



HOUSING 2030

BUILDING RHODE ISLAND'S FUTURE

Rhode Island Department of Housing

APRIL
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TABLE OF CONTENTS



Source: Getty Images, Newport

Executive Summary	1
Introduction	6
1. Housing Needs in Rhode Island	8
Need for More Housing Production of All Types	8
Need for More Affordable Housing Options	11
Need for More Diverse Housing Types	13
Need for Improvements to the Quality of the Housing Stock	15
Need to Preserve Existing Affordable Housing Units	15
2. Barriers to Meeting Housing Needs	16
3. Rhode Island’s Housing Production & Preservation Goals	24
4. Strategies for Achieving Housing Goals	30
Establish Municipal Housing Production Goals and Strengthen Incentives for Municipalities	30
Address Zoning and Regulatory Barriers	35
Strategically Invest in Infrastructure, Housing Production, and Preservation	39

Build and Sustain Key Partnerships 43

 Support homeownership and housing stability 47

5. Implementation Plan 50

Conclusion 54

Appendix A: Housing Projections from 2023 Integrated Housing Report 55

Appendix B: Municipal Goals Methodology 63

Appendix C: Housing Metrics 65

Appendix D: Resident Survey 67

Appendix E: Examples of Strategy Implementation 69



Courtesy of RI Commerce



Courtesy of RIHousing



Courtesy of RI Commerce



LETTER FROM GOVERNOR OF RHODE ISLAND DANIEL J. MCKEE



Dear Fellow Rhode Islanders,

It is with great pleasure that I introduce Housing 2030, a bold new plan to improve Rhode Island's housing future. Housing 2030 marks a crucial milestone in my administration's continued efforts to address the pressing housing challenges facing our state.

In the housing arena, my administration has already made great progress in expanding affordable housing and supporting homeownership opportunities. In November 2024, voters approved a \$120-million housing bond, the largest in state history, to fund affordable housing, homeownership programs, and housing infrastructure. The state allocated \$219 million in federal recovery funds to preserve and produce housing, helping finance over 2,300 units, including affordable and middle-income homes. My Administration also established a state-level Low-Income Housing Tax Credit – a first for Rhode Island – and supported legislation to streamline housing development processes. Efforts have increased municipal permitting, with over 2,400 residential units permitted in 2023 and over 2,600 in 2024, representing an 84% increase over 2022. Additionally, new housing programs like the Turnkey Affordable Homeownership Program, the Home Repair Program, and Public Housing Pilot have contributed to the creation of new affordable units and the stabilization of existing ones, ensuring more housing opportunities for all Rhode Islanders.

While we have made meaningful progress, there is still much work to be done. That's why we have partnered with municipal leaders, developers, housing advocates, and stakeholders to create Housing 2030—a bold, yet achievable vision for the future of housing in Rhode Island. Through Housing 2030, we are committed to building 15,000 new homes by 2030, ensuring that a diverse range of housing options are available for all income levels. Whether it's affordable rental units, middle-market homes, or opportunities for first-time homebuyers, this plan will create the homes Rhode Islanders need to thrive.

This initiative directly ties into our broader vision for Rhode Island's future—the RI 2030 Plan. RI 2030 is about investing in people and their futures, ensuring that every Rhode Islander has access to the education, skills, and opportunities that will lead to success. Housing plays a vital role in this vision—as it is the foundation for a strong, sustainable future, offering an opportunity for homeownership to build generational wealth and provide long-term financial security for families.

As we look ahead, Housing 2030 will remain a dynamic plan—one that evolves with the changing needs of Rhode Island. We are committed to refining the plan continuously, seeking input from all Rhode Islanders, and ensuring that the housing strategies reflect the diverse needs of our communities. This is not just about building homes; it is about building the strong, thriving communities that make Rhode Island the best place to live and work.

I encourage you to review Housing 2030, engage with its strategies, and share your feedback. Together, we will create a future where all Rhode Islanders can enjoy the security of a safe, affordable home and the opportunity to reach their full potential. Thank you for your support in turning this vision into reality. Thank you for your support.

Sincerely,

Daniel J. McKee
Governor of Rhode Island



LETTER FROM SECRETARY OF HOUSING DEBORAH J. GODDARD



Dear Fellow Rhode Islanders,

On behalf of the Department of Housing, I am pleased to present *Housing 2030*, Rhode Island's first comprehensive housing plan since 2006. This is a critical step toward addressing the state's most pressing housing challenges, and I am proud to share it with you today.

Developed in collaboration with state agencies, municipalities, housing advocates, stakeholders, and Rhode Islanders, *Housing 2030* is an actionable, living document that will continue to evolve based on ongoing feedback and the changing needs of our communities, and will be used as a guide to navigate the state's housing crisis.

Housing 2030 directly aligns with Governor McKee's Rhode Island 2030 vision, which aims to build a stronger, more prosperous future for all Rhode Islanders. The objectives of *Housing 2030* complement the broader goals of this statewide initiative, particularly in fostering economic growth, promoting healthier communities, and ensuring that every Rhode Islander has access to safe, affordable, and resilient housing. Housing serves as the cornerstone of success, and by addressing this fundamental need, we are empowering individuals and families to thrive and achieve long-term well-being and prosperity.

At its core, *Housing 2030* is about creating and preserving a diverse range of housing options that address the needs of all Rhode Islanders, regardless of income or background. The plan's central goal is to permit the construction of 15,000 new homes by 2030, including affordable rental homes, middle-market housing, and homeownership opportunities. We are committed to creating strong, vibrant communities that provide people with the housing they need to thrive.

The challenges Rhode Island faces are significant. However, this plan outlines a series of strategies to overcome these barriers, including establishing municipal housing production goals, addressing zoning and regulatory obstacles, strategically deploying investments, and building stronger partnerships with municipalities, developers, and community stakeholders. These efforts will help us ensure that Rhode Island can meet its housing goals and build a future where every person has access to quality housing that fits their needs and budget.

As we move forward, *Housing 2030* will continue to be evaluated and refined, and its strategies will guide our efforts to expand housing opportunities for all Rhode Islanders. The plan is a dynamic document that will be thoughtfully updated as we adapt to new challenges that may arise. We are committed to a collaborative approach that ensures this plan reflects the evolving needs of our communities.

I invite you to review this plan and share your feedback. With your commitment and collaboration, we can continue to work towards building a stronger, more equitable, and affordable Rhode Island that everyone can call home.

Thank you for your support.

Sincerely,

Deborah J. Goddard
Secretary of Housing



EXECUTIVE SUMMARY

PURPOSE OF *HOUSING 2030*

Housing 2030 is an actionable plan to address Rhode Island’s pressing housing needs. The vision of *Housing 2030* is to:



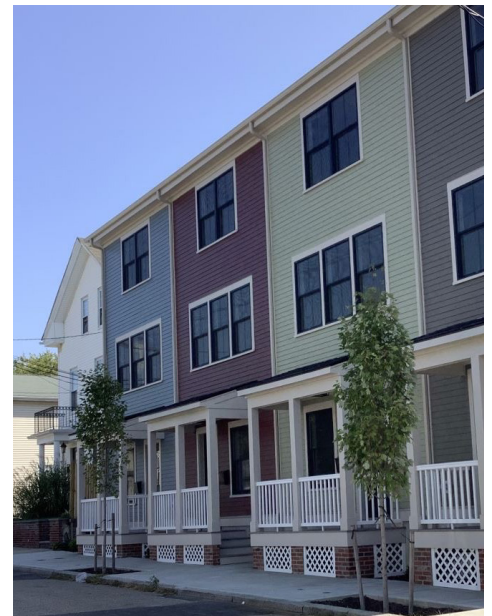
Produce and preserve housing to meet and respond to the needs of all Rhode Islanders to create strong communities with a diversity of housing options that are affordable and accessible.



HOUSING 2030 GOALS

To address the core challenge of an inadequate housing supply, *Housing 2030* is focused on building more housing of all types. More affordable housing is essential, but Rhode Island needs more market-rate housing as well. It also needs a broader range of housing types, including duplexes, triplexes, townhomes, accessory dwelling units, and other housing types that rent and sell for less than

single-family homes (collectively, middle-market housing). The low rate of homebuilding – both overall and lower-cost housing types – puts upward pressure on the cost of all housing, straining household budgets for many Rhode Islanders and forcing difficult choices about how to cover other essentials like heat, health care, and transportation.



RIHousing, East Providence

The central goal of Housing 2030 is to permit 15,000 new homes by 2030.



The central goal of *Housing 2030* is to permit 15,000 new homes by 2030 (Exhibit 1). These homes will include a diversity of housing types to fit the diverse needs of Rhode Island households and the budgets of people across the income spectrum. As shown in Exhibit 1, there are production goals for the total number of new homes as well as affordable rental homes, affordable homeownership units, and middle-market homes (duplexes, 3- and 4-plexes, and accessory dwelling units). In addition, *Housing 2030* prioritizes preserving existing affordable homes nearing the end of their 30-year affordability restrictions.

In addition to building new homes to address Rhode Island’s housing crisis, the goals and strategies in *Housing 2030* support the cross-cutting priorities laid out in Governor McKee’s RI 2030 Plan.



Courtesy of RIHousing

These include:

- ▶ **Building a Rhode to Prosperity**
- ▶ **Creating a healthier Rhode Island**
- ▶ **Strengthening K-12 education**
- ▶ **Advancing infrastructure and energy**

Homeownership is a cornerstone of household asset-building and the ability to share wealth with future

generations, but in the current market is out of reach for too many Rhode Island households. In addition to emphasizing new units affordable to middle-income households, *Housing 2030* includes strategies to promote homeownership, particularly for first-generation homebuyers.

Exhibit 1. Housing goals for Rhode Island

15,000 total new homes – both affordable and market rate – permitted by 2030
Permit 1,000 new homeownership units priced below \$400,000 ¹
Permit 525 Accessory Dwelling Units (ADUs) - tripling recent production
Double permitting of other types of middle-market homes by 2030 (recently averaging 195 units per year)
2,250 affordable rental homes financed²
Finance 375 permanent supportive housing units
Finance 500 units affordable to people with extremely low incomes ³
Preserve affordable homes with expiring use restrictions

¹ These units are approximately affordable to four person households with incomes at or below 140 percent of AMI.

² LMIH rentals affordable to households with income up to 80 percent of AMI.

³ Extremely low income is defined as households with income up to 30 percent of AMI.

STRATEGIES FOR ACHIEVING THE *HOUSING 2030* GOALS

The strategies in this plan have been devised to address barriers to housing production. Input from stakeholders during the process of developing *Housing 2030* identified significant obstacles to building housing in Rhode Island. These include restrictive zoning and other regulatory barriers, rising costs of construction stemming from material costs increases and construction workforce deficits, a lack of sufficient sites with water and wastewater infrastructure, gaps in state funding that prevent Rhode Island from drawing down the full amount of federal funding for housing, a misalignment between municipal incentives and state priorities, and other factors (see Section 2: Barriers to Meeting Housing Needs).

The five key strategies described in *Housing 2030* are designed to address these challenges and help Rhode Island make strong progress toward its goals:

Establish municipal housing production goals and strengthen incentives for municipalities. To enable Rhode Island to achieve the housing goals set out in this plan, the state will establish housing production goals for each municipality calibrated to reflect the municipality's individual circumstances. Under this new policy, each municipality will be responsible for meeting two annual housing production goals: (a) a goal for the overall production of housing units and (b) a goal for the production of affordable homes. Municipalities will be free to decide what local policy changes are needed to help them achieve their goals and will maintain this freedom if they stay on track toward meeting their goals. The state will assist municipalities in planning for and achieving their goals and explore ways to strengthen the incentives for goal achievement.

Address zoning and other regulatory barriers. To help municipalities make the policy changes needed to achieve their production goals, the Department of Housing will collaborate with the Division of Statewide Planning to provide guidance and technical assistance on how to reform local zoning codes, expedite permitting, and take other action to increase housing production and affordability. The state will also explore changes to state building codes to reduce construction costs and changes to the state tax code to remove disincentives for new housing production.

Strategically invest in infrastructure, housing production, and preservation.

To help municipalities, developers, and other partners produce the housing Rhode Island needs and deserves, the state will continue to make strategic investments in infrastructure and housing production and preservation, beginning imminently with the



Courtesy of RIHousing



Courtesy of RIHousing

historic \$120 million affordable housing bond. During the 2026–2030 period, the state will build on its recent investments in housing programs to make additional strategic investments that (a) improve and expand public infrastructure, a key barrier to housing production; (b) support the development of critically needed homeownership and rental units; (c) improve the quality of Rhode Island’s housing stock; and (d) explore innovative new approaches.

Build and sustain key partnerships.

Success in meeting the goals laid out in *Housing 2030* will require the coordinated efforts of myriad participants including builders, developers, residents, local officials, and others. The state will develop and strengthen relationships with these partners to address Rhode Island’s housing challenges.

Support homeownership and housing stability.

Rhode Island will support a range of efforts to promote homeownership and housing stability, homelessness prevention efforts, accessibility retrofits, and shared housing.

No single factor led to Rhode Island’s current housing crisis, and no single strategy will resolve the challenges. Together, the set of strategies in *Housing 2030* addresses the most significant barriers to building new homes and achieving the affordability needed to support Rhode Islanders’ safety, health, and prosperity. Together, we can work our way out from this housing crisis, meet our goals, and realize the vision set out in this plan.

HOW THE PLAN WAS DEVELOPED

Housing 2030 is the culmination of a three-phase effort led by the Department of Housing to plan for the housing needs of Rhode

Islanders. It was developed in collaboration with other agencies and organizations including Rhode Island Housing, Rhode Island Commerce, HousingWorks RI, Grow Smart RI, Public Housing Association of Rhode Island (PHARI), RI Infrastructure Bank, the Housing Resources Commission, the Rhode Island Continuum of Care, and Statewide Planning, among others.

The planning process was guided by an Advisory Group that included about 35 people, including representatives of state agencies, housing advocates, for-profit and non-profit developers, universities, interest groups, non-profit organizations, and others. Development of the plan was supported by a team led by Abt Global that included the Rhode Island League of Cities and Towns, Root Policy Research, and HousingWorks RI.

Housing 2030 draws on a wide variety of stakeholder input including a survey of Rhode Island residents that drew more than 1,800 responses, conversations with all 39 municipalities, and focus groups and interviews with over 40 additional stakeholders. The plan is also based on a projection of Rhode Island's housing needs, and research on nationwide best practices for state and local housing policy.

STRUCTURE OF THE REMAINDER OF THE PLAN

The Plan includes the following

Section 1. Housing Needs in Rhode Island

describes the need for higher levels of homebuilding generally, and for specific types of homes.

Section 2. Barriers to Meeting Housing Needs

describes the challenges builders, developers, and others face to building new homes in Rhode Island. The strategies in the following sections are designed to address these barriers.

Section 3. Rhode Island's Housing Production and Preservation Goals explains why goals are needed, details the goals, and describes how the goals were developed.

Section 4. Roadmap for Achieving Rhode Island's Housing Goals describes the framework for achieving Rhode Island's housing goals.

Section 5. Strategies for Achieving Housing Goals details the approaches that are central to permitting 15,000 new homes by 2030, including affordable rentals, permanent supportive housing (PSH) units, low-cost homeownership units, and market-rate homes.

Section 6. Implementation Plan provides an implementation table that identifies a lead organization for each strategy in *Housing 2030*.



Courtesy of RIHousing



INTRODUCTION



RIHousing, Burrillville

At the core of Rhode Island's housing challenges is an inadequate supply of housing caused by more than a decade of extraordinarily low rates of homebuilding. This has led to a range of severe housing problems, including high home purchase prices that put homeownership out of reach for too many Rhode Islanders, rising rents that have contributed to increasing shares of renters paying more than half of their income for housing, housing vacancy rates well below normal, and rising rates of homelessness.

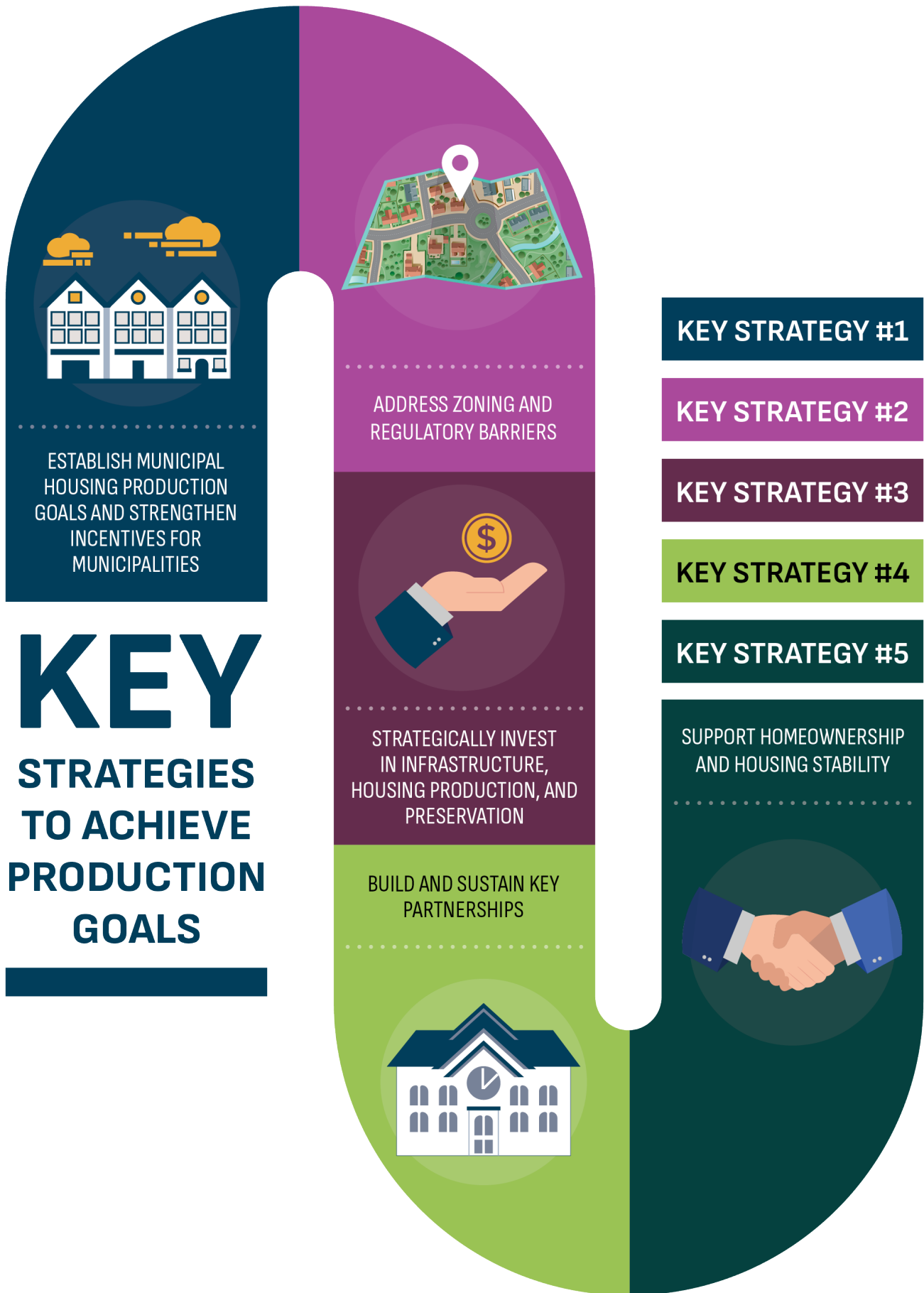
No single housing strategy or plan can make the state's housing problems evaporate, but with a comprehensive and strategic approach, inspiring leadership, and effective execution, Rhode Island can make significant progress in easing the state's housing challenges.

