

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

HousingWorks RI Special Achievement

Rhode Island Housing strives to ensure that all people who live or work in Rhode Island can afford a healthy, attractive home that meets their needs. But we can't achieve this mission without the support of elected officials, Chambers of Commerce, municipal leaders, state agencies, the nonprofit and for profit community and the general public. Creating a platform for education and discussion about the need for affordable housing helps to ensure that the importance of housing to our state's economic wellbeing remains at the forefront of people's mind and helps to advance the mission and efforts of HFAs.

In order to create an educational and advocacy entity that could work in support of our efforts and those of our partners, HousingWorks RI was created to work throughout the state to advance the affordable housing agenda.

Introduction

In 2004, Rhode Island Housing created HousingWorks RI – a campaign to educate the public and the business community about a rapidly emerging economic development problem: the lack of affordable housing options for the state's workforce. The Rhode Island Foundation and the United Way of Rhode Island joined forces with us, and what began as a public education campaign became a coalition of businesses, funders and community partners working together to raise awareness about the need for state investment in affordable homes.

This year HousingWorks RI took an important step in its evolution with its transition into Roger Williams University. Along the way, this organization which was spawned by Rhode Island Housing working together with our community and business partners, has helped to change the perception of affordable housing in the state, raise awareness of the need for state investment in the development of affordable homes, and directly contributed to increased state investment in housing and homelessness programs.

Background

When Rhode Island Housing created HousingWorks RI, the state was in the midst of a rapid increase in housing costs spurred in part by extremely low development activity. The median sales price for single family homes increased 95% from 2000-2004 while Rhode Island ranked last in the nation in the rate of increase in its housing stock. At the same time, the state had very little history of investment in affordable housing and in 2005 that investment totaled only about \$8.5 million. Finally, there was a lack of capacity at the state and community level to organize an effective affordable housing campaign. The Rhode Island Housing Resources Commission, the state office responsible for setting housing policy and administering state funded housing programs, had inadequate staffing or resources to manage such a campaign, and while the state has many nonprofit affordable housing providers, we lacked a strong umbrella organization dedicated to advocating for affordable housing that could effectively channel and coordinate their efforts.

Critical Partnerships

In 2004, Rhode Island Housing joined forces with United Way of Rhode Island and the Rhode Island Foundation to fund HousingWorks RI. Initially, HousingWorks RI was a communications campaign which included an ad campaign and a kit folder with key information on the impact of rising housing costs on Rhode Island's workforce and economic competitiveness. In addition to our traditional nonprofit housing partners, we were joined in this campaign by many of the state's Chambers of Commerce and financial institutions, many of which were seeing the impact of high housing costs on attracting workers and improving the state's economy. Over time, HousingWorks RI grew to be an organization of its own, at first staffed by employees of the original funding partners, but eventually with its own research and

communications staff and an executive director. Each of the three funders supported this new organization with a three year commitment of funding.

Creating Awareness

In 2005, HousingWorks RI came out with the first of what was to become its signature publication, a Fact Book providing information on housing costs and cost burdens in each of Rhode Island's 39 cities and towns. The Fact Book marked the first step in HousingWorks RI's path to becoming the premier source of data-driven information on housing affordability in the state. Since that time, HousingWorks RI has produced an annual Fact Book detailing the changes in housing affordability and cost burden and focusing on other key issues, such as the link between affordable housing and economic growth, health and educational outcomes. The Fact Book, and the annual convening to celebrate its release, has become an important opportunity to highlight the role affordable housing plays in our state's economy and to share data on local housing cost burdens that are relied on throughout the year by advocates for affordable housing.

Advocating for Funding

HousingWorks RI has also played a critical role in securing state investment in affordable housing. In 2006, HousingWorks RI, with the support of Rhode Island Housing, United Way of Rhode Island and the Rhode Island Foundation, launched a campaign to put a \$50 million housing bond on the state ballot. HousingWorks RI led this coalition-based effort which included an ad campaign, polling, community meetings and a coordinated, grassroots effort of the state's nonprofit network of affordable housing providers. On Election Day, Question 9 was approved by more than 66 percent of Rhode Island voters. This was the first time the state had ever supported a bond to fund the development of affordable housing. When the funding from that initial bond was expended, HousingWorks RI played a critical role in supporting passage of a second, \$25 million housing bond on the ballot in 2012. Once again, the referendum received broad support and was approved by the voters.

Building Support

In addition to supporting funding for affordable housing, HousingWorks RI has played a critical role in celebrating and recognizing the work that funding has supported. Each year following passage of the bond, HousingWorks RI produced an issue brief highlighting the affordable homes that were financed by the bond, and the families who had benefited from that housing. HousingWorks RI also produced a brief describing the economic benefits leveraged by this investment which showed that the initial \$50 million housing bond was responsible for generating almost \$800 million in economic activity and supporting over 6,100 jobs. During the economic downturn and crash in Rhode Island's housing market, HousingWorks RI highlighted the fact that from 2007-2010 half of the value of building permits filed in the state were associated with developments receiving state housing bond funds. All of these efforts helped to build support among policy makers as well as at the local level for state investment in the development of affordable homes.

The Evolution of HousingWorks RI

Since the passage of the two state housing bonds, HousingWorks RI has continued to evolve into an authoritative source of information about housing affordability in Rhode Island. HousingWorks RI conducts research and analyzes data to inform public policy. The organization develops communications strategies and through publications like the annual Housing Fact Book, Special Reports, Issue Briefs, and infographics, promotes dialogue about the relationship between housing and the state's economic future.

In 2013, Roger Williams University announced its intentions to integrate HousingWorks RI into its Division of University Outreach and Engagement. Roger Williams University has long valued a campus-wide

commitment to the greater community. As part of Roger Williams University, HousingWorks RI acts as a bridge for the University and provides a “think and do” laboratory that faculty, students and staff can leverage to better all of Rhode Island. This academic base will also further support the research conducted by HousingWorks RI and increase its stature as Rhode Island’s premier source of information on housing affordability.

