

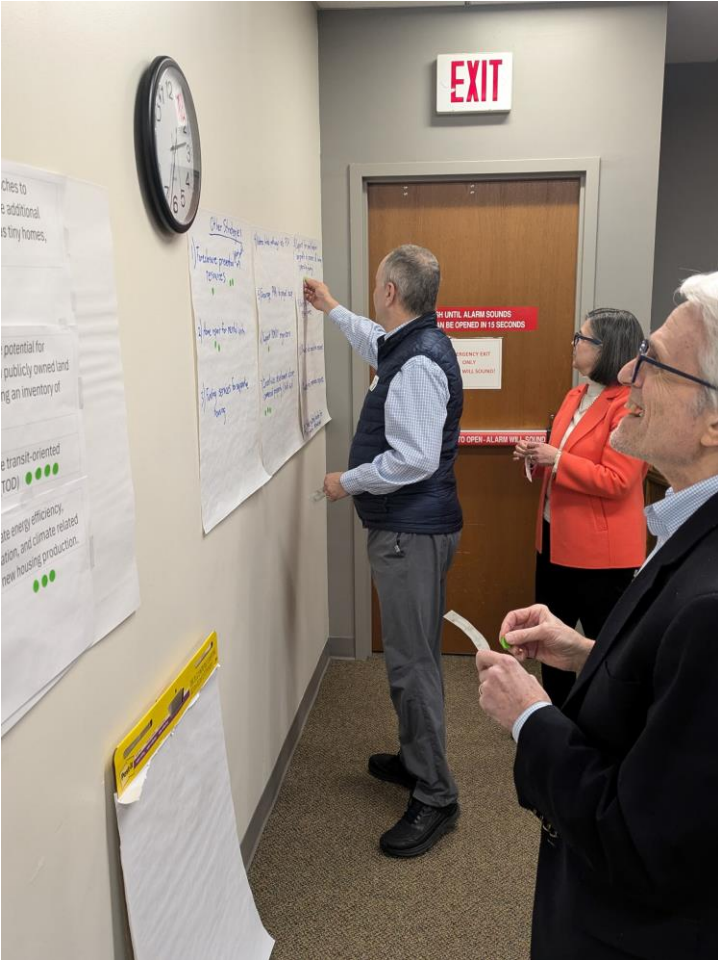
# *Housing 2030*

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Rhode Island Department of  
Housing

**RHODE  
ISLAND**

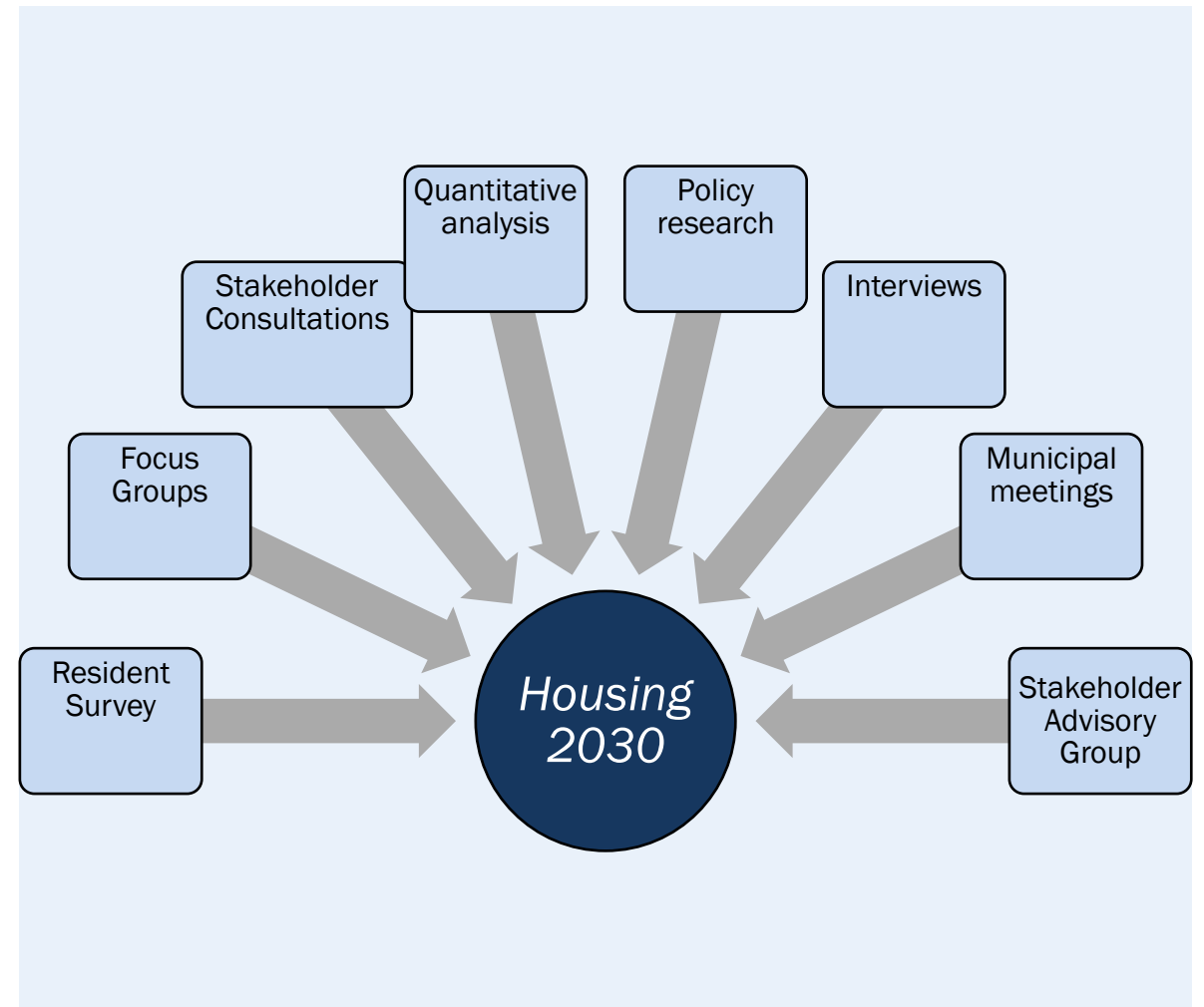
# What is *Housing 2030*?