This plan sets ambitious state and municipal goals for housing production. To make meaningful progress toward meeting the state's housing goals, consistent and persistent forward action will be needed by a range of actors. The state will need to provide funding and reduce state-level barriers to development. Municipalities will need to amend their zoning codes, expedite their permitting processes, and make creative use of publicly owned land. As barriers to development are eased, builders, developers, and contractors will need to step up their rate of housing production. Collectively, we will need to do more to meet the needs of the homeless, older adults, and persons with disabilities. Employers, advocates, and the public at large also have important roles to play in supporting efforts to increase the supply and diversity of Rhode

Island's housing stock.

Housing 2030 provides a roadmap for the work ahead of us to improve housing conditions for all Rhode Islanders. The plan builds on a great deal of recent progress in Rhode Island to improve housing conditions for residents. These include the creation of the Department of Housing, multiple legislative housing reform packages, the creation of a state Low Income Housing Tax Credit (LIHTC), and passage of the most significant housing bond bill in Rhode Island history in 2024 for \$120 million. These investments and regulatory changes are already stimulating the creation of hundreds of new housing units.

Still more needs to be done to provide Rhode Island households with safe, resilient, high-quality housing that fits their budgets. This plan outlines key next steps.



KEY STRATEGIES TO ACHIEVE PRODUCTION GOALS



HOUSING NEEDS IN RHODE ISLAND



RIHousing, Providence

Rhode Island needs more housing of all types, including both rental housing and homeownership units: housing for all Rhode Islanders, including seniors, families, singles, and, critically, housing across the affordability spectrum. This chapter documents the state's housing challenges and how the realities of Rhode Island's housing market are affecting residents' daily lives. In addition to summarizing available data, the chapter draws on discussions with municipal leaders, developers, housing advocates, other housing market participants, and a 2024 resident survey conducted by the Department of Housing and RIHousing.

NEED FOR MORE HOUSING PRODUCTION OF ALL TYPES

In recent years, the housing market in Rhode Island has been one of the tightest in the country. Rhode Island has lagged far behind other states in new housing production.¹ As shown in Exhibit 2, the low rate of housing production in Rhode Island has been persistent since the Great Recession in 2007. In 2023 and 2024, housing production has noticeably increased in Rhode Island, an encouraging sign for improving the housing market.

"There is such low inventory (of housing). If it is affordable, it requires significant work to be done on it."

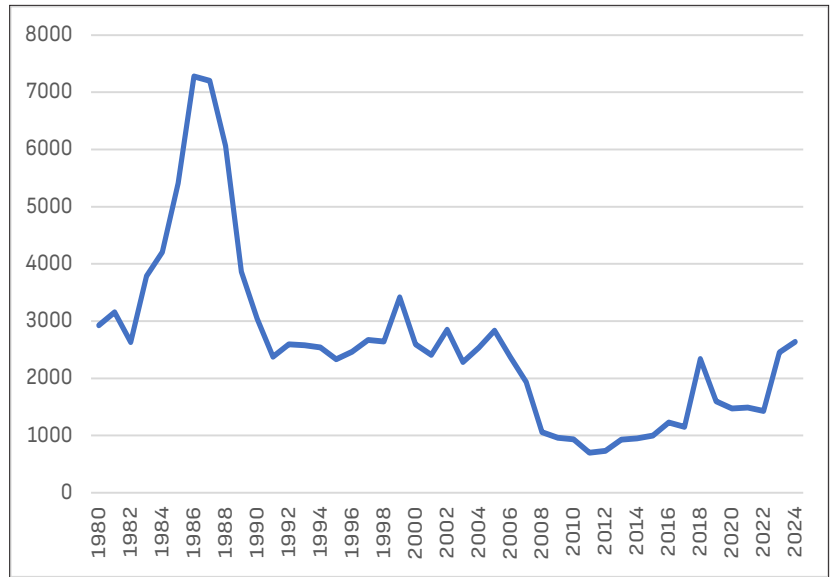
— Municipal leader

"People don't return calls, prices are through the roof, the apartments to choose from are scarce and the same prices as buying a [home]."


— Resident survey response

To make up for the years of low production post-Recession, significant action and sustained effort are required. Significant action has already been taken, including legislative changes, activation of State Fiscal Recovery Funds for housing, and the continued efforts of key partners. This action led to an increase in building permits, reaching pre-Recession levels of production for the first time in 2023 and sustained in 2024. Continuing the positive trend of the past two years is central to this plan.

Exhibit 2. Housing permits in Rhode Island, 1998-2024



Source: Census Building Permit Survey, Department of Housing and Housing Works RI.



Every year that Rhode Island’s housing production falls short of the units needed to fully accommodate the state’s population growth adds pressure to the housing market, increasing rents and home prices.

This level of homebuilding approaches levels needed to meet new demand. Given projected household growth and the annual loss of units through the deterioration of existing housing units, the state must significantly increase supply to keep pace with the need for housing. With the state permitting 8,444 units between 2019 and 2023, a significant increase in production is required to meet this need. **From 2026 to 2030, Rhode Island will need to produce almost 14,000 units (an average of 2,775 units per year) to accommodate new households and replace loss of housing stock.** The proposed goal of 15,000 units will help Rhode Island meet this need and move towards a healthier vacancy rate.



Courtesy of RIHousing

This housing production deficit impacts households across the income spectrum. When Rhode Island produces an insufficient number of market-rate housing units, higher-income residents who might prefer to occupy new, larger homes instead compete


“We are seeing a majority of people saying that housing is the number one issue. People come to comment at public meetings to say we want more housing.”

— Municipal leader

with households in the next lower income tier for existing units, driving up the rents and home prices for these units. Once priced out of these homes, households in the

next lower income tier compete with moderate-income households for smaller, older units, leading to increases in rents and home prices for these units. For this reason, even

the development of homes with higher price points will help to lower housing costs in the state.ⁱⁱ



Higher-income households regularly occupy units affordable to lower income households. This cycle continues down the income continuum, increasing home prices and rents for everyone.

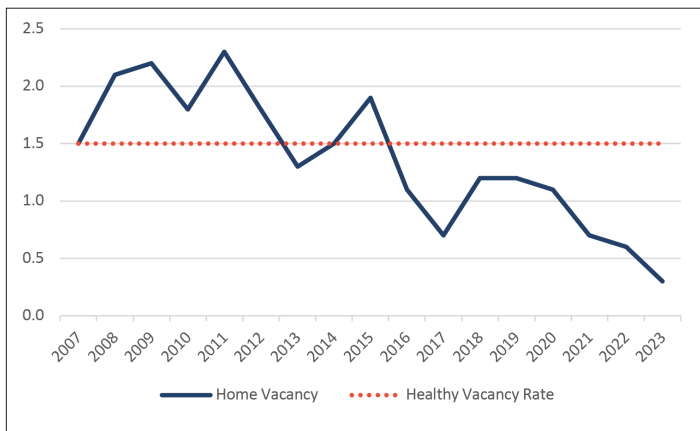
There is a lack of mobility in the housing market. Homeowners who purchased homes with low interest rates are often unwilling to sell and purchase a new home with a higher rate; older adults who may prefer to downsize are unable to find a suitable alternative; growing families who would prefer more space find it difficult to move to a larger home; households who may prefer to buy remain renters because of the lack of starter homes; and the options available to lower-income

households are unaffordable. This leaves many households with housing units that do not suit their needs and that cost more than they can afford.

The severe shortage of housing in Rhode Island is exemplified by Rhode Island’s low vacancy rates. As shown in Exhibits 3 and 4, across the state, vacancy rates have fallen well below the levels needed for a healthy market, which are approximately 6 percent for the rental market and 1.5 percent for the homeownership

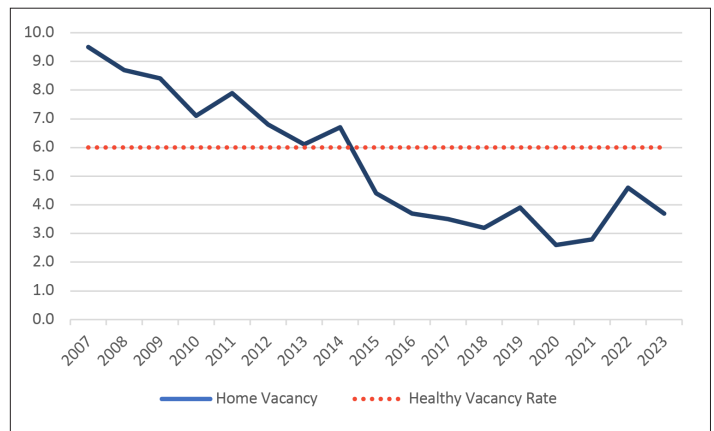
market.ⁱⁱⁱ Vacancy rates are an important metric of housing supply and demand. Vacancy rates that are too low indicate there is an insufficient supply of housing to meet community needs, which can lead to rent and price increases. This all results in Rhode Islanders having a difficult time finding the housing types that they prefer in the communities where they want to live.

Exhibit 3. Homeownership vacancy rates in RI, 2007 - 2023



Source: U.S. Census Bureau. 2007 – 2023 vacancy rates obtained from FRED: <https://fred.stlouisfed.org/series/RIHVAC>.

Exhibit 4. Rental vacancy rates in RI, 2007 - 2023



Source: U.S. Census Bureau. 2007–2023 vacancy rates obtained from FRED: <https://fred.stlouisfed.org/series/RIRVAC>.

NEED FOR MORE AFFORDABLE HOUSING OPTIONS

Housing costs are rising much faster than incomes in Rhode Island, creating affordability challenges for both renters and homebuyers. As shown in Exhibit 5, between 2018 and 2024, housing rents and home prices in Rhode Island increased by more than 60 percent – more than twice the increase in the average hourly earnings of Rhode Islanders over this time.

The disconnect between incomes and housing costs means that even modestly priced rental units are out of reach for Rhode Islanders working in some of the state’s most common jobs such as sales, customer service representatives, cashiers, office clerks, nursing assistants, and home health aides. In 2024, the fair market monthly rent for a two-bedroom

apartment and utilities in Rhode Island was \$1,610 (affordable to a household with an income of \$64,400).⁴

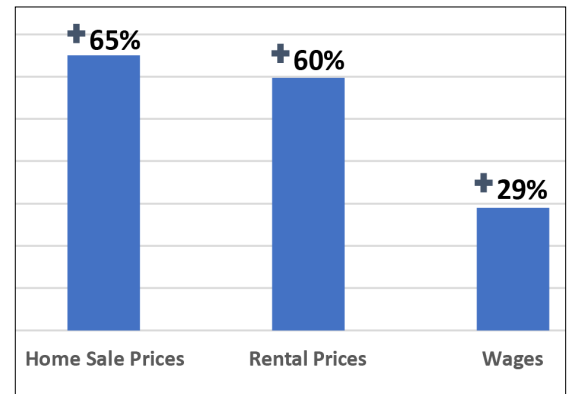
Exhibit 6 shows examples of jobs with median wages that fall in a range of income levels in Rhode Island, along with affordable monthly housing costs for households at these income levels.

People earning 80 percent of the median income in Rhode Island, which includes social workers, graphic designers, carpenters, and paralegals, among others, can just afford to pay the fair market rent for a two-bedroom apartment. People earning less than this level cannot.



Courtesy of RIHousing

Exhibit 5. Change in Housing Costs vs. Wages, Q4 2018 – Q4 2024



Source: Zillow Home Value Index for RI; Zillow Observed Rent Index for Providence MSA; Bureau of Labor Statistics Average Hourly Earnings for RI.

Exhibit 6. Sample jobs at a range of income levels in Rhode Island, 2023

Percent of Household Median Income	Annual	Affordable Monthly Housing Costs	Sample Jobs
Rhode Island Median Household Income, 2023	\$84,972	\$2,124	Physical therapists, registered nurses, computer programmers, detectives and criminal investigators
80 Percent	\$67,978	\$1,699	Child, family, and school social workers; graphic designers, electricians, carpenters, paralegals and legal assistants
50 Percent	\$42,486	\$1,062	Bookkeepers, accounting and auditing clerks, nursing assistants, medical assistants, janitors
30 Percent	\$25,492	\$637	Bartenders, light truck drivers, office clerks, dishwashers

Source: 2023 American Community Survey 1-year estimate of Rhode Island median household income; Occupational Employment and Wage Statistics for Rhode Island, Bureau of Labor Statistics, 2023 median wages for jobs.

⁴ Fair market rent is based on the 40th percentile of gross rents for typical rental units in an area and is established by the Department of Housing and Urban Development.

Not surprisingly, given the mismatch of incomes and housing costs, many households in Rhode Island experience a housing cost burden, meaning that they pay more than 30 percent of their income for housing, including utilities. More than 29 percent of Rhode Island homeowners and 47 percent of renter households are housing cost burdened. An increase in the production of housing coupled with an increase in household incomes will help relieve Rhode Islanders' housing cost burdens.

RENTAL HOUSING MARKET CHALLENGES

Rhode Islanders are concerned with rising housing costs. Again and again, municipal leaders, stakeholders, and members of the public shared concerns about their children and grandchildren not being able to afford housing. Among other factors driving Rhode Island's rental housing market challenges, municipal leaders cited:

Increased demand. Some

municipalities have seen increased demand for rental units over recent years from commuters from Boston and other nearby centers. These concerns have been exacerbated by pressures from the rise in remote work options and the growth of short-term rentals. These municipalities are struggling with very low vacancies and low inventory. Units that were once naturally occurring (unsubsidized) affordable housing are no longer affordable.

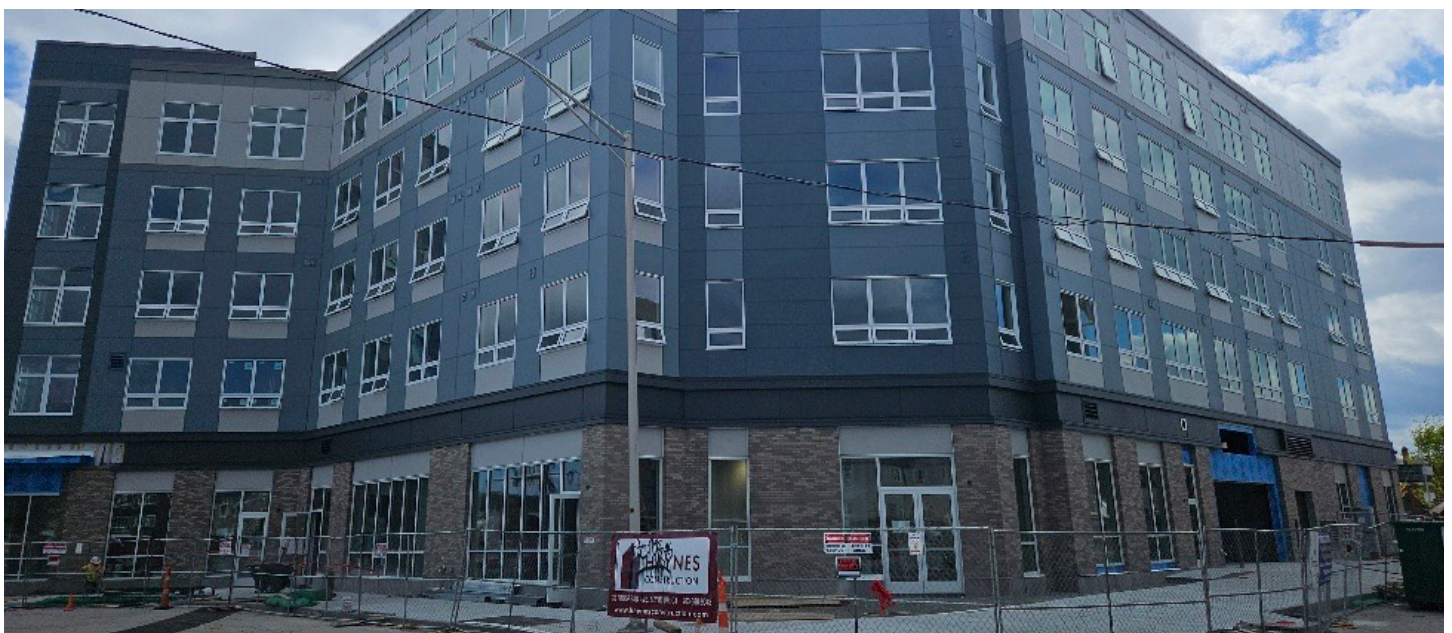
Students and seasonal workers.

For municipalities home to or near colleges and universities, students put additional pressure on the rental market. Moreover, some local communities have ordinances limiting the number of unrelated persons who can occupy a single unit, further increasing the demand for student housing. Similarly, some communities have a large number of seasonal workers. These valuable community members (students and seasonal workers) pose unique housing challenges in some

communities.

Municipal leaders expressed concern that rising rents may lead some long-time residents to be priced out of their neighborhoods. One emphasized that their community's biggest concern was gentrification and expressed a need to preserve the naturally occurring (unsubsidized) affordable rental properties currently available in their community.

In addition to long-time residents being displaced, municipal leaders reported that young adults under the age of 30 who grew up locally often cannot afford to rent in their municipalities. Likewise, town employees, teachers, police officers, and firefighters sometimes cannot afford to live in the town where they work.



RIHousing, Providence

NEED FOR MORE DIVERSE HOUSING TYPES

In addition to housing being unaffordable to many Rhode Islanders, the sizes of units available in Rhode Island are not well aligned with the current and projected demographic profile of the state. For example, more than half of the housing units in the state (54 percent) have three or more bedrooms (Exhibit 7). By contrast, 65 percent of Rhode Island households are either a single adult or a couple with no children under 18, suggesting a mismatch between the housing units available and the needs of residents. Many households are likely to be living in homes that are larger than they need. Other households need larger homes with more bedrooms, but are living in crowded conditions. The “overhoused” households (those in homes larger than they need) may not be able to find a suitable alternative home. This is because smaller, less expensive housing types that fall in the middle between single-family detached homes and large

multifamily buildings are becoming less common.

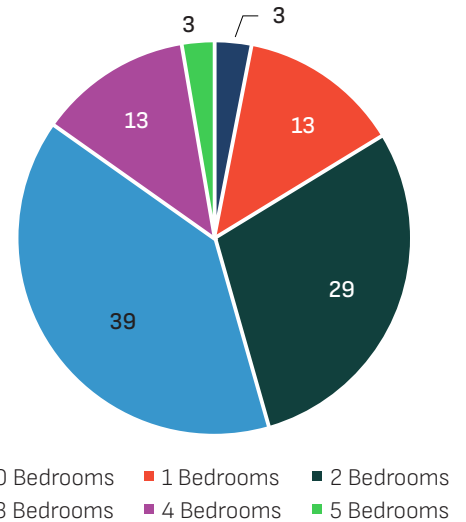
Rhode Island residents strongly support building more housing across a range of housing types. In a 2024 resident survey conducted by the Department of Housing and RIHousing, 79 percent of respondents agreed that Rhode Island needs more housing. When asked what types of housing they would like to see built in their communities, majorities supported each housing type presented, with particularly strong support for middle-market housing types like duplexes and townhomes (58 percent support) as well as multifamily buildings (53 percent support).

To meet this need for more diverse housing types, *Housing 2030* identifies key

“We need small affordable houses as starter homes for first time home buyers.”
“We need more affordable options in general, though primarily affordable options for home ownership as homeownership is currently unattainable for the majority of Rhode Island residents.”

— Resident survey responses

Exhibit 7. Bedroom Size of Homes in Rhode Island



Source: U.S. Census Public Use Microdata Sample (PUMS) 2022

Exhibit 8. Examples of middle market or “missing middle” housing types

Stacked duplex



Attached single family



Cottage court



Source: Opticos Design, Inc., missingmiddlehousing.com.



RIHousing, Middletown

middle market units. Accessory dwelling units (ADUs), attached single-family housing (townhomes), duplexes, three- and fourplexes, multifamily buildings with 5–9 units, bungalows, cottage courtyards and other housing types are often collectively called “middle market” or “missing middle” housing, examples shown in Exhibit 8. They often provide lower-cost, land-efficient options to fit diverse household needs, especially for smaller households.

