

at Roger Williams University

RI Housing Affordability and the Creation of Equitable Housing After COVID-19

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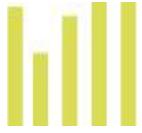
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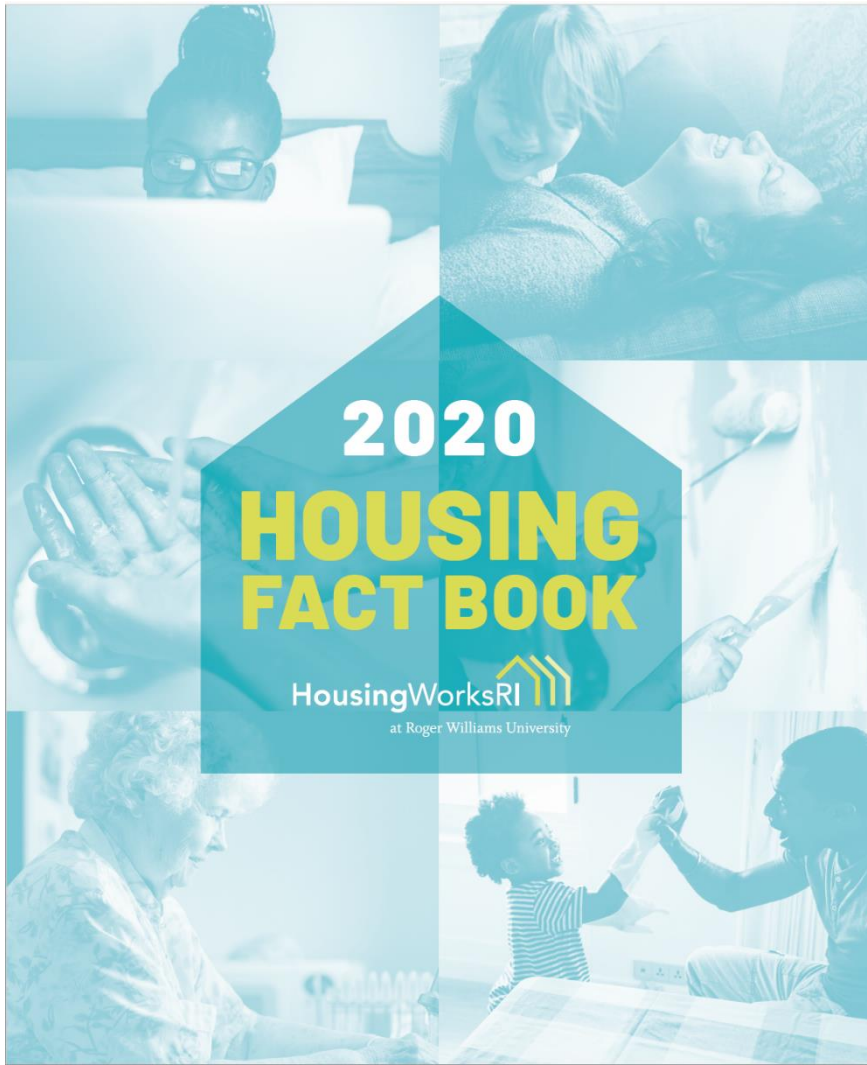
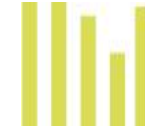
Prepared for

RI Low and Moderate Income Housing Commission

August 17, 2021



About HousingWorks RI at RWU



- Founded in 2004, integrated into Roger Williams University in 2014
- Conduct research and analyze data related to housing affordability in Rhode Island
- Connect the dots between housing affordability and economic development, and outcomes in health and education
- **Publish annual Housing Fact Book** in addition to Issue Briefs and special reports
- Please visit www.housingworksri.org for all!

