



Housing 2030

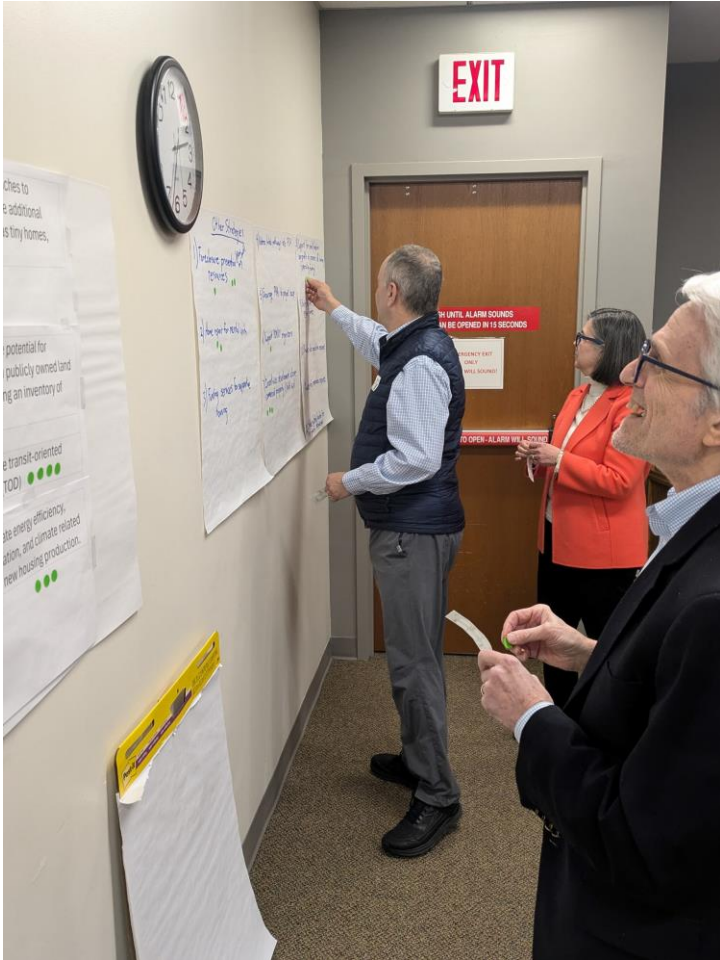
Land Use Commission

March 6, 2025

Draft content for discussion

**RHODE
ISLAND**

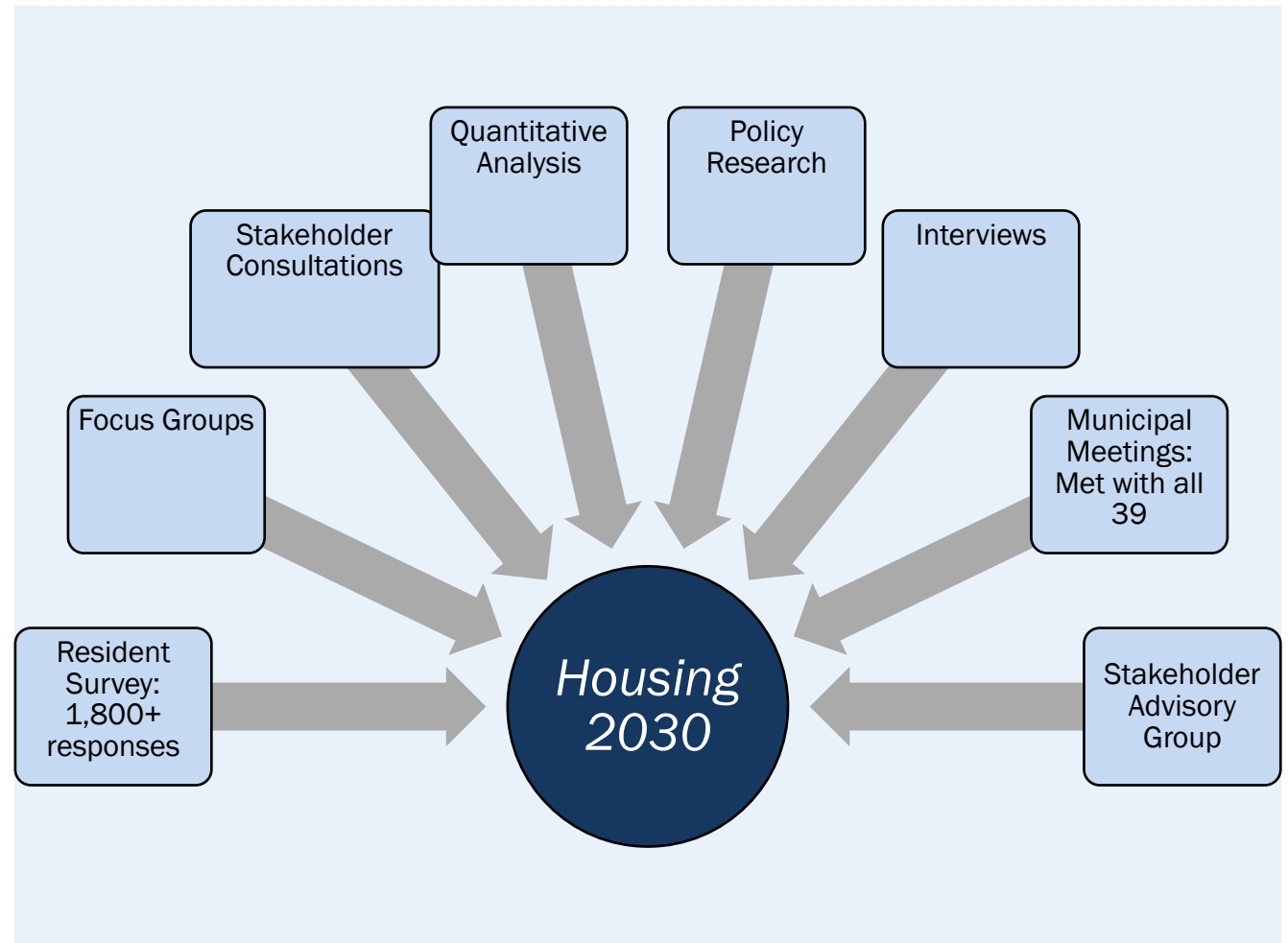
What is *Housing 2030*?



