

2022 -- H 7940 SUBSTITUTE A AS AMENDED

=====
LC005366/SUB A
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF
COMMERCE

Introduced By: Representatives Shekarchi, Speakman, Williams, Potter, Knight, Fogarty,
Hull, Cortvriend, Casimiro, and Alzate

Date Introduced: March 07, 2022

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64.19-3 of the General Laws in Chapter 42-64.19 entitled
2 "Executive Office of Commerce" is hereby amended to read as follows:

3 **42-64.19-3. Executive office of commerce.**

4 (a) There is hereby established within the executive branch of state government an
5 executive office of commerce effective February 1, 2015, to serve as the principal agency of the
6 executive branch of state government for managing the promotion of commerce and the economy
7 within the state and shall have the following powers and duties in accordance with the following
8 schedule:

9 (1) On or about February 1, 2015, to operate functions from the department of business
10 regulation;

11 (2) On or about April 1, 2015, to operate various divisions and functions from the
12 department of administration;

13 (3) On or before September 1, 2015, to provide to the Senate and the House of
14 Representatives a comprehensive study and review of the roles, functions, and programs of the
15 department of administration and the department of labor and training to devise recommendations
16 and a business plan for the integration of these entities with the office of the secretary of commerce.
17 The governor may include such recommendations in the Fiscal Year 2017 budget proposal; and

18 (4) On or before July 1, 2021, to provide for the hiring of a deputy secretary of commerce

1 and housing who shall report directly to the secretary of commerce. On July 1, 2022, the deputy
2 secretary of commerce and housing shall succeed to the position of secretary of housing, and the
3 position of deputy secretary of commerce and housing shall cease to exist under this chapter. All
4 references in the general laws to the deputy secretary of commerce and housing shall be construed
5 to mean the secretary of housing. The secretary of housing shall be appointed by and report directly
6 to the governor and shall assume all powers, duties and responsibilities formerly held by the deputy
7 secretary of commerce and housing. Until the formation of the new department of housing pursuant
8 to chapter 64.34 of title 42 the secretary of housing shall reside within the executive office of
9 commerce for administrative purposes only. The ~~deputy~~ secretary of ~~commerce and~~ housing shall:

10 (i) Prior to hiring, have completed and earned a minimum of a master's graduate degree in
11 the field of urban planning, economics, or a related field of study or possess a juris doctor law
12 degree. Preference shall be provided to candidates having earned an advanced degree consisting of
13 an L.L.M. law degree or Ph.D in urban planning or economics. Qualified candidates must have
14 documented five (5) years' full-time experience employed in the administration of housing policy
15 and/or development;

16 (ii) Be responsible for overseeing all housing initiatives in the state of Rhode Island and
17 developing a housing plan, including, but not limited to, the development of affordable housing
18 opportunities to assist in building strong community efforts and revitalizing neighborhoods;

19 (iii) Coordinate with all agencies directly related to any housing initiatives and participate
20 in the promulgation of any regulation having an impact on housing including, but not limited to,
21 the Rhode Island housing and mortgage finance corporation, coastal resources management council
22 (CRMC), and state departments including, but not limited to: the department of environmental
23 management (DEM), the department of business regulation (DBR), the department of
24 transportation (DOT) and statewide planning, the Rhode Island housing resources commission; ~~and~~

25 (iv) Coordinate with the housing resources commission to formulate an integrated housing
26 report to include findings and recommendations to the governor, speaker of the house, senate
27 president, each chamber's finance committee, and any committee whose purview is reasonably
28 related to, including, but not limited to, issues of housing, municipal government, and health on or
29 before December 31, 2021, and annually thereafter which report shall include, but not be limited
30 to, the following:

31 (A) The total number of housing units in the state with per community counts, including
32 the number of Americans with Disabilities Act compliant special needs units;

33 (B) The occupancy and vacancy rate of the units referenced in subsection (a)(4)(iv)(A);

34 (C) The change in the number of units referenced in subsection (a)(4)(iv)(A), for each of

1 the prior three (3) years in figures and as a percentage;

2 (D) The number of net new units in development and number of units completed since the
3 prior report;

4 (E) For each municipality the number of single-family, two-family (2), and three-family
5 (3) units, and multi-unit housing delineated sufficiently to provide the lay reader a useful
6 description of current conditions, including a statewide sum of each unit type;

7 (F) The total number of units by income type;

8 (G) A projection of the number of status quo units;

9 (H) A projection of the number of units required to meet housing formation trends;

10 (I) A comparison of regional and other similarly situated state funding sources that support
11 housing development including a percentage of private, federal, and public support;

12 (J) A reporting of unit types by number of bedrooms for rental properties including an
13 accounting of all:

14 (I) Single-family units;

15 (II) Accessory dwelling units;

16 (III) Two-family (2) units;

17 (IV) Three-family (3) units;

18 (V) Multi-unit sufficiently delineated units;

19 (VI) Mixed use sufficiently delineated units; and

20 (VII) Occupancy and vacancy rates for the prior three (3) years;

21 (K) A reporting of unit types by ownership including an accounting of all:

22 (I) Single-family units;

23 (II) Accessory dwelling units;

