Housing Governance Report

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The FY25 Enacted Budget included a new reporting requirement for the Department of Housing. This report – due December 31, 2024 – will review and recommend options for housing governance.

Statutory Language

"On or before December 31, 2024 develop a housing organizational plan to be provided to the general assembly that includes a review, analysis, and assessment of functions related to housing of all state departments, quasi-public agencies, boards, and commissions.

Provided, further, the secretary, with the input from each department, agency, board, and commission, shall include in the plan comprehensive options, including the advantages and disadvantages of each option and recommendations relating to the functions and structure of the department of housing, including suggested statutory revisions."

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Approach to the analysis

Summary of Report Process

	Landscape analysis	Opportunity and Criteria Definition	Develop and Review Governance Options	Refine and Recommend
Process Step				
Key Question	*What is the current status of housing-related functions?*	*What are the challenges/ opportunities that governance can address? What are criteria of success?*	*How effectively do different governance options address those challenges/opportunities?*	*What are the emerging top options?*
Process Inputs	*The draft Phase 1 and 2 Report is available here: https://housing.ri.gov/data-reports/housing-governance-report-2024*		• National best practices • Proposed options from prior reports • Stakeholder input • Input from departments, quasi-publics, commissions, and boards	• Stakeholder input • Discussions with departments, quasi-publics, commissions, and boards

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Landscape analysis inputs

- **Survey of state departments, quasi-public agencies, commissions, and boards**: There were 36 survey responses received as of November 2024.

- **Stakeholder survey**: There were four stakeholder survey responses received.

- **Stakeholder interviews:** 12 individual stakeholder interviews were conducted.

- **Review of existing reports**: Five reports were reviewed for analysis and inputs of current landscape and gaps/opportunities.

- **Review of existing statutes**: Five statutes were reviewed.

Entitites Reporting Role in Housing Policy Area
(2024 Organizational Survey, 36 Respondents)
See Appendix B for full list of respondents

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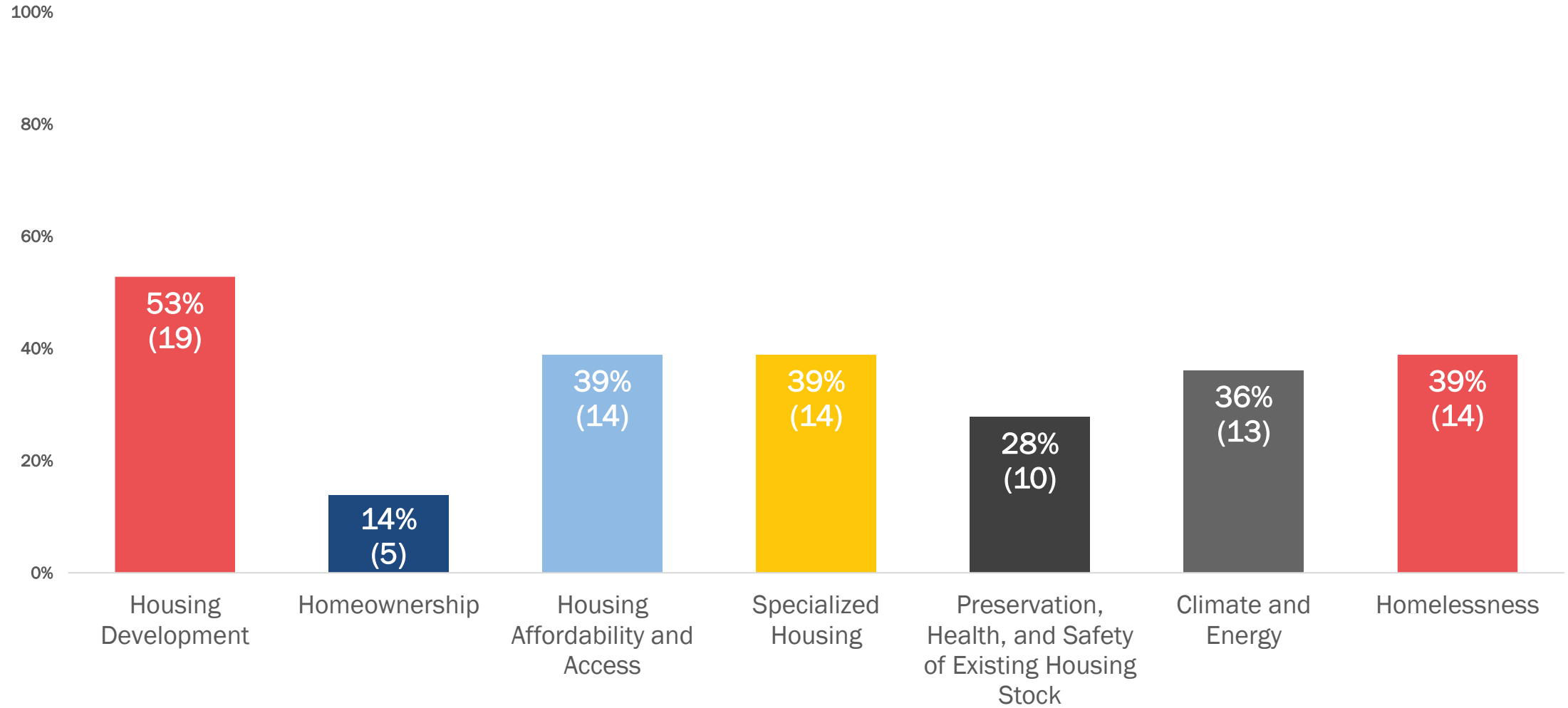
Review, analysis, and assessment of functions