- *Housing 2030* is the state housing plan for 2026-2030
- The plan will set out **concrete and measurable** housing-related goals and align on strategies for achieving these goals.
- *Housing 2030* is grounded in the existing and projected housing needs of Rhode Islanders and Rhode Island communities.
- *Housing 2030* will be an actionable plan:
  - Creates and informs tools for Rhode Island communities to use
  - Serves as a roadmap for policy and budget proposals for FY2026 and beyond
  - Helps guide the State’s use of federal funds
  - To be adopted as the State’s Guide Plan Element – which will inform municipal planning efforts for years to come

# Process overview

- Lead by the Rhode Island Department of Housing over the last year and a half
- Contract support from Abt Global, the Rhode Island League of Cities and Towns, Housing Works RI, and Root Policy Research
- Three phases to the process
  - **Phase One:** Baseline housing analysis which resulted in 2023 Integrated Housing Report
  - **Phase Two:** Housing needs, barriers, and housing planning/goal setting best practices
  - **Phase Three:** Recommended policies, goal setting, and resources
- Over 1,800 Rhode Islanders shared feedback on their housing situation and vision through the resident survey



# Why do we need a state housing plan?

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



- Seeks to respond to growing housing challenges and put Rhode Island on a path to improved housing options for all

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

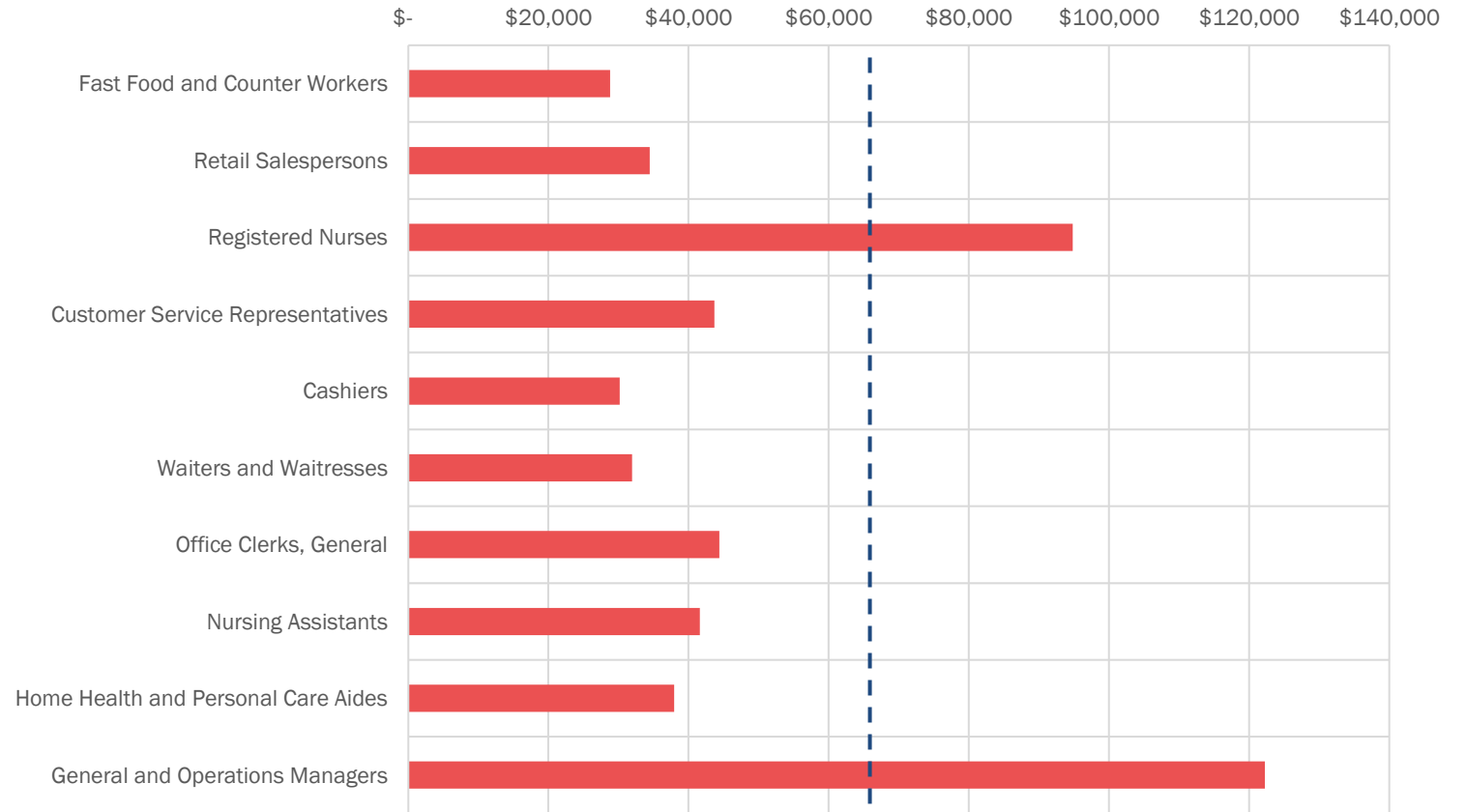
# Housing Affordability

- Residents emphasized that rents in Rhode Island are out-of-reach for many households
- Among renter households, 49% felt their rent was too expensive

