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EXHIBIT A
EXECUTIVE SUMMARY
STATE OF RHODE ISLAND

[The Pathways to Removing Obstacles \(PRO Housing\)](#) NOFO is a competitive grant program administered by HUD that seeks to remove barriers to affordable housing production and preservation.

Rhode Island faces many barriers to housing production and has a history of low investment in housing development over the past decade, Rhode Island ranked last in the nation for production of housing and over the past eight years, second to last in per capita state housing spend in New England.¹ The State has made several large investments to change this pattern and break barriers to housing development. In the past two years, the State of Rhode Island has:

- created a Rhode Island Department of Housing,
- authorized the establishment of a quasi-governmental Proactive Development Entity to advance the development of housing, both affordable housing and market rate, in the State.
- invested 28% of the State’s ARPA funds (\$321.5MM) in programs to develop housing and reduce homelessness, including:
 - Site Acquisition funding,
 - Predevelopment funding to expand developer capacity,
 - Construction funding for new affordable housing,
 - Preservation of existing affordable housing,
 - Infrastructure development that will open land to housing development,
 - Technical Assistance to Municipalities and Public Housing Authorities; and
 - Municipal Fellows funding to support additional planning staff at the local level
- Signed into law bills to make it easier to develop housing and provide the state and municipalities with more tools to increase housing production, including bills to:
 - reposition two commissions to study barriers to housing development and how to address them,
 - streamline the municipal review process for comprehensive permits and reduce steps in the zoning and planning review process,
 - require all municipalities to have E-permitting procedures established for every step in the building/development process,
 - streamline the process for approving accessory dwelling units (ADUs) and prohibit municipalities from imposing burdensome requirements on property owners seeking to create ADUs,
 - establish a dedicated land use case calendar in the Superior Court to speed up the processing of land use matters,
 - prohibit source of income discrimination against tenants,
 - create a transit-oriented development pilot program, and
 - facilitate the adaptive reuse of commercial buildings for housing.

¹ “Housing Supply and Homelessness in Rhode Island, Observations and Options”, Rhode Island Foundation, April 2023, p. 40, 46.

Previous studies / commissions have found that Rhode Island's barriers to development are many, and the barriers that we seek to remove using this HUD PRO Grant include:

- Barrier: Zoning/Land Use Regulations and Permitting Barriers and Inconsistencies in Standards:

Municipal zoning and land use regulations, as well as permitting processes, are inconsistent across the state. These regulations can make the development of affordable housing more unpredictable and challenging due to a variety of reasons including differing density limits, minimum lot sizes, or restrictions on the type of housing that can be built in certain areas, particularly multi-family housing. These zoning and land use regulations can make housing development infeasible also lead to lengthy approval processes that increase the costs and development time of a project. Certain municipalities are more attractive to developers than others due to their zoning and land use regulations. Planning and support for communities to address these zoning and process barriers is limited.

- Barrier: High Construction and Land Acquisition Costs:

Increasing construction costs and land acquisition prices can make it financially challenging to develop affordable housing. When faced with these increasing costs, it becomes less financially viable for developers to dedicate units to low- and moderate-income individuals and families.

- Barrier: Public Perception:

Local residents and communities sometimes can develop misconceptions about the merits or challenges of new housing development (whether generic or specific to a given plan), preventing the advancement of affordable housing proposals. This often happens due to a lack of understanding of the potential net benefits for property values, the local tax base, and the potential methods of mitigating impacts such as traffic and school expense. In the absence of data-based analysis and constructive dialogue, this can result in affordable housing not being built. This situation can also lead to developer disinterest in investing time and money to try and develop housing including affordable housing in these localities.

- Barrier: Lack of Nonprofit Developer Capacity:

Nonprofit developers, particularly community development corporations, have long been critical to the delivery of affordable and supportive housing. Rooted in the communities that they serve, CDCs can be especially effective in working with communities to overcome opposition to new housing development. Unfortunately, in the area that this proposal targets (see below), there is not local nonprofit developer capacity.

The State of Rhode Island is choosing to focus our proposal on the barriers above in two counties – Bristol County and Washington County, both identified by HUD as the priority geographies that have an acute need for housing. We will pilot opportunities to remove barriers to housing development in these two Counties that can be replicated across the State of Rhode Island.

The State of Rhode Island is requesting \$9.578MM in funds from the HUD Pathways to Removing Obstacles (PRO) Program:

- \$630,000 to provide expert support for the Special House Commission on Land Use (and related commissions, Housing Department staff, and local officials) in their work on statewide zoning and land use regulations and building permit reform. These experts would:
 - recommend best practices in zoning and land use regulation and leverage existing efforts such as the new RI Zoning Atlas and the RI GIS User Group;
 - recommend best practices in permitting processes and standards;
 - update and expand a land use “toolkit” and create a housing design “toolkit” that can be used by stakeholders to mediate local concern about the impact of new housing in their community; the toolkits will be available in both print and electronic formats, and translated into the nine languages that are necessary to serve populations with limited English proficiency in the State (Spanish, Portuguese, Mandarin, Cantonese, Haitian, Khmer, French, Arabic, Italian, and Thai).

- \$5,675,000 to jump start development in Washington and Bristol Counties by providing targeted assistance to developers, especially nonprofit developers for which this funding is critical to advancing projects:
 - \$4M to acquire or secure land that is instrumental to developing housing in Washington and Bristol Counties;
 - \$1.5M to support the predevelopment costs that developers must spend to build affordable housing

- \$2,748,000 to expand Rhode Island’s Health Equity Zone (HEZ) Housing Program to Bristol and Washington Counties, a grassroots advocacy and community engagement program, supported by training and technical assistance, intended to gain support for the development of housing, including multi-family housing and supportive housing.

- \$525,000 to establish and support nonprofit developer capacity in Washington and Bristol Counties.

EXHIBIT B

THRESHOLD REQUIREMENTS and OTHER SUBMISSION REQUIREMENTS

STATE OF RHODE ISLAND

N/A

EXHIBIT C

NEED

STATE OF RHODE ISLAND

Though there is much more work to be done, over the past several years, the State of Rhode Island has taken tremendous steps to remove barriers to affordable housing production and preservation and incentivize increased housing development, particularly housing affordable to low-income and special needs populations. These efforts have focused primarily in three areas: Leadership, Funding, and Legislation.

Leadership

Increasing housing production and accessibility is now a top priority for the Governor, the Speaker of the House, the Senate President, and many municipal leaders. In 2021, the State created the position of Deputy Secretary of Housing, which was elevated in 2022 to a Secretary position to head up a new Department of Housing.

An important focus of this new Department of Housing is to coordinate housing initiatives across state departments and agencies and identify opportunities to reduce barriers to development. The FY2023 budget requested by the Governor and approved by the General Assembly included funding and authorization for 38 full-time employees (FTEs) for the new Department of Housing.

One of the first priorities of the Department of Housing is to produce a new State Strategic Housing Plan in collaboration with other state agencies and community partners and informed by public input. This plan will assess Rhode Island's current housing needs and develop detailed strategies to address those needs. The last state strategic housing plan was completed in 2006. The Department of Housing has selected a consultant and is preparing to launch the planning process.

