



MAYOR JORGE O. ELORZA
CITY OF PROVIDENCE



PROVIDENCE ANTI-DISPLACEMENT AND COMPREHENSIVE HOUSING STRATEGY

PRELIMINARY RECOMMENDATIONS PRESENTATION

Department of Planning and Development

RKG Associates, Inc.

August 26, 2020



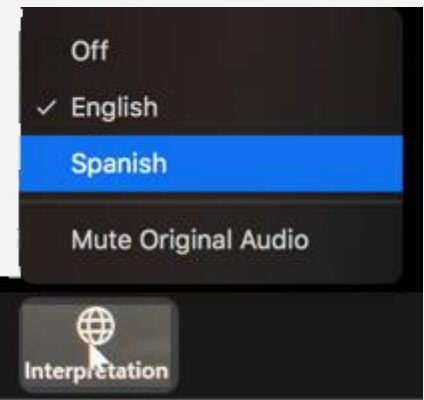
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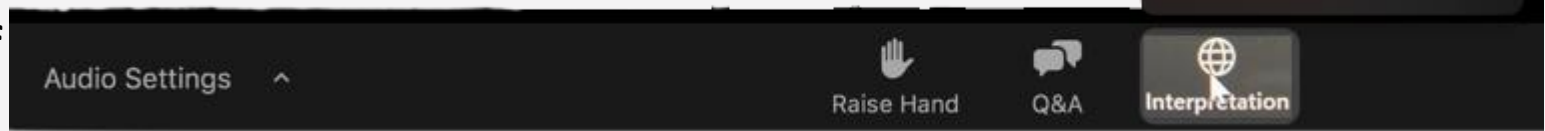


