

State Housing Plan Update

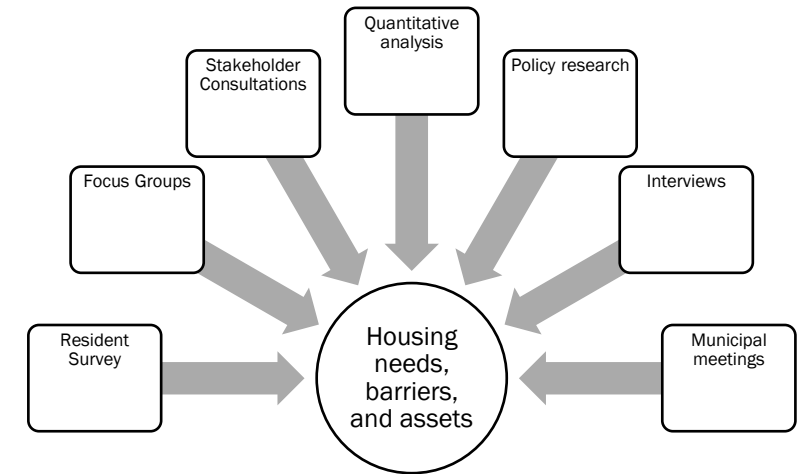
Housing Resources Commission
June 18th, 2024

**RHODE
ISLAND**

Process Overview

- Builds upon initial options and observations described in the BCG sprint.
- Working with Abt Associates (Abt is subcontracting with the Rhode Island League of Cities and Towns, among others)
- Three phases to the process
 - **Phase One:** Baseline housing analysis (including the Department of Housing Integrated Report)
 - **Phase Two:** Housing needs, barriers, and housing planning/goal setting best practices
 - **Phase Three:** Recommended policies, goal setting, and resources

Currently in Phase Two:



To Date

- Met with municipal leadership from 31 municipalities; remaining meetings to be held over next month
- Convened focus groups: nonprofit developers, for profit developers, municipal planners, YIMBY advocates
- Interviewed planners and leadership from other jurisdictions that have recently undergone housing planning: Colorado, DC, Minneapolis, Oregon, Austin
- Updates and feedback from groups such as RI Housing, RI Commerce, OHA, HousingWorks RI, Statewide Planning, Neighbors Welcome, One Neighborhood Builders, RI Infrastructure Bank, etc.

Resident Survey

- Developed by the Department of Housing and RIHousing as a joint survey for statewide housing planning
- Goal of survey is to learn about housing needs, household level housing goals, fair housing concerns
- Survey is available in English and Spanish (anticipate to close in early July)
- Survey link in English:
<https://tinyurl.com/RISurveyHsg>
- Survey link in Spanish:
<https://tinyurl.com/RIEncuestaViv>



WE WANT TO HEAR FROM YOU!

Rhode Island Resident Housing Survey

The Rhode Island Department of Housing & RIHousing want to hear from you!

Make your voice heard and take 15 minutes to fill out the *Rhode Island Resident Housing Survey* to help inform state housing plans. This survey is available in English and Spanish.

Scan this QR code with your smartphone to access the survey or visit:
<https://tinyurl.com/RISurveyHsg>

Invest. Build. Believe.

Upcoming Report

- Update on housing planning process to date
- Looks primarily at the following questions:
 - What housing does Rhode Island need?
 - What's standing in the way?
 - What are the assets, opportunities, and best practices Rhode Island can leverage?
 - What options do we have for future direction?
 - What are our next steps?

What housing does Rhode Island need?

