

TITLE 45
Towns and cities

CHAPTER 45-60
Block Island Housing Board

SECTION 45-60-1

§ 45-60-1 Creation of board. – (a) There is created and established a body politic and corporate to be known as the "Block Island housing board" to carry out the provisions of this chapter. The board is constituted a public instrumentality exercising public and essential governmental functions, and the exercise by the board of the powers conferred by this chapter are deemed and held to be the performance of an essential governmental function of the town of New Shoreham.

(b) The board shall consist of seven (7) members all of whom shall be year-round residents of Block Island.

(c) Three (3) members of the board will be elected at large on a nonpartisan ballot by the voters of the town of New Shoreham to four (4) year terms. Candidates receiving the three (3) highest vote totals will be elected. In the first election, three (3) members will be elected; the two (2) receiving higher vote counts for four (4) years; one receiving the third highest count to a two (2) year term. In subsequent elections, there will be two (2) openings, followed two (2) years later with one opening, each for four (4) year terms, provided, however, that the town council of the town of New Shoreham shall appoint these three (3) members until the first regular town election following the enactment of this chapter.

(d) The New Shoreham town council shall appoint four (4) other members for two (2) year terms. Two (2) members shall represent a conservation group and a housing advocacy group respectively, the third shall be knowledgeable in real estate in the town. The remaining member shall be from the community at large.

(e) Should a board member resign for health or other reasons, the town council will appoint a person to fill the unexpired term of the vacating board member.

(f) Annually, the board shall elect from among its members a chairperson and vice-chairperson. The board will appoint a treasurer who will maintain books of record in conjunction with the town treasurer. The board may elect any other officers it determines necessary. Meetings shall be held monthly, at a time to be determined by the board, at the call of the chairperson, or at the request of four (4) members. Four (4) members shall constitute a quorum and action taken by the board under the provisions of this chapter may be authorized by a majority of the members present and voting at any regular or special meeting.

(g) The board may appoint and employ an executive director on a full, part-time or contract basis, whose duties may include, but not be limited to:

(1) Supervise and administer allocations made through the trust fund in accordance with this chapter and with the rules and regulations of the board;

(2) Act as the chief administrative officer having general charge of the office and records;

(3) Act as executive secretary of the board; and

(4) Perform other duties as determined by the board which are in accordance with this chapter and with the rules and regulations of the board.

(h) The board shall hire legal counsel whose selection is subject to the approval for the town of New Shoreham for legal services.

SECTION 45-60-2

§ 45-60-2 Block Island housing trust fund. – (a) There is created a special designated account to be known as the "Block Island housing fund." The fund shall be administered by the board and expenditures from the fund are made only to implement and effectuate the policies and purposes of this chapter. Funds shall consist of monies or in-kind donations from whatever source. These may include, but are not limited to, monies from the general treasury of the town, seasonal house rental taxes of no more than one percent (1%) of prevailing market rate, contributions from private or public sources, loans from private or financial institutions, grants, gifts or bequests.

(b) No funds shall be transferred from the housing trust account for investment or any other purpose without prior approval by the housing trust board.

(c) Unexpended balances and any earnings shall not revert to the town general fund but shall remain in the housing fund for use in accord with the purposes of this chapter.

SECTION 45-60-3

§ 45-60-3 General powers and duties of the board. – (a) The board shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including, without limitation, those general powers provided to a nonprofit corporation and including, without limiting the generality of the foregoing, the power to:

(1) Upon application from an eligible applicant in a form prescribed by the board, provide funding in the form of grants, loans, loan guarantees, lines of credit, rental assistance or any other means determined to further the goals of the trust for eligible activities;

(2) Enter into cooperative agreements with private organizations or individuals or with any agency or instrumentality of the United States or of this state or town to carry out the purposes of this chapter;

(3) Purchase, sell, build, develop or restore real estate, the objective of which is to create affordable year-round and seasonal housing in perpetuity;

(4) Sell property to eligible applicants, such property may be deed-restricted such that affordability will remain in perpetuity;

(5) Rent or lease real estate the board may own or lease from others;

(6) Solicit bequests and accept donations;

(7) The selling to or renting/leasing to applicants will be done in accordance with the provisions of the Rhode Island Fair Housing Practices Act, chapter 37 of title 34;

(8) Collect taxes on behalf of the town of New Shoreham from those owners engaged in the business of renting, leasing, letting, or granting a license to use any seasonal rental in accordance with §§ 45-60-6 and 45-60-7, and the taxes so imposed shall be in addition to all other taxes imposed by law.

(b) The board shall adopt reasonable rules and regulations governing the conduct of trust affairs, including the acquisition and management of its holdings, not inconsistent with the provisions of this chapter. All rules and regulations of the trust are subject to the approval of the town council.