Policy Areas

1. **Housing Development:** Housing development relates to activities that help to build, redevelop, and produce new housing. Broadly defined, this policy area includes but is not limited to, land use; construction; financing; permitting; infrastructure; predevelopment; land assembly and disposition; etc.
2. **Homeownership:** Homeownership relates to activities such as financing homeownership or supporting individuals or families in becoming homeowners. Examples include financing mortgages; marketing and brokering real estate; down payment assistance; financial literacy; homeowner education; assessing homeownership data; etc.
3. **Housing affordability and access:** Housing affordability and access relates to activities that focus on ensuring housing is affordable for households and that households have the supports they need to access and maintain stable housing. This may include activities related to housing vouchers; housing navigation support; state or federal programs to maintain housing (e.g., LIHEAP); landlord-tenant relationships; eviction prevention; monitoring deed restrictions; financing related to affordability requirements; tracking data on housing affordability; etc.
4. **Specialized housing:** Specialized housing relates to housing that is for specific populations or purposes, such as Assisted Living facilities, Transitional Housing, Recovery Housing, etc.
5. **Preservation, health, and safety of existing housing stock:** Preservation relates to ensuring existing housing remains in good repair and available for habitation. For example, managing home repair programs; healthy housing (e.g., lead, mold, asbestos); building inspections; enforcement of code requirements; etc.
6. **Climate and energy:** This area includes areas such as climate resilience, climate adaptation, renewable energy, energy infrastructure, energy efficiency/use related to housing.
7. **Homelessness:** Homelessness includes activities related to addressing homelessness, including prevention, intervention, and planning activities.

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Phase 1: Landscape Analysis – Overview

General Overview

- **The current governance structure is fragmented** – the delineation of roles and responsibilities amongst entities is unclear and often duplicative - both in statute and in practice. Stakeholders identified the need for centralizing authority and resources to align efforts across all housing policy areas and enable proactive policymaking and innovation, with the Department of Housing serving as a primary facilitator among agencies

- **It is unclear how organizations are related to each other to create cohesion and clarity** in the function of housing development – for example, the Department of Housing and RIHousing do not have a formal statutory relationship, except for the Department's charge to 'oversee all housing activities.' While the Department staffs the Housing Resources Commission (HRC), the Department and HRC similarly do not have a statutory relationship.

