

CITY OF PROVIDENCE ANTI-DISPLACEMENT & COMPREHENSIVE HOUSING STRATEGY



FUNDING & IMPLEMENTATION PRIORITIES

Department of Planning and Development

Prepared for:

RI Low and Moderate Income Housing Commission

September 9, 2021



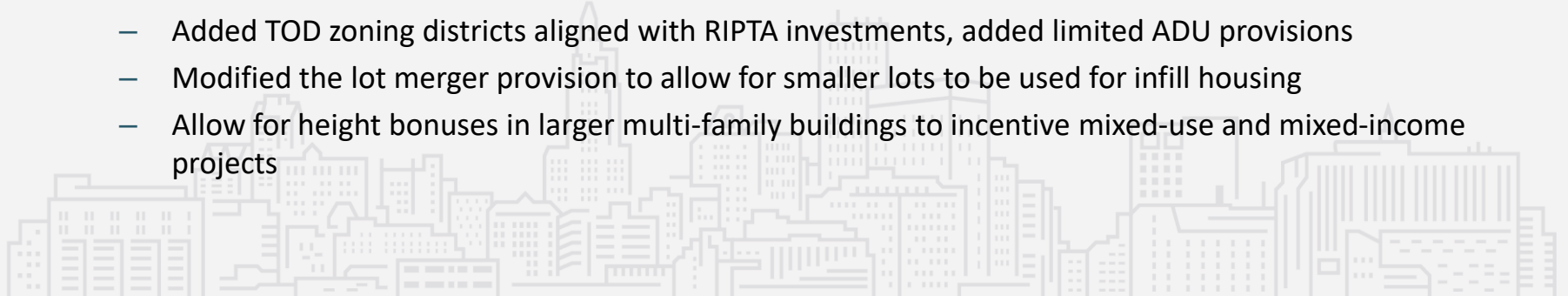
PROVIDENCE CONTEXT



Progressive, pro-housing regulations

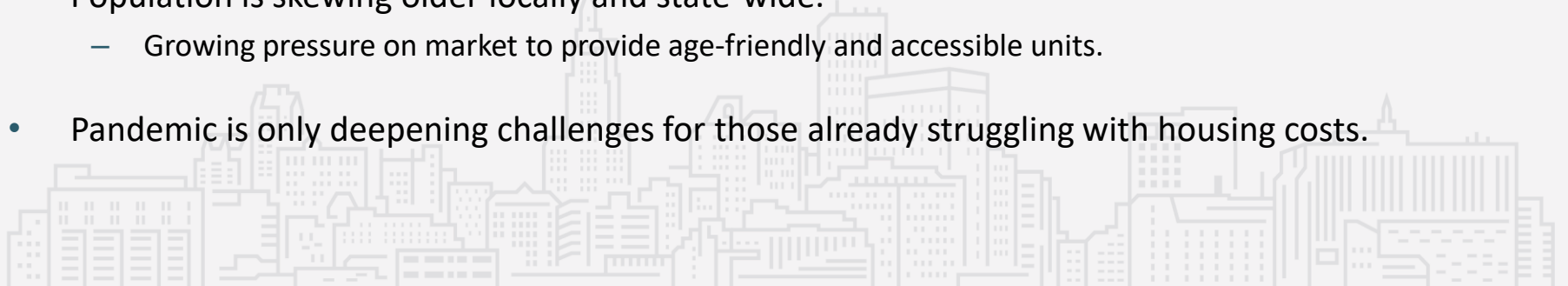


- Providence is a very dense city – 7th most dense mid-size city in US.
- City of multi-family neighborhoods, less than 14% of the city is zoned for single family housing.
- New **Comprehensive Plan and Zoning Ordinance** completed 2014 – reimagined the city’s policy and regulatory framework.
 - Priority to allow the historic pattern of development to be permitted by right
 - Reduced parking requirements, allowed for more density in all zoning districts
 - In R-1 zoning district, minimum lot size is 5,000 sq. ft. - equivalent to 8 units / acre
 - The R-3 zoning district allows 3 dwelling units on 5,000 sq. ft. - equivalent to 24 units/ acre
 - In R-4 the density is equivalent to 36 units / acre
 - In Mixed-Use zones, there is no density limits based on land area. Former manufacturing areas of the city allow for a broad mix of uses, including housing. Also, special allowance for historic buildings in residential areas (former schools, churches).
 - Added TOD zoning districts aligned with RIPTA investments, added limited ADU provisions
 - Modified the lot merger provision to allow for smaller lots to be used for infill housing
 - Allow for height bonuses in larger multi-family buildings to incentive mixed-use and mixed-income projects



Yes, but more work urgently needed

- City has met 10% minimum requirement of LMIHA, but local need far outpaces supply.
 - Prior to the pandemic, 64% of City households qualified as “housing cost-burdened”, with 24% meeting the definition of “severely cost-burdened”.
 - 60% of City households qualify as “low/moderate income”. Close to a third of all City households earn less than 30% of area median income (“extremely low income”).
- Rental market demand gap most acute for households earning at or below 30% of area median income.
 - Projected shortage of **7,300** price-appropriate rental units by 2030.
- Homeownership market demand gap largest for households earning 50-80% of area median income.
 - Projected shortage of **500** price-appropriate homeownership units by 2030.
- Population is skewing older locally and state-wide.
 - Growing pressure on market to provide age-friendly and accessible units.
- Pandemic is only deepening challenges for those already struggling with housing costs.



