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Could RI act as a housing developer? The state is commissioning a study to look into it



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The state Department of Housing and R.I. Housing plan to study the feasibility of having the state act as a housing developer.

The agencies will "soon be issuing an RFP to commission a feasibility study that will explore various models of publicly driven housing production," Joseph Lindstrom, a spokesman for the Department of Housing, wrote in an email.

During the last legislative session, the progressive group Reclaim Rhode Island urged lawmakers to create the nation's first public housing development agency, but ultimately came up short. The group's proposal involved establishing a revolving fund to build mixed-income housing, an approach used in Montgomery County, Maryland.

Lindstrom said housing officials plan to "assess the efficacy and applicability of the Montgomery County approach (or elements thereof) and other such approaches" in their study.

The process will involve seeking input "from various stakeholders including the Low and Moderate Income Housing Act Commission, the Public Housing Association of Rhode Island, housing developers, and Reclaim RI," he said.

"We look forward to the undertaking of this exercise and this dialogue," Lindstrom wrote.

Housing: Three apartment buildings with commercial spaces get an OK in Providence. Here's where.

Plan praised as 'due diligence'

House Speaker K. Joseph Shekarchi, who has said the public-developer model is worth exploring, described the study as a way to do "due diligence."

"I fully support this approach of a feasibility study and conducting due diligence for this unique concept," Shekarchi said in a statement. "I am enthusiastic about the Montgomery County model, which is built on publicly owned land, and we would be the first state in the nation to undertake such a program."

Reclaim Rhode Island also expressed support, while adding that it was essential for the study to be completed before the next legislative session.

"We're grateful that Secretary Pryor is exploring a major expansion of public housing because it's clear that the private market cannot solve this housing crisis on its own," Reclaim co-chair Daniel Denvir said in a statement. "Once the study is completed, Reclaim RI is excited to work with legislators to ensure our public housing authorities receive the funding they require to build the homes Rhode Islanders need."

Melina Lodge, executive director of the Housing Network of Rhode Island, also commended the agencies "for their effort to ensure that we collectively do our due diligence."

"As the lack of housing stock and housing unaffordability continues to take center stage, there are many ideas emerging about how best to address and solve the issues at hand," she said. "It is important that any solutions we ultimately implement are not only financially feasible, but create the types of homes that are needed by low and moderate income Rhode Islanders at price points that are actually affordable to them."

She added: "As the trade association for the state's nonprofit housing development community, the Housing Network looks forward to participating in the dialogue and offering our input and expertise in the development of an RFP and beyond."

One town is already acting as a developer — but there are key differences

The Town of Middletown is already taking matters into its own hands, purchasing 4.5 acres of land this spring with the intent of building 20 single-family houses that would be subject to income restrictions.

However, those deed restrictions will expire after 30 years, the Newport Daily News reported at the time.

That's a key difference from the Montgomery County model, in which housing built by the government is permanently publicly owned. The Maryland model also relies on building apartments where some tenants pay market rent to help subsidize the cost of less-expensive units, rather than selling single-family homes.