Funding

Over the past several years, the State of Rhode Island has invested an unprecedented amount of resources in housing and homeless programs. Including the following:

- **Housing Bond:** In 2021, Rhode Islanders approved a \$65 million housing bond to support the development and preservation of affordable housing and revitalization of blighted properties. This was the largest housing bond ever approved in Rhode Island.
- **Dedicated Funding Stream:** The FY22 budget included the establishment of a new restricted receipt fund to finance housing production and municipal housing development partnerships. This is the first time a dedicated stream of state funding has been set aside for housing production and preservation. This permanent funding stream is expected to generate \$5.7 million annually through an increase of the real estate conveyance tax on the portions of residential property sales exceeding \$800,000. The new Housing Production Fund also received an initial capital appropriation of \$25 million. That initial appropriation has been allocated to the following uses:
 - \$10 million to fund affordable housing production and preservation
 - \$10 million to fund operating support for developments serving households at 30% AMI
 - \$4 million to fund technical assistance to municipalities to assist them in removing barriers to housing development.
- **State Housing Tax Credit:** The FY24 budget established a new State Housing Tax Credit

- program to complement the federal Low Income Housing Tax Credit. The new program will provide \$30 million annually to leverage federal resources for the development and preservation of affordable apartments.
- **State Fiscal Recovery Funds (SFRF):** Of the \$1.2 billion in SFRF funds awarded to the state through the American Rescue Plan Act (ARPA), Rhode Island has allocated a total of \$321.5 million (27%) to housing and homeless programs through the state’s FY23 and FY24 budgets. That includes:
 - \$212 million for affordable housing production and preservation including \$4 million to support the development of transit oriented development
 - \$70 million for homeless assistance programs
 - \$2.3 million to help municipalities facilitate housing development
 - \$30 million in down payment assistance for first time homebuyers
- **State Proactive Development entity:** The FY24 budget includes funding and authorization to create a proactive housing development subsidiary of RIHousing, Rhode Island’s housing finance agency. This subsidiary will work with municipalities to identify properties suitable for redevelopment as affordable housing, assemble required funding and address challenges to redevelopment.

In addition to these historic increases in funding for housing programs, Rhode Island has also streamlined the process for accessing these funds. The State of Rhode Island has created a Consolidated Funding process under which developers can submit a single application to access resources for multiple state and federal programs. There have been two Consolidated Funding Rounds to date: the first opened in March of 2022, the second in November 2022. Through these two funding rounds, developers were awarded over \$80 million in funding from a dozen state and federal programs including SFRF funds. A third Consolidated Funding round is planned for October 2023.

Rhode Island has also worked to ensure that these investments have resulted in affordable housing production in areas of opportunity as well as the revitalization of urban areas. Many housing programs, including the state housing bond and federal Low Income Housing Tax Credits (LIHTC), prioritize investments in communities that are areas of opportunity; that have not yet achieved the state’s 10% affordable housing goal (many of which are areas of opportunity); or developments that are part of a revitalization strategy in urban areas. As a result, from 2013 to 2022, 44% of new Low Income Housing Tax Credit (LIHTC) financed affordable developments were located in communities that have not yet achieved their 10% affordable housing goal and 59% have been located in urban centers.

Legislation

As the housing crisis worsens in Rhode Island the state’s General Assembly has been working to tackle the issue through a myriad of legislative solutions.

Rhode Island municipalities have a great deal of autonomy in setting zoning and land use policies as well as permit processes and fees. However, there has been progress in recent years to standardize some of these practices to reduce uncertainty for developers and streamline the development process.

In the 2021 legislative session, the General Assembly established two commissions to study barriers to housing development and how to address them: The Special Legislative Commission to Study Low and Moderate Income Housing Act and The Legislative Commission to Study the Entire Area of Land Use, Preservation, Development, Housing, Environment, and Regulation. A number of important bills have resulted from their work to date (described below). The Commissions continue to meet and look for opportunities to build housing in Rhode Island.

Additionally in 2021, the General Assembly passed and the Governor signed legislation to require all municipalities to have E-permitting procedures established for every step in the building/development process by July 1, 2023. Also passed in 2021 was important legislation prohibiting landlords from discriminating against tenants on the basis of a lawful source of income, which is particularly important to tenants utilizing rental assistance vouchers.

In the 2022 legislative session, the General Assembly passed and the Governor signed a package of 10 bills aimed at supporting municipalities in meeting their affordable housing goals. Included in the package were bills to amend the Low- and Moderate-Income Housing Act and the State Housing Appeals Board (SHAB) to streamline the approval process for developers proposing to build affordable housing utilizing the comprehensive permit process. Another bill streamlined the process for approving accessory dwelling units (ADUs) and prohibited municipalities from imposing burdensome requirements on property owners seeking to create ADUs. Together, the bills in the package make it easier to develop affordable housing and provide the state and municipalities with more tools to increase housing production.

In the 2023 legislative session, the Speaker Shekarchi, led the introduction of a package of fourteen bills intended to streamline and simplify the housing development process. All but one of the bills in the package became law and were signed by the Governor. Included in the package were bills that further streamline the municipal review process for comprehensive permits and reduce steps in the zoning and planning review process. One bill streamlines and standardizes the appeals process by eliminating the State Housing Appeals Board (SHAB) so both appeal approvals and applicant appeals go directly to Superior Court. Other bills in the package establish a dedicated land use case calendar in the Superior Court to speed up the processing of land use matters and amend and eliminate certain provisions of the sub-division of land and review process. Several bills took innovative approaches to increasing housing production such as a bill which creates a transit-oriented development pilot program to encourage growth centers along transit corridors identified by state transit plans and a bill that facilitates the adaptive reuse of commercial buildings for housing. All the legislation in this package should make a significant difference to remove barriers to housing production and affordability in Rhode Island.

The State of Rhode Island has also launched the Municipal Technical Assistance Program (MTAP), a program created through the state Housing Production Fund appropriation in the FY22 budget. \$4 million of the initial allocation has been made available for municipal technical assistance through MTAP. The program is intended to be used for technical assistance for cities and towns to support increased local housing production. The eligible activities under this program include housing needs analysis, updating land use and permitting requirements to streamline the development process, developing model zoning and land use ordinances, infrastructure capacity assessments, and public engagement and education to address local opposition to affordable housing. To date, over \$935,000 has been committed to help

communities develop affordable housing plans, assess their infrastructure for its capacity to support expanded residential development, and make changes to their zoning and land use processes to streamline the development process. A program consultant has also created a set of template documents to assist municipalities in implementing the changes needed to bring their local documents and processes into conformance with the new zoning and planning requirements established by recently passed legislation. All the tools have been made publicly available to cities and towns, and many municipalities are tapping MTAP funds to tailor these documents to their local needs.

ii) Do you have acute demand for affordable housing?

Rhode Island will be focusing the activities of the PRO Grant in Washington and Bristol Counties, both of which are identified by HUD as the regions in the State that meet the definition under this grant for priority geographies with acute housing needs and which have considerable opportunity assets (see pp. 17-18). In addition, there are many other data indicators of the severe housing needs in the state and these two Counties in particular.

All unattributed data is from the HousingWorks Rhode Island 2023 Housing Factbook.

Rhode Island's acute demand for affordable housing is demonstrated using several metrics:

- 1) High Cost Burden for people below 100% AMI – acute need for affordable housing opportunities for both rental and homeownership.
 - RI Housing's 2022 Rental Survey noted the statewide average for a 2-bedroom apartment as \$1,996, which would require an income of nearly \$80,000 to affordably rent; this exceeds the state's median household income by more than \$5,000 and the median renter income by nearly \$40,000. Home prices have risen to the extent that the median single family home price affordable with that income is now only indicated in one community: Central Falls. And yet, that home price of \$273,000 is actually not affordable to most of the residents of Central Falls, where the median household income is \$40,235.
- 2) Ratio of Median Home Price to AMI in our targeted geographies:
 - Bristol County (Barrington, Bristol, Warren) – As of 2021, the median household incomes for all three communities in the County were well below the income needed to affordably buy a median home in the respective towns.
 - Washington County (Charlestown, Exeter, Hopkinton, Narragansett, New Shoreham, North Kingstown, Richmond, South Kingstown, Richmond, South Kingstown, Westerly) – As of 2021, the median household incomes for all nine communities in the County were well below the income needed to affordably buy a median home in the respective cities and towns.
- 3) Rhode Island has some of the country's oldest housing stock
 - According to the U.S. Census, 31% of Rhode Island housing units were built in 1939 or earlier, making Rhode Island's housing stock some of the oldest in the country. More than 73% of Rhode Island's housing stock was built before 1980 – 44% are 2-family or multifamily units. 73% of children 5 and younger are living in units built prior to 1980, leaving them at an increased risk of lead exposure.