- *Housing 2030* is the state housing plan for 2026-2030
- The plan will set out **concrete and measurable** housing-related goals and align on strategies for achieving these goals.
- *Housing 2030* is grounded in the existing and projected housing needs of Rhode Islanders and Rhode Island communities.
- *Housing 2030* will be an actionable plan:
 - Creates and informs tools for Rhode Island communities to use
 - Serves as a roadmap for policy and budget proposals for FY2026 and beyond
 - Helps guide the State's use of federal funds
 - To be adopted as the State's Guide Plan Element – which will inform municipal planning efforts for years to come

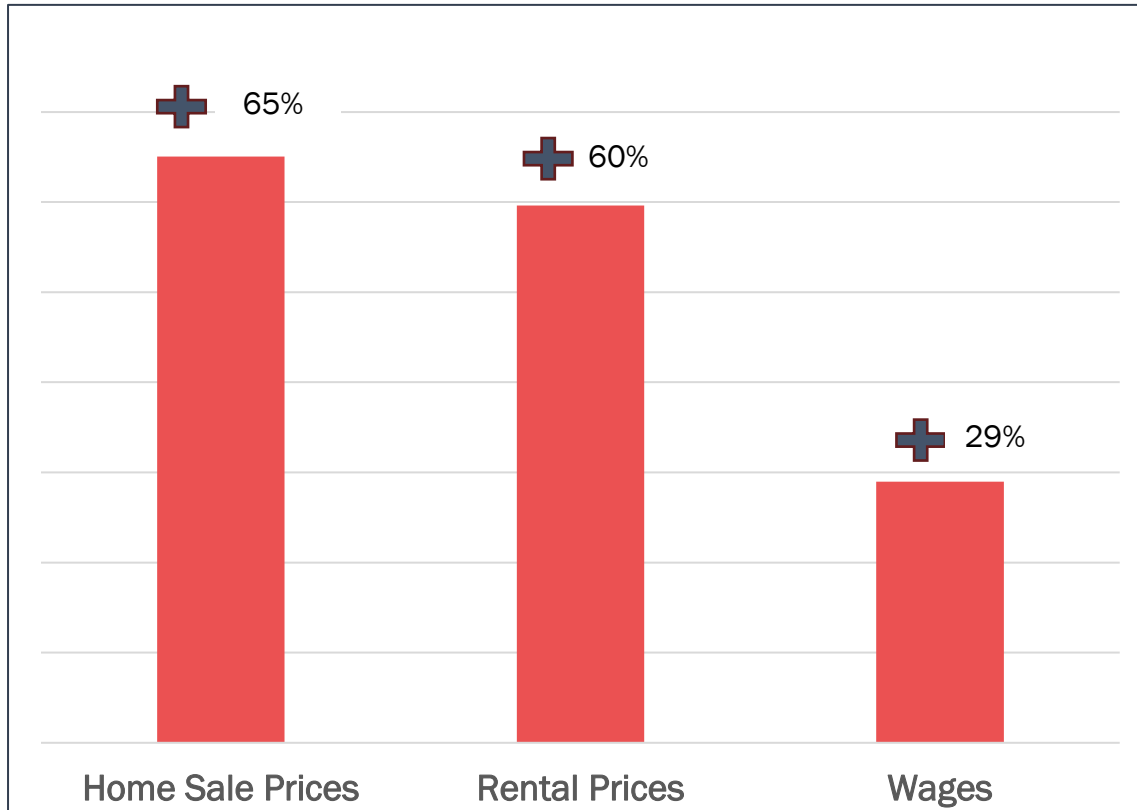
Process overview

- Led by the Rhode Island Department of Housing over the last year and a half with contract support from Abt Global, RI League of Cities and Towns, Housing Works RI, and Root Policy Research
- Today:
 - Preview draft goals and strategies
 - Discuss key recommendation around municipal goals & zoning/regulatory reforms



Why do we need a state housing plan?

Change in Housing Costs vs. Wages, Q4 2018 – Q4 2024



- Seeks to respond to growing housing challenges and put Rhode Island on a path to improved housing options for all

Source: Zillow Home Value Index for RI; Zillow Observed Rent Index for Providence MSA;
Bureau of Labor Statistics Average Hourly Earnings for RI

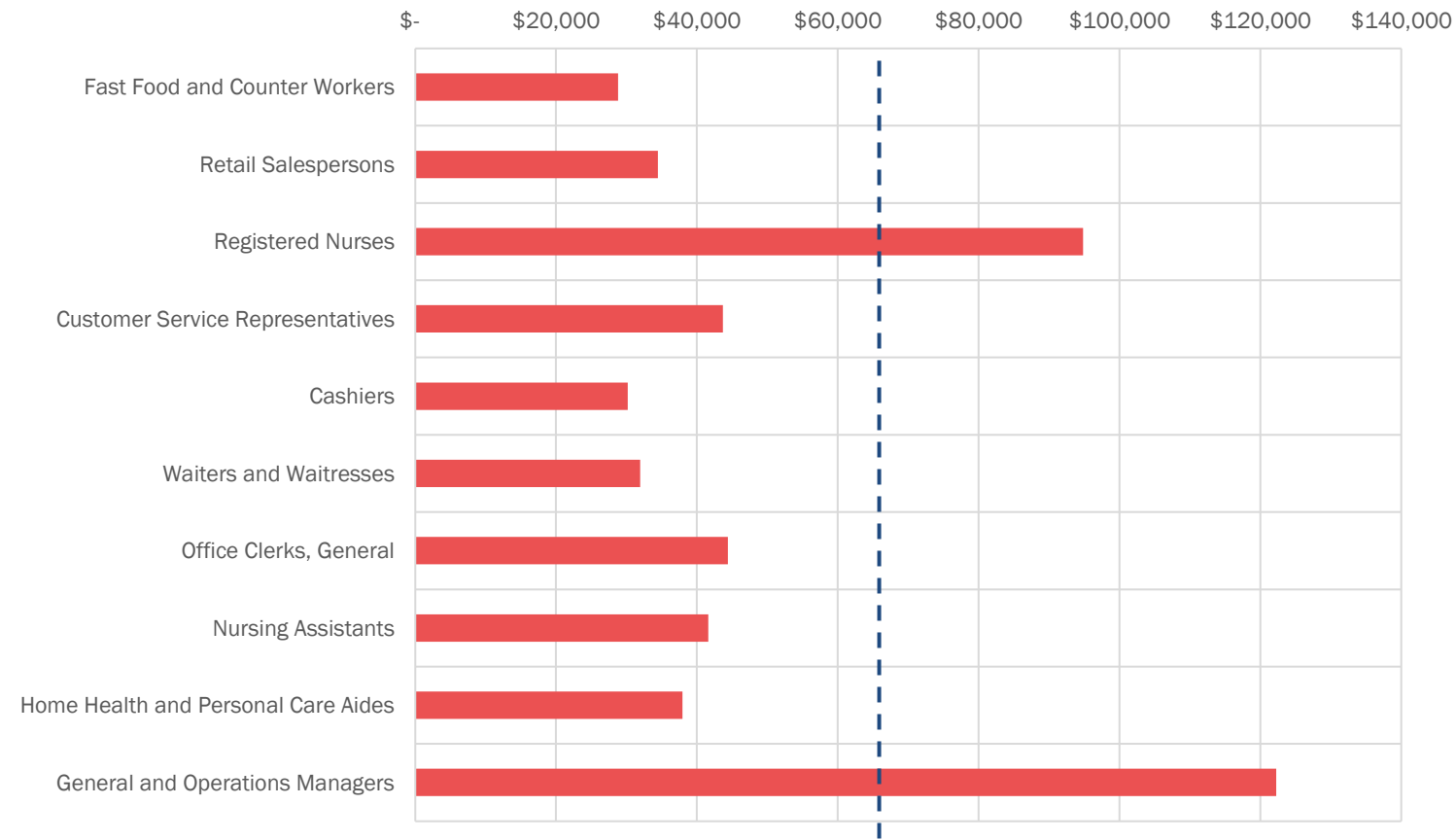
Housing Affordability

- Residents emphasized that **rents in Rhode Island are out-of-reach** for many households
- Among renter households, **49%** felt their rent was too expensive

“I make a decent salary but with rents being \$1,800 - \$2,000 a month, and other basic life expenses, I worry about paying for it.”