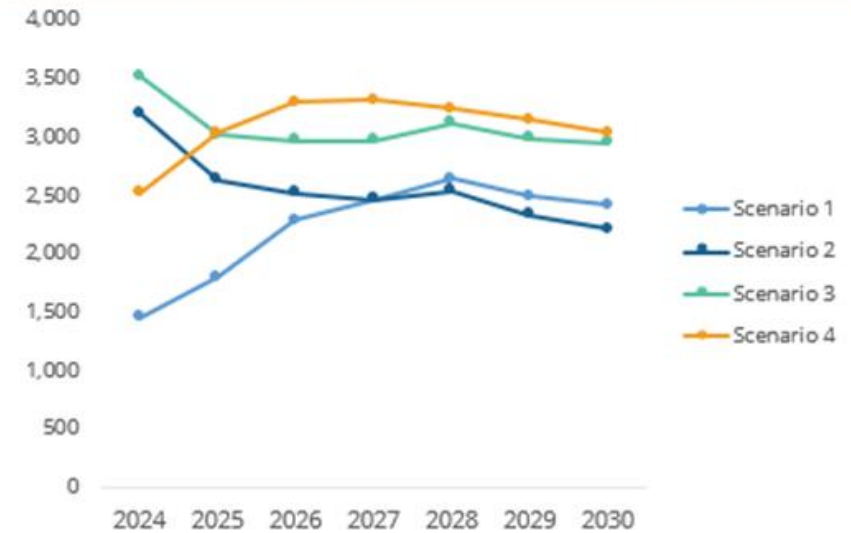
A few questions we are considering:

- How do we express existing housing needs?
 - Units needed to reach 10% goal
 - Cost burdens
- What are we anticipated to need in the future?
 - Projected additional households
 - Looking at this data by AMI, tenure (homeownership vs. rental), and age (>65 and 65+)
- What do we know about supports that are needed?
 - E.g., for accessible homes

Building on Housing Needs: Projections

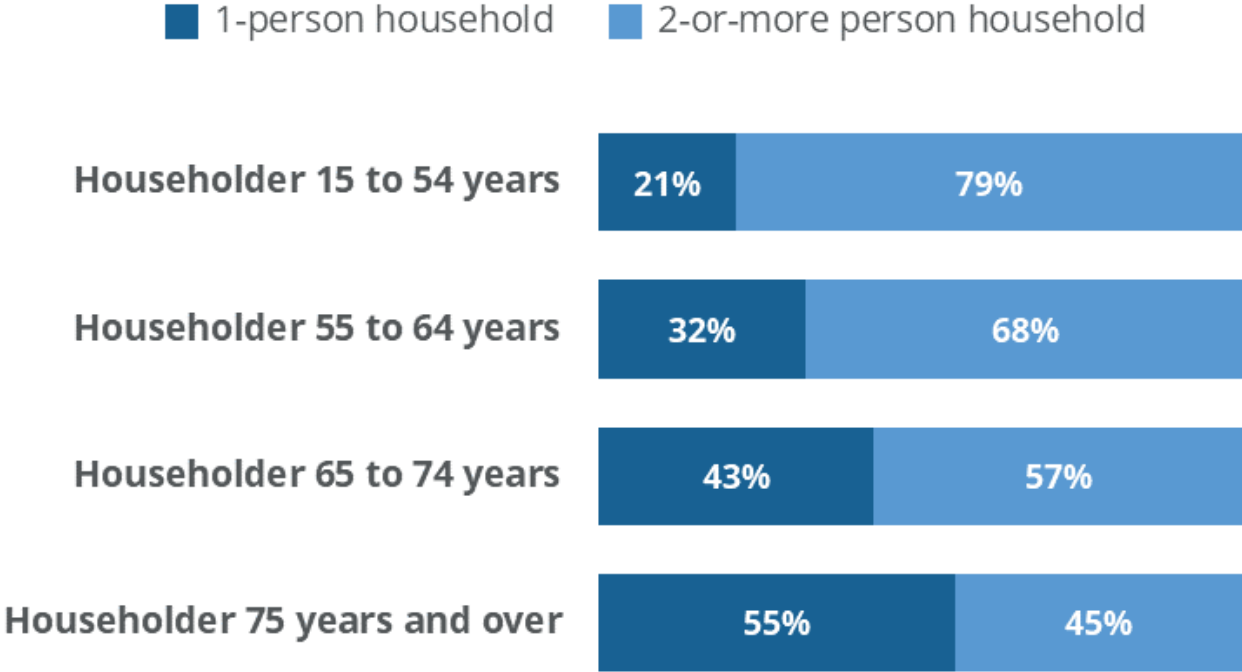
- We estimate the current tenure by age and AMI distributions;
- Then apply these distributions (held constant through 2030) to each scenario and within each age cohort to estimate the projected number of additional housing units needed to accommodate households based on their age and income distribution.
- Current housing needs are not included in these estimates.
- These estimates are a guidepost that represent the floor of production needed to prevent affordability issues getting worse.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2023 to 2024	1,454	3,211	3,527	2,521
2024 to 2025	1,799	2,637	3,021	3,039
2025 to 2026	2,291	2,527	2,972	3,297
2026 to 2027	2,468	2,464	2,974	3,318
2027 to 2028	2,642	2,542	3,125	3,244
2028 to 2029	2,495	2,339	2,996	3,150
2029 to 2030	2,419	2,215	2,954	3,043