At its regular board meeting on June 18, 2014, HousingWorks RI officially became a part of Roger Williams University. Rhode Island Housing, United Way of Rhode Island and the Rhode Island Foundation continue to offer financial support for the organization and serve on its advisory board.

Achievements

Since its inception, HousingWorks RI has kept housing affordability at the forefront of public policy. Since January of 2010, HousingWorks has generated over 680 media mentions including 75 front page stories. Data produced by HousingWorks RI is regularly cited by the media and by public officials speaking about the housing challenges facing the state. HousingWorks RI has also been incredibly effective at producing infographics and videos that make housing affordability issues understandable and engaging for the public. In the recent housing downturn, HousingWorks RI took on the issue of foreclosures and has become the authoritative source of information on foreclosure trends and the impact foreclosures have on the supply of affordable housing and on our neighborhoods.

What started as an educational campaign has become so much more. HousingWorks RI is an example of how an innovative idea sparked by the state housing finance agency, and supported by our many housing and community partners, can change the way an entire state thinks about and supports affordable housing.

Key HousingWorks RI Publications

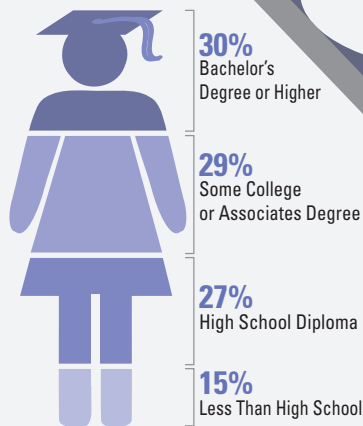
- 2013 Housing Fact Book: http://housingworksri.org/sites/default/files/HWRIfactbook13_0.pdf
- 2014 Infographic on cost burdened renters: <http://housingworksri.org/sites/default/files/CostBurdens-PurchasingPower.pdf>
- 2013 Special Report on the complete approach to funding affordable housing: <http://housingworksri.org/sites/default/files/SpecialReport-AH-Funding.pdf>
- 2014 First Quarter Report on Foreclosure Activity: http://housingworksri.org/sites/default/files/HWRI_ForeclosureRPRTQ1_2014_0.pdf
- 2011 short film on the need for long-term affordable housing: <http://www.youtube.com/watch?v=Bq-YXlpeYLS>
- 2010 Special Report Measuring the Economic Impact of Affordable Housing: http://housingworksri.org/sites/default/files/HWRI_SpReport_Spring10.pdf
- 2011 Year Four report on the Building Homes Rhode Island Program: http://housingworksri.org/sites/default/files/HWRI_IssueBrief_June2011BHRI_0.pdf

A LOOK *at* WOMEN *and* HOUSING *in* RI

POPULATION



EDUCATION

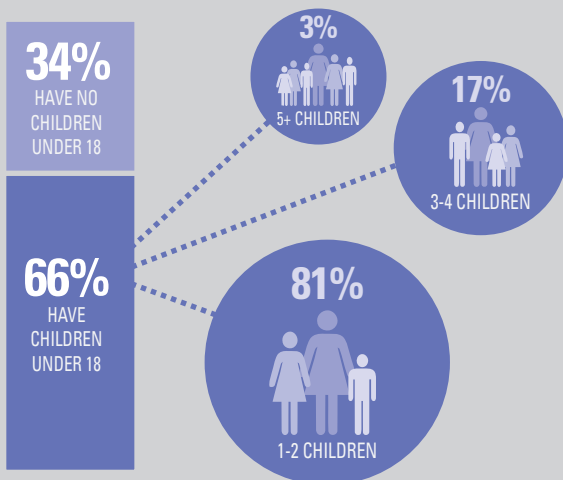


EARNINGS

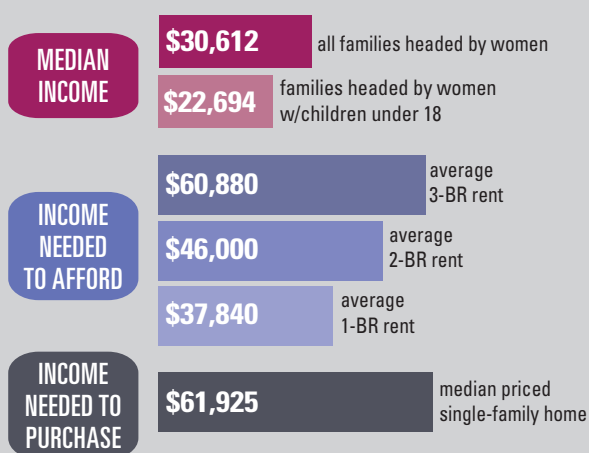
Women working full-time in Rhode Island earn **81.4%** of what men working full-time earn



FAMILIES HEADED *by* WOMEN

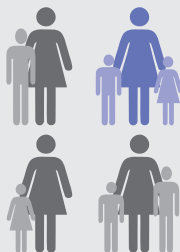


INCOME *vs.* INCOME NEEDED

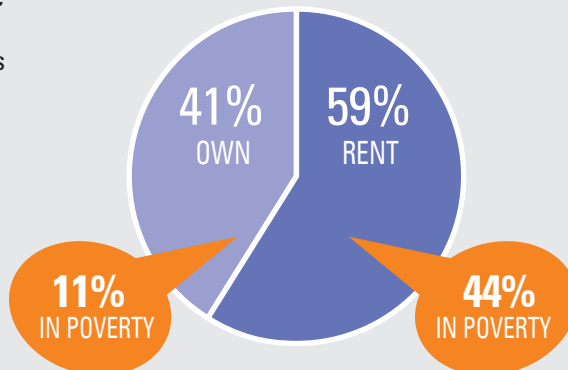


HOUSING COST BURDENS *for* FAMILIES HEADED BY WOMEN

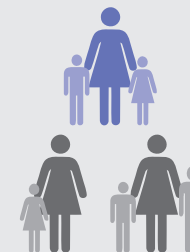
Nearly **1 in 4** female-headed families who **own** their home spend **50% or more** of their income on housing expenses