COMPREHENSIVE HOUSING STRATEGY – VISION AND GOALS



Vision

- Develop actionable ten-year housing plan with clear strategies and production goals to ensure Providence offers housing that is affordable, safe, and equitable.
- Build upon and unify affordable housing conversations and initiatives.
- Establish specific housing production targets for Providence.



Housing goals

- Provide rental and ownership housing choice opportunities for Providence residents of all incomes throughout all City neighborhoods.
- Encourage price diversity in all new housing development. Promote mixed income development.
- Promote more affordable housing development in high opportunity neighborhoods throughout the city.
- Invest in Providence's existing housing stock to preserve and enhance its affordability and quality.
- Increase funding sources available for production and rehab of housing in Providence.





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POLICY AND PROGRAM CHANGES



Recommended policy changes

policy



- ❖ Increase number of units allowed by-right in exchange for affordability commitment
- ❖ Require affordability commitment for longer tax stabilization terms
- ❖ Require minimum affordability commitment for 8% tax act benefits
- ❖ Create a multifamily tax rate between residential and commercial rates

zoning

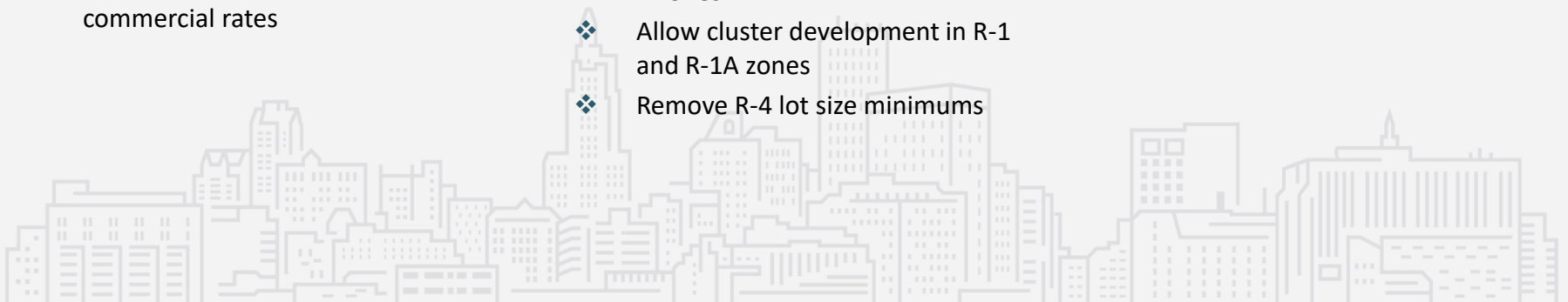


- ❖ Activate non-confirming lots for infill development
- ❖ Ease accessory dwelling unit restrictions
- ❖ Allow student housing by-right in R-4 zones
- ❖ Allow administrative approval for adaptive reuse in R-zones
- ❖ Expand rowhouse use in R-1 and R-2 zones
- ❖ Allow cluster development in R-1 and R-1A zones
- ❖ Remove R-4 lot size minimums

regulations



- ❖ Allow use of minor application timeline for developments that meet a minimum affordability threshold
- ❖ Make access to public funds contingent on long-term affordability commitment



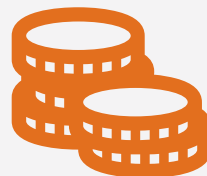
Recommended program changes

home repair



- ❖ Create a sliding scale for rehab assistance based on fixed criteria
- ❖ Make rehab loan repayments monthly
- ❖ Make rehab loans available to households earning more than 80% AMI
- ❖ Increase rehab program benefits in targeted neighborhoods

down payment and closing cost



- ❖ Modify benefits formula by household income and make changes to maximum benefits
- ❖ Offer interest rate buy-down for current Providence renters
- ❖ Increase benefits in target neighborhoods to increase homeownership

leveraging strategies



- ❖ Codify & align decision matrix criteria to prioritize investments of all City-run programs



