

**Rhode Island Housing  
Affirmative Action and  
Fair Housing Policy Report  
2016-2017**

## Table of Contents

### I. Minority Population in Rhode Island

Table 1: Minority Population in RI, 2000-2016

Table 2: Minority Populations by Rhode Island Municipalities, 2012-2016

#### Minority Owners and Renters

Table 3: Minority Renters and Homeowners, 2012-2016

Figure 1: Comparison of Homeownership Rates by Race, 2012-2016

Figure 2: Minority Cost Burden in RI, 2012-2016

### II. Minority Participation in Rhode Island Housing Programs

Table 4: Affirmative Action Chart – Minority program participation

### III. Efforts to Increase Participation

#### A. Housing Programs

First Homes/Second Mortgages

HOME Program

Housing Credits

#### *Housing Programs for Disabled Persons*

Access Independence

HOPWA

RoadHome

Continuum of Care

Deferred Payment Special Needs Funding

Thresholds

#### B. Response to Foreclosure Crisis

Neighborhood Revitalization

HelpCenter

Hardest Hit Funding

Foreclosure Mediation Law

Just Cause Legislation

#### C. Affirmatively Furthering Fair Housing

HomeLocatorRI.net

Policy on Affirmative Fair Marketing

Streamlined Permitting Process

#### D. Education and Outreach

Pre-purchase Homebuyer Education and Counseling

FairHousingRI.org

Affirmative Action Awards

Increasing MBE Participation

## Appendix A: Minority Population in Rhode Island Municipalities, 2000 and 2012-2016

## **Introduction**

In accordance with Chapter 42-55-22.2, RIHousing submits this report to the General Assembly on the measures the agency has taken in 2016 and 2017 to affirmatively further the policies of Chapter 37 of Title 34 of Rhode Island General Laws (Rhode Island Fair Housing Practices Act), and on the extent of minority participation in RIHousing's programs in 2016 and 2017.

RIHousing administers all of its programs and activities related to housing and community development in a manner that affirmatively furthers the policies of the Rhode Island Fair Housing Practices Act. Over time, the specific programs offered by RIHousing have changed, and some of the programs cited in the statute no longer exist. This report speaks to the current RIHousing programs and practices.

Recognizing the importance of affirmatively furthering fair housing, RIHousing plays a leadership role in the state to increase the rates of minority homeownership, and to ensure that minority households 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 as well as in contracts for goods, services, and housing development.

RIHousing also collaborates with partners across the state to implement the strategies developed to affirmatively further fair housing that are defined in the Analysis of Impediments to Fair Housing report that is required by HUD. In 2009, RIHousing and the state's Office of Housing and Community Development issued a policy statement asserting the requirement that all housing that meets the state's definition of Low- and Moderate-Income Housing must be affirmatively marketed, including listing on the statewide housing locator website and listings in minority newspapers as well as one of general circulation.

The regulations governing the Community Development Block Grant (CDBG), HOME Investment Partnerships and federal public housing programs also require recipient jurisdictions and public housing agencies to certify that they will affirmatively further fair housing. To be certified, HUD grantees must conduct a written analysis of impediments to fair housing choice within the jurisdiction (the Analysis of Impediments, or AI); take action to overcome the effects of any impediments identified through the AI; and maintain records reflecting both the AI and fair housing activities. In August 2015, the state completed a Regional Analysis of Impediments to Fair Housing, a process coordinated between the state and its six Entitlement Communities that share this requirement as these communities get funding directly from HUD. Impediments to fair housing choice include any actions, omissions, or decisions taken because of race, disability, family status, etc. (i.e., membership in a "protected class"), which restrict housing choices or the availability of housing choices or any actions, omissions, or decisions that have this effect. Fair housing laws cover all housing, not just subsidized housing.

The first section of this report provides an overview of the minority distribution of Rhode Island's population and minority participation in RIHousing programs. This is followed by a report on the programs and initiatives RIHousing has developed to increase minority participation in programs and contracting and affirmatively further the policies of Chapter 37 of Title 34. The report concludes with a section that highlights the impediments and barriers to fair housing in Rhode Island.

## I. Minority Population in Rhode Island

As illustrated in the table below, Rhode Island’s minority (non-white) population increased 44.4% from 2000 to 2012-2016, according to the American Community Survey, and now stands at 26% of the state’s population. The state’s Hispanic population accounts for more than half of the total minority population, and comprises 14.1% of the state’s total population—over 148,000 persons. The state’s other minority groups also experienced slight increases, but each still comprise significantly fewer persons—African-Americans with 57,348 (5.4%) and Asians with 34,003 (3.2%). None of the minority groups experienced a decrease from 2000 to 2012-2016.