- 4) Rhode Island has historically had one of the lowest rates of housing production in the entire country.
- Over the past decade, Rhode Island ranked last in the nation for production of housing and over the past eight years, second to last in per capita state housing spend in New England.² According to the Cato Institute’s [Freedom in the 50 States](#), Rhode Island ranks 42nd in land-use regulation and has consistently ranked low in this category for the last 20 years.
 - Of the targeted geographies for this grant, only one community has reached the statewide target of 10% affordable housing set in 1991, and even upon meeting the 10% mandate, communities will not meet the need, as evidenced below. This grant proposal would aim to reduce key barriers to affordable housing development in these communities and increase each community’s share of affordable housing.
 - Bristol County:
 - Barrington
 - 1,240 residents below 80% AMI
 - 212 affordable housing units with an additional 414 affordable units needed to have 10% of the long term housing stock as affordable housing.
 - Bristol
 - 3,150 residents below 80% AMI
 - 532 affordable housing units with an additional 397 affordable units needed to have 10% of the long term housing stock as affordable housing.
 - Warren
 - 2,265 residents below 80% AMI
 - 207 affordable housing units with an additional 330 affordable units needed to have 10% of the long term housing stock as affordable housing.
 - Washington County:
 - Charlestown
 - 1,105 residents below 80% AMI
 - 131 affordable housing units with an additional 240 affordable units needed to have 10% of the long term housing stock as affordable housing.
 - Exeter has achieved 10% affordable housing.
 - Hopkinton
 - 1,160 residents below 80% AMI
 - 239 affordable housing units with an additional 114 affordable units needed to have 10% of the long term housing stock as affordable housing.
 - Narragansett
 - 2,480 residents below 80% AMI
 - 276 affordable housing units with an additional 450 affordable units needed to have 10% of the long term housing stock as affordable housing.

² “Housing Supply and Homelessness in Rhode Island, Observations and Options”, Rhode Island Foundation, April 2023, p. 40, 46.

- New Shoreham
 - 205 residents below 80% AMI
 - 55 affordable housing units with an additional 18 affordable units needed to have 10% of the long term housing stock as affordable housing.
- North Kingstown
 - 3,100 residents below 80% AMI
 - 1,028 affordable housing units with an additional 155 affordable units needed to have 10% of the long term housing stock as affordable housing.
- Richmond
 - 655 residents below 80% AMI
 - 107 affordable housing units with an additional 203 affordable units needed to have 10% of the long term housing stock as affordable housing.
- South Kingstown
 - 3,145 residents below 80% AMI
 - 585 affordable housing units with an additional 576 affordable units needed to have 10% of the long term housing stock as affordable housing.
- Westerly
 - 4,485 residents below 80% AMI
 - 533 affordable housing units with an additional 562 affordable units needed to have 10% of the long term housing stock as affordable housing.

5) Rates of homelessness have rapidly increased in Rhode Island

- There has been a 72 percent increase in the number of people experiencing homelessness in Rhode Island since 2019, and a 65 percent increase in the number of those that are households with at least one child under 18.

iii. Key Barriers

Key barriers to affordable housing development in Rhode Island are multifaceted and include:

- Obstacle: Zoning and Land Use Regulations and Permitting Processes:
 Despite recent progress in reforming municipal zoning and land use regulations and the permitting processes, these requirements generally are inconsistent across the state and burdensome. As well, there remains a prevalence of exclusionary zoning. These regulations can make the development of affordable housing infeasible, more unpredictable, and challenging due to a variety of reasons including differing density limits, minimum lot sizes, or restrictions on the type of housing that can be built in certain areas. These zoning and land use regulations, and the related permitting processes, can also lead to lengthy approval processes that increase the costs and development time of a project. Across the State, 87% of land zoned residential permits single family housing by right; housing of 4 or more units is allowed by right on 8% of land zoned for residential use. Within our targeted Counties, large lot zoning requirements and the lack of multi-family zoning exclude lower income households, especially families, from areas of opportunity.

- Obstacle: High Construction and Land Acquisition Costs:
Increasing construction costs and land acquisition prices can make it financially challenging to develop affordable housing. When faced with these increasing costs, it becomes less financially viable for developers to dedicate units to low- and moderate-income individuals and families.
- Obstacle : Public Perception :
Local residents and communities sometimes can develop misconceptions about the merits or challenges of new housing development (whether generic or specific to a given plan), especially preventing the advancement of affordable housing proposals. This often happens due to a lack of understanding of the potential net benefits for property values, the local tax base, and the potential methods of mitigating impacts such as traffic and school expense. In the absence of data-based analysis and constructive dialogue, this situation can lead to developer disinterest in investing time and money to try and develop housing including affordable housing in these localities.
- Obstacle: Lack of Nonprofit Developer Capacity:
Nonprofit developers, particularly community development corporations, have long been critical to the delivery of affordable and supportive housing. Rooted in the communities that they serve, CDCs can be especially effective in developing housing. Unfortunately, in the area that this proposal targets (see below), there is not local nonprofit developer capacity.

These are key barriers to the development of housing because they restrict large portions of the State of Rhode Island from additional housing development, especially in areas of opportunity such as those within our targeted Counties (see pp. 17-18)

EXHIBIT D
SOUNDNESS OF APPROACH
STATE OF RHODE ISLAND

i) What is our vision?

The State of Rhode Island is requesting \$9.578MM in funds from the HUD Pathways to Removing Obstacles (PRO) Program:

- \$2,748,000 to expand Rhode Island’s Health Equity Zone (HEZ) Housing Program to Bristol and Washington Counties, a grassroots advocacy and community engagement program, supported by training and technical assistance, intended to gain support for the development of housing, including multi-family housing and supportive housing.
- \$630,000 to provide expert support for the Special House Commission on Land Use (and related commissions, Housing Department staff, and local officials) in their work on statewide zoning/land use regulatory and building permit reform. These experts would:
 - recommend best practices in zoning and land use regulation;
 - recommend best practices in permitting processes and standards; and
 - update and expand land use “toolkit” and create a housing design “toolkit” that can be used by stakeholders to mediate local concern about the impact of new housing in their community.
- \$5,675,000 to jump start development in Washington and Bristol Counties by providing targeted assistance to developers:
 - \$4M to acquire or secure land that is instrumental to developing housing in Washington and Bristol Counties;
 - \$1.5M to support the predevelopment costs that developers must spend to build affordable housing
- \$525,000 to establish and support nonprofit developer capacity in Washington and Bristol Counties

Proposal 1: Expansion of Rhode Island’s Health Equity Zone (HEZ) Housing Pilot to Bristol and Washington Counties

The State of Rhode Island has a series of active Health Equity Zones (HEZ) that have tackled public perception around affordable housing at the local level. The HEZ network has many partners at the local level who have proven to be key to changing public perception of affordable housing development and reducing the effect of the key barrier to housing development caused by public perception. To date, this work has resulted in an additional 270 units of affordable housing (including supportive housing) added to the State’s development pipeline.

Background and Vision:

Since 2015 Rhode Island has been implementing an innovative strategy called the Health Equity Zones Initiative. Each Health Equity Zone (HEZ) represents a geographic area in Rhode Island where community leaders from all walks of life come together to advance equitable, community owned solutions to eliminating existing inequities and improving the social, environmental, and economic barriers that drive persistent poverty and inequality.

Now in its 8th year, the HEZ initiative has grown to cover 15 unique communities across Rhode Island with more than 1,800 individual leaders and 350 organizations, representing over 20 different sectors, collaborating to transform their communities from the ground up. The current HEZ infrastructure covers approximately 80% of Rhode Island's population, and after nearly a decade of investment in the development and sustainability of community capacity and infrastructure, HEZ uniquely positions Rhode Island to be shovel ready to equitably implement strategic initiatives in partnership with communities across the state, including strategies to advance fair housing.

In July 2022, RI launched a HEZ Housing pilot with six HEZ communities to develop a pipeline of affordable, supportive housing units in some of the most housing cost burdened communities in Rhode Island. Each HEZ community received funding to contract with a local community developer and convene a stakeholder group that included resident leaders, municipalities/zoning officials, public housing authorities, home stabilization service providers, and local community-based organizations. The broader community was engaged frequently through listening sessions that provided residents with a safe space to learn about proposed projects, ask questions, share concerns, and provide input.

