



RHODE  
ISLAND

# *Housing 2030* – Advisory Group Meeting

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September 19<sup>th</sup>, 2024

# Agenda

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- Welcome and introductions
- Background
  - Housing in Rhode Island
  - What is *Housing 2030*?
  - Overview of process
  - Welcome to the advisory group
- Discussion of vision and priorities
- Next Steps
- Public Comment

# Housing in Rhode Island: Challenges and Recent Progress

## Current Challenges

- Over a decade of low housing production has led to a housing shortage
- Median home sale prices have increased by **more than 57%** and average monthly rents have increased by **more than 50%** in the last 5 years
- Unsheltered homelessness has grown significantly since the onset of COVID (~400 more individuals than in 2019)
- Increased pressure on housing market from short term rentals

## Recent Progress

- Development and launch of the Department of Housing
- Two rounds of legislative reform packages thanks to Speaker Shekarchi and the General Assembly
- Historic investment into housing using the federal State Fiscal Recovery Funds (on pace to fund more than 2,300 units, more than 1,700 of which are affordable, over 250 middle income)
- 2,453 units permitted in 2023 (Housing Works RI permit survey), the most for Rhode Island since 2005

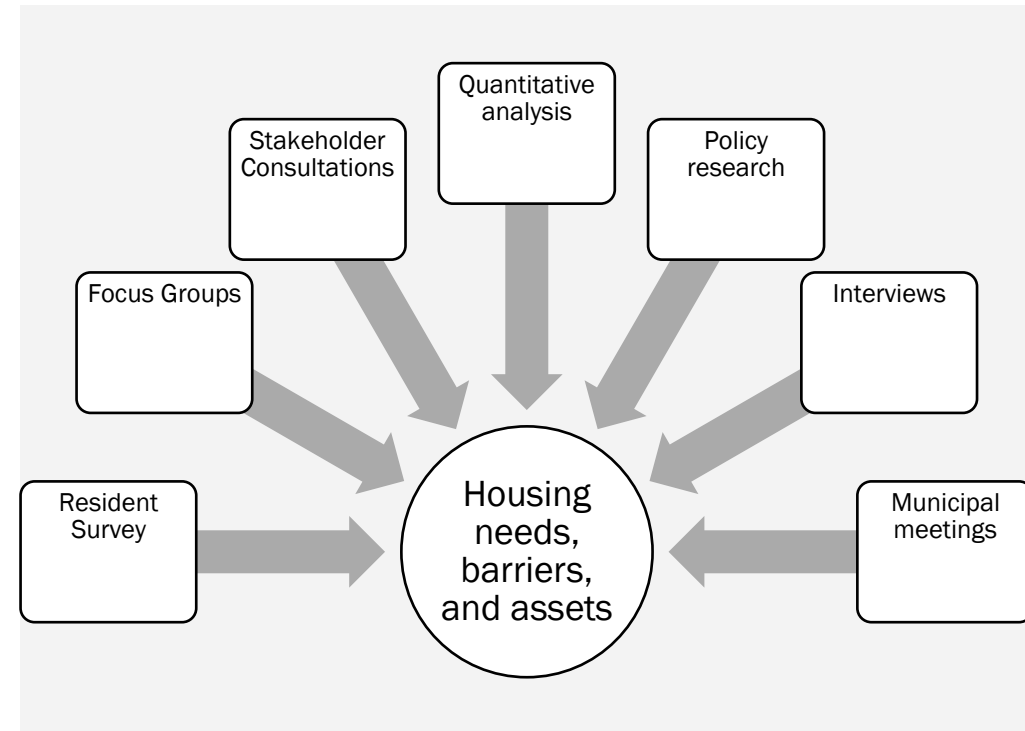
# What is *Housing 2030*?

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- *Housing 2030* is the name for the state housing plan we are developing
- Aim is that this process will bring Rhode Islanders together to set **concrete and measurable** housing-related goals and align on strategies for making meaningful progress towards achieving these goals.
- *Housing 2030* is grounded in the existing and projected housing needs of Rhode Islanders and Rhode Island communities.
- Housing 2030 aims to be an actionable plan that is not intended to sit on a shelf. It will do this by:
  - Creating and informing tools for Rhode Island communities to use
  - Serving as a roadmap for policy and budget proposals for FY2026 and beyond
  - Helping guide the State's use of federal funds,
  - Becoming adopted as the State's Guide Plan Element – which will inform municipal planning efforts for years to come

# Process Overview

- Builds upon initial options and observations described in the RI Foundation's 2023 work with BCG.
- Working with Abt Global (Abt is subcontracting with the Rhode Island League of Cities and Towns, Housing Works RI, and Root Policy)
- Three phases to the process
  - **Phase One:** Baseline housing analysis which resulted in 2023 Integrated Housing Report
  - **Phase Two:** Housing needs, barriers, and housing planning/goal setting best practices
  - **Phase Three:** Recommended policies, goal setting, and resources



# 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
- Outreach being supported by the Health Equity Zones
- 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>

