazard abatement, housing rental subsidies, and homelessness services.<sup>45</sup> The 2024 General Assembly renamed this account the Housing Resources and Homelessness Restricted Receipt Account and turned control of the account over to the Department of Housing contingent on the Department's completion of several reporting requirements.<sup>46</sup>

The HRC also has been responsible for general obligation bond funds dedicated to housing, which were approved by voters in 2006, 2011, 2016, and 2021 and totaled \$165.0 million.<sup>47</sup> These funds were allocated through the BHRI Program, which provided qualified developers with resources to finance the creation and preservation of affordable homeownership and rental opportunities.<sup>48</sup> The voters approved an additional \$120.0 million bond in November 2025, but it remains unclear whether the HRC or the Department of Housing will oversee these funds.<sup>49</sup>

thereto." The minutes note that sealing the executive session minutes was authorized under RIGL § 42-46-4(b). The meetings that took place in 2021, 2022, and 2024 do not have any publicly available minutes. Information and minutes received from the Department of Housing.

<sup>&</sup>lt;sup>43</sup> This information is according to HRC staff remaining at the Department of Housing. The Committee did not meet in 2023. Ibid.

<sup>&</sup>lt;sup>44</sup> R.I. OMB, <u>Technical Appendix: Department of Administration FY 2004</u>; <u>Technical Appendix: Department of Administration: FY 2007</u>; <u>Technical Appendix: Department of Administration: FY 2010</u>; <u>Operating Budget: FY 2019</u>; <u>Technical Appendix: FY 2026</u>.

<sup>&</sup>lt;sup>45</sup> HRC, <u>Annual Report Letter</u>, Mar. 1, 2023; <u>Annual Report</u>, Mar. 1, 2024; <u>Annual Report</u>, Feb. 18, 2025. RIPEC calculations. R.I. Gen Laws § <u>42-128-2</u>. This restricted receipt account received \$0.30 cents of the \$2.30 collected on each \$500 of real estate transactions above \$100. R.I. Gen Laws § <u>42-25-1</u>.

<sup>&</sup>lt;sup>46</sup> R.I. Gen Laws § <u>42-64-34-1</u>. The Department submitted the necessary housing organizational plan at the end of 2024, but to date has not completed the provisions requiring legislative recommendations. R.I. Dept. of Housing, <u>Housing</u> Governance Report 2024.

<sup>&</sup>lt;sup>47</sup> R.I. Dept. of Housing, <u>Building Homes Rhode Island</u>, accessed Mar. 19, 2025.

<sup>&</sup>lt;sup>48</sup> This administrative agreement is governed by a memorandum of understanding between the HRC and RIHousing. The memorandum affords RIHousing a 2.5 percent administrative fee for services rendered under the agreement. RIHousing has collected \$4.0 million in administrative fees from the \$165.0 million in bond funds obligated to the BHRI program. Memorandum of understanding received from RIHousing. RIPEC calculations.

<sup>&</sup>lt;sup>49</sup> Public statements from the Secretary of Housing suggest that the Department will manage the bond but leave open the possibility of the HRC playing a role. The current acting Chair of the HRC has made public comments that the bond belongs with the HRC. R.I. Senate Committee on Housing and Municipal Governance, <u>Presentation on the Housing Governance</u>

#### **Conflicts of Interest**

Since its inception, but especially since the HRC began awarding funding to developers and non-profit housing organizations in 2004, HRC members often have had conflicts of interest with respect to matters before the body. This is primarily due to the HRC's composition, which includes several members who are both statutorily required representatives of organizations and have business before the HRC from which the organizations or members they represent may financially benefit. For example, representatives of community development corporations sitting on the HRC have applied for and received funding through various programs authorized by the HRC.<sup>50</sup> Since 2016, three community development corporations with representatives on the HRC received a total of \$17.0 million in BHRI program awards—representing 18.9 percent of the \$90.0 million available.<sup>51</sup> Moreover, in FY 2023 and FY 2024, two organizations with statutory seats on the HRC received \$2.2 million in funding from restricted receipt accounts controlled by the HRC—constituting 24.7 percent of funds available in those years.<sup>52</sup> As a result, it is commonplace for members to refrain from participating in matters before the HRC, which is evidenced by the large number of abstentions that have occurred during votes on funding and policy changes.<sup>53</sup>

#### Relationship with other Agencies

With eight ex officio members representing various departments and agencies, the HRC has direct relationships with contacts throughout the executive branch of state government. Over time, the HRC has partnered with state departments, such as the Department of Health or the Department of

Report, Mar. 13, 2025; Zane Wolfang, "Do the math: Historic \$120 million bond is not enough to solve Rhode Island's Housing Crisis," Ocean State Stories, Dec. 10, 2024.

<sup>&</sup>lt;sup>50</sup> For example, One Neighborhood Builders received multiple awards while its executive Director sat as a member of the HRC. HRC, <u>Public Minutes</u>, May 21, 2024.

<sup>&</sup>lt;sup>51</sup> Organizations with representatives holding seats on the HRC while receiving money from the HRC include Crossroads (\$3.6 million), NeighborWorks Blackstone River Valley (\$6.7 million), and One Neighborhood Builders (\$6.7 million). This calculation does not include awards received by member organizations of the Housing Network of Rhode Island, a trade association of community development corporations. R.I. Dept. of Housing, Housing Resources Commission, accessed Mar. 11, 2025; BHRI III and IV awards received from the Department of Housing. RIPEC calculations.

<sup>&</sup>lt;sup>52</sup> The organizations receiving funds are the Housing Network of Rhode Island (\$363,470) and the Rhode Island Coalition to End Homelessness (\$1.8 million). HRC, <u>Annual Report Letter</u>, Mar. 1, 2023; <u>Annual Report</u>, Mar. 1, 2024.

