

2022 RIHousing Fair Housing Policy Report

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Introduction

In accordance with section 42-55-22.2, this annual report submitted to the General Assembly details the measures that RIHousing has taken to 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 rate 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 in which its goals for elevating minority participation in fair housing programs, as well as contracts for goods, services, and housing development, are detailed.

Described in the remainder of this report are agency efforts that further the policies of the Fair Housing Act, such as: developing strategies that affirmatively further fair housing; prioritizing the development of homes in areas of opportunity; ensuring equal access to housing for persons with disabilities; and increasing access to education and information about fair housing.

Fair Housing Objectives

Although minority groups comprise only 31.3% of the state's population,¹ minority residents tend to be more highly concentrated in lower-income areas with predominantly renter-occupied housing options when compared to non-minority residents. As a result, rental subsidy programs traditionally see greater rates of minority participation in Rhode Island than do homeownership programs. RIHousing continuously strives to improve homeownership opportunities for low- and moderate-income households in a safe and supportive lending environment through its commitment to affirmatively furthering fair housing. In doing so, the agency affirms its goal to provide equal opportunities for accessible subsidized housing for all eligible Rhode Islanders, among other goals, which are further defined in the state's 2020 – 2024 Consolidated Plan, such as:

- Developing and preserving the existing stock of affordable housing through new construction and rehabilitation for homeowners and renters,
- Preventing and ending homelessness by increasing opportunities for access to affordable housing that meets residents' needs,
- Improving health, safety, and efficiency of all homes by providing safety improvements, energy efficiency improvements, access modifications, or treatment of lead or other home hazards for owner- and renter-occupied housing units,

¹ Based on United States Census Bureau 2020 Decennial Census data.

- Enhancing publicly owned facilities and infrastructure, and increasing economic stability through improved access to jobs, training and education, health and wellness, and more.

Additionally, RIHousing continues to pursue programs that address the impediments described in the State's 2020 Analysis of Impediments to Fair Housing (AI). Such impediments identified in the AI include:

- An inadequate supply of affordable housing that: is accessible to persons with disabilities, provides a healthy home environment, and is located in higher opportunity areas,
- An inadequate level of public transportation to efficiently connect people with employment and other important community assets,
- Public opposition to new affordable housing developments,
- An inadequate level of funding to address affordable housing throughout Rhode Island,
- Discriminatory behavior toward members of the protected classes in their search for housing and their attempts to maintain their housing.

Further, the 2022 RIHousing Five-Year Strategic Plan serves to guide the work of RIHousing in addressing the state's housing issues identified through research and stakeholder engagement. The Plan identifies five strategic goals that reflect a comprehensive approach to addressing those issues. The goals outlined in the Plan for 2022-2027 are the following:

- Increase new housing production for low and middle-income Rhode Islanders,
- Expand partnerships to increase the creation and preservation of affordable homes for Rhode Islanders,
- Drive innovation, diversity, equity and accessibility in housing development, mortgage financing and leasing services,
- Invest in the expansion of partner technical expertise and capacity to develop, preserve, and manage affordable housing across the state,
- Transform RIHousing into a flexible, dynamic, top-performing housing finance agency.

These goals and areas identified for improvement consistently align with RIHousing's ongoing efforts to affirmatively further fair housing, as described throughout this report.

2022 Housing Background

In 2022, RIHousing continued to implement programs targeted to alleviate the housing challenges created by the COVID-19 pandemic, primarily by offering resources to residents struggling to make mortgage and rent payments. An estimated 58% of minority households

in the state reside in renter-occupied housing units, compared to about 30% of White, non-Hispanic households.ⁱ With many of these residents facing the greatest risk of increasing housing-related expenses and reductions in income, achieving high rates of minority participation in COVID-19 relief programs like *RentRelief RI* has been a high priority for the state.

In April 2021, Governor McKee signed the Fair Housing Practices Act, which adds “lawful source of income” to the list of protected classes under Rhode Island’s fair housing laws. This new law prohibits landlords from engaging in actions such as denying housing, limiting access to housing, discouraging home seekers, making or publishing discriminatory statements, or creating different terms, conditions, rules, fees, or standards because of a renter’s reliance on a lawful source of income including rental assistance programs. This measure will help to reduce the barriers to accessing affordable housing for lower-income residents in the state. Information on the rights of tenants under this Act is provided to all RIHousing Housing Choice Voucher Program participants.