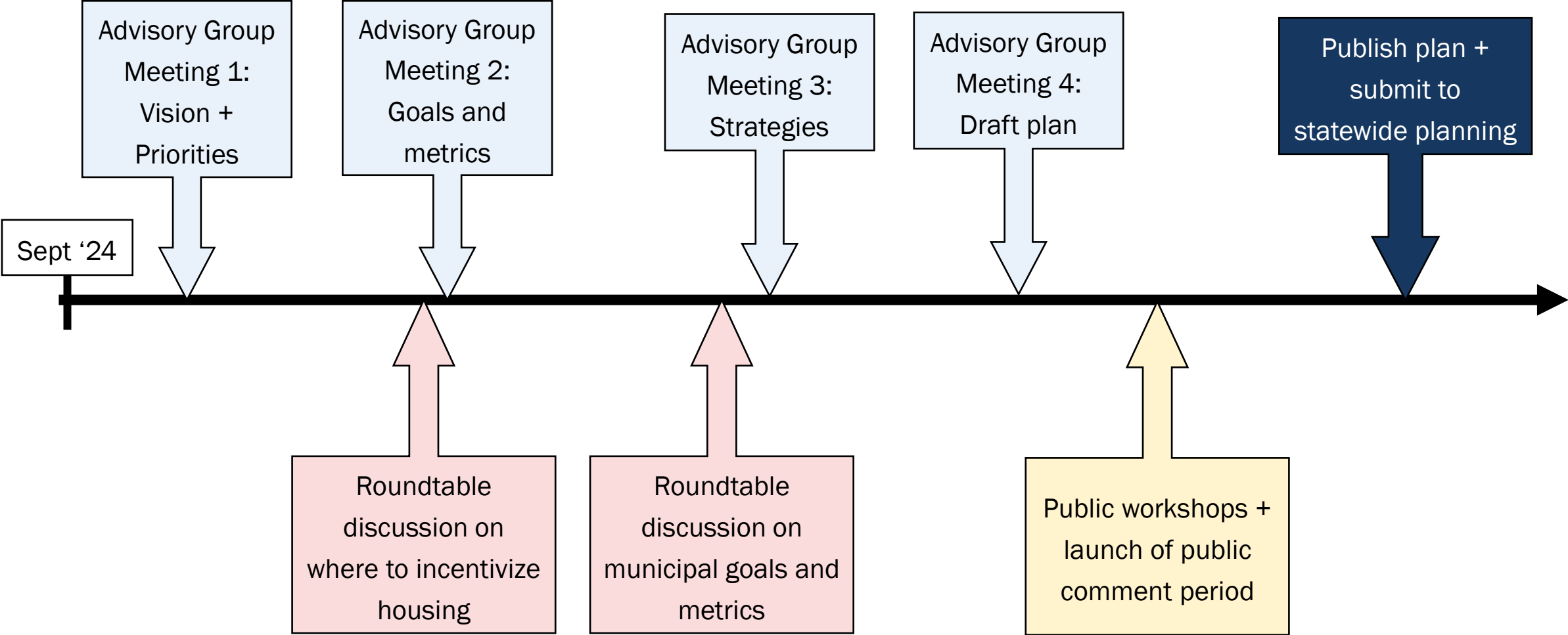


# Stakeholder engagement to date

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- Met with municipal leadership from all 39 municipalities (mayors, managers/administrators, planners, council members)
- Convened focus groups: nonprofit developers, for profit developers, municipal planners, YIMBY advocates, public housing authorities
- Interviewed planners and leadership from other jurisdictions that have recently undergone housing planning: Colorado, DC, Minneapolis, Oregon, Austin
- Briefed and taken feedback from the Housing Resources Commission
- Updates and feedback from groups such as RI Housing, RI Commerce, OHA, HousingWorks RI, Statewide Planning, Grow Smart RI, PHARI, Neighbors Welcome, One Neighborhood Builders, RI Infrastructure Bank, etc.

# Housing 2030 Current Timeline





# Welcome to State Housing Plan Advisory Group

**Objective:** A stakeholder forum to provide input and feedback to the Department of Housing on the state housing plan

## What we're asking of you

- Attend the four advisory group meetings
- Be actively engaged in advisory group meetings and share feedback with Department staff and other advisory group members (briefing materials before meetings will help ensure discussions are productive)
- Advisory group members provide insights and recommendations not decisions
- Commitment to working collaboratively even as members may disagree
- Partnership not just as we develop a plan, but also as we carry it out

# Draft Vision and Priorities

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# Draft vision and priorities

## Housing 2030

**Draft Vision:** Produce and preserve housing to meet the needs of all Rhode Islanders

## Draft Priorities

Housing Stock

Affordability & Access

Homeownership

Homelessness

2030 cross-cutting priorities

Improving education

Enhancing public health and wellness

Driving economic growth and the Rhode to Prosperity

Addressing climate change

Values

Transparency

Accountability

Partnership

Equity

Collaboration

Data

# Rhode Island has a choice.

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## What kind of future does Rhode Island envision for itself?

- Faced with these challenges and tradeoffs, Rhode Island must face some key questions as it creates a vision for itself.
  - Do we want to be a place where our children and grandchildren can afford to live both now and in the future?
  - Do we want to be able to retain our talented workforce?
  - Do we want to price even more Rhode Islanders out of the state?
  - Do we want to be a welcoming, diverse state?
  - Do we want to be a place where elders may age in community?

**Draft vision:** Produce and preserve housing to meet the needs of all Rhode Islanders

# Draft vision: Produce and preserve housing to meet the needs of all Rhode Islanders

1. What feedback do you have on the draft vision for the state housing plan?



# Housing Stock



# Housing stock

## What we heard from Rhode Islanders

- 79% of survey responses agreed that Rhode Island needs more housing
- The housing types they want to see built are included below:

Answer Choices	Preliminary Response Rate
Duplexes, triple-deckers, or townhomes	58%
Multi family apartment buildings (4+ apartments)	53%
Mixed use developments (commercial space with apartments/condos)	52%
Accessible housing options	53%
Single family homes	51%
Mill conversions, office building conversions, or other types of conversions	50%

“Middle income families cannot afford to live here. The town is slowly dying.” – Survey response

## What we heard from municipalities

- Need for more housing
- Concern about lack of housing for families, workforce, and seniors
- Concern about external pressures on local housing market (short term rentals, out of state sales, student housing)
- Strong interest in adaptive reuse, building upon existing footprint, while preserving conservation and open space
- Limited and aging infrastructure to support housing development

# Housing Stock

Projected household growth, combined with Rhode Island’s slow pace of production and deteriorating stock of housing, means that the state must significantly increase supply to keep pace with the need for housing.

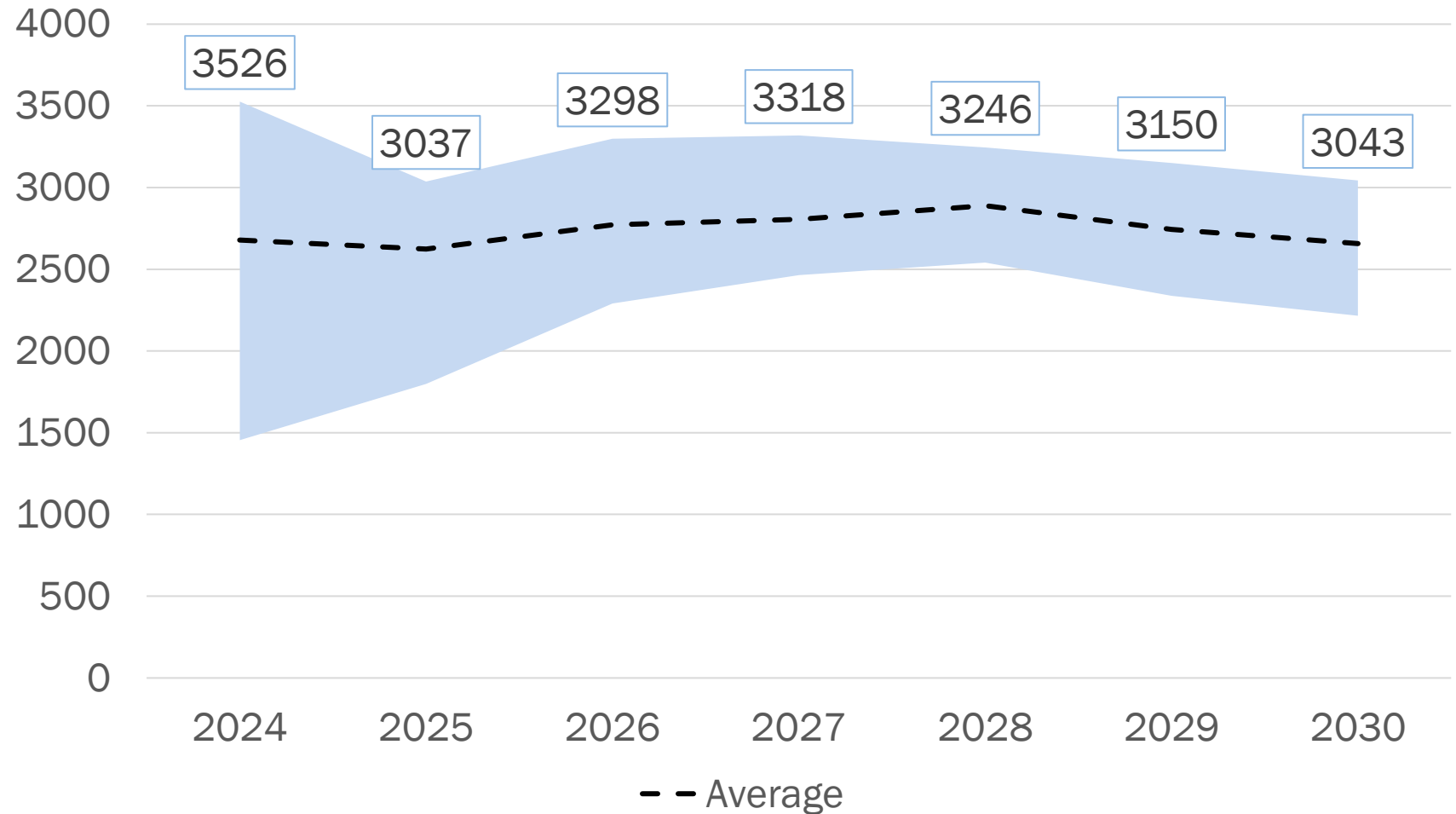
### Private Building Units Permitted 1988 - 2023