24 (III) Two-family (2) units;

25 (IV) Three-family (3) units;

26 (V) Multi-unit sufficiently delineated units;

27 (VI) Mixed use sufficiently delineated units; and

28 (VII) Occupancy and vacancy rates for the prior three (3) years;

29 (L) A reporting of the number of applications submitted or filed for each community
30 according to unit type and an accounting of action taken with respect to each application to include,
31 approved, denied, appealed, approved upon appeal, and if approved, the justification for each
32 approval;

33 (M) A reporting of permits for each community according to affordability level that were
34 sought, approved, denied, appealed, approved upon appeal, and if approved, the justification for

1 each approval;

2 (N) A reporting of affordability by municipality that shall include the following:

3 (I) The percent and number of units of extremely low-, very low-, low-, moderate-, fair-
4 market rate, and above-market-rate units; including the average and median costs of those units;

5 (II) The percent and number of units of extremely low-, very low-, low-, and moderate-
6 income housing units required to satisfy the ten percent (10%) requirement pursuant to chapter 24
7 of title 45; including the average and median costs of those units;

8 (III) The percent and number of units for the affordability levels above moderate-income
9 housing, including a comparison to fair-market rent and fair-market homeownership; including the
10 average and median costs of those units;

11 (IV) The percentage of cost burden by municipality with population equivalent;

12 (V) The percentage and number of home financing sources, including all private, federal,
13 state, or other public support; and

14 (VI) The cost growth for each of the previous five (5) years by unit type at each
15 affordability level, by unit type;

16 (O) A reporting of municipal healthy housing stock by unit type and number of bedrooms
17 and providing an assessment of the state's existing housing stock and enumerating any risks to the
18 public health from that housing stock, including, but not limited to: the presence of lead, mold, safe
19 drinking water, disease vectors (insects and vermin), and other conditions that are an identifiable
20 health detriment. Additionally, the report shall provide the percentage of the prevalence of health
21 risks by age of the stock for each community by unit type and number of bedrooms; and

22 (P) A recommendation shall be included with the report required under this section that
23 shall provide consideration to any and all populations, ethnicities, income levels, and other relevant
24 demographic criteria determined by the ~~deputy~~ secretary, and with regard to any and all of the
25 criteria enumerated elsewhere in the report separately or in combination, provide recommendations
26 to resolve any issues that provide an impediment to the development of housing, including specific
27 data and evidence in support of the recommendation. All data and methodologies used to present
28 evidence are subject to review and approval of the chief of revenue analysis, and that approval shall
29 include an attestation of approval by the chief to be included in the report.

30 (v) Have direct oversight over the office of housing and community development (OHCD)
31 and shall be responsible for coordinating with the secretary of commerce a shared staffing
32 arrangement until June 30, 2023 to carry out the provisions of this chapter;

33 (vi) On or before November 1, 2022, develop a housing organizational plan to be provided
34 to the general assembly that includes a review, analysis and assessment of functions related to

1 [housing of all state departments, quasi-public agencies, boards and commissions. Provided, further,](#)
2 [the secretary, with the input from each department, agency, board and commission, shall include](#)
3 [in the plan comprehensive options, including the advantages and disadvantages of each option and](#)
4 [recommendations relating to the functions and structure of the new department of housing.](#)

5 (b) In this capacity, the office shall:

6 (1) Lead or assist state departments and coordinate business permitting processes in order
7 to:

8 (i) Improve the economy, efficiency, coordination, and quality of the business climate in
9 the state;

10 (ii) Design strategies and implement best practices that foster economic development and
11 growth of the state's economy;

12 (iii) Maximize and leverage funds from all available public and private sources, including
13 federal financial participation, grants, and awards;

14 (iv) Increase public confidence by conducting customer centric operations whereby
15 commercial enterprise are supported and provided programs and services that will grow and nurture
16 the Rhode Island economy; and

17 (v) Be the state's lead agency for economic development.

18 ~~(2) Provide oversight and coordination of all housing initiatives in the state of Rhode~~
19 ~~Island.~~

20 (c) The office shall include the office of regulatory reform and other administration
21 functions that promote, enhance, or regulate various service and functions in order to promote the
22 reform and improvement of the regulatory function of the state.

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

25 [CHAPTER 64.34](#)

26 [THE DEPARTMENT OF HOUSING](#)

27 **42-64.34-1. Department established.**

28 [Effective January 1, 2023, there is hereby established within the executive branch of the](#)
29 [state government a department of housing. The head of the department shall be the secretary of](#)
30 [housing, who shall be appointed by the governor.](#)

31 **42-64.34-2. Powers and duties.**

32 [The secretary of housing shall have all powers and duties pursuant to § 42-64.19-3\(a\)\(4\).](#)

33 SECTION 3. This act shall take effect upon passage.

=====
LC005366/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF
COMMERCE

1 This act would provide that the deputy secretary of commerce and housing would become
2 the secretary of housing and would retain all the powers and duties of the deputy secretary of
3 commerce and housing. This act would also create a new department of housing effective January
4 1, 2023.

5 This act would take effect upon passage.

=====
LC005366/SUB A
=====