*“I make a decent salary but with rents being \$1,800 - \$2,000 a month, and other basic life expenses, I worry about paying for it.”*

*Resident, Cumberland*

Median Annual Wages for RI's Most Common Jobs, 2023



\$64,000 – annual income needed to afford average one-bed rent & utilities in 2023

# Homeownership

- Among residents who want to buy a home, 75% cannot find a home in their price range

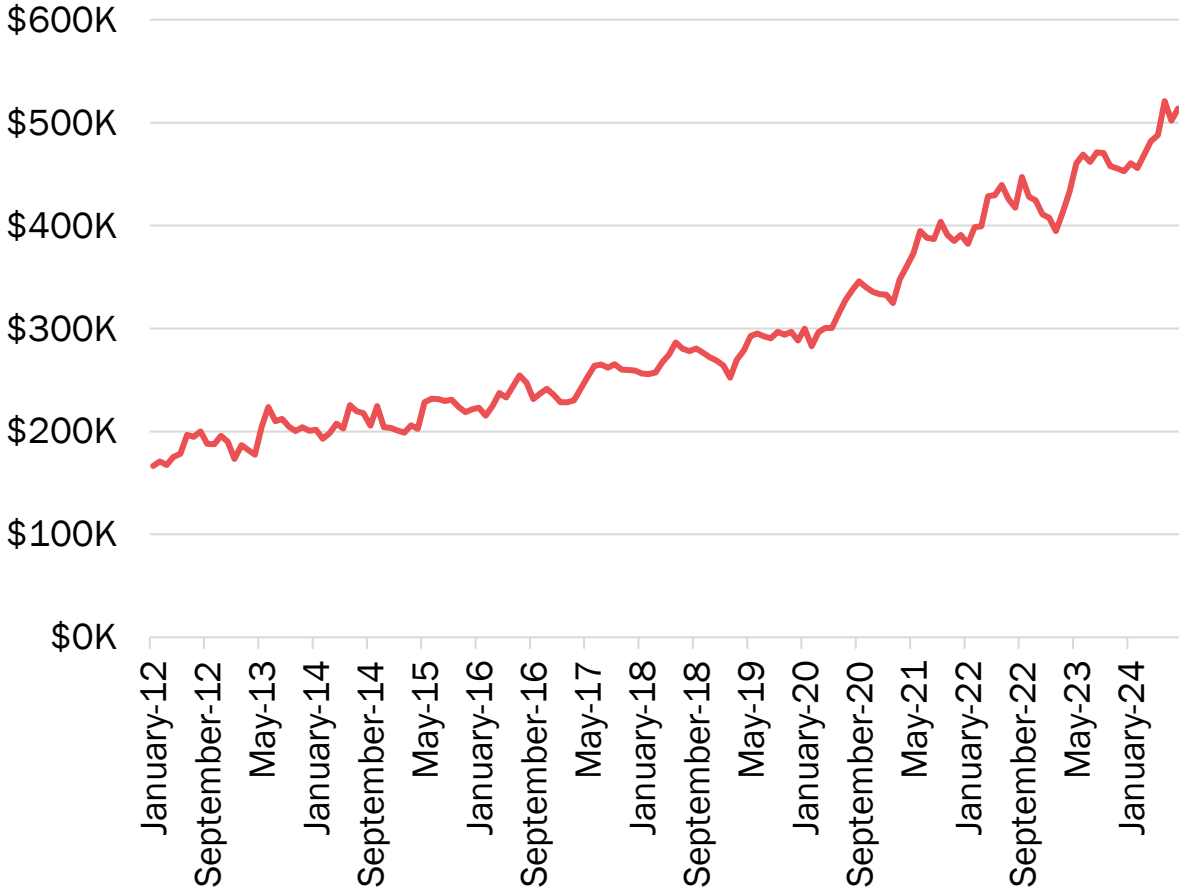
*“I love Rhode Island. I want to own a home and spend my life in Rhode Island...but there is no way I could ever be able to afford a home in Rhode Island.”*

*Resident, Providence*

*“My children are the first generation in my family who cannot afford to buy a home.”*

*Resident, Barrington*

Median Sale Price in RI



# Housing Stability & Homelessness

- Residents expressed deep concern about rising levels of homelessness in Rhode Island
- Residents recognize that rising rents, stagnant incomes, and lack of supportive housing options leave many people vulnerable to homelessness.

*“It is WAY too expensive. People with jobs are just one mishap away from homelessness.”*

*Resident, Cranston*

*“Rents keep going up, pay stays the same...I could end up homeless, sad to have to live in that fear.”*

*Resident, East Providence*



# Over and over, we heard...

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01

Our kids and grandkids can't afford to live here anymore

02

Employers are struggling to attract and retain a talented workforce due to rising housing costs

