

2019 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 to affirmatively further the policies of Chapter 37 of title 34 (Rhode Island Fair Housing Practices Act) and the extent of minority participation in the corporation's programs.

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. Overview of Fair Housing Goals & Guiding Documents

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. These goals are further defined in the state's Consolidated Plan and Analysis of Impediments to Fair Housing, described below.

Note that this Fair Housing Policy Report is the final report submitted under the 2015 – 2019 Consolidated Plan. In 2019, RIHousing and OHCD began drafting the 2020 – 2024 Consolidated Plan and an updated Regional Analysis of Impediments. These documents were submitted to HUD in July 2020 and will be reflected in the 2020 Fair Housing Policy Report.

Consolidated Plan 2015-2019 In 2014, RIHousing began drafting its 2015 - 2019 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 ensures 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.

Analysis of Impediments to Fair Housing 2015 – 2019 The state undertook an intensive public participation process to generate the content of its 2015 - 2019 Regional Analysis of Impediments to Fair Housing Choice, 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 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 taken to alleviate each impediment. Recommendations in Chapter 6 of the RAI propose further actions that will remove or reduce these barriers to fair housing. These include:

- Improving access to homeownership
- Increasing affordable housing opportunities outside of the urban core
- Increasing housing opportunities for people with disabilities and special needs populations
- Promoting education and information on housing opportunities

The remainder of this report provides more details on RIHousing's efforts to affirmatively further fair housing goals, guided by the recommendations described above.

b. Overview of Minority Participation in RIHousing Programs

RIHousing's mission encompasses a wide range of housing assistance, from homeowner lending programs and services, to the development and financing of affordable homes, to the administration of programs for very low-income renters. Rates of minority participation are influenced by the disproportionate representation of minorities in the state's lower income populations. This contributes to an over-representation of minorities in rental subsidy programs and a lower percent of minorities in homeownership programs.

The table below describes the racial/ethnic compositions of households in RIHousing’s largest programs during program year 2019. Note that totals may not add up to 100%; respondents may select more than one option. Additionally, throughout this report, calculations of participation rates are based on only the respondents who provided information on their race and/or ethnicity; those who declined to report their race/ethnicity are excluded from the analysis.

	First Mortgages	LIHTC-Financed Developments	HOME-financed developments	Housing Choice Voucher Program
Total Number of Households	1,726	12,553	2,471	1,558
Households Reporting Race	1,497	9,877	1,966	1,558
% White	84%	73%	65%	69%
% Black	13%	23%	31%	22%
% Other racial minority	2.5%	5%	4%	9 %
Households Reporting Ethnicity	1,452	11,746	2,280	1,558
% Hispanic (of any race)	33%	40%	45%	36%
Total % Racial or Ethnic Minority	44%	54%	62%	60%

c. Improve Access to Homeownership

Rhode Island continues to face significant racial and ethnic disparities in access to homeownership. As of 2018, 67% of White households own their own home, while only 33% of Black households and 29% of Latino households are homeowners. This gap is in large part due to disparities in wealth and income, but is additionally related to lack of access to information about homeownership opportunities and strategies for managing the costs of homeownership. RIHousing is committed to providing ownership opportunities for low- and moderate-income households in a safe and supportive lending environment.

Homeownership and Mortgage Services RIHousing was very successful in delivering financial assistance to eligible low- and moderate-income buyers this past year. During 2019, RIHousing and its partners originated 1,726 first mortgages totaling \$383 million. RIHousing continued to serve a racially and ethnically diverse group of borrowers: 33% were Hispanic; 13% were Black; and 2.5% identified as another racial minority. Overall, 44% of borrowers were part of a minority group.

Extra Assistance Programs For many low- and moderate-income borrowers, the biggest barrier to homeownership is the upfront cost of down payments and closing costs. Over 90% of RIHousing borrowers received additional assistance to help cover their down payment or closing costs in 2019. 1,580 borrowers received assistance through our Spring 7500 program, First Down program, and extra assistance loans. The demographics of borrowers receiving assistance closely matches that of borrowers overall, with 44% of borrowers identifying as a racial or ethnic minority.

