



Housing Presentation by OMB, EOC & RI Housing

Senate Committee on Finance and Committee on Housing & Municipal Government

February 4, 2021



Agenda

- **Pandemic Relief Funding for the Housing Insecure**
 - Overview of Federal Funding Sources and Spending
 - Updates on Housing Supply, Rental Assistance, and Homelessness Programs
- **Affordable Housing: Funding, Programs, and Priorities**
- **Housing Bonds: Administration, Process, and Outcomes**



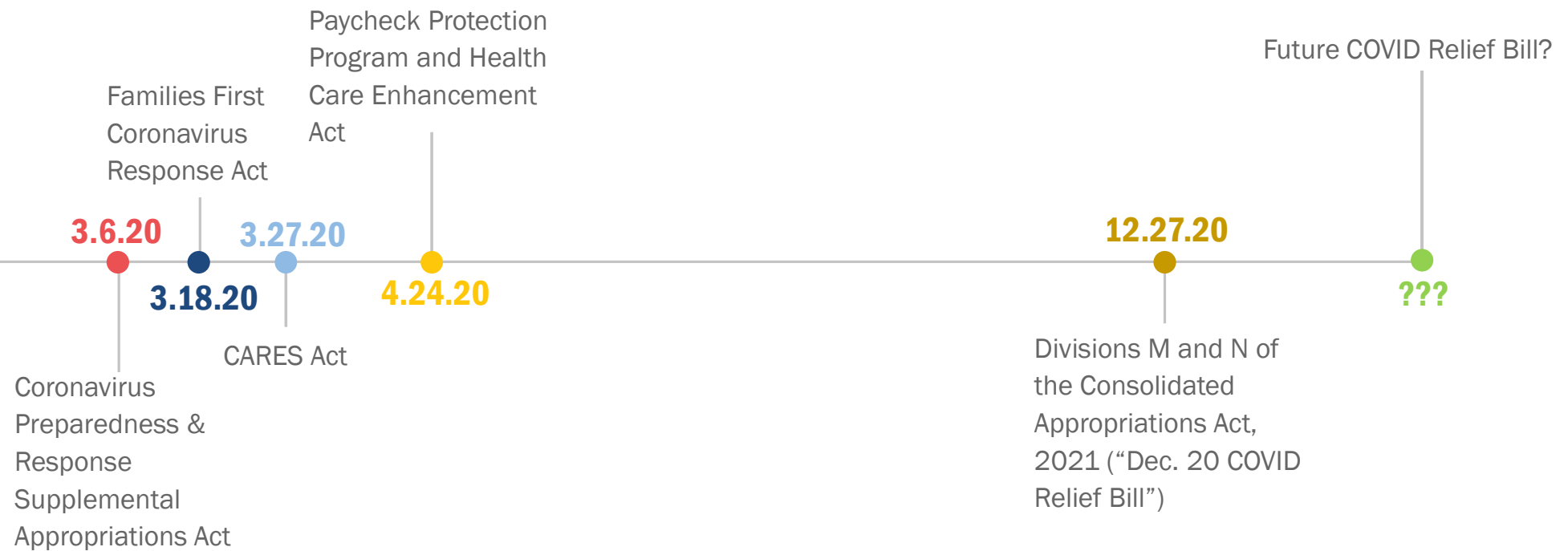
Pandemic Relief Funding for Housing Insecure

Overall Federal Sources &
Spending

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COVID Relief Legislation Timeline

Congress has enacted five major COVID relief bills.



Housing-Related Components of Major Federal Legislation

The federal government has provided various COVID grants for housing and homelessness uses, in addition to using FEMA funds where eligible for housing-related expenses.

Grant	Authorizing Statute	Uses	RI Amt.	Availability Date
Coronavirus Relief Fund	CARES Act	Broad uses for necessary costs incurred as a result of pandemic, with housing and homelessness costs eligible	\$1.25B*	Originally 12/30/20; now 12/31/21
Emergency Solutions Grant	CARES Act	To support homeless assistance and homelessness prevention activities in response to impacts of COVID-19	\$5.75M	9/30/22
Community Development Block Grant	CARES Act	Eligible CDBG activities to respond to impacts of COVID-19. Likely activities include essential services, public facility investments, economic development and housing.	\$11.5M	05/2026 with 80% spent by 05/2023
Emergency Rental Assistance	Dec. 20 COVID Relief Bill	Assistance to low-income households for rental assistance and utility assistance	\$200M	12/31/21

*The Coronavirus Relief Fund has a broad array of uses and has been allocated to fund many aspects of the state's COVID response

Primary Federal Pandemic-Related Housing Spending

Program	Budgeted	Expenditures to Date	Projected Expenditures
Rental Support (Housing Help Rhode Island & Eviction Diversion Program, Navigation Assistance & Legal Services)	\$15.6	\$13.9	\$13.9
Landlord Incentive Program	\$0.5M	\$0.2M	\$0.2M
Supportive Housing Acquisition	\$1.6M	\$1.7M	\$1.7M
Shelter Reduction Program	\$0.9M	\$0.9M	\$0.9M
Winter Shelter Reduction Program	\$0.8M	\$0.5M	\$0.5M
Adult Q&I Facility (Wyndham and Putnam Pike)	\$4.8M	\$1.4M	\$4.8M

Other COVID response efforts, including certain quarantine and isolation efforts and wellness housing, address these issues as well.