Resident, Cumberland

Median Annual Wages for RI's Most Common Jobs, 2023



\$64,000 – annual income needed to afford average one-bed rent & utilities in 2023

Homeownership

- Among residents who want to buy a home, **75%** cannot find a home in their price range

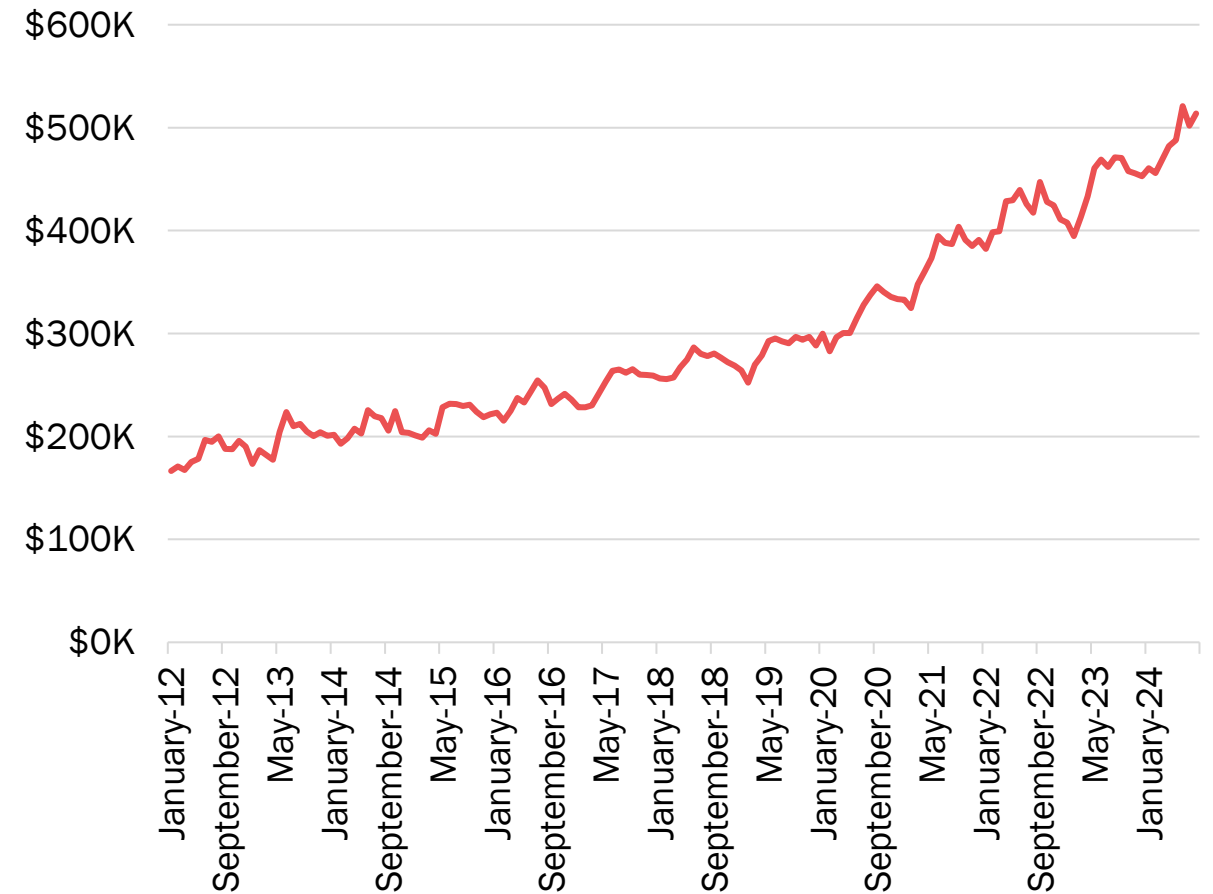
“I love Rhode Island. I want to own a home and spend my life in Rhode Island...but there is no way I could ever be able to afford a home in Rhode Island.”

Resident, Providence

“My children are the first generation in my family who cannot afford to buy a home.”

Resident, Barrington

Median Sale Price in RI



Housing Stability & Homelessness

- Residents expressed deep concern about **rising levels of homelessness** in Rhode Island
- Residents recognize that rising rents, stagnant incomes, and lack of supportive housing options leave **many people vulnerable to homelessness**.

“It is WAY too expensive. People with jobs are just one mishap away from homelessness.”

Resident, Cranston

“Rents keep going up, pay stays the same...I could end up homeless, sad to have to live in that fear.”

Resident, East Providence



Over and over, we heard...

01

Our kids and grandkids can't afford to live here anymore

02

Employers are struggling to attract and retain a talented workforce due to rising housing costs

03

Seniors want to downsize but cannot find available and affordable homes

04

A lack of affordable housing is driving increased rates of homelessness

Diverse Housing Options

Resident survey data

- Residents want **more options for housing** that meets the needs of diverse Rhode Islanders:
 - 58% want duplexes/townhouses/triple-deckers
 - 53% want more multifamily apartments
 - 53% want more accessible housing options



“A lot of my neighbors are older and would love to stay in the community but can’t find housing to downsize.”
Resident, Little Compton

“We live in a summer community. There is a critical shortage of year-round rental units available for families.”
Resident, Portsmouth

How did we get here?