Between 2000 and 2020, many middle market homes in Rhode Island were lost— torn down or converted to other uses, so the overall share of this more affordable housing type declined (Exhibit 9). Data from the Census Bureau do not include all types of middle-market housing to be identified, so the middle-market row of the chart shows units in structures with one unit attached, two units, 3–4 units, and 5–9 units.

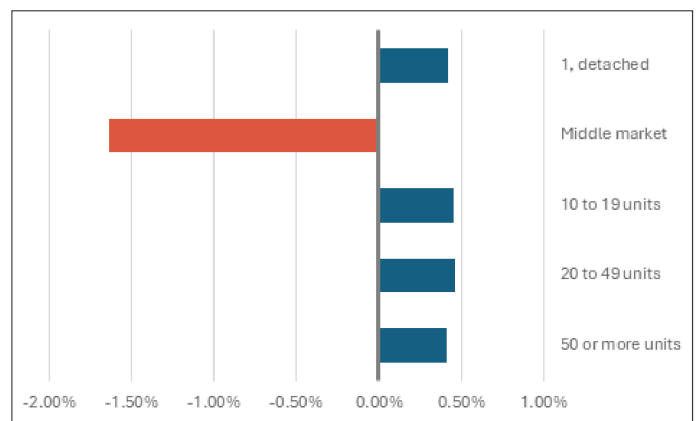
Access to a diverse range of housing options is especially critical as Rhode Island’s population ages. According to S&P Global estimates, about 20 percent of Rhode Island’s population is currently 65 and older, up from 14 percent in 2014. That share is expected to continue to rise, so developing housing options suitable for older adults is increasingly important. Housing options with proximity to services and smaller unit sizes can support aging in place.

The development of more units with accessibility features is also vital to meeting the needs of seniors and individuals with disabilities. About 19 percent of Rhode Island households are estimated⁵ to include a person with accessibility needs.

“We need housing for seniors to transition into from their larger family homes, which may no longer fit their physical needs and finances. This might free up homeownership for others as long as the selling price and mortgage is financially feasible.”

— Resident survey response

Exhibit 9. percent change of units by housing type as a share of total units in Rhode Island, 2000–2020



Source: American Community Survey and Decennial Census
 Note: Middle market is defined as the sum of all units in structures with one unit attached, 2 units, 3–4 units and 5–9 units.

NEED FOR IMPROVEMENTS TO THE QUALITY OF THE HOUSING STOCK

Older units are more likely to need repair and energy efficiency improvements than newer homes, and Rhode Island has the nation’s fourth-oldest housing stock, with over 75 percent of homes built before 1970.^{iv} An aging housing stock poses challenges due to building materials used and capital required to maintain the homes. A lack of investment in older homes can mean that these often “naturally occurring affordable housing” options are lost to the housing stock as their quality deteriorates and they are abandoned or demolished.

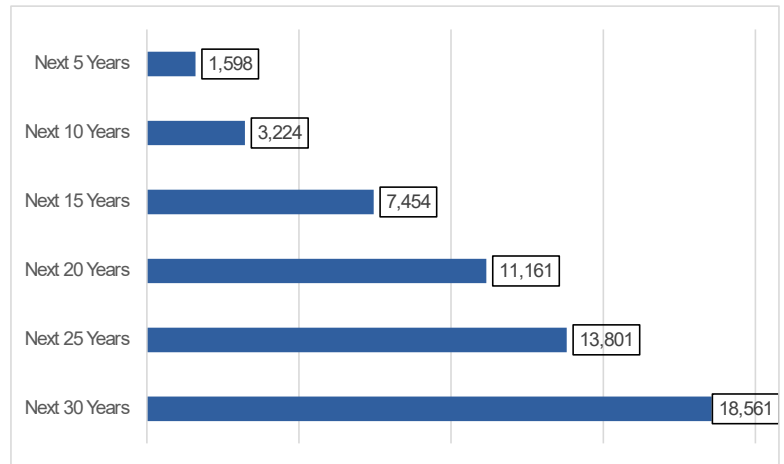


Courtesy of RIHousing

NEED TO PRESERVE EXISTING AFFORDABLE HOUSING UNITS

Rhode Island currently has almost 37,000 deed-restricted low- and moderate-income units.^v Preserving these affordable housing units will help keep Rhode Island from losing ground. Data from the Public and Affordable Housing Research Corporation show the number of homes with expiring affordability restrictions (Exhibit 10); additional subsidies are often needed to prevent these units from converting to market rates. Rhode Island must be proactive preserving the affordability of these homes.

Exhibit 10. Publicly supported rental homes with expiring affordability restrictions within different time periods



Source: Public and Affordable Housing Research Corporation.

⁵ This estimate was based on federal requirements that ground-floor units in all multifamily developments built since 1991 be adaptable for disabled residents and that additional, more specific accessibility requirements apply to federally assisted multifamily developments.



BARRIERS TO MEETING HOUSING NEEDS



RIHousing, Woonsocket

Municipal leaders, developers, builders, and others who provided input for this plan were unanimous in their assessment that there are significant barriers to housing production in Rhode Island. The most important of these include restrictive land-use policies, lengthy and/or uncertain development approval processes, lack of infrastructure, and the high costs of housing development and operation. Another barrier applies specifically to the production of affordable rental homes: there has not enough state subsidy to enable Rhode Island to draw down the full amount of federal 4 percent Low-Income Housing Credits to which the state is entitled. It is worth noting that, the new State Low-Income Housing Tax Credit should help ameliorate this problem.

BARRIERS TO HOUSING PRODUCTION

MUNICIPAL ZONING AND OTHER LAND USE POLICIES PREVENT THE RESIDENTIAL LAND USES AND DENSITIES NEEDED TO BUILD LOWER-COST HOUSING

Local zoning codes in many municipalities make it difficult for developers to obtain approval for middle market housing,⁶ prohibit it

outright, or make it uneconomical to build. Residential areas across the state are overwhelmingly zoned for single-family homes, often with large minimum lot sizes. At least 87 percent of all land in Rhode Island is zoned for single-family housing as-of-right while only 20 percent is zoned for homes with

two units, 9 percent allows for three-units, and only 8 percent allows for four-units or more.^{vi} This prevents developments of duplexes, triplexes and other types of middle market housing that Rhode Island desperately needs. These type of units are also the backbone of many neighborhoods, providing a variety of options for residents.

⁶ Includes accessory dwelling units (ADUs), attached single-family housing (townhomes), duplexes, three- and fourplexes, multifamily buildings with 5-9 units, bungalows, and cottage courtyards.

A number of developers reported that they typically avoid building anything other than what is allowed “by right,” because obtaining an exception or change to zoning and other regulatory requirements adds significant time, expense, and uncertainty to development projects. A change in local policy to allow smaller minimum lot sizes (currently as large as four and a half acres in some places) or to enable townhomes or other middle-market housing could significantly increase the rate of housing production in the state while reducing costs of development and housing prices.

HIGH DEVELOPMENT COSTS

The cost of new construction has risen sharply nationwide in recent years, resulting from increasing materials costs driven by supply chain interruptions, rising labor costs, and high costs for water, wastewater, and road infrastructure. Rhode Island is no exception; as elsewhere in the country, construction costs have increased about 25 percent over the last three years, leading to high per-unit construction costs.

Rhode Island is an outlier nationally in the level of regulation applied to building homes. Some regulations have been criticized on the account that they add costs without meaningful improvements in health or safety. For instance, some items in the building code effectively encourage the development of



Courtesy of RIHousing

luxury market-rate units because mid- and lower-cost units cannot support the costs of meeting building code requirements (e.g., minimum stair tread depth and maximum riser height codes that significantly increase the space needed for a staircase and that results in homes with larger footprints). Additionally, design requirements within local land development and subdivision regulations (e.g., wide roads, buffers, granite curbs) inflate costs for greenfield development (building housing on undeveloped land) and pose significant barriers to infill development (building housing on vacant or underutilized land in urban areas).

Developers also incur high costs associated with navigating lengthy and unpredictable approvals processes for development proposals and/or changes to zoning, which slow development. This is especially true when interest rates – and therefore the cost to make payments on idle property – are high. For affordable housing development, the length of time to assemble the many different sources of housing subsidy needed to make a development feasible can be especially lengthy.

HIGH LAND COSTS, PARTICULARLY IN OPPORTUNITY AREAS

High land costs related in part to the limited availability of vacant developable land across the state contribute to housing home prices and rents, as land costs make up a sizable portion of development costs. Prices vary greatly based on location, land use, and amenities. They are particularly high in places with access to good schools and open space.

Many Rhode Island communities face natural constraints to using land to build new housing, making land scarce and development more costly. Development in coastal and flood-prone areas near rivers is often infeasible, and building along coastlines and salt ponds requires additional approvals from the state Coastal Resources Management Council, adding additional time and

cost to the development process. Additionally, many cities and towns have chosen to preserve large tracts of land as open space, further limiting available land for development.

DIFFICULTIES ACHIEVING ECONOMIES OF SCALE IN INFILL AND RURAL SETTINGS

Economies of scale are fundamentally important for driving reductions in cost. Large scale development achieves economies of scale by greenfield development, the purchasing materials in bulk, developing preferential agreements with subcontractors, and efficiently utilizing skilled labor.

Rhode Island has relatively few opportunities for such large-scale development and should seek to minimize greenfield development within its overall production strategy. The trouble is, economies of scale

are particularly challenging to achieve with site-build construction in infill projects on isolated lots in urban and suburban communities, and in small development projects in rural areas, leading to higher costs. Rhode Island's unique development constraints mean the state must turn to innovative approaches to build needed housing.

LACK OF INFRASTRUCTURE AND LACK OF CAPACITY TO BUILD PUBLIC WATER/WASTEWATER FACILITIES IN SMALL TOWNS AND RURAL AREAS

Lack of water, wastewater and road infrastructure — or inadequate infrastructure — is a common development barrier across Rhode Island. Many rural and some suburban areas do not have public sewer and/or water and instead rely primarily on private wells and septic systems. Even in communities



Courtesy of RIHousing

with sewer infrastructure, these systems are often aging and unable to handle the heavy storms that are becoming more common throughout the state.

Municipal representatives identified several specific infrastructure issues that make it difficult and costly to develop housing:

Public water. Large swaths of Rhode Island’s rural communities are reliant on public wells. In these communities, there is serious concern that there is insufficient water capacity to accommodate additional residential development. While some towns purchase water from neighboring communities, this is a costly approach.

Wastewater and sewer. Many of Rhode Island’s rural areas are not connected to public sewer and instead rely on septic systems. These systems are costly to build and maintain and often cannot provide enough capacity to serve middle-market housing (duplexes, triplexes, etc.).

Some state resources, such as those managed by the Rhode Island Infrastructure Bank, are available to help communities upgrade and expand their essential infrastructure, but costs borne by the town, property owners, and developers are often still too high to make the establishment or expansion of public infrastructure feasible. Many smaller municipalities also lack the staff capacity and expertise to plan and/or manage large infrastructure projects. Increasing housing density in areas



Courtesy of RIHousing

with existing public infrastructure avoids additional infrastructure costs and should be the first places that are encouraged for housing development, while expanding infrastructure may be required to fully reach our goals. Addressing public infrastructure needs is critical to this plan.

LACK OF GAP FINANCING TO ALLOW AFFORDABLE PROJECTS TO ‘PENCIL’ AND PERMIT FULL USE OF 4 PERCENT CREDITS

Developers building affordable projects often rely on federal LIHTC combined with financing from other sources. The state’s 9 percent LIHTC credits typically cover about 70 percent of the cost of development, but the state does not fully utilize all of the 4 percent LIHTC credits to which it is entitled,

leaving valuable federal money on the table. The state could use more of its Private Activity Bond (PAB) limit for affordable housing. In 2022, Rhode Island used 8.4 percent of its PAB volume cap for multi-family housing compared to 75 percent in Connecticut, 34 percent in Maine, and 75 percent in Massachusetts. When used this way, it automatically qualifies for a 4 percent tax credit. However, this credit covers less of the construction costs compared to the 9 percent tax credit (typically 30 percent of the cost of development), so additional funding is needed. The new State Low-Income Housing Tax Credit will help expand access to federal 4 percent LIHTCs, up to \$30 million a year beginning in 2025, providing greater funding predictability and needed capital.

OTHER BARRIERS TO MEETING HOUSING NEEDS

OPERATING COSTS FOR AFFORDABLE AND WORKFORCE HOUSING PROJECTS ARE RISING FASTER THAN RENTERS' ABILITY TO PAY

Both nonprofit and for-profit developers note that increases in operating costs have made many projects financially infeasible. Staffing, maintenance, and supply costs have all increased in recent years. Additionally, property insurance costs have risen dramatically. One estimate suggests that property insurance in LIHTC projects increased by a third between 2020 and 2021 alone.^{vii} When there are no rent caps, owners of existing housing pass on these increased operating costs to renters. When higher rents are not achievable, the financial viability of projects may be threatened. At the same time, new housing developments will not be built if they “don’t pencil” – that is, rents that the development can charge are unlikely to be high enough to pay for operating costs plus needed debt service.

BARRIERS TO HOMEOWNERSHIP

Statewide factors. Municipal leaders from both urban and rural/suburban areas described three key statewide factors contributing to challenges facing Rhode Island households hoping to become homeowners.

Limited inventory and a competitive market. The single-family housing market is highly competitive, with first-time buyers competing against investors who can offer cash or pay over asking price. There is a very limited inventory of ‘starter homes’ for sale, and very few are being built. In interviews, developers reported that smaller homes are less financially feasible to construct than larger homes that can command higher prices.

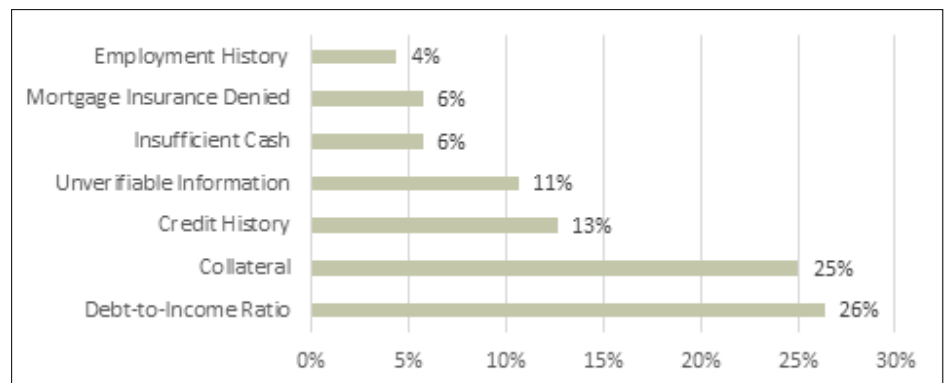
Slow housing market turnover. Some municipal leaders noted that many older adults live in single-family homes and wish to sell and downsize, but there are few

appropriate and affordable housing options, leaving them with little choice but to remain in their current homes. This prevents these homes from going onto the market to meet the needs of larger households and creates stagnation, leaving some Rhode Islanders over-housed and others under-housed.

High student debt. Many young families carry high levels of student debt, making it difficult for them to save for a down payment.

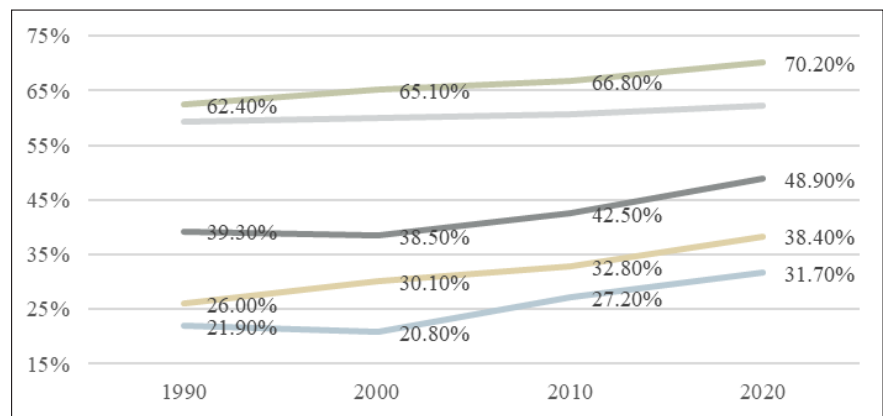
Individual factors. Beyond systemic barriers, individual households face specific obstacles to homeownership. Many households have savings that are too low to

Exhibit 11. Reasons for Mortgage Denial, Rhode Island, 2021 – 2022



Source: Abt analysis of Home Mortgage Disclosure Act data.

Exhibit 12. Rhode Island Homeownership Rates by Race or Ethnicity, 1990–2020



Source: Urban Institute, *Forecasting State Homeownership Trends*.

afford a downpayment. Few homes are available for purchase at prices affordable to moderate-income households – about \$400,000 or less – and continuing price increases require households to accumulate ever-larger savings for a downpayment.

Nearly all homeowners will need to secure a mortgage to purchase their home, but many renters struggle to qualify for a mortgage, often due to their financial circumstances. Other common barriers to mortgage qualification include unaffordable monthly mortgage payments, non-housing debt (e.g., auto loans and credit card debt), credit history, and insufficient collateral (Exhibit 11).

Rhode Islanders of color disproportionately face barriers to intergenerational wealth building through homeownership. Some of this is due to a legacy of redlining, a historical practice of denying access to mortgages to entire neighborhoods, often based on their racial/ethnic composition.

While homeownership rates for all racial/ethnic groups in Rhode Island have increased over the past 30 years, stark disparities by race/ethnicity have persisted throughout this period, at least in part a result of past and continuing discrimination. In 2020, the White homeownership rate in Rhode Island was 70.2 percent compared with 38.4 percent for Black households, 31.7 percent for Hispanic households, and 48.9 percent for other races or ethnicities (Exhibit 12).

BARRIERS TO HOUSING STABILITY

Housing prices have led to more than one-third of Rhode Island households shouldering a housing cost burden that compromises their ability to pay for other necessities such as food, health care, and transportation.^{viii} The large majority (more than two-thirds) of state residents believe housing costs are unaffordable.^{ix} Some renter households stretching to afford their housing are one financial setback away from being unable to pay their rent.

Exacerbated by high housing costs, many homeowners struggle to afford the costs of home repair, in particular low- and moderate-income homeowners and homeowners of color. Needed repairs that go unaddressed can result in housing that is in poor condition, posing health and safety risks. At worst, households with high housing instability may lose their housing and experience homelessness.

OPPOSITION FROM NEIGHBORS

Opposition from neighbors is a significant impediment to the construction of many forms of housing, including affordable housing and higher-density development at any price point. In discussing their community's housing development activities, municipal representatives often described how the attitudes of residents, city and town council members, planning board members, and other constituencies could help or hinder efforts to produce more housing.

They highlighted some of the common concerns raised by some community members in response to development proposals:

Impact on schools. Many municipal representatives noted that some residents have expressed opposition to the development of housing for families with children out of concern that the local school system will become overcrowded. Many municipal representatives expressed concern that additional



Courtesy of RIHousing



Courtesy of RIHousing

school enrollment will have negative implications for local budgets. The Department of Housing is currently working on a fiscal impact analysis to localize research that shows housing as net positive on municipal finances.

Impacts on parking and traffic.

Another concern frequently expressed by some residents is that additional housing development, particularly the development of multifamily housing, will increase traffic and reduce available parking.

Community character and aesthetic.

Several municipal representatives noted that residents are often concerned that new development will diminish the character of their neighborhoods and lead to lower property values. However, they also noted that residents are more supportive of proposals for housing designed

to blend into the surrounding neighborhood.

Affordable housing stigma.

Municipal representatives noted that some residents have negative perceptions of affordable housing. They noted that residents often have misperceptions about who lives in affordable housing, the incomes required to qualify for affordable units, and how affordable housing benefits the community.

Despite these common challenges, municipal representatives also described how community attitudes toward housing development have evolved in recent years. They noted that residents have become more receptive to housing development in recent years as they have become more aware of the state's housing affordability challenges and who needs affordable housing.

They suggested that public education and outreach could be an important strategy for helping residents and local officials understand the need for housing, including dedicated affordable housing. In some cases, municipalities reported that recent legislative changes, such as allowing mixed-use adaptive reuse projects to proceed by right, will help counteract local opposition to development.