- **Several entities are charged with developing strategic plans for housing and for homelessness**, but each plan has slightly different purposes and the interconnection and enforceability of the plans is unclear. As a result, programs and financing are not being implemented in a cohesive manner, potentially limiting the impact of the state's resources.

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Emerging analysis, cont.

- **Entities are not structured or resourced optimally to achieve their goals.** The Department of Housing has limited formal or informal structures to coordinate across housing and homelessness programs managed by other state agencies to fulfill its charge as the lead agency for housing, homelessness, and community development. The HRC in its current state is not optimally structured to execute on its broad mandate (of note, the Department and HRC have highly duplicative statutory roles). Resource gaps in staffing and funding are preventing entities from effectively executing their missions. Among other things, these resourcing challenges lead to long wait times for permitting, funding, and support, which in turn impedes municipalities, developers, and others from advancing their projects.

- **Data is dispersed across agencies and programs, making it difficult to have a comprehensive picture of housing and homelessness gaps and opportunities.** Currently, many entities are required to produce regular reports, but the utility of these reports to drive policymaking is unclear. Enhanced data sharing between state agencies, community organizations, and boards and commissions could reduce duplicative work while providing a more comprehensive view of overall housing needs.

- **The complexity of the current ecosystem – where authority and responsibility for policy and programs are dispersed across many entities – makes it difficult to track information or processes.** Stakeholders noted that this can lead to a sense of low government transparency and accountability. In addition, the dispersion of responsibility limits effective, regular communication and feedback opportunities about policies and programs, as it is unclear which entities are responsible for proactive communication of which opportunities.

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Phase 2: Opportunity Criteria

Phase 2 identified the following opportunities to address major challenges identified in the landscape analysis.

- **Ensuring role clarity:** Reduce complexity for system users and establish clear roles, responsibilities, and relationships among housing and homelessness entities.
  - Clarify roles and responsibilities, beginning with areas of statutory duplication and then identifying gaps and defining decision-making processes.
  - Modernize statutes to reflect organizational structure, scopes, and constitutional realities.
  - Establish governance structures that prevent conflicts of interest, align with best practices, and streamline communication with municipalities, providers, developers, clients, and other key stakeholders
  - Clarify and/or develop mechanisms for municipal partnership and coordination.

- **Being proactive, not reactive:** Boost proactive and coordinated planning, program evaluation, innovation, and data activities.
  - Strengthen strategic planning processes, ensuring that strategic plans are kept up to date.
  - Clarify coordination of and accountability for strategic planning functions and policymaking, including hierarchy and relationship among strategic plans.
  - Enhance data sharing, collaboration, and reporting between state agencies, community organizations, and boards and commissions to reduce duplicative work while providing a more comprehensive view of overall housing needs in the state.
  - Establish program evaluation process with performance metrics to track progress, identify bottlenecks, and inform process improvements.
  - Ensure meaningful role for stakeholders in planning processes and policy development.

- **Maximizing resources and streamlining operations:** Ensure alignment in budgets, financing, and programs and state entities' work on housing and homelessness.
  - Coordinate or consolidate budget processes to strengthen alignment with statewide strategy and policy goals.
  - Coordinate or consolidate program application processes and program requirements to ensure funding sources are effectively leveraged and minimize complexity for applicants.
  - Address resource gaps in staffing and funding to ensure housing organizations can effectively execute their missions.

- **Ensuring transparency and accountability:** Clarify and streamline processes and systems for decision-making.
  - Align responsibility and authority across housing policy areas.
  - Develop clear frameworks that empower stakeholders with the tools and resources they need to engage meaningfully.
  - Standardize metrics for evaluating success of the housing and homelessness systems.

