

# PROVIDENCE ANTI- DISPLACEMENT AND COMPREHENSIVE HOUSING STRATEGY

## KEY FINDINGS AND RECOMMENDATIONS



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# KEY FINDINGS

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# Key Findings

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- **Between now and 2030, households earning below 80% of AMI make up the entirety of Providence’s projected household growth.**
  - Currently, 56% of renter households earn less than 50% of AMI, while more than 50% of rental units are priced appropriately for households earning above the 50% of AMI threshold.
  - All proposed non-subsidized housing units are priced above the 120% of AMI threshold. Only 12% of proposed units are projected to be price controlled.
- **The greatest need for rental housing is for households earning below 30% of AMI.**
  - The greatest difference between supply and demand is for households in need of 2 or more bedrooms priced affordably at 30% of AMI.
  - Distribution of subsidized affordable units is not uniform throughout the City. 93% of proposed subsidized units are located in the Broad Street/Elmwood Avenue area, and the Olneyville and Hartford neighborhoods.



# Key Findings

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- More than 850 price appropriate rental and ownership units need to be rehabilitated or constructed annually between now and 2030 to meet current and projected need.
  - 1,850 new housing units came online over the past decade. There are currently 1,849 units in the City’s development pipeline, with an additional 820 units currently under construction
  - It is estimated that \$225 million annually over the next 10 years would be needed to produce enough units to meet the demand for housing units affordable to households earning 50% of AMI or less.



# STRATEGY VISION AND GOALS

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# Housing Goals: Overview

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- Provide rental and ownership housing choice opportunities for Providence residents of all incomes throughout all City neighborhoods
- Encourage price diversity in all new housing development. Promote mixed income development.
- Promote more affordable housing development in high opportunity neighborhoods throughout the city.
- Invest in Providence's existing housing stock to preserve and enhance its affordability and quality
- Increase funding sources available for production and rehabilitation of housing in Providence.



# Plan Structure

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- Plan recommendations are broken down into categories
  - Policy Changes
  - Existing Program Changes
  - New Program Strategies
  - New Funding Strategies
- Each recommendation is organized into an Implementation strategy
  - Low, Medium, or High Priority
  - Low, Medium, or High Cost
  - Low, Medium, or High Impact





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# RECOMMENDED POLICY AND PROGRAM CHANGES

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# Recommended Policy Changes

## policy



- ❖ Increase number of units allowed by-right in exchange for affordability commitment
- ❖ Require affordability commitment for longer tax stabilization terms
- ❖ Require minimum affordability commitment for 8% tax act benefits
- ❖ Create a multifamily tax rate between residential and commercial rates

## zoning



- ❖ Activate non-confirming lots for infill development
- ❖ Ease accessory dwelling unit restrictions
- ❖ Modify college student housing-related provisions
- ❖ Allow administrative approval for adaptive reuse in R-zones
- ❖ Expand rowhouse use in R-1 and R-2 zones
- ❖ Allow cluster development in R-1 and R-1A zones
- ❖ Remove R-4 lot size minimums
- ❖ Consider upzoning some residential areas where appropriate

## regulations



- ❖ Allow use of minor application timeline for developments that meet a minimum affordability threshold
- ❖ Make access to public funds contingent on long-term affordability commitment



# Tax Stabilization Requirements

## Action

Implement performance requirements for developers to obtain longer tax stabilization terms. For instance, require at least 10% of rental units be priced at 50% of AMI (for rental) or 80% of AMI (for ownership) to gain a longer stabilization period (i.e. from 10 years to 13 or 15 years)

## Benefit

The City uses tax stabilization liberally for new development, creating artificial price/cost relationships that are challenging to sustain without the incentive while reducing the City's financial resources that would be created by new real property tax revenue. Greater performance measures can increase the City's financial resources available while working to meet its overall housing goals.

## Factors

The criteria may not play to all applicants' strengths, causing some to restructure

Requires the City leadership to clearly define targeted outcomes

Must be reevaluated regularly to reflect changing priorities

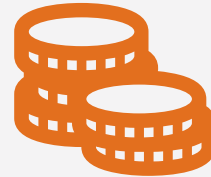
# Recommended Program Changes

## home repair



- ❖ Create a sliding scale for rehab assistance based on fixed criteria
- ❖ Make rehab loan repayments monthly
- ❖ Make rehab loans available to households earning more than 80% AMI
- ❖ Increase rehab program benefits in targeted neighborhoods

## down payment and closing cost



- ❖ Modify benefits formula by household income and make changes to maximum benefits
- ❖ Offer interest rate buy-down for current Providence renters
- ❖ Increase benefits in target neighborhoods to increase homeownership

## leveraging strategies



- ❖ Codify decision matrix criteria to prioritize investments of all City-run programs





# Decision Matrix to Prioritize Investments



## Action

Use a goals-based decision matrix to score all applicants seeking the City's limited resources to meet housing needs.