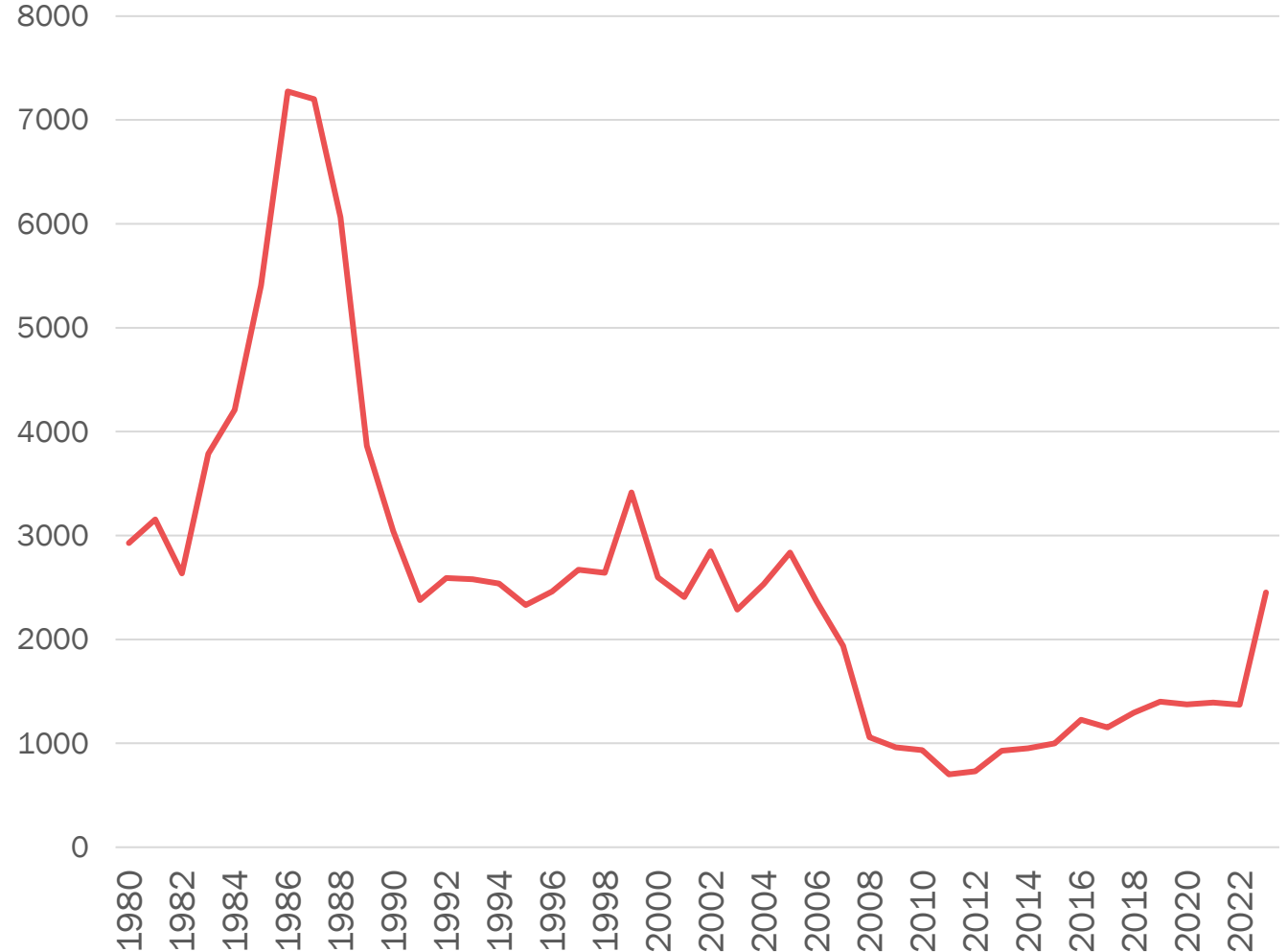
By not building enough homes...

- 79% of residents agreed that Rhode Island needs more housing.
- Rhode Island's current pace of housing production is not sufficient to keep up with the state's projected population growth.

"There isn't enough being built to handle the number of people who would like to move here and help our city grow."

Resident, Providence

Housing Units Permitted 1988 - 2023



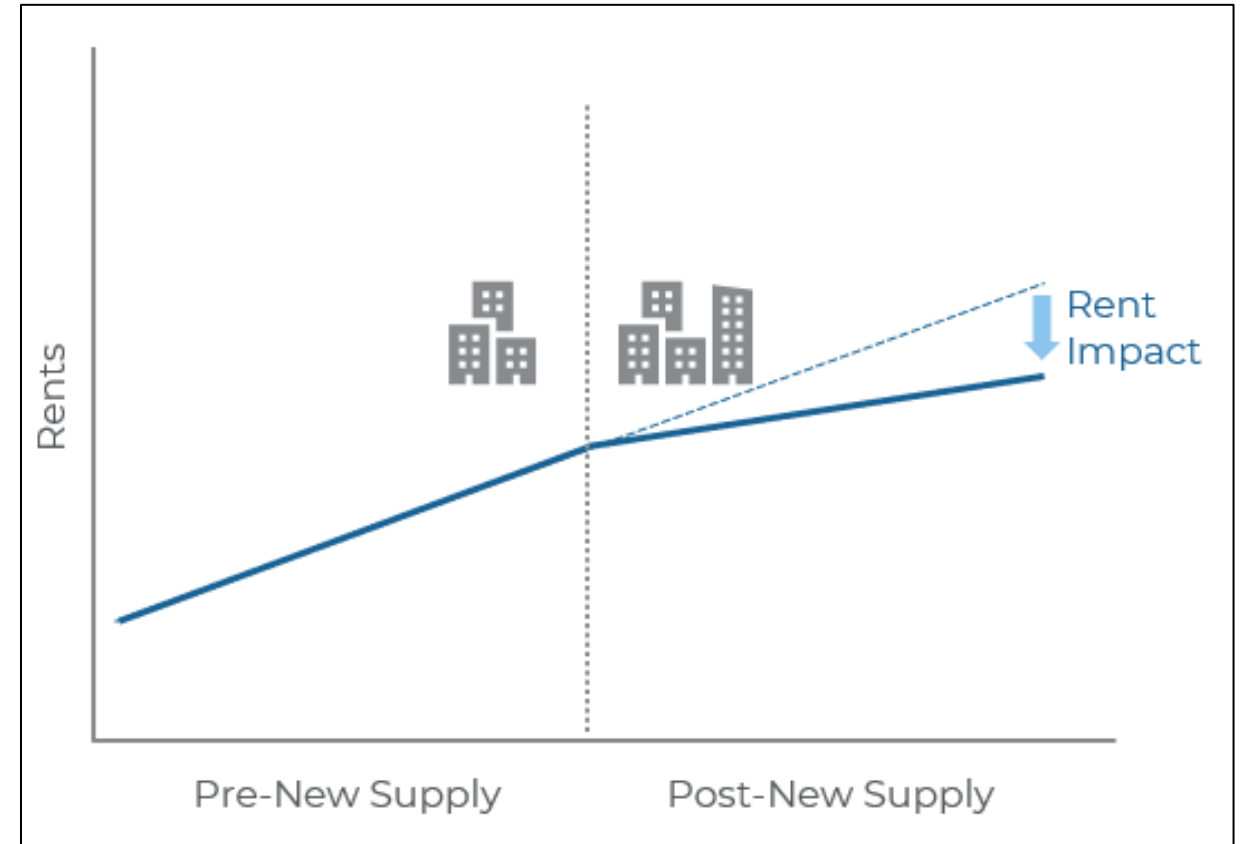
Source: US Census Building Permit Survey and Housing Works RI

Vision Statement: *Housing 2030*

Produce and preserve housing to meet and respond to the needs of all Rhode Islanders; with a focus on creating strong communities with a diversity of housing options that are affordable and accessible.