LIVING ARRANGEMENTS



1 in 3 female-headed families who **rent** their home spend **50% or more** of their income on housing expenses



THE REAL COST FOR COST BURDENED RENTERS

 **COST BURDENED RENTERS IN RHODE ISLAND** **90%** *or* **nearly 71,500** renter households **earn \$39,000** or less

	CURRENT HOUSING	HOUSING THAT IS <u>NOT</u> COST BURDENED	POSITIVE ECONOMIC IMPACT
AVERAGE MONTHLY EXPENSES	<p>\$854/mo.</p> <p>On average, Rhode Island's cost burdened renter households spend \$854 a month on their rent and utilities.</p>	<p>\$407/mo.</p> <p>These households would average \$407 a month in these expenses if they lived in housing affordable to them.</p>	<p>\$446/mo.</p> <p>So, a more affordable home would put \$446, on average, back into the hands of these lower-income workers each month.</p>
AVERAGE YEARLY EXPENSES	<p>\$10,245/yr.</p> <p>These households spend \$10,245 a year on their rent and utilities.</p>	<p>\$4,887/yr.</p> <p>These households would average \$4,887 a year in these expenses if they lived in housing affordable to them.</p>	<p>\$5,357/yr.</p> <p>A more affordable home would put \$5,357, on average, back into the hands of these lower-income workers each year.</p>
STATEWIDE IMPACT	<p>\$740 Million</p> <p>Altogether, the cost burdened renters of Rhode Island spend an estimated \$740 million on rent and utilities.</p>	<p>\$353 Million</p> <p>In affordable home scenarios these renters would spend an estimated \$353 million a year on rental and utility payments.</p>	<p>\$387 Million</p> <p>More affordable homes could lead to as much as \$387 million circulated into other parts of the Rhode Island economy.</p>

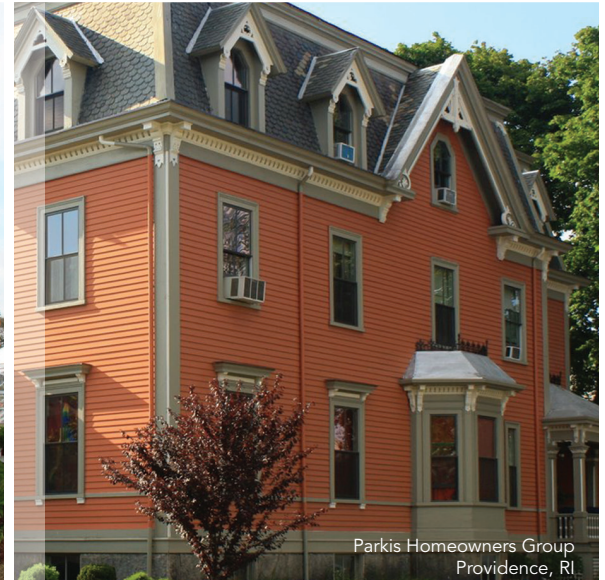


National research shows that when households are not housing cost burdened, their income is freed up to spend more broadly on other household necessities. Whether considered in monthly or annual terms, the savings generated through affordable housing allows households to pursue dreams such as homeownership and continuing education, or daily necessities such as healthcare and reliable transportation.

Special Report

Measuring the Economic Impact of Affordable Housing in Rhode Island

SPRING 2010



Historically, the value and positive impact of affordable homes have been measured by the social benefits they provide—such as fostering stable and prosperous communities, providing shelter security to Rhode Island’s working families, stabilizing blighted neighborhoods, and preventing or mitigating chronic homelessness. General assumptions about the economic benefit these homes provide to the state have been made but not measured in Rhode Island.

In spring of 2010, HousingWorks RI commissioned an economic impact study of our state’s housing bond dollars and their deployment through the *Building Homes Rhode Island* program. **This Special Report highlights the results of the study and offers quantitative evidence that the building of affordable homes in Rhode Island is producing a high return on investment, despite our current economic climate.**

“The impact of affordable housing development has traditionally been described to private, philanthropic and public funders in terms of its social benefits to low-income households and communities, (1) stable communities, (2) the benefits to individuals’ quality of life by occupying safe, decent, and affordable housing, and (3) the benefits to other programs... However, these measures do not reflect many quantifiable economic outcomes... Very little analysis has been done using traditional business measures of investment return or other economic measures of affordable housing development’s impact.”

M. Rogers and J. Blatt,
*Economic Impact of
Affordable Housing Development*

SPECIAL REPORT: Measuring the Economic Impact of Affordable Housing in Rhode Island

