



Senate Finance: Down Payment Housing Proposals

October 21, 2021

**RHODE
ISLAND**

Outline

- Building state government housing capacity
- Investing in Affordable Housing
- Cultivating development pipeline
- Housing stability



Building state housing leadership & capacity

- Deputy Secretary
- Office of Housing & Community Development
 - Now hiring
 - \$0.5 million for additional capacity proposed in Governor's down payment



ARPA Down Payment

Thanks to American Rescue Plan funds, we have a major opportunity to invest in affordable housing

- Gov. McKee's down payment proposal will make immediate investments in housing of \$29.5 million, beginning to chip away at the affordability crisis
- The proposal includes:
 - \$15 million to incentivize the development and renovation of affordable housing
 - \$12 million for a property acquisition grant program
 - \$1.5 million for housing stability and homelessness services
 - \$0.5 million for temporary contract staffing support at OHCD
 - \$0.5 million for broadband coordination and planning

Investing in Affordable Housing: Existing Tools

Thanks to the \$65 million bond passed in March:

- Building Homes Rhode Island (BHRI): \$50 M
 - Focuses on rental housing production and preservation (up to 80% AMI) and single-family home production (up to 120% AMI)
 - Received \$54 million in requests for the first round of applications.
- Acquisition and Revitalization Program (ARP): \$15 M
 - Focuses on redeveloping foreclosed and/or blighted properties, redeveloping vacant lots, and developing mixed-use/commercial properties.

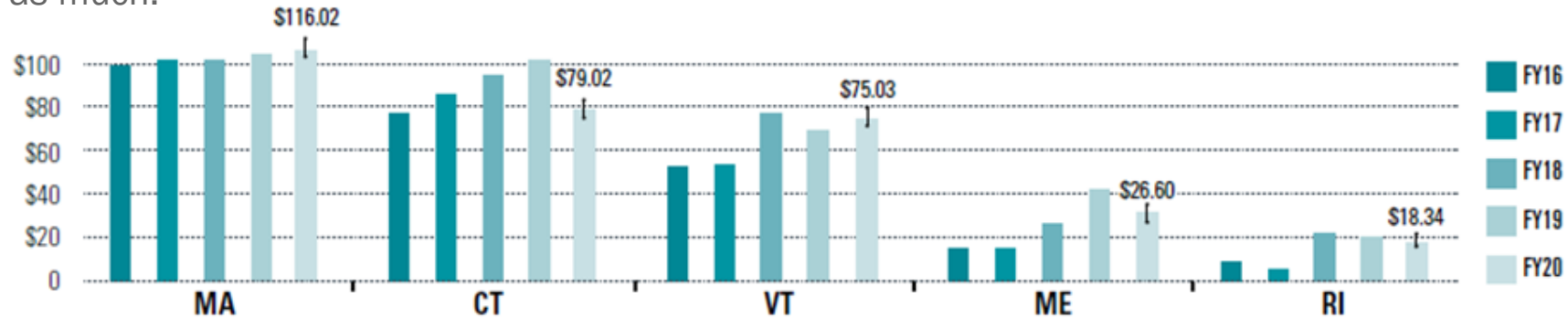
In addition to municipal supports, anticipate using the \$25 million Housing Production Fund for

- Gap financing for acquisition, preservation and new construction through BHRI.
- Production of Units for Extremely Low-Income (<30% AMI) Households
 - Acquisition, rehabilitation and new construction OR capitalized operating reserves

Additional affordable housing gap financing: \$15M

Despite this progress, we have more work to do. Proposing \$15 million in additional funding to support gap financing.

- In FY 2020 on a per capita basis, Massachusetts invested more than 6 times as much as we did, and Connecticut and Vermont invested 4 times as much.



Per capita spending on housing

Source: [HousingWorks RI 2021 Fact Book](#)

- Governor proposing \$15 million in State Fiscal Recovery Funds to support Affordable Housing production.
 - Would support projects for households with incomes of up to 80% AMI
 - Anticipate deploying these funds through the BHRI process.