03

Seniors want to downsize but cannot find available and affordable homes

04

A lack of affordable housing is driving increased rates of homelessness



# How did we get here?

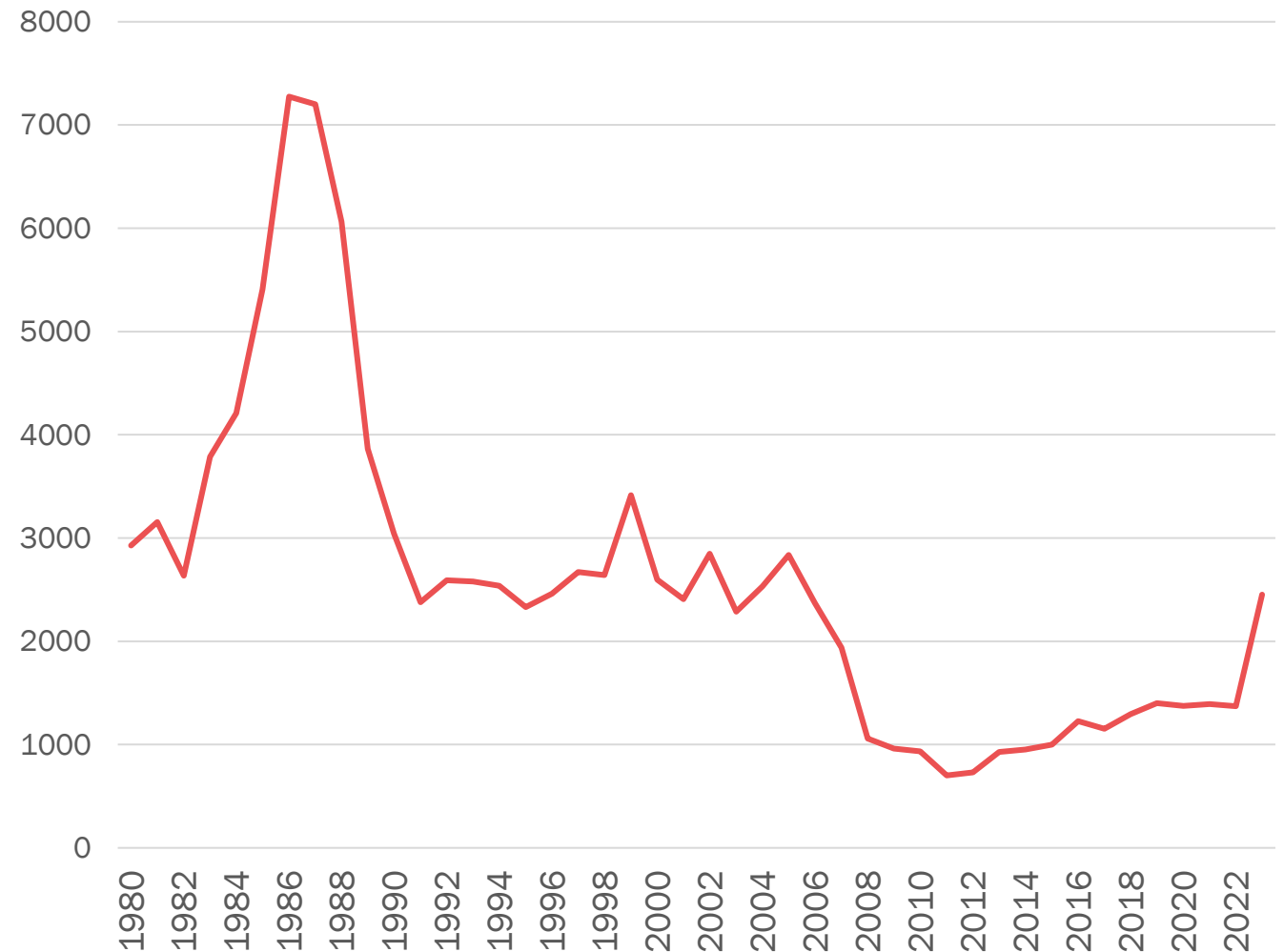
By not building enough homes...

- 79% of residents agreed that Rhode Island needs more housing.
- Rhode Island's current pace of housing production is not sufficient to keep up with the state's projected population growth.

*"There isn't enough being built to handle the number of people who would like to move here and help our city grow."*