The Building Homes Rhode Island program

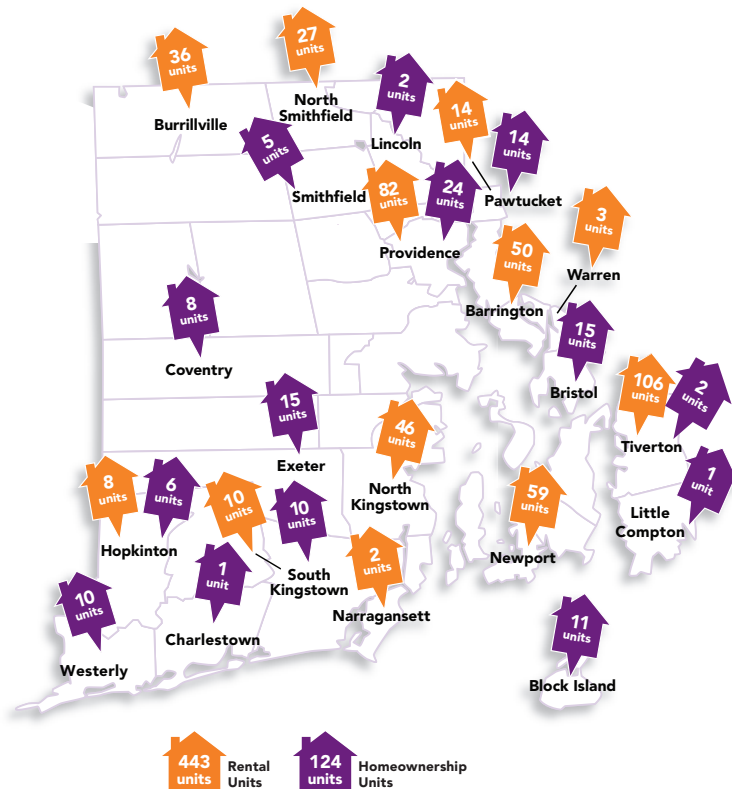


In 2006, 66 percent of Rhode Island voters approved a \$50 million housing bond to create affordable rental and ownership homes throughout the state. The bond received the support of a majority of voters in every city and town in the state. The bond funds are distributed through the Rhode Island Housing Resources Commission's *Building Homes Rhode Island* (BHRI) program. BHRI is helping hundreds of income-eligible families rent or buy a quality home in Rhode Island.

Funds for the program are distributed through a competitive process overseen by the Housing Resources Commission. The Commission has

created a BHRI Distribution Committee which includes representatives of private for-profit, non-profit and governmental organizations to review applications. The BHRI program operations are managed under an agreement with Rhode Island Housing. To date, \$37.5 million have been awarded, of which \$25 million have been deployed through nonprofit and private developers in the construction and rehabilitation of 40 developments, benefiting 567 working families in 21 communities throughout the state. The \$50 million of BHRI are expected to fund the creation of more than 1,000 affordable homes in Rhode Island.

567 Affordable Homes Funded FY 2007 and 2008



By law, 80 percent of the homes funded through BHRI are for rentals and 20 percent for ownership. BHRI is responsible for building some of the first affordable homes in many suburban and rural communities in the Ocean State.

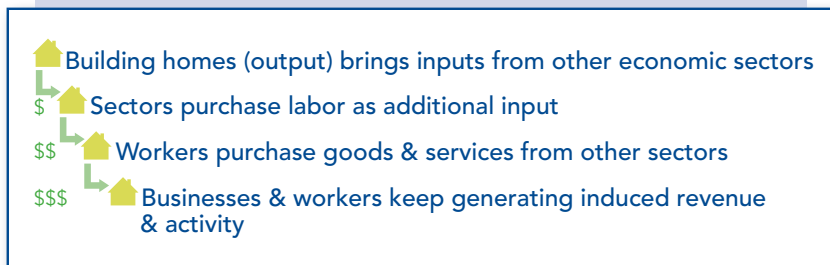
During 2007 and 2008—years in which the first bond monies were awarded—residential construction supported by BHRI accounted for 31 percent of all building permit activity in Rhode Island. BHRI is set to expire in FY2011.

Why an “economic impact” study?

Economic theory states that initial expenditures in a locality create a ripple, or *multiplier effect* throughout local, state, and national economies. But how do we measure such an economic “multiplier effect”? Fortunately, with the advent of complex computer-assisted tools, such as *input-output modeling*¹ software programs, and the help of economic data providers, detailed and wide-scale estimates of the returns of public investments are possible. These calculations are invaluable and necessary for informed policy and decision-making at state and local levels.

For several years, national studies and research have consistently proven that investments in housing bear a high multiplier effect for economies. Yet, in Rhode Island, the “multiplier effect” from the development of affordable homes has not been examined. This study—with thorough calculations, a solid econometric² model, software-assisted estimations, and data from 440 economic sectors in Rhode Island—demonstrates that coordinated investments in quality long-term affordable homes yield high economic returns on public investments. In economic terms, these homes exert a high “multiplier effect” on Rhode Island’s economy, even in today’s troubled economic climate.

Measuring Economic Ripple (“Multiplier Effect”) of Investments



Additional Economic Benefits of Affordable Homes

Compared to traditional, market-rate residential development, today’s affordable homes bear important additional economic benefits:

Affordable housing is important to our cities and towns: Housing that is affordable to the local workforce will retain and attract qualified labor, leverage federal and private dollars, and make local governments eligible for federal and private grants.

Affordability guidelines offer families stability from the start: Affordable housing programs ensure that residents do not spend more than 30% of their household income on housing costs, i.e., mortgage or rent, taxes, insurance, and utilities. These guidelines enable families to have dependable discretionary capital to contribute to local economies.

Higher construction standards and design parameters: Today’s affordable homes have high quality design and construction standards. They are attractive homes that improve the communities where they are built, creating a positive effect on the value of surrounding properties.³

Affordable homes house our critical workforce: Typically, people who qualify for an affordable home represent the professions that power our local economies, such as general office clerks, retail salespersons, customer service reps, nurses and medical technicians, and home health aides—some of the fastest growing occupations in our state today.

SPECIAL REPORT: Measuring the Economic Impact of Affordable Housing in Rhode Island

In a Nutshell...

IMPLAN’s input-output modeling estimated the economic “multiplier” resulting from BHRI investments (additional economic spending that ripples through our state economy):

Direct Effect:

Initial production stimulus and impact on the economy.

Indirect Effect:

Demand for inputs from directly affected industries (e.g. lumber, cement, architectural services).

