



# Housing Presentation by OMB, EOC & RI Housing

*Senate Committee on Finance and Committee on Housing & Municipal Government*

*February 4, 2021*



# Agenda

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- **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

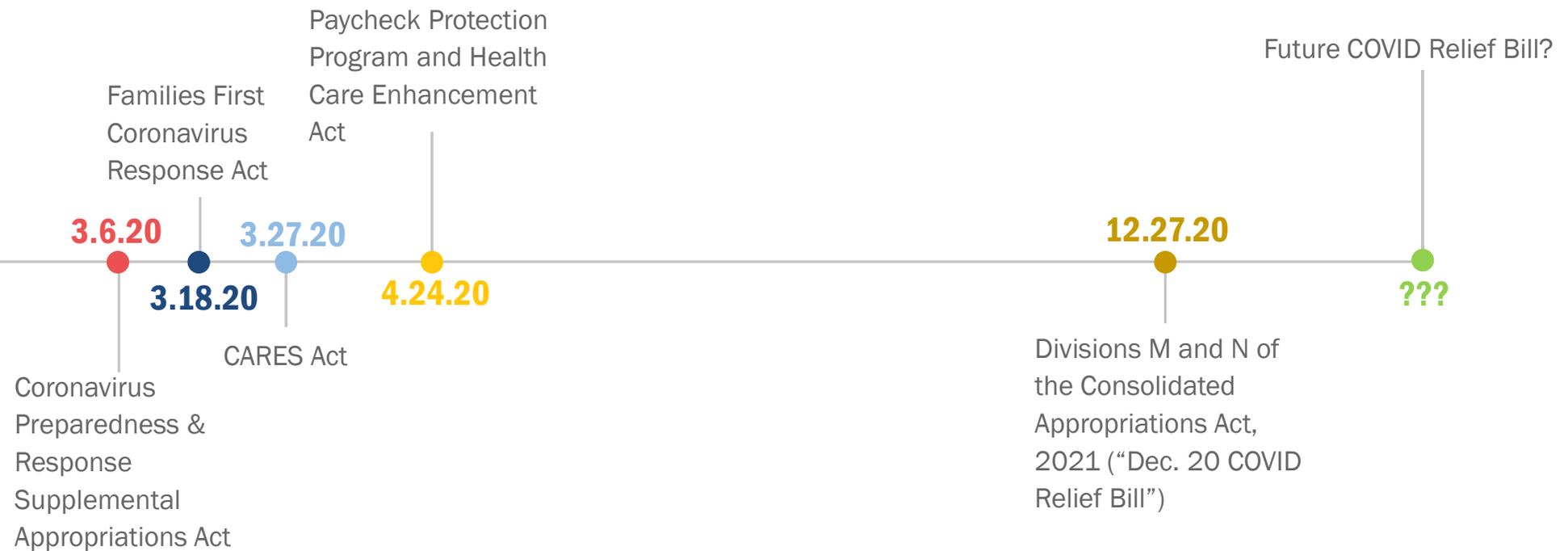
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Overall Federal Sources &  
Spending

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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**

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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