*Resident, Providence*

Housing Units Permitted 1988 - 2023



Source: US Census Building Permit Survey and Housing Works RI

# Why aren't we building more...

Local zoning ordinances present barriers to middle market housing production

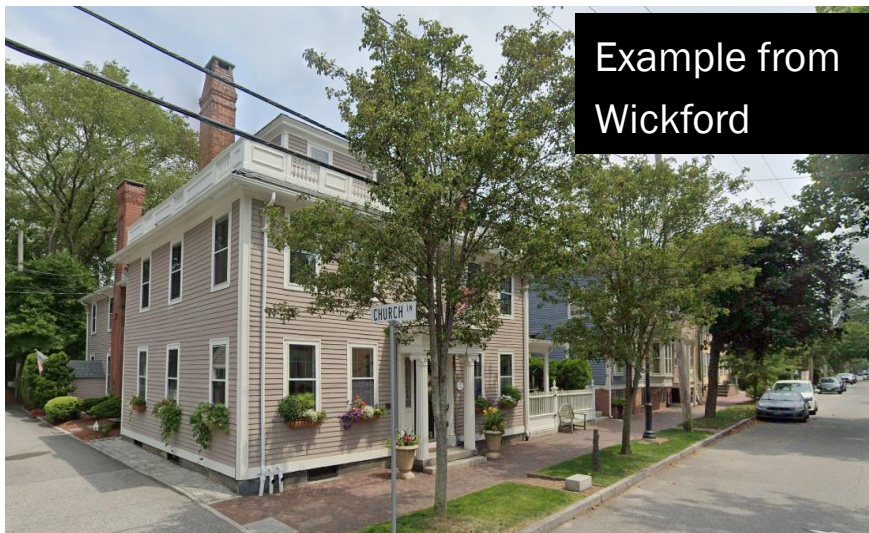
-> Require extra review

-> Require large minimum lot sizes

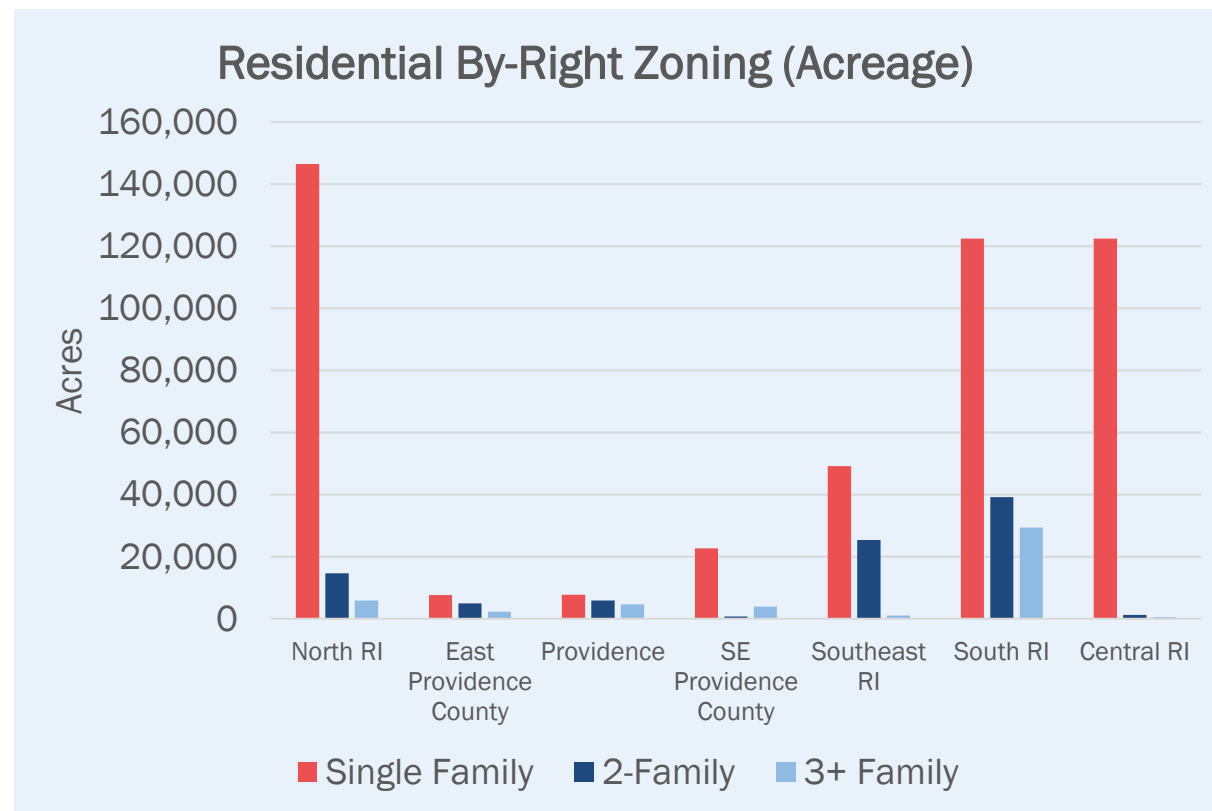
87% of Rhode Island is zoned for single-family by right

20% of Rhode Island is zoned for 2-family by right

Source: HousingWorks RI Factbook and RI Zoning Atlas



## We don't allow the homes we need to be built by right



Note: Usage will overlap and add to greater than total zoned residential acreage

# The effects of rising development costs

1. Total development costs (TDC) include costs for **land**, **hard costs** (labor, materials) and **soft costs** (architecture, permitting, etc.)

2. When TDC rises, the sales prices or rents needed to support that development also rise

3. In cases where the market won't support the higher rents or sales prices, the development isn't built

+40%  
Cost of construction materials since Feb. 2020

+81%  
RI land values, 2012-22

4. With land values, materials and labor costs all on the rise, construction costs have skyrocketed



5. As a result, the number of newly developed homes with a sales price under \$400k has fallen by 47% since 2022

# Diverse Housing Options

## Resident survey data

- Residents want more options for housing that meets the needs of diverse Rhode Islanders:
  - 58% want duplexes/townhouses/triple-deckers
  - 53% want more multifamily apartments
  - 53% want more accessible housing options



*“A lot of my neighbors are older and would love to stay in the community but can’t find housing to downsize.”  
Resident, Little Compton*

*“We live in a summer community. There is a critical shortage of year-round rental units available for families.”  
Resident, Portsmouth*

# Vision Statement: *Housing 2030*

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

# Housing 2030 Goals

*By 2030 proposing to...*



Permit 15,000 new homes



Build 1,000 low-cost homeownership units



Triple ADUs permitted



Increase middle-market units by 50%



Finance 2,250 affordable rental units



Preserve affordable homes



Navigate towards 2030 goals

*This would mean more housing options and would...*

Slow housing cost growth and put Rhode Island on a path to healthier vacancy rates

Increase inventory of for sale homes that cost less than \$400k

Expand lower cost options that more families, seniors, and our workforce can afford

Building a variety of home types that meet community needs

Support low and moderate income Rhode Islanders and include 375 permanent supportive housing and 500 extremely low income homes

Maintain affordability that already exists

Complement efforts to improve education, create a healthier RI, address climate change, and build a Rhode to Prosperity



# Housing Supply Impacts Affordability and Homelessness

Recent research<sup>1</sup> demonstrates that rent levels and vacancy rates are associated with regional rates of homelessness

Variable	Research Findings	Predictor of homelessness rates?
Higher Rates of Poverty		✘
Higher Rates of Mental Illness		✘
Increases In Rent		✔
Vacancy Rates		✔