As a result of the Pilot, more than 270 units of supportive, affordable housing have been integrated into local development pipelines. These HEZ reported that key elements that led to this success were the connections and consistent engagement with a local community developer who had existing relationships with other key stakeholders such as local zoning officials, and the engagement of residents and other community stakeholders at early, predevelopment stages, allowing for the development of connections and trust between developers and the community members prior to initiating projects.

RI is requesting funding from the Housing and Urban Development PRO Housing opportunity to invest in the replication of the successes of the HEZ Housing Pilot and invest in community led actions that will support expansion of affordable and permanent supportive housing in both Bristol and Washington Counties where there is currently limited available affordable housing and historical opposition to the development of affordable housing.

By prioritizing investment and implementation in these communities and leveraging the HEZ Housing Pilot and HEZ network to support peer to peer learning with other communities who have succeeded in this space, RI will maximize the impact of statewide efforts to deconcentrate affordable housing in the urban core and increase housing choice as key strategies for desegregating affordable housing.

Proposed Activities:

The Executive Office of Health and Human Services, in partnership with the Health Equity Zones in Bristol and Washington County RI, RI Department of Health, and the RI Department of Housing, will implement strategic approaches to equitably advance the identification and development of community appropriate affordable housing projects with a specific focus on accessibility, proximity to transit, co-location of community supportive services, economic opportunity of future residents, access to quality education, environmental hazard mitigation,

access to staple goods, and longevity of affordability.

Work will be performed across two phases leveraging a peer learning model to catalyze project initiation and impact by building on the collective successes to date in other communities with higher density of affordable housing, community economic success initiatives, and community civic engagement initiatives. All work will account for the need to serve households with limited English proficiency.

Phase 1: Capacity Development and Peer to Peer Mentorship:

During performance years one & two the project team will leverage existing experience and expertise to establish teams and capacity within the two priority geographies. Year one efforts will prioritize onboarding and knowledge sharing to build capacity, and year two will prioritize hands on technical assistance from experienced peers to share current best practices and prepare the priority communities for independent implementation in Phase 2, years 3-5.

- Launch HEZ PRO Housing initiative the Warren, Bristol, and Washington County HEZ to establish community capacity to implement project goals.
- Leverage existing HEZ Training and Technical Assistance Program capacity to establish a HEZ Housing Community of Practice (CoP) to build momentum and synergy by formally convening community leaders across all 15 HEZ. The CoP will focus and devote time to establishing community solutions for removing obstacles to housing and to ensure PRO Housing successes are cross pollinated in non-intervention communities.
- Establish HEZ Housing Pilot mentorship program. Fund 6 existing HEZ Housing Pilot communities to provide training and technical assistance to HEZ PRO Housing communities on best practices learned during HEZ Housing pilot and serve a peer mentor to HEZ PRO Housing communities to facilitate rapid startup and identification of prior implementation pitfalls to mitigate barriers to successful project launch. Specific focus will be paid to recruiting the HEZ members, whose backbone organization are community development corporations, community development financial institutions, and/or housing developers.
- Establish HEZ Civic Engagement mentorship program to leverage existing HEZ civic engagement expertise and capacity beyond HEZ Housing pilot communities to rapidly scale community organizing capacity in Bristol, Warren, and Washington County HEZ.
- Implement Housing Equity Community Services program to identify and contract with one or more community vendors responsible for the development and implementation of a strategic plan to align critical housing supportive services within the priority communities. Community networks will include organizations who provide or specialize in financial education, environmental justice, healthy housing, home ownership pathways and sustainability, renewable energy and climate resiliency, housing first and supportive housing, credit and wealth building, and other related supportive services to comprehensive supports using a whole of community success approach.
- Establish community dashboards for municipalities within the priority counties to map barriers and facilitators to housing development for each community to support the development of equitable strategies for each community within the respective counties.

- Identify priority municipalities by comparing relative need for affordable housing to receptiveness of community stakeholders, assess community readiness, and rank individual municipalities by perceived readiness.
- Starting in the most ready priority communities, convene community stakeholders to begin implementation of modified HEZ Housing pilot framework to build early successes in ready to implement communities.
- Kick off state efforts to establish baseline metrics for health impact in the priority communities and methodology for connecting health impacts to community housing interventions, including healthcare cost trends to support future sustainability.
- Convene health and housing subcommittee of state leaders to leverage other existing and emergent opportunities to maximize impact against project goals and raise additional revenue to impact related but out of scope priorities such as clean energy, environmental justice, environmental hazard remediation, wage growth, transportation changes, and more.

Phase 2: Implementation and Sustainability Planning- Years 3-5

Phase 2 is predicted to begin in performance years 3-5 but is contingent on community readiness for implementation and may begin prior to the end of performance year 2. During performance years 3-5 the project team will lean and focus on independent implementation of community activities in Washington and Bristol counties. Years 3-4 will prioritize implementation and evaluation of impact, and year 5 will prioritize summarization of impact and development of impact reporting to drive ongoing investment in successful activities and strategies beyond the period of performance.

- Leverage community dashboards to refine strategic approaches to eliminating development barriers.
- Align existing development opportunities with Housing Equity Community Service provider network to support existing pipeline projects in target municipalities, including considerations for access and proximity to supportive services and other social and environmental factors in development plans.
- Continue building community network and engage grass tops organization leaders to promote the development of peer networks in regional leadership groups to identify and eliminate barriers to housing development with senior and executive leaders within the impacted communities.
- Expand engagement beyond phase 1 priority municipalities and begin engagement in municipalities seen as less receptive or ready for change.
- Enhance civic engagement efforts to scale strategies to overcome institutional barriers to the development of permanent, supportive housing.
- Glean key successes phase 1 implementation and develop interim report on project impact to be reported to other HEZ communities and state team.
- Issue final report on project impact, including recommendations for sustainability of successful efforts.
- Additional activities to be developed and determined as the project progresses.

Proposal 2: Provide expert support for the Special House Commission on Land Use (and related commissions and Housing Department staff) in their work on statewide zoning and building permit reform.

This piece of Rhode Island’s proposal intends to address the key barrier of inconsistent and exclusionary zoning regulations and standards. Municipal zoning and land use regulations are inconsistent across the state. These regulations can make the development of affordable housing infeasible, more unpredictable, and challenging due to a variety of reasons including differing density limits, minimum lot sizes, or restrictions on the type of housing that can be built in certain areas. These zoning and land use regulations can also lead to lengthy approval processes that increase the costs and development time of a project. Across the State, 87% of land zoned residential permits single family housing by right as compared; housing of 4 or more units is allowed by right on 8%. Within our targeted Counties, large lot zoning requirements and the lack of multi-family zoning exclude lower income households from areas of opportunity.

In the 2021 legislative session, the General Assembly established two commissions to study barriers to housing development and how to address them: The Special Legislative Commission to Study Low and Moderate Income Housing Act and The Legislative Commission to Study the Entire Area of Land Use, Preservation, Development, Housing, Environment, and Regulation. A number of important bills have resulted from their work to date (described in the Need Section under Legislation). The Commissions continue to meet and look for opportunities to build housing in Rhode Island.

Our request for \$630,000 is to bring in experts in land use, planning and design to support the State in our work to reform statewide zoning and building permit processes. These experts would:

- Recommend best practices in zoning, land use regulation and permitting; and
- Amend and expand existing land use toolkits and create a housing design “toolkit”. that can be used by stakeholders to mediate local concern about the impact of new housing in their community.

By bringing in experts in zoning, land use regulation and permitting who can show what has worked in other locations, we expect that:

- 1) The momentum and progress of the State’s Special Housing Commission will be enhanced;
- 2) the Special Housing Commission on Land Use will make well-informed recommendations for changes to zoning that can create consistency and ease burdens statewide; and
- 3) local communities in Washington and Bristol Counties will choose to pursue zoning changes that allow additional housing development.

The toolkits will support the work of the State’s Special Housing Commission as well as the efforts of the HEZ and Department staff. Providing sample plans and renderings of various housing typologies and site plans can combat community resistance to housing development based upon stereotypes of the design and form of housing typologies that are perceived as “not fitting in.” The toolkits will be available in both print and electronic formats, and translated into the nine languages that are necessary to serve populations with limited English proficiency in

the State (Spanish, Portuguese, Mandarin, Cantonese, Haitian, Khmer, French, Arabic, Italian, and Thai).