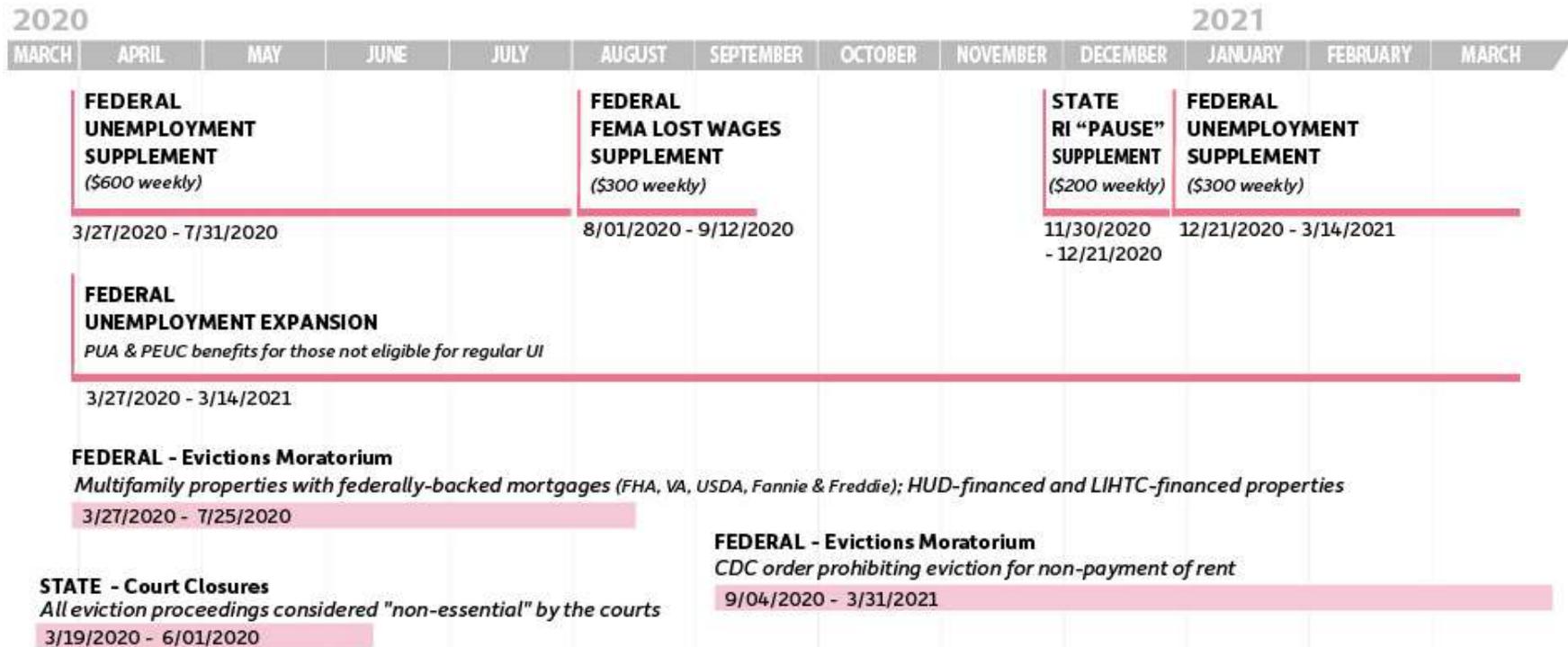
RI Housing ran an RFP to acquire \$1.6 million in properties that are provide temporary shelter for the homeless, relieving crowding at existing shelters.



- 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:

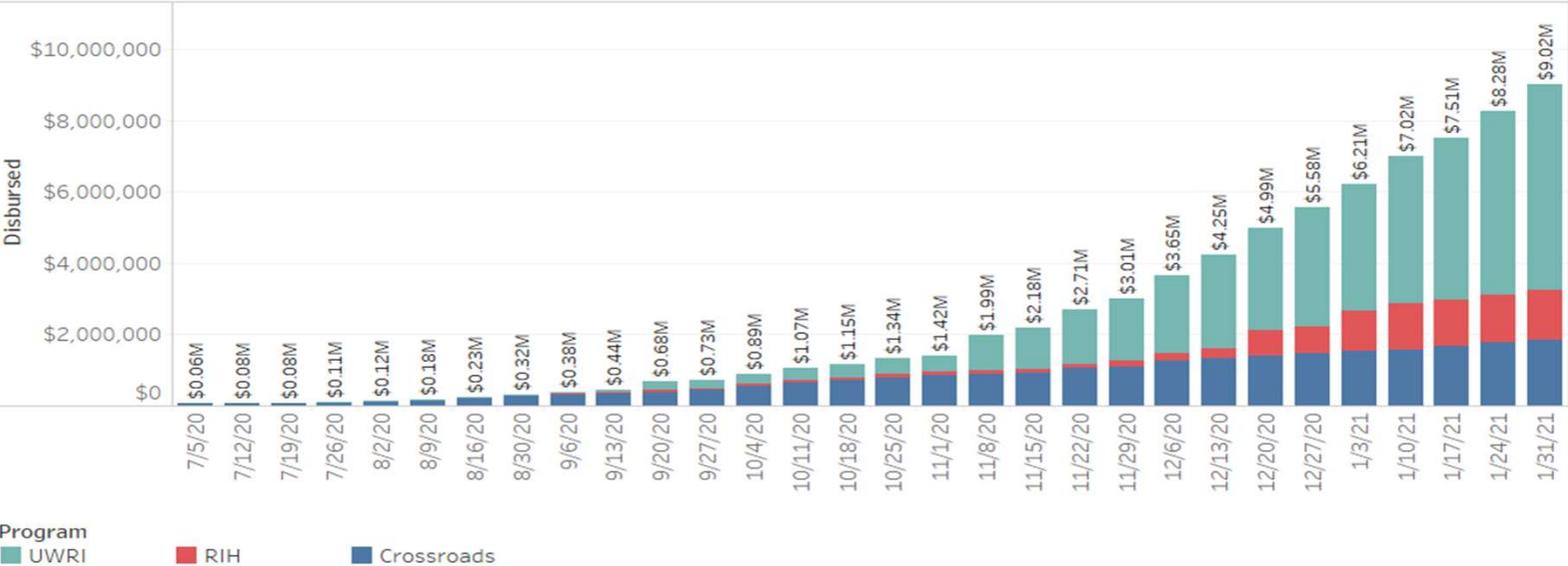
- Valid identification
- Proof of tenancy
- Self-certification of income and need