# Housing Stock

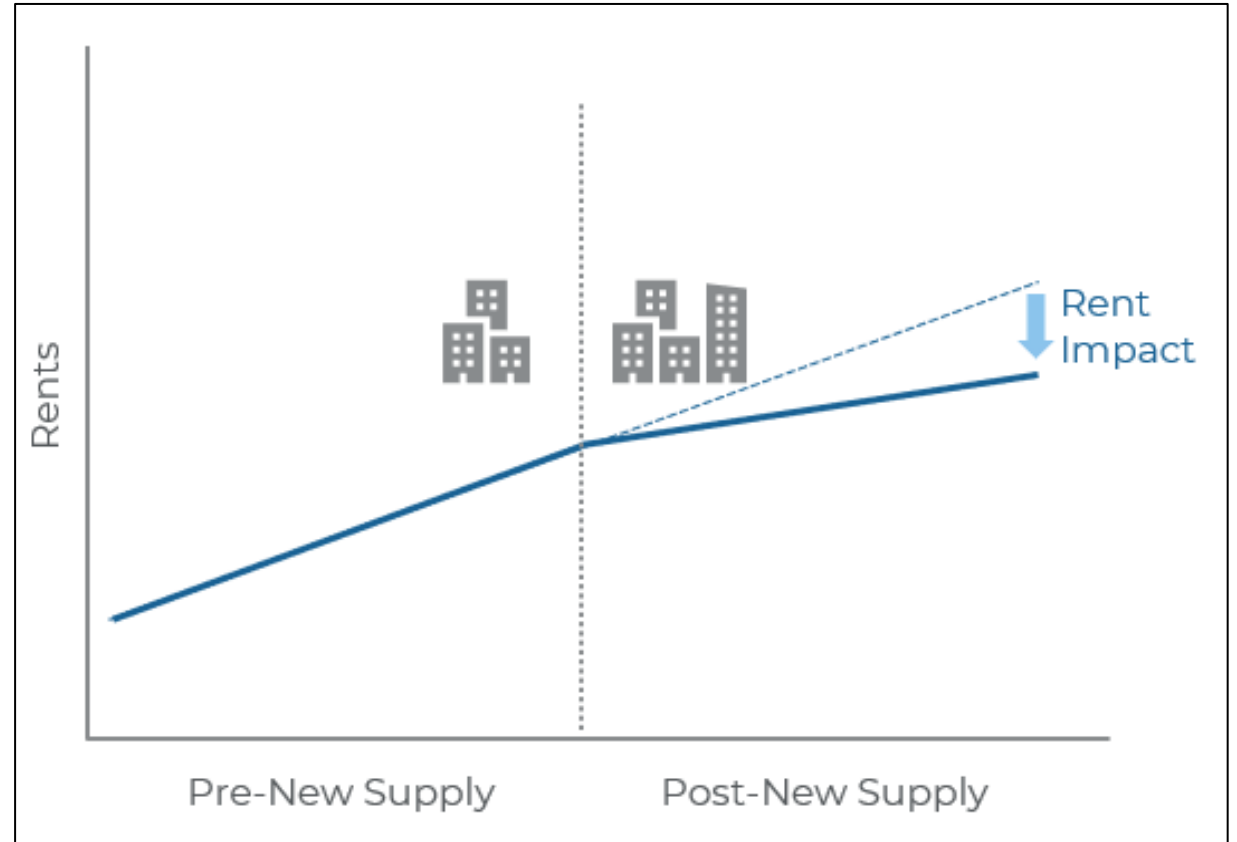
- Average new units required annually to match household formation, unit loss, and low-population growth is between 2,224 and 3,087
- These estimates are a guidepost that represent the floor of production needed to prevent affordability issues getting worse.



# Housing stock

## Reasons to focus

- Housing production and preservation are essential strategies for achieving long term housing affordability
- Vacancy rates in Rhode Island and growing housing prices signal a strong need for additional housing construction
- Rhode Island's housing production has only just begun to reach pre-Recession levels



# Affordability & Access

# Affordability & access

## What we heard from Rhode Islanders

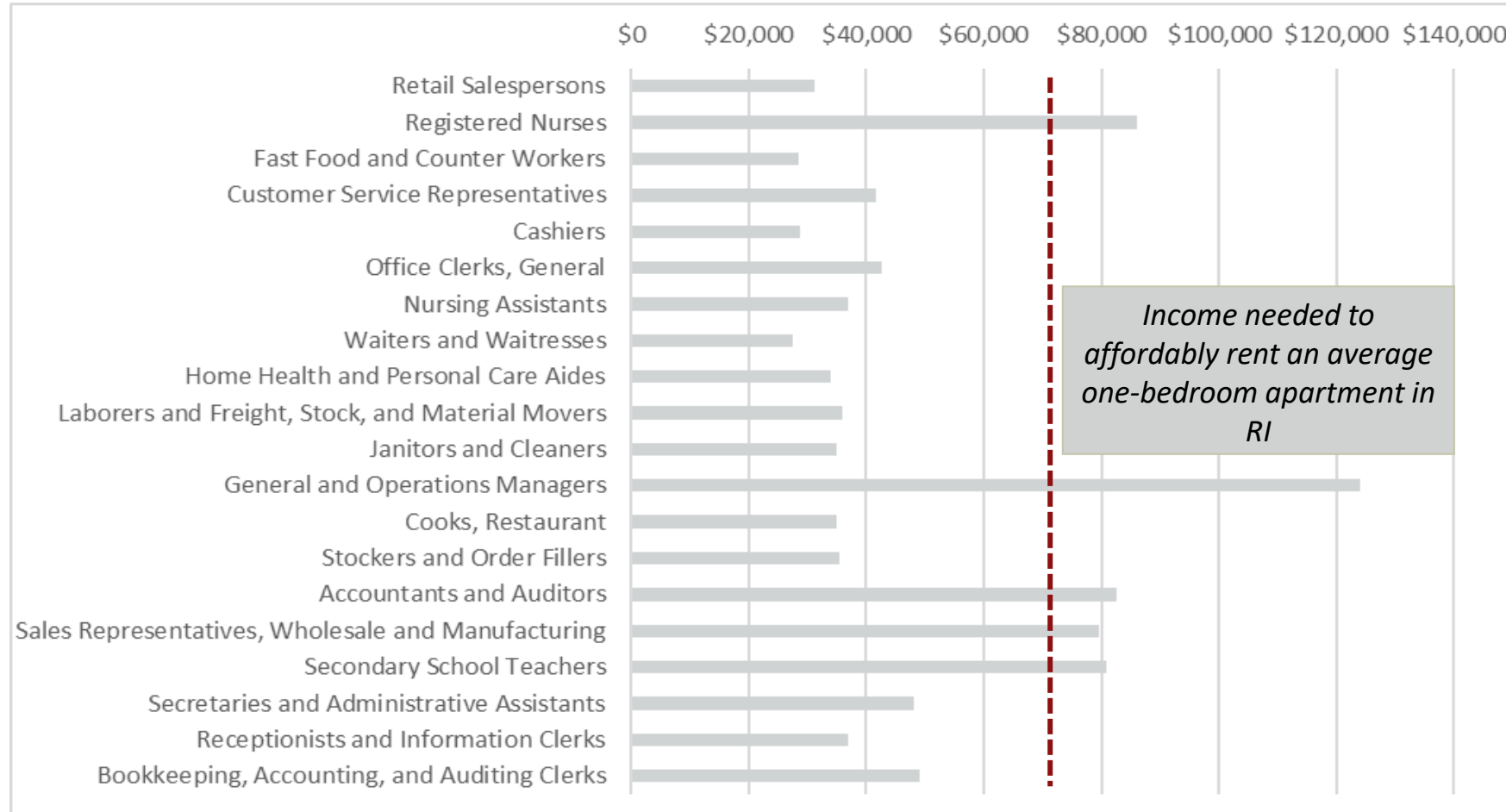
- In focus groups and from the resident survey, affordability is the number one concern
- Renters who were not satisfied with their current living situation shared the following reasons (survey responses)