Pandemic Relief Funding for Housing Insecure

Housing and Rental Assistance Programs

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Increasing Housing Supply – Landlord Incentives

- Program designed to increase supply of rental units available to the homeless and housing insecure.
- Landlords pledged vacant units and received \$2,000 for their first unit, \$500 for each additional unit. Could also receive up to \$2,000 to make small improvements on the apartments to make them move in ready.
- Amounts paid:
 - Incentives: \$74,000
 - Repairs: \$59,721.24 (34 units, 72% of total units leased)
 - Two payments still pending
- 85 people have been housed as a result of this program.

Increasing Housing Supply – Housing Acquisition

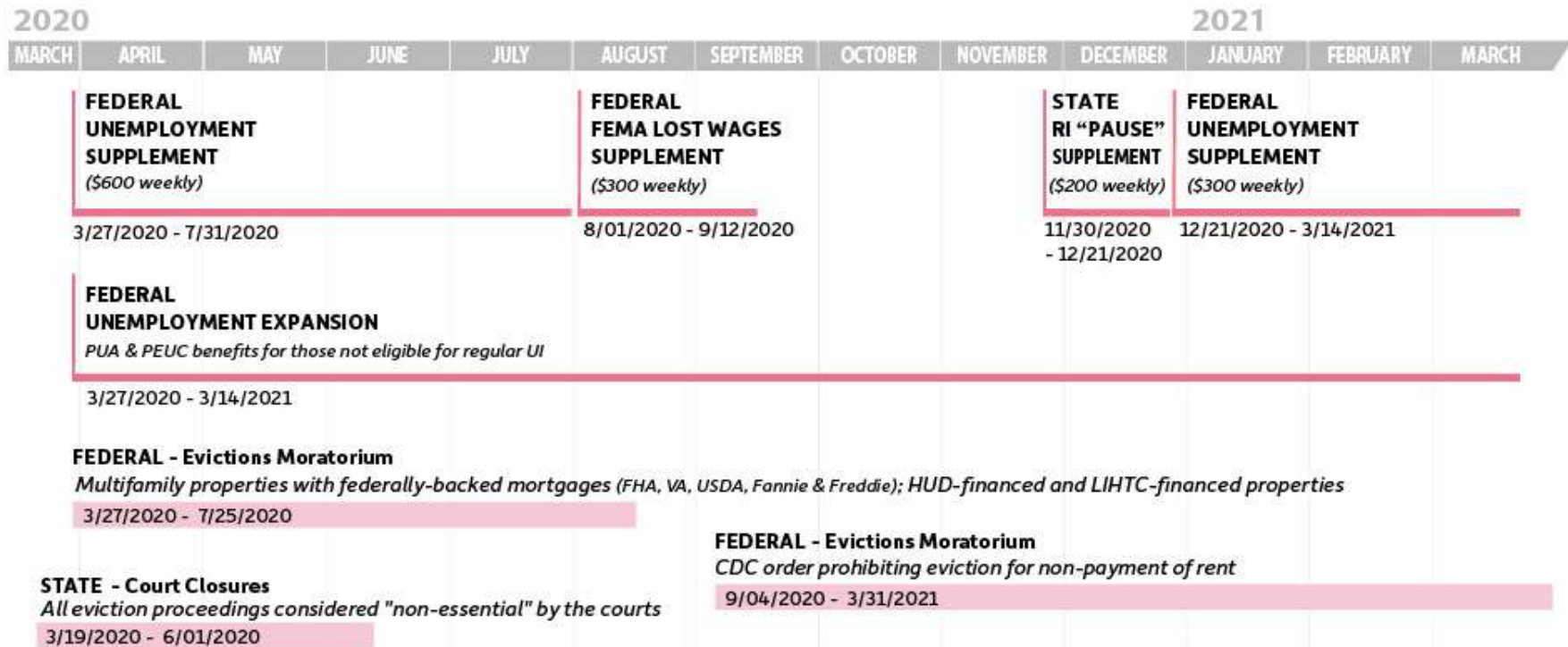
RI Housing ran an RFP to acquire \$1.6 million in properties that are provide temporary shelter for the homeless, relieving crowding at existing shelters.



- Two properties purchased – one in Providence, one in Hopkinton (pictured) -- currently providing shelter for 44 homeless persons.
- Selected developers made a commitment to convert shelters into long-term supportive housing once the pandemic ends.

Rental Assistance – Policy Landscape

Eviction moratoriums, enhanced UI benefits, court closures, and rental assistance have all been in place to protect the housing insecure.



Rental Assistance – R.I. Program Design

After initial program implementation challenges, rental assistance programs are on track to distribute \$13.8 million in assistance to Rhode Islanders in need.

- Combined different programs into a single program -- one public facing “door” for applicants.
- Adopted a public health lens to program eligibility
 - Keeping people housed reduces the risk of exposure to COVID
 - Do not have to demonstrate direct loss of income or employment due to COVID
- Self-certification of need and income
- Many of these changes have been incorporated in other federal and state emergency rental assistance programs.