### Landlords:

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

# Rental Assistance – R.I. Program Results

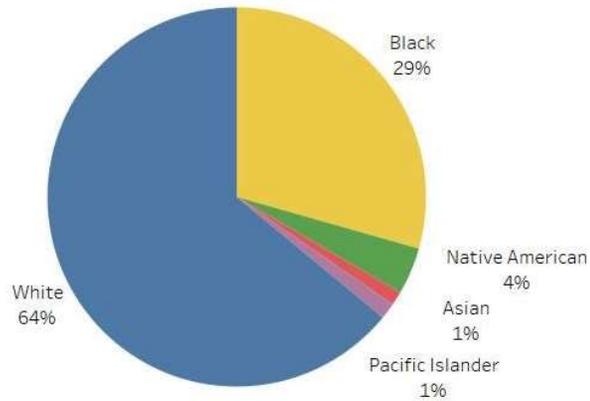
Cumulative Funds Disbursed



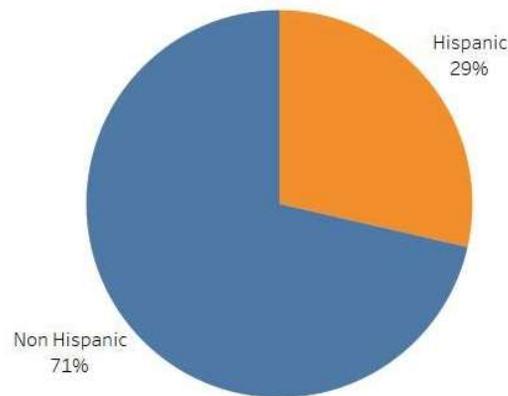
Three entities – United Way of Rhode Island, Rhode Island Housing, and Crossroads – have been awarding rental assistance funds. The Housing Network is also now assisting, and National Guard personnel have assisted with process improvements.