Changing Rhode Island's statewide zoning and building permit processes would meet a national objective by allowing for the development of more low-and moderate-income housing in Rhode Island. This piece of our proposal would also remove a key barrier to housing development caused by zoning regulations and inconsistent standards and open up communities that are areas of opportunity for affordable housing and vastly increase our State's housing supply.

Proposal 3: Jump start development in Washington and Bristol Counties by providing targeted assistance to developers:

- \$4M to acquire or secure land that is instrumental to developing housing in Washington and Bristol Counties;
- \$1.5M to support the predevelopment costs that developers must spend to build affordable housing

During the last legislative session, the Governor requested and the General Assembly authorized and funded the creation of a subsidiary of RIHousing focused on proactively developing housing. This subsidiary will work with communities to identify areas of opportunity for affordable housing development and assist them moving those projects forward to completion.

We anticipate that \$4 million for site acquisition and \$1.5 million for predevelopment costs will support the purchase of approximately seven properties and predevelopment costs associated with development of seven properties as affordable housing. This kind of assistance is particularly important in these Washington County and Bristol County which are not well served by nonprofit affordable housing developers in the state. These resources will be an important incentive to attract affordable housing developers and to secure properties for redevelopment as affordable housing in an extremely competitive housing market.

This will support a national objective by jump starting the construction of additional low- and moderate-income units for people 100% AMI and below. This would mitigate two key barriers of 1) high land acquisition and development costs and 2) developer disinterest by funding affordable housing projects in Washington and Bristol County that would otherwise not have existed.

The requested grant funding will be paired with assistance through RIHousing's new proactive development subsidiary and assistance from the Municipal Technical Assistance Program (MTAP). MTAP is an existing municipal technical assistance program through which municipalities can tap a pool of program consultants for help removing a wide range of local barriers to housing development.

The State has already committed \$290,000 in funding to projects in Washington and Bristol Counties in the following communities: Charlestown, Warren and Westerly. The State has also given preliminary approval to projects 5 additional communities in these Counties: Exeter, Bristol, Richmond, New Shoreham, and Barrington. These projects range from assessing the capacity of infrastructure to support residential development, to conducting housing needs assessments and updating local zoning and permitting requirements to reduce

barriers to housing development. The resources provided through this grant proposal would help to take that work to the next step of identifying properties for redevelopment as affordable housing, securing them and/or carrying out predevelopment work needed to compete effectively for development financing.

ii) **What is our geographic scope?**

The majority of the State of Rhode Island's proposal for this grant is geographically focused on the two priority geographies identified by HUD – Washington County and Bristol County. See the map included at ATTACHMENT B.

Washington County is larger and generally more rural, while Bristol County is more developed. Washington County is made up of four suburban communities (Narragansett, North Kingstown, South Kingstown and Westerly) and five very rural communities (Charlestown, Exeter, Hopkinton, New Shoreham and Richmond). All three communities in Bristol County (Barrington, Bristol and Warren) are suburban. There are pockets of very low-income and underserved populations in both counties, however the counties are primarily composed of areas of higher opportunity that have not met the housing needs of lower-income residents. Only one community in both Counties, Exeter, has met the state goal of 10% affordable housing for each city and town.

Washington and Bristol Counties are the least racially and ethnically diverse counties in the state with 88.6% of the population of Washington County identifying as non-Hispanic white and 87.9% in Bristol County (compared to 68.7% statewide).

The median sales price through September of 2023 was \$622,500 in Bristol County and \$542,500 in Washington County compared to the rest of the state where the median price was \$390,000. Rents are also high in these two counties with a Q3 2023 average rent of \$1,958 in Bristol County and \$2,108 in Washington County compared to \$1,870 statewide. Washington and Bristol counties have the highest median incomes of any county at \$100,459 and \$95,102 respectively compared to \$81,854 statewide. The two counties also boast excellent schools with 4 of the top 5 school districts in terms of graduation rates.

These Counties also represent areas of opportunity. According to the latest US News Report rankings of high schools in the State, the high schools in Barrington and Bristol (Bristol County) and Exeter, North Kingstown, South Kingstown, and Westerly (Washington County) are in the top 15 high schools in the state.

These Counties also represent regions of significant employment and economic development, presently and in the near future. The Quonset Development Corporation in North Kingstown and URI in Washington County are significant economic and employment engines. With new contracts for submarine construction, Quonset employers such as General Dynamics will be hiring 4,000 persons over the next several years.

As is obvious in the attached map, these counties boast significant coastlines. This vital asset already hosts jobs in aquaculture, fisheries, defense, tourism, and marine trades. And these sectors will be growing as a result of the State's efforts to boost its "Blue Economy". The potential of the work on advancing the Blue Economy was recently rewarded with the designation of Rhode Island and New England Partners have been designated as a Tech Hub. Significantly for the goals of the PRO activities, one of the five values of Blue Economy efforts is to ensure that they "eliminate barriers, build trust, and listen to the input of our most vulnerable and disadvantaged communities." ("Rhode Island's 2030 Blue Economy Action Plan").

Of course, it is important that access to these assets is available to all Rhode Island households. Although the State's public transit system is not robust in these Counties, North Kingstown (Washington County) is one of 5 transit hubs in the State. Moreover, Rhode Island is a small state - one can drive across the street in an hour. Driving between the extremes of Bristol County is a 17-minute drive; between Quonset (North Kingstown) and the western most community in Washington County, Charlestown) is a 30-minute drive.

But, as discussed throughout this application, zoning, permitting and housing prices have limited access to the resources available in these Counties. This grant will focus on developing new affordable housing in the high opportunity areas that both counties represent. Additionally, we expect that the work done in these communities will make it easier to develop housing throughout the State of Rhode Island and not just in these targeted counties. Concrete examples of success are a powerful tool in gaining greater acceptance.

iii) Who are our key stakeholders? How are we engaging them?

The key stakeholders for our proposal include residents of each community, persons with unmet housing needs, persons from protected class groups under the Fair Housing Act, community organizations; business and civic leaders; state and local elected officials; state agencies such as the Department of Environmental Management, the Department of Commerce and the Department of Business Regulation; and local planning and zoning officials.

Engagement started with local elected officials about the obstacles to housing development precedes the advent of the PRO NOFO. In February, a month after the establishment of the Department, working in conjunction with the RI League of Cities and Towns, we convened a gathering of local officials to discuss this topic and ongoing engagement has continued. Ahead of drafting the proposal, the Department of Housing hosted a meeting with the League of Cities and Towns, Mayors, and City Managers from each town in Washington and Bristol Counties. We asked the key question "what can we do to make it easier for you to build more housing?." The feedback we received included:

- Provide expert support to help local officials with zoning reform;
- Provide additional financial assistance for land acquisition and development of affordable housing.

This input and feedback was used, in part, to craft our proposal.

Ongoing and expanded engagement is critical to the success of our PRO efforts. In addition to the anticipated work of staff from the Department in our Policy, Development and Municipal Engagement staff, each component of our proposal will incorporate engagement.

The first piece of our proposal, to invest \$2,748,000 to expand Rhode Island's Health Equity Zone (HEZ) Housing Pilot to Bristol and Washington Counties (see pp. 11-14), is a grassroots advocacy and engagement program supported by training and technical assistance intended to gain support for the development of housing, including multi-family housing and supportive housing. As found in previous stages of this Pilot Program, key stakeholders include resident leaders, municipalities/zoning officials, public housing authorities, home stabilization service providers, and local community-based organizations. These stakeholders will be engaged early, during predevelopment stages, allowing for the development of connections and trust between developers and the community members prior to initiating projects. The HEZ Housing Pilot will also engage the broader community through listening sessions that provide residents with a safe space to learn about proposed projects, ask questions, share concerns, and provide input.