Proposed programs and initiatives

production/rehab



- ❖ Require and incentive universal design to make housing accessible to all
- ❖ Layer development financing funds to reach lower AMI
- ❖ Create a local housing voucher program
- ❖ Create a property acquisition fund
- ❖ Create a standalone energy efficiency, accessibility, and purchase-rehab programs
- ❖ Implement a Right of First Refusal policy to maintain affordability through deed restrictions

code compliance



- ❖ Require that all rental housing units register with the City annually
- ❖ Require all units pass code compliance and receive a Certificate of Habitability
- ❖ Create a compliance rehab program available to landlords

landlord tenant strategies



- ❖ Expand tenant advocacy support
- ❖ Engage landlords in discussion of policy and program changes and updates
- ❖ Continue source of income protection advocacy
- ❖ Provide a landlord rehab assistance program for units available to income-qualified tenants





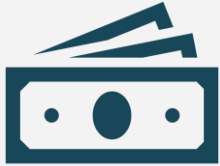
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FUNDING STRATEGIES



Recommended funding strategies

new city revenues



- ❖ Increase tax stabilization commitment to affordable housing
- ❖ Create a dedicated ad valorem millage for affordable housing
- ❖ Implement a linkage fee for commercial development
- ❖ Launch new Housing Bond to capitalize the Providence Housing Trust
- ❖ Utilize Federal ARPA funds to invest in housing priorities

education and outreach



- ❖ Leadership education
- ❖ Bring partners together
- ❖ Build implementation capacity
- ❖ Explore new funding strategies
- ❖ Increase access to funding

leveraging strategies



- ❖ Draw attention to specific underserved areas
- ❖ Create focused partnerships
- ❖ Build a neighborhood investment fund
- ❖ Design an equity investment fund
- ❖ Coordinate with State partners on best use of federal funds for housing





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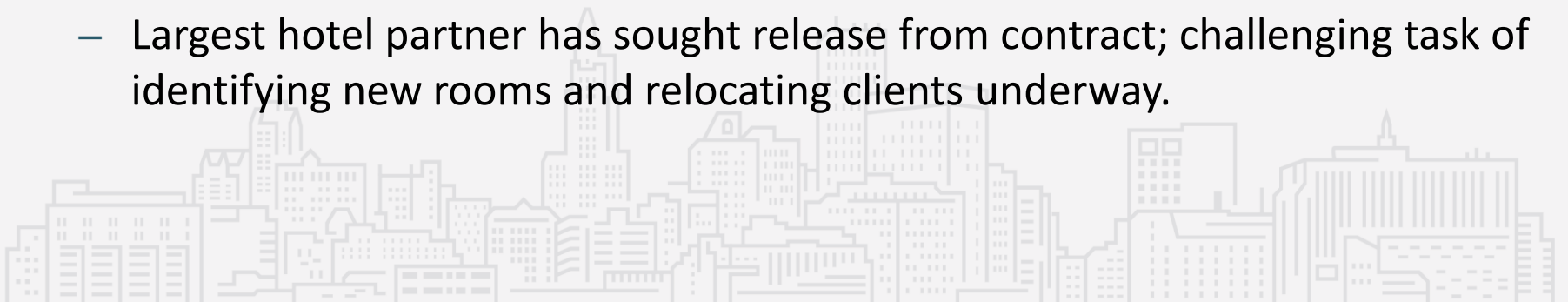
FUNDING PRIORITIES



Address urgent needs

EXPAND OVERFLOW & NON-CONGREGATE SHELTER CAPACITY

- Pilot or expand overflow and non-congregate shelter projects to reduce shelter waitlists & provide safer alternative to sleeping in places not meant for human habitation.
- Work with State to identify additional hotel partners to provide non-congregate shelter opportunity.
 - FEMA reimbursement for non-congregate & quarantine/isolation slated to end 11/30.
 - Largest hotel partner has sought release from contract; challenging task of identifying new rooms and relocating clients underway.



Increase overall supply of units

PRODUCE

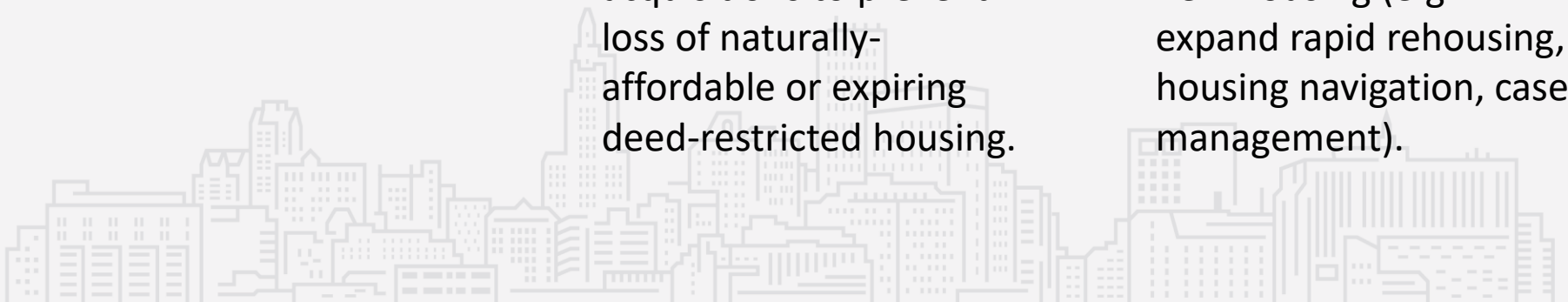
- Provide development subsidy to projects via Providence Housing Trust to accelerate and increase production of deeply-affordable housing units.