<sup>53</sup> The R.I. Ethics Commission had previously offered an advisory opinion that the executive director of the Housing Network of Rhode Island could not participate in matters that might financially benefit members. This decision was in reference to the director's position on a different housing organization, however. A legal opinion was offered to the HRC by Department of Administration Counsel in 2007 concerning whether it was appropriate for certain members, whose organizations had applied for funding, to vote on BHRI awards. R.I. Ethics Commission, Advisory Opinion 99-64, 1999; HRC, Public Minutes, Jul. 27, 2007. Following these opinions, it was commonplace for the executive director of the Housing Network and members representing community development corporations to abstain from voting on funding awards. For example see, HRC, Public Minutes, Jan. 11, 2013; Public Minutes, Mar. 27, 2018; Public Minutes, Jun. 4, 2019; Public Minutes, Jun. 23, 2020. In January 2020, the Ethics Commission gave a presentation to the HRC, although offered no formal advisory opinions. Information received from the Rhode Island Ethics Commission and the Dept. of Housing. Following this meeting, the executive director of the Housing Network began voting on awards and continued to serve on the Funding Committee of the HRC (the original appointment to this Committee dated back to 2016). HRC, Public Minutes, Nov. 30, 2021; Public Minutes, May 23, 2023; Public Minutes, Dec. 19, 2023. Another discussion of ethics and participation in certain funding discussion and awards was led by the Executive Director of the HRC in Apr. 2024. Although the details of the discussion are not available in the public minutes, the executive director of the Housing Network continued to participate in both votes and the Funding Committee recommending BHRI IV awards in May 2024. Members representing community development corporations continued to abstain. HRC, Public Minutes, Apr. 16, 2024; Public Minutes, May 21, 2024.

Business Regulation, to help fulfill the HRC's broad legislative mandate. Currently the HRC's most important relationships—as they relate directly to staffing, programs, and funding—are with RIHousing and with the Department of Housing.<sup>54</sup>

#### **RIHousing**

The HRC's key historical relationship has been with RIHousing. The original Housing Resources Act of 1998 created the Housing Resources Agency to integrate the activities of the HRC and RIHousing and thereby bring more coherence to state housing programs.<sup>55</sup> As part of the Housing Resources Agency, RIHousing acts as the housing finance and development division.<sup>56</sup>

Within the Housing Resources Agency exists a coordinating committee of the chairperson of RIHousing, the chairperson of the HRC, the Director of the Department of Administration, and the Executive Director of RIHousing. This coordinating committee is responsible for developing and implementing a memorandum of agreement which describes the fiscal and operational relationship between the HRC and RIHousing.<sup>57</sup> In practice, the coordinating committee has only met after statutory changes that affected both organizations and did not meet from 2009 to 2021.<sup>58</sup>

RIHousing has acted as the administrative agency for a number of housing programs for which the HRC is responsible. The largest of these programs has been the BHRI Program which RIHousing has administered through separate memoranda of understanding with the HRC since the program's inception in 2006.<sup>59</sup>

#### **Department of Housing**

In 2024, the newly created Department of Housing absorbed the Office of Housing and Community Development as well as the remaining Offices of the HRC. However, when the Department was created, the General Assembly essentially layered its authorities on top of the existing housing institutional structure and neither defined clear roles and responsibilities between the agencies nor

<sup>&</sup>lt;sup>54</sup> For example, the HRC has partnered with the Department of Health to mitigate lead hazards, while the Department of Business Regulation has a formal relationship with the HRC defined in statute. 860-RICR-00-00-02, <u>Rules and Regulations Governing Lead Hazard Mitigation</u>; R.I. Housing Resources Commission, <u>2024 Annual Report</u>, Mar. 1, 2024; R.I. Gen Laws § <u>42-128-12</u>.

<sup>55</sup> R.I. Gen Laws § <u>42-128-2</u>.

<sup>&</sup>lt;sup>56</sup> R.I. Gen Laws § <u>42-128-3</u>.

<sup>57</sup> R.I. Gen Laws § 42-128-2.

<sup>&</sup>lt;sup>58</sup> R.I House Fiscal Advisory Staff, <u>FY 2026 Budget Analysis: Housing.</u>

<sup>&</sup>lt;sup>59</sup> RIPEC received the memorandum of understanding from RIHousing. RIHousing has also been designated by the HRC as the state's Collaborative Applicant agency for the Rhode Island Continuum of Care, which guides the state's homelessness programs and policies, and administers roughly four million annually in funding.<sup>59</sup> RIHousing has also partnered with the HRC on the State Lead Hazard Reduction Program and the Neighborhood Opportunities Program. The State Lead Hazard Reduction Program—or Lead Safe Homes Program—provides forgivable loans to cover the costs associated with lead paint problems. The Neighborhood Opportunities Program was an operating reserve program which provided funds to cover the difference between the rental costs affordable to low-income Rhode Islanders and the cost to owners of operating the rental units. The HRC stopped participating in the Neighborhood Opportunities Program in 2011, and the General Assembly has required that RIHousing continue funding the program at \$0.5 million annually. HousingWorksRI, Neighborhood Opportunities Program, accessed Mar. 19, 2025; RIHousing, Lead Safe Homes, accessed Mar. 19, 2025.

established statutory relationships among the HRC, the Department, and RIHousing. This has led to duplicative roles in statute and a lack of clarity in terms of responsibilities for various functions, depicted in Figure 3.<sup>60</sup>

Figure 3
Selected Overlapping Responsibilities Between
Rhode Island State Housing Institutions

Statutory Power	RIHousing	Department of Housing	HRC
Coordinates housing-related activities across state agencies	V	☑	☑
Allocates housing tax credits	Ø	☑	abla
Supports municipal and state planning	<b></b> ✓	☑	☑
Administers homelessness support programs	<b>☑</b>	Ø	abla
Administers community revitalization programs	V	Ø	☑
Responsible for conducting research on state housing policy	Ø	Ø	☑
Administers rental assistance programs	<b></b> ✓		☑
Acquires, holds, operates, rehabilitates, or leases housing projects	<b>☑</b>	☑	
Administers various SFRF programs	<b>☑</b>	☑	

Source: R.I. Gen. Laws; RIHousing; R.I. House Fiscal Advisory Staff

Note: SFRF stands for State Fiscal Recovery Funds. These funds were allocated to both RIHousing and the Department of Housing to administer housing production programs.

