

# 2018 Fair Housing Policy Report

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## Introduction

In accordance with section 42-55-22.2, RIHousing submits this annual report to the General Assembly on the measures the agency has taken in the administration of programs and activities related to housing and community development that affirmatively further the policies of Chapter 37 of title 34 (Rhode Island Fair Housing Practices Act).

Recognizing the importance of affirmatively furthering fair housing, RIHousing plays a leadership role in increasing the rates of minority homeownership and ensuring that minority households and other protected classes have fair access to all affordable homeownership and rental housing programs. RIHousing has an Affirmative Action Plan that requires it to meet affirmative action guidelines for minority participation in programs in addition to contracts for goods, services and housing development.

Described in detail for the remainder of this report are agency efforts that further the policies of the Fair Housing Act that include: developing strategies that affirmatively further fair housing; participating in the updating of the state’s Analysis of Impediments to Fair Housing; prioritizing the development of homes outside the urban core; prioritizing affordable homes for disabled persons; and increasing access to education and information.

a. Affirmatively Furthering Fair Housing
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RIHousing continues to affirmatively further fair housing in keeping with a 2009 joint policy on Affirmative Marketing of Low- and Moderate-Income Housing with the State Office of Housing and Community Development. The policy affirms the agency goals: to not discriminate in making publicly subsidized low- and moderate-income housing accessible to all eligible Rhode Islanders, including a prohibition on creating a “disparate impact” on various protected groups and to affirmatively further fair housing.

RIHousing’s homeowner and rental production programs affirmatively further fair housing through a marketing strategy that targets underserved and minority populations. As affordable homes are completed, owners are required to advertise them in minority and ethnic publications and post them on a free online housing locator website (HousingSearchRI.org) to ensure that all protected groups are informed of the availability of affordable homes. All multi-family HOME projects must submit HUD form 935.2A, and single-family HOME projects must submit HUD form 935.2B, both of which require an analysis of demographic groups least likely to apply for housing opportunities, the establishment of a residency preference area, and proposing marketing activities.

As of the 2010 Census, minority persons made up 23.6% of the state’s population, compared to 18.1% in 2000, and minority, non-white individuals, account for a significant percent of households assisted by affordable housing programs administered by RIHousing. During 2018, of the 465 HOME program units, 47.3% were occupied by minorities—49.8% Hispanic, 31.8% African American, and 15.6% a combination of multiple minority races or ethnicities.

In the development of its Affirmative Action Plan, RIHousing reports on our actions to meet affirmative action guidelines regarding minority participation in programs, contracts for goods and services, and housing development.

The table below describes the income levels and racial/ethnic compositions of households in RIHousing programs.

	HOME	CoC	Road Home	HCVP	Home Purchase Mortgages
Total Number of Households	465	1,139	228	1,551	2,128
# Extremely Low Income	242	663	211	1084	16
# Very Low Income	119	131	15	320	98
# Low Income	90	0	2	123	325
# Moderate Income	14	0	0	23	388
Overall % Minority	47.30%	35.00%	43.00%	28.11%	28.40%
% White	52.70%	65.00%	57.00%	71.89%	71.60%
% Black	31.80%	24.00%	32.00%	23.60%	12.10%
% Hispanic	49.80%	80.00%	27.00%	35.14%	26.20%
% Asian	0.00%	1.00%	0.00%	1.42%	1.30%
% Native American	0.00%	1.00%	1.00%	4.77%	0.20%
% Other	15.60%	1.00%	4.00%	3.29%	0.30%
% Unknown	3.20%	0.00%	5.00%	0.00%	14.60%

*Overall % Minority includes all non-White racial categories. Hispanic participants may also be included in racial categories. For this reason, totals for each column may exceed 100%.*

**Homeownership and Mortgage Services** Rhode Island is committed to providing ownership opportunities for lower income families, in a safe and supportive lending environment. Outreach and education efforts continue to be a priority within RIHousing’s homeownership strategy. During PY 2018, more than 3,500 households were served by homebuyer education and counseling services through RIHousing, 54% of which were through the online homebuyer education platform operated by eHomeAmerica.

RIHousing was very successful in delivering financial assistance to eligible low- and moderate-income buyers this past year. During 2018, RIHousing and its partners originated mortgages for 2,128 low- and moderate-income Rhode Island households totaling \$445,134,479 to purchase or remain in existing affordable homes. An additional \$7,759,815 in second mortgage financing helped 1,127 of these households achieve the dream of homeownership. RIHousing maintained its percentage of new loans to minority borrowers, with 28% of first time homebuyers being either Black, Hispanic, Asian or mixed race.

