State Housing Plan Goal Development

Housing Planning Advisory Group

November 21, 2024

Draft content for discussion

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Outline for today's session

1. Welcome and introductions

   We'll be recording today's session.

2. Updates on process

3. Discussion of goals and metrics

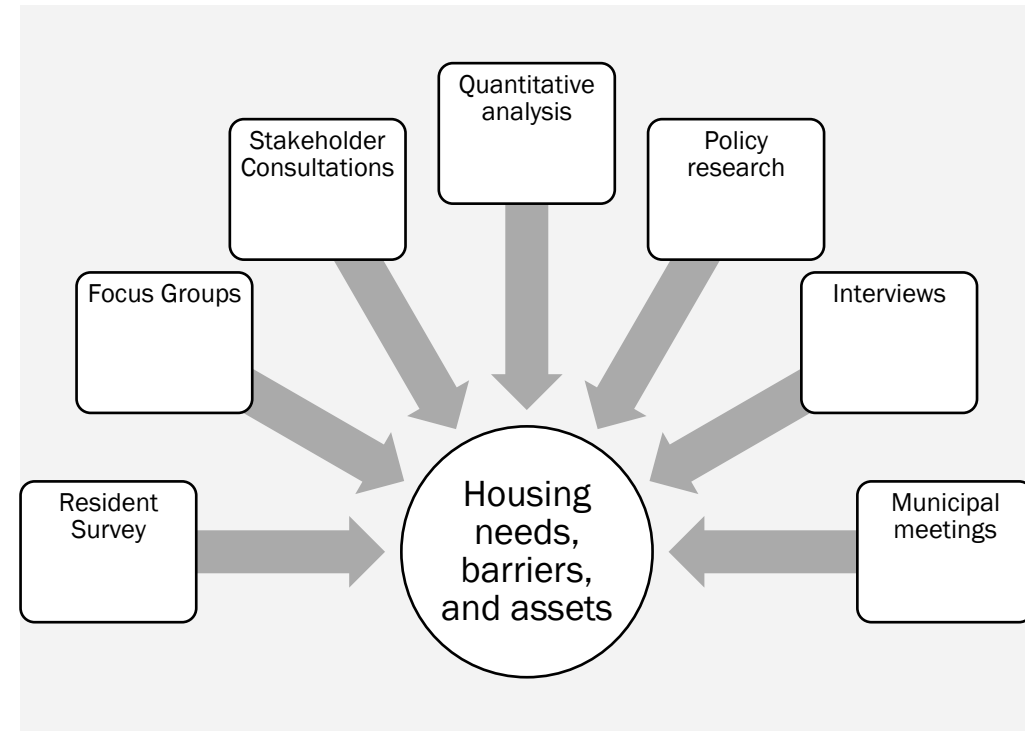4. Where should *Housing 2030* encourage housing?
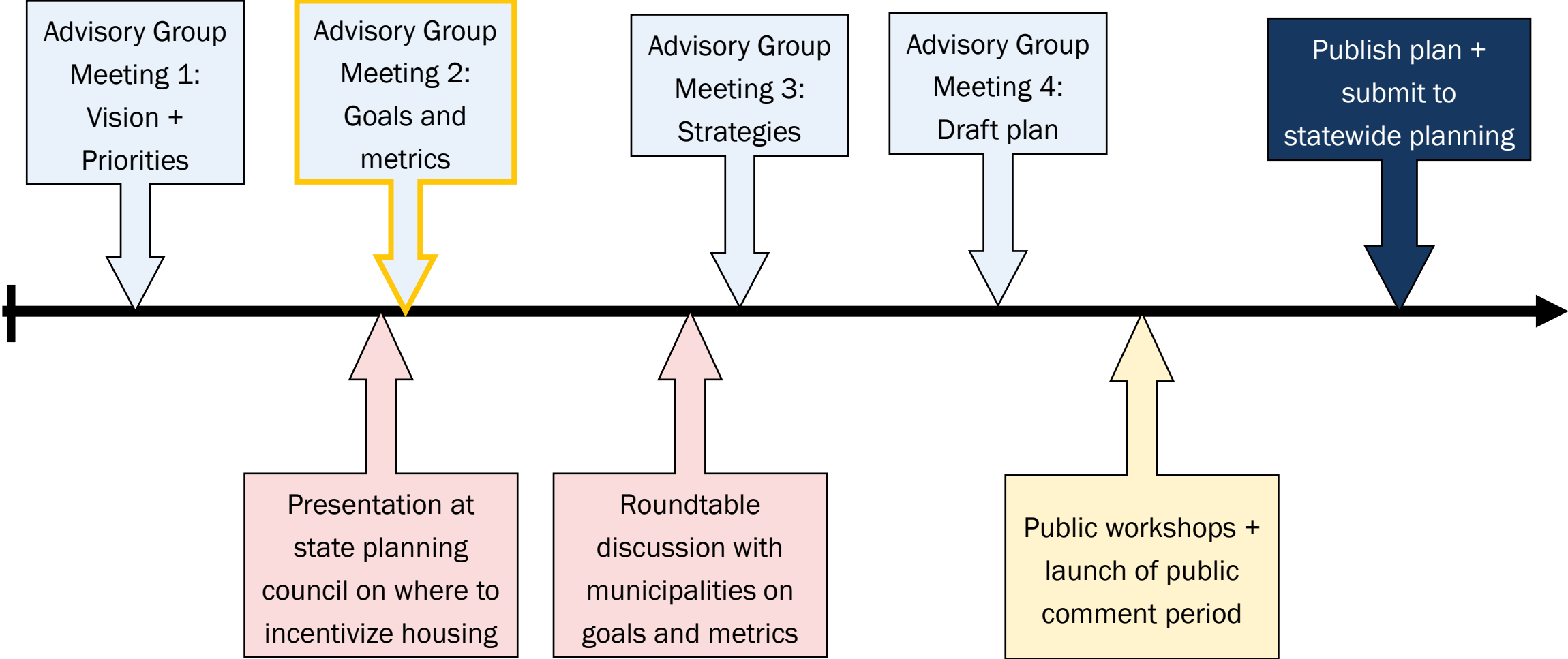
5. Next steps

6. Public comment

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
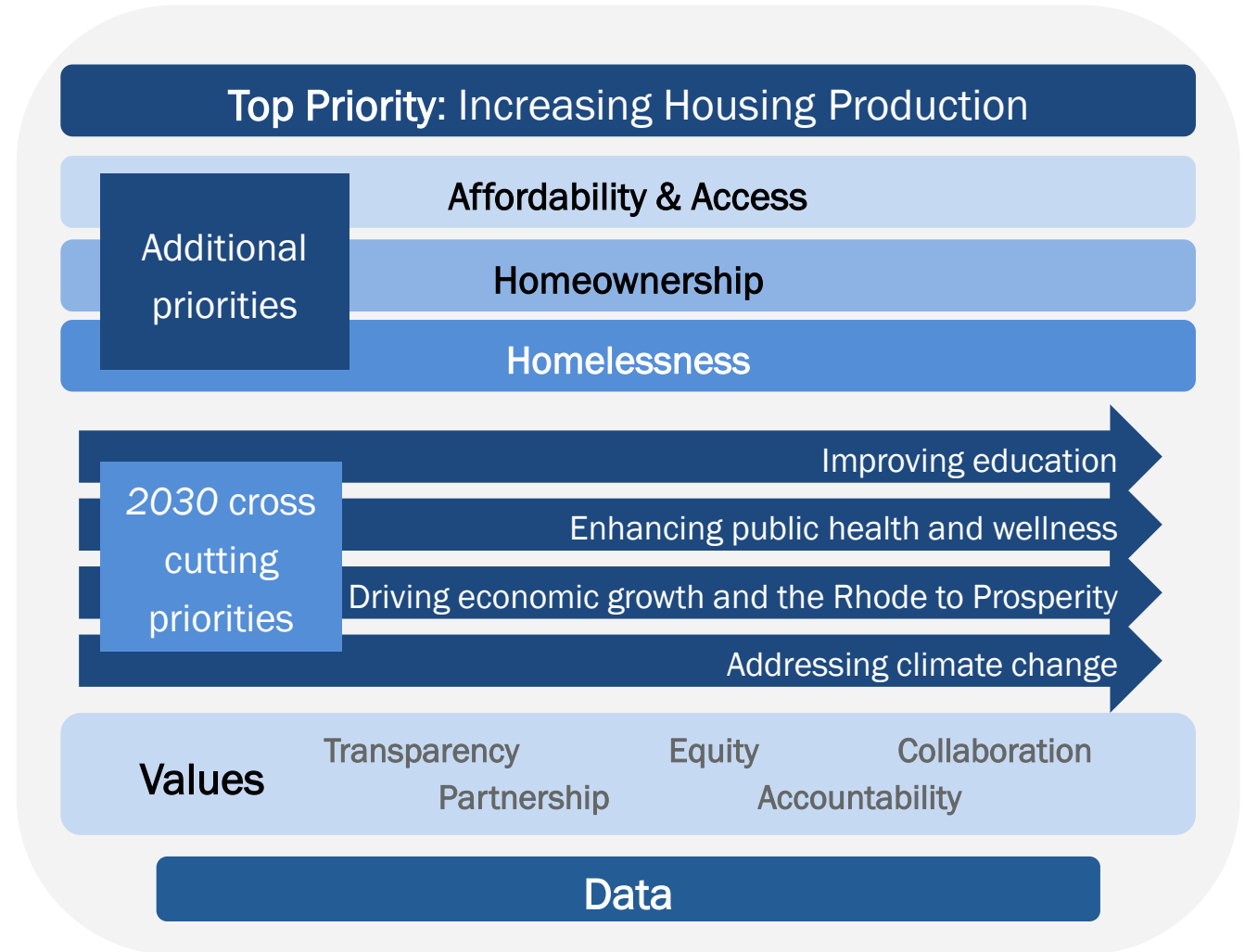 - **Phase Three:** Recommended policies, goal setting, and resources

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Housing 2030 current timeline

Advisory Group Meeting 1: Vision + Priorities

Advisory Group Meeting 2: Goals and metrics

Advisory Group Meeting 3: Strategies

Advisory Group Meeting 4: Draft plan

Publish plan + submit to statewide planning

Presentation at state planning council on where to incentivize housing

Roundtable discussion with municipalities on goals and metrics

Public workshops + launch of public comment period

What will *Housing 2030* focus on?

- Updated draft vision (based on your feedback): Produce and preserve housing to meet and respond to the needs of all Rhode Islanders; with a focus on creating strong communities with a diversity of housing options that are affordable and accessible.

- Particular focus on increasing housing production

Top Priority: Increasing Housing Production

Additional priorities
- 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   Equity   Collaboration
Partnership   Accountability

Data

Approach to goal setting

What does long-term success look like?

Which quantifiable metrics should we focus on to track and monitor progress?