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Bottom Panel of
Zoom Screen



Agenda



strategy vision and goals



key findings



new funding strategies



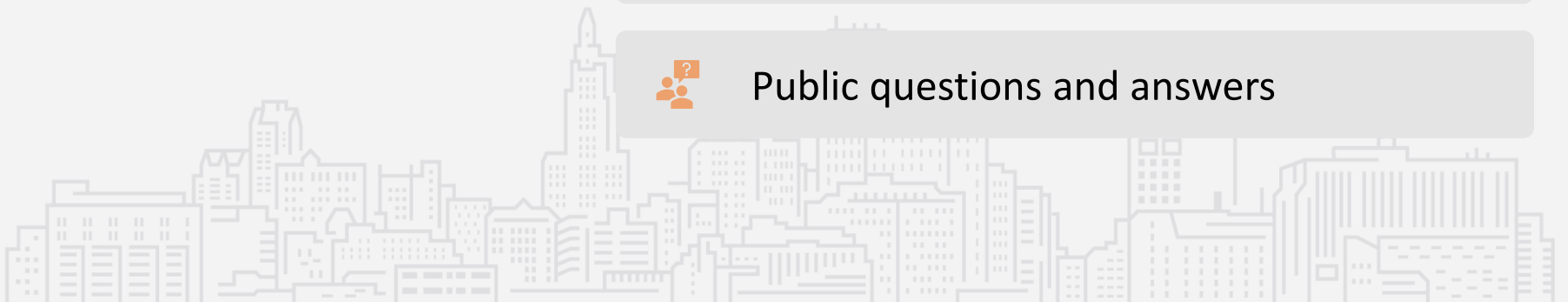
policy and program strategies



priority actions



Public questions and answers





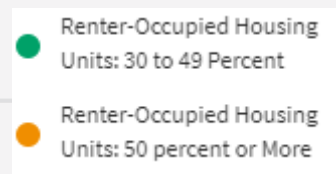
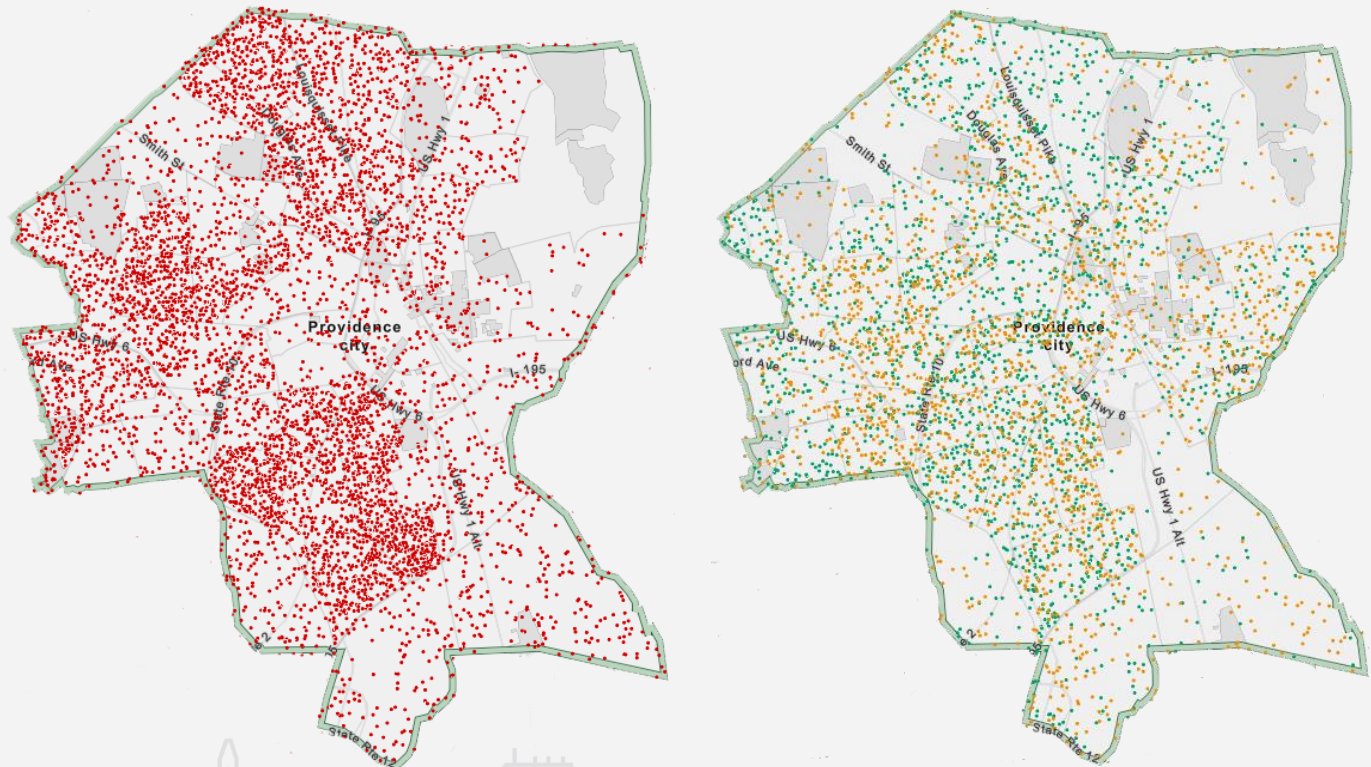
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STRATEGY VISION AND GOALS



Access, Equity, and Justice in Housing

Historic redlining concentrated and segregated families and households in the city of Providence. Our communities still deal with the effects of decades of racist and unequal policies today.



Housing Goals: Overview



- **Provide rental and ownership housing choice opportunities for Providence residents of all incomes throughout the City**
- **Ensure new residential development complements Providence's diverse neighborhoods**
- **Encourage price diversity in all new housing development**
- **Expand homeownership opportunities for Providence residents**
- **Invest in Providence's historic housing stock to promote healthy living conditions**



Production Goals: Ownership

- **Price Diversity**
 - Greater affordability (50% AMI to 100% AMI) in the East Side and Downtown
 - More market rate pricing (>120% AMI) throughout the City
- **Type Diversity**
 - Increase innovative ownership opportunities to complement existing neighborhoods
 - Refine zoning policies to accommodate greater housing choice citywide
 - Incentivize ownership housing in areas with low homeownership rates
- **Cluster, infill, and small lot development preferred**
 - Increases affordability through higher density, while being appropriately scaled to Providence neighborhoods
- **Existing rehabilitation programs equally important as new construction**