Today's Presentation

- What Do We Mean by Housing Affordability?
- Creating Equitable Housing Choices
- The Role of Municipalities

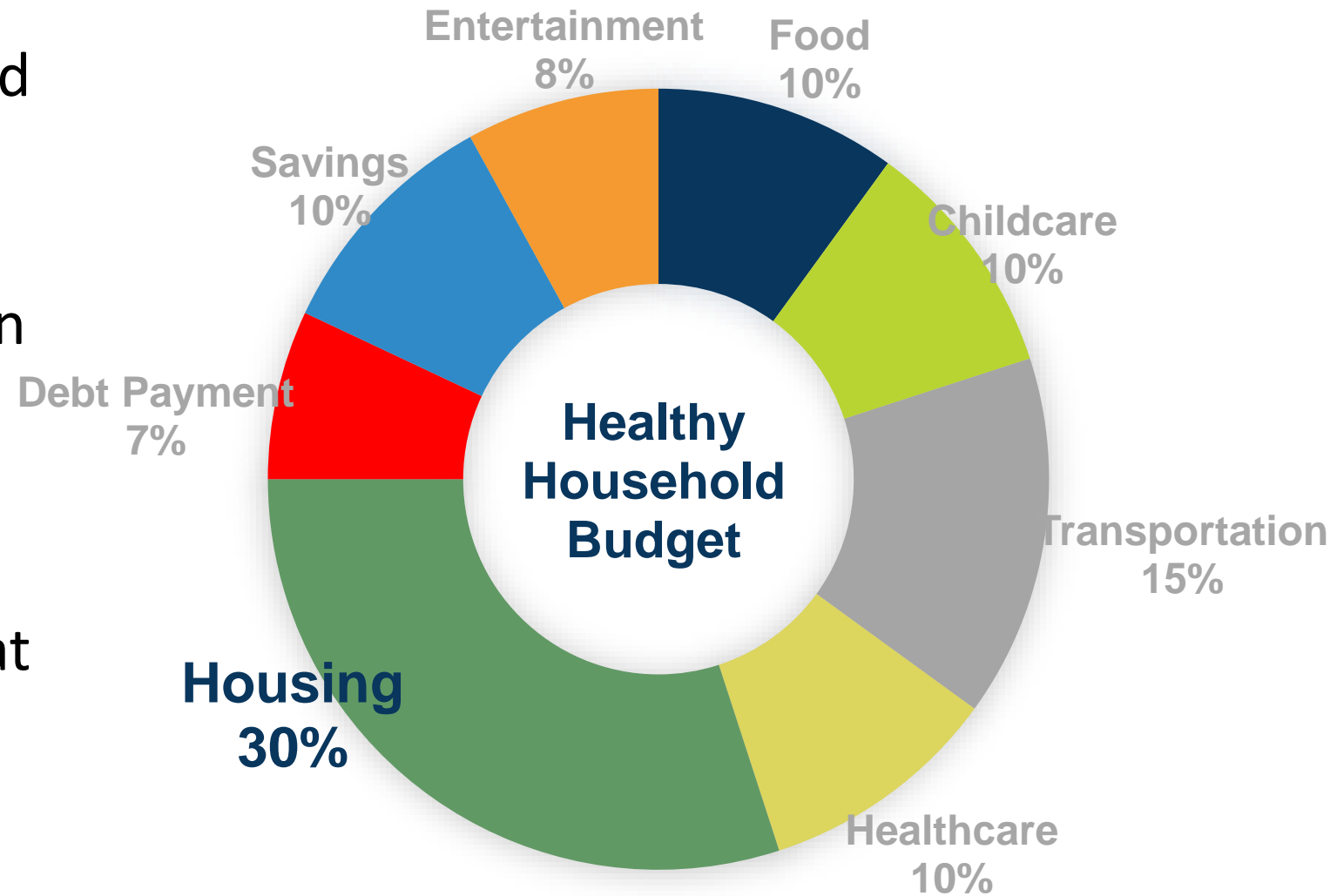


What is “affordable”?

In the US, a home is considered affordable if it costs less than **30%** of household income.

If a household pays MORE than 30% it is considered “housing cost burdened.”

For a household at our state’s median income of \$63,296 that would be about \$1,500. For a median renter household of \$34,255, it would be \$856.



Two Paths to Affordability

1. [Market-priced Affordable](#) (aka “naturally occurring”)
 - Real estate market prices may be affordable.
 - Sufficient income may allow for housing costs to remain at or below 30% of a household’s income.
2. [Long-term Affordable](#)
 - A [subsidy](#) (Federal, state, or municipal) is used to create the home.
 - [Deed restricted](#) to guarantee affordability to low- and moderate-income households for 30+ years.
 - As defined by 45-53 Low Moderate Income Housing Act.



