



— Initial Update to the
Commission on Housing Affordability

September 14, 2023

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Today's Conversation

- Challenges & context
- Recent progress and upcoming opportunities
 - Legislative session – a quick review
 - Updates on new housing development programs
 - Homelessness programming and investments
- Looking ahead
 - Winter homelessness planning
 - Statewide housing planning

Rhode Island's Ongoing Housing Challenges

Under-investment and declining development of new housing for decades have created profound challenges.

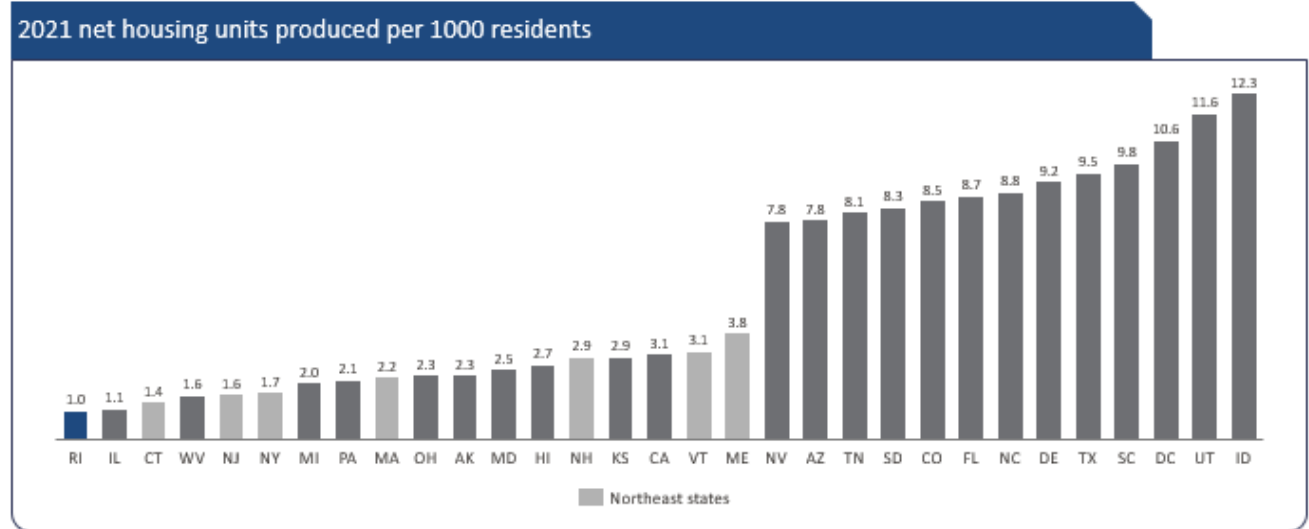
We can turn this around with new investments and strategies, but it won't happen overnight.

AFFORDABILITY: Across the state, 150,000 households are cost-burdened, paying more than 30% of net income on rent and utilities

PRODUCTION: In 2021, Rhode Island's annual housing production per 1,000 residents ranked last in the nation

RESOURCE INVESTMENT: Over the past eight years, Rhode Island has ranked second-to-last in per capita state housing spend in New England

HOMELESSNESS: Rhode Island had the 17th highest per capita homelessness count



Note: total housing units produced per 1000 residents calculated by finding the difference in total housing units YoY from 2020-2021; data excludes middle 20 states (not including Northeast states): WA, MT, GA, MT, OR, NE, AR, AL, ND, LA, WY, IA, MS, IN, VA, OK, WI, NM, MO, KY
Sources: U.S. Census Bureau; American Community Survey; Up For Growth



Recent progress and upcoming opportunities

Successful legislative session

Program & departmental updates

Significant Progress in Legislative Session

FY24 Budget -- \$101.5 for housing investments

- Financing for projects
- Tools for municipalities
- Proactive development entity
- Homelessness – services and infrastructure

State-level Low Income Housing Tax Credit (LIHTC)