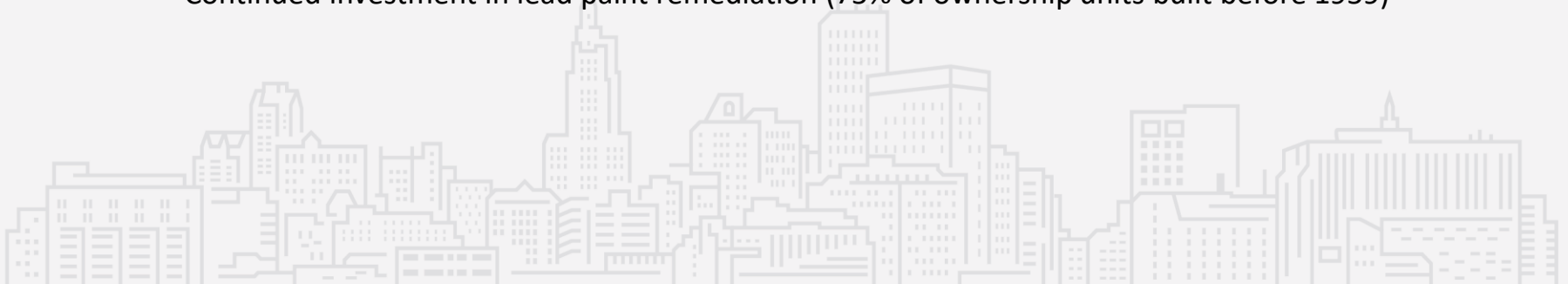
Production Goals: Rental

- **Price Diversity**
 - Increase choice for lowest income households outside Broad Street/Elmwood, Olneyville/Hartford, and northwest part of the City
 - Higher end development can alleviate downward pressure on market
 - Continue to maximize unit yield in Downtown and Woonasquattucket Corridor
- **Type Diversity**
 - New construction efforts should focus on greatest needs (efficiencies and one-bedrooms)
 - Focus rehabilitation efforts to improve existing larger units
- **Location**
 - Priority should be given to areas well served by low-cost transportation, access to services, access to retail/conveniences, and proximity to jobs



Rehabilitation Goals: Rental and Owner Assistance

- **Rental housing rehabilitation should be a priority**
 - HUD estimates 307 units lack complete plumbing facilities; 521 lack complete kitchen facilities
 - 65% of Providence’s rental units built prior to 1959 (approximately 37,000)
 - Professional management not prevalent in Providence
 - Anecdotal reports of illegal units, overcrowding
 - City does not have routine periodic code inspection requirements; impacting quality, health, and safety of rental units
- **Homeowner assistance to lessen deferred maintenance**
 - More than 30% of homeowners in Providence earn less than \$50,000 annually
 - Expand programs targeted at seniors and lower income households to ensure rehabilitation for health and safety needs, and to encourage aging in place
 - Continued investment in lead paint remediation (75% of ownership units built before 1959)





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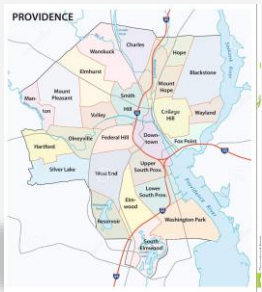
KEY FINDINGS



Summary Findings



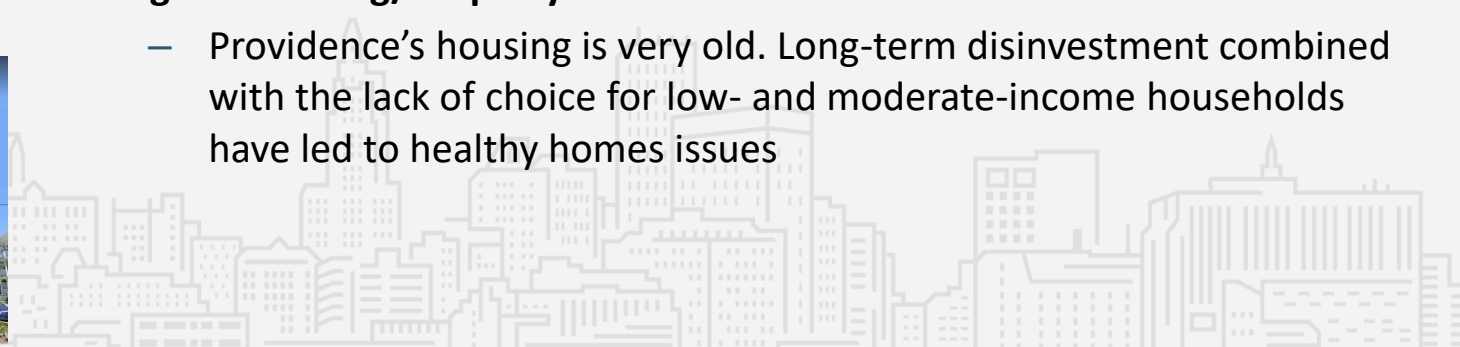
- **Extremely Low-Income Housing Needs**
 - As with most communities, there is not enough price-appropriate housing for households earning below 30% of Area Median Income (AMI)