RI Definition “Affordable Housing”

R.I.G.L. 42-128-8.1(d)(1)

“Affordable housing” is residential housing that has a sales price or rental amount that is within the means of a household that is moderate income or less.

Ownership: Housing in which principal, interest, taxes, and insurance constitute no more than thirty percent (30%) of the gross household income for a household with less than one hundred and twenty percent (120%) of area median income, adjusted for family size.

Rental: Housing for which the rent, heat, and utilities constitute no more than thirty percent (30%) of the gross annual household income for a household with eighty percent (80%) or less of area median income, adjusted for family size.



RI Definition “Low and Moderate Income Housing”

R.I.G.L. 45-53-3(9)

"Low or moderate income housing" means any housing whether built or operated by any public agency or any nonprofit organization or by any limited equity housing cooperative or any private developer

- **subsidized by a federal, state, or municipal government subsidy** under any program
- **assist the construction or rehabilitation of housing affordable to low or moderate income households**, as defined in the applicable federal or state statute, or local ordinance and
- **remain affordable through a land lease and/or deed restriction** for ninety-nine (99) years or such other period that is either agreed to by the applicant and town or prescribed by the federal, state, or municipal government subsidy program but that is **not less than thirty (30) years from initial occupancy**.



RI Definition “Consistent with local needs”

R.I.G.L. 45-53-3(4)

means **reasonable in view of the state need for low and moderate income housing**, **considered with the number of low income persons in the city or town affected and the need to protect the health and safety of the occupants of the proposed housing or of the residence of the city or town**, ... and if the local zoning or land use ordinances, requirements, and **regulations are applied as equally as possible to both subsidized and unsubsidized housing**. Local zoning and land use ordinances, requirements, or regulations are consistent with local needs when imposed by a city or town council after comprehensive hearing in a city or town where: (i) Low or moderate income housing exists which is: **(A) in the case of an urban city or town which has at least 5,000 occupied year-round rental units** and the units, as reported in the latest decennial census of the city or town, comprise twenty-five percent (25%) or more of the year-round housing units, is in excess of fifteen percent (15%) of the total occupied year-round rental units; or **(B) in the case of all other cities or towns**, is in excess of **ten percent (10%)** of the year-round housing units reported in the census.



§ 42-128-8.1. Housing production and rehabilitation.

(a) *Short title.* This section shall be known and may be cited as the "Comprehensive Housing Production and Rehabilitation Act of 2004."



Municipalities That Meet or Exceed 10% Goal

1. Burrillville
2. Central Falls
3. Newport
4. New Shoreham
5. Providence
6. Woonsocket

**Municipalities that fall under the law's current "exemption" that have not met the goal:
Cranston; East Providence; North Providence; Pawtucket; Warwick; West Warwick**

Have greater than 5,000 rental units and more than 25% of their housing stock is rental units;
and 15% of that stock is subsidized.



RHODE ISLAND

POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME
1,056,611	410,885	\$63,296

60% OWN

40% RENT



HOUSING COSTS

► MEDIAN SINGLE FAMILY

Home price	\$285,000
Monthly housing payment	\$2,069

5 YEAR COMPARISON

2014	↑	2019
\$232,407		23% INCREASE

\$82,755

Income needed to afford this

► AVERAGE 2-BEDROOM RENT

Rental payment	\$1,651
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5 YEAR COMPARISON

2014	↑	2019
\$1,628		1% INCREASE

\$66,040

Income needed to afford this

Income Gaps

Median household income: \$63,296 (-\$569)

Median renter income: \$34,255 (-\$795)

2020 Prices

Single Family: \$319,900 (12.2% increase)

Multifamily: \$310,000 (14.8% increase)