The Department was tasked by the General Assembly to complete a housing organization plan to address these shared responsibilities, which the Department completed at the end of 2024. The plan called for eliminating all of the HRC's policy and programming responsibilities and reimagining the HRC as a stakeholder body with advisory responsibilities only.<sup>61</sup> Subsequently, in April 2025, the governor formally submitted a budget amendment that would remove all formal authority from the HRC and reconstitute it as part of a permanent housing advisory body.<sup>62</sup>

# **How the HRC Compares**

Housing stakeholder bodies are fairly common in the United States, but the HRC stands out as unique among these agencies. There are no other bodies that contain the combination of the HRC's size, composition of membership, wide policy and programming responsibilities, and funding authority. This section places the HRC in comparative context with other housing stakeholder bodies across the country.

<sup>&</sup>lt;sup>60</sup> R.I. Gen. Laws § <u>42-128-7</u>, § <u>42-128-8</u>, § <u>42-64.34-2</u>, § <u>42-55-5</u>, § <u>42-55-5.1</u>, § <u>42-55-5.3</u>, § <u>42-55-8</u>, § <u>42-55-13</u>, § <u>42-55-14</u>, § <u>42-55-6</u>, § <u>42-55-7</u>, § <u>42-55-7</u>, § <u>42-55-7</u>, § <u>42-128-9</u>, § <u>42-128-11</u>; Mike Milito, "Chronology of State Transfer of Housing and Homeless Programs to Rhode Island Housing," Dec. 15, 2016, 1-7; R.I. Gen. Laws § <u>42-11.2</u>, <u>Article 7 Substitute A as Amended</u>, § <u>42-55-22.3</u>, § <u>42-55.1-3</u>, § <u>42-55.1-1</u>; R.I. House Fiscal Advisory Staff, <u>Housing as Enacted</u>: FY 2025.

<sup>&</sup>lt;sup>61</sup> R.I. Dept. of Housing, <u>Housing Governance Report 2024</u>.

<sup>62</sup> R.I. OMB, Governor's Budget Amendment #12, Apr. 16, 2025.

#### Methodology

Comparing housing agencies across states is challenging due to the varying approaches states use in setting housing policy, which itself is often a complicated area touching many different sectors of government. For example, some states have stand-alone housing departments, while others have housing divisions nested within other departments, or direct housing policy through their housing finance agencies.<sup>63</sup> Despite these differences, many states have stakeholder bodies that assist with the formulation and/or execution of state housing policies.

To determine how the HRC compares with other stakeholder bodies, RIPEC conducted a review of such housing entities across all 50 states. Stakeholder bodies are defined as those with memberships composed of people, groups, or organizations with a vested interest in decision-making related to housing governance. From this review and based on this definition, RIPEC identified 26 stakeholder bodies in 25 states. A complete list of the housing agencies under examination can be found in Figure 4.

These bodies were organized based on four characteristics and evaluated based on the following considerations:<sup>66</sup>

- **Permanence**: was/is the group organized for a discrete period or is it expected to continue operating in the future?
- **Membership**: what is the size of the organization and what is the affiliation of its members?
- **Responsibilities**: is the body advisory or does it have substantive decision-making authority? If the latter, what is the scope of its authority?
- **Funding Authority**: is the body involved in funding decisions? If so, what is the scope and magnitude of those funding decisions?

Using this framework, a smaller set of agencies more similar to the HRC were identified for further analysis.

#### **Permanence**

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A substantial number of housing stakeholder bodies were formulated temporarily for a discrete purpose (nine total, 34.6 percent overall). All such groups operated in an advisory capacity and were

<sup>&</sup>lt;sup>63</sup> Housing finance agencies are state-chartered entities established to administer a wide-range of affordable housing and community development programs including housing bonds and tax credits. National Conference of State Housing Finance Agencies, <u>About HFAs</u>, accessed Apr. 30, 2025.

<sup>&</sup>lt;sup>64</sup> Mahajan, et al, "Stakeholder Theory," Journal of Business Research, 2023, 166.

<sup>&</sup>lt;sup>65</sup> For the purposes of comparison, RIPEC identified stakeholder bodies that dealt with housing policy broadly rather than groups that dealt with one aspect of housing policy. For example, Louisiana has a stakeholder body that deals only with manufactured homes. Louisiana Office of the State Fire Marshal, <u>Manufactured Housing Commission</u>, accessed Mar. 4, 2025. Many states have stakeholder bodies that deal only with homelessness. United States Interagency Council on Homelessness, <u>State Interagency Councils</u>, accessed Mar. 4, 2025.

<sup>&</sup>lt;sup>66</sup> In its study on housing and homelessness in Rhode Island, the Boston Consulting Group created benchmarks to place the HRC in a comparative context. This study builds on the methodology identified in that study. Boston Consulting Group, <u>Housing Supply and Homelessness in Rhode Island</u>, Apr. 2023.

created to provide input for the creation or review of a statewide housing plan, a statewide needs assessment, or consultation on legislation.<sup>67</sup> The remaining 17 groups, including the HRC, are codified in state statute, meet regularly, and have a wider range of roles and responsibilities than the groups formed on a temporary basis.<sup>68</sup>

Figure 4
Housing Stakeholder Bodies in the United States

Temporary Advisory			
State		Members	
California	No Place Like Home Advisory Committee	14	
Maine	Housing Production Goals Advisory Committee	23	
Massachusetts	Housing Advisory Council	21	
Michigan	Statewide Housing Plan Partner Advisory Council	50	
Montana	Housing Task Force	30	
New Mexico	Housing Advisory Committee	19	
North Dakota	Housing Initiative Advisory Committee	27	
Pennsylvania	Housing Action Plan Working Group	40	
South Carolina	Palmetto State Housing Study	6	
	Permanent Advisory		
Illinois	Housing Task Force	43	
Illinois	Affordable HTF Advisory Committee	15	
Kansas	Housing Policy Advisory Committee	4	
Kentucky	Housing Policy Advisory Committee	27	
Missouri	Housing Trust Fund Advisory Committee	25	
Nebraska	Commission on Housing and Homelessness	15	
Nevada	Interagency Council on Homelessness to Housing	13	
North Carolina	CDBG-MIT Citizen Advisory Committee	17	
Ohio	Housing Trust Fund Advisory Committee	7	
Texas	Housing and Health Services Coordination Council	17	
Washington	Affordable Housing Advisory Board	25	
	Permanent Responsible		
Virginia	Board of Housing and Community Development	14	
	Permanent Responsible w/Funding Authority		
Colorado	State Housing Board	8	
Delaware	Council on Housing	11	
Oregon	Housing Stability Council	7	
Rhode Island	Housing Resources Commission	28	

Source: State Government Websites

Note: Temporary groups were defined by RIPEC as existing for a discrete period of time, then disbanding. Permanent groups are expected to continue into the future. CDBG-MIT stands for Community Development Block Grant Mitigation Funds and HTF stands for Housing Trust Fund.