COVID-19 Support Programs

In 2022, RIHousing continued its efforts to support Rhode Islanders burdened with housing-related hardships resulting from the COVID-19 pandemic through the *RentRelief RI* initiative. Launched in March 2021, *RentRelief RI* was a federally funded program administered by RIHousing in order to assist renter households in meeting housing expenses such as rental payments, utilities, and other associated costs. The program closed to new applications in July of 2022. By the program’s end, RIHousing had approved over \$275 million in rent and utility assistance to more than 37,000 low-income renters and landlords. 54.9% of funded households for which race and ethnicity information is known identified as belonging to a racial minority group. Further, Hispanic households accounted for about 38.1% of those awarded *RentRelief RI* funding by the end of the program (September 2022). Most of the assisted households (66.9%) were considered extremely low-income, meaning their household incomes were less than 30% of the median household income in their areas.

Homeownership Programs

Currently, Rhode Island’s minority homeownership rate is 42%, compared to the national average minority homeownership rate of 51%.ⁱ Through the many first-time homebuyer assistance programs administered by RIHousing, the agency continues to provide the resources necessary to bridge the homeownership gap that disproportionately burdens lower-income residents and residents belonging to protected classes. With the average minority family in the United States possessing about 12.5% as much wealth as the average White, non-Hispanic family, barriers to homeownership are significantly more prevalent among households from protected classes.ⁱⁱ Having access to stable, high-quality housing is essential for families to access better opportunities for employment, education, and positive health outcomes. However, minority applicants face significantly more barriers to meeting

minimum eligibility criteria than do non-minority applications, including difficulty meeting minimum required credit scores and debt-to-income (DTI) ratios, or saving for a down payment. Research by the Urban Institute also suggests that Black households are significantly less likely to receive alternative forms of down payment assistance, including parental loans. This makes the prospects of becoming a homeowner, particularly at a younger age, increasingly arduous, which risks broadening the wealth gap in the absence of intervention.ⁱⁱⁱ

In 2022, RIHousing continued its efforts to reduce the disparate effects of these barriers for protected classes in part by elevating minority participation in its *First Homes*, *Extra Assistance*, and *10k DPA* programs, as well as by launching the *FirstGenHomeRI* program. During the year, 61.5% of the *First Homes* mortgages were issued to racial or ethnic minorities, as were 65.3% of *10k DPA* and 53.8% of the *Extra Assistance* loans. Minority participation rates rose in the *First Homes* and *Extra Assistance* loan programs during the year, with percentage-point increases of 4.6 and 4.9, respectively, in the share of minority participants across the programs compared to 2021. In 2022, the *FirstGenHomeRI* program was launched to provide downpayment and/or closing cost assistance to first-generation homebuyers. During the first year of the *FirstGenHomeRI* program, 86.5% of participants were reported as ethnic or racial minorities, with 35.1% being Hispanic.

The share of *Mortgage Credit Certificate* (MCC) recipients belonging to racial or ethnic minority groups was about 17.0% during 2022, which is a percentage-point increase of 2.7 compared to 2021. Historically, lower minority participation in the state's MCC program has been attributable to federal regulations that bar mortgage credit certificates from being combined with FHA loans, which provide affordable mortgage rates to low- and moderate-income borrowers. Mortgage credit certificates are also offered to first-time homebuyers across the state, regardless of lender, which means that various demographics are served based on eligibility alone and such outcomes are not directly influenced by RIHousing's AFFH efforts.

Homebuyer Education and Homeowner Counseling

Evidence suggests that homeowner education counseling administered early in the homebuying process has the potential to yield numerous positive outcomes for prospective homeowners, including more secure mortgages, lower housing costs, improved credit scores, and decreased likelihood of delinquency or foreclosure.^{iv} In order to prepare Rhode Islanders to successfully engage in the homebuying process, first-time homebuyers seeking to receive a RIHousing mortgage are required to participate in homebuyer education classes either online or in person prior to closing on their loans. Due to the COVID-19 pandemic, in-person classes were suspended in March 2020 and had yet to resume during 2022. Online courses in both English and Spanish remained available during the year through RIHousing's *eHomeAmerica* homebuyer education platform, as did the virtual homebuyer education classes that initially became available in October 2020. In total, 1,488 residents participated in online homebuyer education in 2022, 30.6% of which identified as non-White and 41.8% of which identified as Hispanic. 139 people (9.3% of all participants) enrolled in the Spanish-instructed option. Similarly, of the 1,656 virtual homebuyer education

enrollees for which race and ethnicity information was available, 66.7% identified as racial or ethnic minorities and 29.1% identified as Hispanic (of any race).