# Rental Assistance – R.I. Recipient Demographics

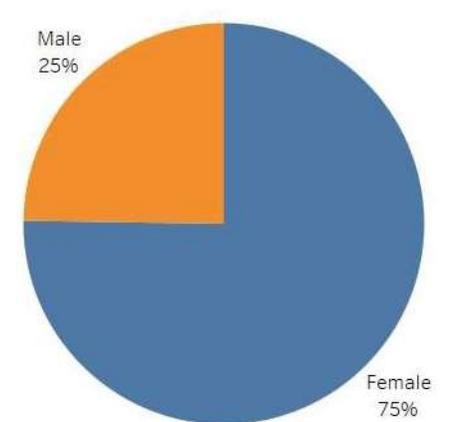
## By Race



## By Ethnicity



## By Gender



# Rental Assistance Outreach

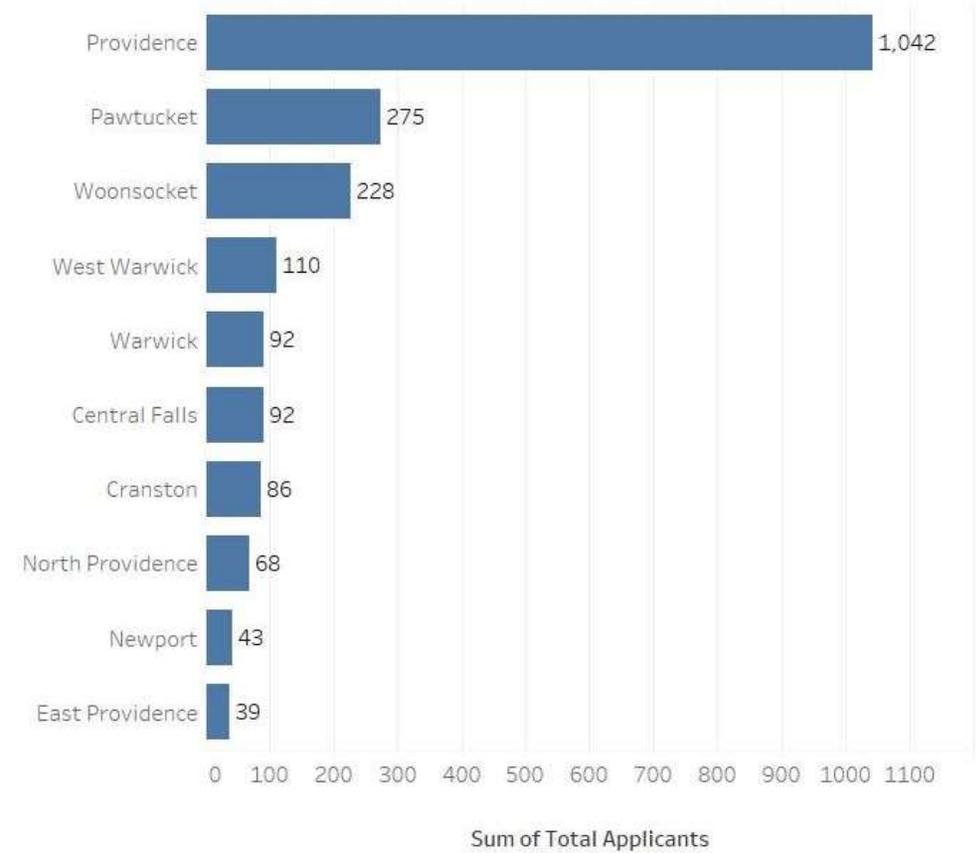
Mailings (English and Spanish) on CDC eviction moratorium

- 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

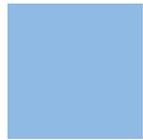
# Treasury's Emergency Rental Assistance Program

**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

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**Regulations**

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**Technology**

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**Staffing**



**Partners**

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**Outreach**

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**Flexibility**



# Pandemic Relief Funding for Housing Insecure

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Homelessness Programs

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# Pandemic Homeless Response

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- 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

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- 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)

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- 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)

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- 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