Impact of Housing Supply on Affordability

- Increased housing production and preservation are essential strategies for achieving long term housing affordability
- Increased housing supply helps moderate price increases therefore making housing more affordable to low- and moderate-income families¹
- Vacancy rates in Rhode Island and growing housing prices signal a strong need for additional housing construction



1. NYU Furman Center – “Supply Skepticism”. 2018. Been, Ellen, O’Reagan

Housing 2030 Goals

- 1. Increase the production of homes and focus on
 - 1. Middle market units
 - 2. Accessory dwelling units
 - 3. Affordable rentals
 - 4. Low-cost homeownership
- 2. Preserve affordable homes
- 3. Navigate towards 2030 goals



Middle Market Units – duplexes, 3-4 plexes, 5-9 unit, attached single-family, bungalows, and cottage courts

Currently permitting an average of 195 middle market units ('19-'23)



ADUs: Permitting an average of 35 ADUs annually ('21 -'23)



Affordable Homeownership– sales priced under \$400k

Currently averaging 90 units per year ('19-'23)



Affordable Rentals – LMIH units (up to 80% of AMI)

Averaging 237 COs annually ('19-'23)

Housing 2030 Goals

By 2030 proposing to...



Permit 15,000 new homes



Create 1,000 low-cost homeownership units



Triple ADUs permitted



Increase middle-market units by 50%



Finance 2,250 affordable rental units



Preserve affordable homes



Navigate towards 2030 goals

This would mean more housing options and would...

Slow housing cost growth and put Rhode Island on a path to healthier vacancy rates

Increase inventory of for sale homes that cost less than \$400k

Expand lower cost options that more families, seniors, and our workforce can afford

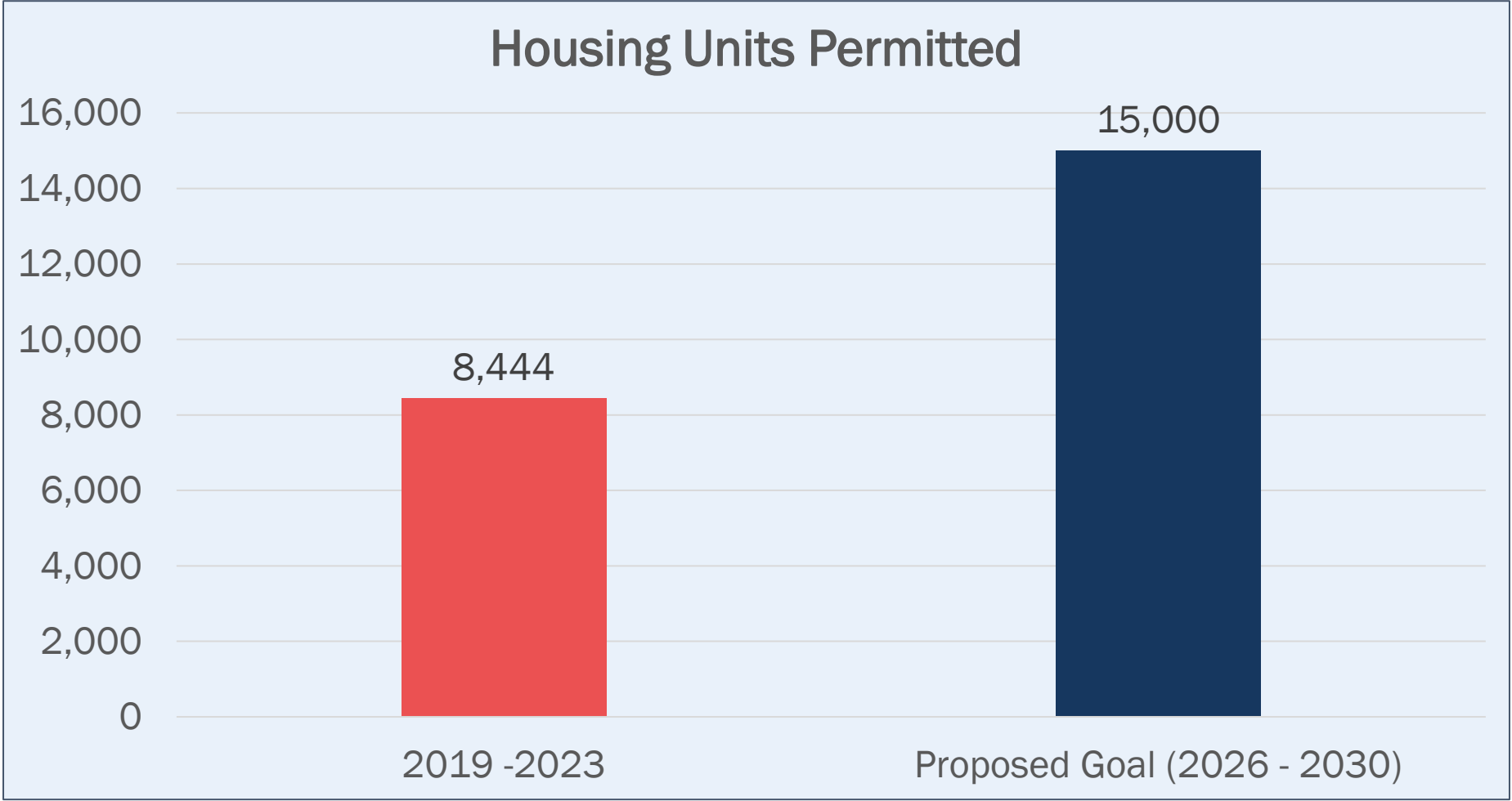
Building a variety of home types that meet community needs

Support low and moderate income Rhode Islanders and include 375 permanent supportive housing and 500 extremely low income homes

Maintain affordability that already exists

Complement efforts to improve education, create a healthier RI, address climate change, and build a Rhode to Prosperity

Housing 2030 Overall Production Goal



What is standing in the way of building more...