\$12 million for Site Acquisition

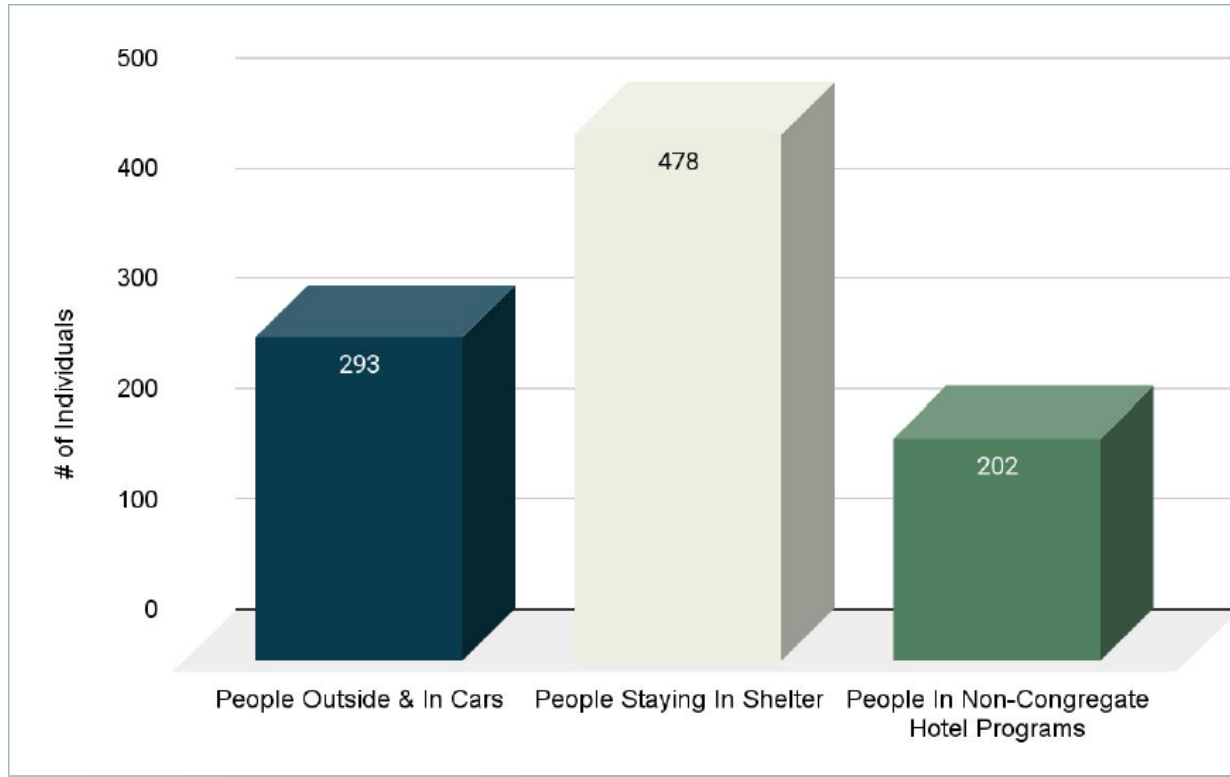
Governor's proposed down payment would invest \$12 million in site acquisition for developing Affordable and Supportive Housing.



- In 2020 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.
- Building on this program, would pursue sites for either Affordable or Supportive Housing.

\$1.5 million for Housing Stability

Proposed down payment proposal would allocate \$1.5 million for housing stability and homelessness supports



- From 2020 to 2021, Rhode Island experienced a 68% increase in unsheltered adults.
- Proposed supports include expanding housing navigation, stabilization, and mental health services for families and individuals.
- Builds on major federally-funded investments through CDBG and ESG funds.
- OHCD, working with the State’s Continuum of Care (COC), will work through an RFP under its Consolidated Homeless Fund. Expect to fund both existing and/or new providers to meet the need. The State will work with BHDDH and others to supplement funding with other resources, such as the home stabilization initiative, whenever possible.

Appendix

Additional info

Rhode Island 2030

Housing has emerged as a top area of interest in the Governor's 2030 visioning process.

- Stakeholders gave their input during digital community conversation
- 2030 working draft document available on [RI2030.com](https://ri2030.com).
- Upcoming public input sessions:
 - Tuesday, October 26, Harry Kizirian Elementary School (60 Camden Ave, Providence), 6 PM
 - Thursday, October 28, Hope & Main (691 Main Street, Warren), 5PM
 - Tuesday, November 2 at the Community College of Rhode Island (400 East Ave, Warwick), 5 PM
 - Thursday, November 4 at Innovate Newport (513 Broadway, Newport), 5 PM
 - Tuesday, November 9 at United Theatre (5 Canal Street, Westerly), 5 PM

“When we talk about housing affordability challenges, whether it's affordable housing or for-sale housing, it really is limitations on the availability of supply, and without additional construction, we're really not going to be able to address these affordability challenges.”
-Robert Dietz, Chief Economist and Senior Vice President for Economics and Housing Policy, National Association of Home Builders / Community Conversation Participant

“I think zoning is the racial justice issue of our time and... when I look at those numbers around homeownership rates for minorities in the state, which have not significantly budged since the late 1960s...that means that generations of families have been left out of the one solid way of creating wealth and stability for your family.”
- Brenda Clement, Director, HousingWorks RI / Community Conversation Participant

Cultivating the development pipeline

- **Site Readiness:** Applications currently being accepted through December 7, 2021. Info at <https://commerceri.com/site-readiness/>. Supports two categories of assistance:
 - **Site-specific planning and pre-development activities** including property surveys, master planning, engineering surveys, or environmental studies. Residential projects are generally awarded grants not larger than \$75,000.
 - **Municipal assistance.** This can include (1) LEAN consultations for streamlining processes; (2) building, zoning, or planning training/education; (3) assistance with writing zoning ordinances, updating comprehensive plans, etc.; (4) strategic planning support or marketing support that will lead to the development or redevelopment of significant sites.
- **Predevelopment Grant Fund:** \$700K, administered by RIH to support predevelopment activities including, but not limited to, permitting, design and engineering. \$250K maximum grant amount.
- **Capacity Building Grant Fund:** \$500K to support nonprofit development organizations. Anticipating \$50K maximum grant per organization.
- **Additional municipal supports via housing production fund:** Including additional financial assistance with zoning and planning reform and insurance against school cost increase from added students.