Induced Effect:

Household change in spending due to additional employment caused by direct and indirect effects (e.g. workers will use wages to shop at the grocery store or buy local products).



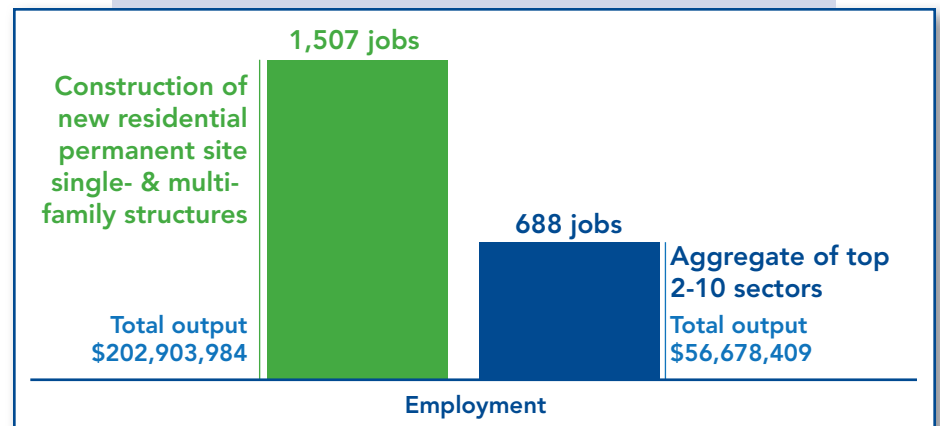
Study’s methodology

The study commissioned by HousingWorks RI consisted of a statewide economic impact analysis and a governmental fiscal impact analysis. (For a detailed description of the methodology behind this study, please visit www.HousingWorksRI.org)

The study used the IMPLAN⁴ model for calculating BHRI’s impact on Rhode Island’s economy: jobs created, total labor income, economic value added, and the total economic activity generated by BHRI developments. IMPLAN also models the tax revenues accruing to the state from sales, income, and corporate taxes that arise from this increased economic activity. IMPLAN has become the industry standard for conducting economic impact analysis.⁵ It has been widely used by several industries and housing agencies around the country to estimate the economic impacts of investments on local and regional economies.

IMPLAN (IMpact analysis for PLANning) is an input-output impact modeling system.⁶ These systems focus on the interactions among sectors in the economy affected by investments and spending. Changing demand in a business sector—e.g. construction—causes the sector producing the goods (output) to purchase inputs from other sectors. These sectors, in turn, employ labor as an additional input. Workers use wages to purchase goods and services from other sectors of the economy. The initial expenditures create a ripple, or multiplier, effect through the economy. IMPLAN uses 440 economic sectors in Rhode Island as a basis for analysis. (See flow chart on page 3.)

Construction vs. Other Sectors



SPECIAL REPORT: Measuring the Economic Impact of Affordable Housing in Rhode Island

The results

Rhode Island's Affordable Housing Sector: A Potent Stimulus to Our Economy

Our study illustrates how State investments in the development and rehabilitation of affordable homes have supported a substantial amount of jobs and economic activity throughout Rhode Island. For example, the economic impact analysis shows how, in its first two years, BHRI's initial \$25 million in bond funding has permeated our state economy multiplying **nearly 16 times** and generating **almost \$400 million of total economic activity**.⁷

BHRI Multipliers

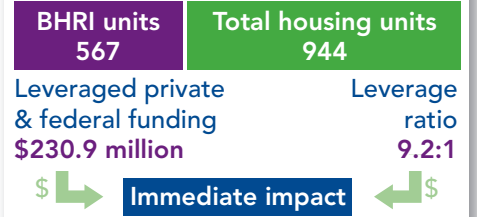
Type	Definition	Multiplier
Development multiplier	Total development costs/BHRI funds	9.2
Labor income multiplier	Total Labor income effect/BHRI funds	6.0
Employment multiplier	BHRI funds/total development	\$8,170
Total output multiplier	Total output effect/BHRI funds	15.8

The study also reveals that the \$25 million of BHRI funds deployed to date have maintained or generated 3,060 jobs in the state, a great majority of which are full-time. This translates into one job per \$8,170 of bond funding deployed, and \$149.3 million in wages. It is estimated that 1,507 construction jobs were created. Based on these calculations and all other factors held constant, **we estimate that the entire \$50 million of bond monies will support more than 6,100 direct and indirect jobs throughout Rhode Island.**

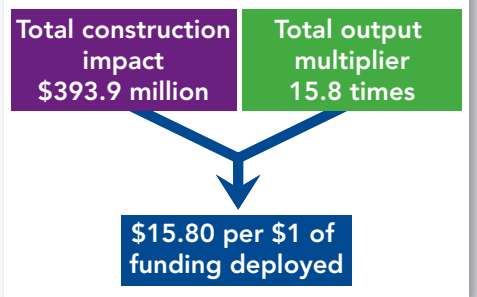
Statewide Impact of Entire Bond | \$50 million:

Impact type	Employment	Labor income	Output
Direct effect	2,982	\$145,883,728	\$401,599,584
Indirect effect	854	\$40,239,428	\$109,444,720
Induced effect	2,824	\$112,469,866	\$276,696,770
TOTAL effect	6,120	\$298,593,022	\$787,741,072

\$25 million deployed to date:



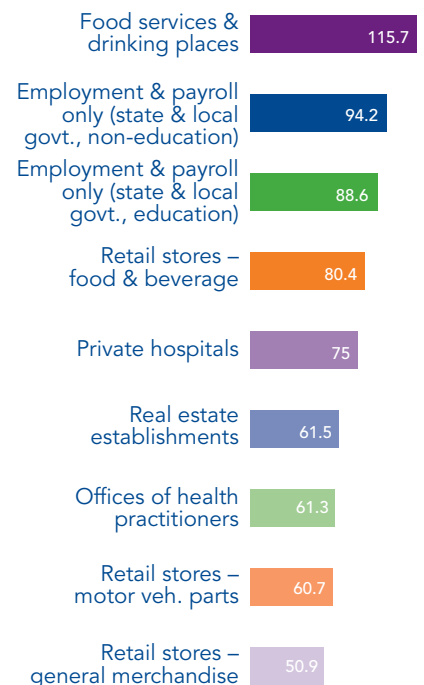
\$25 million



Employment & Sector Activity Top ten sectors – Impact of \$25M on R.I.'s industries

Excluding construction

Number of jobs created per sector



SPECIAL REPORT: Measuring the Economic Impact of Affordable Housing in Rhode Island

“The importance of housing in the economy is well known. Analysts track building permits nationally and locally and report housing starts as an indicator of economic activity. New housing construction creates jobs and generates income, and a strong new housing market is seen as an indicator of public confidence and a robust economy. However, the local housing market also is an important factor in economic development. For example, the quality of homes and neighborhoods in a community serves as a visual measure of the local quality of life. The range of housing types strengthens the ability of local businesses to attract and retain new workers so that they can compete and expand in the changing economy.”

D. Klacik,
*Affordable Housing: Key to
Economic Development*
Center for Urban Policy and
the Environment

The Fiscal Impact of BHRI

Using IMPLAN, it is estimated the State of Rhode Island is receiving various tax revenues, including income taxes, corporate taxes, and various fees and licenses, as a result of the increased economic activity from the BHRI program. These tax revenues also include sales taxes (non-profit developers report that they often do pay sales tax on the purchase of building materials). Other sales taxes are captured as the ripple effects of BHRI monies move through the state economy. The total estimate of tax income received by the State of Rhode Island ranges from approximately \$6.9 million to \$11.0 million, with the bottom end of the range reflecting an estimate of \$0 in sales tax revenue and the top end of the range reflecting an estimate of \$4.1 million (essentially the full capture of potential sales taxes from the new economic activity).⁸

Conclusion

The Building Homes Rhode Island program has been a success for Rhode Islanders in several ways. Not only do these attractive and well-constructed houses provide a quality home for someone to live in, but as evident from the study’s findings, they also serve as a strong economic generator: based on the study’s calculations and all other factors held constant, BHRI investments are estimated to leverage around \$460 million from private and federal supplementary sources and generate more than \$790 million in economic activity across the state.

Construction and real estate industries have consistently accounted for about one fifth of Rhode Island’s Gross Domestic Product; and one in every 10 jobs in the Ocean State is in the construction and real estate industry.⁹ Indeed, BHRI has been a needed, strategic stimulus for the seriously affected homebuilding sector.

The economic impact is not limited to the homebuilding sector either. Residents of these affordable homes shop at local grocery stores, eat at local restaurants, and pay taxes to local governments. This report is but one part of an ever growing body of evidence illustrating how quality affordable homes directly contribute to vibrant local economies and create a more attractive business climate for communities. If Rhode Island is to revive its economy, state and local policymakers must invest in strategies that will ensure a long-term supply of homes that are affordable to our workforce.

SPECIAL REPORT: Measuring the Economic Impact of Affordable Housing in Rhode Island

About the study's authors

Eric Hangen, AICP, is the President of I Squared Community Development Consulting, Inc., which provides nonprofit business and strategic planning, neighborhood revitalization planning, and housing finance consulting services to clients nationwide. As a Management Consultant with the Neighborhood Reinvestment Corporation, Eric helped nonprofit corporations across the country develop neighborhood revitalization, strategic, and business plans. Major projects include creating an urban reinvestment strategy that has guided over \$50 million of investments in Syracuse, NY, and directing the development of an innovative Home Equity Protection program that received national acclaim in *Forbes*, *The Economist*, and on NPR's "Marketplace."

Eric has a Master's in Public Policy from Harvard University and a Bachelor's in Environmental Studies from Brown University. He is a member of the American Institute of Certified Planners.

Jack Northrup, is the President of New England Market Research, Inc. of Middlebury, VT, a company that works with nonprofits, foundations, government agencies and private companies conducting primary research and statistical analyses. Clients have included the Annie E. Casey Foundation, Habitat for Humanity, the Aspen Institute, the U.S. Department of the Treasury's CDFI Fund, NeighborWorks® America, the American Physicians Assistant's Association, the Association for Energy Affordability, the cities of New Orleans, Oakland, New York, Atlanta, Indianapolis and Providence, RI. He has co-authored several publications including case studies for the FB Heron Foundation on mission-related portfolio investing, portfolio investing for community development for the Responsible Endowment Coalition and insurance company community philanthropy for AltruShare Securities. He has taught at the University of Vermont and at the Graduate School of Business at Southern New Hampshire University.

Besides nonprofit work, Jack has performed data mining and primary research for Genworth Financial, Fleet Bank and Littleton (NH) Savings Bank, several television networks and movie studios, and other corporations and entrepreneurs.

Jack holds a BS and MS from New Hampshire College and an MBA from Dartmouth College.