**Table 1: Minority Population in Rhode Island, 2000, 2006-2010 and 2012-2016**

Race	2000		2006-2010		2008-2012		2012-2016		Percent Change Since 2000
	Number	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent	
Non Hispanic White	858,433	81.9%	818,087	77.4%	803,802	76.4%	780,278	74.0%	-9.1%
Minority Population	189,886	18.1%	238,302	22.6%	248,669	23.6%	274,213	26.0%	44.4%
Hispanic or Latino	90,820	8.7%	124,432	11.8%	131,316	12.5%	148,375	14.1%	63.4%
Black (non-Hispanic)	41,922	4.0%	54,648	5.2%	54,595	5.2%	57,348	5.4%	36.8%
Asian (non-Hispanic)	23,736	2.3%	30,810	2.9%	31,673	3.0%	34,003	3.2%	43.3%
Other	33,408	3.2%	28,412	2.7%	31,085	3.0%	34,487	3.3%	3.2%

Source: US Census Bureau; 5-year American Community Survey

As in many parts of the nation, the majority of minorities live in the state’s more urban communities. Aggregate racial data is available for all Rhode Island cities and towns using the most recent 5-year American Community Survey estimates. The top three include Central Falls (79.4% minority), Providence (65.2% minority), and Pawtucket (49.6% minority).

**Table 2: Top Ten RI Municipalities by % Population that is Minority, 2000 and 2012-2016**

RI Municipalities	2000 Minority Population	2012-2016 Minority Population Estimate	Change
Central Falls	60.0%	79.4%	35%
Providence	54.2%	65.2%	24%
Pawtucket	30.9%	49.6%	57%
Woonsocket	20.2%	31.2%	48%
Cranston	12.8%	26.5%	111%
Newport	18.3%	23.2%	17%
North Providence	10.2%	22.2%	117%
East Providence	14.5%	20.5%	37%
Middletown	12.4%	19.2%	43%
West Warwick	7.7%	13.0%	65%

Source: US Census Bureau; American Community Survey. See Appendix Table A for all RI Municipalities.

## Minority Owners and Renters

Minority households in Rhode Island continue to be under-represented as homeowners and over-represented as renters. In 2000, of the state’s minority population 28% were owners and 72% were renters. By 2016, 33.1% were homeowners and 66.9% were renters. Although there was a period of modest gains during the housing boom years, minority homeownership rates are still roughly half that of non-Hispanic Whites, whose homeownership rate was 67% in 2012-2016.

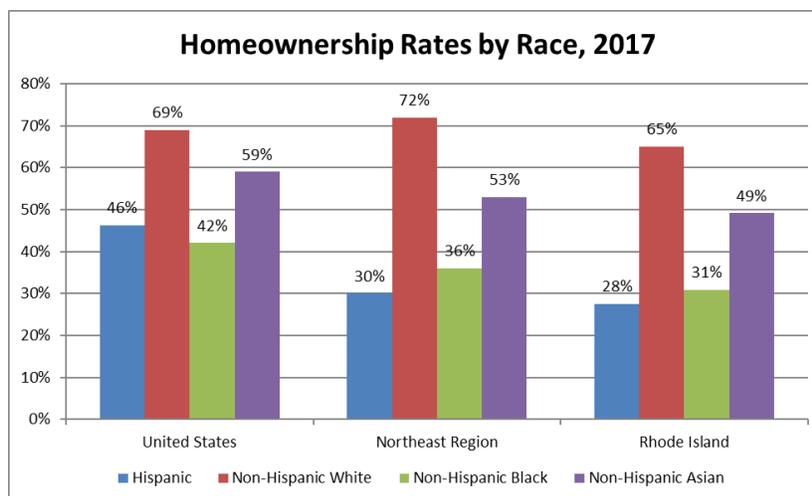
**Table 3: Percent of Minorities That Are Renters and Homeowners, 2012-2016**  
(Municipalities with % Minorities that Rent higher than that of the State are shown).

	% Minorities who Own	% Minorities who Rent
<i>State of Rhode Island</i>	33.1%	66.9%
Newport	13.8%	86.2%
Woonsocket	19.1%	80.9%
Central Falls	20.6%	79.4%
Warren	27.1%	72.9%
Providence	27.3%	72.7%
Pawtucket	28.0%	72.0%
Middletown	28.5%	71.5%
West Warwick	28.8%	71.2%
East Providence	32.3%	67.7%
South Kingstown	32.6%	67.4%

Source: 2012-2016 American Community Survey

Homeownership rates for the state’s major racial or ethnic groups are slightly lower than the Northeast, and also lag behind national rates of homeownership by race, as seen in Figure 1 below. Overall, minority households are less likely to own their own homes in Rhode Island, compared to the non-Hispanic White population. Only 28% of Hispanic households in the state owned their own home in 2017, compared to 31% of African-American households, 49% of Asian households and 65% of Non-Hispanic Whites. Still, rates of homeownership for minority groups have improved over the last decade.