Legislation to enable more development

- Package of bills brought by Speaker Shekarchi makes development process simpler and more predictable
- 13 out of 14 proposed bills passed

Department of Housing capacity – Funded for 21 new permanent positions

Program updates: Housing

Transit-Oriented Development

Department of Housing actively drafting program guidelines for two separate funding opportunities

Resources for new development (\$4 million)

- In the rulemaking process
- Invited and received input from statewide planning, RIDOT, RIPTA, League of Cities and Towns, HousingWorks RI, and Grow Smart RI
- Presented on program regulations recently at Transportation Advisory Council
- Presenting today at State Planning Council

Technical Assistance (\$1 million) for upzoning in transit areas

- Drafting a solicitation for applications from municipalities; will follow approval of the TOD Pilot Program regulations
- Two-phased approach – first, a tentative award based on identifying a potential TOD zone based on the language in the statute and regulations; then municipality procures a consultant and the award is finalized

Municipal Fellows Program

Program Outline & Status

- Department will contract with a third party to administer the program, create a mutual learning program for the Fellows and, if so requested by a municipality, hire a Fellow its behalf
 - RFP in process, to be issued
- Will work to recruit Fellows through the relevant programs at local university graduate programs, alumni offices and APA
 - Response to outreach has been enthusiastic
- RFP to municipalities to request a Fellow would accept applications on a rolling basis
 - RFP to follow shortly after the RFP for the program administrator
- Term of Fellowship – up to 2 years
- Preference will be given to municipalities that have less than full-time planning or development staff, have outdated Comprehensive Plans or undertake a common or regional project

Housing-Related Infrastructure

The Municipal Infrastructure Grant Program – Site-Related Infrastructure for Affordable Housing Development

1. RI Infrastructure Bank intends to issue an RFP on or about September 27 for funding site-related infrastructure for housing development.
2. An information session was organized by the League of Cities and Towns Mayors/Town Managers and took place last week.
3. Proposals eligible for funding are for projects for the pre-development and development of site-related infrastructure which support the development of additional housing units.
4. Two or more municipalities may apply jointly.
5. Anticipate applications for funding received and awards of funding being made by Bank's Board of Directors as early as this fall (TBD).

Financing affordable housing

Consolidated (one-stop) RFP will be released in October with more than \$80 million in funds available for permanent housing

New features for this year:

- Qualified Allocation Plan (QAP) now further incentivizes new units for extremely low-income (ELI) households by awarding additional points.
 - Previous round of funding included 353 new housing units affordable at 30% AMI or below.

Priority Projects Fund:

- \$27 million in funding to develop housing for our most vulnerable Rhode Islanders, including permanent supportive housing (PSH).

State Low-Income Housing Tax Credit

Important investment by Rhode Island to provide additional financing for affordable housing development

- **Up to \$30.0 million in awards for tax credits per year**
- **Project must qualify under federal LIHTC to be eligible under State LIHTC**
- **5-year award term**
 - **Federal LIHTC has 10-year term**
 - **Most states follow federal term (which is less advantageous)**
- **Subject to 30-year deed restriction**
- **Draft regulations expected in winter with application availability following (precise timing TBD)**

Proactive Development Entity

Stepping up supportive involvement in the development process

- Subsidiary of RI Housing
- Activities anticipated to include
 - Identifying and screening properties
 - Facilitating and promoting progress through the development pipeline
 - Cultivating developer capacity
- Planning underway
- Anticipated to begin recruiting key staff members, including the head of the new organization, in the next 30-60 days

Homelessness in Rhode Island

Recent progress and updates

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Municipal Homelessness Support Pilot Initiative

Provides support to municipalities that host new and expanded homelessness-related services (adding beds)