Why are you not satisfied with your apartment?	Preliminary Response Rate
It's too expensive	49%
It doesn't fit me or my family's needs	34%
My rental unit is in poor condition	32%
My landlord won't respond to my concerns	18%
Bad/rude/loud neighbors	15%
It isn't close enough to my family, friends, or employment	11%
Cost of home repair/maintenance is too expensive	9%
Crime in the neighborhood	8%
My home isn't physically accessible	5%
It isn't close to transit	4%

## What we heard from municipalities

- Need for more housing that is affordable
- Concern about children and grandchildren not being able to afford living in their community
- Some communities are broadly supportive of more low-mod housing while others have other priorities
- Desire to build affordable housing for seniors
- Mixed reactions to the 10% rule across communities

# Affordability & Access



Source: RIHousing 2023 Rent Survey, rent for one-bedroom unit including utilities. Income computed using 30% affordability; Bureau of Labor Statistics – Occupational Employment & Wage Statistics for Rhode Island, May 2023. List represents most common occupations.

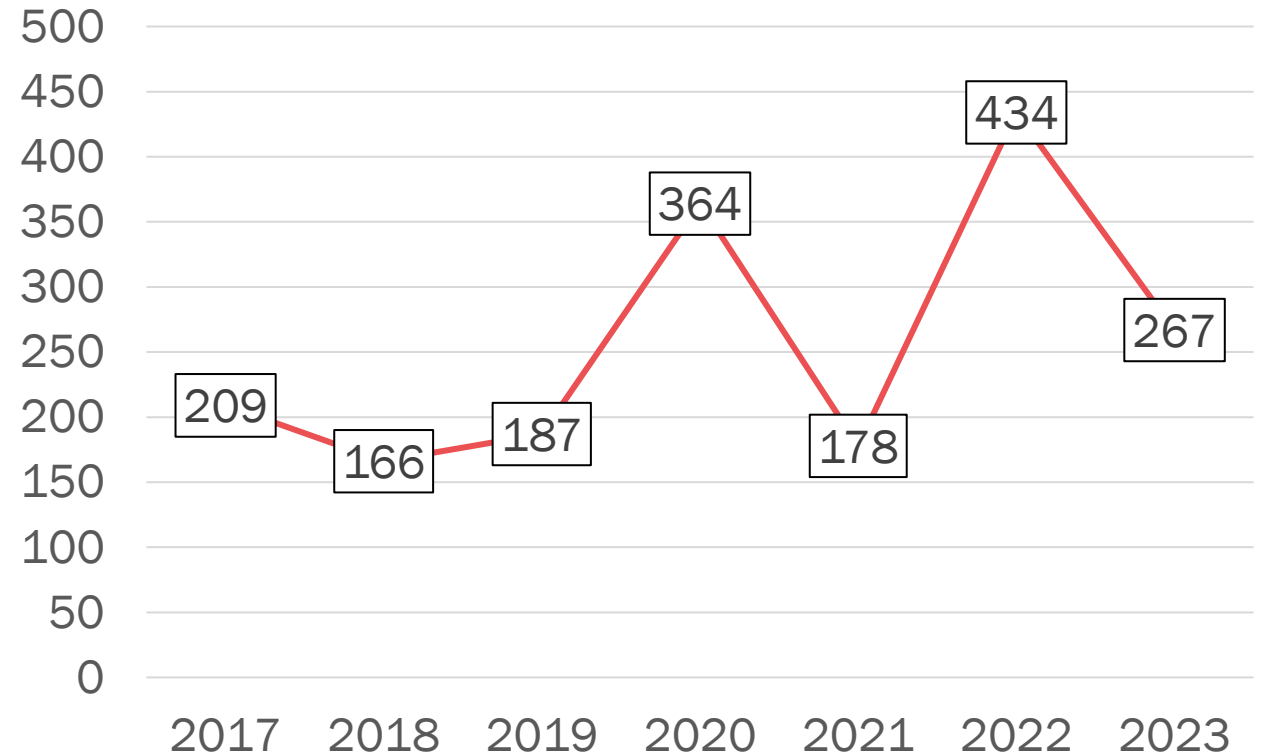
# Affordability & Access

Estimated average annual net new households added through 2030, by Tenure and AMI

	Rental	Ownership	Total
0%-30% AMI	294	116	411
30% - 60% AMI	255	251	507
60% - 80% AMI	93	130	224
80% - 120% AMI	171	379	551
120% + AMI	181	866	1,047
<b>Total</b>	<b>995</b>	<b>1,744</b>	<b>2,739</b>

Source: Root Policy Research, S&P Global Market Intelligence, ACS 2022 1-year estimates, U.S. Census 2023 National Population Projections, 2010 and 2020 Decennial Census, HUD 2017 Components of Inventory Change Report, HUD 2022 Statewide Income Limits

New Low-Mod Units Granted COs 2017 - 2023



Source: Low-Mod Chart, Housing Works RI, RIHousing

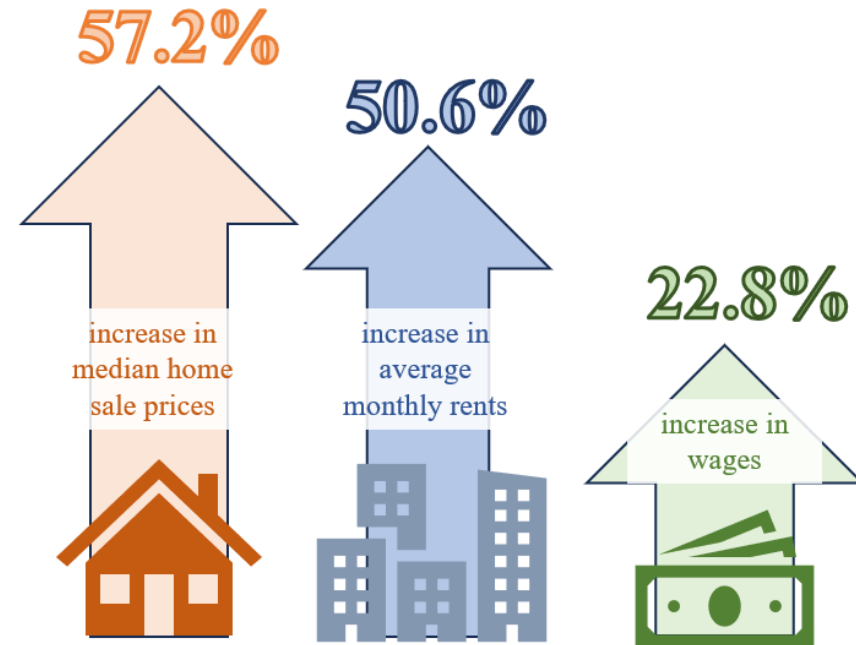
# Affordability & access

## Reasons to focus

- More than one-third of Rhode Islanders are housing cost burdened
- The growth of wages have not kept up with the increased in home sale prices and rents
- A lack of affordable housing will price out Rhode Islanders and impede community and economic development