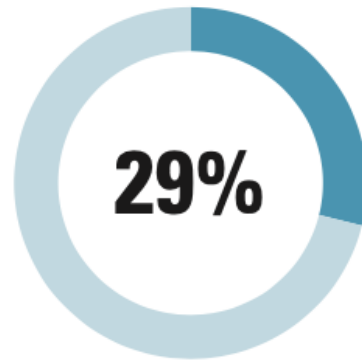


► COST BURDENED HOUSEHOLDS



145,320 HOUSEHOLDS ARE COST BURDENED

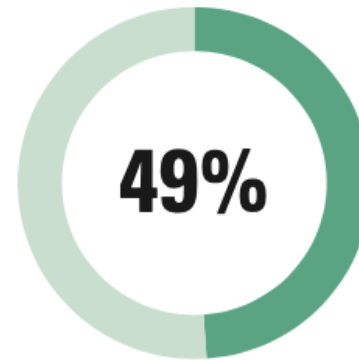
OWNER



= 70,823

Owner Households

RENTER



= 74,497

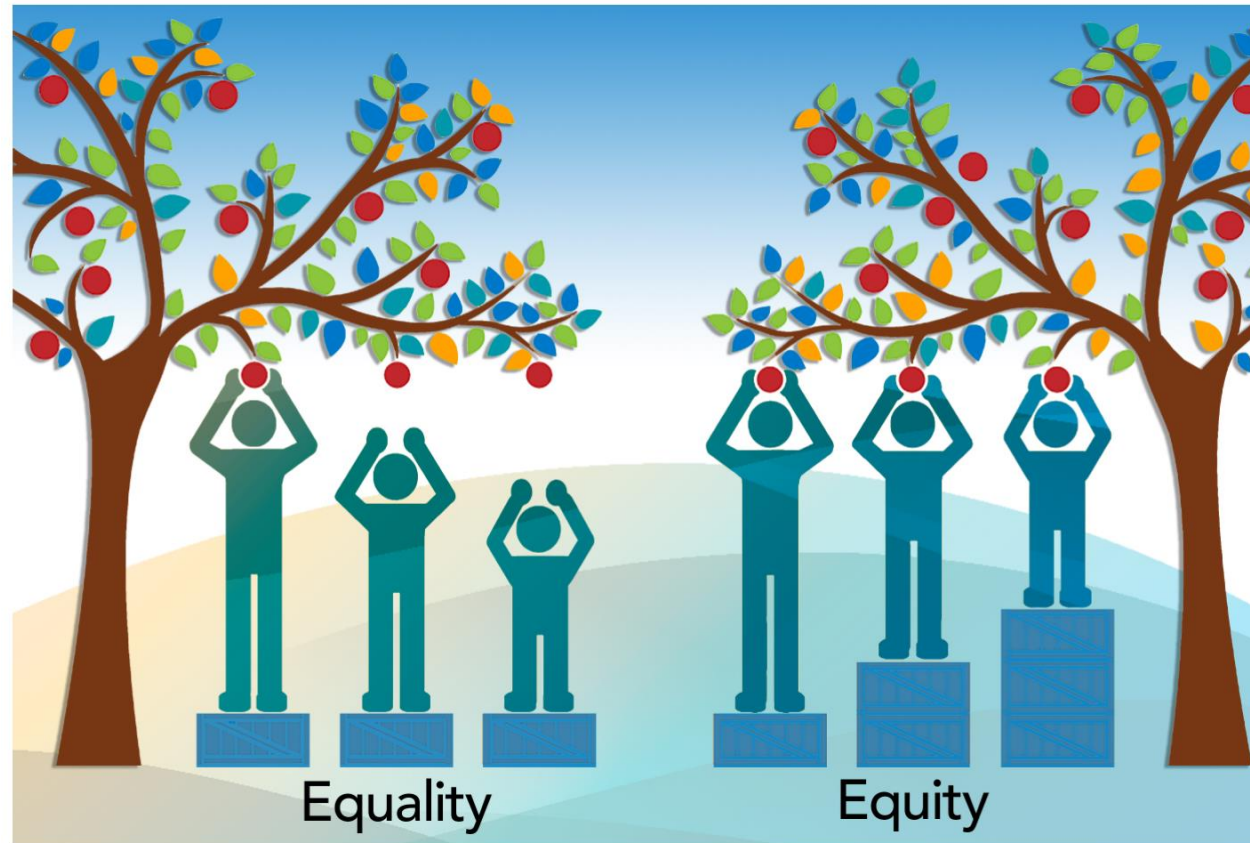
Renter Households

A household is considered burdened if it spends 30% or more of its income on housing costs.



COVID-19

What is Equity?