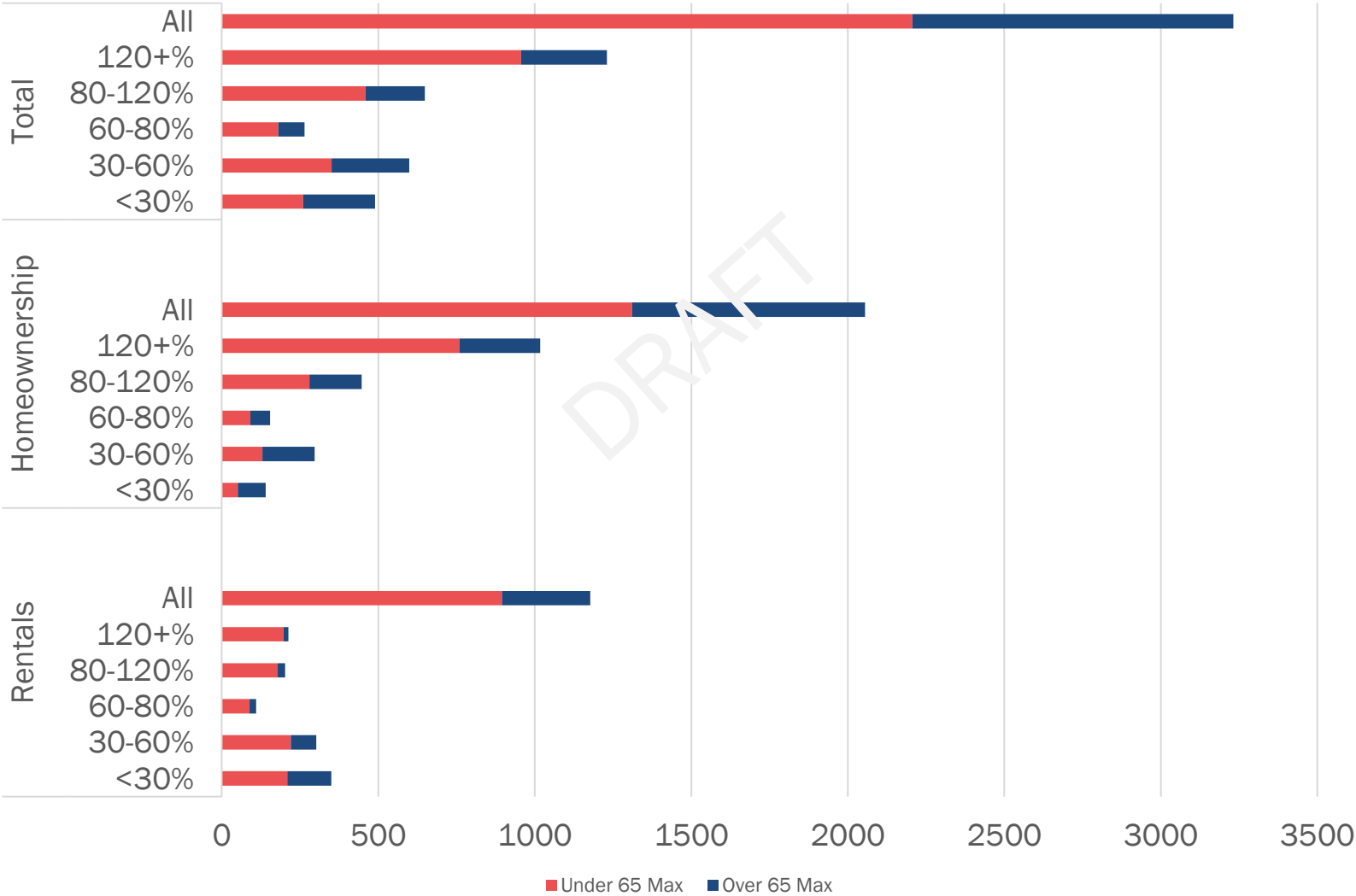
Household Size Distribution

- Older households are more likely to be composed of just 1-person
- As population ages this will increase household formation rates and drive demand for more housing



Rhode Island needs more housing at every price point

Projected average annual households



Production and Affordability

- Research shows that new housing development (deed restricted and market rate) can help slow the increase of local rents
- A recent study (Mast, 2023) found that new market rate multi family unit construction created vacancy chains, opening up housing options for households below median income



What's standing in the way of the housing RI needs?

While there are many barriers contributing, looking at a few categories:

- Lack of production
 - Overall production
 - Affordable housing production
 - Mismatch between production and needs
- Losing stock
 - Housing quality/age
 - Short-term rentals
 - Preserving affordable housing
- Homeownership-specific barriers
- Supports needed

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Barriers to housing production include:

Lengthy and unpredictable development approval processes: e.g., building code, zoning, staff capacity and state and local levels, special purpose districts in smaller municipalities

Infrastructure and environmental constraints: e.g., roads and transportation; water and sewer; wetlands, coastal land, environmentally/culturally sensitive land