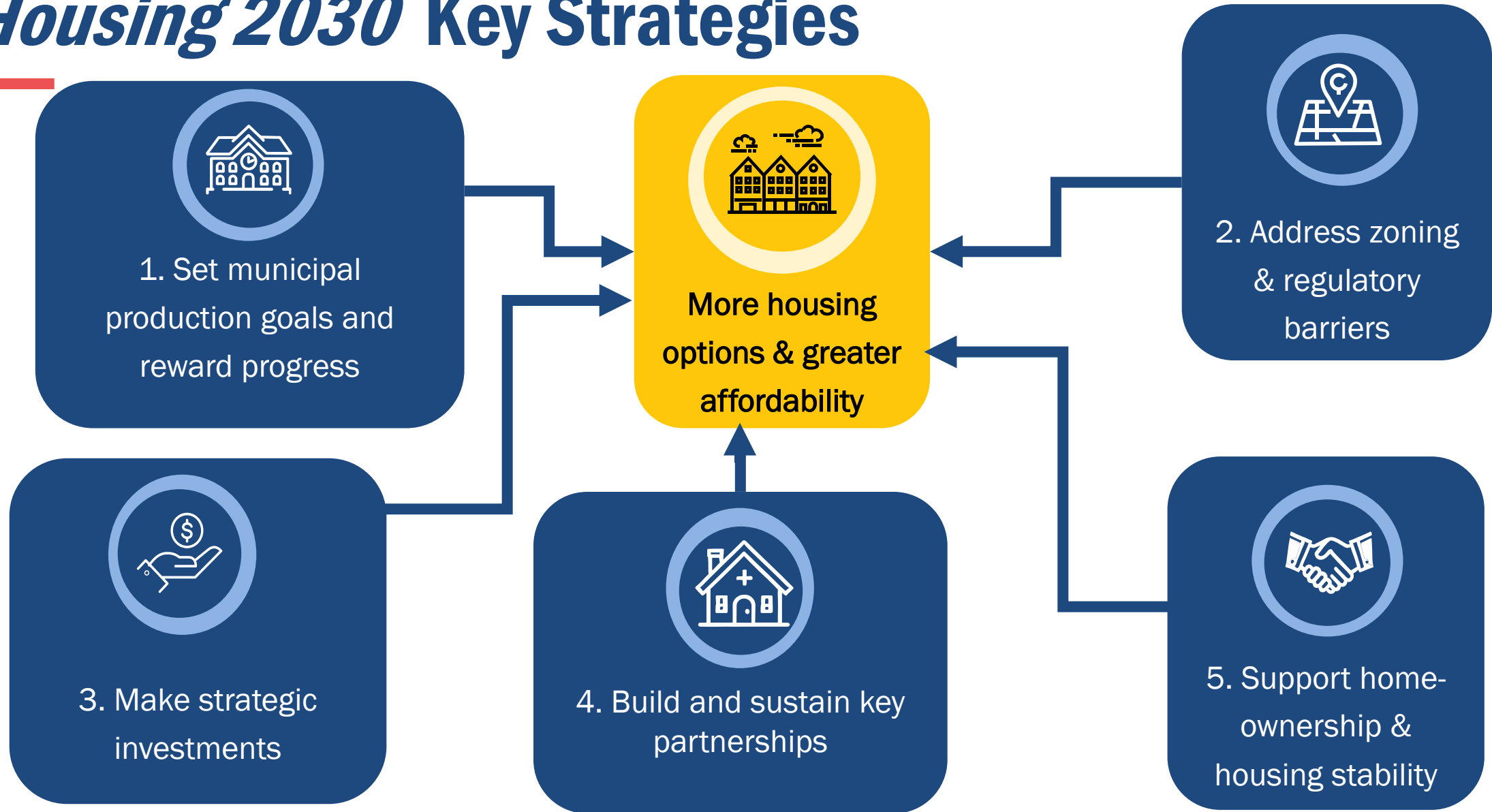
1. Homelessness Is A Housing Problem, Colburn, Aldern, 2022

# Strategies





# Housing 2030 Key Strategies



# Key strategies

## 1. Set municipal production goals and reward progress

**Overall production goals tailored to local circumstances**

**Affordable production goals that recognize progress**

**Include in comprehensive plans**

**Explore incentives for municipal progress**

## 2. Address zoning & regulatory barriers

**Housing friendly zoning reform**

**Support municipalities with technical assistance**

**Streamline state building codes**

**Reduce barriers in tax code**

## 3. Make Strategic investments

**Infrastructure**

**Affordable and supportive rental housing**

**Adaptive reuse and home repair**

**Low cost homeownership**

**Other innovative approaches**

- **Not a one-size fits all approach:**
  - Higher goals in areas with jobs and transit
  - Municipalities to choose strategies that make most sense for their communities
- **State support:** State to continue investing in infrastructure, development, and technical assistance to help municipalities achieve goals



# Key strategies

## 4. Build and sustain key partnerships

**Aggregate demand to achieve economies of scale to produce lower-cost homes**

**Support for nonprofits, PSH developers, builders and PHAs**

**Housing workforce development**

**Collaborate with universities**

**Educate Rhode Islanders**

## 5. Support homeownership and housing stability

**First-generation homebuyers & asset building**

**Employer homeownership partnerships**

**Homelessness prevention**

**Accessibility retrofits and shared housing**

- Success will require partnerships
- Supports Rhode to Prosperity goals to increase income and build wealth