© 2014, Saskatoon Health Region

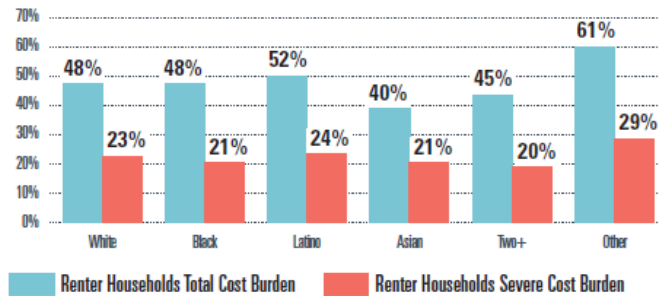
Zip Codes & Life Outcomes

- Housing is essential to human existence!
- Housing strengthens Social Determinants of Health (SDOH)
- Housing affordability helps to support local and state economies. When residents are not cost-burdened they have more money to spend on other goods and services!

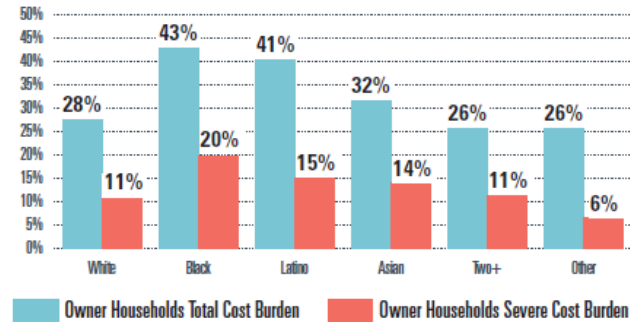


Inequities in RI's Housing Market

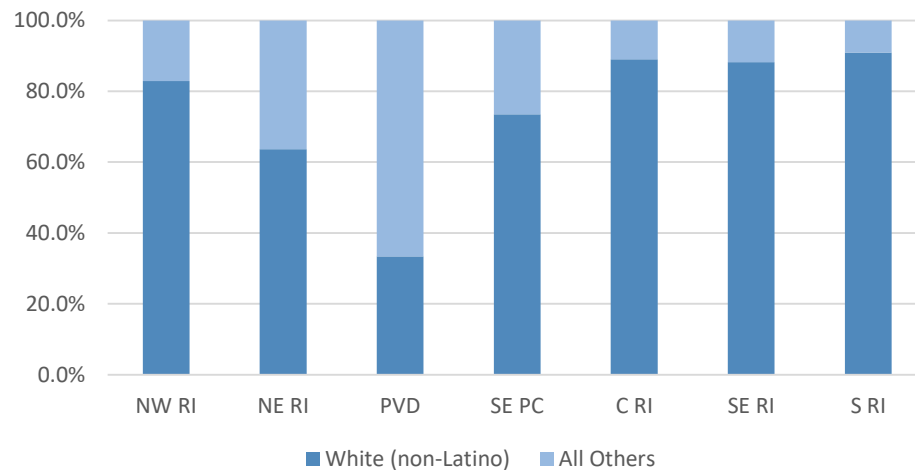
RENTER Cost Burdens by Race & Ethnicity



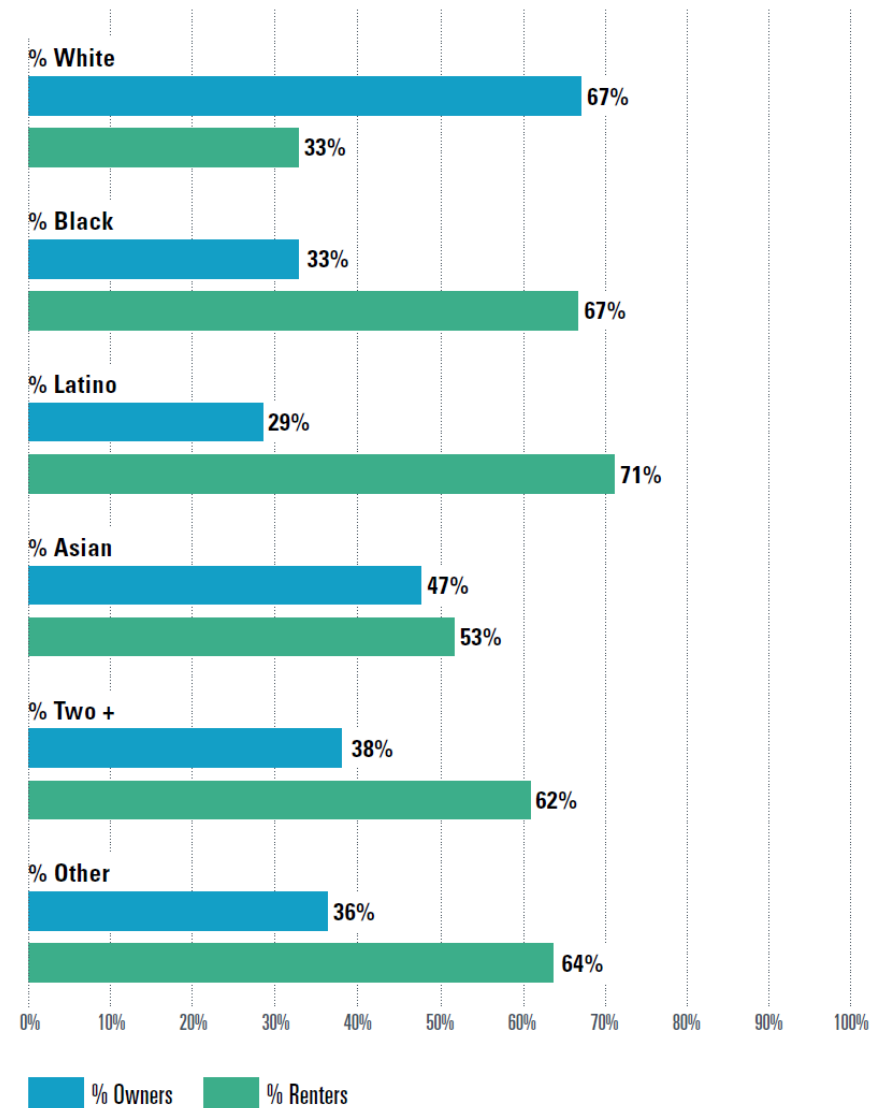
OWNER Cost Burdens by Race & Ethnicity



RI Regions by Race/Ethnicity



Rhode Island Tenure by Race & Ethnicity



Opportunity Indexes Offer Insights to Equity



Typical measures include:

- ✓ Housing
- ✓ Neighborhoods
- ✓ Education
- ✓ Health
- ✓ Transportation/Mobility
- ✓ Economy/Opportunity/Labor
- ✓ Environment
- ✓ Civic Engagement

How do we move
forward in a more
equitable way?



Equity Initiatives Across Rhode Island



Health Equity Zones



Federal Reserve Bank of Boston

- Bristol
- **Cranston**
- East Providence
- **Newport**
- North Providence/Johnston/Smithfield
- Pawtucket/Central Falls
- **Providence (2)**
- Washington County (9 municipalities)
- West Warwick
- Woonsocket



HOUSING DELIVERY SYSTEM: PARTNERS AND PROGRAMS

	Market Rate Affordable Stock ¹⁶		Long-Term Affordable Stock		Supportive Stock