The second piece of the State of Rhode Island's proposal is a request for \$630,000, including:

- \$100,000 to provide expert support for the Special House Commission on Land Use (and related commissions and Housing Department staff) in their work on statewide zoning and building permit reform. This work could also be used to assist localities in their efforts to allow more housing development and was requested by Mayors and Town Managers.
- \$450,000 to create a land use and housing design "toolkit" that can be used by any number of stakeholders well into the future, to mediate local concern about the impact of new housing in their community. Providing sample plans / renderings of various housing typologies will combat community resistance to housing development based upon stereotypes of the design and form of housing typologies that are perceived as "not fitting in."
- \$80,000 for program administration.

The stakeholders for this piece include members of the Special House Commission on Land Use, State Legislators, Department of Housing staff, and local officials (Mayors, City Managers). Importantly, the Special House Commission on Land Use is comprised of many of our stakeholders including: State Planning, Department of Environmental Management, RI Builders Association, United Way, Audubon Society, and RI Association of Realtors. Each of these groups will be engaged in discussions early and often about expert support needed to do this work. Local elected officials as well as planning, zoning, permitting and development staff will be included in discussions to ensure that the land use and housing design toolkit provides the resources needed for communities to engage in discussions about zoning changes.

The third piece of the State of Rhode Island's proposal is \$5.675M to jump start development in Washington and Bristol Counties by providing targeted assistance to developers, including:

- \$4M to acquire or secure land that is instrumental to developing housing in Washington and Bristol Counties;

- \$1.5M to support the predevelopment costs that developers must spend to build affordable housing;
- \$175,000 for program administration

This piece will be implemented via RIHousing’s Proactive Development Corporation, which routinely engages with affordable housing developers and local officials to site and develop affordable housing. In conjunction with the effort to develop and support the capacity of nonprofit/community development corporations in the County regions (see below), these programs will involve directed outreach to the development community, both for-profit and nonprofit.

The fourth piece of our proposal – to fund increased nonprofit developer capacity in the targeted Counties – will foster increased engagement at the local level – elected officials and municipal officers as well as community members.

iv) How does our proposal align to requirements to affirmatively further fair housing?

Rhode Island is committed to affirmatively furthering fair housing. Our proposal will affirmatively further fair housing by eliminating key barriers to the development of housing, especially multi-family and affordable housing that exclude many underserved households in Washington County and Bristol County, both of which represent areas of opportunity (see pp.17-18). Further, each piece of Rhode Island’s proposal will proactively seek to promote the development of affordable housing, different housing typologies, supportive housing, and ADA accessible housing that is available to underserved groups in these Counties, especially Black and Hispanic persons and households.

Specifically, Rhode Island’s PRO proposal will advance the goals of affirmatively furthering fair housing by:

- Expanding the HEZ Housing Pilot into the targeted geography to create grassroots support for the development of housing, including multi-family housing and supportive housing. Moreover, the new HEZ organizations will be tied into an existing network beyond the Counties, many of which operate in lower income communities and communities of color. The Department will provide fair housing workshops for the HEZ entities including topics such as AFFH and resident selection. In turn, the HEZ network will be a vital outreach vehicle when new housing opportunities and/or jobs in the Counties become available
- Provide expert support for the Special House Commission on Land Use (and related commissions and Housing Department staff) in their work on statewide zoning and building permit reform. This piece of our proposal will open up additional communities in the targeted geographies (and throughout Rhode Island) for the development of affordable housing, different housing typologies, supportive housing, and ADA accessible housing. Department staff will provide fair housing information on fair housing in land use and housing development to the Commission so that they are better informed about the State’s AFFH obligations.

- Targeted assistance to jump start development in Washington and Bristol Counties would open additional development sites for the development of affordable housing.
- The Department and RIHousing will ensure that new housing opportunities adhere to the best practices in advertising to ensure that disadvantaged communities and/or households that do not live in proximity to the housing are aware of and encouraged to apply to for the housing including but not limited to:
 - Advertising that uses media relied upon communities outside of the Counties, communities of color and/or lower income, and LEP households; and
 - Advertising that is inclusive in its graphics and messaging;
- Likewise, the Department and RI Housing also will ensure that the new housing opportunities adhere to the best practices in resident selection including but not limited to:
 - Lotteries for tenant selection;
 - Acceptance of applications electronically as well as in-person and by mail; and
 - Minimum windows for advertising new housing opportunities and accepting applications.

Our targeted geography includes many areas of opportunity that will be opened to low- and moderate-income individuals when the key barriers are removed. In siting the new housing opportunities through this grant, the State will remain vigilant in its efforts to promote housing affordability and access for all Rhode Islanders but especially those that have historically been underserved and excluded.

What is our budget and timeline for the proposal?

This chart shows a budget overview; detailed information is contained in Form 424-CBW.

	<u>Total Cost</u>
HEZ Housing Pilot	\$2,748,000.00
Zoning and Building Permit Changes	\$ 630,000.00
Expert Support	\$ 100,000.00
Architect / Planner to produce plans / renderings	\$ 450,000.00
Program Administration by Department of Housing	\$ 80,000.00
Targeted Funding for Development	\$5,675,000.00
Acquisition Funding	\$4,000,000.00
Predevelopment Funding	\$1,500,000.00
Program Administration by RIHousing	\$ 175,000.00
Nonprofit Developer Capacity Support	\$ 525,000.00
	\$ 500,000.00
Program Administration by Department of Housing	\$ 25,000.00
Total Budget:	\$9,578,000.00
Portion of Budget for Administration	\$ 280,000.00

Timeline:

- HEZ Housing Pilot – would begin immediately and run for 5 years.
- Zoning, Land Use, Permitting Reform
 - Expert Support would begin in Year 1 and continue into Year 2
 - Planning & Design work would begin in Year 1 to support the Commission and extend into Year 4 in support of the Commission and the HEZ network
- Targeted Funding for Development – Acquisition activities would begin in Year 1 and continue in Years 2 & 3. Predevelopment funding, following upon Acquisition activities, would start in Year 2 and run through Year 5.
- Nonprofit Developer Capacity Support is front loaded in Years 1 through 3 to coincide with the availability of the targeted Acquisition and Predevelopment funding.

The HEZ budget is based upon that of the existing program. The funding for experts is based upon prior procurements for consultant services. The Development funding was based upon estimates for supporting an impactful development pipeline of 7 new housing developments. The budget for increasing the capacity of npo developers in the targeted Counties is based upon an informed comment on our draft proposal (see ATTACHMENT B).

Cost effectiveness is a core value for the Department and our Partners. In addition to pro-active contract management, cost effectiveness for the PRO activities will be achieved through public and competitive bidding for the experts and design/planning consultants. The acquisition and predevelopment funding also will be awarded through a competitive process that applies transparent criteria focused on, though not exclusive too, the areas of opportunity in the Counties.

Minimum Funding Amount

If we were awarded a different dollar amount, we would limit the term of program, rolling it back by a year or two, depending upon the award. We would prioritize the HEZ Housing Pilot and the NPO/CDC Development Support capacity as being the foundation of success in advancing housing production in the targeted Counties, especially communities that are areas of opportunity. We would trim the site acquisition and predevelopment funding if necessary as well as trimming the expert support for the Commission.

The funding for the HEZ network expansion and capacity support for npo/cdc development capacity forms the foundation for all the other PRO activities to be successful. Additionally, the design toolkit is a critical asset for the work of the Commission, the HEZ Housing Pilot and the npo/cdc developer, so we would propose a minimal amount of funding for that activity.