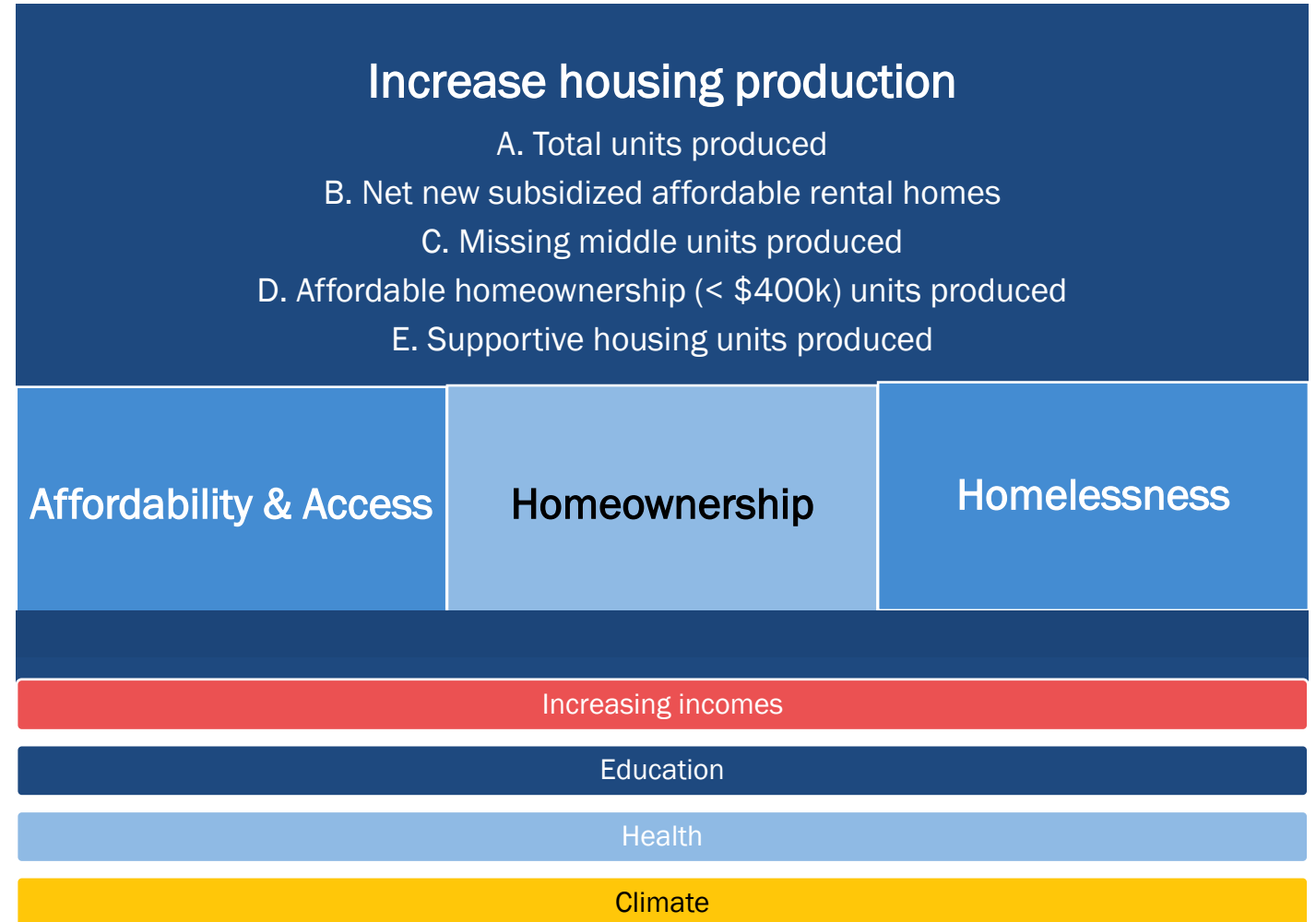What does progress look like? What are we aiming to achieve by 2030?

What strategies will we use for pursuing long-term success and 2030 goals?

Draft approach to top-line goals

Proposed categories are grounded in data-driven analysis about the state's housing market, qualitative input, and best practice research

- Proposing 5 top-line housing production goals

- Additional tracking metrics

Increase housing production

A. Total units produced
B. Net new subsidized affordable rental homes
C. Missing middle units produced
D. Affordable homeownership (< $400k) units produced
E. Supportive housing units produced

Affordability & Access	Homeownership	Homelessness

Increasing incomes

Education

Health

Climate

Increasing Housing Production

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What does long-term success look like?

Housing production

- Increase production of homes: build things!
  - Keep up with demographic trends
  - Anticipate loss of units
  - Improve affordability
  - Support population growth
  - Support economic development
  - Make up for post-great recession slump

- Increase choice by building a variety of types of homes
  - Homeownership *(see additional points on upcoming slide)*
  - Rental
  - Starter homes
  - 1-story homes for seniors downsizing
  - Permanent supportive housing
  - Deeply subsidized
  - Shared housing: SROs, boarding houses, multiple households in 1 unit

- Build for all income levels
  - Increase production at all income levels
  - Mixed-income housing
  - Workforce housing

- What else?
  - Safe and healthy
  - Green/energy efficient
  - Strong community connections
  - Accessible (uses universal design)
  - Support educational outcomes and increasing incomes

Summary of proposed production goals and metrics

Production Goals

Overall housing production	More "missing middle" housing	Net increase in affordable rental homes	New affordable for-sale homes	New supportive housing units

Production tracking metrics

Across each category

- **What are we building?** Building type, square footage, green building standards, universal design.
- **Where are we building?** By community, number and percent of units built in proximity to transit, infrastructure, and jobs.
- **Tenure?** # and % homeownership and rentals.
- **Who can afford these units?** # and % of units affordable <30%, 30-60%, 60-80%, 80-120%, 120+% AMI
- **What tools are we using to build?** Units created with tools such as density bonuses, limited parking requirements, inclusionary zoning, comprehensive permits, infrastructure investments, adaptive reuse, etc.
- **How much does it cost?** Sales prices and rents, development costs, subsidy costs, operating costs.
- **How long does it take to build?** Track timing for progressing through key milestones.
- **What does our pipeline look like?** Track through life cycle from planning approvals to permits to construction to certificates of occupancy.
- **Vacancy rates**

What does long-term success look like?

In addition to items identified through housing production conversations...

Homeownership

- Increase number of dedicated affordable homeownership units
  - Shared equity homeownership, e.g. land trust models
  - Other deed-restricted affordable homeownership
- Create a variety of homeownership options for a diverse range of buyers
  - First-time homebuyers
  - Seniors who wish to downsize
  - Intergenerational families
- Narrow racial disparities in homeownership rates
- What else?
  - Lease-to-purchase strategies, e.g. FSS & IDAs
  - Collaborating with employers, colleges, and universities
  - Long-term stability

Affordability & Access

- Decrease in number of cost-burdened households
- More homes designed to be visitable by people with mobility limits
- Reduced evictions

Homelessness

- Elimination of chronic homelessness
- Reduced unsheltered homelessness
- Reduced entries to shelters from hospitals, corrections, foster care to homelessness
- Decreased length of stay in shelter
- Increased exits from shelter to permanent housing
- Increased shelter diversion

Additional tracking metrics

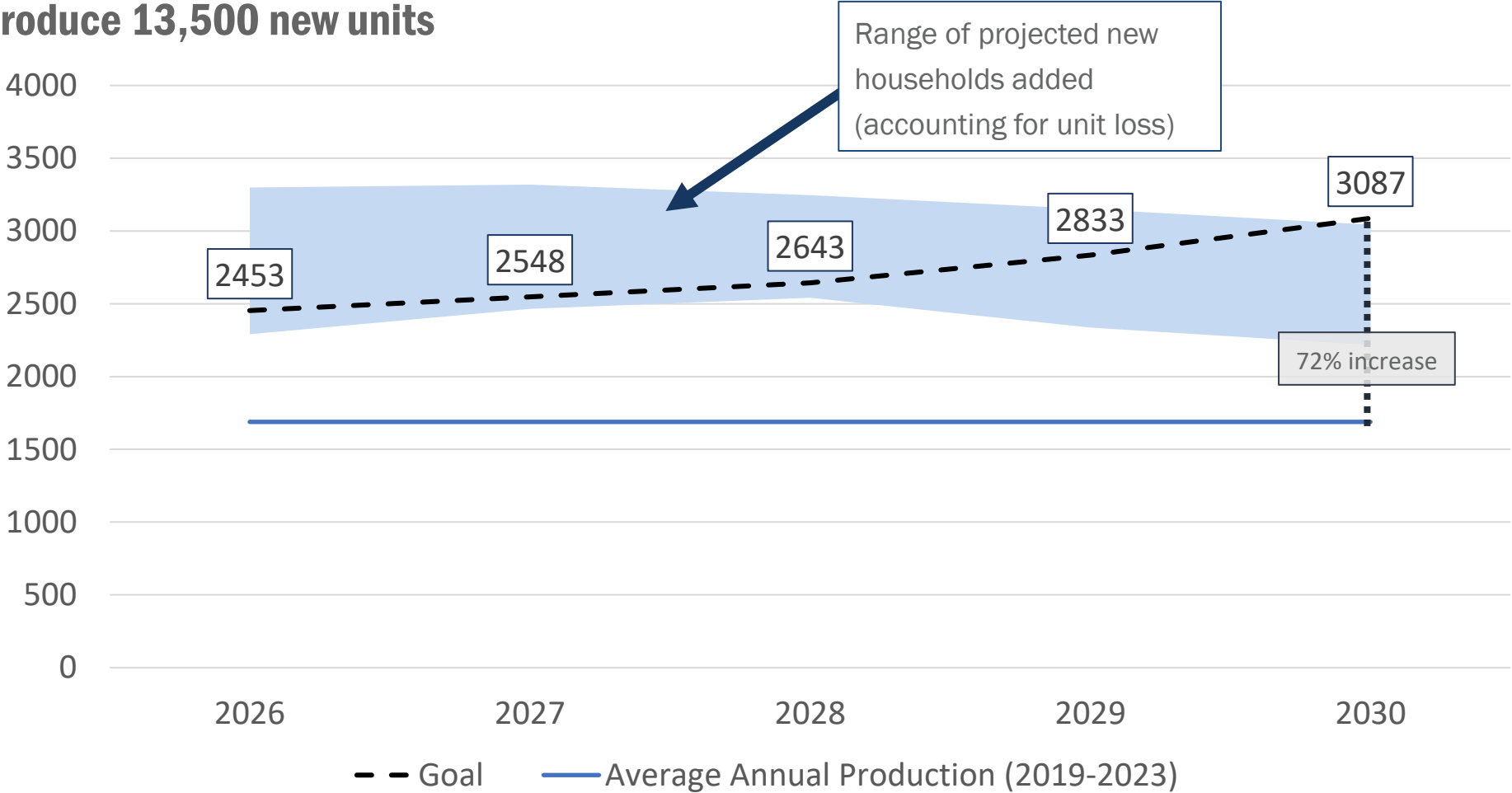| Affordability & Access	Homeownership	Homelessness	2030 cross-cutting priorities
• **Number and share of homes affordable to Rhode Islanders at each income level** • Affordable homes lost to expiring use restrictions • Affordable homes preserved with new/extended use restrictions • Cost burdens • Availability of homes at each income level • Cost of housing • Homes preserved through home repair • Evictions • For each of the above categories, would look at data by AMI level, race/ethnicity, tenure (homeownership vs. rentals)	• **New first generation and homeowners of color** • Mortgage denial rates • Foreclosure rates • Down payment assistance provided. • Savings assistance. • Increasing homeownership rates in municipalities with below-average rates of homeownership • Homeownership rates by race/ethnicity	• **Targeted Prevention and/or Exits to Permanent Destinations** • To be developed collaboratively with Continuum of Care and Interagency Council on Homelessness • May include: number of RRH slots, reductions in unsheltered and chronic homelessness, rate of return to homelessness, exits to permanent destinations, number of households diverted from shelter, length of stay in shelters	• **Improving education** • Homes built in districts with declining enrollment • Homes built in high opportunity districts • **Enhancing public health and wellness** • Number of lead-free homes • Number of homes with adequate heat and cooling • **Driving economic growth** • Number of Rhode Islanders with increasing incomes • Number of Rhode Islanders with wealth/savings • **Addressing climate change** • Number of energy efficient homes • Number of homes built outside of flood plains

Total Units Produced

Draft goal: Total units produced

Produce 13,500 new units

Range of projected new households added (accounting for unit loss)

2453 · 2548 · 2643 · 2833 · 3087

72% increase

- - - Goal —— Average Annual Production (2019-2023)

2026 2027 2028 2029 2030

- Average annual new units permitted 2,713
- Average annual units permitted 2019-2023: 1,792
- Assumes gradual increase in units permitted each year
- Ramping up to reach 3,087 (maximum scenario avg. projected household formation and unit loss 2026-2030)

Goal Framing

- **Baseline** – based on historical resource levels and/or recent production data

- **Ambitious** – very significant increase

- **Stretch** – major increase

- Ambitious and/or stretch targets may require significant action across all actors in the space (including local, state, and federal government) as well as additional resources to be reached.

