I. Goal of the Housing Working Group: propose changes to the enabling legislation that will address the shortage of housing units statewide; create more tools to enable housing development; improve existing processes of development review

II. Enabling Legislation:

<u>Comprehensive Planning and Land Use Act</u> RIGL 45-22.2 <u>Subdivision of Land</u> RIGL 45-23 <u>Zoning Ordinances</u> RIGL 45-24

III. Issues & Potential Solutions:

- **a.** *Issue:* Restricting density by right diminishes the number of units that can be built and increases the cost per unit
 - i. Solutions:
 - 1. Reform statewide minimum lot sizes discussion around lot sizes standardized at the state level with different % or mix of lot sizes mandated for municipalities
 - 2. Amend ADU legislation for ease of use strike the language that requires ADUs to be removed after family member leaves
 - a. Need more information on what impacts ADUs have on resale, lending, and appraisal regulations
 - b. Need more clarity on how realtors define multifamily v. single family in sale process in relationship to ADUs
 - **3.** Allow for ease of redevelopment of single family stock to two family or small multifamily by right
 - 4. Enable the ability to convert large residential buildings to smaller units where feasible regardless of zoning limitations
 - 5. Encourage/mandate in the urban and dense suburban areas zero lot line development, town house (row houses) development, other creative development tools that would increase density
- **b.** *Issue:* Inability to develop multifamily housing throughout the state limits housing options in each municipality, impacts aging residents ability to downsize, and skews development to large, luxury single family development
 - i. Solutions:
 - **1.** Establish/mandate areas throughout the state that allow multifamily development "by right"

a. These requirements should vary for areas in an urban growth boundary and outside the boundary

- 2. Enable/mandate mixed use multifamily development in commercial zones
- **3.** Enable/mandate mixed use/multifamily development along state highways or transit corridors
 - a. These requirements should vary for areas in an urban growth boundary and outside the boundary
- **4.** Identify "transition zones" (areas between commercial/industrial and single family) statewide, where different types of housing development could be sited
- 5. Enable/mandate zoning within village centers to allow for infill or redevelopment that matches the existing fabric (make the existing building type legal to build)
 - a. These requirements should vary for areas in an urban growth boundary and outside the boundary

- c. *Issue:* Short Term rental and student housing Short term rental (Airbnb, vrbo, etc) has become a business and as a result, housing units are lost from the market. Additionally in college towns, student rentals, another form of short term rental, take housing out of the market.
 i. Solution:
 - 1. Enable communities to regulate short term rental
 - 2. Limit ADUs to long term rental. Ban the use of ADUs for short term rental
 - 3. Enable communities to regulate the conversion of housing to student housing
- **d.** *Issue:* Excessive parking requirements add cost to residential development, impact storm water runoff, and diminish number of units that could be built in some cases
 - i. Solutions:
 - **1.** Identify areas where future residential development could benefit by reducing or removing parking requirements
 - 2. Establish metrics that allow for different parking requirements for different projects taking into consideration siting near transit, senior development, etc.
 - 3. Look to model language from other states
- e. *Issue:* Drawn out development review process makes residential development more costly to build
 i. Solutions:
 - 1. Streamline approval processes for development, especially residential development
 - **a.** Eliminate public hearing for development that conforms to zoning and is not seeking variances or waivers
 - b. Minor subdivision approval by administrative officer
 - c. Bring development plan review into the land development process
 - **d.** Revise outdated legal standards that discourage any development or change ("least zoning relief possible")
 - e. Enable municipalities to transfer costs for third-party professional review and certification
 - **f.** Standardize the ability to appoint local board alternates; make it easier to achieve quorums
 - g. Standardize the definitions of zoning districts
 - **h.** Make zoning ordinances easier to amend for more agile regulation
 - **2.** Amend Unified Development Review to be a mandated part of land development review which would expedite all development
 - **3.** Establish a committee like the State Building Board which would be responsible for updating the statewide land development regulations creating a universal template of development
 - 4. Address the variations of development review processes across the 39 municipalities
 - **a.** Create a standard process with reasonable timelines and transparent expectations as was the intent in the 1992 law
- f. *Issue:* Lack of incentives at the municipal level to encourage or accept growth
 - i. Solutions:
 - **1.** Seek greater allocation of state dollars for the Housing Incentives to Municipalities program, RI Infrastructure Bank
 - 2. Use state funding to incentivize development projects that incorporate affordable housing and act on climate goals
 - **a.** Establish statewide technical assistance on IIJA/IRA opportunities for municipalities that could be access to assist in sustainable development

