

RI 2030 PRIORITY: PRIORITIZING HOUSING

Having enough housing at each level of affordability, from subsidized affordable housing to rental units to starter homes and beyond, is a key attribute of a healthy and growing region. While Rhode Island's overall population growth has been slow, natural loss of units coupled with demand for housing from both Rhode Islanders and those from out of state has been strong. This increased demand has pushed up prices and reduced the available supply for Rhode Islanders across the state. For Rhode Island to be an attractive place to live, work, and raise a family, the State needs to address the availability, quality and affordability of housing while also paying particular attention to those Rhode Islanders with specific housing needs: those with less income, those with disabilities, those who want to age in their home, and those who are experiencing homelessness. Housing and homeownership also have important roles to play as we seek to create opportunities for families throughout Rhode Island – across the regions of our state and across income levels – and to build wealth for themselves and future generations.

WHAT WE HEARD FROM YOU

- Housing affordability is a statewide challenge across all income, racial, and age groups—but especially for low- and moderate-income households. Households of color are disproportionately impacted.
- Housing supply has consistently fallen short of demand, resulting from a range of barriers (e.g., financing challenges, workforce shortages, local planning, and zoning factors).
- Specific housing challenges face Rhode Island, including homelessness, inadequate senior housing, an aging housing stock, and inequity in homeownership rates.



CURRENT STATE AGENCY INITIATIVES

Rhode Island has several programs and initiatives that address housing challenges in the state, including eviction assistance, affordable housing support, permanent supportive housing, and more. This includes deploying more than \$11.6 million in rental assistance through Safe Harbor and Housing Help RI and more than \$53 million (and counting) through Rent Relief RI to thousands of Rhode Island families throughout the pandemic; implementation of a five-year Pay for Success permanent supportive housing pilot; and efforts to eliminate health hazards (lead, asbestos, etc.) and improve accessibility in our housing stock.

RI 2030 HOUSING GOAL: By the next decade, Rhode Island will have a growing and ever-improving housing stock that is affordable, accessible, and meets the needs of all Rhode Islanders.

HOUSING OBJECTIVES

- Establish a target level of housing production, drawing from pre-2008 levels as a reference point and through the development of a statewide housing plan informed by stakeholder and community input, to approach and meet the level of demand demonstrated across the array of income levels and communities.
- Reduce the percent of families in Rhode Island that are housing cost burdened.
- Reduce the disparity of homeownership rates for Rhode Island households of color.
- Increase the accessibility of Rhode Island's housing stock to seniors and those with disability challenges and reduce housing conditions contributing to health issues.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

The main issue facing many Rhode Islanders looking for housing is one of affordability driven by low supply. The lack of consumer spending and generous fiscal policy during the pandemic has increased demand for real estate. In addition, buyers from other states accounted for 26% of total sales in the second quarter of 2021, compared with 21% in the spring of 2020, and the average single-family home was on the market for only 27 days in June 2021, compared to over 50 days in June 2019 and 2020. Furthermore, Rhode Island's older housing stock needs updating with everything from disability access to weatherization to lead abatement. Finally, Rhode Island is facing a lack of skilled workers in the construction sector.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC (CONT.)

Building construction employment increased 28% from 2010, which is ahead of most New England states, but still lags behind Massachusetts and the country as a whole. While the increase in home prices has provided a boon for Rhode Island homeowners, the increase in housing prices exacerbates affordability challenges across income levels, as well as the lack of affordable housing, appropriate housing to allow people to age in place, and permanent supportive housing needed to reduce and eventually eliminate homelessness.

Homeownership is an important tool for building wealth. While homeownership rates in Rhode Island have been increasing since 2016 and are almost back to their pre-financial crisis high, there are large disparities by race and ethnicity. Moreover, approximately half of Rhode Island renters are cost burdened (spending over 30% of income on housing) and between 20-25% are severely cost burdened (spending over 50% of income on housing). Black and Latino owners are more likely to face a cost burden than White homeowners. In addition, Rhode Island's homeless shelter system is currently overburdened and, coupled with the broader housing system, does not meet demand. As of September 2021, there are 174 adults, 80 families with children, and 39 adult families currently living outdoors or in cars and on shelter waiting lists. After decreasing from 2017 to 2019, there was a 4.6% increase in homelessness in Rhode Island from 2019 to 2020, and the share of Black and Latino individuals experiencing homelessness exceeds their proportion of the state's population. We must do more to better serve the housing needs of Black and Latino Rhode Islanders.