Challenges for municipalities in achieving their Low- and Moderate-Income Housing Act (LMIH) goals

10 percent threshold. Under the LMIH Act (RIGL 45-53), most municipalities in Rhode Island must maintain 10 percent of their year-round housing stock as dedicated affordable housing, unless they meet the rental exemption.

Only four communities currently meet this threshold. Some municipal representatives felt that this threshold was unattainable for their community due to infrastructure constraints, lack of developable land, or other barriers to development. Other towns want to reach the 10 percent threshold because towns that have not are subject to the comprehensive permit process, in which “zoning is thrown out the window.” A few suggested that rather than using the same threshold for all communities (a one-size-fits-all approach), there should be a more flexible approach that accounts for communities’ differing needs.

Most agreed that state law should provide incentives for municipalities’ progress towards the 10 percent goal, even if they have not yet reached the 10 percent threshold.

Ratio Problem The LMIH Act utilizes a ratio, the share of affordable housing out of all year-round housing units. Municipalities who are motivated to meet this goal want to grow their numerator (affordable housing units) without growing their denominator. This is the fastest way in theory to reaching the 10% threshold but may not lead to that result. Many developments that included dedicated affordable units also include a significant share of market rate units, necessary to make projects pencil in the current housing market. Municipalities are also motivated to reject market rate housing developments as they would grow the denominator and set back the community in their effort to reach the 10% threshold. The increased housing supply from that market rate development could help improve local affordability.

The result is some communities become stuck, waiting for the perfect 100% affordable housing development to be proposed and financed, failing to grow their overall housing stock or their affordable housing stock.



Courtesy of RIHousing



RHODE ISLAND'S HOUSING PRODUCTION AND PRESERVATION GOALS



Courtesy of RIHousing

The goals outlined in *Housing 2030* are centered on **(1)** increasing production of housing throughout the state, **(2)** increasing production of specific housing types that meet the needs of Rhode Islanders, and **(3)** preserving existing affordable homes. This focus for the plan was identified based on analysis of a growing gap between housing needs and the housing being produced, and on consistent reports from municipalities, builders, non-profits, housing advocates, homelessness service providers, Rhode Island residents, and others that more housing is needed.

Specifically, *Housing 2030* includes goals for permitting and preservation of homes, and for supporting the cross-cutting priorities in Governor McKee's *RI 2030 Plan*.

HOUSING 2030'S OVERALL PRODUCTION GOAL IS TO PERMIT 15,000 NEW HOMES BY 2030,

driven by housing needs projections that include modest population growth, new household formation, and the typical number of homes that are torn down or converted to other uses each year. These projections indicate that the average annual production required just to accommodate new households and replace the loss of housing stock is about 2,725 units per year, for a total of 13,625 units; the 15,000

target builds in a small cushion of additional homes that will help to relieve some existing housing cost pressures.

Rhode Island's housing deficit impacts households across the income spectrum. Competition for homes of every type – from single-family homes on large lots to small condos – drives up prices for everyone, with the most severe consequences for lower-income residents. As vacancy rates in the rental market fall and the supply of homes on the market for sale

shrinks, the cost of homes rises. Household incomes are not keeping up, so households priced out of higher-price segments of the housing market move down the ladder to the next segment, bidding up prices in that segment and so on.

The goal of 15,000 new homes permitted is a significant increase compared to recent homebuilding trends in Rhode Island, but well within historical numbers of new homes built in the state.

WHY ARE PRODUCTION GOALS NEEDED?

A ‘status quo’ approach to building homes in Rhode Island will not produce enough homes to prevent continued increases in homelessness, cost burdens, and home prices, placing homeownership and rental units ever further out of reach for most Rhode Islanders. Stakeholders who provided input for the plan consistently reported that it is too difficult to build housing in Rhode Island. Research supports this: it indicates that Rhode Island has some of the most restrictive land-use regulations in the country.^x Progress is already being made on this front through the land-use and zoning reforms enacted by the Rhode Island General Assembly and signed by Governor McKee. Production goals provide a mechanism for ensuring the accountability needed to make real progress, as well as a means of identifying and rewarding communities that have made meaningful progress.

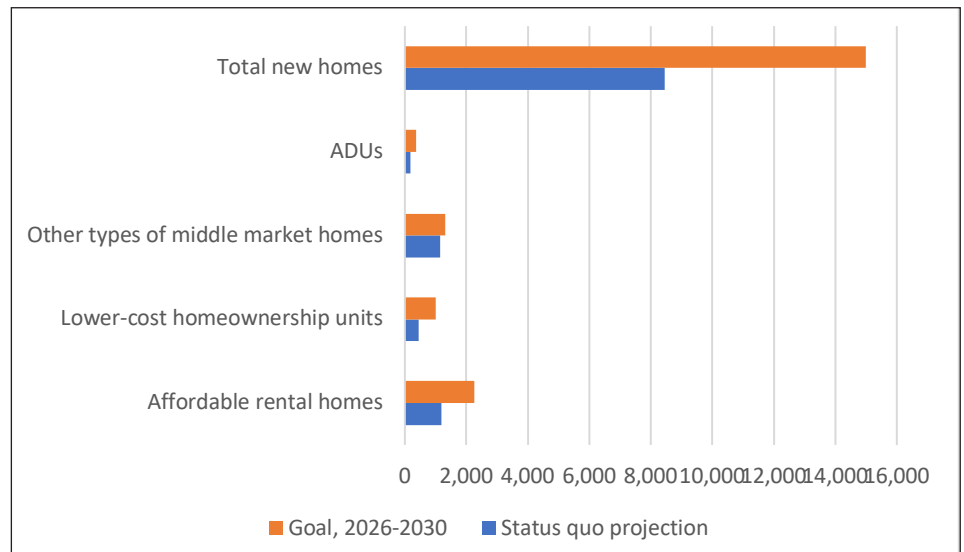
Exhibit 13 shows that the production goals are ambitious – well beyond what would otherwise be expected through the ‘business as usual’ approach – but achievable with dedicated effort to implementing strategies described in *Housing 2030*.

Market rate homes, which include single-family homes, condos, owner-occupied duplexes and triplexes, and apartment buildings,



Courtesy of RIHousing

Exhibit 13. Production goals compared with projections of status quo production



Sources: HousingWorks RI, RI Realtors, Census Building Permit Survey.

will make up the majority of the 15,000 total homes created by 2030. Specific strategies to increase housing production, including market-rate homes, are discussed in *Section 5: Strategies for Achieving Housing Goals*.

The identification and calibration of the housing production goals were guided by the Advisory Group and developed by balancing projected needs with recent production trends and realistic assessments of the additional units that can be built using *Housing 2030* strategies and new resources.

WHAT KINDS OF HOMES ARE NEEDED?

Different types of housing serve households across different income levels, life situations, and preferences. Producing a diverse mix of housing ensures that the needs of people across the income spectrum are met and that people have a choice of homes that fit their needs, including accessibility of the home and proximity to amenities such as health care, jobs, transit, recreation, and opportunities for education.

Housing 2030's middle-market housing goal is to permit 1,695 new such units by 2030. Middle-market housing, also called "missing middle" housing, incorporates types of housing uniquely suited to serve Rhode Island's changing housing needs, such as smaller units included in duplexes, townhomes, and accessory dwelling units. While regulatory and land use changes will be needed to produce more of these housing units, these are more cost-effective homes to build, so it does not stretch the limited public funding available for people most in need of housing assistance. Among other populations, this housing serves:

- ▶ **Rhode Island's aging population.** Older adults often would like to downsize to reduce housing costs and responsibilities and are unable to find suitable units, which are typically smaller units



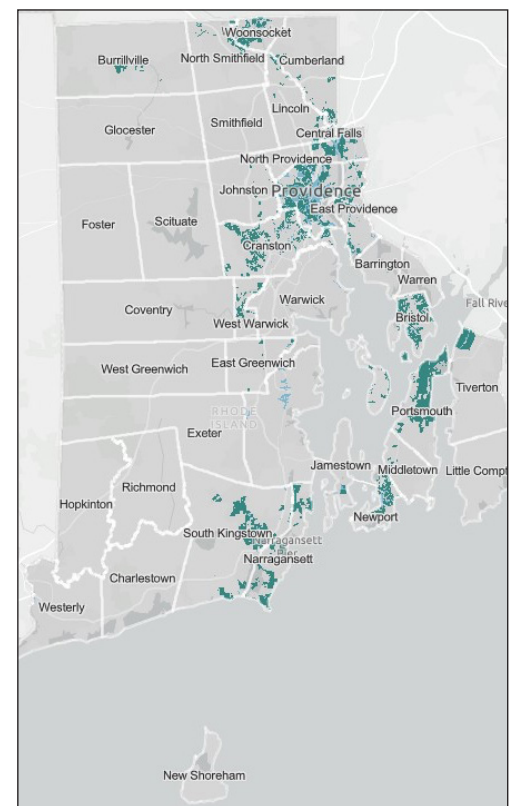
Courtesy of RIHousing

on a single level. Additionally, older adults can benefit from building an ADU to offset their housing costs and/or to provide housing for a family member or other person to provide support.

- ▶ **Rhode Island's middle-income households.** Rising house prices mean that many Rhode Island households are cost-burdened. Middle-market housing typically has rents and home prices that are lower cost than those of single-family detached housing.

Middle-market housing fits Rhode Island's character and historical development patterns. Duplexes, triple-deckers, and

Exhibit 14. Residential land zoned for duplexes by right on less than one acre



Source: Rhode Island Zoning Atlas.

other types of middle-market housing are an important part of Rhode Island's history. They were commonly built in much of the 20th century, and in many municipalities help to define the walkable, historic, and vibrant neighborhoods in which they are located. In addition, middle-market housing built today is often infill, which is in keeping with historical development patterns in Rhode Island and requires fewer resources than single-family detached housing, especially on green fields. It uses less land and relies on existing infrastructure.

Housing 2030's affordable rental production goal is to finance 2,250 new affordable rental homes by 2030, 375 of them permanent supportive housing, 500 of them affordable to people earning less than 30 percent of AMI, and the other 1,375 rental homes affordable to people earning up to 80 percent of AMI. Rhode Island has made significant strides in financing

additional affordable rental units in recent years, and these goals are focused on continuing this progress and making sure we address the needs of the most vulnerable Rhode Islanders.

Affordable rentals: People earning 80 percent of AMI, which is about \$68,000 per year, include child, family, and school social workers, graphic designers, electricians, carpenters, paralegals and legal assistants, among others. Households at this income level can afford rent of about \$1,700 per month. In comparison to the goal to finance 1,375 units by 2030, during the five-year period from 2019 to 2023, a total of 1,185 units were created.

Permanent supportive housing (PSH): PSH is a long-term housing option that includes supportive services for people who are chronically homeless. Goals for permanent supportive housing

were set to address recent chronic homelessness counts in the context of recent production and resources that are anticipated to be available to create new units. As a point of comparison, the state added 85 PSH units from 2018 to 2023, so the goal to finance 375 units over five years is a very substantial increase over the status quo.

Extremely low-income: Extremely low-income housing is affordable to people who earn 30 percent of AMI or less, which is about \$25,000 or less per year. This group includes bartenders, light truck drivers, office clerks, and dishwashers. The rent that is affordable to people at this level of income is about \$600 per month. Similar to permanent supportive housing development, new extremely low-income housing is not currently being built to meet the need. *Housing 2030's* goal of 500 ELI units over five years is ambitious and would make significant progress toward meeting the need.



Courtesy of RIHousing

Housing 2030's lower-cost homeownership goal is to create 1,000 new low-cost (below \$400,000) homeownership units by 2030. Rhode Island's housing market supplies very few relatively affordable homes for sale. From 2022-2024, less than 21 percent of new construction homes for sale were priced below \$400,000, the approximate price that is affordable for a household at 140 percent AMI. This is an average of only 91 homes per year, and these numbers continue to decline with only 67 new-construction homes sold for less than \$400,000 in 2024. The share of new construction homes priced below \$300,000, which is affordable to people at about 100 percent of AMI, was even smaller, about 5 percent.

Homeownership is an important household wealth-building tool, both as a forced savings mechanism and through home value appreciation. Homeownership supports community development as a stable form of housing, which can encourage greater community engagement. This plan seeks to (among other goals) actualize Governor McKee's vision of expanding homeownership access in Rhode Island.

Regulatory and land use changes should lower the cost of building newly developed homes. Given annual expected growth in construction costs, additional strategies, such as innovative public-private partnerships that reduce costs by facilitating



Courtesy of RIHousing

economies of scale, will also be needed to reach the goal of permitting 1,000 new low-cost homes by 2030.

PRESERVING EXISTING AFFORDABLE HOMES

Housing 2030 includes a proactive approach to preserving existing affordability in expiring deed restrictions during the life of this plan. This will help ensure that the state does not lose existing affordable units and Rhode Islanders can continue to access affordable homes that have already received public investment. Additionally, this plan recommends strategies for preserving existing housing stock (not just deed-restricted) through home repair programs.

CROSS-CUTTING PRIORITIES

In addition to building new homes to address Rhode Island's housing crisis, the goals and strategies in *Housing 2030* support the cross-

cutting priorities laid out in Governor McKee's *RI 2030* plan. These include:

- ▶ **Building a Rhode to Prosperity.** Stable housing that fits household budgets is critical to the well-being of both Rhode Island households and employers. Employers whose workers cannot afford housing in Rhode Island struggle to hire staff and expand their businesses here. Companies Rhode Island would like to attract to the state will be less likely to do so if housing affordable to their workforce is not available. Rhode Island needs more rental homes and more homes for purchase, particularly in areas with access to jobs and/or transit. A key reason for Governor McKee's focus on raising household incomes is that it reduces housing cost burdens.
- ▶ **Creating a healthier Rhode Island.** The quality of Rhode Island's housing stock, among



Source: RIHousing, Pawtucket – Central Falls

the oldest in the nation, is an important factor in the health of its occupants. Investments in upgrading the housing stock to abate lead, improve heating and cooling, and increase resilience to weather disasters will support family health. The plan will also help address the safety risks associated with homes that lack the accessibility features needed by older adults or those with mobility limitations. Implementation of *Housing 2030* will help expand the availability of housing types that better meet the needs of these households – for example, single-story or first-story units available for seniors looking to downsize – and invest in accessibility modifications will help mitigate these risks.

Crucially, more safe and stable housing options will lead to better health outcomes for Rhode Islanders.

► **Strengthening K-12 education.**

Stable housing is essential for children’s educational achievement, which is a cornerstone to their – and by extension the state’s – future economic prosperity. For example, evictions adversely affect children’s cognitive development and school attendance.^{xi} In addition, new opportunities for housing in towns and cities across Rhode Island with high-quality schools will offer families with children more educational choices.

► **Advancing infrastructure and**

energy. The strategies in *Housing 2030* promote building new homes across Rhode Island, but particularly in urban areas. Urban development leverages existing infrastructure. Investments in preserving the affordability of subsidized housing units should simultaneously consider their physical preservation, resilience to weather-related disasters, and energy performance (weatherization, energy efficiency, electrification, and household energy costs).



STRATEGIES FOR ACHIEVING HOUSING GOALS

ESTABLISH MUNICIPAL HOUSING PRODUCTION GOALS AND STRENGTHEN INCENTIVES FOR MUNICIPALITIES

OVERVIEW

To enable Rhode Island to achieve the housing goals set out in this plan, the state will establish housing production goals for each municipality calibrated to reflect the municipality's individual circumstances. Under this new policy, each municipality will be responsible for meeting two annual housing production goals:

- ▶ A goal for the overall production of housing units and
- ▶ A goal for the production of affordable homes.

Municipalities will be free to decide what local policy changes are needed to help them achieve their

goals. The state will assist and support municipalities to plan for and achieve their goals and explore ways to strengthen the incentives for goal achievement.

These production goals will provide municipalities with clear guidance on minimum expectations while allowing the freedom to enact the reforms that are most responsive to the needs and assets of their communities. Municipalities are critical partners in housing production and have principal responsibility for many of the policy domains where reform is needed to increase housing production, including zoning and

permitting policies and the use of municipal land.

While the notion of mandatory housing goals for municipalities in Rhode Island is not new, Rhode Island has an opportunity to address challenges with the implementation of goals to date. The LMIH Act, passed in 1991, established a goal for most municipalities (those in which less than 15 percent of the housing stock is rental) that at least 10 percent of the year-round housing stock be affordable. Until *Housing 2030*, this was the only housing goal in Rhode Island since the 2006 five-year plan.



Courtesy of RIHousing

Municipal leaders and others have raised several concerns about the LMIH Act, described in *Barriers to Housing Production*. A primary concern is that the LMIH Act creates a disincentive for municipalities to permit market-rate housing because it leads to a corresponding increase in the number of affordable housing units that a municipality needs to meet its 10 percent goal. The new production goal helps to correct this disincentive by providing a numerical target for annual housing production, in addition to affordable housing. This plan does not recommend repealing the 10 percent goal of the LMIH Act but rather seeks to encourage progress toward reaching that goal. Achieving the five-year affordable goals alone should not be viewed as sufficient evidence that a municipality has met local affordable housing needs as described in the LMIH Act.

The municipal goals are also designed to address a second concern, which is that there is no accountability for affordable housing production in the short-term. Municipal plans to meet the 10% goal may take a long time but action is required now. The 10% goal is binary and does not incentivize incremental progress.

KEY COMPONENTS OF THE STRATEGY

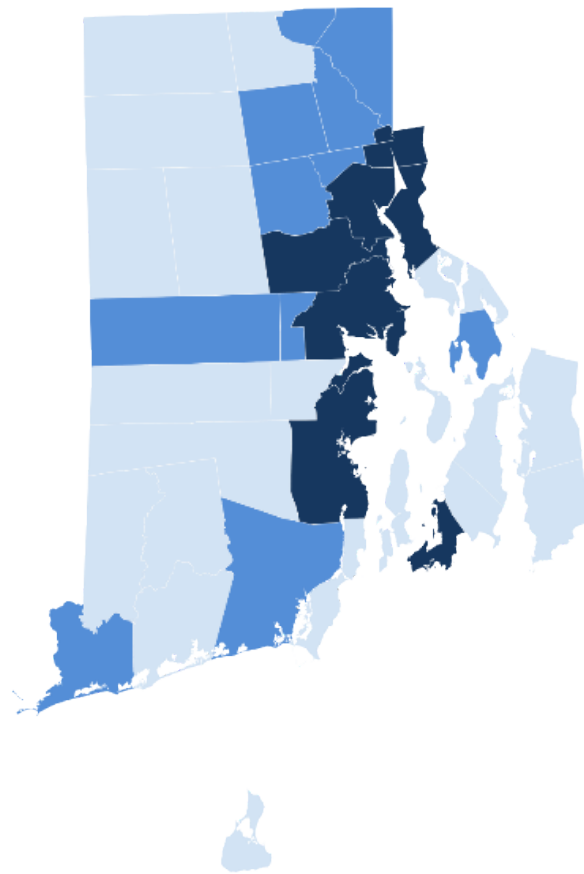
Setting municipal housing production goals

Rather than a one-size-fits-all approach, each municipality will have its own housing production goals, tailored to their individual

Exhibit 15: Municipal Growth Categories

Updated Municipal Growth Categories

Continued Growth Job-Rich Communities Strategic Growth



Source: RI Department of Housing • Created with Datawrapper

Source: RI Department of Housing

circumstances that impact their capacity to add housing. To encourage housing development in the locations needed to advance the state’s economic development and climate objectives, municipalities rich in jobs and with high-frequency transit stations will have higher overall production targets than other municipalities.

As shown in Exhibit 15, each municipality will be assigned to one of three growth categories based on their potential for new housing growth:

Continued growth communities.

These areas will be expected to

permit, on average, housing units equal to at least **0.4 percent of their existing housing stock annually.**

Job-rich communities:

These are areas with above-average job concentration. They will be expected to permit, on average, housing units equal to at least **0.6 percent of their existing housing stock annually.**

Strategic growth communities.