Safeguards Remain In Place

Tenants:

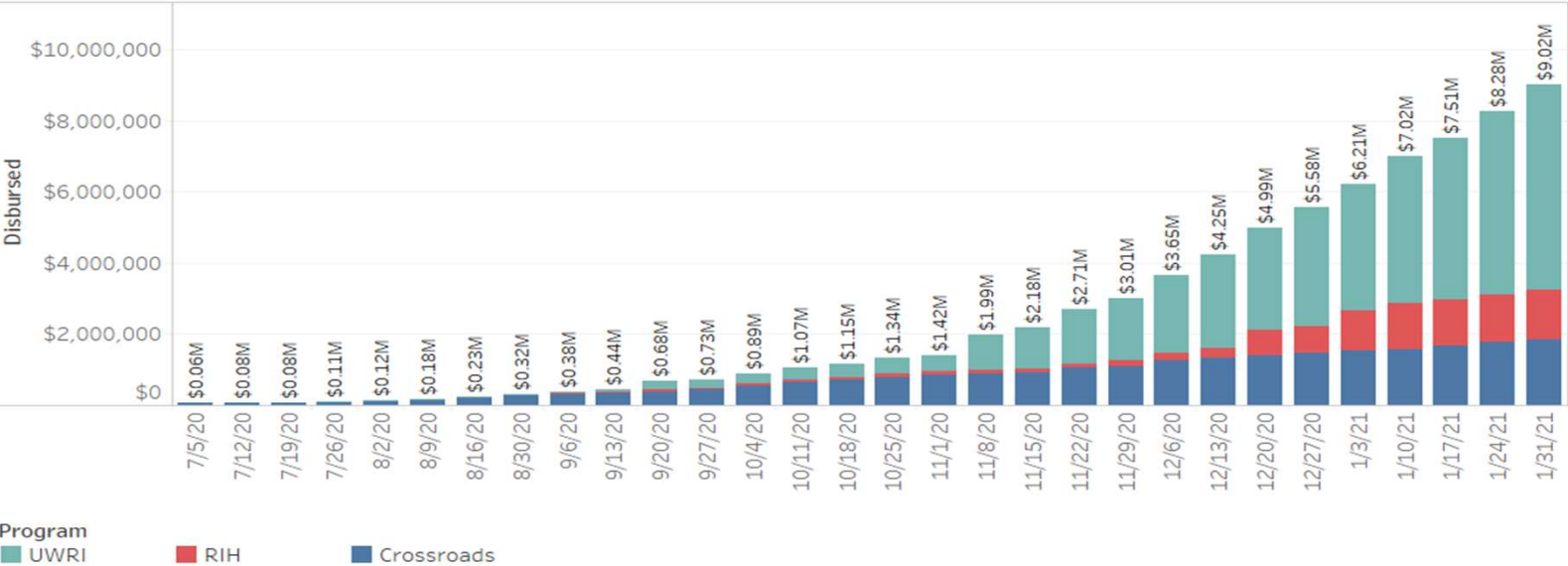
- Valid identification
- Proof of tenancy
- Self-certification of income and need

Landlords:

- Proof of ownership
- Proof of arrearages
- Attestation that information is correct and agreeing to program requirements

Rental Assistance – R.I. Program Results

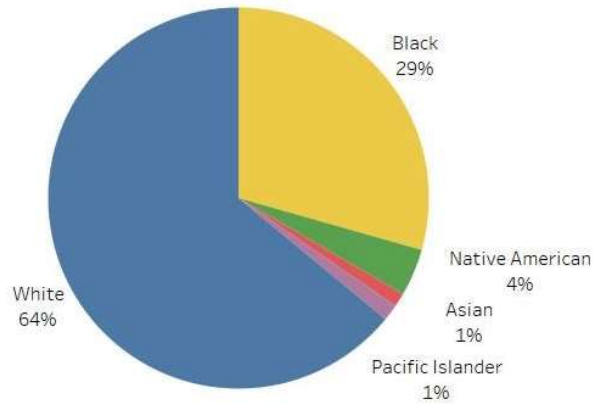
Cumulative Funds Disbursed



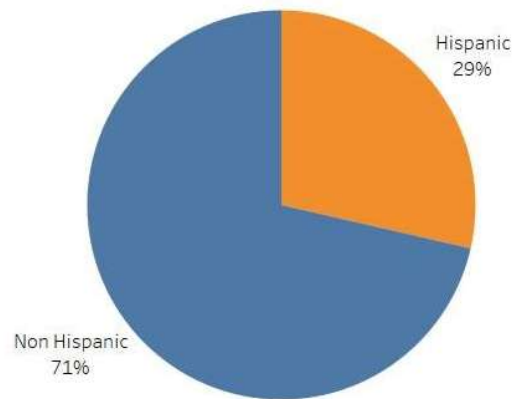
Three entities – United Way of Rhode Island, Rhode Island Housing, and Crossroads – have been awarding rental assistance funds. The Housing Network is also now assisting, and National Guard personnel have assisted with process improvements.