**Consolidated Plan 2015-2019** In 2014, RIHousing began drafting its most recent Consolidated Plan, the combined assessment of housing needs and strategy to address those needs as required by HUD to continue receiving formula allocations of Community Planning and Development (CPD)

funds for the HOME, CDBG and ESG programs. The Consolidated Plan’s Strategic Plan section is required to summarize all needs and goals associated with housing programs in the State. As stated in the Introduction, all housing programs in the state must affirmatively further fair housing, thus the Consolidated Plan includes as a priority need “removed barriers to fair and affordable housing”. The basis of the need was found in the state’s Regional Analysis of Impediments to Fair Housing Choice (RAI), which was drafted at the same time as the ConPlan. The ConPlan thus includes as its seventh goal to ‘affirmatively further fair housing’. Although the details of strategies to further fair housing in the state are found primarily in the RAI, including this goal in the ConPlan will ensure that all housing programs that seek to be consistent with the state’s ConPlan must acknowledge its role in helping the state achieve this goal and to administer its funding accordingly.

**b. Rhode Island Impediments to Fair Housing**

The state undertook an intensive public participation process to generate the content of its new Regional Analysis of Impediments to Fair Housing Choice (described in part in section a.), which serves as the Analysis of Impediments for the state and six entitlement communities that helped participate in the process. From 2013 to 2015, with the help of a Sustainable Communities Regional Planning Grant, awarded to the state through HUD’s Office of Economic Resilience, the state conducted dozens of mixed-methods public outreach elements, and submitted its final RAI to HUD on or about August 15, 2015. An updated Consolidated Plan (ConPlan) was also submitted to HUD at this time, which reflected the findings of the RAI in its proposed fair housing actions and proposed fair housing outcomes. These two Plans shared a final public hearing on July 8, 2015 with a joint 30-day comment period ending on August 8, 2015. Summaries of all submitted comments and the responses from the state to those comments were submitted to HUD and made available to the public once the final drafts of each Plan were submitted.

The Impediments to Fair Housing, as detailed in the 2015 RAI, per its public draft, include:

- Adverse Market Conditions
- Limited Resources to Address Severe Housing Needs
- Growing Needs of Persons with Disabilities
- Land Use Regulation and Infrastructure
- Ongoing Discrimination

The RAI describes the history and current context of each impediment, while also describing the current actions practiced to alleviate each impediment. Recommendations in Chapter 6 of the RAI propose further actions that will remove or reduce these barriers to fair housing. As part of its annual planning and reporting requirements for the ConPlan, RIHousing will track the progress of fair housing strategies and outcomes and will also include that output in these annual fair housing policy reports.

**c. Increasing Affordable Housing Outside the Urban Core**

**Streamlined Permitting Process** The enactment of the Low and Moderate Income Housing Act in 1991 provided a streamlined permitting process for the development of affordable homes in communities in which less than 10 percent of all housing units are reserved for low and moderate-

income persons. Per the Rhode Island Low and Moderate Income Housing Act, if a permit is denied or approved with conditions that make a proposal infeasible, the Zoning Board's decision may be appealed to the State Housing Appeals Board (SHAB). These cases are reviewed by SHAB, and remanded back to local boards for further review and approval if necessary.

In 2002, the Act was amended to allow for-profit developers to seek comprehensive permits for both rental and homeownership units. Although meeting the 10 percent threshold is not easily enforced, the Act has prompted tremendous public attention on how communities can respond to the housing needs of their low-income residents in a more deliberate and conscientious manner. When the amended law was passed, ten communities had exceeded or were otherwise exempt from the threshold. In 2004, the Act was further amended to place a heavier emphasis on strategic housing planning by all Rhode Island cities and towns. As required under the changes to the Law, the 29 communities that did not meet the 10% goal or the alternate rental formula submitted Affordable Housing Plans laying out strategies for achieving 10% affordable homes. By 2006, all of these plans had been approved by the Office of Statewide Planning. At the end of 2017, one more community had achieved its 10% goal—Burrillville. In 2018, thirteen communities increased their supply of long-term affordable homes.

**Expedited Permitting** In addition to the Low and Moderate Income Housing law, legislation passed in 2008 that enabled an expedited permitting process and designation of certain affordable housing developments as “housing project[s] of critical concern.” As noted in the State Strategic Housing Plan 2006-2010, barriers to the development of affordable homes also included those that result from environmental and other regulatory reviews. The developments that are deemed of “critical concern” must meet certain thresholds, including no fewer than 25% low- and moderate-income affordable homes, meeting local and state affordable housing goals, and promoting the standards of smart growth. Developments must help address a need proportional to a municipality’s shortage of affordable homes and create between 10 and 40 affordable homes. The Housing Resources Commission finalized regulations for the program in January 2009. Given the downturn in the housing market, the legislation has only been used once to date, but it is still a critical tool to reducing barriers and is expected to be more actively used in the future as the housing market recovers.