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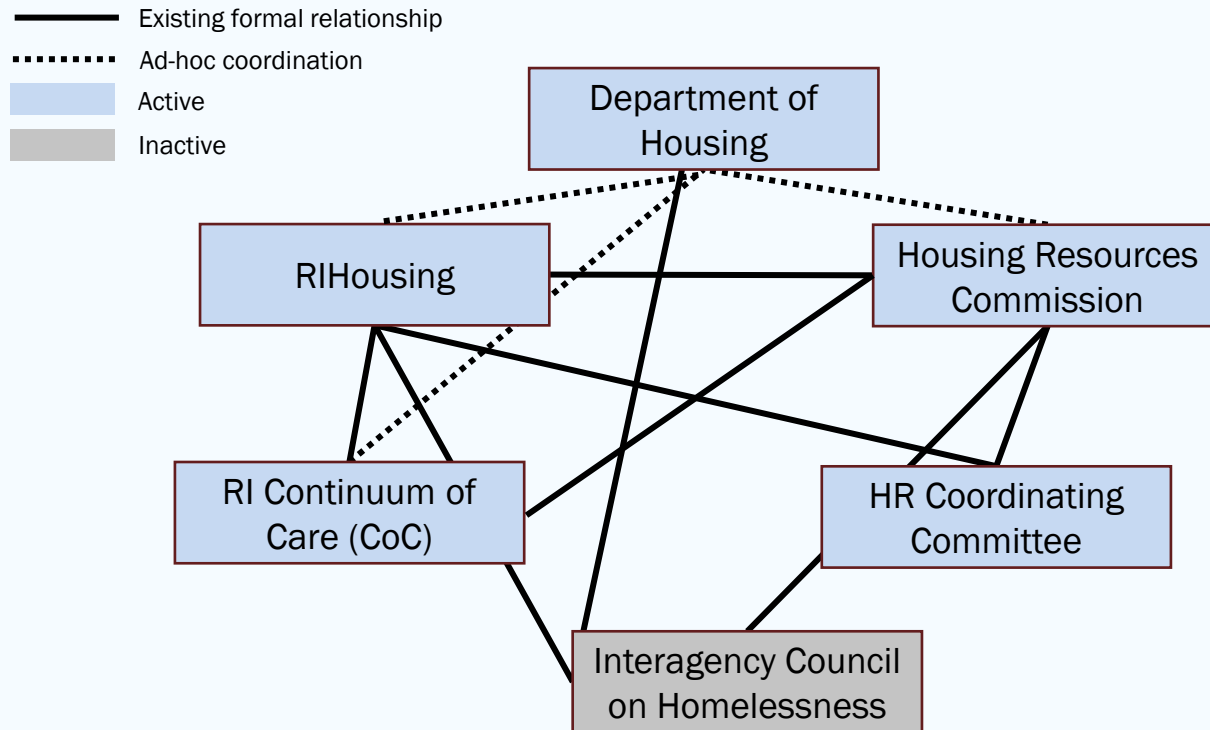# Of note: Any change in governance requires thoughtful change management.

Notes on transition

- The options being discussed should be considered a possible 'end state' for housing governance.

- Moving from current status to any potential option would require focused and thoughtful attention, and should be managed over a period of time to ensure continuity of operations.

- After the governance plan is adopted, a more detailed transition plan should be developed that speaks to the timeline and process for any such changes.

Current Model

As documented in the Phase 1 and 2 report, the current governance structure is fragmented – the delineation of roles and responsibilities amongst entities is unclear and often duplicative - both in statute and in practice.

Current State

Legend:
- ——— Existing formal relationship
- ········ Ad-hoc coordination
- ▢ (blue) Active
- ▢ (gray) Inactive

Entities shown: Department of Housing, RIHousing, Housing Resources Commission, RI Continuum of Care (CoC), HR Coordinating Committee, Interagency Council on Homelessness (inactive)

Phase 2 Opportunity Criteria

Options development is responsive to the following opportunities:

- **Ensuring role clarity:** Reduce complexity for system users and establish clear roles, responsibilities, and relationships among housing and homelessness entities.