- As we all want to achieve ambitious and stretch goals, we need to ask **how** that will be achieved and think about strategies.

- Not aiming for full resolution today, but rather looking for framing to focus strategy conversations.

Missing Middle Housing Units Produced

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What is missing middle housing and why does it matter?

Missing middle housing includes ADUs, duplexes, 3-4 plexes, 5-9 unit, attached single-family, bungalows, and cottage courts

Stacked duplex
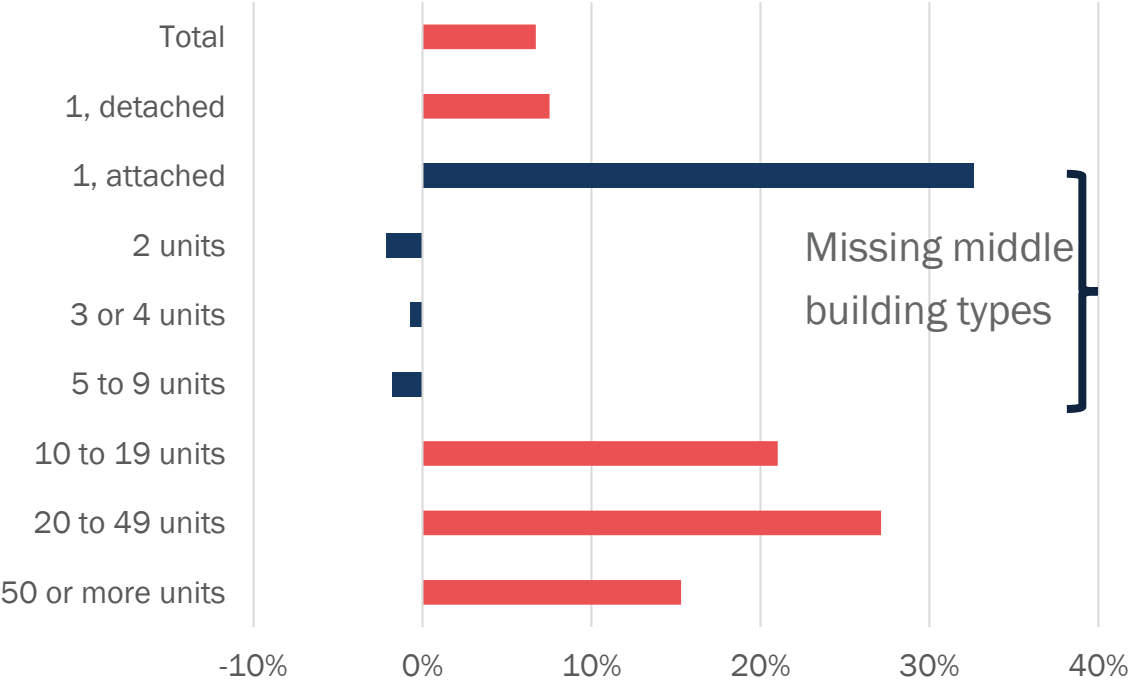
Attached single-family

Cottage court

- Units tend to be **lower cost**
- Make **efficient use of land and infrastructure** and facilitate **walkable neighborhoods**

- **A range of housing types** fits diverse household needs
- Smaller units in more walkable neighborhoods meet needs of **smaller households** and **aging population**

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Missing middle homes

The share of missing middle homes is shrinking

Percentage change in housing units by type in Rhode Island, 2000-2020

Type	Value
Total	~7%
1, detached	~8%
1, attached	~33%
2 units	negative
3 or 4 units	negative
5 to 9 units	negative
10 to 19 units	~21%
20 to 49 units	~27%
50 or more units	~15%

Missing middle building types

(x-axis: -10%, 0%, 10%, 20%, 30%, 40%)

Source: American Community Survey and Decennial Census

Missing middle housing units permitted, 2017-2023

Year	2 units, 3-4 units	ADUs
2017	~70	
2018	~160	~5
2019	~215	~12
2020	~290	~20
2021	~232	~15
2022	~207	~45
2023	~145	~45

(y-axis: 0, 50, 100, 150, 200, 250, 300, 350)

■ 2 units, 3-4 units ■ ADUs
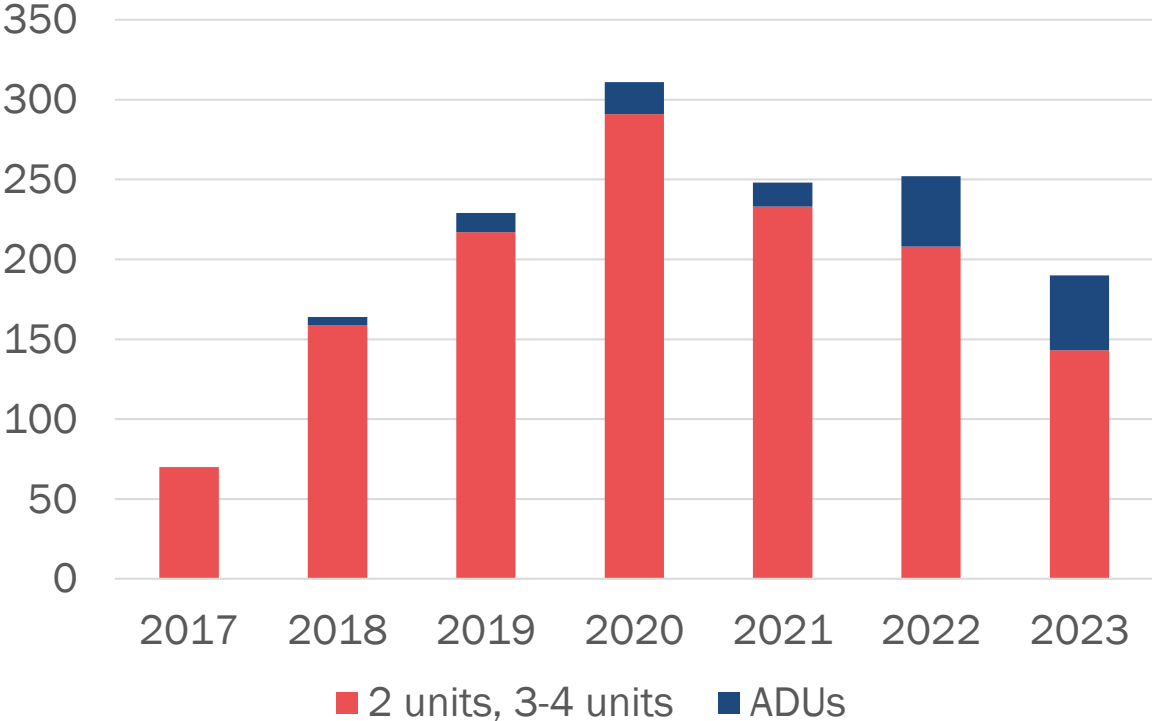
Source: Census Building Permit Survey

Barriers to missing middle housing

Local zoning ordinances present barriers to missing middle housing production and also require extra review and large minimum lot sizes


Percentage of Residential Zoned Land

Legend: Single Family, 2-Family, 3+ Family

Categories: North RI, East Providence County, Providence, SE Providence County, Southeast RI, South RI, Central RI

Note: Usage will overlap and add >100%

Residential By-Right Zoning (Acreage)

Acres

Legend: Single Family, 2-Family, 3+ Family

Categories: North RI, East Providence County, Providence, SE Providence County, Southeast RI, South RI, Central RI
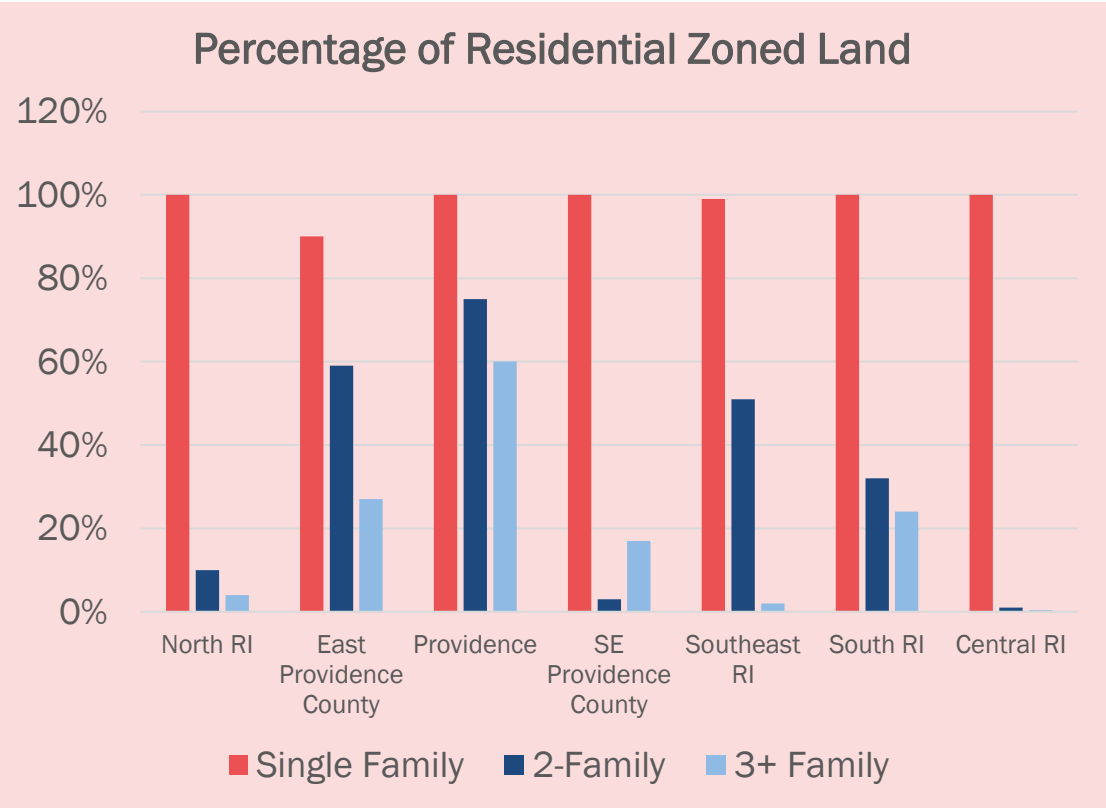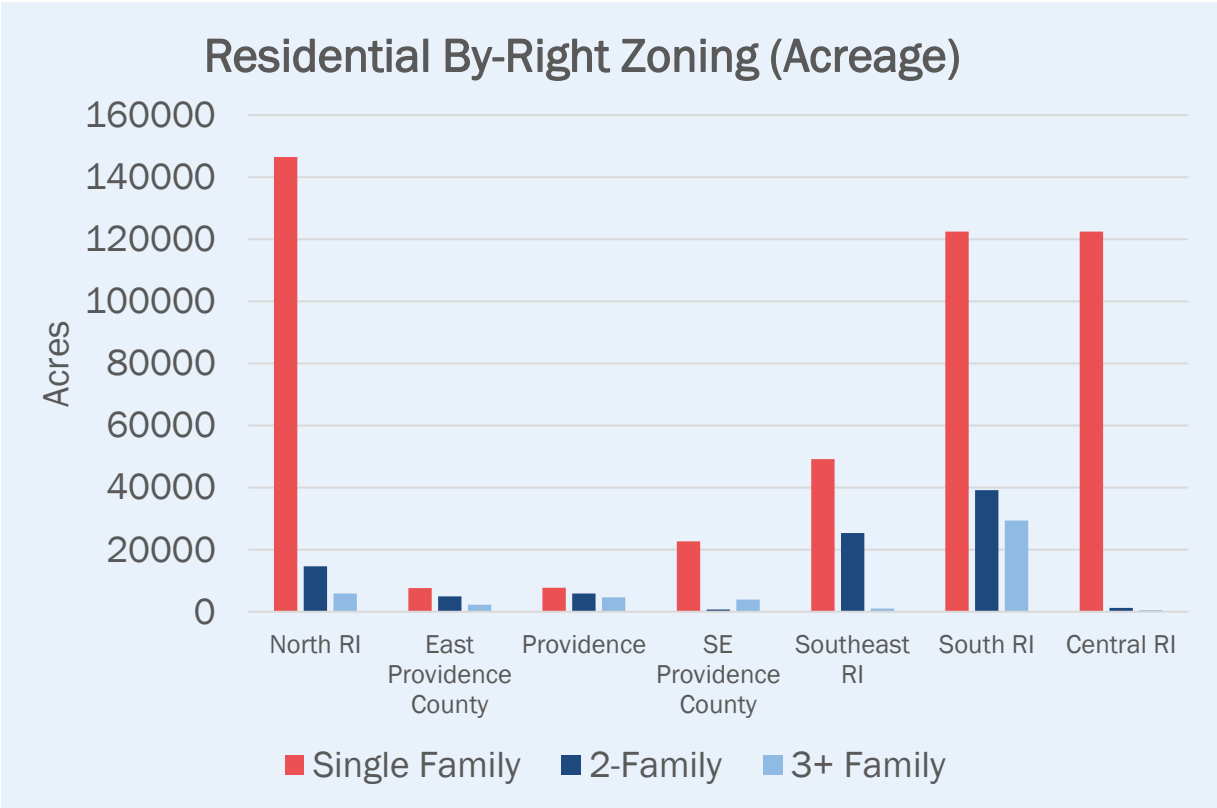
Note: Usage will overlap and add to greater than total zoned residential acreage