**HOME** RIHousing administers the HOME Program funded by the U.S. Department of Housing and Urban Development on behalf of the State of Rhode Island. In the administration of the HOME Program, RIHousing encourages an equitable distribution of affordable housing opportunities throughout the state through its application scoring system. Those communities with the lowest percentage of affordable homes receive the highest score in one category. Not only does this increase affordable housing opportunities in those areas with a limited stock of affordable homes, but also it addresses concentrations of affordable housing in inner-city neighborhoods. As homes are completed, owners are required to advertise them in statewide publications as well as minority and ethnic newspapers. All developments containing five or more homes must develop an affirmative marketing plan to attract eligible persons from all ethnic, racial and gender groups. In Program Year 2018 RIHousing awarded \$1,500,000 to two activities. The 2018 awarded funds will produce 89 HOME-assisted units.

RIHousing encourages the use of minority and women-owned businesses in the HOME Program. The state publishes a list, updated monthly, of Minority and Women-Owned Business Enterprises

(MBE/WBE) in Rhode Island. The state now sends out email blasts to its registered MBEs and WBEs announcing potential projects for bidding. All HOME awards are also posted on the RIHousing website with contact information for the funded organizations.

A total of 2 contracts and 36 sub-contracts were executed for those activities that were completed during 2018. Contracts and sub-contracts totaled \$32,538,359. Thirty-six (36) sub-contracts had a total worth of \$12,730,280. Two sub-contracts worth \$1,454,582 were awarded to Minority Business Enterprises.

**Housing Credits/Rental Production** The Low Income Housing Tax Credit Program (LIHTC) is administered by RIHousing and is closely coordinated with the allocation of HOME funds as well as other resources. LIHTC funds are used in combination with other programs, whenever possible, to create new affordable homes in municipalities that have not achieved the state's 10% goal. These funds create more opportunities for affordable homes for minorities who are seeking housing outside the urban core. RIHousing's Qualified Allocation Plan (QAP) for the LIHTC program highlights the contribution to a municipality's low- and moderate-income housing goal as specific criteria by which applications are measured.

Seven LIHTC deals were closed in 2018, which will develop and/or preserve 548 units.

New efforts have begun to better understand the tenants living in homes developed through LIHTCs. In 2018, of the 20,067 persons living in LIHTC units for which race or ethnicity data was collected (94% of all tenants reported information), 49% were either Hispanic in ethnicity or were a race other than White.

d. Increasing Housing for Persons with Disabilities
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RIHousing supports the development of housing for persons with disabilities and provides financing for programs that promote a wider range of housing options and greater independence for disabled Rhode Islanders. All housing financed by RIHousing is designed and constructed in strict accordance with current requirements of the Fair Housing Regulations, Americans With Disabilities Act and applicable building codes. When a development consists of more than fifteen (15) units, a minimum of five percent (5 percent) of those units shall be handicapped-accessible units as defined by the Uniform Federal Accessibility Standards (UFAS) regardless of the use group exception contained in the Building Code. In addition, at least two percent of the total units shall be designed to be accessible to persons who are visually impaired, deaf or hard-of-hearing as defined by UFAS. In all cases, the units shall be designed in order that they can be adapted for use by non-disabled individuals. In addition, RIHousing administers a number of programs specifically targeted to assist residents with special needs.

**Access Independence** RIHousing administers and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) funds this program. RIHousing provides grants and deferred payment loans to modify homes to accommodate eligible persons with developmental disabilities or persons who are technologically dependent. This can include improvements or modifications to a dwelling for home care and/or mobility needs. In 2018, RIHousing provided 17 homeowners with \$177,339 in loans to improve access.

**Housing Opportunities for People with AIDS (HOPWA)** HOPWA funding provides housing assistance and related supportive services to persons living with HIV-AIDS. HOPWA funds may be used for a wide range of housing, social services, program planning and development costs. Many beneficiaries receive supportive services that are funded by HOPWA or other related public and private programs. In fact, states and cities leverage approximately \$2 for every \$1 provided by the HOPWA program according to HUD reports. In 2018, HOPWA-funded programs administered by RIHousing assisted 71 households including persons living with HIV/AIDS. Demographic data for HOPWA is no longer collected.

**Continuum of Care Program** The Continuum of Care (CoC) is funded by U.S. Department of Housing and Urban Development (HUD). Each year, RIHousing submits a competitive application for funding to support a wide array of homeless programs. These programs provide housing and services to Rhode Island's homeless population along a "continuum of care." Between rental assistance and supportive housing programs funded through the competitive Continuum of Care grants, RIHousing was able to provide services and housing for 1,139 households in 2018, of whom 35% were minority households.