- **Being proactive, not reactive:** Boost proactive and coordinated planning, program evaluation, innovation, and data activities.

- **Maximizing resources and streamlining operations:** Ensure alignment in budgets, financing, and programs and state entities' work on housing and homelessness.

- **Ensuring transparency and accountability:** Clarify and streamline processes and systems for decision-making.

Core Housing Entities

A wide array of state departments, quasi-public agencies, boards, and commissions are involved in housing functions in the state, as documented in the Landscape Analysis. Focusing on the core housing entities:
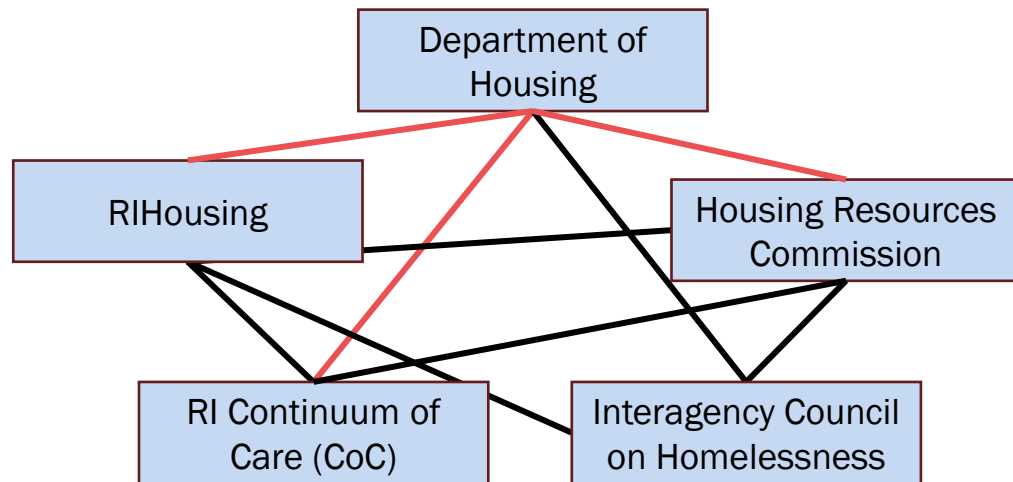
Options focus on the following key housing entities at the core of RI's executive branch housing governance model.

Entity	Type of Entity	Best Positioned to:
Department of Housing	State Agency	• Lead housing and homelessness policy development and strategic planning • Coordinate cross-agency and cross-entity housing initiatives • Ensure policy alignment and accountability across entities • Submit state budget requests, which inform the Governor's annual budget proposal
Housing Resources Commission (HRC)	Cross-sector Commission established by statute	• Advise the State on housing and homelessness planning from a range of perspectives, especially non-governmental perspectives • Assemble relevant stakeholders to address emerging or priority needs
Housing Resources Coordinating Committee (HRCC)	Committee established by statute	• Unclear purpose at this time (duplicative with Department)
RIHousing	Quasi-Public Agency	• Manage and monitor financing for housing development, preservation, and homeownership in a nimble manner • Engage directly with clients/customers
RI Continuum of Care (CoC)	Federally defined entity	• Fulfill federal requirements for CoCs, including operate the CoC, designate HMIS, and conduct CoC planning
Interagency Council on Homelessness	Council established by statute	• Advise on policy development and strategic planning to address homelessness across agencies • Facilitate interagency collaboration to prevent homelessness • Advisory Council provides recommendations to the Interagency Council on homelessness needs and policy