PROGRAMS	OWNERSHIP Energy Efficiency Upgrades Home Modifications Home Repairs Lead Remediation Septic System & Sewer Tie-In Loans Weatherization	RENTAL Housing Choice Vouchers HUD-Veterans Affairs Supportive Housing (VASH) Vouchers	CAPITAL ASSISTANCE Building Homes RI HOME Investment Partnerships Program Low-Income Housing Tax Credit Neighborhood Opportunities Program (NOP)	RENTAL ASSISTANCE Housing Opportunities for People with AIDS (HOPWA) HUD 202 HUD 811 Public Housing RHS 515 Section 8 / Rental Assistance Demonstration (RAD)	Emergency Shelters Permanent Supportive Housing Thresholds Transitional Housing
PARTNERS	Community Action Agencies (7) Municipal Offices of Community Development Nonprofit community development corporations (13) Private developers Public Housing Authorities (25 local, 1 statewide) RIHousing Section 8 Public Housing Agencies (2)				Homeless Service Providers (43)
FUNDING & OVERSIGHT	FEDERAL: Internal Revenue Service (IRS) US Department of Agriculture (USDA) US Department of Health & Human Services (HHS) US Department of Housing & Urban Development (HUD) US Department of Veterans Affairs STATE: RI Department of Environmental Management RI Department of Health RI Governor's Commission on Disabilities RIHousing RI Infrastructure Bank RI Office of Housing & Community Development (OHCD) RI Housing Resources Commission (HRC) PRIVATE: Housing Tax Credit Equity Investors Local Initiatives Support Corporation (LISC) RI Private Financial Institutions Rhode Island Foundation United Way of Rhode Island				