Rental Assistance – R.I. Recipient Demographics

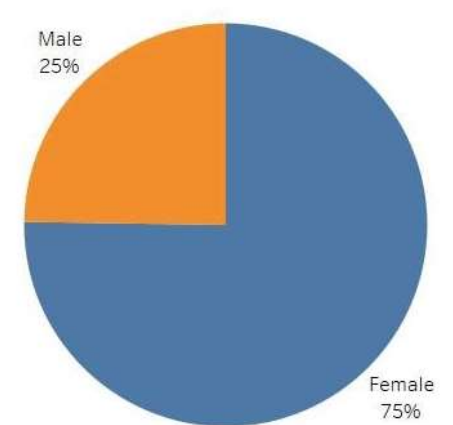
By Race



By Ethnicity



By Gender



Rental Assistance Outreach

Mailings (English and Spanish) on CDC eviction moratorium

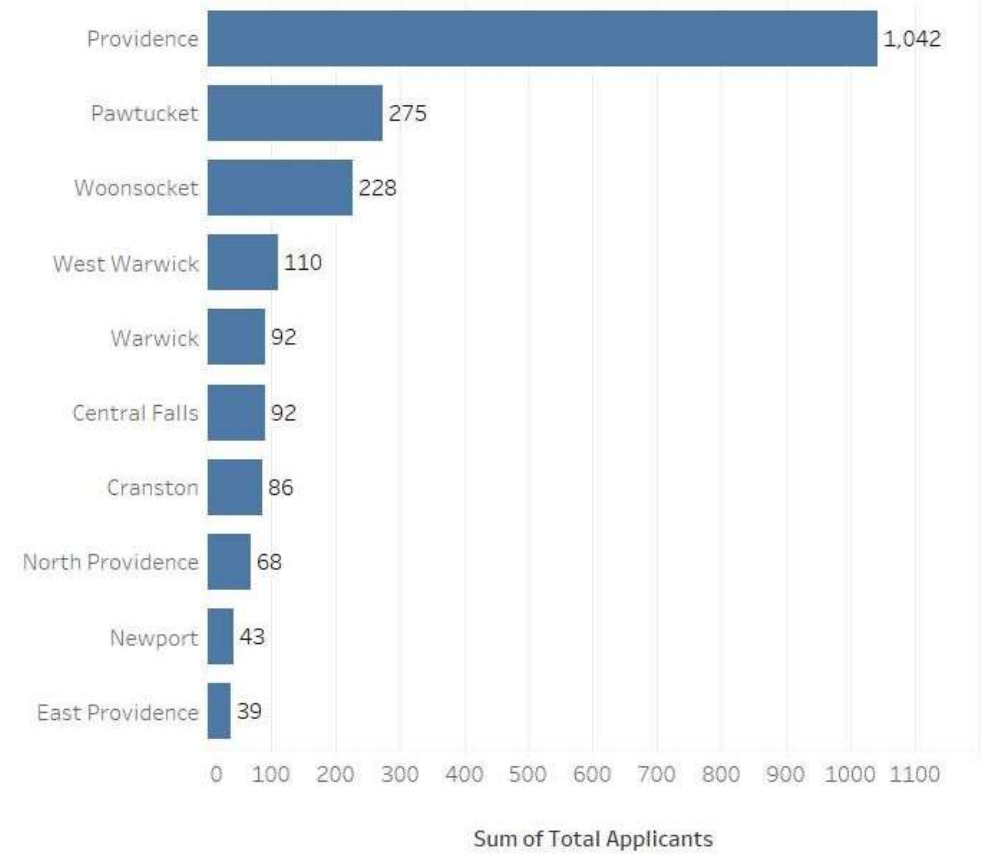
- Targeted to tenants in eviction proceedings and rental assistance applicants
- Four mailings to over 8,000 tenants

Assistance provided at the courthouse daily (through Dec 30th)

- Tenants and landlords can apply onsite
- If all documentation provided, can approve immediately
- Tenants receive documentation that they have applied for rental assistance and CDC affidavit
- RI Legal Services and Center for Justice staff available to provide legal assistance

Paid Applicants by Location

Top 10 Cities



Treasury's Emergency Rental Assistance Program

At least 90% of program funds (\$180 million) must be the provision of financial assistance to eligible households consistent with the program rules Congress enacted, which are summarized below.

- Eligible Households:
 - families whose income is below 80 percent of the area median income;
 - an obligation to pay rent;
 - a household member who has qualified for UI or had reduced income or other financial hardship due to COVID-19; and
 - have experienced or are at risk of experiencing homelessness.
- Types of financial assistance:
 - rent or rent arrears (for at most 12 months, 15 in exceptional cases)
 - utility or home energy costs or utility or home energy arrears (for at most 12 months, 15 in exceptional cases)
 - other housing expenses resulting from the pandemic, to be defined by Treasury
- Must prioritize funding to households with incomes less than 50 percent of area median income, and to households with one of more members currently unemployed for at least 90 days
- Funds are only available through December 31, 2021, and Treasury will begin recouping funds “not obligated” beginning on September 30, 2021

Treasury's Emergency Rental Assistance Program

U.S. Treasury has not provided definitive guidance on key operational issues. The former administration issued FAQs that addressed some issues on Jan. 19, but the new administration is revising them.

- What documentation is necessary to establish income?
 - *Jan. 19 FAQs:* Source documents evidencing income (e.g., wage statement, interest statement, unemployment compensation statement), or a copy of Form 1040 as filed with the IRS for the household
 - *Biden administration position:* currently being revised and should be posted soon
- What documentation is necessary to establish reduction in income or other COVID-19 financial hardship?
 - *Jan. 19 FAQs:* Documentation that applicant qualified for unemployment benefits, experienced a reduction in income, incurred significant costs, or experienced other financial hardship due directly or indirectly to COVID-19
 - *Biden administration position:* currently being revised and should be posted soon
- What are the “other expenses” related to housing that are eligible for assistance?
 - *Biden administration position:* currently being revised and should be posted soon

Treasury's Emergency Rental Assistance Program

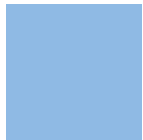
No more than 10% of program funds (\$20 million) may be used for housing stability services and program administration.