We don't allow the homes we need to be built by right

Local zoning ordinances present barriers to middle market housing production

-> Require extra review

-> Require large minimum lot sizes

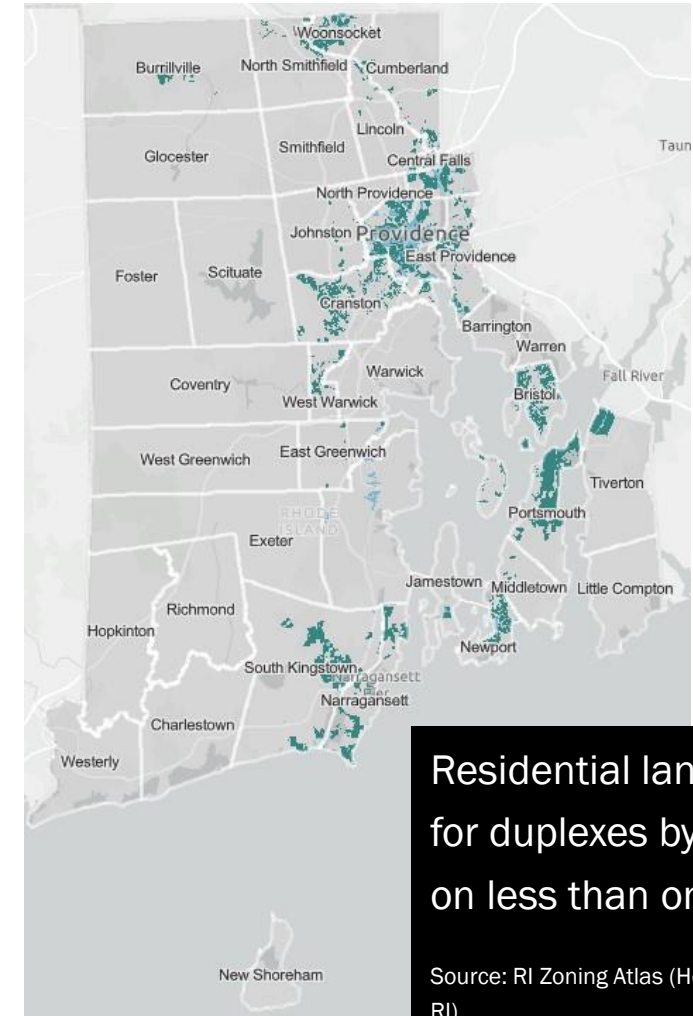
87% of Rhode Island is zoned for single-family by right

20% of Rhode Island is zoned for 2-family by right

Source: HousingWorks RI Factbook and RI Zoning Atlas



Example from
Wickford



Residential land zoned
for duplexes by right
on less than one acre.

Source: RI Zoning Atlas (Housing Works RI)

The effects of rising development costs

1. Total development costs (TDC) include costs for **land**, **hard costs** (labor, materials) and **soft costs** (architecture, permitting, etc.)

2. When TDC rises, the sales prices or rents needed to support that development also rise

3. In cases where the market won't support the higher rents or sales prices, the development isn't built

+40%
Cost of construction materials since Feb. 2020

+81%
RI land values, 2012-22

4. With land values, materials and labor costs all on the rise, construction costs have skyrocketed

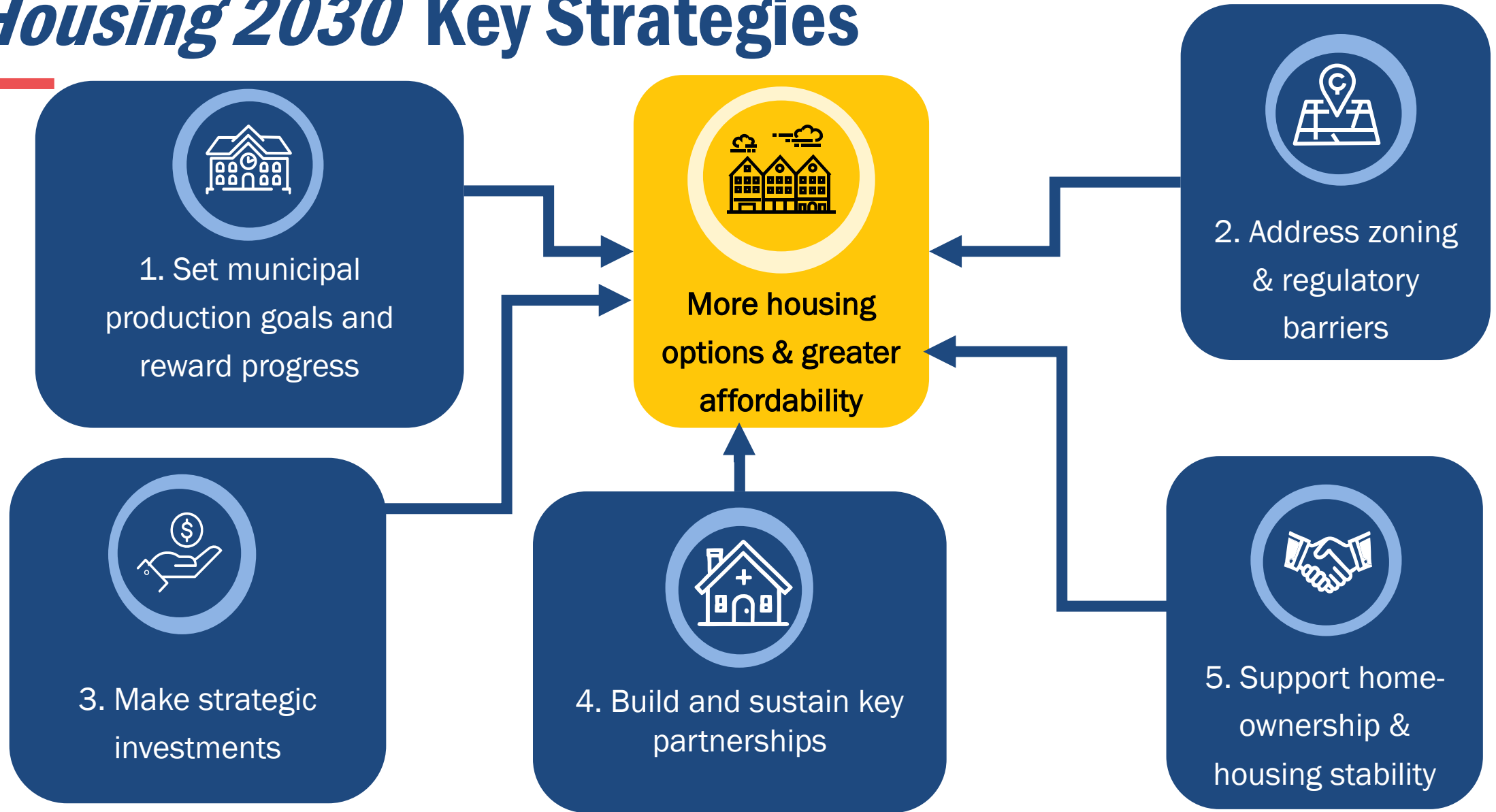
5. As a result, the number of newly developed homes with a sales price under \$400k has fallen by 47% since 2022



Strategies



Housing 2030 Key Strategies



Proposing "both and" approach to municipal goals

Asking municipalities to focus on both LMIH production and overall production

Current system: focuses on increasing LMIH homes, and many communities report their strategy for reaching 10% involves NOT building any more homes that don't qualify.

LMIH
homes



Overall
supply



Housing 2030: would focus on increasing LMIH homes and overall supply to better meet Rhode Island's diverse housing needs.