## Housing costs are rising much faster than incomes

Changes in Housing Costs and Wages: Q4 2018 to Q4 2023



# Homeownership





# Homeownership

## What we heard from Rhode Islanders

- 45% of renter households said they would like to buy a home but currently cannot (reasons below)

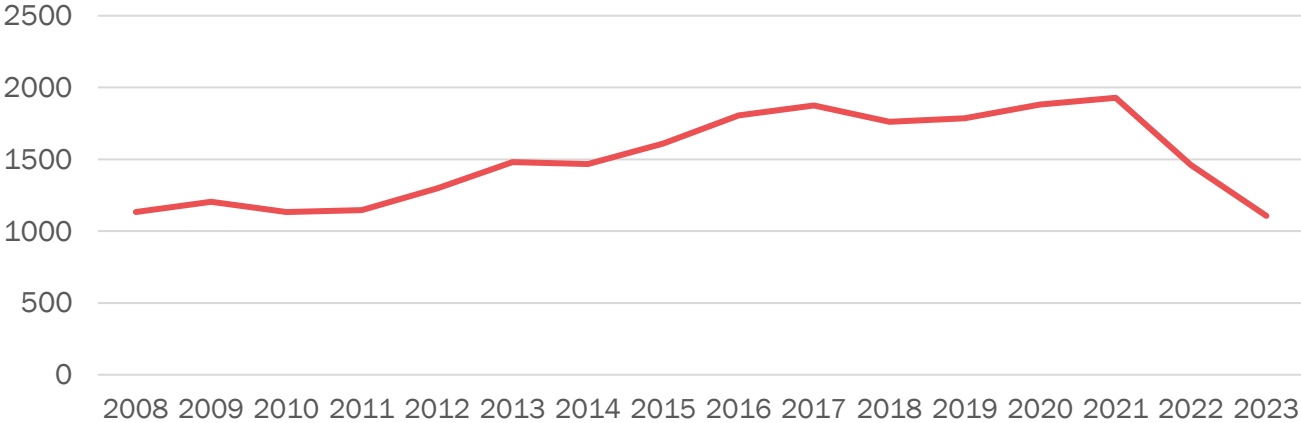
Answer Choices	Preliminary Response Rate
I cannot find any homes in my target price range	75%
Interest rates are too high	60%
I need a mortgage but available homes in my price range are sold to people who pay cash	49%
I cannot find any suitable homes in the area where I want to live	47%
I can afford the monthly expenses (mortgage, utilities, etc.) but not the down payment	42%
My credit history would keep me from getting approved for a mortgage	23%
I'm not interested in buying a home	3%
None of the above	1%

## What we heard from municipalities

- Homeownership units are not coming online because options for seniors to downsize are unavailable
- Short term rentals and second homes are reducing available housing stock
- Affordable starter homes are not being built, homeownership options are out of current residents' price range
- Concern about younger generation
- Focus on communities with low homeownership rates

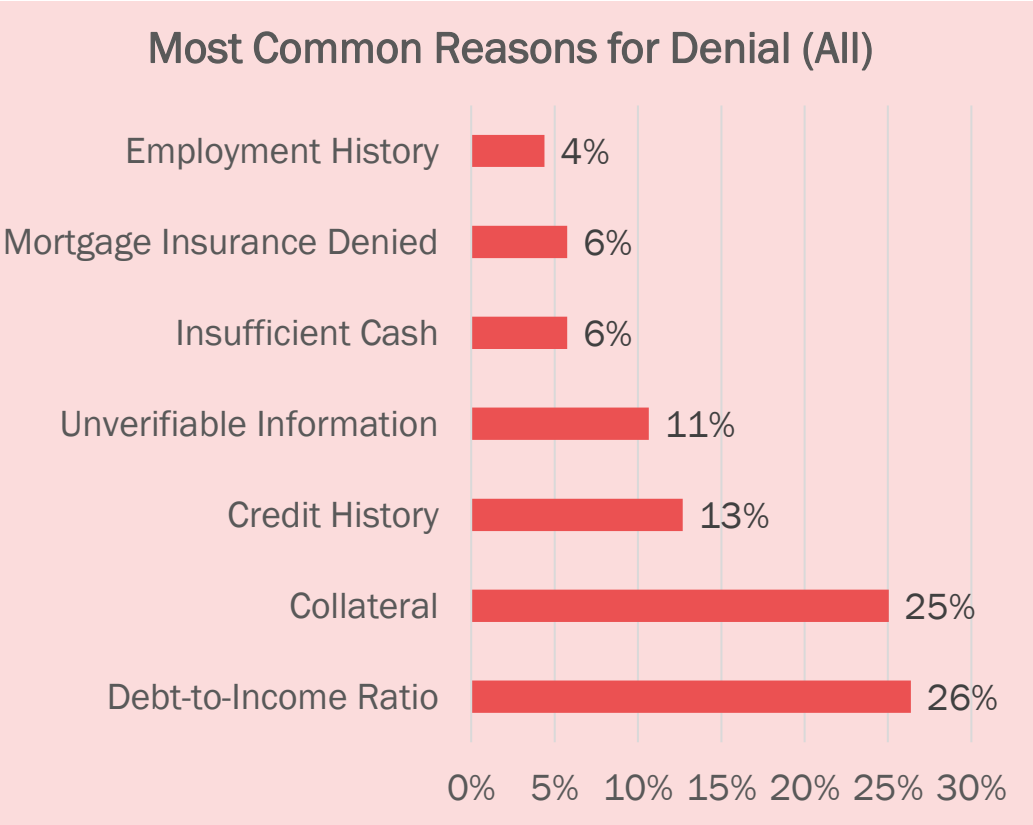
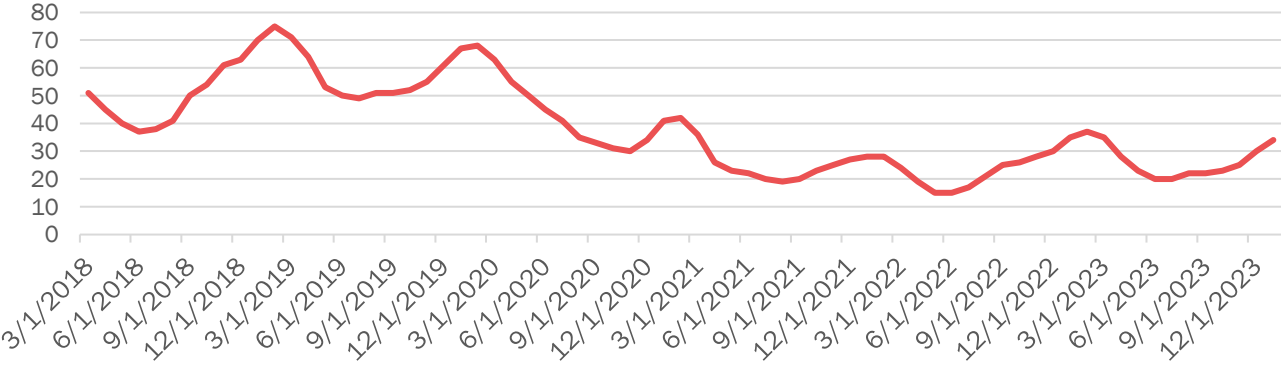
# Homeownership