Source: HousingWorks RI Factbook and RI Zoning Atlas

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Illustrative goal: Missing middle housing units

Increase permitting of missing middle housing units including 1-unit attached, duplexes, 3 and 4 plexes, 5-9 unit multifamily buildings, bungalows, and cottage courts
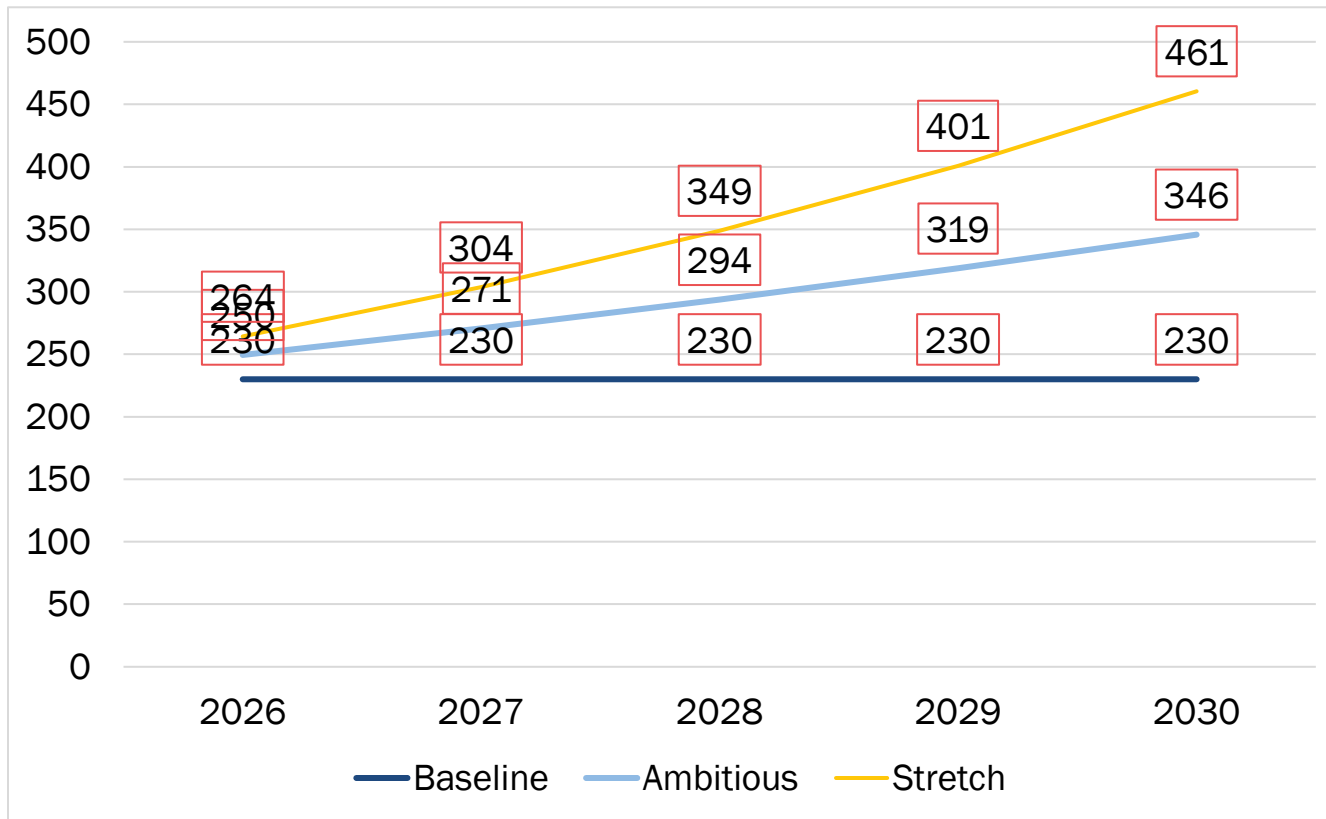
- **Baseline:** Maintain baseline permitting = average 230 new units per year.

- **Ambitious:** Increase permitting by 50% by 2030 = average 309 units per year.

- **Stretch:** Double permitting by 2030 = average 386 units per year.

After implementing zoning changes, Minneapolis saw a 45% increase in 2-4 unit housing permits in 2020-2022 compared with the previous 3-year average.

Affordable Rental Units Produced

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Net increase in stock of affordable rental units

Net increase in affordable rental units, 2019-2023
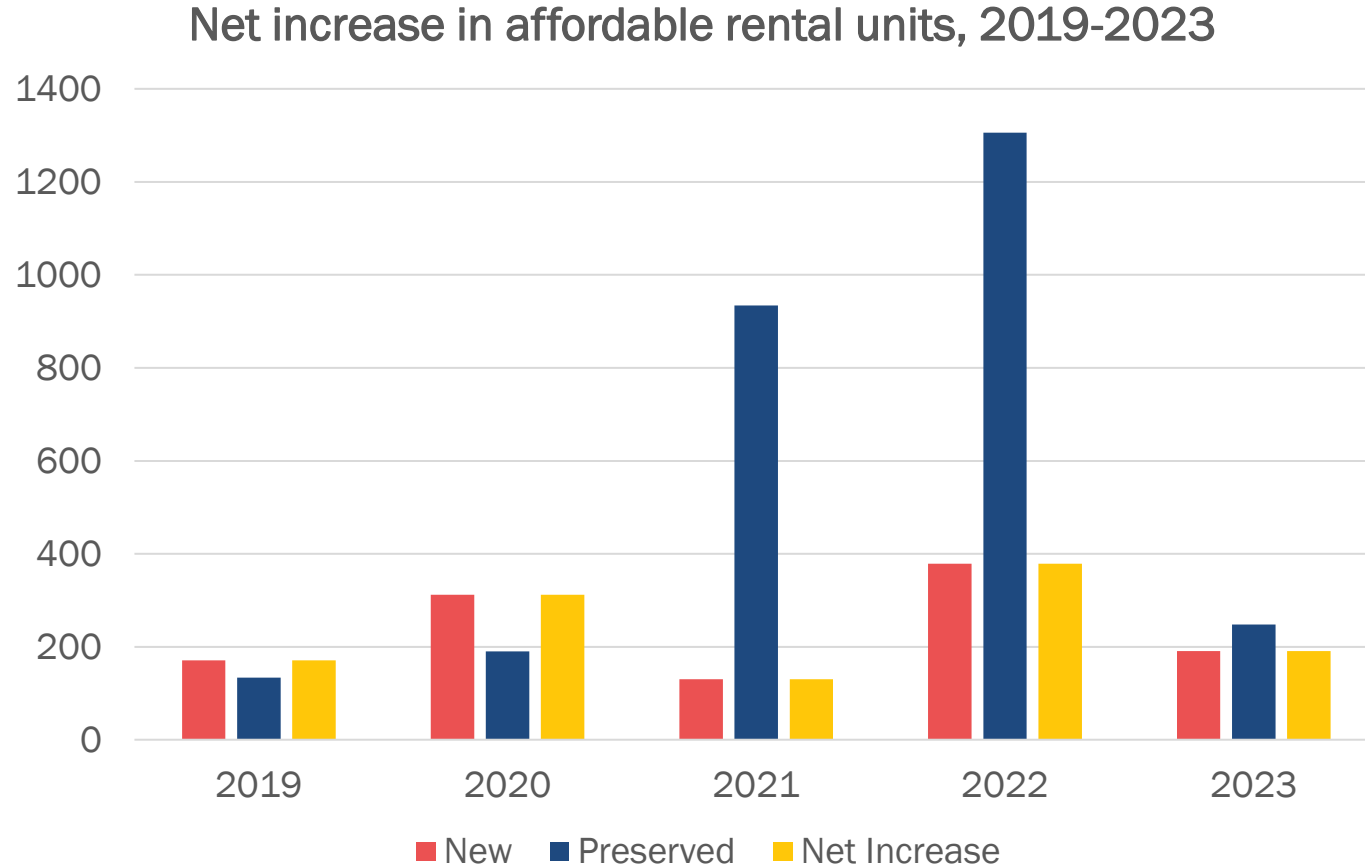
- In 2023, there were approximately 34,000 deed-restricted affordable rental units in Rhode Island. *(RIHousing)*

- From 2019-2023, an average of **562 units were preserved each year**.