Mortgage Credit Certificates The Mortgage Credit Certificate Program lessens the cost of homeownership for first-time buyers with certain loan types by providing them with a tax credit of

up to \$2,000 per year. The credit is also available to non-first-time buyers in certain targeted areas, including Central Falls, Pawtucket, Providence and Woonsocket, in order to expand homeownership opportunities in the urban core. The program is open to borrowers from any authorized lender. In 2019, RIHousing issued 449 Mortgage Credit Certificates. 6.5% of recipients were Hispanic; 6% were Black, and 3% were another racial minority. In total, 16.5% of recipients were part of a minority group. (Due to federal regulations, mortgage credit certificates cannot be combined with FHA loans, which provide affordable mortgage rates to low- and moderate-income borrowers. This regulation precludes many borrowers from participating in the MCC program, leading to lower participation among minority groups.)

Home Repair Programs Home repair programs make it possible for borrowers to purchase homes in need of rehabilitation, which are often more affordable. This provides an opportunity for lower-income borrowers to build equity while also improving the quality of Rhode Island's older housing stock. In 2019, 60 borrowers received loans to help fund home repairs, primarily through the FHA 203(k) loan. 30% of borrowers were Hispanic; 17% were Black; and 4% were another racial minority.

Pre-purchase Homebuyer Education Outreach and education efforts continue to be a priority within RIHousing's homeownership strategy. 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. 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 2019, more than 3,400 households were served by homebuyer education and counseling services through RIHousing, 56% of which were through a new online homebuyer education platform operated by eHomeAmerica. Of the 3,480 individuals who took homebuyer education in 2019, 228 took the class in Spanish either in-person or online.

Homeowner counseling 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: 10% were Black or African American; 2.5% were other races (Asian, American Indian, Native Hawaiian); 17% were Hispanic. The HelpCenter has also served diverse age groups (31% householder over 60 years old; 55% between 40 and 59, 14% 39 or below). The household income of HelpCenter clients was not limited to those with low incomes as 49% 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 continues to see 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 establishes a consistent, statewide process for helping Rhode Island homeowners avoid foreclosure.

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 to keep their home, or to come up with some other alternative to foreclosure. In 2019, RIHousing sent outreach letters offering mediation services to over 4,499 homeowners across the state. 213 of those homeowners, or 4.7%, had a mediation conference with their lender. 78 homeowners, or 37% of those who participated in a conference, were able to enter into a workout agreement with their lender.

c. Increasing Affordable Housing Opportunities Outside the Urban Core

Despite the state's increasing diversity, most of Rhode Island's cities and towns remain highly segregated by race and ethnicity. People of color, regardless of income, are far more likely to live in areas of concentrated poverty or neighborhoods that otherwise offer few of the amenities that are typically associated with opportunity. RIHousing is committed to expanding housing opportunities in communities throughout the state, particularly in rural and suburban communities where affordable housing options are limited.

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.

As of 2019, two additional communities had met the 10% goal laid out in their Affordable Housing Plan. Fourteen communities had increased their stock of affordable housing and the state as a whole had a net increase of 100 units compared to the previous year.

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 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.

45% of tenants in existing HOME-financed properties are Hispanic; 31% are Black; and 4% are a member of another racial minority group. In total, 60% of households living in HOME-financed rental properties are part of a racial/ethnic minority group.

In 2019, RIHousing awarded \$1,005,000 in HOME funds to 4 developments, including two located outside of Providence (in Lincoln and North Kingstown). These developments will include 87 affordable units in total. One of these developments with 40 units is targeted towards elderly tenants, and the remainder are targeted towards families.

Housing Credits 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.

Existing LIHTC properties are racially and ethnically diverse. 40% of the tenants in existing LIHTC-financed rental properties are Hispanic; 23% are Black; and 5% are a member of another racial minority group. In total, 54% of households living in LIHTC-financed properties are members of a racial/ethnic minority group.

Five LIHTC deals were closed in 2019. In total, these projects will develop or preserve 619 affordable units. Two of the properties are located outside of the urban core, one in North Kingstown and one in North Providence. Four developments, with 574 units in total, are targeted towards elderly or disabled tenants, with the remainder targeted towards families.