RIHousing has also been offering confidential HUD-approved counseling to struggling homeowners since November 2007 through its HelpCenter services. The HelpCenter specializes in helping Rhode Islanders avoid foreclosure by providing individualized guidance on finding an affordable mortgage or modifying an existing mortgage, budgeting, developing repayment plans, or connecting with RI Legal Services. In 2022, 145 households were supported through HelpCenter counseling, with 32.3% of the 124 who reported on their race and ethnicity (40 households) identifying as racial or ethnic minorities. The HelpCenter also served residents from diverse age groups, with 65.5% of those who reported their age being age 50 or above. Of those counseled during the year, 20.0% were reportedly 65 years old or older. These efforts to prepare Rhode Islanders to engage in the homebuying process and to prevent foreclosure, particularly for members of protected classes, continued in 2022 to align with RIHousing's mission to affirmatively further fair housing.

Home Repair Programs

During 2022, RIHousing continued to provide lead hazard remediation resources for homes constructed prior to 1978 that were finished with lead-based paint. The total number of households that were issued loans through RIHousing's *LeadSafe Homes* program in 2022 was 38, with 63.2% (24 units) occupied by low-income households. Of the households for which demographic data was available, 70.4% identified as racial or ethnic minorities. 48.2% of those households identified as Hispanic. In 2019, Rhode Island was awarded an \$8.4 million grant to support lead abatement efforts in four census tracts in Pawtucket and Central Falls with a high number of minority and low-income households and a high incidence of blood lead poisoning cases. RIHousing has since received HUD approval to expand targeting to East Providence and Newport as well as all of Pawtucket, and Central Falls.

RIHousing's home repair programs not only serve to improve the quality of Rhode Island's older housing stock, but also make homebuying significantly more accessible for lower-income prospective homeowners since homes in need of rehabilitation tend to be more affordable than newer homes. While the majority of the resources offered by RIHousing to residents for home repair are made available through its *LeadSafe Homes* program, the agency also issued 5 FHA 203(k) loans in 2022, which help to defray the costs of any necessary repairs.

Rental Housing Development

Of the 1,544 housing units developed or preserved during 2022, 32.8% were set aside for families (507 units), and 54.7% were set aside for seniors (847 units). Additionally, housing units funded through the *HOME and LIHTC* programs, which aim to increase affordable housing opportunities for low- and very low-income residents, were predominantly occupied by minority residents during the year. RIHousing had 1,534 units funded by the HOME

program and 8,484 units funded through the LIHTC program under its management in 2022. Of those *HOME*-funded units for which race and ethnicity information was available, 71.5% of occupants identified as racial or ethnic minorities, with 37.4% of occupants identifying as Hispanic. Similarly, 79.6% of the households residing in *LIHTC*-funded units for which demographic data was available identified as racial or ethnic minorities, and 28.4% identified as Hispanic.

Many of Rhode Island's cities and towns remain highly segregated by race and ethnicity despite increasing resident diversity in recent years. People of color, regardless of income, are significantly 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. 61% of the units developed or preserved in 2022 were in municipalities located outside of the urban core, which tend to have higher opportunity in education, labor force engagement, environmental health, and lower concentrations of poverty than those within the urban core². Increasing the stock of rental units in cities and towns with greater opportunities for economic mobility is essential for continuing to enable upward mobility for the state's disadvantaged populations. Additionally, more than a quarter of the 1,318 units funded during the year were in Cumberland (126 units), South Kingstown (115 units), Tiverton (59 units), and Bristol (47 units), which are four of the 27 municipalities in Rhode Island that have not yet met the state's requirement that at least 10% of the supply of housing be classified as affordable as of 2021.

To further promote equal opportunities for disadvantaged groups, RIHousing requires that all contractors and suppliers of goods and services sign contracts containing an Equal Opportunity Clause, in accordance with Rhode Island General Law 28-5.1. Additionally, RIHousing makes every effort to solicit bids from Minority Business Enterprises and Women's Business Enterprises (MWBE). This mission includes the execution of housing construction contracts, where all multi-family contracts aspire to utilize MWBE firms for a minimum of 10% of the total number of contractors involved and 10% of the total work hours employed. 13.6% of all contracts active during Fiscal Year 2022 (July 1, 2021 – June 30, 2022) were dedicated to MWBE firms. 46.6% (759,981 hours) of the work hours used on all developments during the year were completed by minority contractors, and about 2% (27,765 hours) were completed by female contractors.

² Cities considered part of the urban core in Rhode Island are: Central Falls, Newport, Providence, Pawtucket, and Woonsocket.

Rental Assistance and Homelessness Prevention Programs

RIHousing continued in 2022 to assist disadvantaged residents through the administration of various rental assistance programs, including the *Housing Choice Voucher Program* (HCVP), as well as sponsor-based programs such as *Road Home* and the *RI Continuum of Care* (RiCoC). These programs aid those who qualify in avoiding homelessness and accessing housing subsidies and supportive services.