(c) All meetings of the housing board shall be open to the public except that this provision shall not be deemed to prevent holding of executive sessions, provided all votes are taken in public or closed meeting with recorded vote taken in accordance with chapter 46 of title 42, the Rhode Island open meetings law.

SECTION 45-60-4

§ 45-60-4 Allocation system. – (a) In determining the allocation of funds available for the purposes of this chapter, the board shall evaluate each proposal on the basis of the following criteria which may include, but not be limited to:

(1) The need for a timely response to unpredictable circumstances or special opportunities to serve the purposes of this chapter;

(2) The level of funding or other participation by private or public sources in the activity being considered for funding by the board;

(3) What resources will be required in the future to sustain the project;

(4) The long-term effect of proposed activity and the likelihood that the activity will result in the preservation of affordability in perpetuity;

(5) The board's allocation system shall include a method, defined by rule, that evaluates the need for, impact of, and quality of, activities proposed by applicants.

(b) Affordable housing projects must result in units which remain affordable for the maximum time allowed by law; the housing board shall retain first right of refusal in the event of sale or transfer of such properties for which funds from this trust fund have been used.

SECTION 45-60-5

§ 45-60-5 Annual report. – At the end of each fiscal year which is defined to begin on July 1 and continue through June 30 of each year, the board shall submit a report concerning its activities to the town council. More frequent reports may be given as requested. The report shall include, but not be limited to, the following:

(1) A list and description of activities funded by the board during the preceding year;

(2) A list of taxes and/or contributions received by the board, whatever their form or nature, and the source of the taxes and/or contributions, unless anonymity is a condition of a particular contribution. The record of individual payments shall be kept confidential, as are sales and income tax records;

(3) A full report of the board's activities;

(4) Fund statements will be audited annually by a certified public accounting firm engaged by the housing board.

SECTION 45-60-6

§ 45-60-6 Imposition of seasonal rental tax, rate, procedure, enforcement, exemptions. [Contingent effective date; see notes]. – (a) It is hereby declared to be the legislative intent that every owner is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license to use any living quarters or sleeping or housekeeping accommodations in, from, or a part of, or in connection with any seasonal rental. However, any owner who rents, leases, lets, or grants a license to others to use, occupy, or enter upon any living quarters or sleeping or housekeeping accommodations in seasonal rentals and who exclusively enters into a bona fide written agreement for continuous residence for longer than six (6) months in duration at such property is not exercising a taxable privilege. For the exercise of such taxable privilege, a tax is hereby levied in an amount equal to no more than one percent (1%) of the actual rent received for such seasonal rental by owner. Such tax shall apply to seasonal rental whether or not there is in connection with any of the same any dining rooms, cafes, or other places where meals or lunches are sold or served to guests. For purposes of this

chapter "seasonal rental" shall mean any home or apartment rented for six (6) months or less.

(b) The owner receiving the rent shall remit the tax to the town treasurer for deposit into the Block Island housing fund at the end of the rental season but no later than February 15th of the following year or at some other time as designated by the Block Island housing board.

(c) The tax levied by this section shall not apply to, be imposed upon, or collected from any person who shall have entered into a bona fide written lease for longer than six (6) months in duration for continuous residence at any one seasonal rental.

(d) The tax imposed by this section shall constitute a lien on the property on which the seasonal rental is located in the same manner as and shall be collectible as are liens authorized and imposed by chapter 9 of title 44.

SECTION 45-60-7

§ 45-60-7 Collections of seasonal rental tax. – (a) When receipt of consideration is by way of property other than money, the tax shall be levied and imposed on the fair market value of such nonmonetary consideration.

(b) The owner of the seasonal rental shall remit the tax to the town treasurer for deposit into the Block Island housing fund at the end of the rental season but no later than February 15th of the following year or at some other time as designated by the Block Island housing board.

(c) The town treasurer shall keep records showing the amount of taxes collected, which records shall disclose the taxes collected from each owner of such seasonal rental. The records of individual payments shall be kept confidential, as are sales and income tax records.

(d) The collections received by the town treasurer shall be deposited into the Block Island housing fund for use by the board as provided in this chapter.

(e) The board shall promulgate such rules and shall prescribe and publish such forms as may be necessary to effectuate the purposes of this section including, but not limited to, procedures for collection, timing, due dates and mailing of tax notices. The board is authorized to establish audit procedures and to assess for delinquent taxes.

(f) Any tax levied pursuant to this section shall be in addition to any other tax imposed pursuant to chapter 44-5-1 et seq., and in addition to all other taxes and fees and the consideration for the rental or lease.