Straw Options Presented in Phase 3

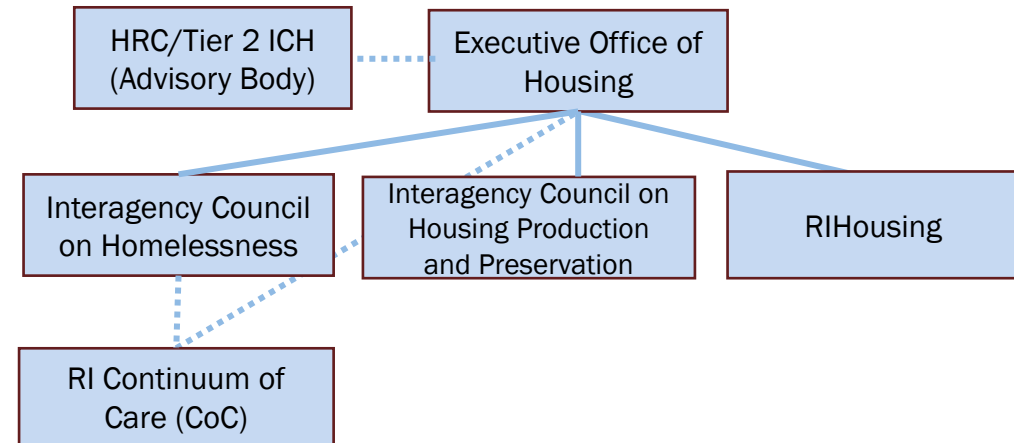| Option 1:	Option 2:
Clarify roles and formalize the relationship between the Department and other key entities, eliminate the HRCC, streamline duplicative planning functions	*Centralize policy, strategic planning functions, and funding with the Department of Housing, with direct leadership connections to HFA board and councils*

Option 1 diagram:
- Department of Housing
- RIHousing
- Housing Resources Commission
- RI Continuum of Care (CoC)
- Interagency Council on Homelessness

— Existing formal relationship
— New formal relationship

* Placement is not meant to indicate hierarchy

Option 2 diagram:
- HRC/Tier 2 ICH (Advisory Body)
- Executive Office of Housing
- Interagency Council on Homelessness
- Interagency Council on Housing Production and Preservation
- RIHousing
- RI Continuum of Care (CoC)

— Direct leadership relationship (i.e. Chair of board or council)
···· Advisory or coordination relationship