LMIH
homes



Overall
supply



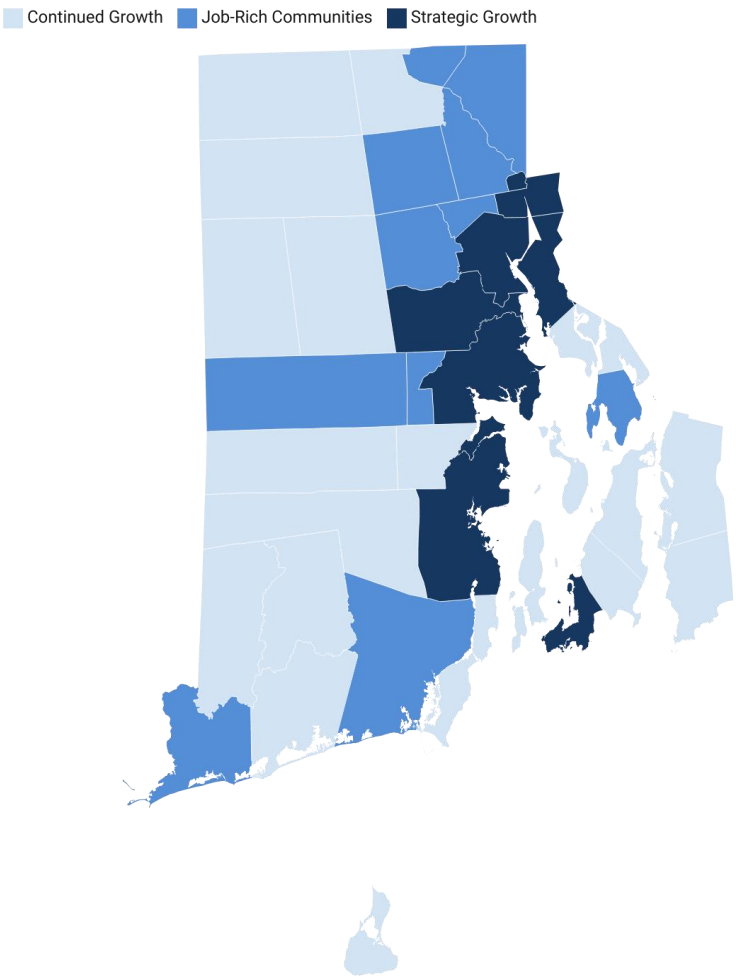
- Not proposing any change to existing 10% target
- Basing Housing 2030 on available data (legislative changes not yet reflected)

Not proposing a one-size fits all approach

Proposing higher production goals in communities with more jobs and transit

Supportive Conditions for Housing	Job Density	Public Transit Amenities
Continued Growth		
Job-Rich Communities	✓	
Strategic Growth	✓	✓

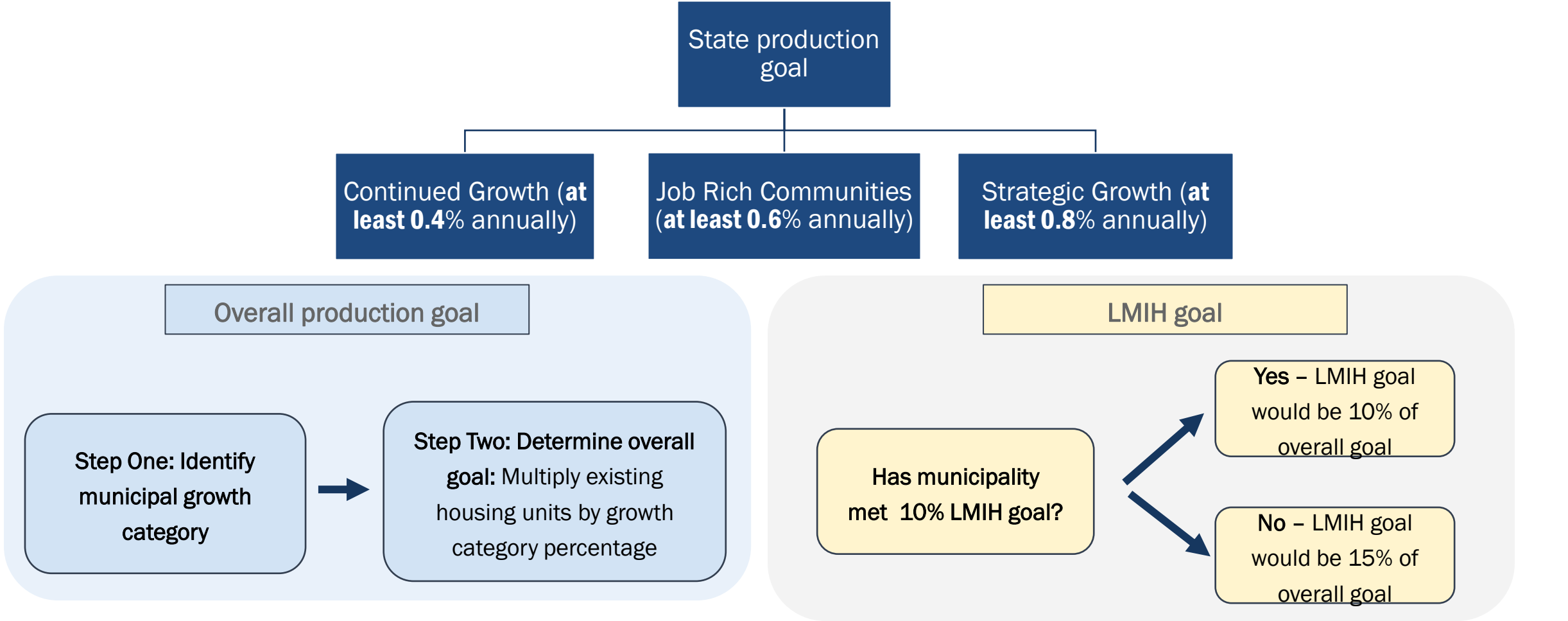
Updated Municipal Growth Categories



Source: RI Department of Housing • Created with Datawrapper

Municipal overall production and LMIH goals

Municipal goals based upon community conditions to improve community and economic development



Note: Overall production goals for each municipality is at least equal to units permitted over the last five years.

Potential menu of pro-housing reforms

To increase housing supply, municipalities need to adopt changes to achieve their goals. Below is a list of several recommended strategies:

- Allow ADUs by right in any zone where residential uses are allowed, including in mixed-use zones and on lots smaller than 20,000 square feet
- Allow by-right development of duplexes in any zone where residential uses are allowed
- Allow by-right development of three- and four-plexes in at least one additional residential zone
- Allow by-right development of multifamily housing (5+ units) in at least one additional residential zone
- Reduce parking minimums, establish parking maximums for multifamily developments and residential components of mixed-use developments, and allow shared parking options
- Implement TOD zoning of at least 15 units an acre in areas with transit service or planned transit service
- Increase buildable area in some other way, such as by allowing higher building heights or increasing lot coverage maximums and reduce minimum frontages, setbacks, and step backs
- Waive or reduce building and development application fees for middle-market and affordable housing development
- Adopt preapproved blueprints for middle-market housing types to streamline the permitting process
- Adopt form-based codes that emphasize building form and public spaces rather than land use separation, enabling more flexible residential and mixed-use development and streamlined administrative review of new developments