PRESERVE

- Ensure existing housing stock is safe, healthy and habitable
 - Lead abatement
 - Expanded rehab lending
- Pursue strategic acquisitions to prevent loss of naturally-affordable or expiring deed-restricted housing.

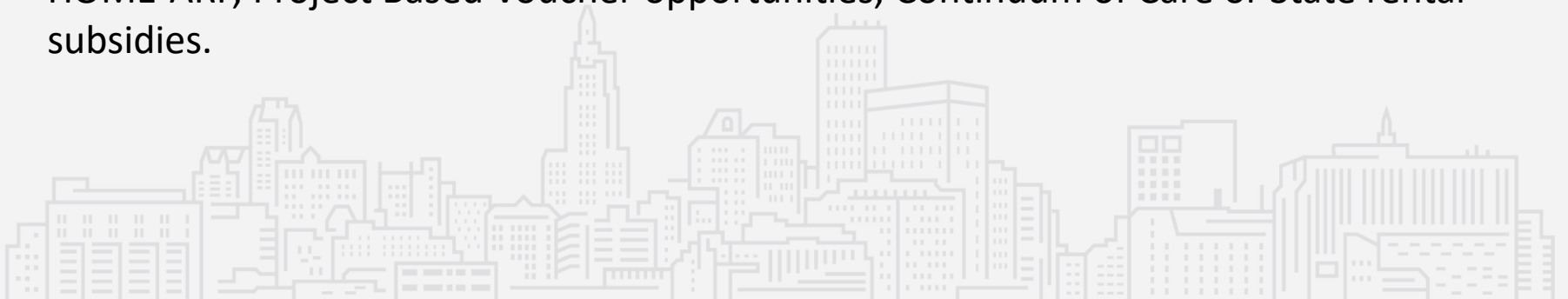
PROTECT

- Provide protections to prevent loss of housing (e.g. eviction defense, diversion).
- Help households who have been displaced to rapidly obtain & sustain new housing (e.g. expand rapid rehousing, housing navigation, case management).



Production of housing

- Invest additional funds in new construction.
- Grant subsidy is needed to enable development of critical deeply-affordable housing units.
 - Create subsidy fund within Providence Housing Trust with targeted goal of accelerating permanent-supportive housing projects in pipeline (ex. Summer Street I & II, Kintsugi Place, others) and increasing overall production of deeply-affordable rental housing units. Est. cost: \$15M.
- Leverage Providence Housing Trust low-interest construction lending (\$25M), HOME-ARP, Project Based Voucher opportunities, Continuum of Care or State rental subsidies.



Preservation of housing

- Invest in our existing housing stock and naturally affordable units.
- Ensure existing naturally-affordable housing stock is safe, healthy and habitable.
 - Fund and utilize Providence Housing Trust to expanded rehab lending in parallel with more proactive code enforcement (Rental Registration & Certificate of Habitability pilot).
- Pursue strategic acquisitions to prevent loss of naturally-affordable or expiring deed-restricted housing.
 - Establish a fund under Providence Housing Trust to pursue properties that would otherwise be lost as affordable inventory.
- Leverage rehab funds with Lead Safe Providence Program, ProvWater Lead Line Replacement Program.



Protect & stabilize

- Expand efforts to keep households in existing units.
- Continue and expand protections to prevent loss of housing (e.g. eviction defense, diversion programs).
- Help households who have been displaced to rapidly obtain & sustain new housing.
 - Sustain increased levels of rapid rehousing investment for 2-3 years (est. cost: \$5M) to expedite transition from shelter into housing.
- Leverage Consolidated Homeless Fund (ESG, Title X, HRC funding), Medicaid reimbursement for stabilization services.



Closing thoughts & discussion

- The thoughtful alignment of local and State federal recovery funds will enable the big, strategic investments in a short window of time needed to move the needle on housing in RI.
- The comprehensive approach that Providence has taken on policy, regulation, programming and funding can be helpful to other municipalities as we work toward a more robust statewide approach to address the housing crisis in Rhode Island.





Additional comments or questions? Please email:
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<https://www.providenceri.gov/planning/comprehensive-housing-strategy/>

THANK YOU