- From 2019 – 2023, an average of **237 units were added per year**. *(HousingWorks RI)*

Illustrative goal: Increase in net affordable rental units

Increase stock of affordable rental units
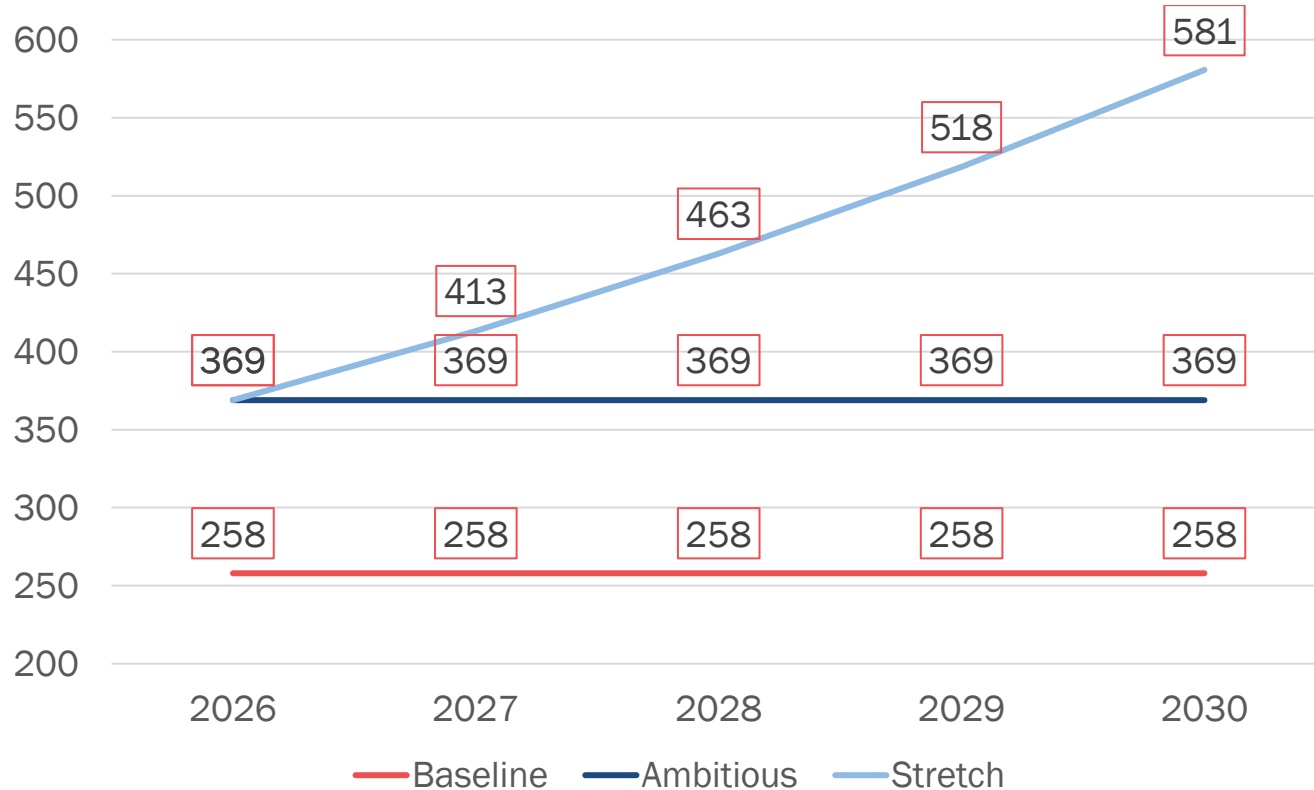
- **Baseline:** Continue average production of 258 units per year (2017-2023 average)

- **Ambitious:** Achieve estimated production possible using anticipated resources. Estimated to be 369 units per year (*RIHousing*)

- **Stretch:** Increase ambitious production by 157% by 2030 to 581 units per year to meet projected 577 net new households per year (AMI of 0-80%) (*Integrated Report*)

Permanent Supportive Housing Units Produced

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PSH units increased 10% in past 5 years

Goal: Increase PSH capacity in the state over 5 years

- Permanent Supportive Housing is site-based or tenant-based affordable housing (tenants pay no more than 30% of their income) with no time limits, targeted to people with disabling conditions who can't remain housed without the provision of intensive services.

- PSH units have been slowly growing, but significant needs remain, especially for people experiencing chronic homelessness.

PSH Units in RI, HIC data

	875	960

PSH Units

■ 2018   ■ 2023
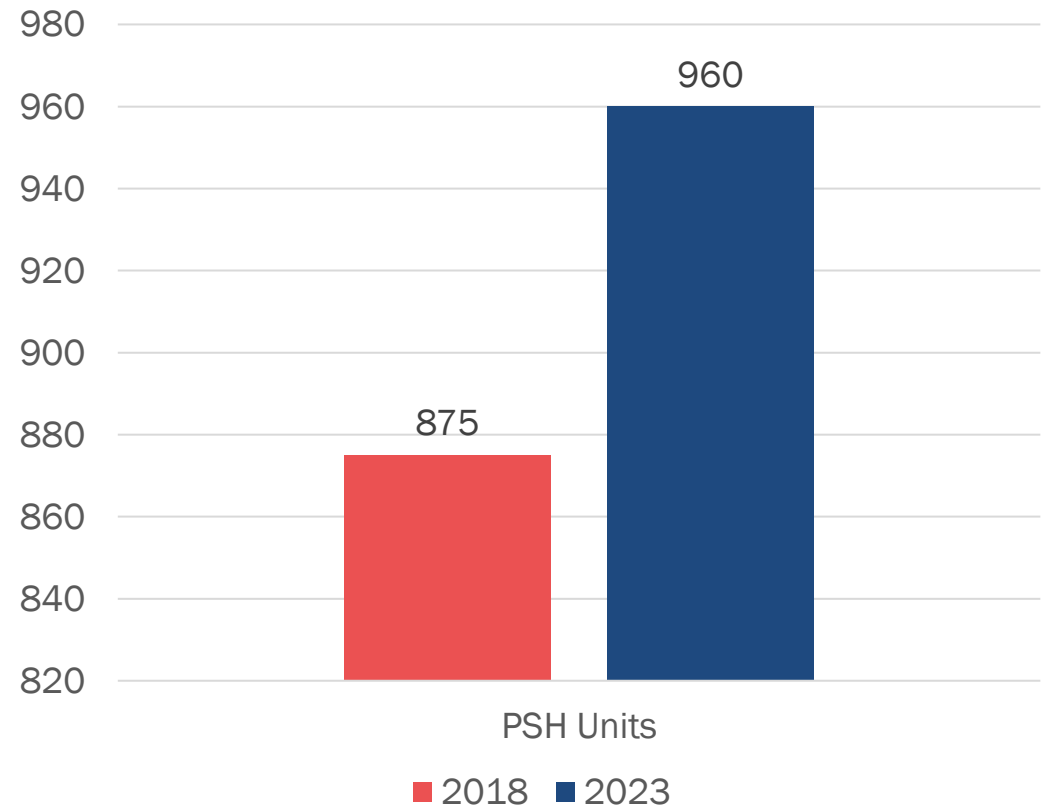
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Affordable Homeownership Unit Production

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Homeownership varies widely across Rhode Island

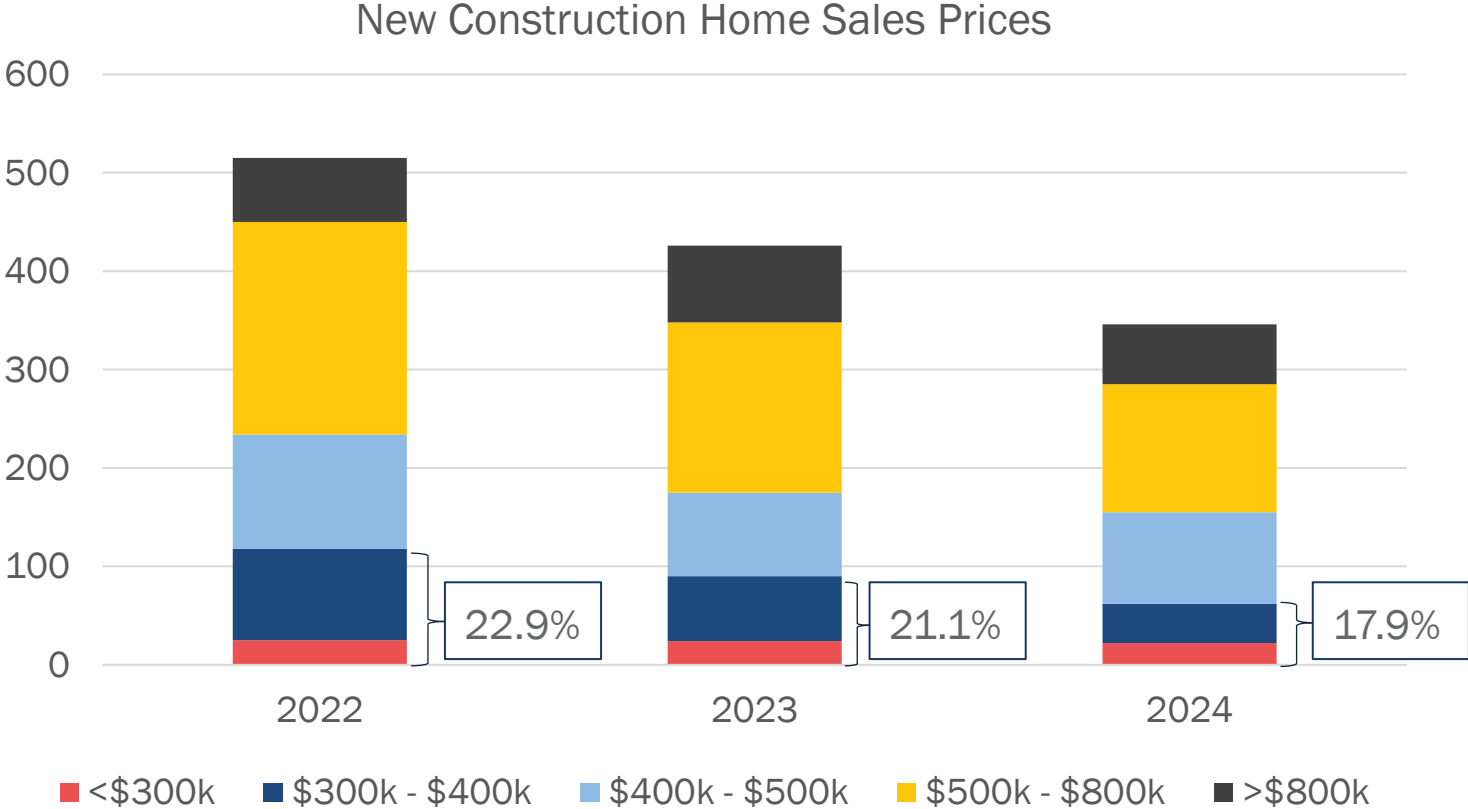Homeownership rate statewide and in selected municipalities in Rhode Island, 2023

Municipality	Rate
Central Falls	26%
Woonsocket	38%
Providence	40%
Newport	47%
Cranston	66%
Narragansett	69%
Bristol	70%
Johnston	72%
Foster	88%
Glocester	88%
Barrington	89%
Richmond	96%
State Average	64%