References & Endnotes

- ¹ IMPLAN is one such modeling system—which focuses on the interactions among the sectors in a given economy that are affected by spending and quantifies the economic effects and returns of investments (read more about *input-output modeling* below on endnote 4).
- ² In economics, *econometrics* combines economic theory with statistics to analyze and test economic relationships, in the case of this study, among different economic sectors and industries.
- ³ 'Don't Put It Here!': Does Affordable Housing Cause Nearby Property Values to Decline? Center for Housing Policy, 2006.
- ⁴ For more information about IMPLAN, visit www.implan.com.
- ⁵ Minnesota Housing Finance Agency. *The Economic Impact of Minnesota Housing's Investments*, 2009.
- ⁶ In economics, an input-output (I/O) model uses a matrix representation of an economy (either national or regional) to measure or predict (to "model") the effect of changes in one industry on others due to a particular investment. In short, an I/O analysis depicts inter-industry relations in an economy; it shows how the output of one industry is an input to other industries.
- ⁷ Total economic activity includes employment, labor income, economic value added, and induced output at the state level.
- ⁸ For detailed information about state tax revenues visit www.HousingWorksRI.org to download the complete pdf of the study.
- ⁹ Federal Reserve Bank of Boston.

SPECIAL REPORT: Measuring the Economic Impact of Affordable Housing in Rhode Island



Quality affordable homes for all

Background

HousingWorks RI is a coalition of nearly 140 organizations working to ensure that all Rhode Islanders have a quality, affordable home—an essential component of our state’s economy. Our members include banks, builders, chambers of commerce, colleges, community-based agencies and advocates, faith groups, manufacturers, preservationists, realtors, municipal officials and unions...and that’s just a small sample.

HousingWorks RI identifies best practices, conducts research, and analyzes data to support policy recommendations, public education strategies, and communication initiatives. HousingWorks RI works to educate stakeholders and build consensus around the connection between housing and economic development.

Our funders:



Newport Heights Phase IV
Newport, RI

“By almost any measure, affordable housing development offers a very good return on dollars invested. The pure economic impact of developing housing that is affordable to low-income [people] is substantial... It is immediate because construction begins almost immediately. It is on-going because of the 50 to 99 year commitments to affordability that developers and owners make.”

M. Rogers and J. Blatt,
*Economic Impact of Affordable
Housing Development*

A LOOK at RENTERS in RHODE ISLAND 2014

SHARE OF RENTER HOUSEHOLDS BY AGE* *(of all renter household, % in each age)*

18-24 YEARS

9%



32%

45-64 YEARS

25-44 YEARS

40%

18%

65+ YEARS

MEDIAN RENTER HOUSEHOLD INCOMES BY AGE



18-24 YEARS

\$26,020



25-44 YEARS

\$40,000



45-64 YEARS

\$31,580



65+ YEARS

\$17,200

\$47,040



Income needed to afford avg 2-bedroom at \$1,176

\$57,353



Income needed to afford single-family home at \$190,000

PERCENTAGE OF RENTER HOUSEHOLDS COST BURDENED

18-24 YEARS



59%

COST BURDENED

37%

SEVERELY COST BURDENED

25-44 YEARS



45%

COST BURDENED

27%

SEVERELY COST BURDENED

45-64 YEARS



50%

COST BURDENED

24%

SEVERELY COST BURDENED

65+ YEARS



45%

COST BURDENED

20%

SEVERELY COST BURDENED

■ Spending more than 30 percent of income on housing
 ■ Spending more than 50 percent of income on housing

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Cities & Towns Profile: **Narragansett**



Long-term affordable rental homes developed by Narragansett Affordable Housing Corporation. Funded in part through BHRI.

News about Narragansett

2013 Housing Fact Book municipal data now available online

What is the average rent for a two bedroom apartment in Johnston? How about the median price for a single-family home in Cumberland? Do you earn the income needed for [...] [Read more >](#)

August 15, 2013 in [Local Interest](#), [New Housing Research](#)

Q1 2013 Foreclosures in RI

PROVIDENCE, RI – June 20, 2013 – HousingWorksRI today released its analysis of foreclosures in Rhode Island for Q1 2013. The report looks at the number of residential foreclosures [...] [Read more >](#)

June 20, 2013 in [Foreclosures](#), [Local Interest](#), [Media Interest](#), [New Housing Research](#), [Publication News](#)

Narragansett at a Glance:

Narragansett is a town in Washington County, Rhode Island. It was incorporated as a town in 1901. Prior to that time, it was part of South Kingstown. According to the United States Census Bureau, the town has a total area of 37.8 square miles, of which 23.6 square miles is water. Narragansett's governmental structure is composed of a five-member Town Council and a Town Manager.

Housing Facts: 2012

Select Year - 2012

Typical monthly housing payment* for a \$370,000 house	\$2,438
Household income required to afford a \$370,000 house	\$97,500
Average monthly rent for a two-bedroom apartment	\$1,235
Household income required for that rent to be affordable	\$49,400
Average private-sector wage for jobs in Narragansett	\$33,280

Foreclosures in Narragansett

Actual number of foreclosures	8
Total number of mortgaged housing units	3,345
Foreclosures as a percentage of mortgaged stock	0.20%

Housing Units in Narragansett

Number of year-round housing units	7,156
Housing units that qualify as affordable	261
Affordable housing units reserved for the elderly	108
Affordable housing units reserved for families	123
Affordable housing units reserved for persons with special needs	30
Homes funded through Building Homes Rhode Island	2

How much housing is needed?

Additional housing units necessary to meet the 10% threshold established by the State's Low and Moderate Income Housing Act of 2004	455
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RI State Profile	
Barrington	New Shoreham
Bristol	Newport
Burrillville	North Kingstown
Central Falls	North Providence
Charlestown	North Smithfield
Coventry	Pawtucket
Cranston	Portsmouth
Cumberland	Providence
East Greenwich	Providence (East Side)
East Providence	Richmond
Exeter	Scituate
Foster	Smithfield
Glocester	South Kingstown
Hopkinton	Tiverton
Jamestown	Warren
Johnston	Warwick
Lincoln	West Greenwich
Little Compton	West Warwick
Middletown	Westerly
Narragansett	Woonsocket



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Explore:

Obstacles To Building Affordable Homes

There are many nonprofit and for-profit developers in Rhode Island who know how to build quality affordable housing. Here's what holding them back:

Rhode Island's Super-High Cost of Land

Maybe you can afford the structure. What you can't afford is the land it sits on. Rhode Island land is prohibitively expensive, far above the national average. A finished lot in the Ocean State is 45 percent of the total house price. Nationally, a finished lot costs just 34 percent of the total.