- **Neighborhood Choice/Opportunities**
 - Income-controlled housing and supportive service housing are concentrated in the northwest Providence and the Broad Street/Elmwood Avenue area. East Side, Downtown, and the Woonasquatucket Corridor have very little opportunity for moderate income households



- **Age of Housing/Property Maintenance**
 - Providence's housing is very old. Long-term disinvestment combined with the lack of choice for low- and moderate-income households have led to healthy homes issues



Summary Findings



- **Insufficient Code Enforcement**

- The lack of required periodic inspection has exacerbated property maintenance issues, particularly since more than 70% of Providence’s housing was built prior to 1959.



- **Housing Type and Homeownership**

- There is a reported market preference for single family homes, but most of the ownership options are multifamily structures (two-family and three-family structures). This presents-substantial challenges for potential homeownership households earning below 80% AMI





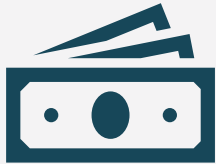
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NEW FUNDING STRATEGIES



New Funding Strategies

new city revenues



- ❖ tax stabilization commitment
- ❖ dedicated ad valorem millage
- ❖ linkage fee

education and outreach



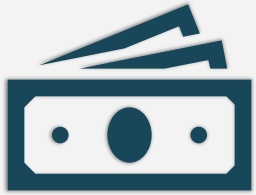
- ❖ leadership education
- ❖ bring partners together
- ❖ build implementation capacity
- ❖ explore new funding strategies
- ❖ increase access to funding

leveraging strategies



- ❖ draw attention to specific underserved areas
- ❖ create focused partnerships
- ❖ build a neighborhood investment fund
- ❖ design an equity investment fund





New City Revenues: Tax Stabilization Revenue

Action

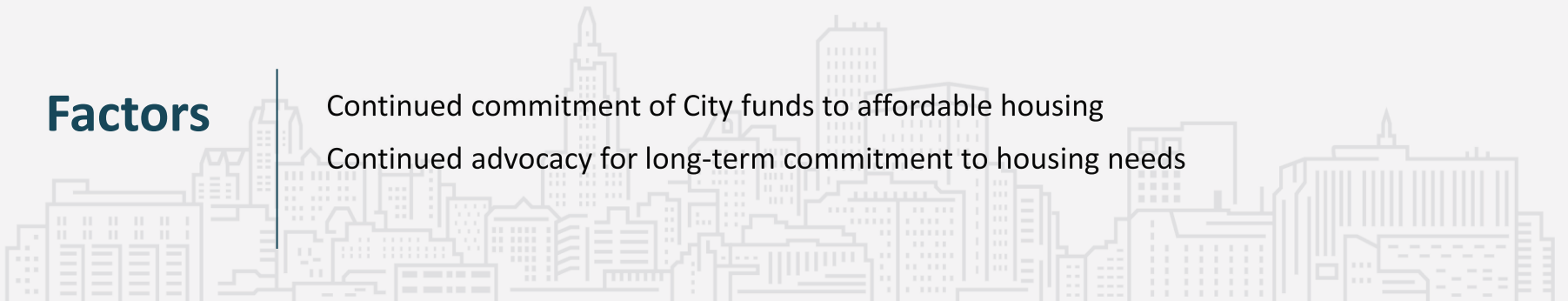
City pledged 10% of TSA revenue to Trust Fund
Equates to approximately \$1.1M-\$1.4M each year over next several years
Providence Redevelopment Authority should consider leveraging annual TSA commitment to have a greater impact