In the short run, Rhode Islanders also face a potential wave of evictions as the federal moratorium ends. Prior to the COVID-19 pandemic, Rhode Island had one of the highest rates of eviction in the region (3.04% in 2016 compared to 2.34% in the country and 1.52% in Massachusetts, according to Eviction Lab data), while the state currently faces a low rental vacancy rate of 2.2% in Q2 of 2021. The economic crisis as a result of COVID-19 has presented major challenges to keeping impacted Rhode Islanders in their homes. If there was any doubt that housing is an essential component of the social determinants of health, Rhode Island's experience during the pandemic has shown the importance of having a safe and stable home, not only to safely quarantine and isolate to mitigate the spread of the virus but also to take care of ourselves and our families' overarching health needs.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Decrease the housing disparities by race and ethnicity that are currently common in the state.
- Increase the availability and ease of applying for financing for projects that advance the state's housing goals and would otherwise not be funded.
- Explore ways in which former commercial real estate can be creatively converted into residential housing.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS (CONT.)

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THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Increase housing production overall
 - Establish a statewide plan for increasing housing production and meeting the needs of Rhode Islanders in all 39 cities and towns, drawing upon stakeholder and community input.
 - Work with interested cities and towns across the state to create a more favorable planning, zoning, and development environment.
 - Invest in infrastructure so that more and denser housing can be built where there is demand while paying particular attention to current and future transit locations and economic development plans.
 - Support builders in conducting workforce development and help them find and train the carpenters, plumbers, electricians, and others who will build the housing we need.
 - Work with builders and educational institutions to invest in the construction workforce by creating internship opportunities for those interested in going into the trades.
- Increase affordable housing production in particular
 - Increase funding for affordable and supportive housing to levels that are, on a proportionate basis, equal to or exceed our neighboring states.
 - Utilize publicly owned property to develop affordable housing. Doing so may require legislative changes to property disposition processes as well as proactive analysis, technical assistance, and investments in preparing sites for development.
 - Explore innovative models to enable the acquisition of properties for development or conversion to affordable housing and accelerate their development.
 - Streamline the application process for affordable housing financing and development. Reduce the number of forms and application processes and explore unified or "one-stop" solutions.
 - Engage interested municipalities in a robust dialogue about how to reach the state's affordable housing goals and how municipalities can help achieve these goals. To be successful, cities and towns need the tools to focus on zoning within their local context so that more housing can be built in areas where there is demand and land. Work with municipalities on thoughtful reforms to land use, permitting, and code enforcement processes. Explore ways to increase incentives for interested municipalities to provide affordable housing to meet municipal and statewide goals, including measures such as accessory dwelling units (ADUs).
 - Invest in increased staff capacity at state, municipal, nonprofit, and development partners.

THE ROAD TO RI 2030: LONG-TERM ACTIONS (CONT.)

- Decrease homeownership racial disparities
 - Invest in significant levels of down-payment and other assistance to help bridge the racial and income-based divide in homeownership.
 - Expand opportunities for financial literacy and homebuyer training, homeowner counseling, and mortgage assistance products that take into consideration non-traditional income and credit histories, in multiple languages.
- Prevent homelessness
 - Create a centralized diversion assistance initiative to help households remain housed and to prevent homelessness.
 - Expand funding for rental assistance programs as well as services delivered through permanent supportive housing.
 - Increase availability of housing-based solutions in addition to shelter-based solutions and supportive solutions.
- Support healthy and accessible housing
 - Increase funding for property owners to make improvements to existing housing, including weatherization, lead abatement, and disability access.

“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