<sup>&</sup>lt;sup>67</sup> For example, Maine convened a Statewide and Regional Production Goals Advisory Committee to create statewide housing goals. The group met five times in 2024, participated in the production of a report in collaboration with the state's housing finance agency, Department of Economic and Community Development, and governor's office, then disbanded when the report was finished. Maine Dept. of Economic and Community Development, <u>Statewide and Regional Production Goals</u>, Sept. 2024.

<sup>68</sup> R.I. Gen. Laws § 42-128-4.

#### Membership

#### Number of Members

Membership in the 17 permanent housing stakeholder bodies vary considerably from the Kansas Housing Policy Advisory Committee, with only four members, to the Illinois Housing Task Force which has up to 43. With 28 members, the HRC has the third greatest number of members of permanent stakeholder bodies and is nearly twice the size of the median membership of 15.<sup>69</sup>

#### **Membership Characteristics**

The statutes that define the membership characteristics across these 17 permanent housing stakeholder institutions are diverse. However, the composition of membership generally falls into three broad categories. To The largest category, representing eight bodies (47.1 percent), have members who primarily serve in some government capacity. The second largest category, representing four bodies (23.5 percent), are those in which membership is proportioned based on geographic location with provisions limiting the number of members from one political party. Three groups have substantial membership affiliated with non-profit advocacy groups or service providers: Rhode Island's HRC, with 13 of its 28 members representing non-profit service providers or advocacy groups, is joined in this last category by the Illinois Affordable Housing Trust Advisory Committee and the Missouri Housing Trust Fund Advisory Committee.

#### Responsibilities

Some permanent housing stakeholder bodies are purely advisory while others are responsible for policymaking, programming, and/or funding.<sup>73</sup>

#### **Advisory Bodies**

The clear majority of permanent housing stakeholder bodies are advisory (12 total, 70.6 percent).<sup>74</sup> The most common activities for these advisory bodies include facilitating coordination between state

<sup>&</sup>lt;sup>69</sup> The second highest is the New Hampshire Council on Housing Stability with 40 members. New Hampshire Council on Housing Stability, <u>Council on Housing Stability</u>, accessed Apr. 30, 2025. RIPEC calculations.

<sup>&</sup>lt;sup>70</sup> Two bodies do not fit neatly into a category. The Oregon Housing Stability Council is appointed by the governor with no statutory requirements. Washington's Affordable Housing Advisory Board is made up of a majority of stakeholders engaged in for-profit activities. Oregon Dept. of Housing and Community Services, <u>About the Council</u>, accessed Mar. 6, 2025; Washington State Dept. of Commerce, <u>Affordable Housing Advisory Board</u>, accessed Mar. 6, 2025.

<sup>&</sup>lt;sup>71</sup> Stakeholder bodies in this category primarily include participants from executive departments, the legislative branch, judicial branch, or representatives from local governments.

<sup>&</sup>lt;sup>72</sup> For example, Colorado requires that the state's Housing Board have representatives from each of the state's seven Congressional districts and that no more than four members be affiliated with one political party. CO Rev Stat § <u>24-32-706</u>.

<sup>73</sup> The main difference between these two categories is that while advisory bodies may have a role in policymaking, programming, or funding, their approval is not necessary for those activities to take place. Bodies that are advisory are responsible mainly for review and recommendation, rather than approval. George Tsebelis, 2002, *Veto Players: How Institutions Work*, Princeton University Press, NJ.

<sup>&</sup>lt;sup>74</sup> If both permanent and temporary housing stakeholder bodies are included, 21 of 26 operate in an advisory capacity only (80.8 percent). RIPEC calculations.

agencies responsible for housing, giving feedback or recommendations on proposed changes to state housing policies, monitoring and reviewing funding allocations, offering input on state housing plans, and providing advice to citizens or groups seeking funding or technical assistance.<sup>75</sup>

#### **Responsible Bodies**

Five of the permanent housing stakeholder bodies have some responsibility in the areas of policymaking, programming, or funding. One agency, Virginia's Board of Housing and Community Development, has limited responsibility. The remaining bodies—including the HRC—have wider policy, program, and funding review authority. For example, the Colorado Board of Housing adopts regulations for communities with no building codes and promulgates rules and regulations for what constitutes low-or moderate-income housing. The Delaware Council on Housing provides recommendations, advice, and review of all Delaware State Housing Authority programs. The Oregon Housing Stability Council is responsible for establishing strategic direction and policy framework to guide the state's Housing and Community Services Department, and reviews and decides upon rules and standards for the planning, development, and management of affordable housing in the state. As described above, the HRC has powers and responsibilities similar to the housing bodies in Colorado, Delaware, and Oregon.