Municipal Roles in Creating Equitable Housing

- **Planning & Zoning:** Support a variety of housing choices that connect to opportunity
- **Code Enforcement:** Ensure the health and safety of residents and neighborhoods
- **Public Works:** Support the ability of a variety of mobilities and abilities



What is in your municipal housing tool box?

► HOUSING TOOLBOX



Ten Housing Strategies

ADU - ACCESSORY DWELLING UNITS

AHTF - AFFORDABLE HOUSING TRUST FUNDS⁵³

AR - ADAPTIVE RE-USE

G/VC - GROWTH/VILLAGE CENTERS

CP - COMPREHENSIVE PERMIT (§ 45-53-4)

FZ - Flexible Zoning

ID - INFILL DEVELOPMENT

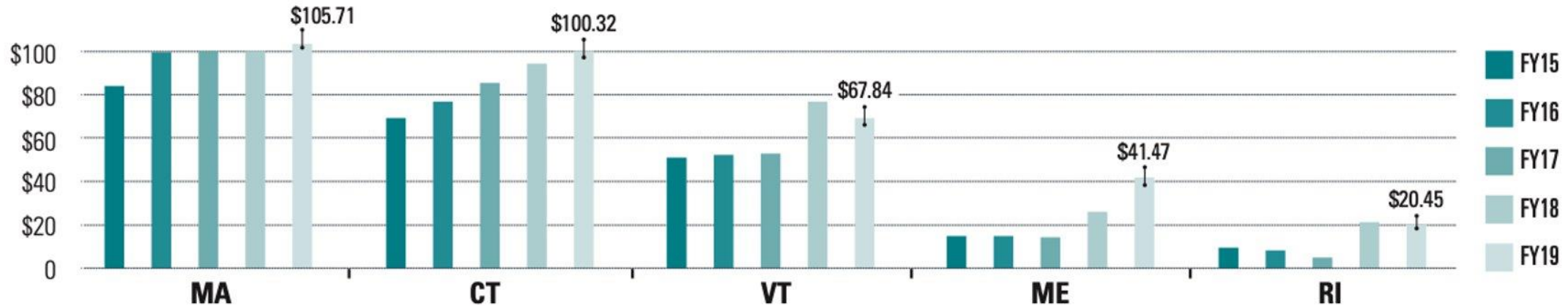
IZ - INCLUSIONARY ZONING

MU - MIXED USE

TOD - TRANSIT-ORIENTED DEVELOPMENT



Rhode Island Lags New England on State Investment in Affordable Homes



RESULTS FROM LAST THREE HOUSING BONDS:

- ✓ More than 3,200 new & preserved long-term affordable homes in 34 municipalities
- ✓ Supported >4,000 construction jobs
- ✓ Generated approximately \$650M in public and private investments—accounting for a 5:1 return on investment

Moving Forward

- Support for **new bond funding for housing and infrastructure**
- Incorporate proactive steps for equity in housing & transportation in **local comprehensive plans**
- Across the US, many municipalities are thinking innovatively about how to accomplish housing affordability, especially “market-rate” affordable
 - Minneapolis eliminated single-family zoning
 - Zoning to accommodate new types of structures; e.g., Accessory Dwelling Units, “tiny” homes, “adult dorms”
- Overcome long history of discrimination that has resulted in significant disparities that affect life outcomes



More Resources

Local:

- www.housingworksri.org
- Housing & Homelessness News Digest: acola@rwu.edu
- HomesRI

Websites/Listservs:

- StrongTowns
- Building Healthy Places
- CityLab
- PolicyMap

Indices:

- AARP Livability Index
- Opportunity 360
- PAHRC Neighborhood Opportunity Tool

Books:

- *Color of Law*, Richard Rothstein



HousingWorks RI



@hwri



THANK YOU!

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