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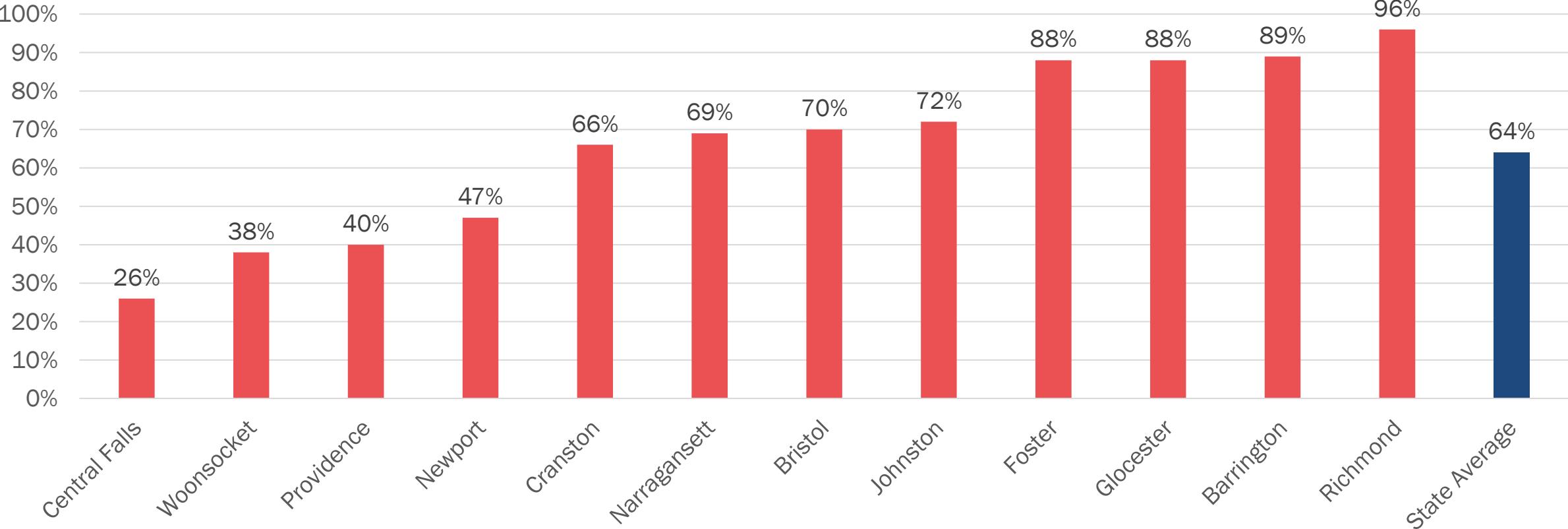
Need for Affordable Homeownership Options

New homes that are being produced for sale are priced out-of-reach for typical RI households.

From 2022 – 2024, less than 21 percent of new construction homes for sale were priced below $400,000 – an average of 90 homes per year. This is the approximate price that is affordable for a household at 140% AMI. *(Source: RI Realtors)*

New Construction Home Sales Prices

Legend: <$300k | $300k - $400k | $400k - $500k | $500k - $800k | >$800k

2022: 22.9%
2023: 21.1%
2024: 17.9%

Need for Affordable Homeownership Options

The inventory of dedicated affordable (deed-restricted) homeownership units is limited.

Dedicated Affordable Units Added - Homeownership
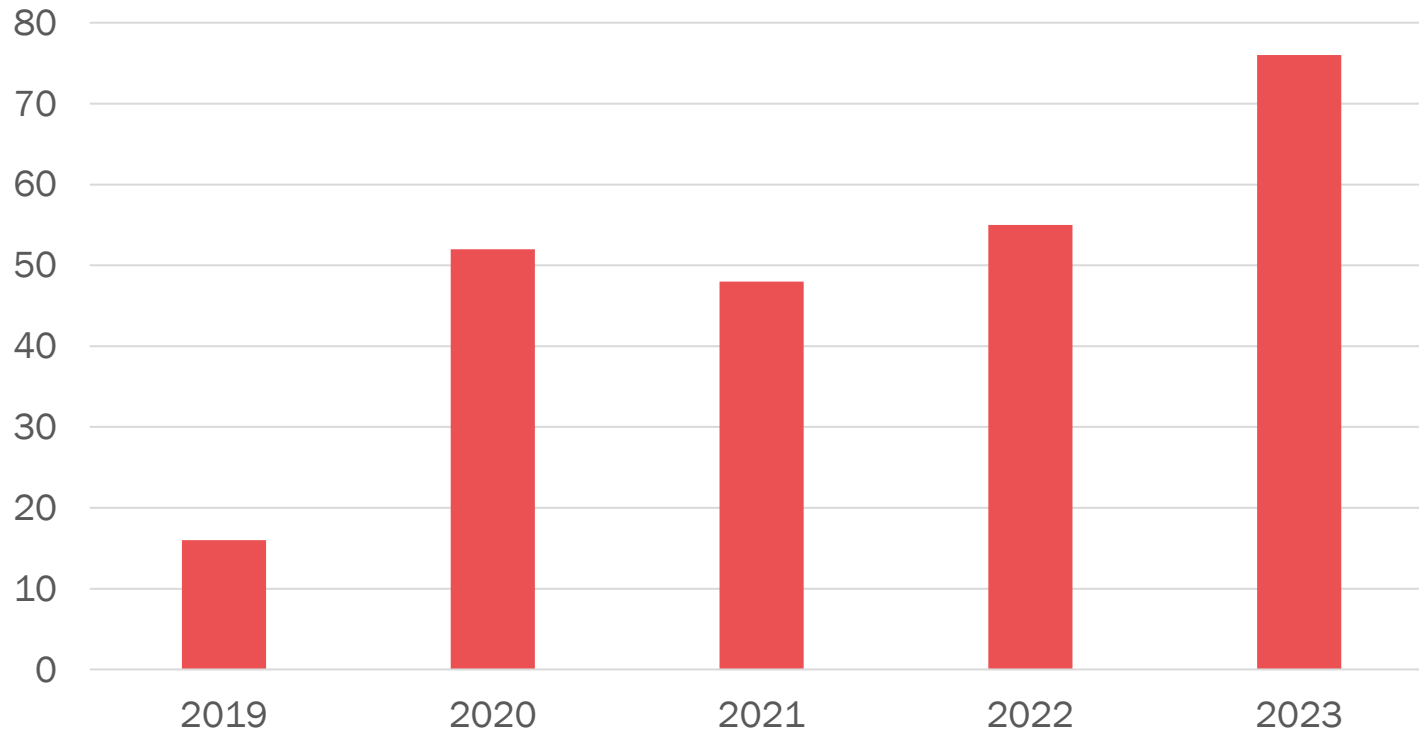
In 2023, there were approximately 1,900 deed-restricted ownership units in Rhode Island. *(RIHousing)*

From 2018–2023, an average of 49 new units were added per year. *(HousingWorks RI)*

Illustrative goal: Affordable homeownership units produced

Increase production of "below market" homes priced below $400,000*, inclusive of subsidized and unsubsidized units.
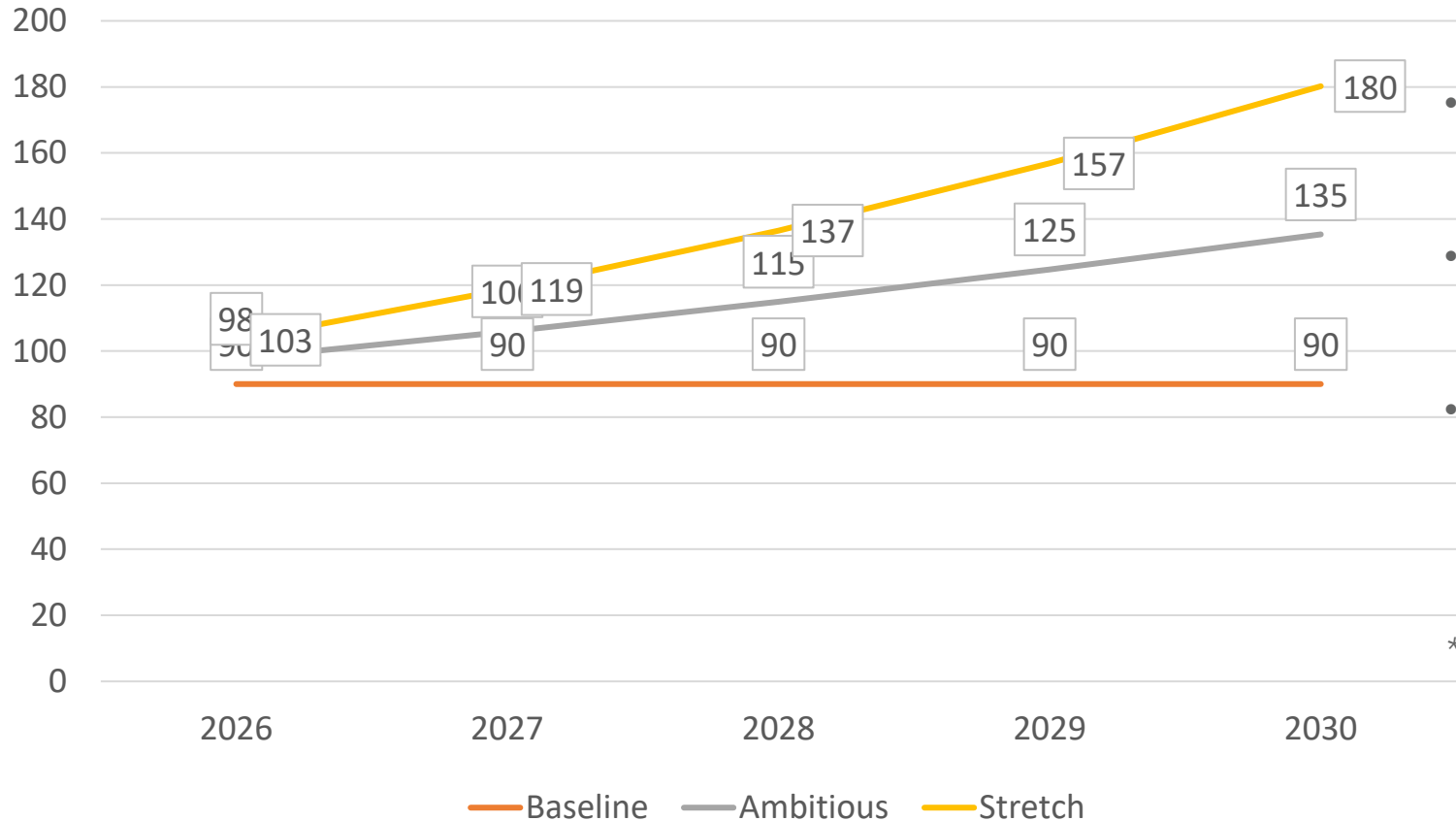
- **Baseline:** Maintain baseline production = average 90 new units per year.

- **Ambitious:** Increase production by 50% by 2030 = average 116 units per year.

- **Stretch:** Double production by 2030 = average 139 units per year.

in 2024 dollars

Chart values:
- Stretch: 98/108, 119, 137, 157, 180
- Ambitious: 103, 10, 115, 125, 135
- Baseline: 90, 90, 90, 90, 90

Years: 2026, 2027, 2028, 2029, 2030

Legend: Baseline — Ambitious — Stretch

Discussion

Small-group discussion questions

Groups: (1) Overall production, (2) Affordable homeownership, (3) Affordable rental and supportive housing, and (4) Missing middle.

- **Q1: Discuss illustrative goal categories and metrics.**
  - Does this reflect the right prioritization/focus?
  - Are there other strategic questions we'd want to track/analyze?
  - What other guidance would be helpful to offer in this category? For instance, should there be specific income targets? If so, what should be considered in developing them?
  - Other observations?

- **Q2: What are your reactions to the potential goals?**
  - How ambitious does this seem?
  - How achievable does this seem?
  - If we don't meet the illustrative goals, what would the reasons be?