Avg. Monthly For Sale Inventory 2008 - 2023



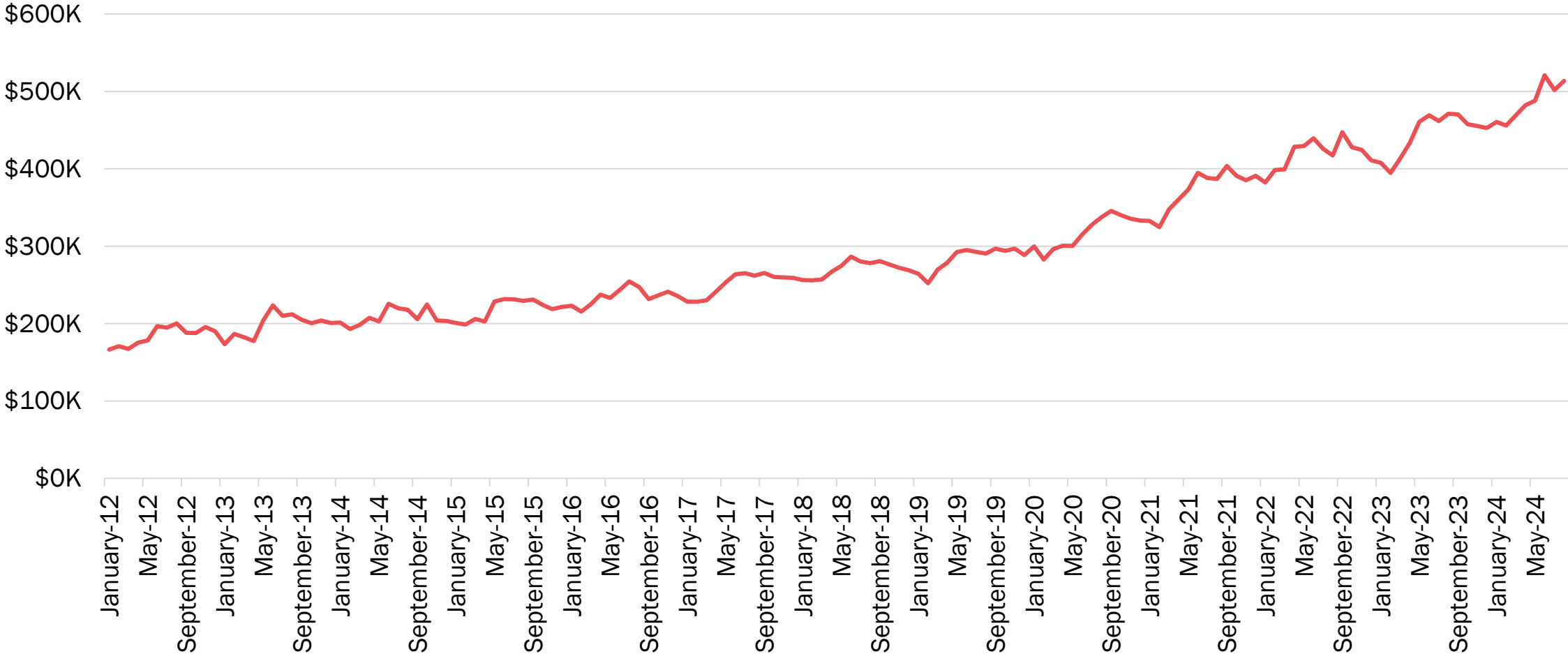
Source: Zillow Housing Data

Average Days from Listing to Pending Sale 2018 - 2023



Source: HMDA Data

# Median Sale Price



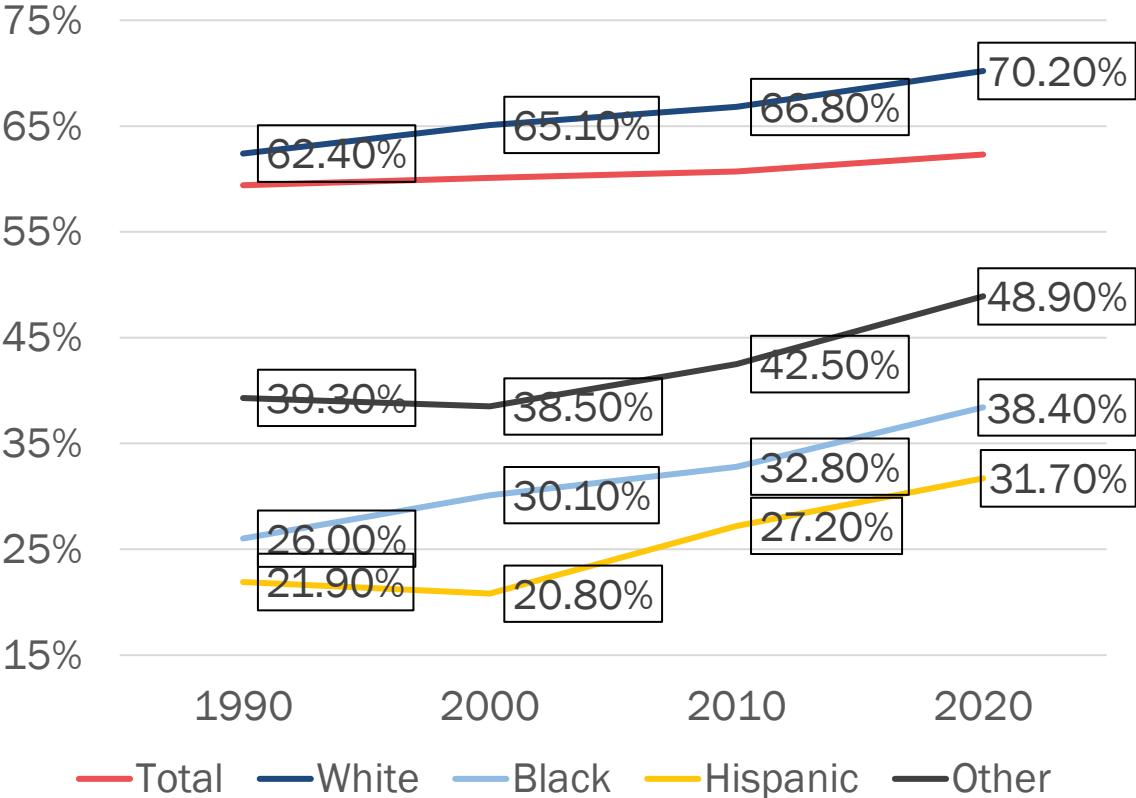
Source: Redfin median home sales data

# Homeownership

## Reasons to focus

- Homeownership offers stability, flexibility, and autonomy to individuals and families. These have meaningful impact on community development.
- Homeownership is a wealth building tool
- The racial and ethnic homeownership gap in Rhode Island are in part due to current and historical discrimination and effects of redlining

Exhibit 10: Rhode Island Homeownership Rates by Race or Ethnicity, 1990-2020



# Homelessness



# Homelessness

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## What we heard from Rhode Islanders