- Housing Stability Services
 - Statute provides that funds “may be used to provide eligible households with case management and other services related to the novel coronavirus disease (COVID-19) outbreak, as defined by the Secretary [of Treasury], intended to help keep households stably housed”
 - Treasury has not yet defined what services are eligible
- Program Administration
 - Funds may be used for administrative costs attributable to providing financial assistance and housing stability services, including for required data collection and reporting
 - Detailed reporting is required, though the final reporting necessary has not yet been defined by Treasury. It is expected to include, at a minimum, information on the amounts and types of assistance provided, income levels of households receiving assistance, acceptance rate of applications, and perhaps additional requirements set by Treasury
 - Requirements for data privacy and security measures to ensure protection of personally identifiable information

Emergency Rental Assistance – Key Considerations



Regulations



Technology



Staffing



Partners



Outreach



Flexibility



Pandemic Relief Funding for Housing Insecure

Homelessness Programs

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Pandemic Homeless Response

- Homeless Task Force established early in crisis to assist with issues facing this vulnerable populations. Among the actions taken include:
 - Establishment of sanitation stations (hand washing stations and porta-potties) throughout the State
 - Operation of a Quarantine/Isolation site for those testing positive or awaiting test results
 - Establishment of cleaning services initiatives, available to homeless shelters
 - Supplemental awards to shelters (supplies, PPE, expanded food/services)
 - Establishment of landlord incentive program to encourage rental to persons experiencing homelessness
 - Expanded hotel/motel voucher program for those unable to be served by the current system.
 - Implementation of a Shelter Reduction Initiative, allowing shelters to properly distance program participants; focused services allowed participants to be discharged to more stable housing/shelter opportunities
 - Prevention efforts such as rental/arrears assistance

Pandemic Homeless Response

- Quarantine/Isolation Housing
 - Use of hotel site in Warwick
 - Serves homeless persons who have tested positive or are symptomatic and awaiting test results
 - FEMA-Supported
 - Case management and health services incorporated into program
- Shelter Reduction Program - Temporary Winter Shelter Expansion
 - Use of hotel(s) – Current census is 279 persons in 200 rooms
 - Serves homeless persons unable to be safely sheltered in current system, often due to reductions attributable to social distancing requirements.
 - Program coordinated by RI Coalition for the Homeless

Emergency Solutions Grant/COVID (ESG/CV)

- Consolidated Homeless Fund/COVID
 - Partner with ESG Entitlement Communities (Providence, Pawtucket) on Distribution
 - State funds have been obligated to 25 programs within 10 agencies
 - Rental Assistance (Prevention & Rapid Rehousing) - \$3M (plus approx. \$500K)
 - Shelter & Client Services - \$1M
 - Shelter Cleaning / Supplies - \$500K
 - Street Outreach - \$150K
 - Systems - \$75K

Community Development Block Grant/COVID (CDBG/CV)

- Accepting applications for housing and basic needs projects (beginning within the week).
- OHCD/HRC has consulted with key stakeholder groups, State offices and the public in developing a plan for possible other general categories, including:
 - Housing, designed to increase affordable housing opportunities/supply;
 - Basic Needs (essential services and public facilities);
 - Broadband;
 - Homeless Response – Quarantine/Isolation support and shelter expansion (winter);
 - Landlord Incentives;
 - Mortgage/Homeowner Assistance
- Additional RFPs (e.g. broadband) and initiatives (e.g. mortgage assistance) are being developed.

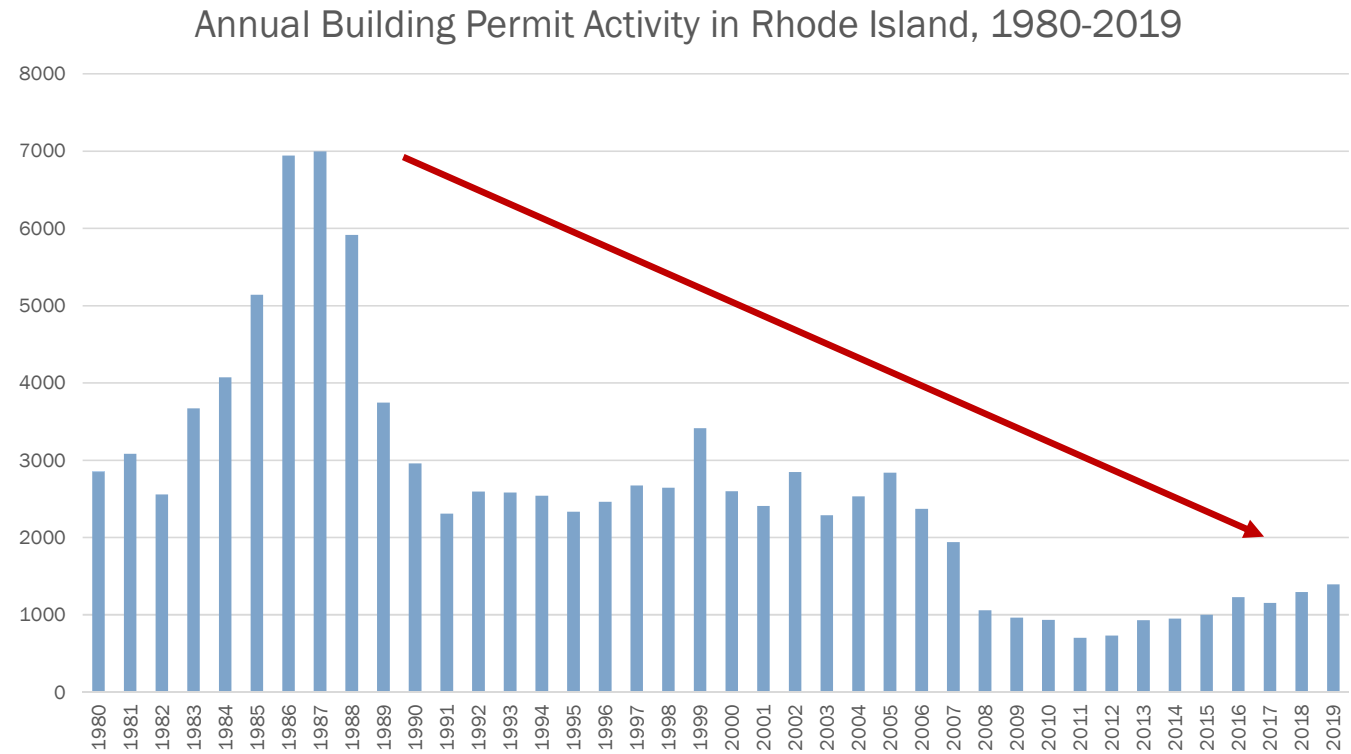
Affordable Housing: Funding, Programs, and Priorities