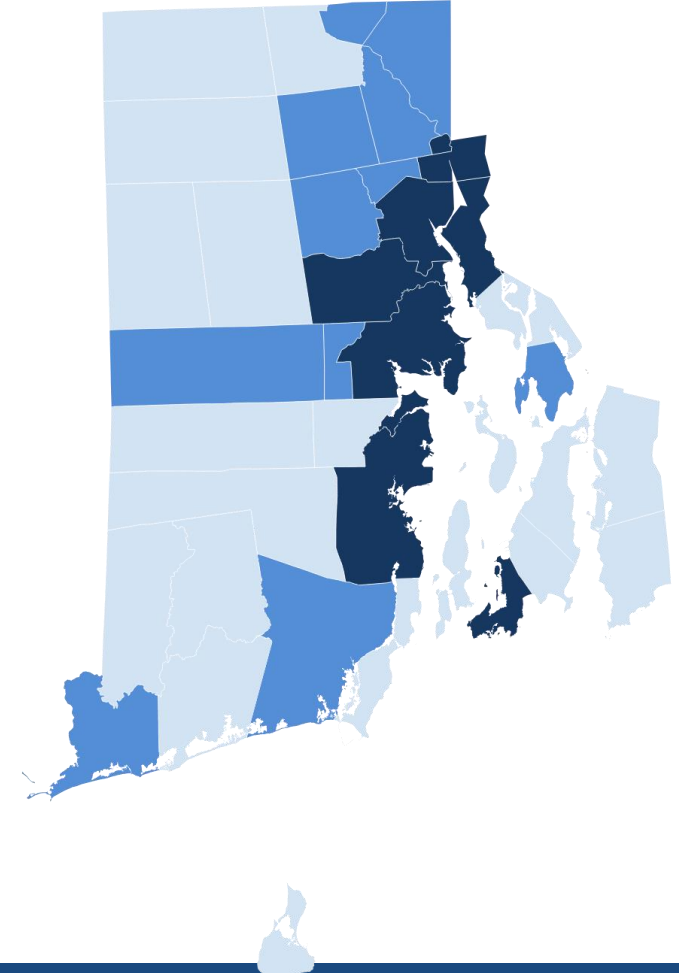


# Municipal Housing Growth Categories

Supportive Conditions for Housing	Job Density 	Public Transit Amenities 
Continued Growth		
Job-Rich Communities		
Strategic Growth		

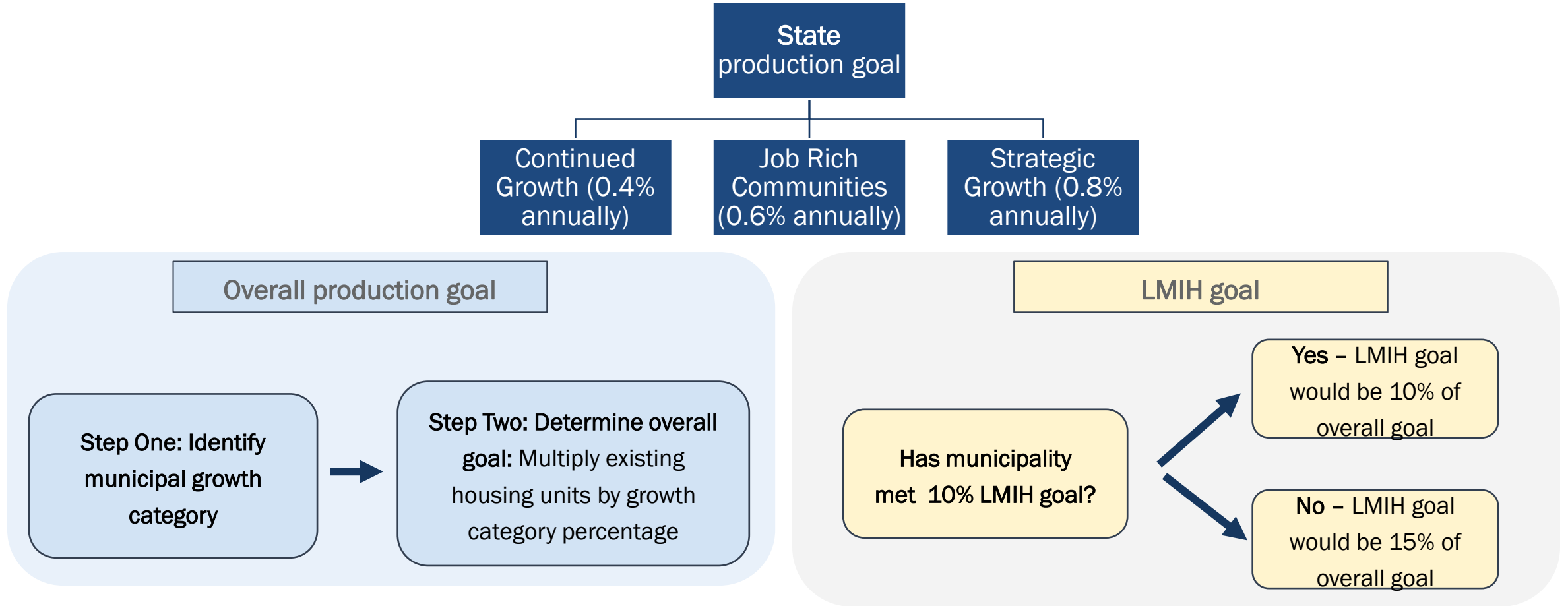
Updated Municipal Growth Categories

■ Continued Growth
 ■ Job-Rich Communities
 ■ Strategic Growth



# Municipal overall production and LMIH goals

Municipal goals based upon community conditions to improve community and economic development



# Potential menu of pro-housing reforms

To increase housing supply, municipalities need to adopt changes to achieve their goals. Below is a list of several recommended strategies:

- Allow ADUs by right in any zone where residential uses are allowed, including in mixed-use zones and on lots smaller than 20,000 square feet
- 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
- Reduce or eliminate 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 not already required (e.g., planned transit)
- Increase the number of units allowed per acre, above and beyond the minimum density required by the state.
- Increase buildable area in some other way, such as by allowing higher building heights or increasing lot coverage maximums and reduce minimum frontages, setbacks, and step backs
- Waive or reduce building and development application fees for middle-market and 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, enabling more flexible residential and mixed-use development and streamlined administrative review of new developments