#### **Funding Authority**

Like Rhode Island, the housing stakeholder bodies of Colorado, Delaware, and Oregon, all have considerable funding authority in addition to wide policymaking and programming responsibilities. Colorado's Board of Housing approves the funding allocations made through the state's Division of Housing.<sup>80</sup> The Delaware Council on Housing reviews and approves all funding requests made by

<sup>75</sup> The Illinois Housing Task Force, the Kentucky Housing Policy Advisory Committee, the Nevada Interagency Council on Homelessness to Housing, and the Texas Housing and Health Services Coordination Council all are responsible for facilitating coordination between governmental and non-governmental agencies involved in housing policy. Illinois Housing Development Authority, Boards and Other Commissions, accessed Mar. 7, 2025; Kentucky Housing Corporation, Housing Policy Advisory Committee, accessed Mar. 7, 2025; Nevada Division of Public and Behavioral Health, Nevada Interagency Council on Homelessness to Housing, accessed Mar. 7, 2025; Texas Dept. of Housing and Community Affairs, Housing and Heal Services Coordination Council, accessed Mar. 7, 2025. The Nebraska Commission on Housing and Homelessness, the New Hampshire Council on Housing Stability, the Ohio Housing Trust Fund Advisory Committee, and the Washington Affordable Housing Board all offer recommendations and policy advice. Nebraska Dept. of Economic Development, Nebraska Commission on Housing and Homelessness, accessed Mar. 7, 2025; Ohio Dept. of Development, The Ohio Trust Fund Advisory Committee, accessed Mar. 7, 2025; Washington State Dept. of Commerce, Affordable Housing Advisory Board, accessed Mar. 7, 2025. The Kansas Housing Policy Advisory Committee, the Missouri Housing Trust Fund Advisory Committee, and the North Carolina CDBG-MIT Citizen Advisory Committee all provide advice for those seeking technical expertise and funding from the state. Kansas Commerce, Housing Assessment Tool, accessed Mar. 7, 2025; Missouri Housing Development Corporation, Missouri Housing Trust Fund Advisory Committee, accessed Mar. 7, 2025; ReBuild NC, About the Citizen Advisory Committee, accessed Mar. 7, 2025.

<sup>&</sup>lt;sup>76</sup> Their powers include approving standards for the state's building code. Virginia Dept. of Housing and Community Development, <u>Board of Housing and Community Development</u>, accessed Apr. 30, 2025.

<sup>77</sup> CO Rev Stat § 24-32-707.

<sup>&</sup>lt;sup>78</sup> 31 DE Code § 4040. The Delaware State Housing Authority is the state's housing finance and development agency. Delaware State Housing Authority, <u>About Us</u>, accessed Mar. 7, 2025.

<sup>&</sup>lt;sup>79</sup> Oregon Dept. of Housing and Community Services, OHCS Housing Stability Council: Council Charter.

<sup>80</sup> CO Rev Stat § <u>24-32-707</u>.

the Delaware State Housing Authority.<sup>81</sup> The Oregon Housing Stability Council sets policies that guide the distribution of housing funds and must approve any loan or grant above \$100,000 made by the state's Housing and Community Services Department.<sup>82</sup> As discussed above, the HRC, similarly, has historically managed significant funding dedicated to housing in the form of both general obligation bond funds and restricted receipt housing dollars.<sup>83</sup>

#### HRC and Comparable Stakeholder Bodies: Key Differences

While the HRC is comparable to the stakeholder bodies in Colorado, Delaware, and Oregon, it differs in two important respects: 1) its size and 2) the awarding of funding to members.

The HRC is by far the largest of these responsible bodies with funding authority; at 28 members, it is more than twice as large as the next largest body (Delaware) and more than three times larger than the bodies in both Colorado and Oregon. In addition, the HRC's membership composition is much more heavily weighted toward non-profit advocacy groups and service providers, consisting of about half of its total membership (13 of 28 members, 46.4 percent).<sup>84</sup> The other agencies have a much smaller proportion of members representing advocacy groups or service providers; Colorado has zero members out of eight, Delaware has two of 11 (18.2 percent), and Oregon has two of nine (22.2 percent).<sup>85</sup>

The second, and perhaps most important difference between the HRC and its comparable bodies, is that it is not uncommon for members of the HRC to benefit from financial awards made through the programs overseen by the HRC.<sup>86</sup> RIPEC could not identify any members of housing stakeholder bodies receiving the benefit of funding allocations made by the Colorado, Delaware, or Oregon agencies.<sup>87</sup>

<sup>81 31</sup> DE Code § 4040.

<sup>82</sup> Oregon Dept. of Housing and Community Services, OHCS Housing Stability Council: Council Charter.

<sup>&</sup>lt;sup>83</sup> This includes \$165.0 million in general obligation bond funds and \$44.3 million in restricted receipt funds. HRC, <u>Annual Report Letter</u>, Mar. 1, 2023; <u>Annual Report</u>, Mar. 1, 2024; <u>Annual Report</u>, Feb. 18, 2025; Housing Works RI, The HRC prior to 2011 was responsible for the Neighborhood Opportunities Program as well. <u>Neighborhood Opportunities Commission</u>, accessed Mar. 7, 2025; R.I. Dept. of Housing, <u>Building Homes Rhode Island</u>, accessed Mar. 11, 2025. The bond offerings took place in 2006, 2011, 2016, and 2021 and funding four separate rounds of the BHRI program numbered I-IV. R.I. OMB, <u>Technical Appendix: FY 2018</u>; <u>Technical Appendix: FY 2024</u>; <u>Technical Appendix: FY 2026</u>. This restricted receipt account was funded through a real estate conveyance tax created in 2015. R.I Gen. Laws § 42-25-1, 2015. The account was renamed the Housing Resources and Homelessness Account in FY 2024. Administrative control of the account was transferred to the Department of Housing in FY 2025 pending the production of a Housing Governance Report and legislative recommendations. The Department produced the report at the end of 2024 as required, and legislative recommendations were submitted in Apr. 2025. R.I. House Fiscal Advisory Staff, <u>Housing as Enacted: FY 2026</u>; R.I. OMB, <u>Governor's Budget Amendment #12</u>, Apr. 16, 2025.

<sup>&</sup>lt;sup>84</sup> This is primarily due to statutory provisions that direct the governor to appoint either a non-specific advocate representing a particular interest or appoint a representative from a specific non-profit organization. R.I. Gen. Laws § 42-128-6. RIPEC calculations.

<sup>&</sup>lt;sup>85</sup> Colorado Dept. of Local Affairs, <u>State Housing Board</u>, accessed Mar. 10, 2025; Delaware State Housing Authority, <u>About Us</u>, accessed Mar. 7, 2025; Oregon Dept. of Housing and Community Services, <u>OHCS Housing Stability Council: Council Charter</u>.