Therefore, the minimum budget is \$3,098,000 to be used as follows:

- HEZ Housing Pilot \$2,748,000
- Design Toolkit \$ 100,000
- Nonprofit Developer Capacity Support \$ 250,000 (no Administration line item)

50% Funding Scenario

Likewise, the 50% funding scenario prioritizes the HEZ Housing Pilot and the npo developer capacity support. The HEZ program would be rolled back to a four and a half year effort. The

design toolkit would be prioritized in the Zoning/Permitting program and Acquisition Funding would be prioritized over the Predevelopment Funding, acknowledging that site acquisition is the first step in the path towards creating new housing opportunities. The Department and RIHousing also would forego Administration funding. Therefore the 50% budget is:

HEZ Housing Pilot	\$2,514,000	91.48%
Zoning and Building Permit Changes	\$350,000	55.56%
Expert Support	\$75,000	75.00%
Architect / Planner to produce plans / renderings	\$250,000	55.56%
Program Administration by Department of Housing	\$25,000	31.25%
Targeted Funding for Development	\$1,550,000	27.31%
Acquisition Funding	\$1,500,000	37.50%
Predevelopment Funding	\$0	0.00%
Program Administration by RIHousing	\$50,000	28.57%
Nonprofit Developer Capacity Support	\$375,000	71.43%
	\$375,000	75.00%
Program Administration by Department of Housing	\$0	0.00%
Total Budget:	\$4,789,000	
Portion of Budget for Administration	\$0	

EXHIBIT E

CAPACITY

STATE OF RHODE ISLAND

The Department of Housing

The State of Rhode Island has the capacity to undertake the proposed grant activities. The Rhode Island Department of Housing will oversee the implementation of all grant activities.

Other government entities necessary for the implementation of the grant are the State's Housing Finance Agency (RIHousing) and the Executive Office of Health and Human Services (EOHHS). The roles and support of these state entities will be secured through subaward agreements, which is standard operating procedure for the Department. See ATTACHMENT C, Partnership Letters.

By its enabling legislation, the newly created Rhode Island Department of Housing is the state's lead agency for housing, homelessness, and community development. The Secretary of Housing, appointed by the Governor of Rhode Island, is responsible for overseeing all housing initiatives in the state including, but not limited to, the development of affordable housing opportunities. In carrying out the mission of the Department of Housing, the Secretary is charged with coordinating with all state agencies directly related to any housing initiatives. While the Rhode Island Department of Housing is brand new, it has absorbed existing long-standing management capacity related to federal grants. For example, the Office of Housing and Community Development (now incorporated into the Department) has managed :

- the Community Development Block Grant program, funded in FY'23 at \$5,429,837,
- the federal Emergency Solutions Grant (ESG) program (FY'23 - \$711,408),
- Recovery Housing Program (FY'23 - \$1,213,710) and
- Housing Opportunities for Persons With AIDS (\$2M in FY'23).

With the significant increase in funding provided through ERA (\$5.6MM) and SFRF (almost \$63MM), staffing was strategically increased to swiftly and efficiently launch new or expanded programs to deploy these resources. With the grant period for these programs winding down, the Department of Housing has the proven project management staff, as well as quality assurance, financial, procurement and internal control capacity to successfully implement the additional projects in this grant proposal. Given its responsibilities for CDBG, ESG, the Continuum of Care, SFRF and ERA funding, the Department of Housing has extensive experience in working with and coordinating partners such as contractors, funders, subrecipients, community stakeholders, and other government agencies. Partnering with subrecipients such as local government, other state agencies and third parties is inherent in this work.

Additionally, there has been tremendous support from the State Legislature and the Governor to provide the resources requested by the Department of Housing. In addition to the staff currently with the department (responsible for day-to-day functions related to housing and homelessness), the Legislature appropriated funding for 21 new positions at the Department of Housing in the approved budget for this fiscal year, and the Department of Housing is preparing to hire this new staff in the months ahead. In addition, the Department of Housing's capacity related to this grant is augmented by two consultants with extensive housing and community development experience including finance, civil rights and fair housing, and successful grant management experience. These consultants and their wealth of experience will continue to support the Department of Housing until full staffing capacity is secured.

It is important to note that the Department of Housing and RIHousing have extensive

experience working with civil rights and fair housing issues. For example, both were responsible for the development of the state's Analysis of Impediments that includes, among other aspects, working with data to analyze racial and economic disparities, identifying impediments to fair housing and proposing and implementing strategies to address those impediments. Both entities have made significant progress implementing strategies outlined in the Analysis of Impediments including:

- **Increasing Investment in the Development of Affordable Housing:**
Increasing Investment in the Development of Affordable Housing: Since 2021, \$234 million in new resources has been allocated to the development and preservation of affordable housing in RI. This includes a combination of gap financing, infrastructure investment, and technical assistance.
- **Winning passage of Source of Income Discrimination Legislation:** This bill, which had the strong support of the Department and RIHousing was passed in 2021.
- **Creating a dedicated funding stream for affordable housing production:** Requested by the Administration and established in the FY22 state budget.

Rhode Island also recently launched its FirstGenRI program which provides \$25,000 in downpayment and closing cost assistance for first-time homebuyers who are the first in their families to own a home. Program participants must currently live in targeted communities that are overwhelmingly low-income and BIPOC with significantly less homeownership opportunities for myriad reasons – financial and otherwise. Of the 48 program participants to date that have closed, over 1/3 of them have purchased a home in areas of higher opportunity.

The Department of Housing anticipates that 12 full-time staff will participate to varying degrees in the management of the proposed HUD PRO Grant activities. Management of the proposed HUD PRO Grant activities will be assigned as new work supporting percentages of full time equivalent staff time based on the scope of work proposed. Nicholas Freeman, Director of Policy, will lead the team that includes staff from our partners, RIH, and EOHHS. Organization Chart: Key HUD PRO Grant Management Staff – see ATTACHMENT D.

The Department's management staff includes the following, none of which are contingent upon HUD PRO Grant funding:

- The Secretary of Housing is responsible for the overall policy and operations of the Department and oversees all housing development initiatives in the State.
- The Assistant Secretary oversees day-to-day operations of the Department as well as the Housing Resources Commission, a 28-member entity representing the breadth of stakeholders involved in housing policy and program development.
- The Director of Policy is responsible for initiating, fostering and overseeing policy development and implementation for the Department. Fair housing and AFFH policies and implementation fall within his purview.
- The Deputy Secretary oversees all housing development and municipal engagement activity in which the Department engages and is the primary liaison to Rhode Island Housing and the ProActive Development Entity.

- The Director of Community Funding oversees the CDBG program as well as other state-sponsored programs such as Home Repair, Municipal Fellows and Transit-Oriented Development Technical Assistance Grants.
- The Director of Municipal Planning and Engagement (hiring in process) will take the lead in outreach to municipalities to foster their active engagement and input into program development and implementation. This position will be the point person for the ongoing relationship with the RI League of Cities and Towns.
- The Director of Housing Production (hiring in process) will have direct oversight of housing development projects sponsored by the Department including supportive and transitional housing.
- The Director of Administration, Finance & HR oversees the Department's budget, invoicing, contracting, procurement and hiring processes, as well as financial reporting.
- The General Counsel (hiring in process) oversees all legal matters of the Department as well the Director of Internal Controls. These matters are currently managed by outside counsel.
- Director of Internal Controls (will be a contractor) reviews Department policies, procedures and actions to ensure the integrity of financial reporting and regulatory compliance.

RIHousing (Partner)

As the State's Housing Finance Agency, RIHousing will be responsible for administering the Predevelopment and Site Acquisition activities funded through this application. The agency has more than 40 years of experience financing and administering affordable multifamily rental and single family housing throughout the state. RIHousing offers a full range of financial support for affordable housing projects, including construction loans, acquisitions loans, 1st and 2nd position permanent loans, and soft loans for preservation of existing multifamily properties throughout Rhode Island.

RIHousing administers the State of Rhode Island's \$10 million affordable housing Predevelopment Program and a \$25 million Site Acquisition Program. Both programs are funded through State Fiscal Recovery Fund resources that are expected to be depleted in the next six months. RIHousing is also administering the State's \$4 million Municipal Technical Assistance Program. This program includes actively working with municipalities to identify and address barriers to the development of affordable housing.

The State Legislature also created a new subsidiary of the RIHousing called the RI Proactive Housing Development Corporation. This new entity was appropriated \$1.4 million in the FY24 budget to support staffing and administrative expenses and will support the Department of Housing's efforts to proactively engage with municipalities to remove obstacles to developing housing.

RIHousing anticipates that approximately 10 full-time staff will participate in the management of the proposed HUD PRO Grant activities. RIHousing also will support a portion of an 11th position that will assist the Proactive Housing Development subsidiary of

RIHousing. Funding for the new subsidiary is in place and hiring is in process. None of the positions are dependent upon HUD PRO Grant funding.

