

POLITICS

The state owns dozens of vacant properties. Could they be used for housing?



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PROVIDENCE – At a time when finding affordable housing is nearly impossible for many Rhode Islanders, the list of unused – or soon to be unused – state-owned properties is expansive.

From the Cranston Street Armory to vacant cottages on the Burrillville hospital complex to the former Shepard's Department Store spanning the entire block between Westminster, Clemence, Washington and Union streets in Downtown Providence, the acres of vacant land alongside state buildings, highways and long-finished projects and the closed group homes – all are sitting unused.

Why not repurpose them for housing? Or redevelop them? That's what the Housing Network of Rhode Island asked its members in a poll. They found two things: One, that "no one reported ever being outreached to regarding state properties available for redevelopment," and two, that there is a "lack of centralized information (public-facing) regarding the inventory of state owned properties."

As far as what to do with the properties, Melina Lodge, executive director of the Housing Network of Rhode Island, which describes itself as a trade organization for nonprofit housing developers and community development organizations, went to the Rhode Island State House on Monday with suggestions for a legislative study group.

Study group will look at unused, vacant, state-owned properties

The legislative study group met Monday for the first time since June, with only four of its 13 members present.

The panel was created by state legislators in May 2022 to look at the vast portfolio of state-owned and abandoned properties that remain unused – and potentially available for development – in the wake of the mortgage foreclosure crisis of the late 2000s, which "created an epidemic of vacant and abandoned properties throughout neighborhoods and cities across the United States," according to the resolution launching the committee.

"Rhode Island, and Providence in particular, were identified as areas 'hardest hit'," the resolution said.

The first assignment for the group: To "review of the costs and status of state owned vacant and abandoned properties" and recommend ways to "streamline the approval process for returning tax-delinquent properties to productive use."

Repurposing vacant properties comes with obstacles

In addition to the lack of centralized information on state-owned properties, the Housing Network members identified other obstacles to redevelopment, including that the "condition of properties means rehabilitation is often cost-prohibitive; local land-use requirements may restrict redevelopment opportunities; NIMBYism. Neighbors' opposition to development, particularly if affordable housing is component."

"Often these structures have been unoccupied for over a year and/or are beyond repair, can pose a serious danger to public safety and require costly insurance and additional expenses to the state, with that expense growing every year the property remains vacant or abandoned," Lodge's presentation states.

In her presentation, Lodge noted that cities and towns have a "right of first refusal when the state-owned properties become available, however, as written ... [the] timeframe for execution is unrealistic at only 30 days. Generally, municipalities require voter approval to acquire."

She cited the sale to the highest bidder of dozens of closed group homes over the last five years as an example of what's

to provide more affordable housing.

"The process is a bit strange," she said, "in the sense that the property goes to auction first. So there's an auction, there's a highest bidder and there's a winner. And at that point ... the municipality is engaged and they have 30 days to match the bid of the highest bidder.

"So the private market is in fact setting the price on what municipalities have to come up with. So we think that's problematic."

What are groups suggesting?

Among her suggestions, which might seem obvious if the state "prioritizes the redevelopment of state-owned properties for affordable housing": adopt a policy that says just that.

In addition, she recommends the state create a centralized list of state-owned properties that includes "address; current use of property; surrounding uses; description of property condition; underlying zoning and what type of development is permissible" and create a staff position responsible for "managing list and proactive outreach."

Jennifer Hawkins, the CEO of One Neighborhood Builders, began her own presentation with a different question: How can the state encourage cities and towns to conduct a similar inventory for municipally owned property?

Among the answers:

- "Incentivize. Municipalities that donate property for the provision of affordable housing receive boost (i.e. point allocation; set-aside of state housing capital; etc.)."
- Expand Rhode Island's "land bank" powers by passing legislation that: "Gives the state 'super-bid' power to acquire tax-delinquent properties prior to being auctioned off (i.e. New York and Nebraska) ... makes properties that have a RI Housing landbank loan tax-free to the developer; [Makes] municipalities whole."

As she explained, land banks, which can be government supported, quasi-governmental or independent nonprofit organizations, obtain land through a number of different mechanisms, including tax foreclosures, municipal government transfers, donations or open-market purchases.

Some state-sponsored projects are underway, including the potential relocation of once-homeless families to cottages on the state-run Zambarano hospital campus. But no one has moved in since the state's housing secretary disclosed the plan in late April.

Asked about the status, a spokesman for the administration of Gov. Dan McKee on Monday said, "The three cottages have undergone needed renovations and repairs. We have additionally been in dialogue with local officials and are working out final details. We will share additional information as we have it."

The Shepard building remains another question mark.

The state renovated the Shepard building for the University of Rhode Island and state Department of Education in 1995 at a cost \$34 million, and more recently served notice that it might move them out.

In January, the McKee administration confirmed that it had requested "conceptual proposals" for residential, retail and industrial uses, according to the request for information. It gave interested parties until Feb. 6 to submit ideas.

Asked on Monday where that effort stands, Department of Administration spokeswoman Laura Hart said only two developers responded – Cornish Associates and Paolino Properties – and the state has not taken the next step by soliciting requests for proposals.

Asked the status, she said: "The state has taken their input into consideration as the new leadership team at [the Department of Administration] works on both short-term and long-term best uses for the building. At present, the plan is for [the Department of Education] to remain in the building. Other tenants are under active consideration."

Asked what the two developers proposed, she said that state would not make their responses public because they could "impact potential vendors' responses" to future RFPs.