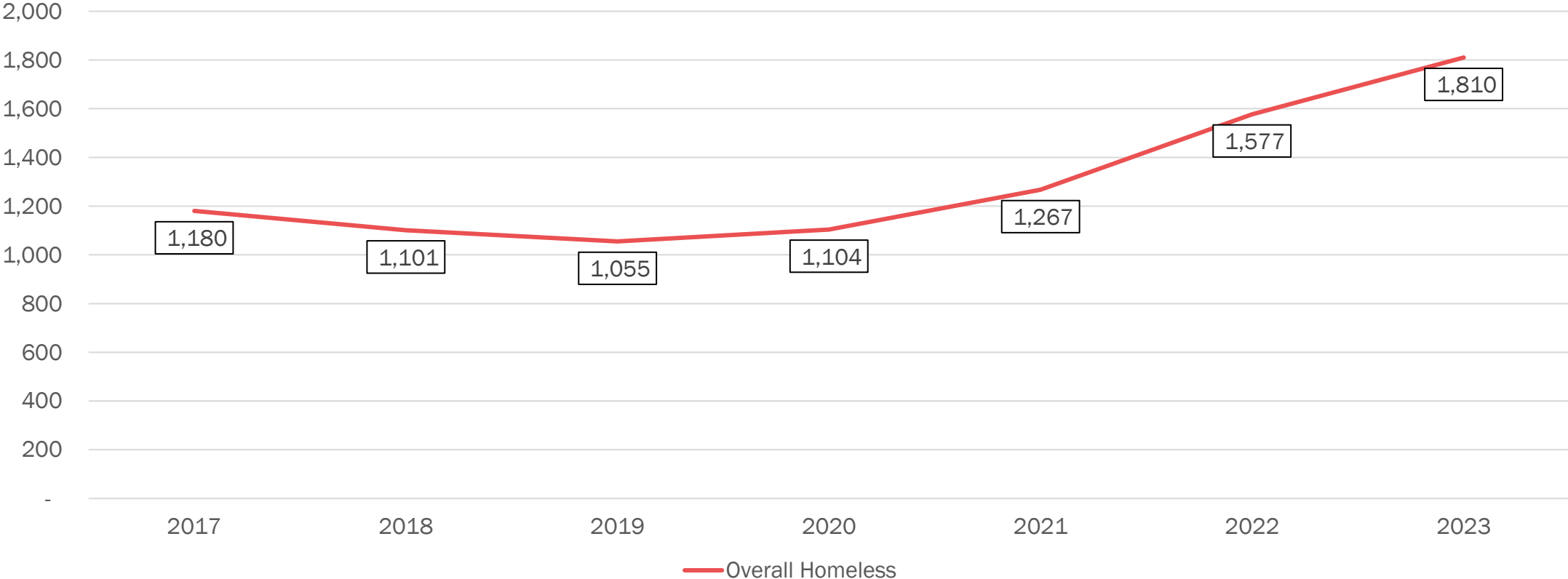
- Homelessness is a deeply concerning humanitarian and public health issue
- Resident survey responses shared concerns about homelessness in their community and about their own experiences with homelessness
- Affordability challenges due to changes in work, loss of income, and rising rents were cited as primary reasons for homelessness

## What we heard from municipalities

- Homelessness is a growing concern in some communities
- Other communities are unaware of local homelessness
- Need for state support for long term solutions as well as short term supports

# Homelessness

Trends in Overall Homelessness (RI), 2017-2023



Source: HUD Point in Time Count

# Homelessness

Exhibit 16: Available Year Round Beds

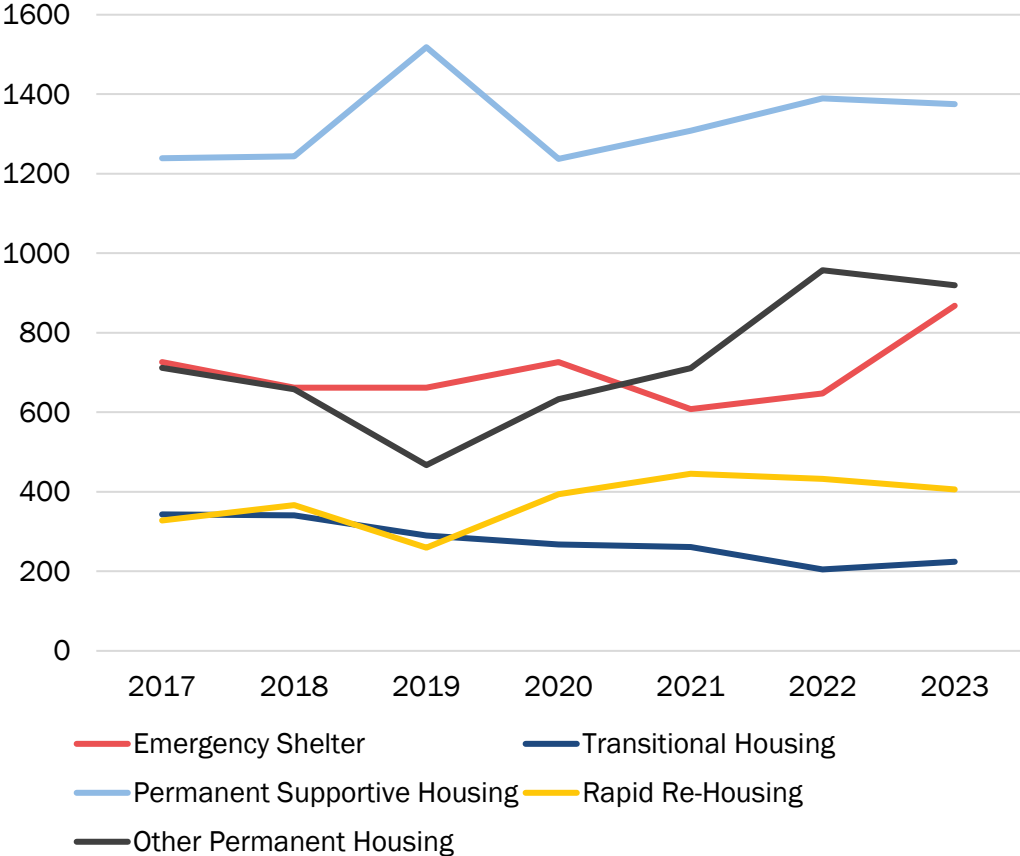
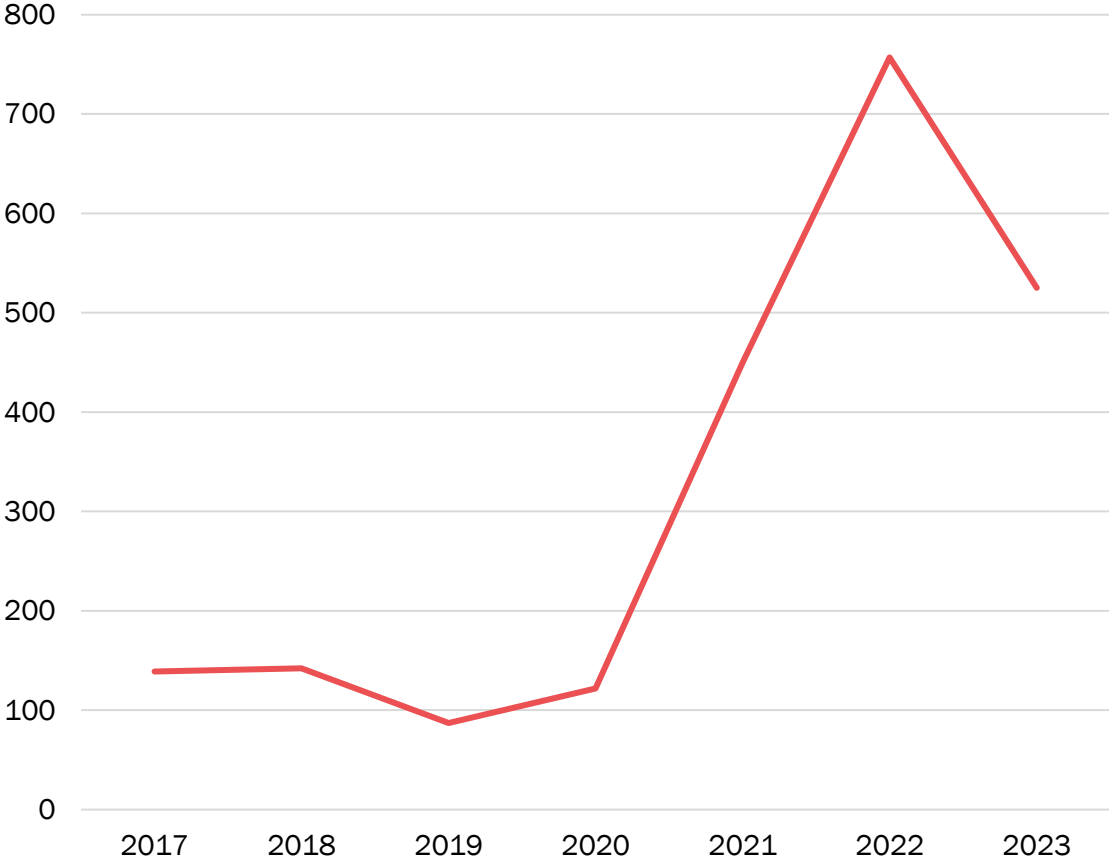