Benefit

Increased funds available to implement projects
Can be used for new construction, rehabilitation
Can be used to attract private investment and public-private partnerships

Factors

Continued commitment of City funds to affordable housing
Continued advocacy for long-term commitment to housing needs





Education and Outreach: Building Capacity

The City needs to play a leadership role in bringing public, private, and non-profit partners together:

- Educate leaders
- Bring partners together
- Explore new funding sources
- Increase access to these funds





Overview of Funding Strategies

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

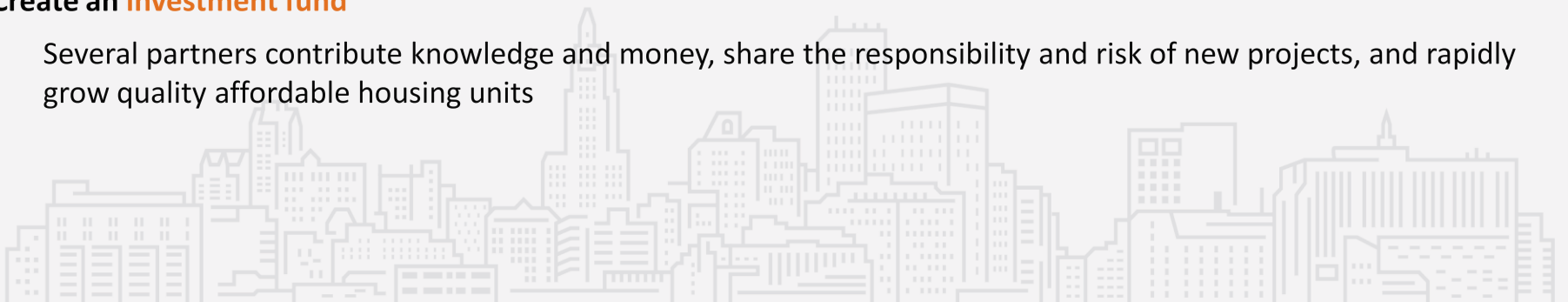
- Attract funders by designating specific locations in the city as targeted investment areas
- Bring needed attention to, and financial investment in, historically underserved neighborhoods

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





New Funding Strategies: Focused Partnership Concept



Action

Partner with a bank, hospital, or Community Development Financial Institution (CDFI)
Combine City's capacity and funding with partner's money, administrative help, other resource

Example

Detroit partnered with a bank to launch a 0% interest home repair loan program in 2015. Through a community process, they established five geographic areas to target investment.

They provided interest-free loans from \$5,000 - \$25,000 to help homeowners repair their homes.

Impact

The City of Providence could engage the Health Department and Community Action Partnership of Providence in seeking a hospital or healthcare partner to support coordination, growth and expansion of the existing programs for home repair, lead abatement, and weatherization.



New Funding Strategies: Investment Fund Concept



Action

Bring multiple partners together to address a specific challenge, in this case unmet housing demand

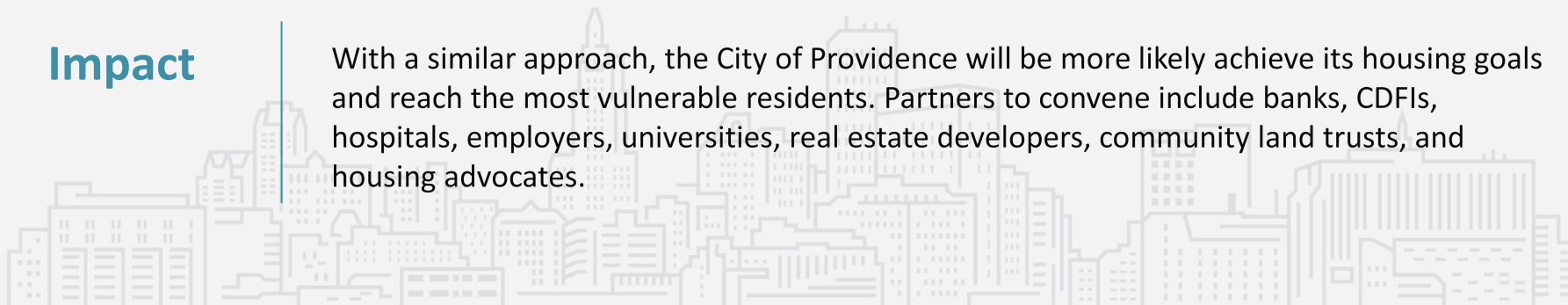
Partners add capacity and resources and share risk to support housing projects