**Thresholds** The Thresholds program, funded by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) and administered by RIHousing, provided \$800,000 annually in capital funds for the development of affordable homes for people with mental disabilities. In 2009, Thresholds was expanded to include housing for persons with developmental disabilities. Funding is usually coupled with other capital and operating funds to ensure affordability for the residents. In 2018, 24 affordable homes for persons with physical or mental disabilities received financing through the Thresholds program.

e. Increasing Access to Education and Information
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**Education and Outreach** Increasing access to education and information is an integral goal for RIHousing's mission to provide affordable housing assistance to residents of the state, many of whom are minority and lower-income. RIHousing staff conducts outreach, often geared towards persons who are in greatest need of housing assistance. All of RIHousing's media and outreach campaigns are produced in English and Spanish and most heavily promoted in the urban core and ring cities, where a significant majority of the state's minority population resides.

**HousingSearchRI.org** A housing locator system and database, created to better disseminate housing information through a computer network, is geared to reaching the state's homeless and underserved populations. The Housing Locator project provides a comprehensive database of permanent housing options to clients at all shelters and most transitional housing programs. The Locator provides the most up-to-date housing information and is also a means for conducting needs assessments for housing throughout the state. A page of tenant tools allows those seeking rental housing to calculate affordable rent levels, customized to calculate costs per Rhode Island municipality. The system allows consumers to access through the Internet a search for available homes by various features including location, price, proximity to public transportation and handicapped accessibility. During these years of the foreclosure crisis, the system has been

increasingly useful to help displaced families find safe, affordable homes to which they can relocate. As of the end of the year, there were 264 available homes for rent listed on the system.

**Pre-purchase Homebuyer Education** An important avenue to increase the percentage of minority homeownership is through the provision of homebuyer group education. In classes, prospective homebuyers learn about the home buying process and the many responsibilities homeownership entails. Recent research shows that homebuyers who attend group education and receive individual counseling are less likely to end up with unsafe mortgages and thereby enjoy more sustainable homeownership. In 2018, more than 3,500 households were served by homebuyer education and counseling services through RIHousing, 54% of which were through a new online homebuyer education platform operated by eHomeAmerica. Of the 3,529 individuals who took homebuyer education in 2018, 148 took the in-person Spanish class, while 69 individuals took the online Spanish class.

**Homeowner counseling** The foreclosure crisis continues to plague Rhode Island neighborhoods, particularly in the state's most urban communities. RIHousing opened the HelpCenter in November 2007 to help struggling homeowners keep their homes. The HelpCenter is a HUD-approved counseling center designed to provide counseling and education to help Rhode Islanders avoid foreclosure or cope with the loss of their home; make safe, informed decisions about finding an affordable mortgage; and make sense of their existing mortgage. The Center is designed to help clients understand their options, and provide resources and referrals to help with each individual's situation.

The profile of households served is reflective of RIHousing's mission of serving low- and moderate-income households in diverse markets: 13% were Black or African American; 1.5% were other races (Asian, American Indian, Native Hawaiian); 19% were Hispanic. The HelpCenter has also served diverse age groups (27% householder over 60 years old; 46% between 40 and 59, 13% 39 or below). The household income of HelpCenter clients was not limited to those with low incomes as 45% were households earning 80% or more of area median income.

**Foreclosure mediation services** A statewide foreclosure mediation law spearheaded by former Attorney General Peter Kilmartin that was originally passed by the General Assembly in 2013 and extended to 2023 during the 2018 legislative session has already seen positive results in keeping more Rhode Islanders in their homes. Modeled after a foreclosure mediation process already in place in five Rhode Island municipalities – Providence, Warwick, East Providence, Warren and Cranston – the statewide law has expanded the mediation process to all Rhode Island cities and towns. The law is important as it establishes a consistent, statewide process for helping Rhode Island homeowners avoid foreclosure. RIHousing provides foreclosure mediation services under the law.

RIHousing provides mediation services under this law. There is no cost to the homeowner for the mediation conference or the housing counseling they receive. Many of those that work with the mediation coordinator find the mediation process facilitates a conversation with their lender that often results in a mortgage modification to allow them keep their home, or to come up with some other alternative to foreclosure. Since the law went into effect, RIHousing has sent outreach letters offering mediation services to over 4,474 homeowners across the state in 2018, with the following outcomes: 4.7% of those homeowners had a mediation conference with their lender; and another 2% of the homeowners who were notified of their right to mediation were able to achieve a workout agreement with their lender even before the mediation conference occurred.