<sup>&</sup>lt;sup>86</sup> This is discussed on page nine of this brief.

<sup>&</sup>lt;sup>87</sup> RIPEC conducted a review of the last three years of minutes of all three housing stakeholder agencies and did not find a case where a member received a benefit from the actions of the agency. Colorado Dept. of Local Affairs, Meeting Packets

## HRC Functions in Practice: A Review of the Public Minutes

### Methodology

Reconstructing a history of how the HRC functions is a challenging exercise. Meetings have not been recorded or held at regular intervals and records are primarily limited to the public minutes, which vary considerably in detail. The level of description of agenda items contained in HRC's minutes ranges from brief references to detailed summaries of actions taken. Moreover, public minutes are not available for every meeting, and meeting packets with important information regarding policy and funding decisions are frequently not included as attachments even if referenced in meeting minutes.

To analyze how the HRC functions, as represented in the HRC's public minutes, RIPEC created categories based on the agency's statutory powers and duties outlined in Section II. The classification scheme consists of the following categories:

- Policy, Planning, and Coordination: activities related to developing the state's five-year strategic plan for housing; taking actions related to preparing, adopting, or issuing the state's housing policy; or coordinating activities among government agencies tasked with providing housing services.88
- **Performance Measures and Guidelines**: activities related to promulgating performance measures for housing programs or creating the statutorily mandated annual report.<sup>89</sup>
- Administering Programs: activities pertaining to administering housing programs, including lead remediation, community development, rental assistance, and homelessness services.90

RIPEC then conducted a review of the public minutes of the HRC for the last ten years (2015-2024) and assigned the actions taken by the HRC to one of these categories.<sup>91</sup>

After a review of the minutes, RIPEC added two additional categories based on items that made frequent appearances at public meetings, but did not fit clearly into categories based on the powers and duties of the HRC:

Presentations and Discussions: activities not directly related to the HRC's powers and duties. Examples include discussions of potential future agenda items, membership, and attendance. Presentations were included if primarily informational and no corresponding action was taken at the meeting or at subsequent meetings.

90 Ibid.

and Recordings, accessed Mar. 11, 2025; Delaware State Housing Authority, Archived Council Housing Resources, accessed Mar. 11, 2025; Oregon Housing and Community Services, Housing Stability Council Meetings, accessed Mar. 11, 2025.

<sup>&</sup>lt;sup>88</sup> This criteria was based on the powers outlined in R.I. Gen Laws § 42-128-8.

<sup>89</sup> Ibid.

<sup>91</sup> RIPEC used the agendas for meetings where no meeting minutes were publicly available.

• **Deferred Items and Public Comment**: activities in which agenda items were deferred to later meetings or canceled as well as when public comments were provided.

The minutes do not reflect the amount of time or importance the HRC placed on any single agenda item, but rather only the amount of space the notetaker dedicated to each item. Therefore, this analysis is based on the frequency of functions rather than time spent on those functions.

#### **HRC Functions: Overview**

RIPEC identified 226 total agenda items included in the HRC's public minutes that were either presented, discussed, or required action by the agency. As depicted in Figure 5, the most frequent actions—representing 66 total items or 29.2 percent of the total—were presentations or discussions not directly related to the HRC's statutory powers and duties. The next most common activities were policy, planning, and coordination functions, which represent 26.5 percent of total items, and administering programs, constituting 24.3 percent of items. These latter two categories make up about half of the HRC's total activities (50.8 percent). The HRC dedicated a limited number of

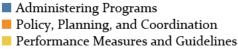
actions related to creating or discussing performance measures or guidelines (7.5 percent).

The HRC has ramped up activity in recent years. Its busiest year was 2024, with 66 total agenda items, and its second busiest year was 2023, with 38 total items. Together, 2023 and 2024 represented nearly half (46.0 percent) of all agenda items examined over the last ten years. The elevated level of activity over the past two years is primarily due to an increase in the frequency of meetings. Prior to 2023, the HRC generally kept to a quarterly meeting schedule, but shifted to monthly meetings that year.<sup>92</sup>

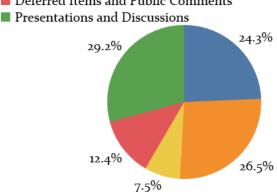
#### Presentations and Discussions

The most common item included in the public minutes of the HRC relates to presentations on topics related to housing, but without a clear connection

# Figure 5 HRC Functions in Practice as Represented in the Public Minutes, 2015 - 2024



■ Deferred Items and Public Comments



Source: HRC Public Minutes, 2015-2024 Note: This is not meant to be a depiction of the amount of time spent on each item. RIPEC calculations.

<sup>92</sup> There were six meetings held in 2022. HRC, Public Minutes, 2022.

to any particular policy or program created or administered by the HRC.93

Discussions held by the HRC are harder to classify but generally were unrelated to any particular agenda item. Discussions frequently were related to the HRC itself—its organization, current and future roles, and meeting attendance and vacancy—or related to discussion about the addition of future agenda items.<sup>94</sup>

#### Policy, Planning, and Coordination

Of the categories used in this review, the second most common activity of the HRC relates to policy, planning, and coordination, constituting 60 total items (26.5 percent of the total), with 2024 representing the most active year for these activities (17 items).<sup>95</sup>

Much of the activity from 2024 included discussions of the HRC's budget priorities; updates from the Department of Housing related to the development of the state's housing policies and its statewide plan for housing; and development of the Department's housing governance plan.<sup>96</sup> Other examples of work done in this area are the creation of a Monitoring Agent Program, and approving guidelines and regulations for the Housing Production Fund, RI Rebounds Production Fund, and the BHRI Program.<sup>97</sup> Evidence of advice to the governor and General Assembly was limited to a handful of instances.<sup>98</sup>

#### **Administering Programs**

The third most common activity—roughly similar in volume with policy, planning, and coordination—is related to administering programs.<sup>99</sup> RIPEC identified 55 items that could be classified as program administration (24.3 percent of the total). As with the other categories examined above, 2024 was the most active year with nine total items. However, of the categories

<sup>93</sup> This is not to say that the presentations were not related to the functions of the HRC or housing in general. However, the presentations neither lead to any particular action by the HRC in the meeting in which they were given, nor were they followed up on in subsequent meetings. For example, the HRC heard presentations in honor of Human Rights Month, Black History Month, and Women's History Month in Dec. 2023, Feb. 2024, and Mar. 2024, respectively HRC, <u>Public Minutes</u>, Dec. 19, 2023; <u>Public Minutes</u>, Feb. 20, 2024; <u>Public Minutes</u>, Mar. 19, 2024.