Key strategies

1. Set municipal production goals and reward progress

Overall production goals tailored to local circumstances

Affordable production goals that recognize progress

Include in comprehensive plans

Explore incentives for municipal progress

2. Address zoning & regulatory barriers

Housing friendly zoning reform

Support municipalities with technical assistance

Streamline state building codes

Reduce barriers in tax code

3. Make strategic investments

Infrastructure

Affordable and supportive rental housing

Adaptive reuse and home repair

Low cost homeownership

Other innovative approaches

- **Not a one-size fits all approach:**
 - Higher goals in areas with jobs and transit
 - Municipalities to choose strategies that make most sense for their communities
- **State support:** Continue investing in infrastructure, development, and technical assistance to help municipalities achieve goals



Key strategies

4. Build and sustain key partnerships

Achieve economies of scale to produce lower-cost homes

Support for nonprofits, PSH developers, builders and PHAs

Housing workforce development

Collaborate with universities

Educate Rhode Islanders

5. Support homeownership and housing stability

First-generation homebuyers & asset building

Employer homeownership partnerships

Homelessness prevention

Accessibility retrofits and shared housing

- Success will require partnerships
- Supports Rhode to Prosperity goals to increase income and build wealth



Thank you

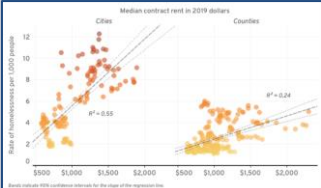
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Contact Patrick Duffy at
Patrick.S.Duffy@housing.ri.gov
with questions or feedback

Appendix



Housing Supply Impacts Affordability and Homelessness

Recent research¹ demonstrates that rent levels and vacancy rates are associated with regional rates of homelessness

Variable	Research Findings	Predictor of homelessness rates?
Higher Rates of Poverty		✗
Higher Rates of Mental Illness		✗
Increases In Rent		✓
Vacancy Rates		✓

1. Homelessness Is A Housing Problem, Colburn, Aldern, 2022

New Construction of Homes

GOAL: Permit 15,000 new homes over five years

Why this goal?

- Increasing the construction of new homes will help ease existing affordability challenges
- Key part of the solution for creating communities where our children and grandchildren can afford to live
- New construction encourages economic growth and supports our workforce
- What kind of housing is important (see additional goals on following slides)

How will we get there?

- Encourage and incentivize zoning reform and removal of other regulatory barriers to new construction
- Invest in infrastructure, new development, adaptive reuse, and home repair
- Establish housing production goals for municipalities
- Expand partnerships to meet housing goals



Affordable Rentals

GOAL: Finance 2,250 new rental units for low- and moderate- income Rhode Islanders over 5 years

Why this goal?

- Provide housing options that the private market are not currently offering
- Reduce cost burdens on existing and new renter households
- Deed restricted rental units ensure a level of affordability that lasts for decades
- Inclusive of permanent supportive housing and extremely low-income targets (described on the next slide)



How will we get there?

- Build upon recent state actions including the State low-income housing tax credit and 2024 affordable housing bond
- Additional strategies are needed
 - Reduce costs of development with zoning and regulatory reforms
 - Unlock additional federal resources with greater use of 4% low-income housing tax credits
 - Continue State LIHTC and make additional investments (e.g., a 2026 housing bond) to provide additional needed funding

Permanent supportive and extremely low-income housing

GOAL: Including financing for 375 new PSH and 500 new ELI units over five years

Why this goal?

- Permanent supportive housing (PSH) reduces chronic homelessness by providing stable housing coupled with supportive services
- Improves communities by helping the most vulnerable and reducing need for emergency responses to homelessness
- Extremely low-income (ELI) homes support vulnerable Rhode Islanders including seniors and those with disabilities

How will we get there?

- Set aside funds for PSH and ELI in documents guiding tax credit allocation
- Provide resources for capacity building to help communities build the capital, operating and services financing required, navigate permitting/zoning, and create strong partnerships to ensure long-term project success.
- Create state reporting tools to include municipal goals/progress on ending homelessness



Crossroads PSH units on Summer Street, Providence

Homeownership

GOAL: Create¹ 1,000 new low-cost homeownership units over five years

Why this goal?

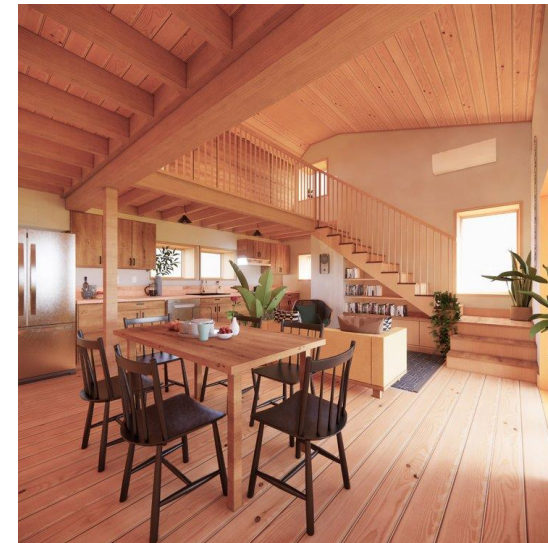
- Homeownership is an important tool for household wealth building and community development
- Market is currently not producing these homes (homes that cost less than \$400,000)
 - An average of 90 homes at this price point were built in Rhode Island over the last three years
- Emphasize a range of unit options that meet the needs of families and those starting out.

How will we get there?

- Implement zoning and regulatory reforms to unlock development options and reduce cost
- Invest in infrastructure including in proximity to transit to enable new housing opportunities and reduce costs of development
- Partner with a modular construction firm via bulk purchase/pre-buy agreement for lower-cost homes with limited design options at discounted rates



Huntington volumetric modular home in Vermont



New Frameworks panelized 900 SF ADU with compressed straw bale exterior walls

1. Defined as units financed and units for sale (deduplicated)

ADUs and Other Middle-Market Housing

GOAL: Triple ADUs permitted and increase other middle-market housing units permitted by 50% by 2030

Why this goal?

- ADUs provide lower cost options for families, individuals, and seniors looking to downsize or purchase a smaller home
- Middle-market housing units (duplexes, triplexes, and quadplexes) are more likely to be **lower cost** and provide density to develop walkable communities

How will we get there?

ADUs

- Recent ADU by right legislation is estimated to create most new units
- Pre-approved ADU designs and ADU financing would reduce costs

Duplexes and 3- and 4-plexes

- Reduce zoning and other barriers that effectively prohibit middle-market housing
- By right zoning for this housing type in some areas
- Reduce minimum lot sizes and reduce parking requirements or allow flexibility in meeting requirements
- Anticipated to require more time to make progress than ADUs



Preservation Goal

Goal: Prevent the loss of affordable units

Why this goal?

- Preserving existing deed restricted affordable units ensures that Rhode Island retains affordability already invested in
- No current comprehensive database of upcoming expiring affordability restrictions
- Home repair programs help maintain physical structures and keep homeowners in their homes

How will we get there?

- Improve data on existing deed restricted properties
- Work with developers to develop long-term plans for existing properties
- Investments in home repair programs and capital repairs for affordable rentals
- Support home energy efficiency improvements
- Explore ways to boost capital reserves and duration of affordability requirements