# Appendix





# New Construction of Homes

**GOAL: Permit 15,000 new homes over five years**

## Why this goal?

- Increasing the construction of new homes will help ease existing affordability challenges
- Key part of the solution for creating communities where our children and grandchildren can afford to live
- New construction encourages economic growth and supports our workforce
- What kind of housing is important (see additional goals on following slides)

## How will we get there?

- Encourage and incentivize zoning and other regulatory barriers to new construction
- Invest in infrastructure, new development, adaptive reuse, and home repair
- Establish housing production goals for municipalities
- Expand partnerships to meet housing goals





# Affordable Rentals

**GOAL: Finance 2,250 new rental units for low- and moderate- income Rhode Islanders over 5 years**

## Why this goal?

- Provide housing options that the private market are not currently offering
- Reduce cost burdens on existing and new renter households
- Deed restricted rental units ensure a level of affordability that lasts for decades
- Inclusive of permanent supportive housing and extremely low-income targets (described on the next slide)

## How will we get there?

- Build upon recent state actions including the State low-income housing tax credit and 2024 affordable housing bond
- Additional strategies are needed
  - Reduce costs of development with zoning and regulatory reforms
  - Unlock additional federal resources with greater use of 4% low-income housing tax credits
  - Continue State LIHTC and make additional investments (e.g., a 2026 housing bond) to provide additional needed funding



# Permanent supportive and extremely low-income housing

**GOAL: Including financing for 375 new PSH and 500 new ELI units over five years**

## Why this goal?

- Permanent supportive housing (PSH) reduces chronic homelessness by providing stable housing coupled with supportive services
- Improves communities by helping the most vulnerable and reducing need for emergency responses to homelessness
- Extremely low-income (ELI) homes support vulnerable Rhode Islanders including seniors and those with disabilities

## How will we get there?

- Set aside funds for PSH and ELI in documents guiding tax credit allocation
- Provide resources for capacity building to help communities build the capital, operating and services financing required, navigate permitting/zoning, and create strong partnerships to ensure long-term project success.
- Create state reporting tools to include municipal goals/progress on ending homelessness



Crossroads PSH units on Summer Street, Providence

# Homeownership

**GOAL: Create<sup>1</sup> 1,000 new low-cost homeownership units over five years**

## Why this goal?

- Homeownership is an important tool for household wealth building and community development
- Market is currently not producing these homes (homes that cost less than \$400,000)
  - An average of 90 homes at this price point were built in Rhode Island over the last three years
- Emphasize a range of unit options that meet the needs of families and those starting out.

## How will we get there?

- Implement zoning and regulatory reforms to unlock development options and reduce cost
- Invest in infrastructure including in proximity to transit to enable new housing opportunities and reduce costs of development
- Partner with a modular construction firm via bulk purchase/pre-buy agreement for lower-cost homes with limited design options at discounted rates



Huntington volumetric modular home in Vermont



New Frameworks panelized 900 SF ADU with compressed straw bale exterior walls

1. Defined as units financed and units for sale (deduplicated)

# ADUs and Other Middle-Market Housing

**GOAL: Triple ADUs permitted and increase other middle-market housing units permitted by 50% by 2030**

## Why this goal?

- ADUs provide lower cost options for families, individuals, and seniors looking to downsize or purchase a smaller home
- Middle-market housing units (duplexes, triplexes, and quadplexes) are more likely to be **lower cost** and provide density to develop walkable communities

## How will we get there?

### ADUs

- Recent ADU by right legislation is estimated to create most new units
- Pre-approved ADU designs and ADU financing would reduce costs

### Duplexes and 3- and 4-plexes

- Reduce zoning and other barriers that effectively prohibit middle-market housing
- By right zoning for this housing type in some areas
- Reduce minimum lot sizes and reduce parking requirements or allow flexibility in meeting requirements
- Anticipated to require more time to make progress than ADUs





# Preservation Goal

## Goal: Prevent the loss of affordable units

### Why this goal?

- Preserving existing deed restricted affordable units ensures that Rhode Island retains affordability already invested in
- No current comprehensive database of upcoming expiring deed restrictions
- Home repair programs help maintain physical structures and keep homeowners in their homes

### How will we get there?

- Improve data on existing deed restricted properties
- Work with developers to develop long-term plans for existing properties
- Investments in home repair programs and capital repairs for affordable rentals
- Support home energy efficiency improvements
- Explore ways to boost capital reserves and duration of affordability requirements



# Key strategy #1: Establish municipal housing production goals and strengthen incentives

Experience from around the country indicates that, with incentives/enforcement mechanisms, housing goals can be helpful in encouraging increases in production.

Jurisdiction	Goal(s)	Results to date
<a href="#">Oregon Statewide Housing Plan</a>	Triple affordable housing production to 25,000 units, fund over 1,000 units of permanent supportive housing	Goals met early: 1,200 new permanent supportive housing units, 25,000 more affordable rental housing units, 1,600 new homeowners, 3,600 affordable housing units
<a href="#">Minneapolis 2040</a>	Equitable access to housing with a focus on eliminating barriers to “missing middle” housing	Construction of “plexes” has risen sharply; rents are stable despite rising home prices elsewhere, decline in homelessness
<a href="#">Washington, D.C. Housing Framework for Equity and Growth</a>	36,000 new units total, 12,000 affordable based on goals for each neighborhood	Overall production goal surpassed ahead of schedule: more than 36,000 new units produced by July 2024, including 9,845 affordable units (82% of target)
<a href="#">Austin, TX Strategic Housing Blueprint</a>	135,000 total new units by 2028, 60,000 affordable	Below target production – 7,100 affordable units by 2020, but production is significantly up
<a href="#">Colorado Prop 123</a>	3% increase in affordable housing based on incentives for municipalities	Over 200 localities have made commitments to increase affordable by 3% per year for three years; if commitments are met, almost 23,000 affordable units will be built