<sup>94</sup> HRC, Public Minutes, May 21, 2024; Public Minutes, Oct. 1, 2024; Public Minutes, Oct. 29, 2024; Public Minutes, May 23, 2023; Public Minutes, Apr. 18, 2022; Public Minutes, Aug. 13, 2020; Public Minutes, Apr. 25, 2017.

<sup>&</sup>lt;sup>95</sup> This represents a 42.9 percent difference from the second most active year (2016 with 11 total items) and was more than double the activity of each of the remaining eight years examined. RIPEC calculations.

<sup>96</sup> HRC, <u>Public Minutes</u>, Jan. 16, 2024; <u>Public Minutes</u>, Feb. 20, 2024; <u>Public Minutes</u>, Mar. 19, 2024; <u>Public Minutes</u>, Oct. 1, 2024; <u>Public Minutes</u>, Nov. 19, 2024.

<sup>97</sup> The Housing Production Fund is intended to support the development of new affordable housing and the preservation of existing affordable units. RIHousing, <u>Guidelines for the Housing Production Fund</u>. The RI Rebounds Production Fund Program supports the development of new multifamily and homeownership units for those households earning below 80.0 percent area median income. RIHousing, <u>RI Rebounds Production Fund Program Description</u>; HRC, <u>Public Minutes</u>, Jun. 20, 2023; <u>Public Minutes</u>, Mar. 7, 2022; <u>Public Minutes</u>, Jan. 13, 2017.

<sup>98</sup> HRC, Public Minutes, Feb. 1, 2023; Public Minutes, Nov. 12, 2015.

<sup>&</sup>lt;sup>99</sup> The HRC does not technically administer programs itself. Historically, it has been the Offices of the HRC that administered programs or outside agencies. For example, the BHRI and Lead Safe Programs are administered by RIHousing and the Department of Health administers the Lead Remediation Program. Items included under this criteria were those where the HRC was approving or overseeing the administration of these programs. The Department of Housing currently administers other programs that are ostensibly the responsibility of the HRC.

analyzed in this section, program administration was the most consistent activity on a year-to-year basis. 100

Most of the examples of program administration involved the HRC's approval of BHRI awards and RIHousing's administrative fee for the program, budget allocations from restricted receipt funds, or programs related to lead reduction and mitigation. Other examples include adjusting the income limits for the Neighborhood Opportunities Program and administration of the Housing Opportunities for Persons with AIDS Program. Opportunities

#### Performance Measures and Guidelines

There is scant evidence of HRC involvement in creating or monitoring performance measures and guidelines as they relate to the state's housing policy. RIPEC identified only 17 items related to this criteria in the ten years under examination (7.5 percent of total items). The vast majority took place in either 2023 or 2024 (13 total items, 76.4 percent), with no items from this category in six of the ten years reviewed.<sup>103</sup>

Examples of the HRC's activity under this criteria include discussions of the HRC's statutorily required annual plans, the performance of the BHRI Program, and the Department of Housing's goals and targets for housing production. <sup>104</sup> Earlier examples from 2015 and 2016 included discussion about the performance of the state's rapid permitting process and a market analysis suggesting a target level of production necessary to meet the state's housing needs. Considering that the HRC—until very recently—had failed to submit its annual report, the lack of attention to this area over the ten-year period is unsurprising. <sup>105</sup>

# **RIPEC Comments**

The HRC has a broad legislative mandate and substantial powers and authorities relating to housing in Rhode Island. Established in 1998 to coordinate housing policy for the state, the HRC is responsible for a number of important functions, including developing the state's five-year plan for housing, promulgating performance measures for housing, and administering a wide range of

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<sup>100</sup> RIPEC calculations.

<sup>&</sup>lt;sup>101</sup> HRC, <u>Public Minutes</u>, Mar. 19, 2024; <u>Public Minutes</u>, Apr. 16, 2024; <u>Public Minutes</u>, May 21, 2024; <u>Public Minutes</u>, Mur. 21, 2023; <u>Public Minutes</u>, May 23, 2023; <u>Public Minutes</u>, May 17, 2022; <u>Public Minutes</u>, Nov. 30, 2021; <u>Public Minutes</u>, Feb. 14, 2019; <u>Public Minutes</u>, Jun. 4, 2019; <u>Public Minutes</u>, May 8, 2018; <u>Public Minutes</u>, Jun. 19, 2018; <u>Public Minutes</u>, Jun. 23, 2017; <u>Public Minutes</u>, Aug. 31, 2017; <u>Public Minutes</u>, Oct. 5, 2017; <u>Public Minutes</u>, Apr. 21, 2016; <u>Public Minutes</u>, May 19, 2016; <u>Public Minutes</u>, Nov. 12, 2015.

<sup>&</sup>lt;sup>102</sup> The Housing Opportunities for Persons with AIDS Program is a federal program dedicated to the housing needs of people living with HIV/AIDS by offering grants to local communities. U.S. Housing and Urban Development, Housing Opportunities for Persons with Aids, accessed May 8, 2025; HRC, <u>Public Minutes</u>, Feb. 14, 2019; <u>Public Minutes</u>, May 8, 2018.

<sup>&</sup>lt;sup>103</sup> The years are 2017, 2018, 2019, 2020, 2021, and 2022. RIPEC calculations.