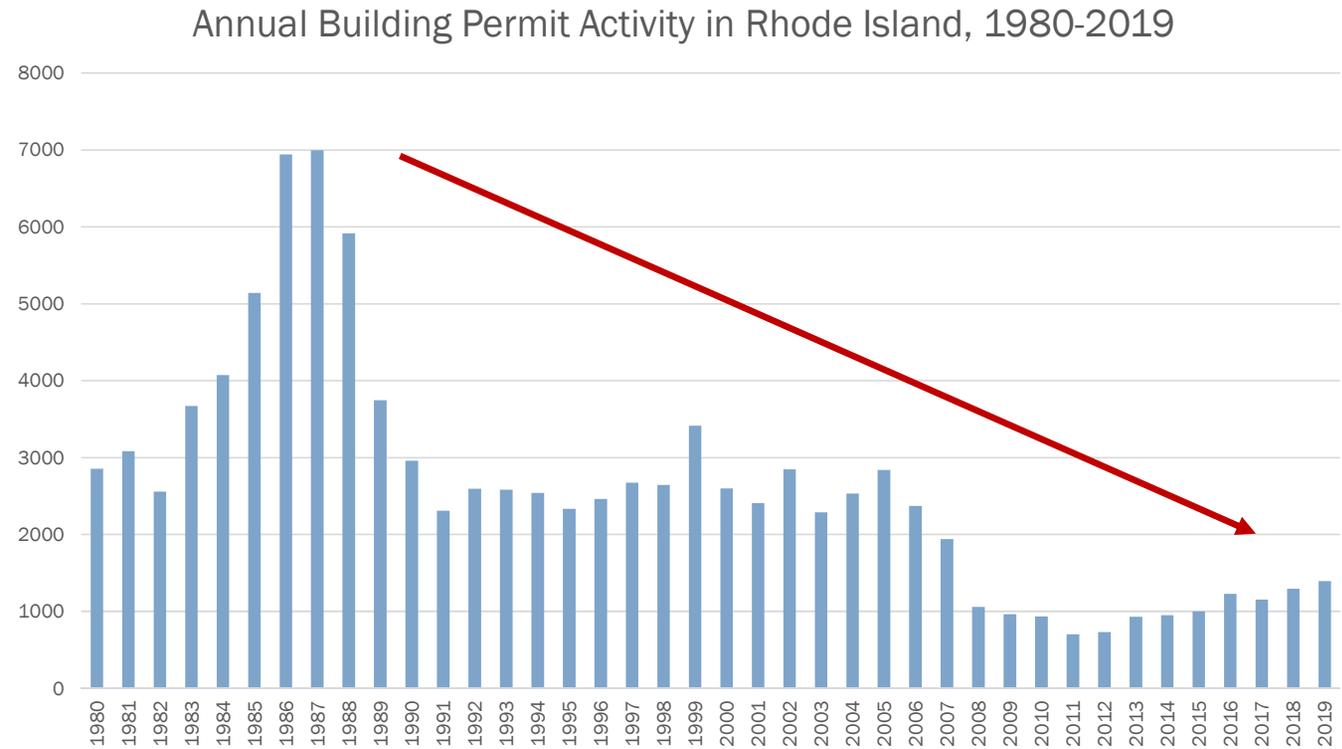
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Rhode Island Executive Office of Commerce

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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)



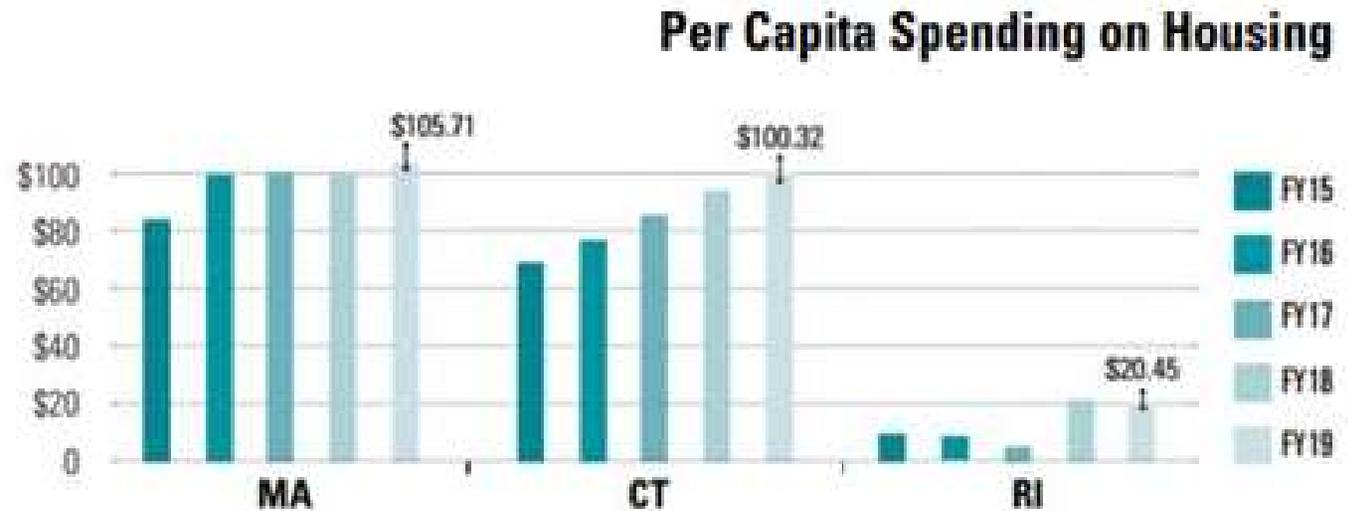
# Numerous challenges, including investment gap