Require all applications follow a uniform submission process so that scoring is consistent and fair for all applicants

## Benefit

Providence residents get the "maximum benefit" from public investments

Partners/applicants chosen evenly and fairly based on the merits of their submission

Resource awards are based on the City's defined goals for that program

## Factors

The criteria may not play to all applicants' strengths, causing some to restructure

Requires the City leadership to clearly define targeted outcomes

Must be reevaluated regularly to reflect changing priorities

# Proposed Programs and Strategies



## production/rehab



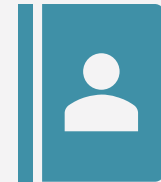
- ❖ Require and incentive universal design to make housing accessible to all
- ❖ Layer development financing funds to reach lower AMI
- ❖ Create a local housing voucher program
- ❖ Create a property acquisition fund
- ❖ Create a standalone energy efficiency, accessibility, and purchase-rehab programs
- ❖ Implement a Right of First Refusal policy to maintain affordability through deed restrictions

## code compliance



- ❖ Require that all rental housing units register with the City annually
- ❖ Require all units pass code compliance and receive a certificate of habitability
- ❖ Create a compliance rehab program available to landlords

## landlord tenant strategies



- ❖ Expand tenant advocacy support
- ❖ Engage landlords in discussion of policy and program changes and updates
- ❖ Continue source of income protection advocacy
- ❖ Provide a landlord rehab assistance program for units available to income-qualified tenants



# Rental Housing Registry

## Action

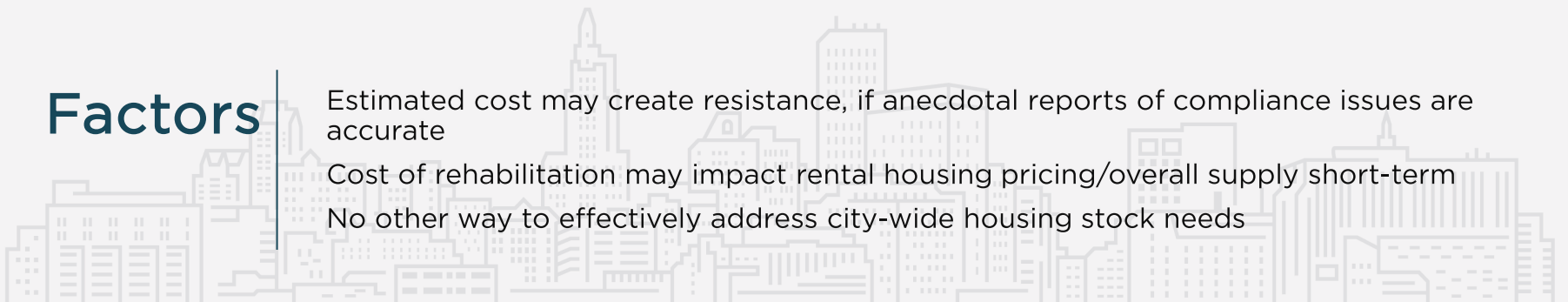
Require all rental housing units register with the City  
Institute regular inspection requirements to ensure code compliance  
Use registration fees to fund additional code enforcement officers

## Benefit

Provides tools needed to address housing quality and condition of older housing stock  
Applies code requirements equally across the City

## Factors

Estimated cost may create resistance, if anecdotal reports of compliance issues are accurate  
Cost of rehabilitation may impact rental housing pricing/overall supply short-term  
No other way to effectively address city-wide housing stock needs



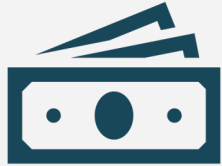
# RECOMMENDED FUNDING STRATEGIES

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# Recommended Funding Strategies

## new city revenues



- ❖ Increase tax stabilization commitment to affordable housing
- ❖ Create a dedicated ad valorem millage for affordable housing
- ❖ Implement a linkage fee for commercial development

## education and outreach



- ❖ Leadership education
- ❖ Bring partners together
- ❖ Build implementation capacity
- ❖ Explore new funding strategies
- ❖ Increase access to funding

## leveraging strategies



- ❖ Draw attention to specific underserved areas
- ❖ Create focused partnerships
- ❖ Build a neighborhood investment fund
- ❖ Design an equity investment fund







# Overview of Funding Strategies

Identify opportunities to **concentrate investments** in specific areas

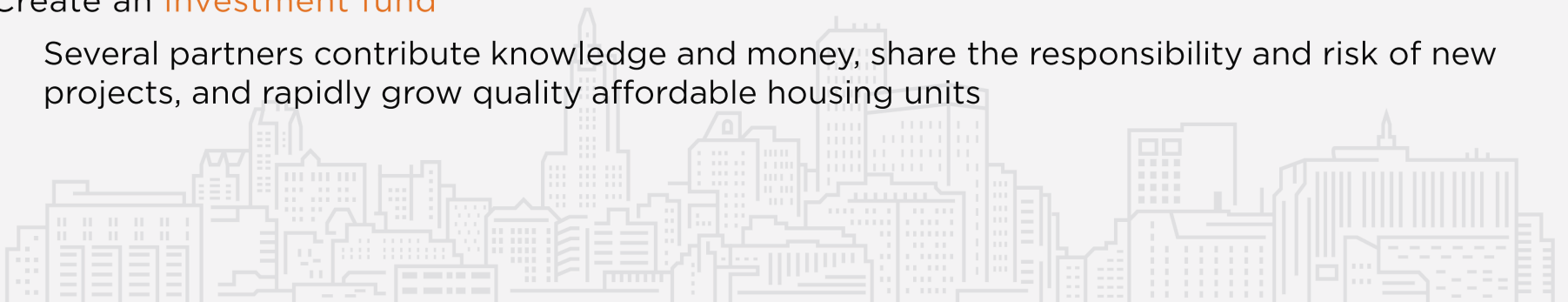
- Attract funders by designating specific locations in the city as targeted investment areas
- Bring needed attention to, and financial investment in, historically underserved neighborhoods

Set up a **focused partnership**

- Partner with a bank or hospital to achieve affordable housing and supportive services goals
- Arrange for partner to contribute matching funds, administrative help, or other resources that support housing goals

Create an **investment fund**

- Several partners contribute knowledge and money, share the responsibility and risk of new projects, and rapidly grow quality affordable housing units



# THANK YOU!

**View the full plan:**

**<https://www.providenceri.gov/planning/comprehensive-housing-strategy/>**

**Further questions or comments?**

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