Housing Choice Voucher Program The Housing Choice Voucher Program (HCVP) is HUD's primary program for tenant-based rental assistance. Under the program, tenants pay 30%-40% of their income towards rent and the program covers the balance. This allows tenants to rent any unit on the open market, promoting housing choice and ensuring that families can live in a unit and a community that best suits their needs. RIHousing administers the program in 17 jurisdictions in communities that do not have their own Public Housing Authority.

In 2019, 1,558 households used vouchers administered by RIHousing. Tenants used these vouchers to rent homes in 30 different towns throughout the state, including many rural and suburban areas outside of the urban core. 36% of HCVP tenants were Hispanic; 22% were Black, and 9% were a member of another racial minority group. In total, 60% of tenants were part of a racial/ethnic minority group.

In 2017, RIHousing and other Public Housing Authorities created a Centralized Waiting List to manage applications to HUD voucher programs including HCVP. The Centralized Waiting List allows applicants to submit a single application for multiple jurisdictions. This streamlined process makes it easier for applicants to apply for assistance in communities throughout the state, and also enhances coordination between PHAs. In 2019, there were over 30,000 unique applicants on the Centralized Waiting List.

d. Increasing Housing for People with Disabilities & Special Needs Populations
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RIHousing supports the development of housing for persons with disabilities and other special needs populations and provides financing for programs that promote a wider range of housing options, including supportive housing. 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 15 units, a minimum of 5% of those units shall be handicapped-accessible units and at least 2% are accessible to persons who are visually impaired, deaf or hard-of-hearing, in compliance with Uniform Federal Accessibility Standards. In addition to these requirements, RIHousing administers several programs that target specific special needs populations, including people with behavioral health needs and people transitioning out of homelessness.

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 2019, RIHousing provided 16 homeowners with loans totaling \$187,281 for accessibility modifications through Access Independence.

Thresholds The Thresholds program, funded by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) and administered by RIHousing, provides capital funds for the development of affordable homes for people with mental and developmental disabilities. Funding is usually coupled with other capital and operating funds to ensure affordability for the residents. In 2019, RIHousing disbursed \$1,838,054 in Thresholds funds to 8 developments. (These awards were originally made in calendar year 2018, but disbursed in 2019.) These awards will support the development or preservation of 30 units for people with disabilities.

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 on behalf of the state's Continuum of Care Committee. These programs provide housing and services to Rhode Island's homeless population along a "continuum of care." Rhode Island's Continuum of Care provided supportive housing for 854 households in 2019, of which 44% were part of a racial/ethnic minority group.

RoadHome The RoadHome program is a RIHousing funded program established in 2007 designed to integrate housing and supportive services for populations who are homeless. The intent of the Program is to reduce homelessness in Rhode Island. Homeless Rhode Islanders participating in RoadHome rental assistance pay 30% of their income toward their housing costs. The remainder of their rent and a stipend to support the services that must be provided to program participants is paid through the program. In 2019, RIHousing administered assistance for 42 households, of which 50% were part of a racial/ethnic minority group.

e. Increasing Access to Education and Information
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Many minority households have limited access to information about housing opportunities throughout the state. For this reason, promoting information on housing programs and opportunities, and targeting these efforts towards communities that may lack awareness, is critical for ensuring equitable participation. RIHousing strives to make informational resources available to all Rhode Islanders, so that they can identify programs and opportunities that are relevant for them.

Outreach & Marketing Increasing access to education and information about housing programs 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. In 2019, RIHousing launched a new agency website. The new website is ADA-compliant and all pages are available in Spanish.

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.

Renter Resource Guide Each year, RIHousing posts a Renter Resource Guide which provides information on housing opportunities throughout the state. The Guide provides an overview of rental assistance programs and provides a listing of affordable housing properties for families, seniors, and special needs populations. The guide also includes contact information for Community Action Partnership agencies that can assist renters in securing utility assistance, financial counselling

and other services for low- and moderate-income households. The guide offers a central resource for renters in an easy-to-use format.