- Municipalities and communities often cite their need for increased services and increased costs as a barrier to hosting shelters for individuals and families experiencing homelessness.
- \$2.5 million
- Grants can go directly to municipalities.
- Funds can potentially be used to bolster municipal services that directly or indirectly support individuals experiencing homelessness.
- Examples may include:
 - Emergency medical services and/or security
 - Waste management and/or sanitation services
 - Transportation
 - Day programs
 - Public facility improvements near shelter location
 - Meal programs
 - Housing resource counseling
 - Community outreach
 - Partnerships with local organizations and other stakeholders
 - Behavioral health services and substance use disorder services
 - Outreach services to promote new shelter services



Partnerships lead to progress

- Homelessness is complex and requires innovative solutions and strong partnerships.
- The State's partnership with Amos House is an example of what can be done.
 - Originally partnered to house 31 families in 2021.
 - Since then, all 31 families have found permanent housing.
 - This partnership has expanded to 47 new families and is now located at Charlesgate in Providence.

Recent Increases in Shelter Capacity

Rising recently due in part to a lack of housing production, increasing housing costs, decrease of rent assistance

- **Providence:** Amos House is using up to 57 rooms of the former Charlesgate nursing home for families experiencing homelessness
- **Warwick:** OpenDoors in 65 rooms of Motel 6
- **Woonsocket and North Smithfield:** Community Care Alliance expanded shelter operations in hotels by 40 new rooms in May
- **Pawtucket:** Drop-in warming center operated by OpenDoors continues to serve more than 60 individuals experiencing homelessness
- **Westerly, Smithfield, and Providence:** Numerous seasonal shelters from last winter have continued to operate in order to maintain capacity and provide sufficient options

Legal Services Support

Deploying more than \$3 million

- Legal representation reduces eviction rates in communities that provide access to attorneys
 - Especially important tool as federal emergency rent assistance is no longer available
- Currently in first year of a three-year commitment of more than \$9 million to greatly expand legal services; project partners include:
 - Rhode Island Legal Services (RILS)
 - Rhode Island Center for Justice (CFJ)
 - Direct Action for Rights and Equality (DARE)
 - HousingWorks RI

Opportunity for Focus on Families

**Other states and communities
are making meaningful progress
toward ending family
homelessness**

- According to RICEH, 35% of unsheltered individuals are families with children
- DCYF is currently housing more than 100 families in hotels
- Dozens of families on waiting list for shelter

Winter Planning & Action

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Winter Planning & Action – Prevention, Shelter, Collaboration, and Emergency Preparedness

Four essential strategies to reducing unsheltered homelessness throughout winter weather

- **Prevention** – Keeping Rhode Islanders from entering homelessness through legal assistance, housing problem solving, diversion counseling, and rapid rehousing
- **Shelter capacity** – Keeping Rhode Islanders off the street by providing more options through pursuit of rapidly-deployable pallet shelters, repurposing retail spaces, expanding usage of former Charlesgate nursing facility, etc.
- **Collaboration** – Pursuing new ideas for solutions with faith communities, municipal leaders, landlords, and public housing agencies
- **Weather Emergencies** – Working closely with RIEMA to identify welcoming spaces for people to use to come in from the cold during severe weather

Statewide Housing Plan



Statewide Housing Plans

Abt Associates chosen to lead the work on producing statewide plans

- The Abt Associates team also includes its partners Root Policy Research and the Rhode Island League of Cities and Towns.
- Team has recent experience producing similar statewide housing plans in New Hampshire and New Mexico.
- Team that includes strong professional connections to Rhode Island and familiarity with New England.
- Experience as a provider of HUD technical assistance with strong expertise on federal housing and community development programs.



Likely timeline for interim work products will approximately be:

- Late winter 2023/2024
- Spring 2024
- Late 2024

Statewide Planning: Addressing Challenges & Seeking Solutions

- **Actionable plans anticipated to include:**
 - Assessment of current and future housing needs;
 - Evaluation of housing and homelessness;
 - Identification of barriers to housing development, home ownership, affordability, and preservation of existing affordable housing; opportunities and means for increased investments toward disproportionately impacted individuals and communities;
 - Incorporation of approaches to increasing household income to enable Rhode Islanders to cover housing costs.