- Organization Chart: Key PRO Management Staff – see ATTACHMENT D.

EOHHS (Partner)

The State’s Executive Office of Health and Human Services (EOHHS) has extensive and deep experience in administering federal grants including the funding for the existing Health Equity Zones (HEZ) programs in Rhode Island and will administer the expansion of the program into the targeted Counties.

- Organization Chart : Key PRO Management Staff – See ATTACHMENT D.
- EOHHS anticipates that 11 full-time staff will participate to varying degrees in the management of the proposed HUD PRO Grant activities. Management of the proposed gran activities will be assigned as new work supporting percentages of full time equivalent staff time based on the scope of work proposed.
- EOHHS will manage the proposed HUD PRO Grant activities through the Office of the Assistant Secretary of EOHHS. Interagency priority projects related to health and housing, and the HEZ initiative, are led by the Assistant Secretary. If awarded, the Assistant Secretary will assign veteran staff from EOHHS and the RI Department of Health to support the successful implementation of the proposed project; existing responsibilities for these staff will be reassigned to accommodate the changes in work assignment. There exists one current vacancy, Director of Community Investments, which is included in EOHHS’ state fiscal year 2025 budget request and would be funded at 10% of the full-time equivalent rate by this proposal, and the planned creation of a full time position to coordinate health and housing related efforts across the EOHHS secretariat that would be 50% funded by the PRO Housing award, and is therefore contingent upon award.

Application: This application was written by the Department of Housing, RIHousing, the Executive Office of Health and Human Services, and the Department of Health, specifically:

Rhode Island Department of Housing:

- Amy Boyle, Senior Housing Advisor
- Deborah Goddard, Senior Housing Advisor

RIHousing:

- Amy Rainone, Director of Government Relations & Policy
- Abeer Khatana, Government Relations and Policy Specialist

Executive Office of Health and Human Services:

- James Rajotte, Director of Strategy and Innovation
- Chris Ausura, Director of Health Equity Zones Initiative
- Mia Patriarca, Chief of the Office of Special Projects

EXHIBIT F

LEVERAGE

STATE OF RHODE ISLAND

As detailed in the attached commitment letters, see ATTACHMENT E, RIHousing is leveraging \$4,025,313 in resources to advance the goals of the proposed PRO grant, which is 42% of the total funding requested through this grant. This includes \$751,086 in technical assistance to municipalities in Washington and Bristol counties to address barriers to the development of affordable housing. In addition, RIHousing has committed \$3,274,227 to purchase properties in these counties for redevelopment as affordable housing and for predevelopment costs to move proposed affordable developments forward.

Specifically, the State of Rhode Island has already committed the following funds to develop housing in Washington and Bristol Counties.

Municipal Technical Assistance Program (MTAP): \$751,086 committed to municipalities in Washington and Bristol counties/ 1 additional community has received preliminary approval.

- \$95,500 (Committed)- Charlestown: Conduct an assessment of the infrastructure capacity to support residential development, identify areas where denser housing development would be appropriate, and update zoning to allow for that targeted density.
- \$98,600 (Committed)- Warren: Update housing element of Comprehensive Plan including a housing needs analysis and production plan.
- \$97,966 (Committed)- Westerly: Conduct a housing needs assessment and market study including a housing supply inventory, housing gap analysis, and assessment of housing needs. Work will include housing production goals and recommended regulatory and program changes to achieve them.
- \$85,100 (Committed)- Bristol: Update the Town's affordable housing production plan and develop ordinance for a new program to reinvest revenue generated through the Fee-in-Lieu of development clause in their inclusionary zoning ordinance into the development or preservation of affordable housing in the town.
- \$33,100 (Committed)- Narragansett: Develop public engagement and education campaign to build community understanding of affordable housing and support for affordable housing projects proposed for development.
- \$100,000 (Committed)- Narragansett: Infrastructure assessment to evaluate the potential for existing underutilized or vacant property to support higher density development of affordable housing.
- \$93,320 (Committed)- New Shoreham: Update zoning ordinances and land use regulations to incorporate 2023 legislative changes streamlining and creating consistent residential development review processes at the local level.
- \$100,000 (Committed)- Exeter: Update zoning ordinances and land use regulations to incorporate 2023 legislative changes streamlining and creating consistent development review processes at the local level.
- \$47,500 (Committed)- Barrington: Update zoning ordinances and land use regulations to incorporate 2023 legislative changes streamlining and creating consistent residential development review processes at the local level.
- (Preliminary Approval)- Richmond: Evaluate the capacity of municipal infrastructure to support new residential development and identify opportunities for infill and mixed use development.

Predevelopment and Site Acquisition Investments: \$3,274,227 committed to seven proposed affordable or mixed income developments in Washington and Bristol Counties that are projected to create 208 residential units including 180 affordable units.

Property	Municipality	Projected Affordable Units	Projected Total Units	Resources Provided	Amount
Southpoint Commons	Westerly	57	72	Predevelopment	\$250,000
Hickory Knolls	Westerly	44	44	Site Acquisition & Predevelopment	\$1,145,000
North Glen Apartments	Westerly	8	8	Site Acquisition	\$374,702
North Woods	South Kingstown	2	2	Site Acquisition	\$65,000
North Woods Lot 16	South Kingstown	2	2	Site Acquisition	\$100,000
Roger's Home	South Kingstown	12	12	Site Acquisition	\$664,525
Penny Lane	Warren	40	40	Site Acquisition & Predevelopment	\$675,000

Development Pipeline: RIHousing financed projects currently in the development pipeline in Washington and Bristol Counties include three developments with a combined total development cost of \$48,416,263 which are projected to create 112 residential units including 97 affordable units and preserve 47 existing units (Living East Bay).

Property	Municipality	Projected Affordable Units	Projected Total Units	TDC
Living East Bay	Bristol	47	47	\$10,085,695
Reynolds Farm Senior Housing II	North Kingstown	40	40	\$14,727,172
Southpoint Commons	Westerly	57	72	\$23,603,396

EXHIBIT G
LONG-TERM EFFECT
STATE OF RHODE ISLAND

The proposed grant activities are intended to build new housing and move Rhode Island off the list of States with the least new residential development. Specifically, the long-term effect of these grant funds would be to:

- create a grass roots infrastructure in Washington County and Bristol County in support of housing development, armed with training, a community of practice, and a tool kit to development.
- create a land use and housing design “toolkit” that can be used by any number of stakeholders. Providing sample plans / renderings of various housing typologies can effectively combat community resistance to housing development based upon stereotypes of the design and form of housing typologies that are perceived as “not fitting in.
- purchase and development of approximately seven affordable housing developments in the targeted geographies.
- adopt legislation at the state level to promote more uniform zoning and permitting processes that are streamlined and predictable for developers to produce affordable housing in the targeted Counties,
- create and support nonprofit developer capacity in the target Counties and entice new developers to develop affordable housing in the targeted geographies.

To track the impact of the grant and identify activities or efforts that need enhancement or additional support, the Department of Housing will measure its progress in removing obstacles through several key outcomes.

- number of site acquisition awards (only nonprofits are eligible);
- number of predevelopment awards, in total as well as those made to local nonprofit developers;
- the number of housing units permitted in the Counties and the State as a whole. This data must include information such as the levels of affordability, the typology (e.g., single family/multifamily); and units/acre;
- the number of communities that implement zoning changes that will permit more housing development by measures such as increasing areas zoned for multifamily housing by right;
- whether we succeed at Statewide Zoning and Building Permit reform;
- whether nonprofit developers become active in the Counties;
- the number of lower income households and the number of racial or ethnic minority households that purchase or rent the housing that is created over the duration of the grant term in the Counties.

The State of Rhode Island is presenting a pragmatic and achievable set of measures to remove barriers that obstruct housing development and housing access. It is not a magic pill and challenges will remain. But it will create a lasting, positive impact in our communities, especially those in Washington County and Bristol County, and set a model for harnessing grass-roots activism and State leadership to create a new vision and a new reality for providing quality housing that serves all households.