High costs of development and operation: e.g., operating costs (e.g., staffing, maintenance, supply, taxes, insurance), construction costs, delay costs, and affordable housing stipulations

NIMBYism: centered on fears of impacts on school funding, but invoking multiple concerns

Financing gaps and tools: questions of scale and predictability, opportunities to align the investments and tools for housing purposes

Mismatch between production and needs

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Barriers to homeownership include:

In addition to the lack of supply and production:

Unaffordable monthly payments

Non-housing debt

Lack of down payment

Credit history

Insufficient collateral

Additional barriers to homeownership for people of color

Assets, opportunities, and best practices we can leverage?

Rhode Island has momentum and key assets we can leverage to boost progress

- Promising municipal actions
- Strong pipeline
- Non-profit developer community
- Candidates for future development
- New programs and resources

Little Compton Affordable Housing Trust used SAP funds to purchase property to build 4 affordable units



Little Compton

Burrillville

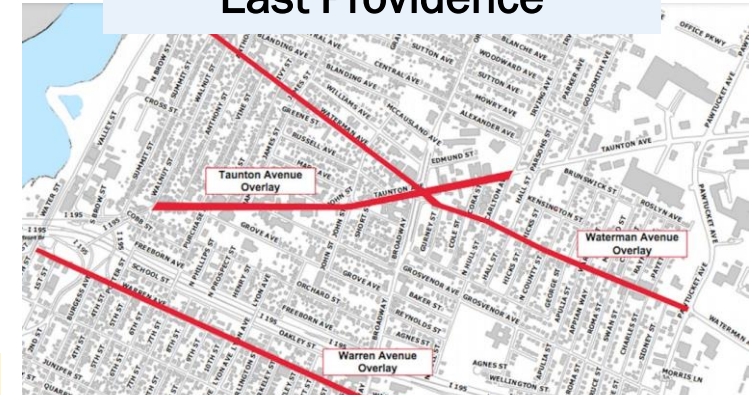
In 2021, Burrillville created a Senior Housing Committee Used MTAP funds for predevelopment engineering and design work for a 60 unit senior housing development

Central Falls



Through Central Falls Redevelopment Agency, purchasing vacant property to build rental and homeownership options

East Providence



East Providence has proposed four overlay districts where mixed use development will be allowed.