Rhode Island Executive Office of Commerce

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Rhode Island's Housing Shortage

- Building permit activity is down significantly from historical averages
- Nearly 50% drop between 2005 and 2018 alone
- Impacts a wide range of Rhode Islanders
- RI's housing needs have continued to grow
 - Increases in rent and sales prices are outstripping income gains
 - 46% of renters were housing cost burdened (before COVID)



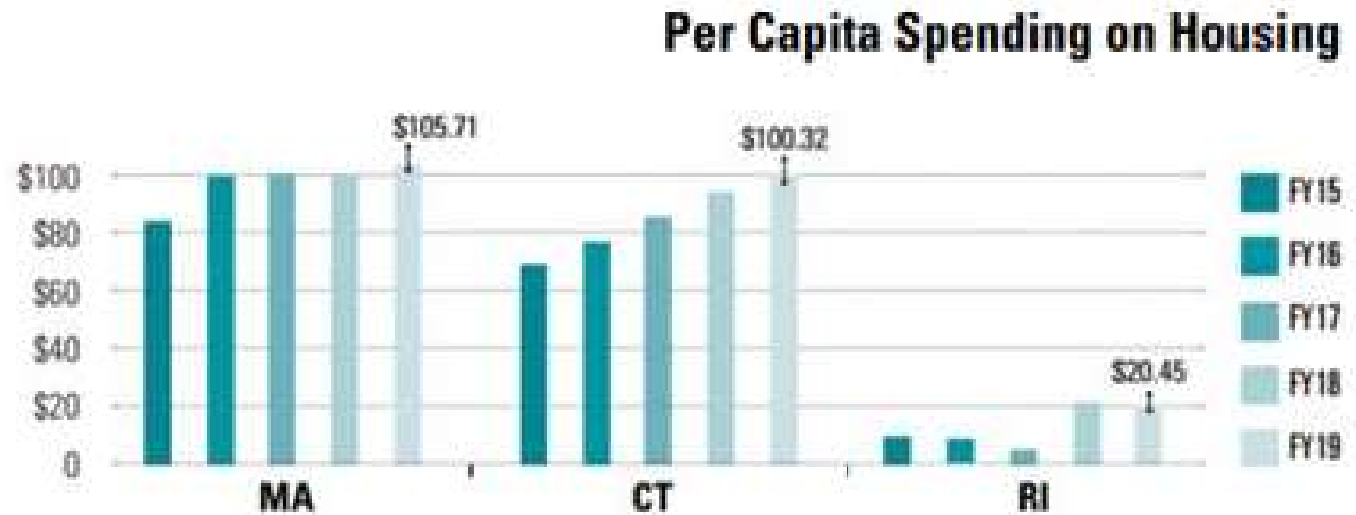
Numerous challenges, including investment gap

Rhode Island lags peer states in scale and consistency of funding

Many challenges (not unique to Rhode Island) to increasing housing production, particularly for affordable housing. For example:

- Complexity of funding sources required
- Labor shortages
- Cost of construction
- Local zoning & development challenges
- Infrastructure
- Developer capacity
- Rental subsidies and service needs

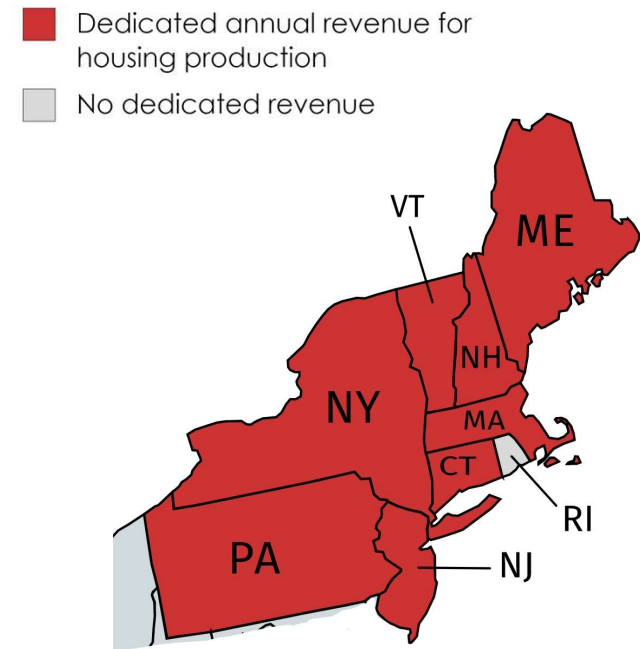
However, Rhode Island also invests dramatically less than its neighbors.