Exhibit 17: Available Seasonal Emergency Shelter Beds



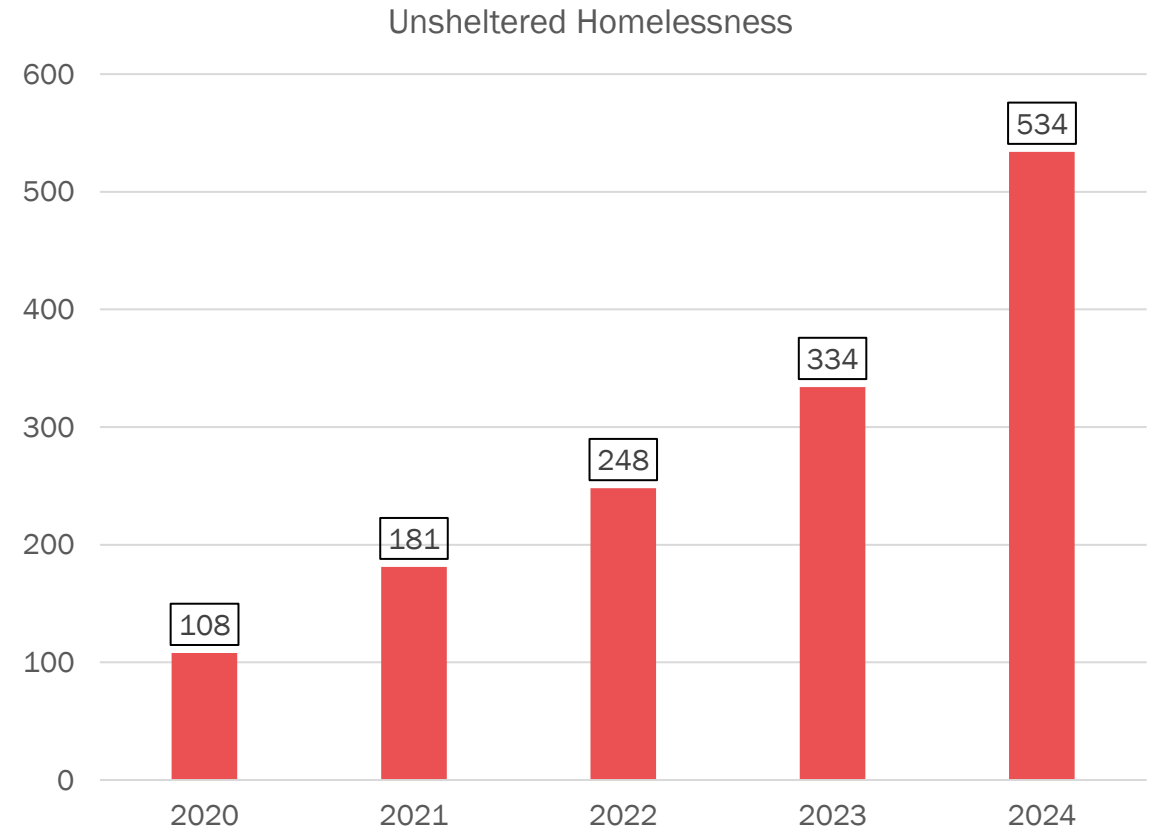
Source: HUD Housing Inventory Count



# Homelessness

## Reasons to focus

- Since the onset of the COVID-19 pandemic, homelessness (particularly unsheltered homelessness) is growing in Rhode Island
- Homelessness has serious impacts on individual's health and community health
- Research demonstrates that rental vacancy rates are strongly associated with homelessness, indicating that increased production helps reduce homelessness




Source: HUD Point in Time Count

# Housing is connected to other state priorities and goals

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- **Education**
  - Stable housing is fundamental to children's educational attainment
- **Increasing incomes and supporting the Rhode to Prosperity**
  - Homeownership as a tool for wealth building
  - Housing stability is important to efforts to increase incomes
  - Greater affordability allows for increased investment in education/job training
- **Health**
  - Ensuring that housing stock is safe
  - Housing as a social determinant of health
- **Climate**
  - Understanding housing development's impact on climate change
  - Understanding the impacts of climate change on where housing should be developed
    - Access to public transportation



**What should this plan  
focus on?**

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# Housing Stock: Discussion Questions

1. Should Rhode Island's housing stock (production and preservation) be the top line priority for this plan?
2. If yes, what does long term success look like? What does progress look like?



# Affordability & Access: Discussion Questions

1. To what extent should affordability and access be a priority for this plan?
2. What does long term success look like?  
What does progress look like?



# Homeownership: Discussion Questions

1. To what extent should homeownership be a priority for this plan?
2. What does long term success look like?  
What does progress look like?



# Homelessness: Discussion Questions

1. To what extent should homelessness be a priority for this plan?
2. What does long term success look like?  
What does progress look like?



# Next Steps

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## Department of Housing staff:

- Hold working group sessions (via zoom) to assist in drafting goals and metrics for discussion at the next advisory group meeting
- Convene roundtable discussion on where to incentivize housing development (October 23<sup>rd</sup>)
- Share briefing materials for advisory group meeting 2

## Advisory Group Members:

- Review pre-meeting brief before second meeting
- Join working group session (if interested) focusing on housing production and preservation

### Hold these dates:

- October 23<sup>rd</sup> – Roundtable on where to incentivize housing
- November 6<sup>th</sup> – Advisory group meeting 2
- December 18<sup>th</sup> – Advisory group meeting 3



# Public Comment





# Thank you!

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See you all back in November!

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