These are areas with both above-average job concentration and robust public transit infrastructure.



Courtesy of RIHousing

They will be expected to permit, on average, housing units equal to at least **0.8 percent of their existing housing stock annually**.

Overall production goals. The overall production goal for each municipality, will be calculated as the greater of (1) the number of units permitted between 2019 and 2023 and (2) the result of multiplying the number of existing housing units in that municipality by the target growth percentage for its community type. For example, a continued growth community with 10,000 housing units will have an annual production target of permitting at least 40 units per year ($.004 \times 10,000$).

Affordable production goals.

Municipal goals for permitting affordable housing are designed to be both achievable and, as described below, to offer incentives for progress. The state will take a different

approach to setting affordable housing goals for communities that have met the 10 percent LMIH goal and those that have not.

If our hypothetical continued growth community has met its 10 percent LMIH goal, its affordable housing production goal will be 10 percent of its overall production goal – in this case, an average of at least 4 units per year.

If our hypothetical continued growth community has not met its 10 percent LMIH goal, its affordable housing production goal will be **10 percent of its overall production goal** – in this case, would be an average of at least 4 units per year.

The draft municipal goals are included in the table below (Exhibit 16). Additional information on the methodology to establish these goals is provided in Appendix B.

Municipal planning to achieve their housing production goals

Comprehensive planning: Each municipality will be required to document in their Comprehensive Plans the steps they plan to take to achieve their production goals. Once municipalities receive their initial housing production goals, they will have until the end of 2026 to submit an updated housing component of their comprehensive plan to the state for review and approval.

The updated housing components of municipalities' comprehensive plans must describe a realistic approach for meeting their housing production goals. These plans should document planned changes in land use and zoning and the development approval process, and/or any planned direct municipal efforts to produce housing that will allow the municipality to reach

Exhibit 16. Municipal production goals

Municipality	Growth Category	Current Housing Units ⁷	Production Goal	Affordable Goal
Barrington	Continued Growth	6,380	128	19
Burrillville	Continued Growth	6,701	176	26
Charlestown	Continued Growth	5,381	160	24
East Greenwich	Continued Growth	5,539	201	30
Exeter	Continued Growth	2,647	141	21
Foster	Continued Growth	1,836	37	6
Glocester	Continued Growth	4,213	177	27
Hopkinton	Continued Growth	3,613	100	15
Jamestown	Continued Growth	3,122	109	16
Little Compton	Continued Growth	2,414	73	11
Middletown	Continued Growth	8,029	161	24
Narragansett	Continued Growth	9,857	197	30
New Shoreham	Continued Growth	1,818	39	6
North Smithfield	Continued Growth	5,358	107	16
Portsmouth	Continued Growth	8,610	207	31
Richmond	Continued Growth	3,173	120	18
Scituate	Continued Growth	4,263	98	15
Tiverton	Continued Growth	7,781	179	27
Warren	Continued Growth	5,495	110	16
West Greenwich	Continued Growth	2,575	81	12
Bristol	Modest Growth	9,629	289	43
Coventry	Modest Growth	14,931	448	67
Cumberland	Modest Growth	15,017	451	68
Johnston	Modest Growth	12,501	375	56
Lincoln	Modest Growth	9,525	365	55
North Providence	Modest Growth	15,932	478	72
Smithfield	Modest Growth	8,012	240	36
South Kingstown	Modest Growth	13,771	477	72
West Warwick	Modest Growth	14,414	432	65
Westerly	Modest Growth	13,245	397	60
Woonsocket	Modest Growth	19,754	593	59
Central Falls	Strategic Growth	8,191	328	33
Cranston	Strategic Growth	34,182	1367	205
East Providence	Strategic Growth	22,196	888	133
Newport	Strategic Growth	13,466	539	54
North Kingstown	Strategic Growth	12,189	488	73
Pawtucket	Strategic Growth	33,832	1353	203
Providence	Strategic Growth	75,257	3010	301
Warwick	Strategic Growth	38,625	1545	232

⁷ Housing units per municipality come from the 2020 Decennial Census and show the total housing units, not just year round units..

its housing production goals. As described in Strategy 2: Address zoning and regulatory barriers, the state will provide guidance to municipalities on a range of pro-housing reforms they can adopt to reduce the cost of development and/or enable middle-market and multifamily housing. These reforms include zoning and land-use changes, process changes that speed development, and direct municipal action such as using publicly owned land for affordable housing. Housing elements of community comprehensive plans will need to articulate the estimated number of units that the employed strategies will yield.

Comprehensive plan reviews: The Department of Housing and the Division of Statewide Planning will review the housing chapters of each municipality's Comprehensive Plan to determine if the planned strategies are likely to be sufficient

to enable the municipality to achieve its production goal. Municipalities will be required to modify comprehensive plans that do not provide a realistic path forward for the achievement of their production goals.

Progress monitoring: Municipalities will be required to provide annual progress reports to the Department of Housing, documenting the implementation of promised policy changes, actual housing production numbers achieved, and explanations of any shortfalls or challenges encountered. The Department of Housing will use these reports to monitor municipalities' progress toward meeting their housing production goals.

Strengthened incentives: As discussed above, a key concern about the LMIH Act is that it lacks any enforcement mechanism other than the comprehensive permit, and

that this tool is a blunt instrument. Some local leaders in municipalities well below the LMIH Act 10-percent affordability threshold expressed that they believe they will never achieve the goal, and that there is no incentive to make progress. Regardless of progress toward the goal, municipalities remain subject to the comprehensive permit until they reach the goal.

The state will address this concern by exploring incentives to reward municipalities' progress in achieving their housing production goals. These may include preferences for state infrastructure funding programs or other state grants and temporary pauses of comprehensive permits for municipalities meeting their production goals.



Courtesy of RIHousing

ADDRESS ZONING AND REGULATORY BARRIERS

OVERVIEW

To help municipalities make the policy changes needed to achieve their production goals, the State will continue to provide guidance and technical assistance on how to reform local zoning codes, expedite permitting, and take other actions to increase housing production and affordability. Rhode Island will also explore changes to state building codes that reduce construction costs and changes to the state tax code to remove disincentives for new housing production.

KEY COMPONENTS OF THE STRATEGY

1. Offering Technical assistance.

The state will provide guidance, tools, and technical assistance to municipalities to assist them in adjusting zoning regulations and other local regulatory policies to facilitate an increase in housing production and housing affordability. Among other things, the guidance and technical assistance will focus on helping municipalities make policy changes that increase residential density and facilitate the production of middle-market housing (including duplexes, triplexes, townhomes, and accessory dwelling units), transit-oriented development (TOD), and multifamily housing. The sidebar provides illustrations of the kinds of municipal policy reforms that are needed to help municipalities



Courtesy of RIHousing

Menu of pro-housing reforms

- ▶ Allow ADUs by right in any zone where residential uses are allowed, including in mixed-use zones and on smaller lots appropriately sized for ADUs (i.e. detached ADUs on lots smaller than 20,000 square feet).
- ▶ Allow by-right development of duplexes in any zone where residential uses are allowed.
- ▶ Allow by-right development of three- and four-plexes in at least one additional residential zone.
- ▶ Allow by-right development of multifamily housing (5+ units) in at least one additional residential zone.
- ▶ Allow by-right mixed-use development where housing was not previously allowed in areas that are conducive to housing.
- ▶ Reduce parking minimums, establish parking maximums for multifamily developments and residential components of mixed-use developments, and allow shared parking options.
- ▶ Implement TOD zoning of at least 15 units an acre in areas with existing or planned transit service.
- ▶ Increase the number of units allowed per acre, above and beyond the minimum density required by the state.
- ▶ Increase buildable area through measures such as allowing higher building heights or increasing lot coverage maximums and reducing minimum frontages, setbacks, and step backs.
- ▶ Waive or reduce building and development application fees for middle-market and/or affordable housing development.
- ▶ Adopt preapproved blueprints for middle-market housing types to streamline the permitting process.
- ▶ Adopt form-based codes that emphasize building form and public spaces rather than land use separation.
- ▶ Inventory public land that may be suitable for housing development.

make progress toward their housing production goals.

The state will build upon progress made by offering technical assistance through programs such as the Municipal Technical Assistance Program (MTAP).

The state will create a resource to help municipalities visualize options to increase density and plan for options that meet municipalities' needs and will also offer a toolkit of resources to equip municipalities to successfully implement housing reforms. This toolkit is being developed through the Municipal Toolkits and Training Program at the Department of Housing. Additional state resources and potential strategies in this space include:

- ▶ Determining whether any surplus or underutilized public land is available for development.
- ▶ Evaluating the impact of new construction on school costs. The state is assessing the net fiscal impact of new housing for municipal costs. This study will help serve as a resource to help municipalities navigate the complex array of assumptions that residents often cite when considering allowing new homes.
- ▶ Modeling zoning ordinance templates and implementation guides that municipalities can adapt to enable the development of middle-market housing.
- ▶ Providing design guidelines demonstrating how multifamily and higher-density housing can be designed to complement

Examples of Strategy Implementation

East Providence, Rhode Island, in 2022, amended its zoning ordinance to allow for buildings that include a mix of residential and commercial uses in all commercial districts to encourage more housing and investment. The amendment also allowed for more density and reduced parking requirements in areas where multifamily is allowed.

Minneapolis, Minnesota, in 2018, addressed rising housing costs and a lack of housing to meet the city's needs by making housing a permitted use in more districts, eliminating single-family zoning, eliminating or reducing parking requirements for multi-family buildings near transit, and allowing more density in the downtown and near transit stops.



Courtesy of RIHousing

Rhode Island's diverse architectural landscapes and neighborhood characteristics.

- ▶ Providing guidance and development calculators that can assist municipalities in identifying housing barriers in their existing regulations and estimating the number, types, and approximate cost of additional units that could

be developed if one or more housing reforms were adopted.

- ▶ Providing guidance and benchmarks for expediting the development approval process to shorten timelines and thus reduce costs of development.

2. Reducing barriers in building codes and permitting.

The state will review state building codes and explore modifying costly regulatory requirements that do not materially impact health and safety. The following are examples of changes in state building codes that the state will discuss:

- ▶ Expanding the range of building types that must adhere to the International Residential Code instead of the more burdensome commercial code.
- ▶ Streamlining other requirements that add cost without material safety benefits. For instance, some jurisdictions are exploring the reduction of minimum sizes for elevators where safety permits.
- ▶ Exploring other building code changes that preserve resident safety while reducing the cost of development.

Example of Strategy Implementation

Memphis, TN, updated its building codes in 2021 to support the development of missing middle housing. The revisions modified the application of the International Building Code (IBC) and International Residential Code (IRC), allowing residential code provisions to apply to buildings with three to six units. Previously, these structures fell under commercial building regulations. This change eases regulatory requirements, simplifying the construction process for missing middle housing.

The state will also implement and expand e-permitting to speed up the development process, thus reducing costs. Significant progress has been made in Rhode Island to implement e-permitting at the local level. The State will continue the implementation of e-permitting for zoning and planning review processes. Through this, the State will look to learn more about the length of time key steps are taking across various jurisdictions. The

state will also work to streamline e-permitting information that is collected across municipalities, enabling more uniform reporting and improving the experience for municipalities that are required to report on data points that are already contained within the e-permitting systems. Further, the state will continue exploring enhanced coordination with other state permitting processes that can be made available online.



Courtesy of RIHousing

3. Reducing barriers in the tax code

To reduce disincentives to new housing production and other barriers in the state tax code, the state will work with state legislators to explore adjusting property tax levies for municipalities, decreasing tax incentives for short-term rental conversion and increasing incentives for year-round homes.

- ▶ **Tax levy cap.** One key barrier to housing production in Rhode Island is the current property tax system, which creates disincentives for municipalities to approve new housing. Unlike the levy caps in other states, such as Massachusetts, the tax levies associated with newly developed housing are currently included in the maximum annual growth in property tax levies for each Rhode Island municipality. This means that municipalities that experience growth have less opportunity to grow their tax base, even when adding new taxpayers. To address this problem, the State will explore exempting new housing development from the levy cap for the duration of the *Housing 2030* plan, relieving municipalities from the burden of providing services to new households without added tax revenue to cover the costs of these services.
- ▶ **Short-term rentals.** The Governor has proposed



Courtesy of RIHousing

closing the whole-home short-term rental loophole in the state hotel tax – which taxes these short-term rentals at a much lower rate than hotel rooms (6 percent compared with 1 percent) – thereby reducing the incentive for conversion of housing stock to short-term rentals. To preserve the existing stock of units available for homeownership and long-term rentals, the state will also explore options for enabling municipalities to make it easier to adopt

local tax and other policies that encourage housing units to be made available to year-round residents. For example, some municipalities have already established local ordinances limiting the expansion of short-term rentals in residential zones and providing new revenue streams to address costs associated with short-term rentals.

STRATEGICALLY INVEST IN INFRASTRUCTURE, HOUSING PRODUCTION, AND PRESERVATION

OVERVIEW

To help municipalities, developers, and other partners produce the housing Rhode Island needs and deserves, the state will make strategic investments in infrastructure and housing production and preservation.

In recent years, Rhode Island has made significant monetary investments in housing, which are helping boost housing production. Two notable examples include implementing a state Low Income Housing Tax Credit (LIHTC) program in 2023 and passing a \$120 million bond bill for housing in 2024.

In the 2026–2030 period, the state will continue to make strategic investments to (a) improve and expand public infrastructure, a key barrier to housing production; (b) support the development of critically needed deeply subsidized housing; (c) improve the quality of Rhode Island’s housing stock; and (d) explore innovative new approaches.

KEY COMPONENTS OF THE STRATEGY

1. Infrastructure

The state will be deploying infrastructure funds from the 2024 affordable housing bond. Funds will be strategically invested in collaboration with the Rhode Island Infrastructure Bank (RIIB) to promote housing growth

in alignment with the state’s housing strategy. RIIB manages federal and state loan programs for water, wastewater and road infrastructure that can be strategically invested to promote housing growth. Recently RIIB and the Department of Housing awarded five grants through the Municipal Infrastructure Grant Program to provide infrastructure funding that supports affordable housing development. These grants will help support the development of more than 450 new housing units. Continued attention on and deployment of

infrastructure resources will be important to achieving housing goals articulated in this plan.

2. Affordable and supportive rental housing

The state will support the development and preservation of affordable and supportive housing by consistently investing state resources, providing the matching funds needed to draw down more federal 4 percent LIHTC credits to which the state is entitled, facilitating the use of project-based vouchers, and taking a proactive approach to preservation.



RIHousing, East Greenwich



RIHousing, East Greenwich

- ▶ **4 Percent LIHTC.** The state will seek to maximize its use of federal 4 percent LIHTC by making sufficient gap funds available to allow more tax credits to be utilized. The recently approved \$120M in housing bond authority and State LIHTC credit will be important steps in filling gaps in LIHTC-funded developments.
- ▶ **State LIHTC.** A portion of the state LIHTC credits will be used to help meet the state's Permanent Supportive Housing and Extremely Low-Income Housing goals.
- ▶ **Deploying state bond financing.** \$70M of the recent \$120 million housing bond will be allocated to gap financing for affordable and supportive housing. The state will establish a set aside for supportive housing.
- ▶ **Project-based vouchers.** Project-based vouchers provide a mechanism for serving extremely low-income households within both newly developed and existing housing. To expand their use, the state will offer the opportunity to integrate project-based vouchers into Rhode Island's One-Stop application process for housing development funding. A PHA is allowed to use a portion of its tenant-based voucher funding to allocate to project-based units to a development project. A key issue identified is helping build PHA capacity to utilize project-based vouchers and connecting this resource with other resources in the consolidated funding rounds. The state will also explore ways to partner with PHAs in expanding their use of project-base vouchers such as by facilitating a community of practice to share best practices and coordinate efforts.
- ▶ **Permanent supportive housing set-aside.** To reconcile the competing demands for traditional

affordable housing projects and PSH projects, the Department of Housing along with RIHousing will assess the Qualified Allocation Plan (QAP) for the LIHTC program to ensure that PSH proposals can access tax credits. One option that several states have adopted is creating a specific set-aside for PSH with a different scoring system. Recently Kentucky, Ohio, Michigan, and Illinois have all added the PSH set aside.

- ▶ **Preservation.** To facilitate preservation of existing affordable rental housing, the state will propose the creation of an inventory of existing properties with expiring use and affordability restrictions (including for local, state, and federally subsidized homes) and take steps to proactively manage the preservation of key properties. The state will also examine boosting reserve requirements to ensure long-term sustainability and potentially also extending the length of affordability covenants. The state will take a proactive approach to identifying at-risk properties and deploying preservation strategies before affordability restrictions expire. This effort will include exploring ways to collect better data on units that are nearing the end of their affordability restrictions.



Courtesy of RIHousing

3. **Adaptive reuse and home repair**

To increase and improve the housing stock and promote community revitalization, the state will make funding available for adaptive reuse projects and home repair.

- ▶ **Investing in adaptive reuse.** To facilitate adaptive reuse, the state will continue to

explore ways to finance adaptive reuse within existing housing financing programs.

- ▶ **Homeowner home repair.** The state will continue to invest in home repair funds for low- and moderate-income homeowners to support homeownership stability and improve the condition of the state's housing stock.

- ▶ **Rental home repair.** The state will dedicate resources for financing moderate improvements in rental properties that are 1-4 family dwellings that provide affordable year-round rental options. This program will evaluate a collaboration with PHAs to support property owners who are renting to households with vouchers.

4. **Other innovative approaches**

The state will also implement or consider a range of innovative funding approaches.

- ▶ **Investments in lower-cost homes.** To encourage builders and developers to produce lower-cost homes, the state will evaluate the expansion of modular home construction.

This could be achieved by partnering with a modular construction firm and providing a bulk purchase agreement.

- ▶ **Energy efficiency, decarbonization, and climate.** As affordable housing reaches the end of its affordability period and is awarded additional financing to preserve long-term deed restrictions, It will be important to consider property needs for energy efficiency improvements, decarbonization, and improved disaster resilience.
- ▶ **Public development models.** The state will work with municipalities to create development-ready sites on publicly owned land Utilizing vacant public land can significantly lower land

acquisition costs. The Department of Housing will work closely with state agencies and municipal governments to help identify vacant public land that can be used for developing housing. Additionally, the Department of Housing is soliciting feedback on how to utilize bond resources for public development.

- ▶ **Accessory Dwelling Unit (ADU) financing.** The state will also explore the feasibility of implementing best practices to help homeowners navigate the ADU predevelopment process, such as providing technical assistance, pre-approved designs, and streamlined permitting processes.



Courtesy of RIHousing

BUILD AND SUSTAIN KEY PARTNERSHIPS

OVERVIEW

Achieving the state’s housing goals will require the collaborative efforts of many stakeholders, including municipal officials, builders, developers, legislators, employers, universities, economic development entities, non-profits, public housing authorities, and residents, among others.

As part of *Housing 2030*, the state will support a range of partnership efforts tailored to the unique roles and needs of each of the partners:

- ▶ For **development partners**, Rhode Island will explore ways to work to aggregate demand to achieve the economies of scale needed to significantly reduce housing costs. The Department of Housing and RIHousing will continue to solicit feedback to identify barriers to housing production and take action to remove or reduce barriers.
- ▶ For **nonprofit development organizations**, Rhode Island will evaluate ways to strategically deploy bond funds to support local nonprofit development organizations.
- ▶ For **permanent supportive housing developers**, the state will foster partnerships, share best practices, and dedicate pre-development loan resources.
- ▶ For **builders**, the state will provide resources to help them grow



Courtesy of RIHousing

their businesses and support the development of the workforce needed to achieve Rhode Island’s housing production goals. The state will also explore economic development partnerships to locate housing manufacturing operations in Rhode Island and create well-paying jobs.

- ▶ For **all partners**, Rhode Island will create educational materials to help explain the importance of housing.
- ▶ For **municipalities**, the state will provide support for local planning efforts.