Example

After ranking 50th out of 50 cities in the economic mobility category, the City of Charlotte, North Carolina joined with over a dozen partners to fund stable housing as a critical first step to improving economic mobility. Their resulting Charlotte Housing Opportunity Investment Fund is rapidly adding mixed-income housing for low- to moderate-income households.

Impact

With a similar approach, the City of Providence will be more likely achieve its housing goals and reach the most vulnerable residents. Partners to convene include banks, CDFIs, hospitals, employers, universities, real estate developers, community land trusts, and housing advocates.





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POLICY AND PROGRAM CHANGES



Recommended Policy Changes

policy



- ❖ bonus density program
- ❖ tax stabilization requirements
- ❖ 8% tax act requirements
- ❖ multifamily millage rate
- ❖ state funding advocacy

zoning



- ❖ non-confirming lots
- ❖ accessory dwelling units
- ❖ student housing
- ❖ R-1 and R-2 conversions
- ❖ expand rowhouse use
- ❖ cluster development
- ❖ remove R-4 lot minimums

regulations



- ❖ expedited review process
- ❖ long term commitment requirement



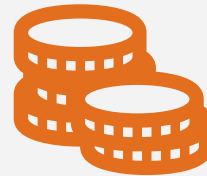
Recommended Program Changes

home repair



- ❖ sliding scale for assistance
- ❖ change repayment time periods
- ❖ higher income thresholds
- ❖ target neighborhood bonuses

down payment and closing cost



- ❖ modify benefits formula
- ❖ city resident interest buy-down
- ❖ target neighborhood bonuses

leveraging strategies



- ❖ decision matrix to prioritize investments



Proposed Programs and Strategies

production/rehab



- ❖ universal design incentive
- ❖ layering funds to reach lower AMI
- ❖ local voucher program
- ❖ property acquisition fund
- ❖ energy efficiency program
- ❖ accessibility program
- ❖ purchase-rehab program

code compliance



- ❖ rental housing registry
- ❖ certificate of habitability
- ❖ augment inspection staff
- ❖ integrated tracking software
- ❖ compliance rehab program

landlord tenant strategies



- ❖ expand tenant advocacy support
- ❖ landlord engagement forum
- ❖ source of income protection advocacy
- ❖ landlord assistance program





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PRIORITY ACTIONS





Merit Based Resource Investment

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

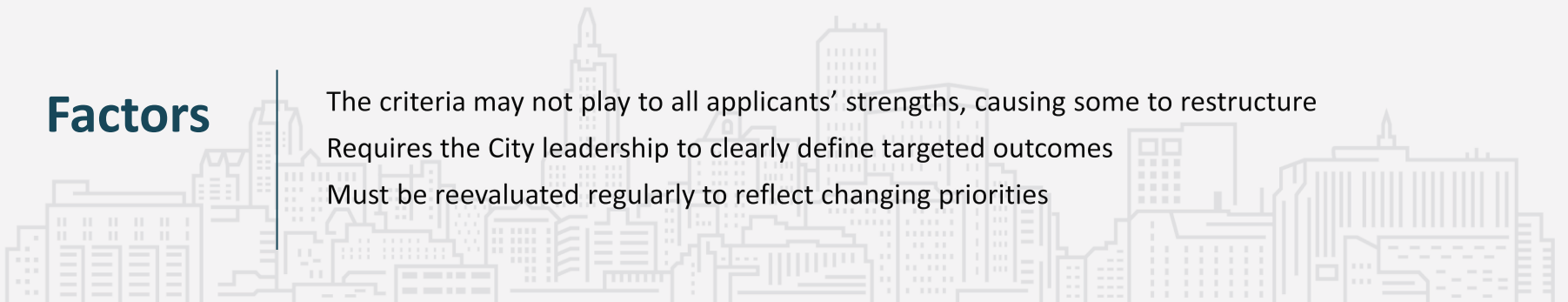
Resource awards are based on the City's defined goals for that program