## 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

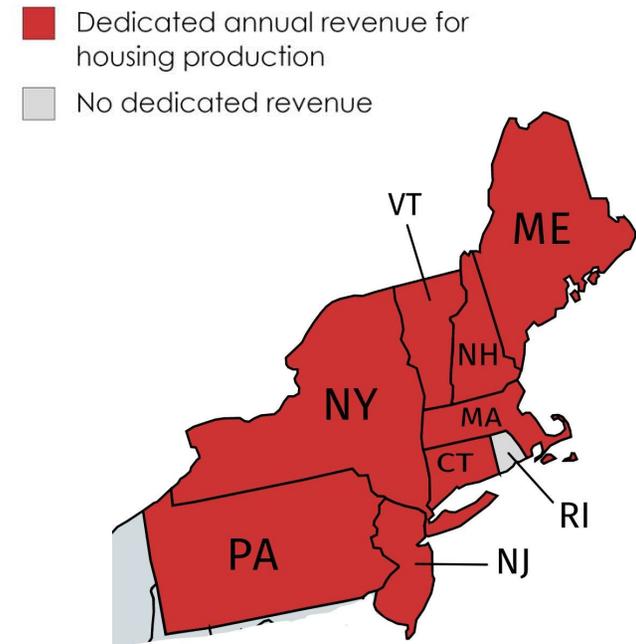
However, Rhode Island also invests dramatically less than its neighbors.



# 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**





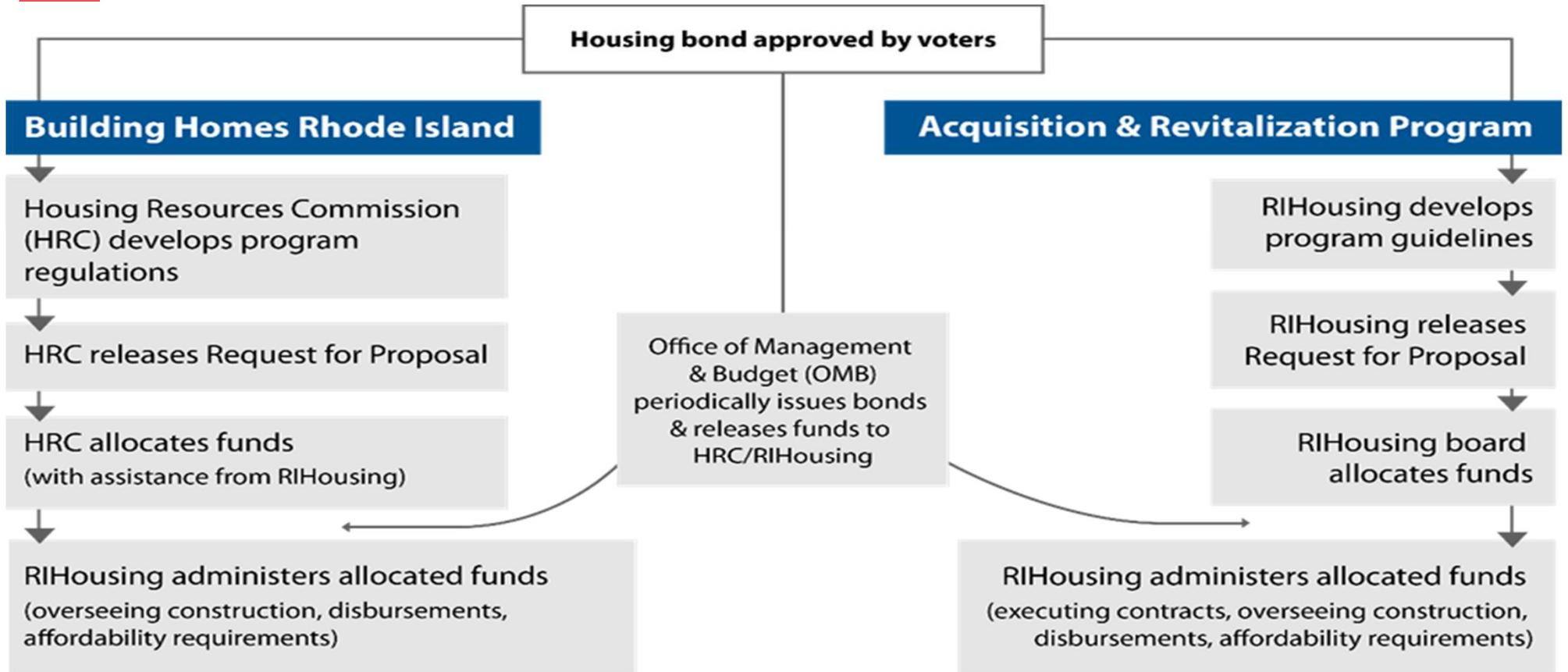
# Housing Bonds: Administration, Process, and Outcomes