- **Q3: What other information would be useful context?**

- **Bonus question:** What strategies would you like to see implemented in the state to achieve goals? Which would have the biggest impact?
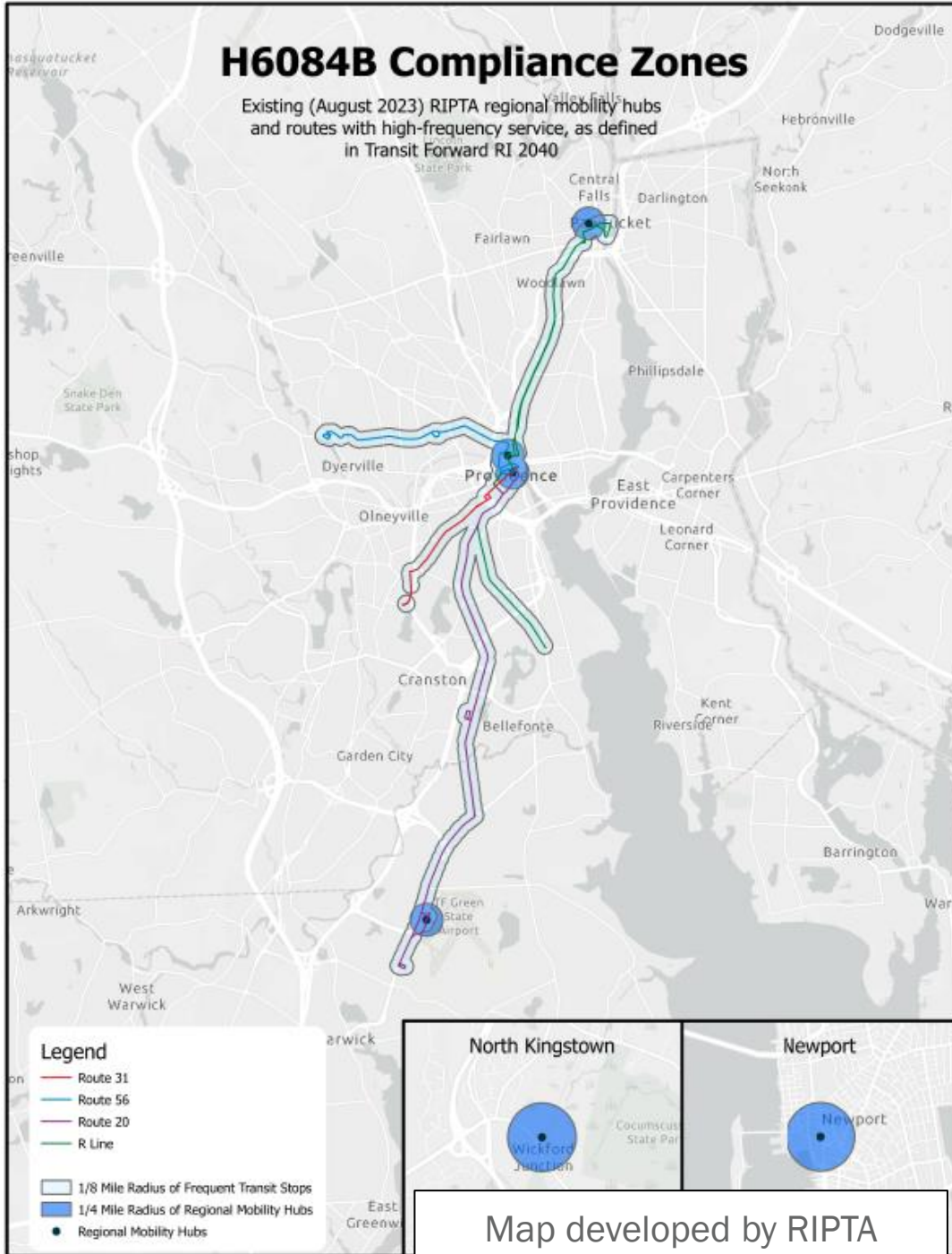
Where should *Housing 2030* encourage housing?

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Where should *Housing 2030* encourage housing?

Housing is a <u>statewide</u> issue. Statewide goals for housing production will be supported by municipal actions and accomplishments.

1. <u>Principle 1 for discussion</u>: Municipalities should move forwards not backwards, producing at least as much they have over the last five years.

2. <u>Principle 2 for discussion</u>: Not encouraging a one-size fits all approach and instead emphasizing growth based on size of community (using current housing stock as the baseline) and in municipalities based on:

   - Where jobs are located

   - Where public transit options are available

   - Where infrastructure (public water in particular) is available

3. <u>Principle 3 for discussion</u>: Support planning efforts in communities at risk of climate impacts
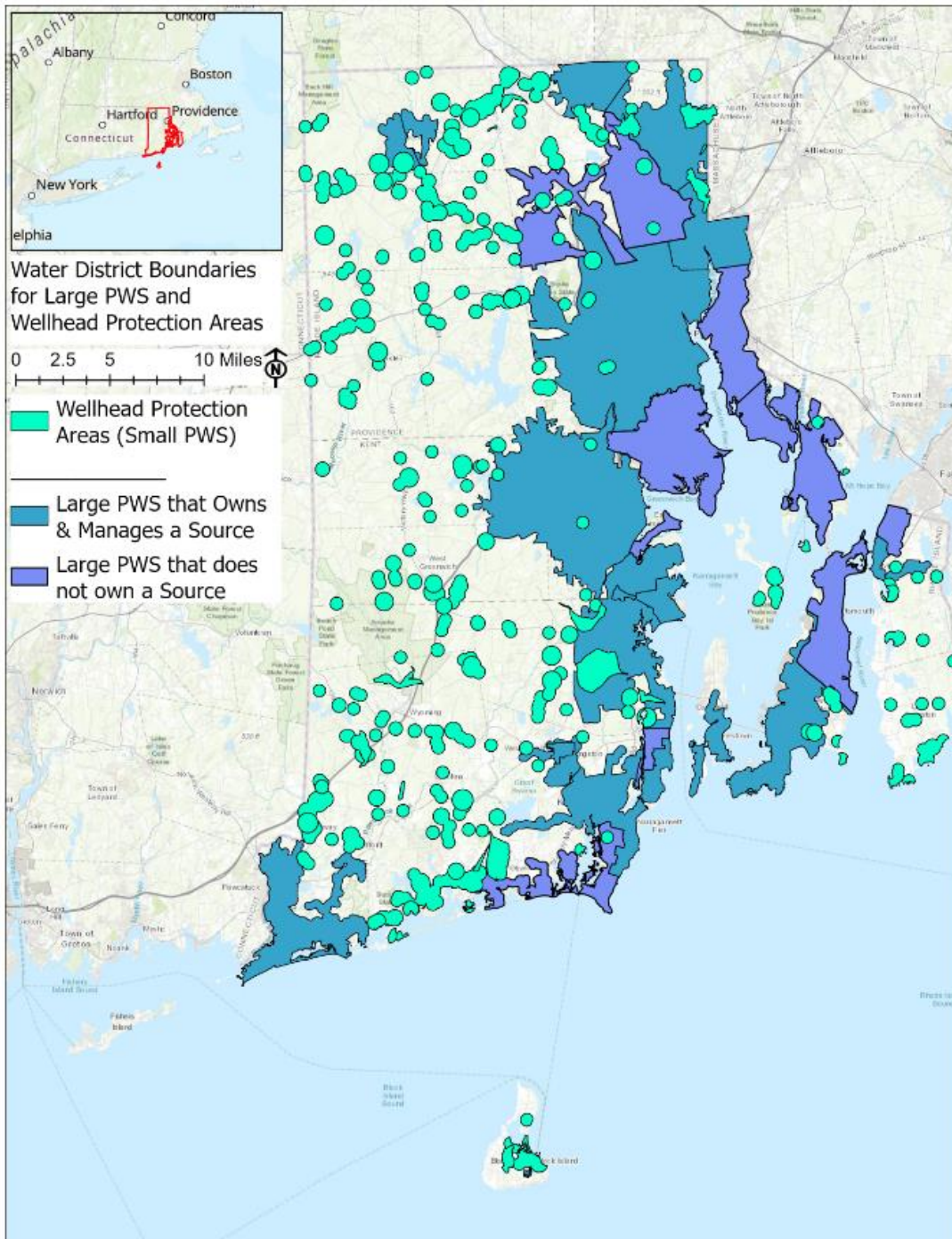
Map developed by RIPTA

Transit Amenities

- Aligning with the TOD Pilot program (H6084B) compliant zones

- High-frequency service (as defined in Transit Forward RI 2040) OR Regional Mobility Hub. Binary yes or no if these are present in municipality

- Applies to the following municipalities:

  - Central Falls
  - Pawtucket
  - Providence
  - Cranston
  - Warwick
  - North Kingstown
  - Newport

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Public Water Systems

Water District Boundaries for Large PWS and Wellhead Protection Areas

0   2.5   5   10 Miles

Wellhead Protection Areas (Small PWS)

Large PWS that Owns & Manages a Source

Large PWS that does not own a Source

- Map from Water Resources Board

- Binary condition, large public water system present in community or not

- Municipalities without a large public water system present:
  - Charlestown
  - Exeter
  - Foster
  - Glocester
  - Hopkinton
  - Little Compton
  - New Shoreham
  - North Smithfield
  - Richmond
  - Scituate

- Two municipalities (Portsmouth and Tiverton) are not served by large waste water treatment facilities

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High Job Concentration **Low Job Concentration**
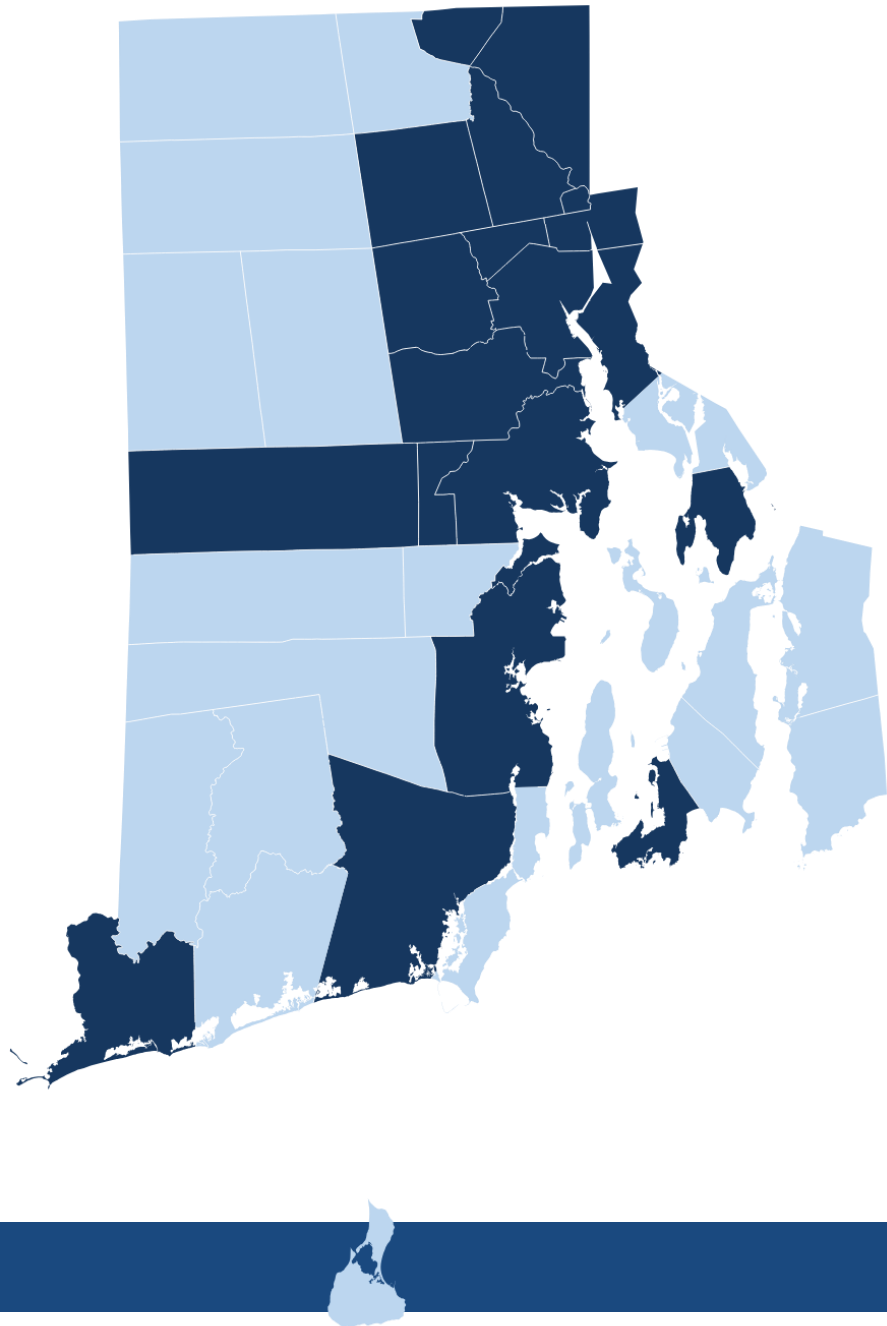
Presence of Jobs

- Looks at which communities have:

  - Below average concentration - percentage of jobs in municipality is below state median across all municipalities

  - Above average concentration - percentage of jobs in municipality is above state median across all municipalities

What about available land?