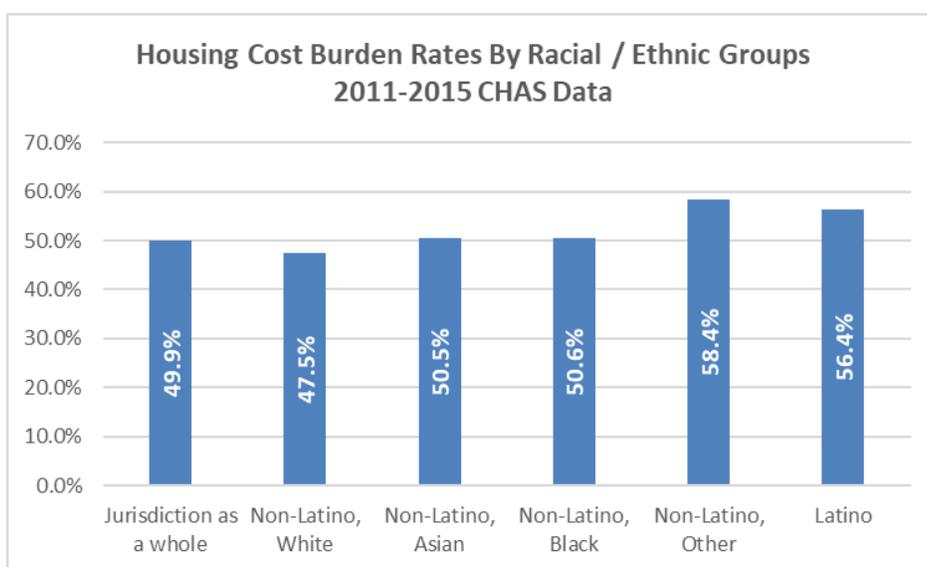
**Figure 1: Comparison of Homeownership Rates by Race, 2017**



The disparity between minority and white homeownership has been a persistent problem in the United States. A number of federal programs and administrations have sought to address this issue. Some gains made in the earlier part of the decade were lost as a result of the foreclosure crisis, which disproportionately impacted the highest minority Census Tracts.

At the root of these differences are disparities of income and access to jobs, which in turn creates a disproportionate housing cost burden on minority households. As can be seen in Figure 2 below, minority persons in Rhode Island have higher housing cost burdens than non-Hispanic White Rhode Islanders. As of 2015 (most recent data available for this type of analysis), Non-Hispanic Whites consistently faced lower housing cost burdens than almost all minority populations.

**Figure 2: Minority vs. White Rental Cost Burdens in Rhode Island, 2015**



*Source: 2015 American Community Survey CHAS data*

## II. 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.

Table 4 shows the rate of minority participation in RIHousing programs during the years 2016 and 2017. Consistent with their over-representation in the state’s lowest income households, the programs that serve the lower income and most vulnerable population’s needs (e.g., Continuum of Care, RoadHome, Housing Choice Vouchers, HOPWA, and StateRAP) served the largest percentage of minorities.

**Table 4: Affirmative Action Chart – Minority program participation**

Program	2016			2017		
	Total Households	Number Minority	Percent Minority	Total Households	Number Minority	Percent Minority
HOME	36	22	61.1%	92	92	100.0%
Continuum of Care (PSH)	534	232	43.4%	602	237	39.4%
HOPWA	63	38	60.3%	66	48	72.7%
StateRAP	176	29	16.5%	166	53	31.9%
RoadHome	276	116	42.0%	275	126	45.8%
Housing Choice Vouchers	1,277	887	69.5%	1,652	1,134	68.6%
Home Purchase Mortgages	1,669	417	25.0%	1,751	491	28.0%

Source: RIHousing

### III. Efforts to Increase Participation

#### A. HOUSING PROGRAMS

Recognizing the under-representation of minorities as homeowners as well as the concentration of minority groups in certain municipalities and areas of the state, RIHousing actively promotes minority participation in all its programs and an equitable geographic distribution of affordable homes throughout the state. RIHousing also continues to promote a diverse staff that is reflective of the state. Thirty-two percent of its staff is minority.