- ▶ For **housing operators**, the state will continue exploring and advocating for options to address rising operating costs.
- ▶ For **foundations**, the state will encourage active engagement and support for achieving housing goals.

KEY COMPONENTS OF THE STRATEGY

1. Support for builders

Builders are facing a wide set of challenges and cannot face these obstacles alone. The state will take numerous actions to support builders, including:

► **Implement strategies articulated in Rhode Island’s Comprehensive Economic Development Strategy, Ocean State Accelerates, in particular,**

- “Engage more employers in registered apprenticeship (RA) and pre-apprenticeship programs across selected industry sectors.”
- “Facilitate private industry involvement to expose students to industry opportunities, mentoring and network development, and real-world experiences.”

► **Careful planning and responsiveness to local concerns is essential to making low-cost construction approaches work for Rhode Island.** The implementation plan for this strategy will focus on:

- Producing lower-cost homes that do not compete with

homes currently being created by the market, expanding the construction industry rather than taking business from Rhode Island builders.

- Avoiding competition for existing construction labor, already in short supply and instead, expanding the construction workforce by opening new job opportunities for people traditionally excluded from the industry.
 - Emphasizing designs, construction, and installation processes that ensure homes are energy efficient and resilient to weather-related disasters.
 - Promoting e-permitting to reduce costs and time within the permitting process.
- **Supporting housing development projects through RIHousing’s**

Proactive Development Corporation.

- **Collaborating with builders to identify regulatory barriers** within building, fire, and zoning regulations.

2. Housing workforce

The construction industry faces chronic labor shortages that are anticipated to continue to worsen, as current workers age out of the industry while insufficient numbers of new workers are being attracted to the field. The state will continue to support the development of the workforce needed to achieve Rhode Island’s production goals. Governor McKee included key investments in workforce development programming in the FY2026 budget, including Real Jobs RI and the creation of Ready to Build, a pre-apprenticeship pathway to the building trades at



Courtesy of RIHousing



Courtesy of RIHousing

the Community College of Rhode Island. This could potentially include partnerships with unions, community colleges, and others to establish training mechanisms such as apprenticeships and other hands-on educational opportunities.

3. Educational materials

Support for new development among local residents and public officials is a key ingredient to the success of both individual development approvals at the local level and needed housing policy changes at the local and state levels.

During outreach for *Housing 2030*, municipal representatives from across the state noted that they regularly hear from residents opposed to development projects due to perceived impacts on school student populations and budgets, available parking,

traffic, community character and aesthetic, as well as negative perceptions of affordable housing. At the same time, they described increasing community receptivity towards housing development in recent years as residents became more aware of the state's housing affordability challenges.

Through information sharing and marketing campaigns, Rhode Island can strengthen momentum among residents, legislators, and other housing actors to address the state's housing needs. The state will support partners' efforts through educational materials that help them articulate the importance of increasing both the overall housing supply and the supply of affordable housing and the policy changes needed to achieve these objectives.

The materials will focus on the ways in which housing development relates to jobs, wealth-building, social outcomes, climate goals, and how changes in local zoning will bring positive change at the local level. In addition, educational resources can explain how the term "middle market" refers to the diverse housing units that are part of Rhode Island's development history but have been disappearing from the housing stock over the past several decades. Specifically, the school cost impact analysis and the Municipal Toolkits and Trainings Program being launched by the Department of Housing will provide key educational resources.

4. Community planning

The state will support community planning efforts centered around housing by collaborating with the

broad array of partners that have a stake in addressing housing. This includes municipalities, employers, universities, and community organizations to support community planning efforts centered around housing and climate resiliency. For instance, the state will work together with universities as they plan for and build housing to meet the needs of its students. This will be complemented by the municipal planning support strategies described earlier in the plan.

5. **Aggregate demand to achieve economies of scale**

The state will evaluate ways to achieve the economies of scale needed to sell homes below-market rates. One potential example is by guaranteeing the bulk purchase of homes at discounted rates from home producers and setting up a short-term revolving fund for home purchases, to be repaid by the homebuyers. This strategy could be used to lower the costs of purchasing one or more housing types, such as starter homes, duplexes, townhomes and/or ADUs, using a range of possible development processes, such as modular and panelized construction, manufactured housing, or stick-built housing.

6. **Support for nonprofit development organizations**

To help Rhode Island's non-profit housing developers achieve the scale needed and increase their capacity to produce affordable homes, the state should explore



Courtesy of RIHousing

providing long-term loans to select partners. The loans would be unsecured, carry below-market interest rates, and be repaid upon financial closing. Recipients would be able to use the loan funds flexibly, such as for revolving pre-acquisition and acquisition financing and bridge capital.

7. **Permanent supportive housing (PSH) developers**

Homelessness in Rhode Island is rising, especially chronic homelessness. To address this and facilitate the production of PSH units, Rhode Island will foster partnerships and share best practices to ensure more proposed developments needed to reach the PSH production goals have a path to successful funding and operation. Technical assistance could also be delivered one-on-one to non-profits and developer teams.

8. **Operating costs**

In recent years, rising operating costs, and in particular property insurance costs, have risen much

faster than tenants' incomes and their ability to pay rents. This puts these developments at risk of failing, or not happening at all. Rhode Island will continue exploring and advocating for options that address rising operating costs, with an emphasis on addressing rising property insurance rates.

SUPPORT HOMEOWNERSHIP AND HOUSING STABILITY

OVERVIEW

State action is needed to support homeownership and housing stability for Rhode Islanders.

Rhode Island's home prices have risen dramatically over the past five years, outpacing growth of incomes. The vast majority of new homes for sale are priced above \$400,000, well above what a typical family can afford. There are few low-cost options available for homebuyers. Without state action, **fewer and fewer renters will be able to afford to purchase a home.**

As a result of this gap between wages and housing costs, homelessness in the state has also increased significantly in recent years, so it is essential to adopt strategies that help people remain stably housed. Housing instability can result in displacement with significant adverse consequences for Rhode Island families, especially those with children.

In the 2026-2030 period, Rhode Island will explore and support a range of efforts to promote homeownership and housing stability, including downpayment assistance to first-generation homebuyers, employer homeownership partnerships, homelessness prevention efforts, accessibility retrofits, and shared housing.



Courtesy of RIHousing

KEY COMPONENTS OF THE STRATEGY

1. Homeownership

Homeownership is a vital tool for Rhode Island households to build wealth and achieve economic stability but has become increasingly out of reach for moderate-income households. Included in the \$120M affordable housing bond is \$20M to support affordable homeownership. The state will pursue several

strategies to open opportunities for homeownership to Rhode Islanders with a broader range of incomes:

- ▶ Continue to support programs that can help narrow the racial homeownership gap.
- ▶ Partner with employers to encourage homeownership programs for workers.
- ▶ Write down capital costs in a manner that benefits the buyer.

- ▶ Work with the Rhode Island Mortgage and Bankers Association and credit unions to create advantageous loan products.

First-generation homebuyers.

Barriers to homeownership are particularly pressing for first-generation homebuyers, especially people of color, many of whom have been adversely affected by persistent racial disparities in income and wealth and the legacy of housing discrimination. A lack of affordable homeownership options in Rhode Island makes it even more difficult for these groups to break into the market. To increase opportunities for homeownership, the state will explore options such as downpayment assistance to first-generation homebuyers. RIHousing currently administers a FirstGen Homebuyer program. The state will explore ways to boost both the number of households served and the amount of assistance provided.

Employer homeownership

partnerships. The state will encourage employers to support homeownership for their employees, through education, savings incentives, and contributions to down payment assistance.

Household asset building. Some Rhode Island Public Housing Agencies (PHAs) offer Family Self Sufficiency programs that help renters in subsidized housing build savings through an escrow account and financial coaching. The state will work to strengthen these programs to encourage asset building and homeownership opportunities for residents of subsidized housing. The state will also explore other efforts to help Rhode Islanders build assets, such as matched savings programs.

Additionally, the state will work with partners to expand residents' access to financial education and coaching programs.

2. Housing stability and

Homelessness prevention. The Department of Housing is currently developing a strategic plan on homelessness. *Housing 2030* is designed to be a plan for housing, not a strategic plan for homelessness. The upcoming plan will include strategies specific to housing stability and homelessness.

Accessibility retrofits. Rhode Island's population includes nearly 150,000 people with disabilities and 200,000 people over the age of 65. Many of these residents are cost-burdened and struggling with housing, food, and medical bills. Home modifications enable older adults and people with disabilities to live safely and independently in their own homes. Rhode Island will explore ways to maximize the



Courtesy of RIHousing

RI Livable Homes Modification Grant program to allow more people to remain safely in their homes and increase the share of the housing stock accessible to people with mobility limitations. One approach is to consider offering loans in addition to grants through the program for homeowners with moderate incomes.

Shared housing. Rhode Island will work to reduce barriers to shared housing (including limitations related to sharing homes with unrelated people) to make housing more accessible and affordable as well as foster a sense of connection. Recent state legislation set a limit on the number of unrelated people who can live together at five, with a minimum of one person per bedroom. Some municipalities previously had set lower limits; the new state law preempts these. Additional dialogue about how these rules interact with student housing will be crucial.



Courtesy of RIHousing

IMPLEMENTATION PLAN

The table below presents the strategies, their estimated impact on unit production, theory of change, relative costs/resources, and lead agency. This table is divided into five sections, corresponding with the five key strategies of *Housing 2030*.

Strategy	Cost/ Resources	Lead Agency/ Agencies
Strategy 1: Establish municipal housing production goals and strengthen incentives for municipalities		
1A) Establish municipal goals: Set five-year overall production goals and low-moderate income rental housing goals for each of the 39 municipalities.	N/A	Department of Housing
2A) Conduct municipal comprehensive plan review: Review the housing chapters of each municipality's Comprehensive Plan, assessing for alignment with state and local goals.	N/A	Department of Housing & Division of Statewide Planning
3A) Monitor Progress: Require and review municipal progress reports to assess plan implementation.	N/A	Department of Housing
4A) Strengthen incentives: Explore incentives to reward municipal progress in achieving their housing goals and/or taking recommended actions towards achieving goals.	TBD	Department of Housing
Strategy 2: Address zoning and regulatory barriers		
2A) Provide technical assistance to municipalities to assist them in adjusting zoning regulations and other local regulatory policies to facilitate an increasing in housing production and affordability.	\$	Department of Housing
2B) Identify pro-housing reforms for municipalities to utilize in their comprehensive plans and actualize in land use maps.	N/A	Department of Housing
2C) Reduce barriers in building code and permitting: expand the range of building types that must adhere to the International Residential Code instead of the more burdensome commercial code. Explore other building code changes that preserve resident safety while reducing the cost of development.	N/A	Department of Housing & State Building Code Commissioner
2D) Reduce barriers in the tax code: Recommend exempting new construction from the 4% tax levy cap to incentivize new development while retaining taxpayer protections.	N/A	Department of Housing & Division of Municipal Finance
2E) Close the whole-home short-term rental in the state hotel tax: Governor McKee has proposed closing the whole-home loophole and utilize that additional funding for homelessness. This will also reduce incentives for converting units into short-term rentals.	\$	Department of Housing



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Strategy	Cost/ resources	Lead Agency/ Agencies	Partner Agencies
Strategy 3: Strategically invest in infrastructure, housing production, and preservation			
3A) Evaluate infrastructure needs to support housing development.	N/A	Department of Housing	
3B) Seek to maximize use of 4 percent LIHTC by making sufficient gap funds available to allow tax credits to be utilized.	\$\$\$	Department of Housing & RIHousing	
3C) Partner with PHAs to expand the use of project based vouchers.	N/A	Department of Housing & RIHousing	
3D) Assess the Qualified Allocation Plan for the LIHTC program to ensure that PSH proposals can assess tax credits.	N/A	Department of Housing & RIHousing	
3E) Create an inventory of existing properties with expiring use and affordability restrictions to help preserve existing affordable housing.	N/A	Department of Housing	
3F) Proactively identify properties at risk of losing affordability restrictions and deploy preservation resources prior to expiration.	\$\$	Department of Housing & RIHousing	
3G) Continue to explore ways to finance adaptive reuse within existing housing financing programs.	N/A	Department of Housing & RIHousing	
3H) Continue to invest in home repair funds for low- and moderate-income homeowners to support homeownership stability	\$\$	Department of Housing & RIHousing	
3I) Dedicate resources for financing moderate improvements in rental properties that are 1-4 family dwellings and provide affordable year-round rental options	\$\$	Department of Housing & RIHousing	

Strategy	Cost/ resources	Lead Agency/ Agencies	Partner Agencies
Strategy 4: Build and sustain key partnerships			
4A) Offer support for builders by several strategies, including, engaging more employers in registered apprenticeships, collaborating with builders to identify regulatory barriers, and promoting e-permitting.	N/A	Department of Housing, Department of Labor & Training, RI Commerce	
4B) Continue to support the development of workforce needed to achieve Rhode Island’s housing production goals.	\$\$	Department of Labor & Training, Department of Housing	
4C) Provide educational materials on the importance and value of housing for communities across the state.	\$	Department of Housing	
4D) Support community planning efforts centered around housing by collaborating with municipalities, employers, universities, and community organizations.	N/A	Department of Housing & Office of the Postsecondary Commissioner	
4E) Evaluate ways to aggregate demand in order to achieve economies of scale in home production.	TBD	Department of Housing & RI Commerce	
4F) Support for nonprofit development organizations	TBD	Department of Housing	
4G) Explore and advocate for solutions to the rising operating costs, particularly the rising cost of property insurance.	TBD	Department of Housing	



Courtesy of RIHousing



Courtesy of RIHousing

Strategy	Cost/ resources	Lead Agency/ Agencies	Partner Agencies
Strategy 5: Support homeownership and housing stability			
5A) Partner with employers to encourage homeownership programs for workers	N/A	Department of Housing & RI Commerce	
5B) Write down capital costs in a manner that benefits the homebuyer	\$\$	Department of Housing & RI Commerce	
5C) Work with the RI Mortgage and Bankers Association and credit unions to create advantageous loan products	\$	Department of Housing	
5D) Work to strengthen Family Self Sufficiency programs offered by public housing agencies which support savings for homeownership.	\$	Department of Housing	
5E) Maximize the RI Livable Homes Modification Grant program to support accessibility retrofits of homes.	\$	Department of Housing & Governor’s Commission on Disabilities	
5F) Reduce barriers to shared housing which can make housing more accessible and affordable	N/A	Department of Housing	



Courtesy of RIHousing

CONCLUSION



Courtesy of RIHousing

Rhode Island has already taken significant action to address the housing challenges it faces. The creation of the Department of Housing by Governor McKee and the General Assembly is a key example. The Department was created to be the lead state agency for policymaking and planning as it pertains to housing. *Housing 2030* is the new Department's first state housing plan and the state's first plan since 2006, a living document that will need continued maintenance as conditions change and more feedback is provided.

Housing 2030 builds upon the Governor McKee's *Rhode Island 2030* plan. *Housing 2030* is an important step in moving the state forward to meeting housing needs. The goals of this plan should be used to drive ambition and challenge Rhode Island to think creatively about housing. The strategies included in this plan lay out steps to take to realize these goals.

Bringing these strategies to life and achieving these goals will require collaboration and partnership across many stakeholder groups. Rhode

Islanders have come together time and time again to tackle the challenges we have faced. A unified approach across the state will propel Rhode Island towards a more equitable, affordable, and inclusive housing environment. With continued commitment and coordinated action, this plan will help build a stronger, more equitable Rhode Island where every individual and family can find a home that supports their well-being and economic opportunity. This housing plan will build a housing environment for all Rhode Islanders.



APPENDIX A: HOUSING PROJECTIONS FROM 2023 INTEGRATED HOUSING REPORT

There is a wide gap between the homebuilding projected by S&P Global and Rhode Islanders’ needs. This section examines two main drivers of housing needs and the number of housing units needed to meet these needs. The first part provides estimates of housing development needed to accommodate projected population growth. The second part adds in new housing units needed to replace existing units lost due to disrepair, demolitions, or disasters. Part three projects the shortfall in housing units if Rhode Island takes a “business as usual” approach – doing nothing to address its housing crisis. The last part of this section identifies the types of units that will be needed—for which income groups and for rental or homeownership.

HOUSING NEEDS BASED ON POPULATION TRENDS

Projections estimate that between 2023 and 2030 the state will need to add an average of 1,650 to 2,500 housing units per year to accommodate household growth (without consideration of the expected loss of existing units due to disrepair). Projections indicate that under current trends, the number of housing starts will fall significantly short of the number of units needed to accommodate household growth and replace the loss of housing stock.

To ensure that a range of possibilities for population growth in Rhode Island are considered, projections are made based on four growth scenarios, described in Exhibit A-1.

Exhibit A-1. Scenarios for Housing Needs Projections

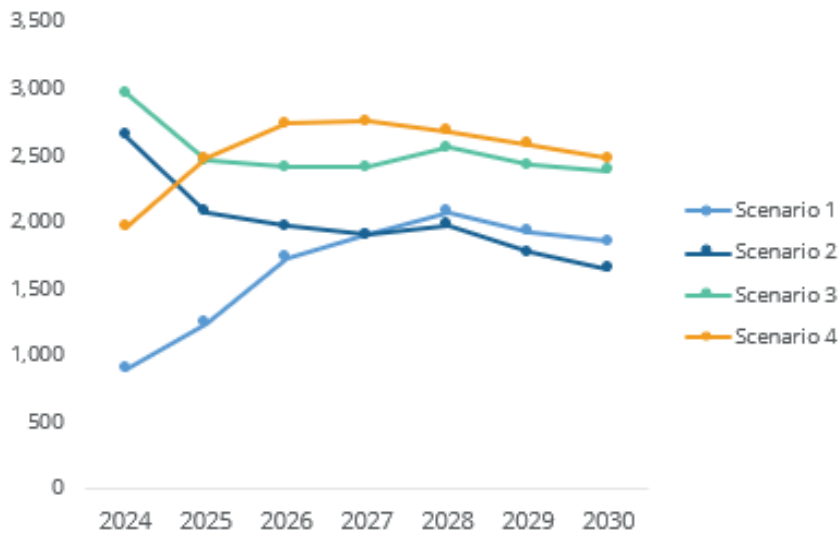
	Description of Scenario
Scenario 1	Scenario 1 uses the S&P Global Market Intelligence projections of number of households prepared for the state’s Office of Revenue Analysis.
Scenario 2	Scenario 2 begins with the 2023 population estimates produced by S&P Global but applies the low immigration growth rate forecasted at the national level from the Census 2023 National Population Projections. This scenario also uses S&P Global projected age distribution and household formation rates.
Scenario 3	Scenario 3 begins with the 2023 population estimates produced by S&P Global but applies the historical compound annual growth rate between 2010 and 2020 for Rhode Island. During this period, the state achieved an annual compound growth rate of approximately 0.39 percent. By comparison, the S&P data project an annual compound growth rate of 0.09 percent. This scenario also uses S&P Global projected age distribution and household formation rates.
Scenario 4	Scenario 4 utilizes the population projections created by S&P Global, but applies the household formation rates estimated by the 2022 1-year ACS. This approach takes advantage of the additional granularity on household formation by age categories available in ACS.

These projections, which are described in detail in the Rhode Island 2023 Integrated Housing Report, speak only to the units needed to meet population growth (informed by population aging and household formation rates). These projections do not model affordability. Increased housing inventory beyond these projections is required to make a meaningful impact upon housing affordability as dictated by supply and demand.

Exhibit A-2 compares projections based on each of the four scenarios. Scenario 1 projects that an average of 1,662 housing units need to be added annually to accommodate household growth, compared with 2,001 under Scenario 2. Scenarios 3 and 4—which explore needs if the state population grows at a higher than predicted pace or sustains current household formation rates—are higher, at an annual average of 2,520 and 2,526 respectively.