Rhode Island's approach to funding

Over the past 15 years, Rhode Island has turned to housing bonds for funding housing production

- Many other New England states have also passed housing bonds in recent years, including Massachusetts (\$1.8 billion in 2018).
- However, Rhode Island is the only state in northeast without a dedicated annual revenue for housing production.
- Rhode Island's bonds have focused on affordable housing.
 - Rental units affordable to 80% AMI (~\$62,000 per year for a family of 3)
 - Ownership units affordable to 100%-120% AMI (up to ~\$75,000 - \$90,000 per year for a family of 3)
 - Units to serve populations with additional needs including homeless, elderly, and veterans.



\$65 M Housing Bond

Significant opportunity to boost housing supply and address COVID needs

Meeting with the HRC later this month to begin bond planning process and explore ways to

- Respond to the crisis by investing in housing that can be deployed quickly
- Create permanent/long-term supportive housing and partnering with BHDDH, EOHHS, etc.
- Build pipeline, emphasizing capacity building, building longer-term confidence to take on projects, and partnering with municipalities
- Predictable, transparent, and rapid decision-making process
- Boost leverage through private sector investment
- Unlocking more 4% tax credits (or other federal funds)



Pre-development funding opportunity

Apply for Site Readiness funding by March 17, 2021 at 5:00 pm.

- **Site Specific Improvements:** Supporting the planned or future development of specific sites. Funding can include activities such as site-specific planning and pre-development activities including property surveys, master planning, engineering surveys, or environmental studies, infrastructure improvements, land assembly activities, site clearing or demolition, etc.
- **Municipal Assistance:** Cities and towns may apply to assist spurring development and growth in support of the municipality's development goals. The activities could include:
 - Streamlining current land-use development and permitting processes through LEAN
 - Training/Education for planning/zoning board members as well as Building Officials and Inspectors.
 - Assistance with writing zoning ordinances, updating a comprehensive plan.
 - Providing strategic planning effort support (including matching funds or support for federal grants) or marketing support that will lead to the development or redevelopment of significant sites in a municipality.
- More information is available at <https://commerceri.com/site-readiness/>

Additional opportunities

Proposals from FY20 budget

1. **Dedicated funding stream for housing production** (\$8 million/year in a new restricted receipt account)
 - Would support initiatives including affordable housing, workforce housing, and technical assistance for municipalities to increase production. Flexible parameters to follow evolving production opportunities and need.
 - Incorporate community and cross-agency input
 - Opportunities for building pipeline of projects and building developer confidence
2. **Partnering with cities and towns: new housing incentives program for municipalities**
 - Planning and technical assistance resources
 - School impact offset payments
 - Opt-in model (voluntary)
3. **Avoid double taxation of affordable housing projects**
4. **Strengthen housing governance**



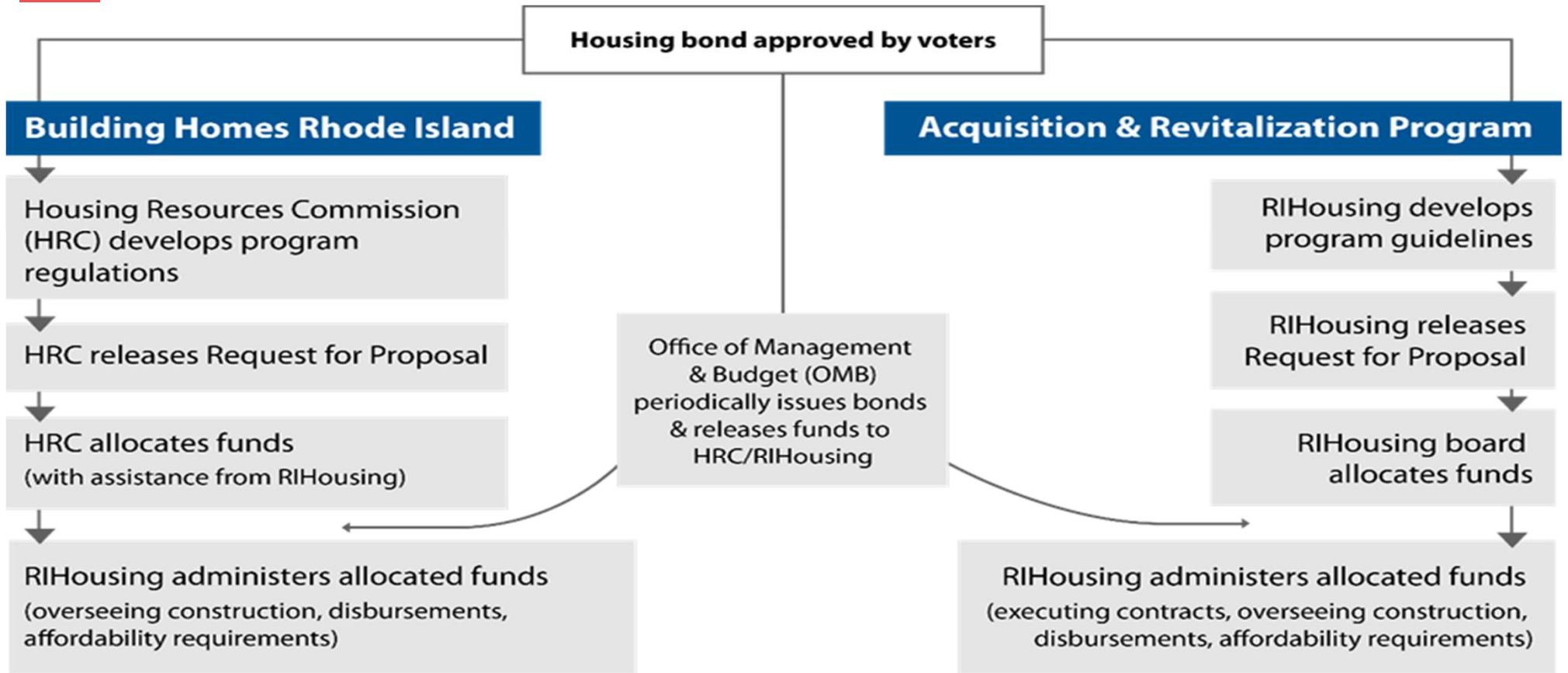


Housing Bonds: Administration, Process, and Outcomes

Building Homes Rhode Island and the Acquisition and
Revitalization Program

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How It Works



Overview of Housing Bonds

BHRI I

- Approved by voters in 2006
- \$50 million for affordable housing production & preservation