<sup>&</sup>lt;sup>104</sup> HRC, <u>Public Minutes</u>, January 16, 2024; <u>Public Minutes</u>, Feb. 20, 2024; <u>Public Minutes</u>, Mar. 19, 2024; <u>Public Minutes</u>, Apr. 16, 2024; <u>Public Minutes</u>, May 21, 2024; <u>Public Minutes</u>, Jun. 18, 2024; <u>Public Minutes</u>, Sept. 17, 2024; <u>Public Minutes</u>, Nov. 19, 2024; <u>Public Minutes</u>, Mar. 21, 2023; <u>Public Minutes</u>, Apr. 18, 2023; <u>Public Minutes</u>, Jul. 18, 2023; <u>Public Minutes</u>, Oct. 17, 2023; <u>Public Minutes</u>, Dec. 19, 2023; <u>Public Minutes</u>, Apr. 21, 2016; <u>Public Minutes</u>, Nov. 12, 2015.

<sup>&</sup>lt;sup>105</sup> R.I. House Fiscal Advisory Staff, <u>FY 2026 Budget Analysis: Housing</u>.

housing programs such as lead remediation, services for the homeless, and housing production and preservation. However, despite this broad mandate, the state has never provided the HRC with its own staffing or other resources and the HRC has struggled to execute its mission. Moreover, the governance of housing policies and programs under current law includes redundancies and overlapping authorities among the HRC, RIHousing, and the Department of Housing.

The HRC is a large, 28-member organization consisting of a combination of ex-officio executive officers, statutorily designated members, and gubernatorial appointments. Its membership is heavily weighted toward non-profit advocacy groups and service providers, which represent 13 of the 28 seats (46.4 percent). The HRC has been facing increasing difficulty with meeting attendance and filling member vacancies.<sup>106</sup> HRC attendance has dipped in recent years, with members on average attending less than half (47.1 percent) of meetings in 2024. Moreover, there are currently only 18 members, with ten gubernatorial appointments yet to be made. It is not uncommon for individuals to serve multiple, nonconsecutive terms in different roles or stay beyond their terms of service. Some individuals currently serving as members first served on the HRC more than 20 years ago.

The HRC has had persistent conflicts of interest since inception, but especially since the state began allocating significant resources to the development, production, and preservation of housing through the HRC. HRC members represent organizations with interests that frequently come before the agency and have received financial benefit from the actions taken by the HRC. Members have routinely abstained from votes, especially when making financial awards. However, in recent years, HRC members representing such organizations have participated in committees tasked with making award recommendations to the full HRC.

Transparency is also an ongoing issue with the HRC; attention to record-keeping over time has varied considerably. The public minutes of the full HRC are inconsistent in terms of their details and public availability. Moreover, contrary to statutory requirements that subject HRC committees to the mandates relating to open meetings and public records, HRC committees do not appear to have consistently complied with these requirements.<sup>107</sup> The Funding Committee of the HRC, which provides recommendations to the full Board on financial awards, has not kept meeting minutes since 2020.<sup>108</sup>

Compared to stakeholder housing agencies in other states, the HRC is unique. There exists no other housing stakeholder body with the combination of the HRC's size, funding authority, and policy and programming responsibilities. Comparable bodies as large as the HRC are purely advisory, as are most housing stakeholder bodies, regardless of size (80.6 percent of stakeholder groups fall in this category). In addition to Rhode Island, only three agencies—in Colorado, Delaware, and Oregon—have comparable powers to the HRC. However, these agencies are much smaller and do not face the same challenges of membership with conflicts of interest.

<sup>&</sup>lt;sup>106</sup> Technically the chairperson does not have to represent a non-profit advocacy group or service provider. However, every chair in the history of the HRC has come from this type of group or service provider. R.I. Secretary of State's Office, HRC Appointments.

<sup>&</sup>lt;sup>107</sup> R.I. Gen Laws § <u>42-128-14</u>.

<sup>&</sup>lt;sup>108</sup> Information received from the Dept. of Housing.

The HRC's public minutes reveal important programming decision-making and activities. The agency has allocated funding, set policy in important areas, and created and approved programs related to lead abatement, rules enforcement, and housing production and preservation. However, the minutes also reveal HRC activities with only a tangential relationship to the HRC's statutory purpose. The most common action taken by the HRC was to hear presentations ancillary to housing and without a direct relationship with any of the powers and duties of the HRC.

Based on this analysis, RIPEC offers the following recommendations for consideration:

The General Assembly should adopt changes to the statutory authority of the HRC. Current law with respect to housing governance includes redundancies and overlapping authority between agencies. The Assembly should identify and eliminate these redundancies to provide greater clarity among governing bodies in the housing area. The Assembly should provide for clear, formal relationships among the Department of Housing, RIHousing, and the HRC, with the Department established as the lead agency for housing policy in the state, as the General Assembly has intended.<sup>109</sup>

The General Assembly should remove all funding authority from the HRC. The HRC has historically been the agency responsible for allocating housing bond dollars. Considering the inherent conflicts of interest and the lack of transparency in its decision-making process, the HRC is not the appropriate body to have authority over state housing dollars.

The HRC should be reconstituted as an advisory body. If the General Assembly chooses to maintain the HRC as a separate agency, it should exist in an advisory capacity only, with no decision-making authority over housing policy, programming, or funding. As an advisory body, the HRC would no longer have issues with conflicts of interest and would be more aligned with best organizational practices for housing stakeholder agencies in other states.

HRC membership should be reduced, and the existing term limits for members should be kept and enforced. While the HRC has 28 statutory seats, the agency has struggled with attendance and participation at meetings and, in practice, operates with substantially fewer members. Since there are multiple members representing essentially the same or similar constituencies, the General Assembly should consider reducing the size of the HRC by eliminating redundancies in membership. Membership in the reconstituted agency should continue to be subject to terms limits and these limits should be followed.

<sup>&</sup>lt;sup>109</sup> R.I. Gen. Laws § <u>42-64.34-2</u>. The Department as lead agency would be responsible for setting housing policy for the state, taking over drafting the state housing plan, and providing annual reports to the General Assembly. It would be the lead advisory group on housing to the governor and General Assembly, and direct and administer housing dollars, along with other functions related to housing policy and programming for the state.