Exhibit A-2. Annual Projected Number of Households Added, 2024–2030.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2023 to 2024	896	2,653	2,969	1,963
2024 to 2025	1,240	2,078	2,462	2,479
2025 to 2026	1,731	1,968	2,413	2,738
2026 to 2027	1,906	1,902	2,412	2,756
2027 to 2028	2,080	1,980	2,563	2,682
2028 to 2029	1,930	1,774	2,431	2,585
2029 to 2030	1,854	1,650	2,389	2,477



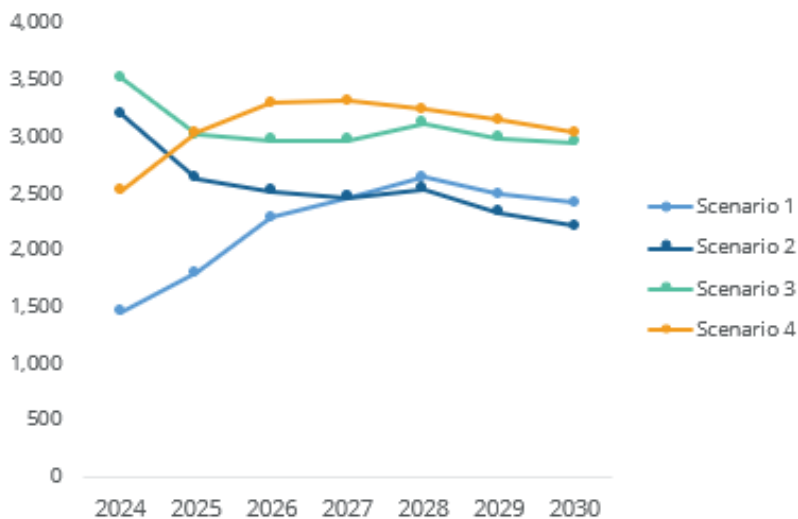
Source: S&P Global Market Intelligence, U.S. Census American Community Survey 2022 1-year estimates, U.S. Census 2023 National Population Projections, 2010 and 2020 Decennial Census, and Root Policy Research.

HOUSING STARTS AND LOSS OF HOUSING STOCK

It is important to note that the existing housing stock also shrinks over time as units fall into disrepair and need to be replaced. According to the last Components of Inventory Change Report produced by HUD in 2017, which used American Housing Survey data, between 2015 and 2017 about 0.24 percent of the national housing stock was lost through demolitions or disasters alone. Applying this rough estimate to Rhode Island, an average of around 560 units will need to be created to make up for those lost to demolitions and disasters. Exhibit A-3 shows the number of units needed to accommodate household growth and replace the loss in the housing stock.

Exhibit A-3. Annual Projected Number of Units Needed to Accommodate Household Growth and Replace Loss of Housing Stock.

	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



Note: Scenario comparisons equal needed units (shown in Exhibit VII-11) plus projected housing units lost to demolition or disaster.

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

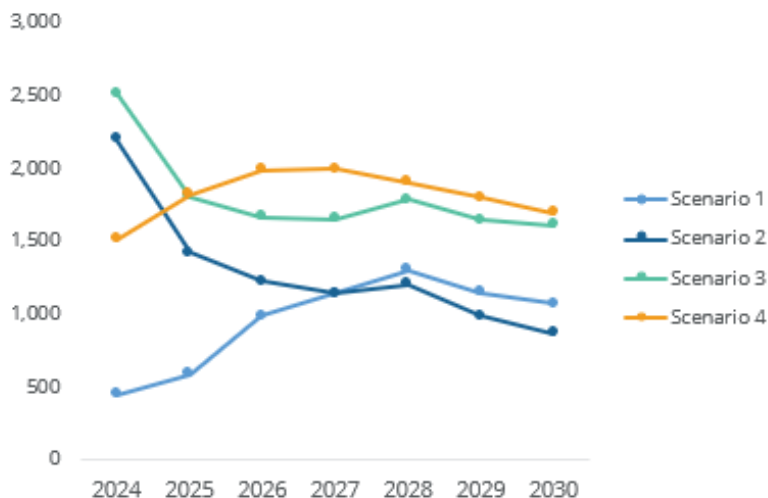
All scenarios significantly outpace the annual average of 1,269 housing starts projected by S&P Global using historical data and macroeconomic trends presented above, in Exhibit A-3.

PROJECTED HOUSING PRODUCTION SHORTFALLS UNDER “BUSINESS AS USUAL”

Exhibit A-4 compares the scenarios adjusting for housing starts and housing loss—units needed to accommodate household growth minus housing starts plus housing loss— to illustrate the housing shortfall at the projected rate of housing starts. These shortages are not very precise, given that the housing loss rate can be higher due to, for example, a mobile home moving to a different site or the combining of multiple units into one, and housing starts do not include instances where a single unit is reconfigured into multiple units. However, shortages will keep adding pressure to housing prices (by decreasing the overall supply of housing) and lower vacancy rates, highlighting the importance of investment in housing production to accommodate both household growth and housing stock replacement.

Exhibit A-4. Annual Projected Number of Units Needed Above Projected Housing Starts to Accommodate Household Growth and Replace Loss of Housing Stock.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2023 to 2024	447	2,204	2,520	1,514
2024 to 2025	586	1,424	1,808	1,826
2025 to 2026	987	1,224	1,669	1,994
2026 to 2027	1,145	1,140	1,651	1,995
2027 to 2028	1,302	1,201	1,784	1,904
2028 to 2029	1,146	990	1,647	1,800
2029 to 2030	1,074	870	1,609	1,698



Note: Scenario comparisons equal needed units (shown in Exhibit VII-11) minus projected housing starts plus projected housing units lost to demolition or disaster.

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

PROJECTED HOUSING PRODUCTION NEEDS BY TENURE AND AREA MEDIAN INCOME (AMI)

This section builds on housing needs projected in the Rhode Island 2023 Integrated Housing Report and summarized above (Exhibit A-4) and projects the number of housing units needed between 2023 and 2030 by tenure and AMI range (0–30 percent, 31–60 percent, 60–80 percent, 80–120 percent, and 120 percent or more).

To estimate needs by tenure and AMI, 2022 data (the latest data currently available) is used to estimate tenure by the age of the household head in the state, as well as the income distribution by AMI and age of head of household. These distributions are then applied (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.

To categorize households of different ages and household sizes into each AMI bracket, Public Use Micro-sample (PUMS) is used instead of CHAS data given that Comprehensive Housing Affordability Strategy (CHAS)⁸ data omit the 60 percent and 120 percent AMI breaks and they do not provide detail on the distribution by AMI by age cohort. The state level AMI levels⁹ used to estimate the current 2022 distributions are shown below.

Exhibit A-5. Statewide AMI, 2022.

Household Size	30% AMI	60% AMI	80% AMI	100% AMI	120% AMI
One person	\$20,700	\$45,050	\$55,150	\$69,500	\$83,400
Two person	\$23,650	\$51,500	\$63,000	\$79,450	\$95,300
Three person	\$26,600	\$57,900	\$70,900	\$89,350	\$107,250
Four person	\$29,550	\$64,350	\$78,750	\$99,300	\$119,150
Five person	\$31,900	\$69,500	\$85,050	\$107,250	\$128,700
Six person	\$34,250	\$74,650	\$91,400	\$115,200	\$138,200
Seven person	\$36,650	\$79,800	\$97,700	\$123,150	\$147,750
Eight person	\$39,000	\$84,950	\$104,000	\$131,100	\$157,300

Note: Following HUD's methodology, the 1-person family income limit is 70 percent of the 4-person income limit. The 2-person family income limit is 80 percent of the 4-person income limit, the 3-person family income limit is 90 percent of the 4-person income limit, the 5-person income limit is 108 percent of the 4-person income limit, the 6-person family income limit is 116 percent of the 4-person income limit, the 7-person family income limit is 124 percent of the 4-person income limit, and the 8-person family income limit is 132 percent of the 4-person income limit. For family sizes larger than 8 persons, the income limit can be calculated by adding an additional eight (8) percent per person to the next lower limit. The resulting income limit amounts for other family sizes are then rounded up to the nearest \$50. The 60 percent AMI is calculated by multiplying the 4-person 100 percent by .6, and the 120 percent AMI is calculated by multiplying the 4-person 100 percent AMI by 1.2 and applying the same person limit and rounding adjustments.

Source: HUD State income limits for 2022 <https://www.huduser.gov/portal/datasets/il/il22/State-Incomelimits-Report-FY22.pdf>.

Exhibit A-6 shows tenure by the age of the household head in the state. As shown, the ownership rate increases with age and the aging population increases the demand for ownership units.

⁸ CHAS (Comprehensive Housing Affordability Strategy) data are custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau that the U.S. Department of Housing and Urban Development (HUD) receives each year. CHAS data demonstrate the extent of housing problems and housing needs, particularly for low-income households. The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds. The latest CHAS data available come from the 2016–2020 ACS 5-year estimates.

⁹ Statewide AMI levels are used instead of PUMA-level data given that PUMA boundaries do not align with HUD market areas.

Exhibit A-6. Tenure by Age of Householder, 2022.

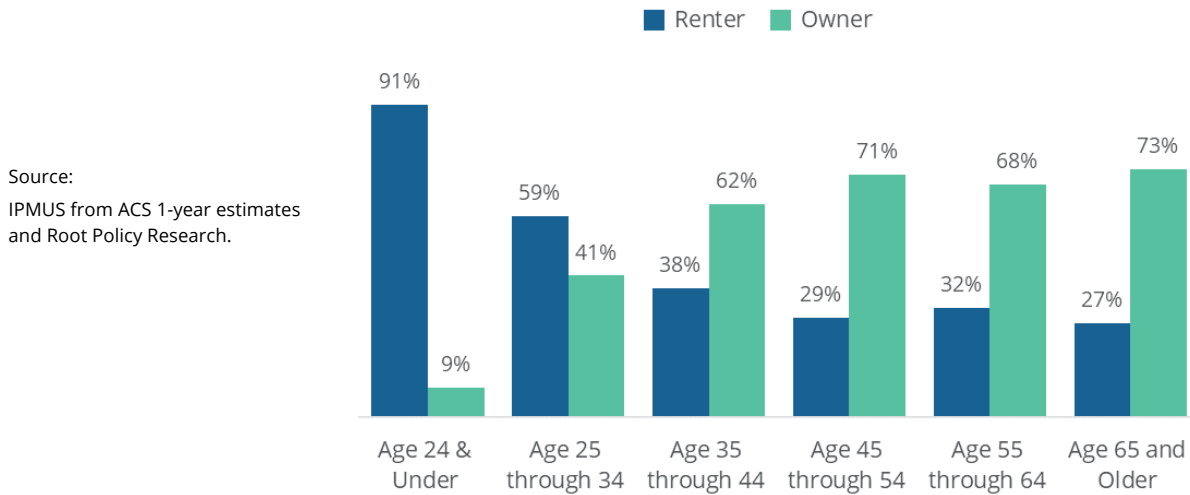


Exhibit A-7 shows the income distribution by AMI and age of head of household. As expected, given trends in labor force participation, younger households have a higher share of lower-income households. This share decreases as wage trajectories increase with age and tend to peak during the late 50s. As older residents retire or pull back from the labor force, the share of lower-income households begins to increase again in the 55 through 64 age bracket.

Exhibit A-7. AMI Distribution by Age of Householder, 2022.

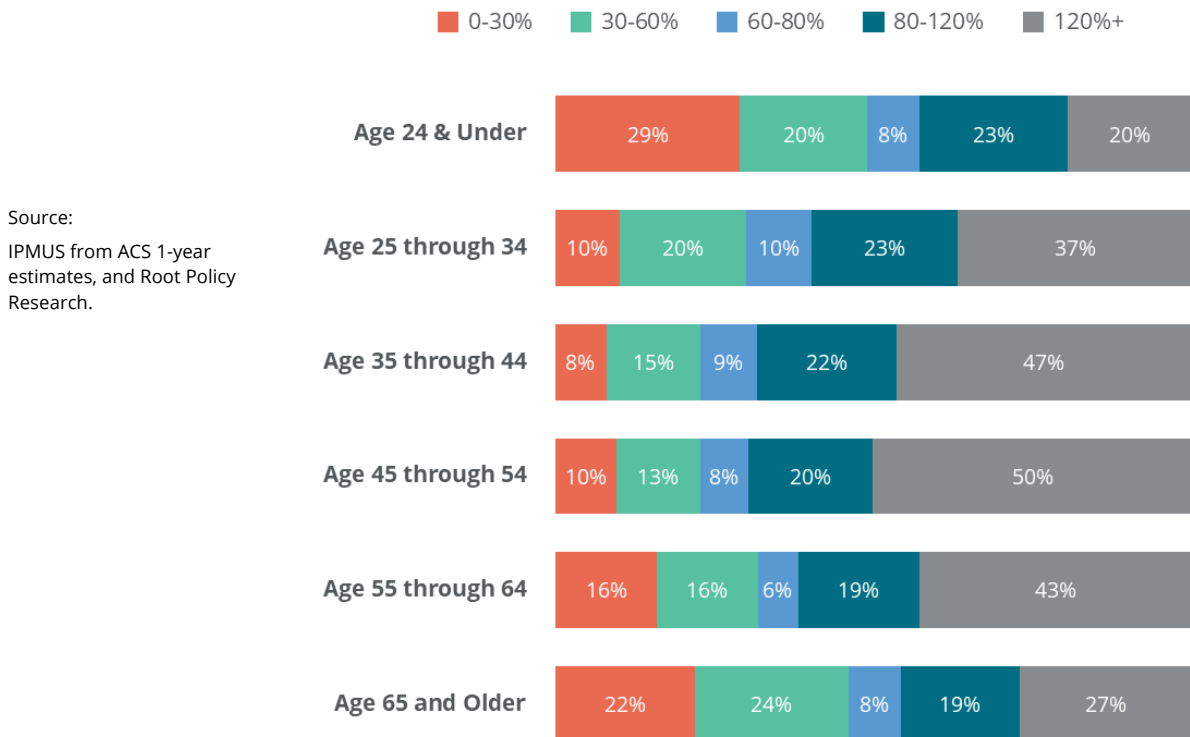


Exhibit A-8 displays the projected number of additional affordable housing units needed to accommodate low- and moderate-income households based on their age and income distribution. The exhibit shows that a significant share of units needs to be affordable for households below 120 percent AMI to adequately serve very low-income residents, the workforce, and retiring residents. Given that market rate development produces units at higher price ranges, public subsidies will be needed to support lower cost options, encourage sufficient development to accelerate filtering of older homes into more affordable price levels, and preserve naturally occurring affordable housing.

Exhibit A-8. Average Annual Units Needed Through 2030, by Tenure and AMI.

	Rental		Ownership	
	Min	Max	Min	Max
0%-30% AMI	231	350	91	140
30%-60% AMI	201	302	198	298
60%-80% AMI	74	110	103	153
80%-120% AMI	135	202	299	447
120%+ AMI	142	213	684	1,017

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.

By 2030, the number of additional housing units that should be affordable to households with different income levels ranges from:

- ▶ Between 1,700 and 2,300 additional rental units and between 700 and 900 ownership units for households with income below 30 percent AMI.
- ▶ Between 1,400 and 2,000 additional rental units and between 1,400 and 2,000 ownership units for households with income between 30 percent and 60 percent AMI.
- ▶ Between 500 and 700 additional rental units and between 700 and 1,000 ownership units for households with income between 60 percent and 80 percent AMI.
- ▶ Between 1,000 and 1,400 additional rental units and between 2,200 and 3,000 ownership units for households with income between 80 percent and 120 percent AMI.

PROJECTED HOUSING PRODUCTION NEEDS BY AGE AND HOUSEHOLD SIZE

Additionally, the aging of the population will necessitate planning for the housing stock to meet the needs of older adults. Exhibit A-9 shows the average annual projected housing needs by income and tenure among households with a head of household under age 65 and households with a head of household 65 and older.

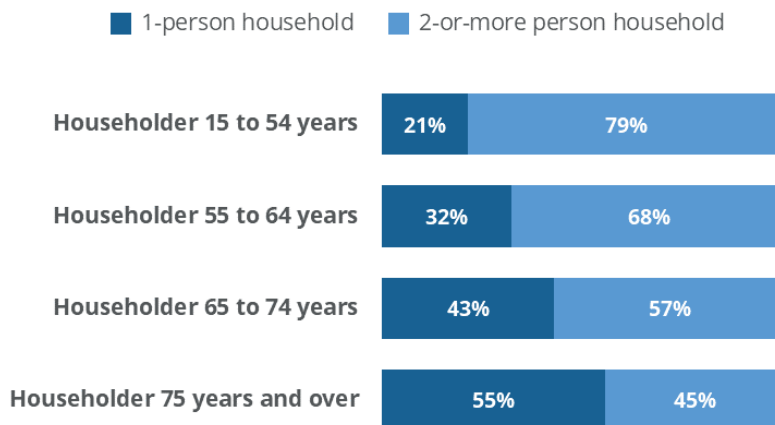
Exhibit A-9. Average Annual Units Needed Through 2030, by Tenure and AMI.

Tenure	Under 65		65 and Older	
	Min	Max	Min	Max
Rental				
0%-30% AMI	139	209	92	141
30%-60% AMI	147	221	54	81
60%-80% AMI	59	89	15	21
80%-120% AMI	120	179	16	23
120%+ AMI	131	197	11	16
Ownership				
0%-30% AMI	34	51	57	89
30%-60% AMI	88	130	110	167
60%-80% AMI	61	91	42	63
80%-120% AMI	188	280	111	167
120%+ AMI	510	759	174	258

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.

According to Exhibit A-10, households with household heads aged 65 and older are typically small, with 43 percent of households headed by individuals aged 65 to 74 being single-person households and 55 percent of households headed by individuals aged 75 and older being single-person households.

Exhibit A-10. Household Size Distribution by Age Cohort, 2022.



Source:
ACS 2022 1-year estimates and Root
Policy Research.

APPENDIX B: MUNICIPAL GOALS METHODOLOGY

To develop municipal goals, municipalities were first categorized into one of three categories. These categories were developed to reflect the conditions that support housing development, transit amenities, and job concentration. Initially, this also included access to large public water systems. However, removal of that criteria did not change any of the municipality's categorization. Put another way, no community that had a large public water system present had a high concentration of jobs and transit access (as defined below).

The three municipal categories are:

- ▶ **Continued growth** – Municipalities that do not have a high concentration of jobs or transit amenities.
- ▶ **Job rich growth** – Municipalities that have a high concentration of jobs but lack transit amenities.
- ▶ **Strategic growth** – Municipalities that have both a high concentration of jobs and transit amenities.

The variables evaluated are described below:

- ▶ **High concentration of jobs** – Using American Community Survey data, the Department of Housing measured the share of the state's jobs located within each municipality. Communities with above the median were identified as having a high concentration of jobs. This variable was included to reflect that housing should be close to where people work to support economic development and reduce commute times.
- ▶ **Transit access** – Transit access is defined as having greater than 5 percent of RIPTA bus stops or a regional transit hub. With support from RIPTA, the Department of Housing looked at the number and frequency of RIPTA bus stops by municipality using January to June 2025 data. Those communities with greater than a 5 percent share were included as having transit access. Additionally, communities that have regional transit hubs were also included. Examples of these hubs include Kennedy Plaza, North Kingston Wickford train station, and TF Green Airport. This variable was included to reflect that housing should be close to public transit to help reduce congestion, reduce household travel costs, improve accessibility, and promote walkable neighborhoods.

Once categorized, municipal goals were calculated by multiplying the growth percentage by existing units in the community (from the 2020 Census). Once the overall production goal was calculated, the LMIH rental goal was then calculated based upon the current share of LMIH housing in the municipality (using the 2023 Low-Mod Chart). Communities with more than 10 percent LMIH housing have their LMIH rental goal set at 10 percent of their overall production goal. This ensures that those who have hit the 10 percent goal will stay at that threshold. Communities with less than 10 percent LMIH housing have their LMIH rental goal set at 15 percent of their overall production goal. This ensures that those who have not yet met the 10 percent LMIH goal will make progress on reaching it (see Figures B-1, B-2 and B-3 below).

Figure B-1. Municipal Goals by Category.