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





Housing Rehabilitation and Code Compliance

Action

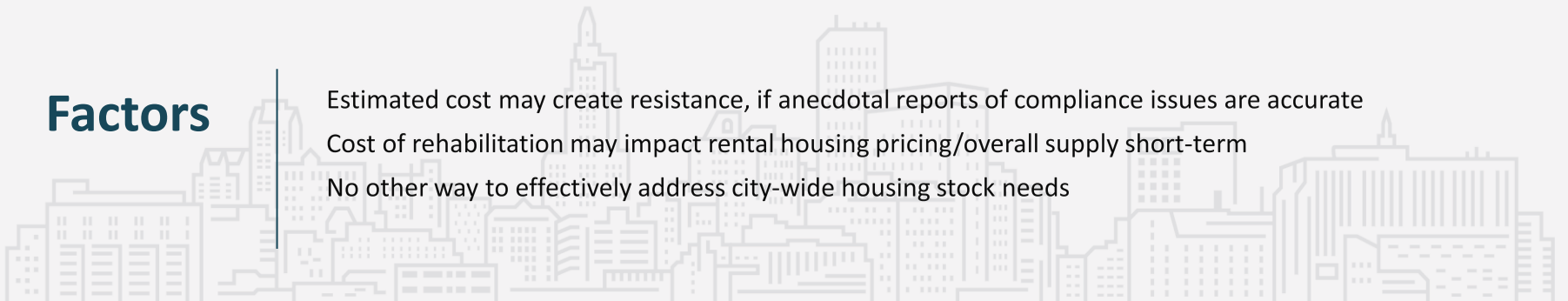
Require all rental housing units register with the City
Institute regular inspection requirements to ensure code compliance
Use registration fees to fund additional code enforcement officers

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





Landlord-Tenant Relations

Action

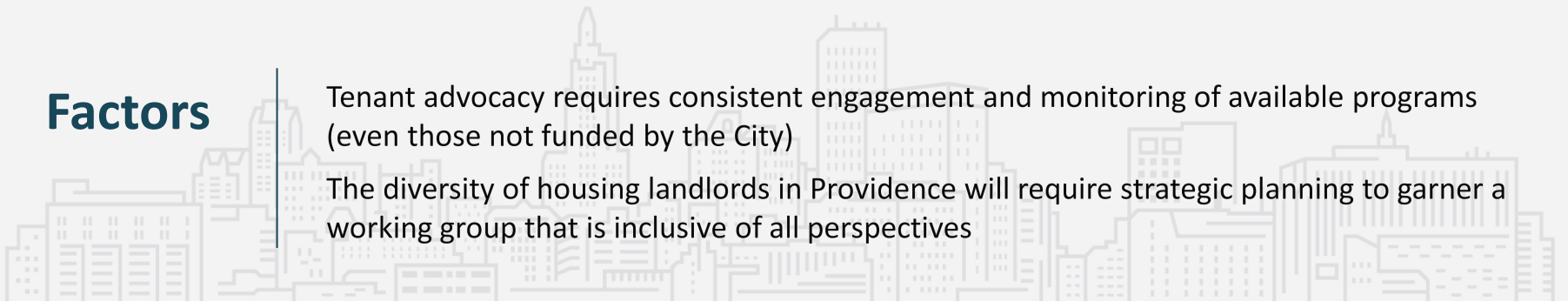
- Expand City support for tenant rights
- Engage landlord working group to build buy-in and refine strategies
- Provide resources that can bridge the gaps between landlords and tenants

Benefit

- Will further ensure Providence residents are fairly treated
- Balances the need for housing modernization and healthy homes with the necessary resources to minimize any disruptions in the housing market

Factors

- Tenant advocacy requires consistent engagement and monitoring of available programs (even those not funded by the City)
- The diversity of housing landlords in Providence will require strategic planning to garner a working group that is inclusive of all perspectives





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PUBLIC QUESTIONS AND COMMENTS



If you have a comment or question after this live Zoom session has ended, please email:

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jpflaumer@providenceri.gov

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

THANK YOU