BHRI II

- Approved by voters in 2012
- \$25 million for affordable housing production & preservation

BHRI III + ARP

- Approved by voters in 2016
- \$40 million for affordable housing production & preservation
- \$10 million for revitalization of residential, commercial & public space

Economic Impact

- In total, previous bonds have financed the construction or preservation of 2,996 homes
 - 60% new construction, 40% preservation
- Every \$1 in BHRI funds has leveraged \$5.60 from other private & public sources
- Construction activity has supported an estimated 3,927 jobs



BHRI Success Rate

- Out of 215 projects, only 9 were stalled or cancelled = 96% success rate
- Deobligated funds are reallocated to other projects
- Reasons for projects not moving forward include:
 - Inadequate funding from other sources
 - Legal challenges



BHRI I & II Commitments & Disbursements



- 100% of funds committed & disbursed
- Last awards made in June 2015
- Anticipated production of 1,974 units

BHRI III Commitments & Disbursements



- Funds were fully committed in January 2020.
- Funding for five developments was deobligated in January 2021.
- Over \$33 million committed to develop or preserve 954 units.
- \$18 million disbursed.
- Funding round planned in Q1 2021 to commit remaining \$5.9 million.

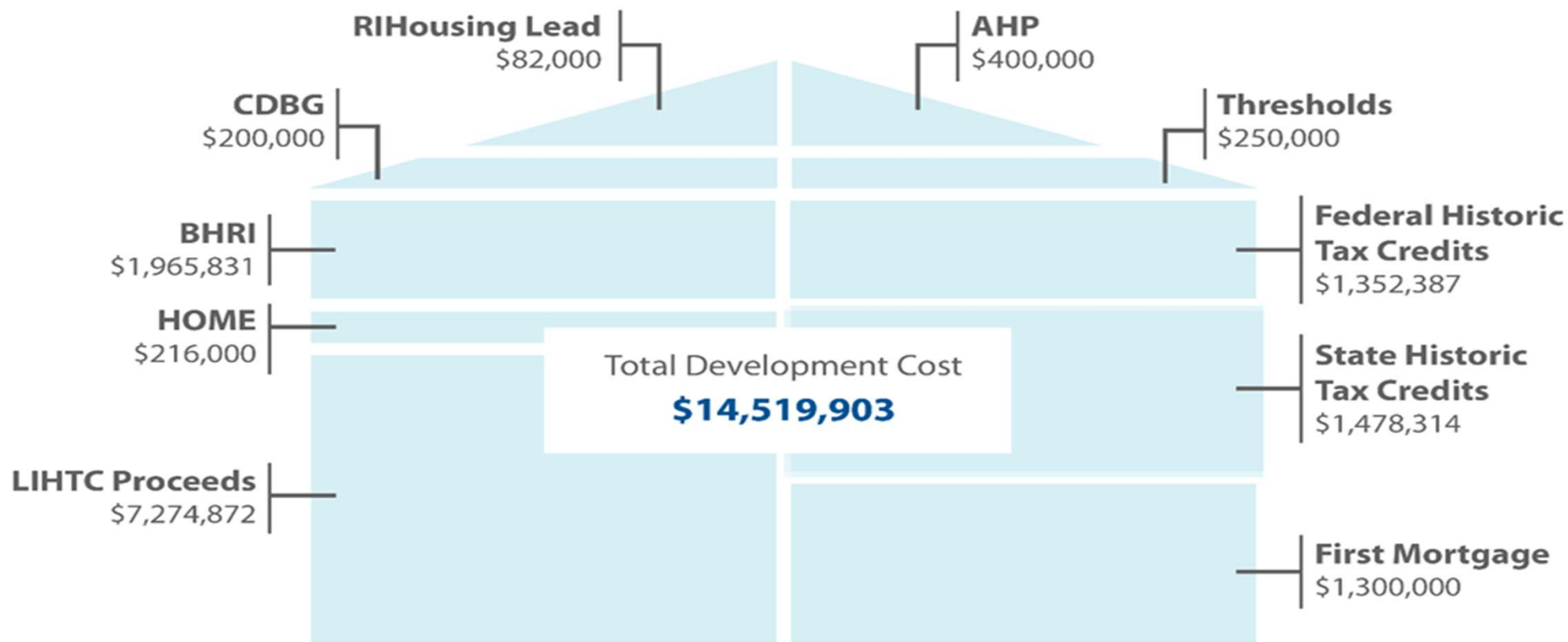
ARP Outcomes



Rhode Island College Workforce Development Hub, Central Falls

- 100% of funds committed
- Last awards made June 2019
- \$4.4 million disbursed
- Anticipated production of:
 - 152 residential units
 - 15 commercial spaces
 - 7 public facilities

Funding Sources: Ashton Village



Development Timeline: Ashton Village