The table below details the racial and ethnic compositions of households in the *Housing Choice Voucher Program* (HCVP), *Road Home*, and *Rhode Island Continuum of Care* (RiCoC) programs, which are targeted specifically towards lower-income renter households. Note that percentages in this table may not add up to 100% as respondents may select more than one option for race/ethnicity. Calculations of participation rates are based on the respondents who provided information on their race and/or ethnicity; thus, excluded from this analysis are participants who declined to report their race/ethnicity.

	<i>HCVP</i>	<i>Road Home</i>	<i>Continuum of Care</i>
Total Number of Vouchers Issued	1,444	48	358
% White, Non-Hispanic	41.1%	59.6%	65.6%
Total % Racial or Ethnic Minority	58.9%	40.4%	34.4%
% Black	24.7%	38.3%	24.1%
% Hispanic (of any race)	40.5%	4.3%	9.5%
% Other Racial or Ethnic Minority ³	10.1%	2.1%	6.7%

RIHousing also continued to administer the *Family Self-Sufficiency Program* (FSS) in 2022, which links HCVP participants with resources aimed to help them avoid future housing insecurity. Such resources may be provided by private and public agencies and include job training, education, and other services that improve access to stable employment and financial independence. In 2022, RIHousing had a total of 145 families enrolled by the end of the year. In total, \$199,731 in FSS escrow funds was disbursed in 2022.

³ Other Racial or Ethnic Minorities may include participants who reported their race as Asian or American Indian.

RIHousing Diversity Initiatives

In tandem with its mission to affirmatively further housing opportunities for Rhode Island residents, RIHousing is also dedicated to promoting a diverse staff by employing qualified members of both protected and non-protected groups. The agency also sets forth a yearly Affirmative Action Plan, through which it details its initiatives for outreach, recruitment, training, and other similar programs seeking to increase RIHousing employment opportunities for underrepresented groups. In 2022, RIHousing continued to achieve positive outcomes through its affirmative employment efforts. Black and Hispanic applicants made up 11.4% and 31.4% of all new hires, respectively, and 58.4% of RIHousing employees who received promotions during the year identified as Hispanic, Black, or other non-Hispanic racial minority groups. To further promote diversity and inclusion within RIHousing, the agency continues to highlight its diversity statement in all job descriptions and postings, encourage participation in the Employee Referral Program, and celebrate diversity and inclusion on the RIHousing website through employee testimonials. Of the 241 employees that were active by the end of 2022, 28.2% (68 employees) identified as Hispanic and another 12.0 % (29 employees) identified as non-Hispanic racial minorities. To enhance our recruitment efforts, we have partnered with PDN (Professional Diversity Network) for assistance with our job distribution.

RIHousing has contracted with the Exeter Group, a consulting firm that partners with organizations across multiple sectors to improve employee and stakeholder equity. Interviews with key stakeholders were conducted to understand our employees' perceptions of diversity, equity, inclusion, and belonging within our agency. We also began offering a cultural competency training series to employees in addition to anti-harassment training, in which employees are encouraged to participate. To demonstrate our commitment to DEIB, we added Juneteenth to the official observed holiday list and rebranded Columbus Day as Indigenous Peoples Day.

We encourage our staff to come together and participate in diverse volunteer opportunities to further cultivate a sense of pride in RIHousing. Our staff connect and give back to the community through activities such as building homes through Habitat for Humanity and working with youth members of the Boys and Girls Club. A strong Agency-staff relationship is created and maintained through employee appreciation and wellness events that are curated with intentionality and care. We serve all Rhode Islanders, including our employees and their families. We provide equitable compensation and competitive employee benefits package designed to support the physical and financial wellness of our employees and their families. Staff report positive feelings about their work environment and a deep connection to our mission.

- ⁱ U.S. Census Bureau (2021). S2502Demographic Characteristics for Occupied Housing Units. <https://data.census.gov/table?q=housing+tenure&g=0100000US&y=2021&tid=ACSST1Y2021.S2502>.
- ⁱⁱ Kunjukunju, Sam. "A Hand Up with a Down Payment." *American Bankers Association.ABA Banking Journal* 113, no. 3 (May, 2021): 40. <https://www.proquest.com/scholarly-journals/hand-up-with-down-payment/docview/2528887620/se-2?accountid=9758>.
- ⁱⁱⁱ Stegman, Michael, and Mike Loftin. "An Essential Role for Down Payment Assistance in Closing America's Racial Homeownership and Wealth Gaps." Housing Finance Policy Center. Urban Institute, April 2021. https://www.urban.org/sites/default/files/publication/104134/an-essential-role-for-down-payment-assistance-in-closing-americas-racial-homeownership-and-wealth-gaps_0.pdf.
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