DRAFT FOR DISCUSSION AND INPUT

Straw Option Details

	Option 1: Enhance Coordination	Option 2: Enhance Coordination and Consolidate Policy and Financing
Department of Housing (HSG)	• Align responsibility and authority for strategic planning and policy development within the Department of Housing, advised by the Housing Resources Commission and Interagency Council on Homelessness. For example, this would include responsibility for conducting the Consolidated Plan, developing the state housing guide plan element, and strategic plan to end homelessness. • Align responsibility and authority for state financing for housing and homelessness within the Dept. This would include moving Housing Production Fund to the Dept. • Dept becomes a statutory member of the RIHousing Board. • Dept is added as a statutory member of the HRC, staffs the HRC, and is advised by the HRC. • Dept chairs and staffs the Interagency Council on Homelessness. ICH policy and planning responsibilities move to the Dept, and support execution of homelessness strategy.	• Department becomes an "Executive Office of Housing" with coordination of other agencies required by statute. Secretary chairs the Interagency Council on Homelessness and a new Interagency Council on Housing Production and Preservation. The Secretary of Housing has a leadership role at RI Housing, as chair of the board. • Align responsibility and authority for strategic planning and policy development within the Department of Housing, advised by the Housing Resources Commission. For example, this would include responsibility for conducting the Consolidated Plan, developing the state housing guide plan element, and strategic plan to end homelessness. • Align responsibility and authority for state financing for housing and homelessness within the Dept. This would include moving Housing Production Fund to the Dept. • The Department and RIHousing will determine which federal housing programs should be transitioned to the Department. • The HRC and the Tier 2 Interagency Council on Homelessness are consolidated to become an overarching Governor's Council on Housing and Homelessness. Membership is updated and focused on community partners, impacted communities, experts, and advocates. Dept provides administrative support.
Housing Resources Commission (HRC)	• HRC becomes the core advisory body for housing to the State (i.e. a Advisory Council on Housing) and can assemble relevant stakeholders to address emerging or priority needs • HRC direct management responsibilities are moved to executive branch agencies that have staff capacity. For example, lead mitigation moves to RIDOH.	• The HRC and the Advisory Council to the Interagency Council on Homelessness are consolidated to become an overarching Advisory Council on Housing and Homelessness. Membership is updated and focused on community partners, impacted communities, experts, and advocates. Dept provides administrative support. • HRC direct management responsibilities are moved to executive branch agencies that have staff capacity. For example, lead mitigation moves to RIDOH.
HRCC	• The HR Coordinating Committee is eliminated; the Dept. takes over responsibility for interagency coordination and for Housing Production Fund (HPF)	
RIHousing	• Dept becomes a statutory member of the RIHousing Board. • Dept is responsible for development of future Consolidated Plans.	• The Secretary of Housing has a leadership role at RIHousing, as chair of the board. • The Department and RIHousing will determine which federal housing programs should be transitioned to the Department. • Dept is responsible for development of future Consolidated Plans.
RI Continuum of Care (CoC)	• Enhance current federally required coordination activities through an MOU stating roles, responsibilities, and collaboration across Dept, CoC, and ICH, including formalizing the Funding Committee	• At next federal cycle, recommend that the RICoC consider naming the Dept as the collaborative applicant to further consolidate and allow for enhanced coordination. • Recommend that RICoC consider engaging the ICH as the body to ratify RICoC funding decisions, to ensure alignment with interagency funding
Interagency Council on Homelessness	• Dept chairs and staffs the Interagency Council on Homelessness. ICH policy and planning responsibilities move to the Dept, and support execution of homelessness strategy.	• Dept chairs and staffs the Interagency Council on Homelessness. ICH policy and planning responsibilities move to the Dept, and support execution of homelessness strategy. • The HRC and the Advisory Council to the Interagency Council on Homelessness are consolidated to become an overarching Governor's Council on Housing and Homelessness. Membership is updated and focused on community partners, impacted communities, experts, and advocates. Dept provides administrative support.

Reviewing the Options for Consideration

Process

- These options were circulated to stakeholders and posted online on December 3, 2024.

- To gather feedback, the Department held three virtual sessions on December 5 and 6. Thank you to the 44 people who attended these sessions and provided incredible feedback!

- For those who were not able to join, we welcomed feedback via email or in individual meetings. There were 5 individual meetings held and several emails received.

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Summary of Feedback

Option 1

Advantages:

- Department of Housing as the Planning, Policy, and Strategy Lead
- Elimination of the HRCC
- HRC Transition to an Advisory Body
- Reactivation of the Interagency Council on Homelessness

Disadvantages:

- Does not fully address challenges of fragmentation identified in landscape analysis; not as responsive as Option 2

Option 2

Advantages:

- Option 1 advantages, +
- Enhanced role clarity and reduced duplication
- Establishment of the two interagency councils

Disadvantages:

- Department resources and capacity
- Consolidation of funding and financing responsibilities
- Sufficiency of consolidation
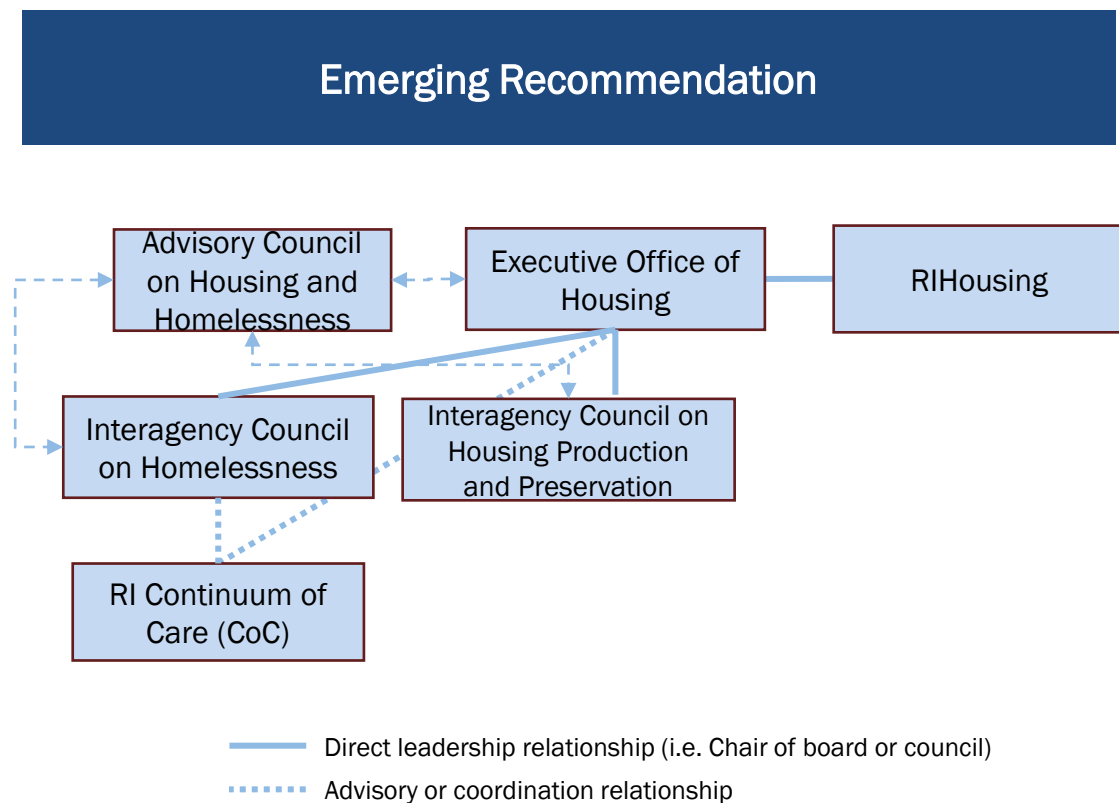
Other Considerations/Feedback

Options development:

- Transition of federal programs from RIHousing to Department
- Combining vs. separating housing and homelessness on interagency and advisory bodies
- Department's relationship with RICoC
- Defining advisory body role, responsibility, and representation
- Interagency and municipal coordination
- Department research & data analysis capacity and resources

General Feedback:

- More specificity needed
- Concerns about federal policy shifts
- Report timeline

Phase 4: Emerging Recommendation

Upon reflection on the feedback from stakeholders and the advantages and disadvantages of potential models, the Department recommends moving forward with a modified version of Option 2, as visualized below.

Emerging Recommendation

Advisory Council on Housing and Homelessness

Executive Office of Housing

RIHousing

Interagency Council on Homelessness

Interagency Council on Housing Production and Preservation

RI Continuum of Care (CoC)

—— Direct leadership relationship (i.e. Chair of board or council)

········· Advisory or coordination relationship

- *Advisory Council on Housing and Homelessness*: Provide specific tasks for the Advisory Council that are substantive, discrete, and leverage the broad range of experience at the Council. In addition, make explicit that recommendations from the Advisory Council can be directed to the Executive Office or either of the Interagency Councils for consideration.

- *RIHousing Board:* To maintain the current size and composition of the body, recommend replacing the Department of Business Regulation Director as an ex officio member with the Secretary of Housing, who would be the statutory chair.

- *Municipal support consolidation:* Consolidate municipal support into the Executive Office of Housing to have a 'one-stop-shop' as much as possible to support municipalities in navigating state systems and gaining technical assistance.

Next Steps

Finalizing Report

- Final drafting and editing over the next two weeks

- Submission by December 31, 2024

- Ongoing discussions through the legislative process

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Thank you!

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