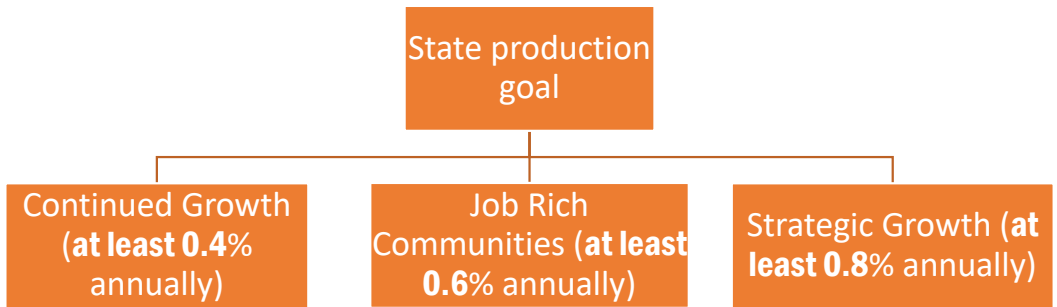


Figure B-2. Overall Production Goal Methodology.

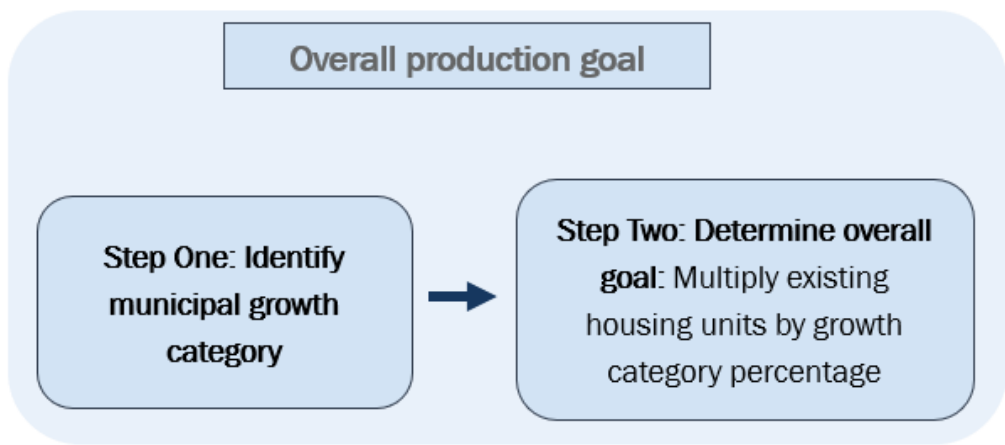
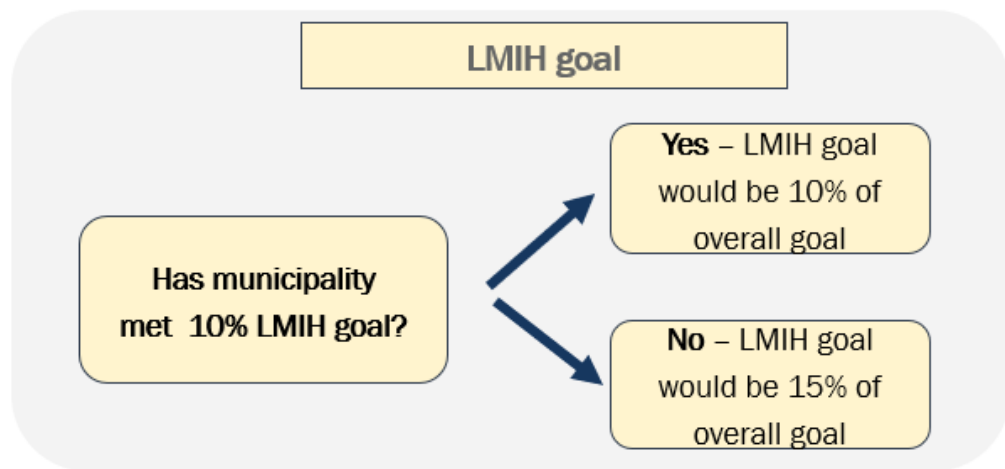


Figure B-3. LMIH Goal Methodology.



The overall production municipal goals sum to greater than the state goal of 15,000 units. This provides a margin of error in case some municipalities do not hit their goal during the duration of this plan. The LMIH rental municipal goals sum to very slightly over the state goal of 2,250 LMIH rental units.

APPENDIX C: HOUSING METRICS

Reliable data is essential to measuring progress toward the goals in *Housing 2030* and understanding current housing market conditions to inform policy. This table organizes metrics into four categories: housing production, affordability and access, homeownership, and homelessness. Housing production metrics are related to new units and their characteristics, and to indicators of need for additional housing supply. Affordability and access metrics capture the extent to which units are available to different types of Rhode Island households and indicators of rental housing instability. Homeownership metrics capture homeownership rates by households with different demographic characteristics and in different locations, homeownership stability, and state assistance for homeownership. Homelessness metrics record the extent of homelessness in the state and Rhode Islanders' experience with homelessness.

Not all metrics correspond directly with goals and strategies. They are intended to capture a broad range of information about the Rhode Island housing market, whether *Housing 2030* includes a specific related goal or strategy or not. Building a robust data collection and analysis system that includes a broad range of metrics will allow future housing planning efforts to be based on solid evidence about current conditions.

Category	General Metric	Specifics	Data source(s)
Housing production	Housing type and construction	Building type, square footage, green building standards, universal design.	U.S. Census American Community Survey, Building Permits Survey,
Housing production	Location	By community, number and percent of units built in proximity to transit, infrastructure, and jobs.	Municipal tracking
Housing production	Tenure	# and % homeownership and rentals	U.S. Census American Community Survey
Housing production	Unit affordability	# and % of units affordable <30%, 30-60%, 60-80%, 80-120%, 120+% AMI	RI Housing Low & Mod municipal tracking; U.S. Census American Community Survey
Housing production	Policy and development tools used	Units created with tools such as density bonuses, limited parking requirements, inclusionary zoning, comprehensive permits, infrastructure investments, adaptive reuse, etc.	Municipal tracking
Housing production	Total costs	Sales prices and rents, development costs, subsidy costs, operating costs.	RI Housing for subsidized projects; CoStar;
Housing production	Development pipeline timeline	Track timing for progressing through key milestones. Track through life cycle from planning approvals to permits to construction to certificates of occupancy.	RI Housing for subsidized projects,
Housing production	Vacancy rates	Annual rental vacancy rate, annual homeowner vacancy rate	U.S. Census Housing Vacancies and Homeownership (GPS/HVS)
Affordability & Access	Unit affordability by income level	# and % of housing units affordable to Rhode Island households at <30%, 30-60%, 60-80%, 80-120%, 120+% AMI	U.S. Census Public Use Microdata Sample (PUMS), HUD Income Limits
Affordability & Access	Unit availability by income level	# and % of housing units available to Rhode Island households at <30%, 30-60%, 60-80%, 80-120%, 120+% AMI	U.S. Census Public Use Microdata Sample (PUMS), HUD Income Limits
Affordability & Access	Affordable homes lost to expiring use restrictions	Difference between number of federally assisted units at risk of expiring affordability last year and number of units preserved last year	National Housing Preservation Database

Affordability & Access	Affordable homes preserved with new/extended use restrictions	Number of units preserved last year	National Housing Preservation Database
Affordability & Access	Cost burdens	# and % of households cost burdened (more than 30% of income on housing); # and % of households extremely cost burdened (more than 50% of income on housing)	U.S. Census American Community Survey
Affordability & Access	Cost of housing	Average costs of rents, mortgage payments, and utilities	U.S. Census American Community Survey
Affordability & Access	Homes preserved through home repair	Number of homes receiving funds for home repair or accessibility modification; amount and terms of funding (grant or loan)	New data to be tracked
Affordability & Access	Evictions	Annual eviction filings, annual eviction judgements	RI Housing Evictions Dashboard
Homeownership	New first generation and homeowners of color	Annual number of eligible applicants for FirstGenHomeRI; annual growth in number of non-White owner-occupied households	U.S. Census American Community Survey
Homeownership	Mortgage denial rates	Share of mortgage applications denied by income level, race, ethnicity, and other demographic characteristics	Home Mortgage Disclosure Act Data
Homeownership	Foreclosure rates	Mortgage delinquency rate (30-89 days delinquent)	National Mortgage Database
Homeownership	State downpayment assistance provided	Number of households receiving State DPA	RI Housing
Homeownership	Homeownership rates in municipalities with low homeownership	Homeownership rate in municipalities with homeownership rates under state average	U.S. Census American Community Survey, municipal tracking, FRED
Homeownership	Homeownership rates by race/ethnicity	Homeownership rates by race/ethnicity	U.S. Census American Community Survey
Homelessness	Production of new PSH units	Number of PSH units added to the development pipeline	Dept of Housing will create and track a PSH pipeline and update at least annually.
Homelessness	Number of PSH units	Total number of units dedicated to serving people experiencing homelessness; HUD sets guidelines on counting units and the resulting data is published annually.	Annual Housing Inventory Chart as reported to HUD
Homelessness	Reductions in unsheltered and chronic homelessness	Number of individuals and households who meet the HUD definition of "unsheltered" and "chronically homeless" as measured in the annual Point In Time Count and reported to HUD annually.	Annual Point In Time Count as reported to HUD
Homelessness	Rate of return to homelessness	The number and percentage of people who exit to a permanent destination and then return to a shelter or other homeless program within 24 months; this data is available through System Performance reporting tools.	HUD Stella P Report
Homelessness	Exits to permanent destinations	The number and percentage of people who exit from a homeless program (shelter, street outreach, etc.) to a destination that is defined as permanent according to HUD's HMIS data standards. This is available through the System Performance reports and is an annual measure.	HUD Stella P Report
Homelessness	Length of stay in shelters	Average number of days spent in emergency shelters that enter data in HMIS. This is available through the System Performance reports and is an annual measure.	HUD Stella P Report

APPENDIX D: RESIDENT SURVEY

The Department of Housing and Rhode Island Housing conducted a resident survey to assist in the development of Housing 2030 and the Rhode Island Consolidated Plan. The information below presents responses to key questions from the survey. Over 1,800 Rhode Islanders responded to the survey and their feedback was critical to the development of this plan.

These concerns are reflected in the 2024 survey of Rhode Island residents. Among renters who reported on the survey that they were not satisfied with their current living situation, nearly half (49 percent) cited cost as their primary concern. Beyond affordability, about one-third of dissatisfied renters reported that their unit didn't meet their needs (34 percent) or was in poor condition (32 percent). Exhibit D-1 documents the main reasons for renters' dissatisfaction.

Exhibit D-1. Reasons cited by Rhode Island Renters Concerned with their Current Housing

Why are you not satisfied with your apartment?	Share of respondents
It's too expensive	49%
It doesn't fill me or my family's needs	34%
My rental unit is in poor condition	32%
My landlord won't respond to my concerns	18%
It isn't close enough to my family, friends, or employment	11%
Cost of home repair/maintenance is too expensive	9%
My home isn't physically accessible	5%
It isn't close to transit	4%

¹⁰ Survey respondents were allowed to submit more than one option on several of the survey questions.

Barriers to Homeownership

The path to homeownership is similarly challenging for many Rhode Island renters. Among renters who responded to the resident survey, 45% would like to buy a home but reported facing multiple barriers. Three-quarters of these potential homebuyers cannot find homes in their target price range, while 60% report that high interest rates are a barrier. Nearly half (49%) report being outbid by cash buyers for homes in their price range, while 42% can afford monthly payments but struggle to save for a down payment.

Exhibit D-2. Barriers Preventing Rhode Island Renters from Buying Homes.

What are the reasons that are keeping you from buying a home?	Share of respondents
I cannot find any homes in my targeted 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%

Exhibit D-3. Types of Housing Rhode Island Residents Support in Their Communities.

What are the reasons that are keeping you from buying a home?	Share of respondents
Single family homes	51%
Duplexes, tripe-deckers, or townhomes	58%
Multifamily apartment buildings (4+ apartments)	53%
Mill conversions, office building conversions, or other types of conversions	50%
Mixes use developments (commercial space with apartments/condos)	52%
Accessible housing options	53%

APPENDIX E: EXAMPLES OF STRATEGY IMPLEMENTATION

Establishing Housing Goals

Places around the country have successfully used housing goals to boost production and improve living conditions for residents. Local goals help distribute responsibility for the state’s housing crisis, ensuring that action is taken at every level. Instead of relying on others to solve the problem, these goals engage municipalities to develop plans and make measurable progress in addressing shortages.

States take different approaches to setting local goals. In some, such as Washington and California, all municipalities have goals; in other states, such as Utah and Colorado, only municipalities with certain characteristics have goals. States also vary in whether the goal is expressed as a specific target for housing production for communities (such as in California and Colorado) or whether the goal requires municipalities to adopt changes that are likely to increase housing production (such as in Utah and Montana).

The following are examples of states that have set municipal housing goals.

- ▶ **Washington State’s Growth Management Act** requires larger and fast-growing municipalities to include a housing element in their comprehensive plan that outlines how they will accommodate projected housing needs. Under the Act, Counties are responsible for allocating to each municipality its share of the overall need. The Department of Commerce’s Growth Management Services assists municipalities in complying with these requirements by providing technical assistance and tools, like the Housing for All Planning Tool to help counties and jurisdictions determine their future housing needs.
- ▶ **California** requires all municipalities to plan for adequate housing at all income levels through mandatory housing elements in their general plans. The process starts with the Department of Housing and Community Development determining the housing need for each region; regional governments then allocate that housing need to each municipality. The Department reviews all housing elements to determine compliance with state law before municipalities can adopt them as part of their general plans. To encourage implementation, California imposes penalties for non-compliance and offers technical assistance and incentives through state funding programs
- ▶ **Colorado**, in 2024, created “transit-oriented communities,” a new designation for local governments that meet certain criteria. These communities must meet a housing goal calculated by multiplying 40 dwelling units per acre by the number of acres of transit-related areas within the community. The Department of Local Affairs (DOLA) is responsible for mapping these areas. Communities that meet their housing goals and submit required reports can be certified as transit-oriented communities by DOLA, making them eligible for infrastructure grants from a new \$35 million fund.

The following are examples of states that require municipalities to adopt zoning and other changes to increase housing production.

- ▶ **Utah’s Housing Affordability Amendments** established a comprehensive approach to housing planning requirements. Communities must adopt a moderate-income housing element in their general plan and select strategies from a state-approved list. Municipalities with fixed guideway public transit stations must adopt at least five strategies, while those seeking priority consideration for state funding must adopt at least six. The state provides a menu of strategies including:
 - ▶ Rezoning for densities necessary to assure the production of moderate-income housing.

- ▶ Encouraging higher density or moderate-income residential development near major transit investment corridors.
- ▶ Creating or allowing for, and reducing regulations related to, accessory dwelling units in residential zones.
- ▶ Allowing for higher density or moderate-income residential development in commercial and mixed-use zones, commercial centers, or employment centers.
- ▶ Implementing zoning incentives for low to moderate income units in new developments.
- ▶ **Montana** has implemented a similar approach, requiring communities to plan for housing needs and adopt five strategies from an approved list to address those needs. A key feature of Montana's approach is allowing duplexes wherever single-family homes are permitted, expanding housing options across residential zones.

Strategically invest in infrastructure, housing production, and preservation.

Loans for nonprofit housing developers

The Window of Opportunity Initiative, launched in 2000 by the John D. and Catherine T. MacArthur Foundation, demonstrated that flexible long-term loans to nonprofit housing developers have high rates of repayment, strengthen developers' balance sheets, build developer capacity, and preserve affordable housing units. Window of Opportunity stipulated that loan funds could be used as at-risk capital in the process of acquiring properties prior to developers obtaining permanent financing. The loans, which were unsecured, were made to 20 nonprofit housing developers around the United States. The loans enabled developers to engage in much more affordable housing preservation activity than they would have been able to otherwise. Further, the loans significantly strengthened the developers financially and enabled them to better withstand the Great Recession.

Approaches to achieve economies of scale

- ▶ **Colorado** is encouraging modular manufacturing to increase housing supply, create jobs in the state, and reduce the cost of affordable housing through its Innovative Housing Incentive Program, which provides \$40 million in state funding to support the creation or expansion of modular housing factories.
- ▶ **Boulder, Colorado**, leveraged the federal Section 108 Loan Guarantee Program to build a modular housing factory (Boulder Mod) in partnership with Flatirons Habitat for Humanity and the Boulder Valley School District, which provided land for the project. The Boulder modular facility also serves as a training center for students to learn about offsite construction and building affordable housing.
- ▶ **Idaho's Housing Company** is the Idaho Housing Finance Association's nonprofit development arm; it uses modular construction to provide single-family and multifamily housing in rural parts of the state.

Education efforts to build support for housing

- ▶ **Louisville, Kentucky**, developed public education and outreach efforts around the legacy of redlining in local neighborhoods to build public support for its zoning reform initiatives. The city's interactive StoryMap tool, *Confronting Racism in City Planning and Zoning*, uses the city's history to highlight the origins of inequities, describe past efforts to advance fair housing, and motivate current reforms.

Set-aside funds for permanent supportive housing

- ▶ **Kentucky** created a PSH Addendum to their QAP and launched a Supportive Housing Institute through the Corporation for Supportive Housing that helped build applicant capacity to create PSH units.

More than 20 states have enacted state tax credit programs for the purpose of increasing affordable housing production and preservation, including Rhode Island. These programs have demonstrated success in leveraging federal resources and creating sustainable funding streams for affordable housing development.

Several states administer programs that tie infrastructure funding to local progress on housing development or zoning reform:

- ▶ **Washington State** created the Connecting Housing to Infrastructure Program (CHIP) in 2021 to reduce utility connection costs impacting affordable housing development. The program offers three types of funding that pay for 1) onsite water/wastewater infrastructure, 2) offsite water, sewer, and stormwater improvements in the right-of-way that connects to the development, and 3) reimbursement to localities for waived fees that would normally accrue for the project. Some of this work is already taking place in Rhode Island, through the Infrastructure Bank's Sewer Loan Tie In Program.
- ▶ **Colorado** adopted the Strong Communities Infrastructure Incentives Grant Program in 2021 to provide critical infrastructure funding in exchange for local commitments to reduce barriers to housing production through 1) zoning reform, 2) investment in climate resilient planning strategies, and 3) advancement of other state goals around affordable housing.

Support homeownership and housing stability

Homeownership Programs

- ▶ **Connecticut Housing Finance Authority** has established several homeownership programs to help recruit in-demand professionals, including educators and law enforcement personnel. Eligible borrowers receive reduced-rate loans and down payment assistance to help them purchase their first home anywhere in the state.
- ▶ **RIHousing** administers FirstGenHomeRI, a pilot program that offers up to \$25,000 in down payment assistance for first-generation homebuyers in select communities in Rhode Island. From its launch in February 2022 to October 2024, the program helped 73 Rhode Island families in 12 municipalities purchase their first homes.
- ▶ **Compass Working Capital**, a nonprofit, has partnered with several PHAs in Massachusetts and Rhode Island, to deliver an enhanced Family Self Sufficiency (FSS) program to public housing residents. These enhanced programs have shown particular promise in preparing families for homeownership: on average, graduates of the Compass FSS program save over \$8,000 in escrowed savings and over 70 percent see an increase in credit score. The program demonstrates how combining savings incentives with financial coaching can create pathways to homeownership for subsidized housing residents.

Housing Stability Programs

- ▶ **Illinois**. Along with federal assistance, the State of Illinois offers the Illinois Assistive Technology Program's ATLOAN\$, a program for Illinois adults with disabilities. Among other things, loans can be used for home modifications up to \$5,000.
- ▶ **New York City** is taking an ambitious approach to shared housing by reexamining shared housing configurations, removing regulatory barriers and exploring shared housing designs that reduce sources of conflict (such as shared bathrooms and kitchens) and allow for private, study, and outdoors spaces. Some of these properties mix very affordable units with luxury micro apartments to create a financially feasible development that can also serve community housing needs.



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