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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

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- 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

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- 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.

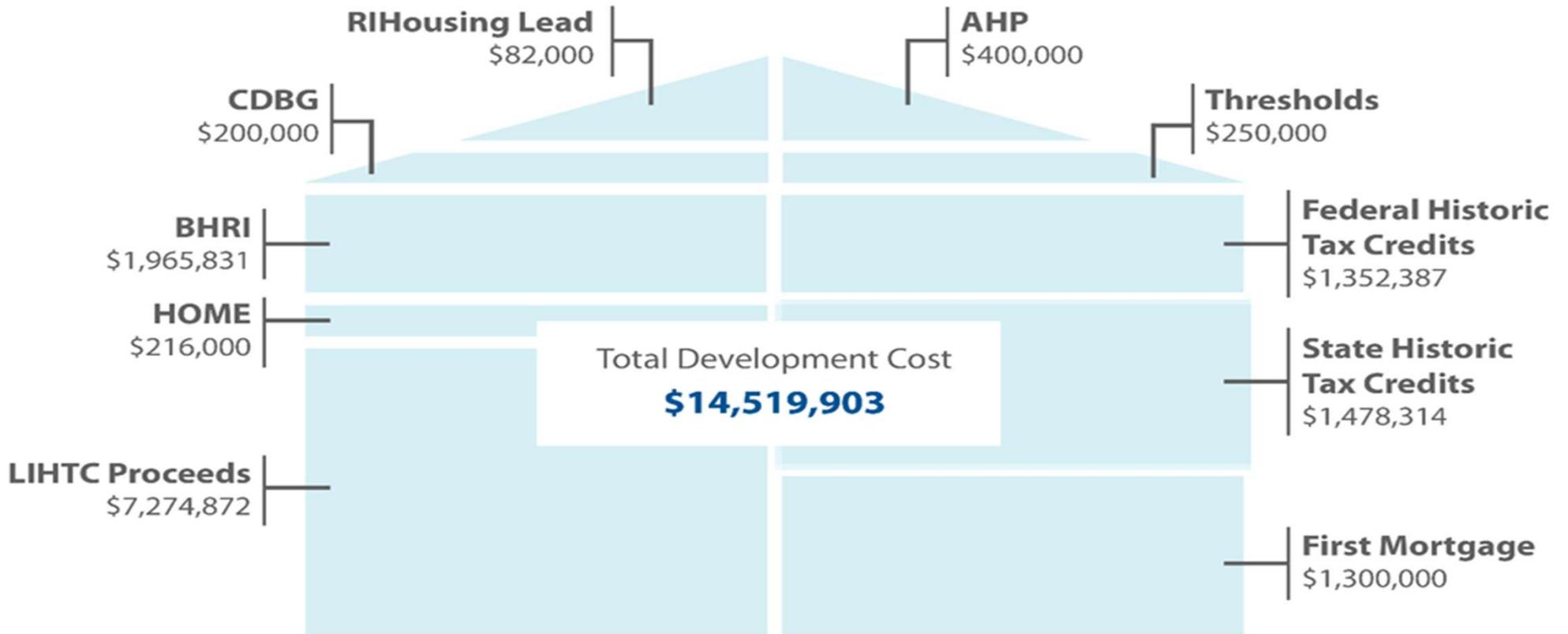
# ARP Outcomes



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