- Available municipal land/build out analysis is not included

- There are multiple ways to accommodate new housing, this plan does not present a top-down approach but instead seeks to incentivize municipal innovation to increase housing production

- Supplement to this plan:

  - Visualization project

  - Municipal toolkit and trainings

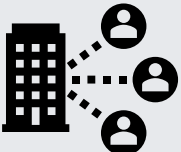**Adaptive Re-Use:** Ashton Mill in Cumberland

Conservation Subdivision: Cottages on Greene, East Greenwich
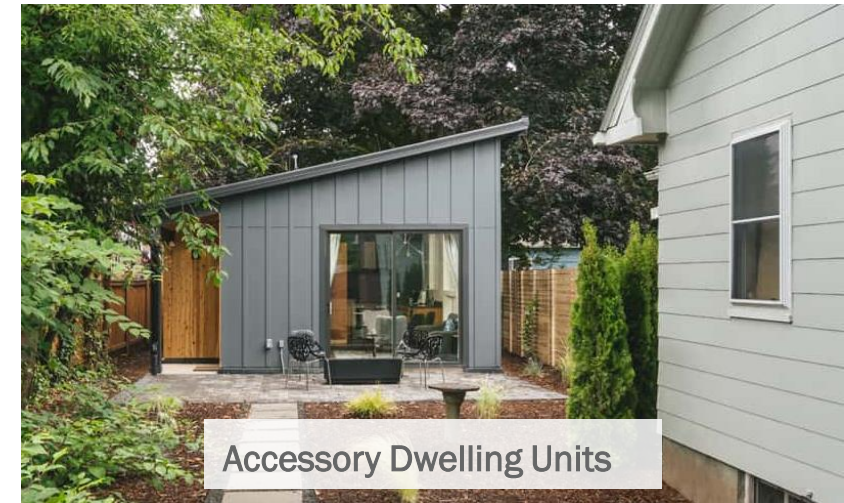
Accessory Dwelling Units

Categorizing Communities Method

Guiding Principle: Housing development should be encouraged in communities with water infrastructure, transit amenities, and jobs.

Supportive Conditions for Housing	Lowest Growth	Modest Growth	Strategic Growth
Water Infrastructure		✓	✓
Proximity to Jobs		✓	✓
Public Transit Amenities			✓

How homes and growth are distributed by category

- Recent housing development has been disproportionately in municipalities that lack infrastructure and/or transit amenities:

Municipal Category	2019-2023 Permits	Housing Stock (2020 Census)
Lowest Growth	11.4%	6.6%
Modest Growth	52.1%	47.7%
Strategic Growth	36.5%	45.7%

- What might we want this distribution to look like moving forward?

State production goal

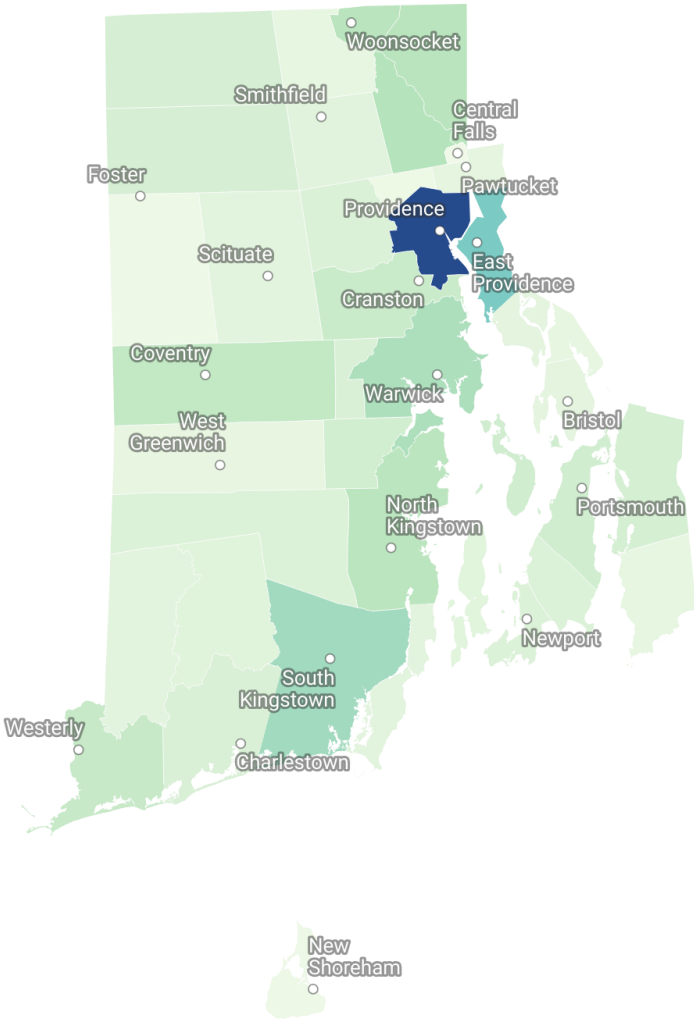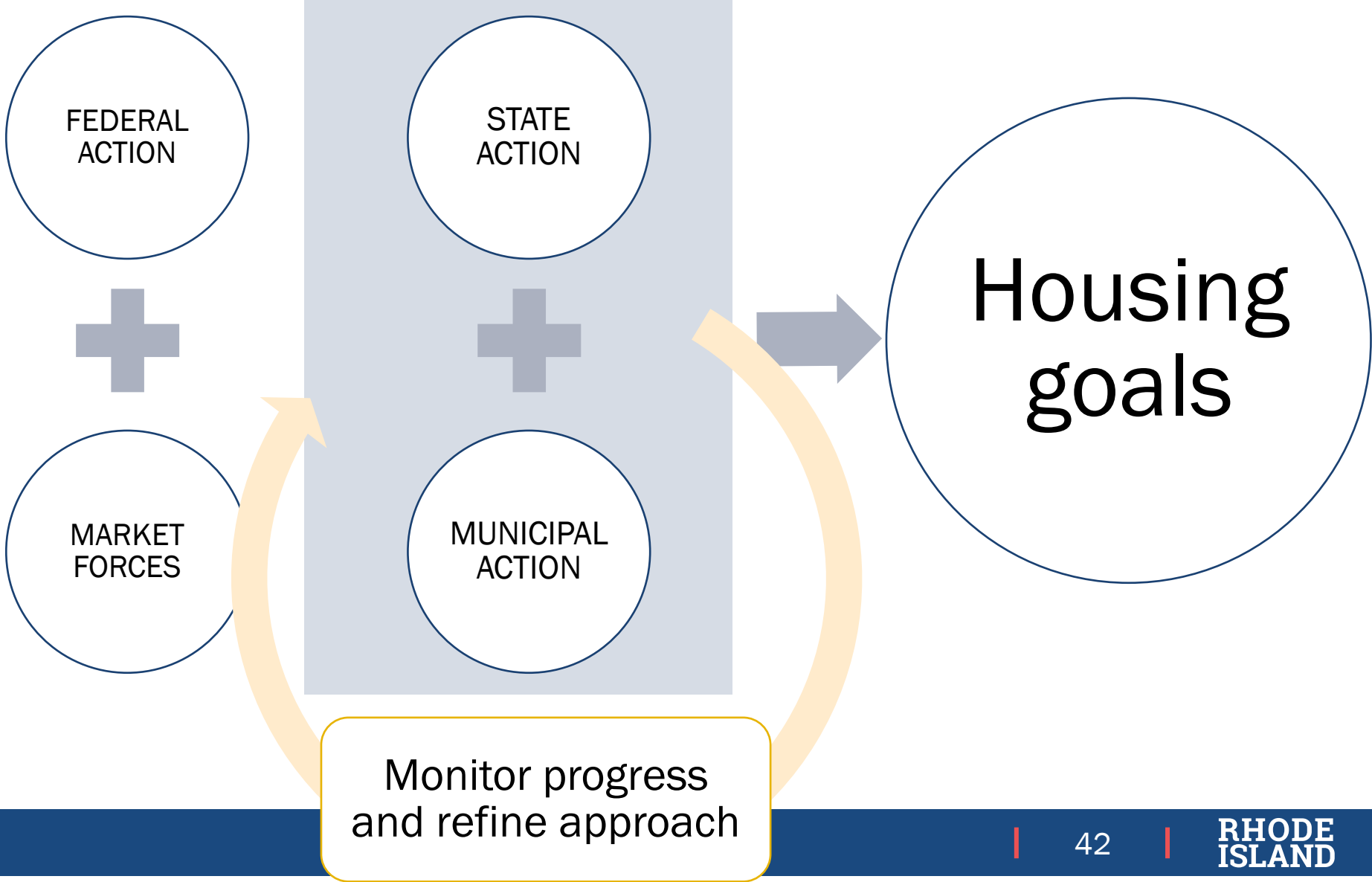| Lowest Growth community production target	Modest Growth community production target	Strategic Growth community production target
X% of growth	Y% of growth	Z% of growth

Source: HousingWorks Building Permit Survey

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Feedback from State Planning Council

- The presentation focused on where to encourage housing but didn't mention where we should not encourage housing. For instance, industrial land.

- Short term rentals and student housing both make it more difficult for municipalities to achieve housing goals

- "Our towns are *zoned out*, not *built out*"

- Would be helpful to visualize the build out in the state, what can we get with current zoning and what is possible if zoning is expanded.

- How can we think creatively about regional solutions to housing needs?

  - PUMS regions as an already established set of regions (used by HousingWorks for the Fact Book)

Partnership approach to achieving goals

Achieving our housing goals will require partnership

FEDERAL ACTION

STATE ACTION

MARKET FORCES

MUNICIPAL ACTION

Monitor progress and refine approach

Housing goals

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Discussion Questions

For discussion: Would municipal benchmarks be helpful?

- Target for municipal planners to use in comprehensive plan development

- Goals may help align housing development with other state priorities (mitigating climate impact and economic development)

- Setting measurable goals develops accountability

- Should we also be encouraging regional collaboration?

Thank you!

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See you all back in December!

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