RIHousing’s programs include the following:

**First Homes/Second Mortgages.** RIHousing’s homeownership division provides first-time homebuyer loans, home-equity loans, loans for repair and renovation, and a wide range of homebuyer education programs. Services and programs geared towards potential homeowners who may be more likely to be minority includes: Section 8 to homeownership loans, assistance with purchasing of foreclosed homes by first-time homebuyers, and multi-family homebuyer education classes. In 2017, 491 minority households became first-time homebuyers through RIHousing, representing 28% of our home mortgage originations (retail and participating lenders combined), up from 18% in 2012. RIHousing’s FirstHomes Tax Credit program provides qualified first-time Rhode Island homebuyers with a mortgage credit certificate (MCC) which can be used as a dollar-for-dollar tax credit of up to \$2,000 against their federal tax liability for the life of their loan. Of the 1,768 MCCs issued in 2016 and 2017, 340 (19%) were to minority households. No programmatic information regarding Home Equity Conversion Mortgages (HECMs) is being provided in this report as RIHousing is not currently offering a HECM product.

**HOME** 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 urban neighborhoods. As units are completed, owners are required to advertise the homes in statewide publications as well as minority and ethnic newspapers. All developments containing five or more units must develop an affirmative marketing plan to attract eligible persons from all ethnic, racial, and gender groups. In 2017, RIHousing completed the development of 92 affordable units through HOME. Of the 92 homes created through HOME funds, 100% were occupied by minority households at initial occupancy.

**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. As of 2017, 48% of tenants in LIHTC developments were minorities.

**Home Repairs** RIHousing's home-repair loans help qualified Rhode Island homeowners ensure that their home is a safe, healthy place to live. These fixed rate, low-interest loans can be used for a variety of home improvement projects, from energy efficiency updates to heating system repairs and much more. Demographic data for this program is unavailable at this time.

### ***Housing Programs for Persons with Disabilities***

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 of the 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 over fifteen (15) units, a minimum of five percent (5%) 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 (2%) of the total units shall be designed accessible to the visual and hearing impaired as defined by UFAS. In all cases, the units shall be designed in order that they can be adapted for use by non-handicapped individuals. In addition, RIHousing administers a number of programs specifically targeted to assist residents with special needs. Of the 193 new affordable units added to the state's low- to moderate-income housing stock in 2017, 12 are reserved for special needs populations. These homes are developed with permanent supports and services relevant to household needs, and these homes expanded the supply of special needs housing in two Rhode Island communities.

**Access Independence.** This program is administered by RIHousing and funded by the state's Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH).

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 2016 and 2017 combined, the program approved \$215,550 in funding to 21 households.

**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 two dollars for every one dollar provided by the HOPWA program, according to HUD reports. In 2017, 66 households including persons living with HIV/AIDS were assisted through HOPWA funded programs administered by RIHousing, of which 73% were minorities.

**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.

**Continuum of Care** The Continuum of Care (CoC) is funded by the 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 602 households in 2017, of whom 39% were minority households.

**Thresholds** The Thresholds program, funded by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) and administered by RIHousing, provides approximately \$1 million 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 2017, 38 affordable homes for persons with physical or mental disabilities received capital financing through the Thresholds program.

## **B. RESPONSE TO FORECLOSURE CRISIS**

### **HelpCenter**

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.

In 2016 and 2017, more than 1,464 households have received counseling services through the HelpCenter. Each client receives an average of six hours of one-on-one counseling, plus many more hours of staff time devoted to the negotiation of the workout. Of the closed cases, approximately 42% have had resolutions that involved keeping the home. The profile of these households is reflective of RIHousing's mission of serving low- and moderate-income households in diverse markets: 73% of the households have incomes under \$60,000/yr, and 14% speak Spanish as their first language.

### **Hardest Hit Fund Rhode Island**

The U.S. Treasury has made available to Rhode Islanders over \$98 million to help those at risk of losing their homes. RIHousing was designated by the Treasury to oversee the Hardest Hit Fund Rhode Island (HHFRI). The goal of HHFRI was to prevent avoidable foreclosures by helping homeowners who are unable to make their mortgage payments due to a hardship such as job loss or underemployment. Hardest Hit funds were available to homeowners who had a documented financial hardship and had exhausted all options to maintain mortgage payments and avoid foreclosure. Over time, program assistance was also made available to promote homeownership in areas hit hard by foreclosures through down payment assistance. In 2016 and 2017, there were 1,779 registered HHFRI applicants. Of the 1,267 funded loans, 364 (29%) were to minority households.

### **Foreclosure Mediation Law**

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. This 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.

