PROVIDENCE ANTI-DISPLACEMENT AND COMPREHENSIVE HOUSING STRATEGY
PRELIMINARY RECOMMENDATIONS PRESENTATION

Department of Planning and Development
RKG Associates, Inc.
August 26, 2020
Virtual Meeting Instructions

- Presentation is being recorded and will be posted online
- Participants automatically muted
- Participants can be removed for inappropriate behavior
Virtual Meeting Instructions

• All participants must choose either English or Spanish using the Interpretation button at the bottom of your screen

• Q&A window available for questions or help
  – Questions may be submitted using the Q&A button on the bottom panel of your Zoom Screen and will be addressed during public Q&A
Agenda

- strategy vision and goals
- key findings
- new funding strategies
- policy and program strategies
- priority actions
- Public questions and answers
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 Woonasquatucket 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)
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.
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) to combine City’s capacity and funding with partner’s money, administrative help, other resources.

**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.
<table>
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<tr>
<th><strong>New Funding Strategies:</strong> Investment Fund Concept</th>
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<td><strong>Action</strong></td>
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<td>Bring multiple partners together to address a specific challenge, in this case unmet housing demand</td>
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<td>Partners add capacity and resources and share risk to support housing projects</td>
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<td><strong>Example</strong></td>
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<td>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.</td>
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<td><strong>Impact</strong></td>
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<td>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.</td>
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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
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
PUBLIC QUESTIONS AND COMMENTS
If you have a comment or question after this live Zoom session has ended, please email:

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

THANK YOU