Slow Permitting that Eats Up Profitability

From idea to CO (certificate of occupancy), a developer in Rhode Island can expect to wait two to five years before seeing a return on his or her investment of time and money. Much of that time is spent waiting for permits and approvals. According to an economic study released in 2004 by then-Fleet Bank and Rhode Island Public Expenditures Council, "it takes 2 to 2 1/2 years for approval of a new development" in Rhode Island. And that's just approval. Then you have to build.

It doesn't have to be this way. Quality projects and fast permitting are compatible, others have proven. In the rapidly growing vicinity of Dartmouth College, for example, permitting is now as quick as six weeks. It's almost never more than a year.

Slow permitting makes affordable housing especially unattractive for commercial builders to attempt. Already-lean profit margins shrink while the clock runs and interest payments on the land purchase continue. Slow permitting is one reason big, expensive houses are so popular. "McMansions" are the only projects that yield enough profit so a developer can survive the long wait until a payday.

Exclusionary Zoning

Many towns impose zoning restrictions, code requirements and development conditions that have the effect of driving up the costs of new houses. These forms of so-called "exclusionary zoning" curb the development of rental housing and sometimes prohibit lower-cost housing types, such as townhouses and duplexes, altogether.

Restrictions of this kind can include minimum lot-size requirements, floor area ratios, land use-intensity ratios, setback and yard requirements, minimum house-size requirements, ratios comparing number and types of housing units to land area, limits on units per acre and other means.

Since the 1960s there has been a desire to control sprawl and "suburbanization" (translation: new developments full of kids and houses). Density became something of a dirty word, outside urban areas. In the 1970s towns like Foster passed large-lot minimum zoning requirements (4.6 acres).

Among other reasons: a wish to "preserve the rural character of the town." If that was the aim, it missed. The town is rapidly filling with houses, many modest (it's all anyone can afford after buying the land), each on its own deep 4.6 acre lot with the required 300-foot frontage. It might not be intentional, but exclusionary zoning has a predictable result: it shuts out low- and moderate-income families from a community.

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Explore:

Myths & Facts

MYTH: Investment in affordable homes won't have a significant positive impact on the economy.

FACT: HousingWorks RI recently conducted a [statewide economic impact study of the Building Homes Rhode Island \(BHRI\) program](#) and the results are clear. Public investment in housing, specifically in affordable workforce homes, has a tangible, positive impact on Rhode Island's economy.

The report analyzed the impact of the BHRI program for the State's economy using the IMPLAN economic input-output model for Rhode Island.

- The \$50 million of BHRI investments in Rhode Island have generated close to \$800 million in total economic activity, multiplying nearly 16 times throughout our state's economy.
- In addition to offering a return of \$16 per \$1 invested, BHRI has also supported nearly 6,100 jobs in Rhode Island, generating about \$300 million in wages, which workers use to purchase local goods and services and contribute to municipal and state economies.
- 53% of the total estimated cost of residential construction permitted from 2007 to 2010 was for developments supported by the Building Homes Rhode Island program.

MYTH: The real estate market downturn and the foreclosure crisis have made homes affordable – we don't need to support the creation of affordable homes in Rhode Island.

FACT: HousingWorks RI commissioned Hart Research Associates, a leading national survey research firm, to conduct a telephone survey of 500 registered voters in Rhode Island. The research dispels the myth that voters see the real estate market downturn as having solved Rhode Island's affordable housing crisis.

Distressed properties often seem like a deal, but many of these homes are in poor condition requiring extensive and costly improvements to make them livable.

MYTH: Affordable homes are substandard and unattractive and will negatively change the character of my neighborhood.

FACT: Just look at the photos on this website or walk through the neighborhoods of affordable developments in Rhode Island and you'll see that affordable homes can be among the best-built, best-maintained properties in the community. Requirements of the programs that finance the development of these homes ensure that affordable homes are well designed, attractively landscaped, and constructed of quality, energy-efficient materials. The high standard of construction for these homes allows them to better integrate and actually improve the communities where they are built.

MYTH: Affordable homes will lower my property value and be a drain on my community.

FACT: This is one of the most common and misleading misconceptions about affordable homes and one of the biggest concerns raised over the development of affordable homes. For several years, sufficient research has disproven these false notions. Architectural standards and adequate maintenance strongly influence property values. Properly maintained affordable housing developments, designed and built with sensitivity to the architectural and aesthetic standards desired by the community, may even increase the property values.

MYTH: Nobody I know needs an affordable home.

FACT: The current economic times have made it even more likely that you know someone who is either struggling to find a home they can afford or to afford the home they currently have. HousingWorks RI's analysis of the U.S. Census Bureau's 5-Year

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American Community Survey data indicates that Rhode Island is the most housing cost-burdened state in New England. According to federal and state standards, a household should spend no more than 30 percent of its income on housing costs, including utilities; otherwise, families may not have enough income for other basic necessities such as food, clothing, transportation, medical care and education. The 2005-2009 ACS data show that 162,442 households in Rhode Island, or 41.7 percent, are housing cost-burdened.

What's more, in April 2010, The Urban Land Institute (ULI) Terwilliger Center for Workforce Housing released a study that, for the first time, calculated the combined costs of housing and transportation for families living in Rhode Island, most of eastern Massachusetts, and parts of southern New Hampshire. According to the study's findings, the combined costs of housing and transportation for a mortgaged household in Rhode Island account for 58% of the median household income in the Ocean State. According to the study, this qualifies many Rhode Island communities as extremely cost-burdened.

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