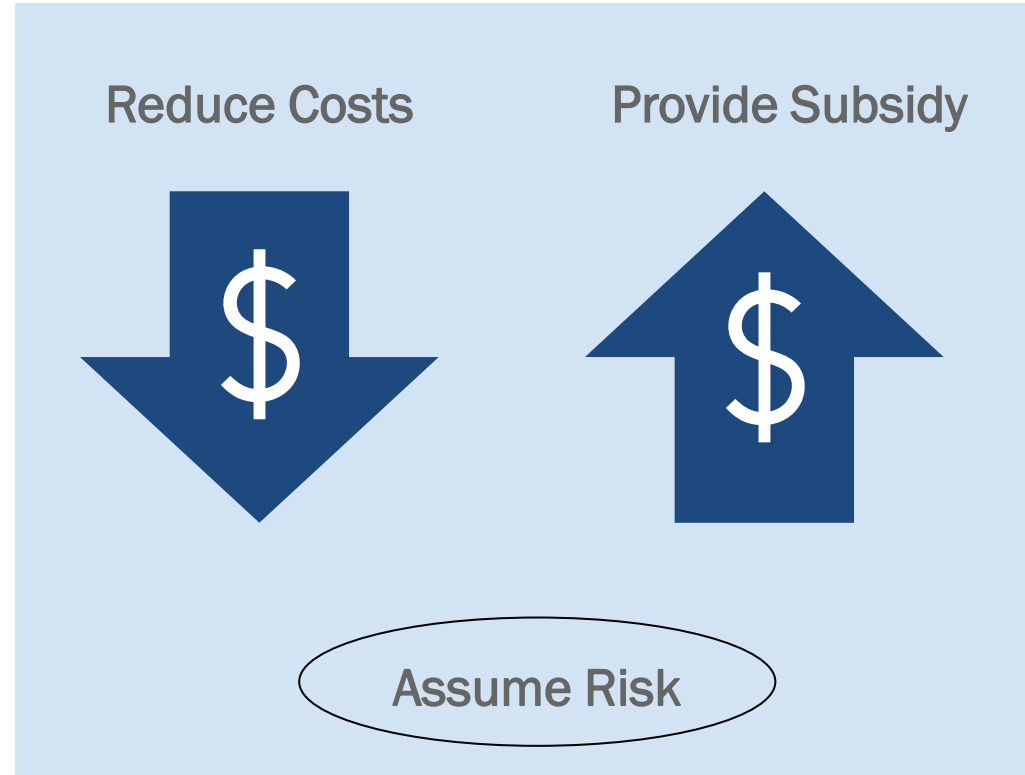
Options for future direction

While these questions will be focal points of the next phase of this process, we'll share some observations and options regarding questions such as:

- What goals should Rhode Island pursue?
- What types of developments should municipalities pursue?
- Where should we build additional housing?
- What supports will be needed for specific populations?
- What are the specific strategies needed to address subcomponents of our housing needs?
- To what extent are we going to focus on reducing costs vs. subsidizing additional development?
- To what extent will we also focus on reducing risk for developments?
- What tools and resources will municipalities need to be successful?
- How do we align the investments and tools within State government to better address our housing needs?
- How should we engage universities? Anchor institutions? The business community?
- How will we measure our progress?
- How do we catalyze the level of bold action required to be successful?

Approaches to Improving Housing Affordability

- **Reduce Costs:**
 - Land use changes
 - Policies to expedite development process
 - Regulatory reform and reduction
- **Provide Subsidy:**
 - Gap financing
 - Downpayment assistance
- **Assume risk:**
 - Fund infrastructure
 - Pre-buy agreements



Goal Setting

Draft principles for Goal Setting

- Goals should be concrete, measurable, and include mechanisms for accountability
- Goals should align with needs, and should be set to be achievable but ambitious
- Racial/ethnic equity is an important component of many jurisdictions' housing plans and goals
- Strategies used to achieve goals should make the most effective use of the resources available
- Goals should be informed by environmental conditions, climate risks, and smart growth development principles
- Municipalities should be actively involved in and have options for meeting housing goals
- Targets should be set at the state level to clarify state objectives and ensure accountability

Next Steps

- Finish focus groups and interviews
- Finish municipal meetings
- Publish phase two report
- Close resident survey and review data
- Conduct public listening sessions
- Convene stakeholder group to discuss housing goals –please let Patrick Duffy know if you are interested