## **C. AFFIRMATIVELY FURTHERING FAIR HOUSING**

### **HousingSearchRI.org**

RIHousing and its partners established a web-based housing locator in 2008 to help Rhode Islanders search for a home that is affordable to them. Some of the key features include a live call-center to provide assistance to people seeking housing or posting affordable homes, a user-friendly on-line search site available in Spanish and English, and special tools to help agencies serving the homeless link their clients to permanent supportive housing.

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. Currently, there are 259 available homes listed on the system.

### **Policy on Affirmative Fair Marketing**

Building on actions taken during the past five years, the state continues to affirmatively further fair housing through a 2009 joint policy on Affirmative Marketing of Low- and Moderate-Income Housing between the Office of Housing and Community Development and RIHousing. The policy

affirms the agency goals pertaining to two legal obligations: 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 in the state. As affordable homes are completed, owners are required to advertise them in minority and ethnic publications and posting them on a free on-line housing locator website (HousingSearchRI.org) to ensure that all protected groups are informed of the availability of affordable homes. All projects containing five or more affordable homes must develop an affirmative marketing plan to attract eligible persons from all ethnic, racial and gender groups. Programs are also evaluated to determine the extent to which they are meeting the needs of minority communities.

## **D. EDUCATION AND OUTREACH**

Education and outreach play an integral role in RIHousing’s mission to provide affordable housing assistance to residents of the state, many of whom are minority and lower-income. All of RIHousing’s media and outreach campaigns are produced in English and Spanish and most heavily promoted in the urban core and urban ring cities, where a significant majority of the state’s minority population resides.

### **Pre-purchase Homebuyer Education and Counseling**

An important avenue to increase the percentage of minority homeownership is through the provision of homebuyer group education and individual counseling. In classes, prospective homebuyers learn about the home buying process and the many responsibilities homeownership entails. In individual counseling, clients work one-on-one to improve their credit standing to become mortgage-ready. 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 2017, our Homeownership staff taught in-person homebuyer education classes to 1,797 Rhode Island families and individuals, and an additional 1,558 persons took homebuyer education online through the training platform eHome America, which provides convenient, online classes in English and Spanish.

### **Increasing Minority Business Enterprise Participation**

RIHousing promotes the use of minority and women-owned businesses in all of the developments we finance. Requests for Proposals encourage applications from these businesses, and all recipients of development financing are encouraged to establish a goal of achieving at least 10% participation by minority- or women-owned businesses or minority workers in the development work. The HOME Program included eight major contracts and 142 sub-contracts on the projects completed in 2017. Of the eight major contracts, one went to a minority business enterprise while zero went to a women business enterprise. Of the 142 sub-contracts that helped develop HOME units in 2017, 53 went to minority business enterprises and seven went to women business enterprises.

**Appendix A: Minority Population by Municipality (2000 and 2012-2016)**

RI Municipalities	2000 Minority Population	2012-2016 Minority Population Estimate	Change
Central Falls	60.0%	79%	35%
Providence	54.2%	65%	24%
Pawtucket	30.9%	50%	57%
Woonsocket	20.2%	31%	48%
Cranston	12.8%	26%	111%
Middletown	12.4%	19%	43%
Newport	18.3%	23%	17%
East Providence	14.5%	20%	37%
North Providence	10.2%	22%	117%
Johnston	4.5%	13%	192%
West Warwick	7.7%	13%	69%
Lincoln	5.6%	13%	112%
South Kingstown	9.6%	12%	38%
Warwick	5.7%	11%	87%
Barrington	4.3%	8%	86%
Smithfield	3.3%	8%	146%
Westerly	5.6%	8%	56%
North Kingstown	5.3%	9%	75%
Foster	3.2%	5%	63%
Portsmouth	5.1%	8%	55%
Cumberland	4.5%	9%	108%
East Greenwich	4.9%	10%	112%
Exeter	4.5%	8%	97%
Hopkinton	3.9%	5%	41%
Jamestown	3.1%	9%	1561%
Richmond	3.8%	6%	66%
Burrillville	2.0%	4%	231%
Charlestown	4.3%	7%	60%
Warren	3.8%	4%	-7%
North Smithfield	2.0%	5%	825%
Bristol	3.7%	7%	98%
Narragansett	5.0%	5%	-7%
Coventry	3.2%	5%	70%
West Greenwich	2.7%	9%	292%
New Shoreham	3.1%	6%	-67%
Scituate	2.4%	2%	-37%
Little Compton	2.0%	5%	-48%
Tiverton	2.4%	4%	137%
Glocester	2.1%	5%	138%

Sources

2000: SF1, US Decennial Census; 2012-2016: American Community Survey, Table B03002