- 3. Increase support to municipal planning staff for communities who want to address housing shortage
 - a. Build municipal technical assistance & support for developing growth plans, potentially through a regional planner or statewide assistance team
 - b. Housing planning technical assistance could be overseen by the Department of Housing
 - i. Funding implications for state budget if regional technical assistance is administered by DOH
- 4. Address municipal funding formula for public schools
- 5. Incentives to create tie-ins for water and sewer or expansion/upgrades to existing water and sewer infrastructure
- 6. Create municipal tax benefits for communities making progress towards growth
- 7. Mandate that non-compliance with the 10% AH law is grounds for a use and/or special use permit
- **g.** *Issue:* Lack of enforcement or accountability for planning and zoning boards and/or municipalities who perpetually deny development
 - i. Solution:
 - 1. If municipalities do not meet expectations 10% AH or other housing benchmarks should the state step in similar to the school takeover processes
 - **a.** Instead of a 10% target, establishing a growth rate metric or target for residential growth in each municipality
 - i. Department of Housing could set growth rates for municipalities with legislation that outlines how often rates should be reviewed and adjusted
 - 2. Create a "builders' remedy" (Schuetz, P.8), a mechanism for developers to override local zoning to build housing under certain conditions
 - **3.** Establish exclusionary test, if municipalities continue to use zoning and land use law to exclude certain types of development
 - a. Example: If local ordinances restrict or limit ADUs, property owners attempting to build ADUs could apply for approval from the State Department of Housing or an entity such as a State Development Committee
 - 4. Establish consequences and monitoring mechanisms for municipalities that have not met the statutory 10% (ex. <u>Utah's Municipal Planning Requirements</u>)
 - a. Utah requires municipalities not meeting housing goals to create a housing plan that includes implementation of three approaches to growth out of a menu of 12
 - 5. Require developments that receive TSAs to include affordable units within the development
 - 6. Amend the Fee-in-lieu regulations <u>RIGL 45-24-46.1</u>
 - a. Inclusionary Zoning/Fee-in-lieu needs to be reviewed to not be detrimental to building and if payments are made, fund needs to be monitored to ensure payments are used towards affordable units
 - b. Remove the Fee-in-lieu mandate completely Fee-in-lieu does not work here because we are not growing at a rate that makes the payment acceptable
- **h.** *Issue:* Development appeals process circles back to the same board which rejected the development proposal
 - i. Solution:
 - **1.** Establish a hearing officer process or Development Building Court responsible for hearing development appeals

- 2. Eliminate counterproductive remand mechanisms (decisions can either be upheld or modified on appeal)
- i. Issue: The Comprehensive Plan is not used as a meaningful guide for housing development
 - i. Solutions:
 - 1. Housing goals/growth benchmarks set by Department of Housing, incorporated into the State Guide Plan produced by Statewide Planning
 - a. Outlines the framework that local community must incorporate into their Comprehensive Plans
 - 2. Comp Plans should establish meaningful action steps to achieve their housing growth rate goal
 - 3. Progress towards the growth rate benchmark should be monitored/action plans should be adjusted *every x number of years* (set by DOH or Statewide Planning)
 - 4. Increase capacity at the state level, either DOH or Statewide Planning for housing specific planning assistance and monitoring
- **j.** *Issue:* There is a persistent conflict between state level desire for growth and municipal resistance to growth
 - i. Solutions:
 - 1. Is there a tax reform to incentivize municipal growth i.e. give municipalities a percentage of the tax increase associated with the growth in their community (income tax share)
 - a. Share the wealth created by growth, establish a mutual benefit
- **k.** *Issue:* Comprehensive Permit has not been an effective tool at expediting affordable housing development
 - i. Solutions:
 - 1. Address procedural pain points (e.g., SHAB quorums)
 - 2. Create a predictable, concrete grounds for approving/denying an application
- *Issue:* Urban Growth Boundary and sea level rise restrict where residential growth is feasible
 Solutions:
 - 1. Need better understanding of this problem to develop solutions
 - **a.** What % of land within each municipality is currently zoned for residential development?
 - **b.** What $\hat{\%}$ of the developable land allows multifamily housing?
 - c. As municipalities lose developed/developable land to sea level rise, how will they create equivalent unit capacity elsewhere? (And without significantly impacting forests/farms/open space.)
 - **2.** Enable tools for development inland, specifically infill, redevelopment, and appropriately scaled density
- m. *Issue:* To maintain a well-functioning housing market, the shortfall in labor and skill development of the residential construction sector needs to be addressed
 - i. Solution:
 - 1. Dedicated investment in workforce programs targeted to the building trades and contractors