

AFFORDABLE HOUSING IN PAWTUCKET

2021-22 STATUS REPORT



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INTRODUCTION

PAWTUCKET'S COMMITMENT TO EXPANDING AFFORDABLE HOUSING

The lack of affordable housing across Rhode Island and in the City of Pawtucket is one of the most important issues impacting families, our economy, and growth as a great community. While we have been working hard to increase the supply of affordable apartment units and homes across Pawtucket, too many of our residents are cost burdened, meaning they are spending more than 30 percent of their annual income on housing costs.



Indeed, according to HousingWorks RI's 2020 Housing Factbook, 38 percent of Pawtucket home owners, and 48 percent of renters are cost burdened. When homeowners and renters are forced to spend this amount of income on housing costs, it means less money spent and invested in our community, while putting stress on families to make ends meet.

Without more affordable housing, many Pawtucket families will continue to struggle financially, and our city's employers will be challenged to attract and retain the workforce they need to live and work nearby, while competing globally.

With our partners on the City Council, at the Pawtucket Housing Authority, the Pawtucket Redevelopment Agency, and Pawtucket/Central Falls Development, we are working to increase the supply of affordable housing in our city. Through a combination of federal and state funding, over the past 10-years Pawtucket has added 37 new deed restricted affordable units, while assisting 143 families achieve the dream of home ownership in our community.

As Mayor, I've had the opportunity to meet many of the families we have assisted finding quality, affordable rental and housing options, and it is truly a game changer for them. We also see the positive impact these developments can have on our city. For example, the recently redeveloped 2 Bayley Street had sat vacant for years. Now the beautifully restored building features a mix of affordable housing units, the Harvest Kitchen Café, and serves as an anchor in the rapidly growing neighborhood adjacent to the soon to open Pawtucket-Central Falls commuter rail station.

While we are making progress, which this report details, we know that much more needs to be done. That is why my administration is committed to building and restoring the 322 additional units Pawtucket needs to reach the state's goal of 10 percent affordable housing in every community in Rhode Island.

In 2021/22, another 12 affordable units are expected to come online and another 200 are at various stages in the development pipeline. To bring these projects to reality and to reach our goal of 10% affordable housing in Pawtucket, additional city, state, and federal investment will be needed.

I am pleased to share that using funding from the American Rescue Plan Act (ARPA), Pawtucket is stepping up to the plate by creating a dedicated commitment to affordable housing projects in our city. We are hopeful that this commitment will be complemented by other ARPA investments in affordable housing now being considered by the Governor and the General Assembly.

As this report details, Pawtucket is making progress towards the bold goal of more affordable housing across our city, with a number of programs and services available to our residents who are experiencing housing affordability issues.

Working together with our community, state, and federal partners, Pawtucket is placing and investing in affordable housing as one of the key priorities for the future of our great city.

Sincerely,

Donald R. Grebien
Mayor



WHAT IS AFFORDABLE?

The current model of deed restriction is what is commonly used in cases that are referred to as affordable housing units. Housing is considered “affordable” when it costs no more than 30% of your gross income. For a minimum wage- earner working full time, an affordable apartment would cost no more than \$468 a month. For a median-income household in Rhode Island, an affordable home would be no more than \$1,421 a month. When you pay more than 30 % of your gross income for housing, you are considered “cost- burdened.” According to Housing Works RI’s 2020 Housing Fact Book, 38% of Pawtucket home owners, and 48% of Pawtucket renters are cost burdened. The benefits of this increase in affordable housing is that it provides an opportunity for residents to stay in the city without being charged over what they are able to afford on their salary.

WHAT PERCENTAGE OF PAWTUCKET'S HOUSING IS "AFFORDABLE"?

Pawtucket's current percentage of deed-restricted affordable housing is 8.9%. This number comes from a count of all of the 30-year deed restricted housing units, as a percentage of total housing units. It provides some information about the City's affordable housing but does not provide the entire picture of the City's efforts to address affordable housing. For example, there are an additional 143 deed restricted affordable units which are not included in the 10% calculation because they were funded under a program with a 15-year requirement for affordability, rather than the 30-year requirement.

Within Pawtucket, there are 2,780 units, which is 8.9%, that are insured and/or subsidized by the U.S. Department of Housing and Urban Development (HUD) and set aside for low and moderate-income residents but we are always looking for more potential.

According to Housing Works RI's 2020 Housing Fact Book, the City of Pawtucket needs 322 units to meet the state's 10% goal which was established by the Low and Moderate Income Housing Act, RIGL: 45-53.

In 2021/22, there will be at least another 12 units are anticipated to come online with the redevelopment of 160 Beechwood Avenue among other projects. An additional 200 affordable units are now in the pipeline – at various stages of development and review.

2780

**UNITS IN PAWTUCKET
ARE INSURED AND/OR
SUBSIDIZED BY HUD**

WORKING TOWARDS BUILDING & RETAINING MORE AFFORDABLE HOUSING IN PAWTUCKET

The City of Pawtucket, working with our partners on the City Council, at the Pawtucket Housing Authority, the Pawtucket Redevelopment Agency, and Pawtucket/Central Falls Development have been making real progress increasing the number of affordable rental and housing units available in the city.

Highlights include:

Using **\$615,980** in Community Development Block Grant (CDBG) funding, the Pawtucket Redevelopment Agency's Residential Rehabilitation Program has produced **39 affordable units over the last 10 years.**

Pawtucket has assisted **143 families** with the first-time homebuyers' program in the last 10 years, providing over **\$894,000** in assistance to make the dream of homeownership a reality.

Over the last 10 years the City has invested **\$3.2 million** through the HOME Investment Partnership Program to create **37 new deed restricted affordable units.**



In addition to HOME funding, Pawtucket has leveraged other resources to support the creation of new affordable units:

- The Pawtucket Redevelopment Agency has acquired properties on Branch and Middle Streets to facilitate the development of affordable housing.
- Pawtucket has facilitated brownfields cleanup funding on Pine and Branch Streets to support affordable housing development.
- Pawtucket utilizes CDBG funds to assist in tenant advocacy programs and homeownership classes.
- The Department of Zoning has revived the receivership program to redevelop vacant and abandoned housing units into safe housing.



THE PATH FORWARD: CREATING 400 NEW UNITS OF AFFORDABLE HOUSING BY 2032

The City of Pawtucket is committed to acquiring and/or developing an additional 400 units of affordable housing by 2032. The Pawtucket Planning Department is working to include an average of 40 new units every year with an update annually on the progress. This is a bold goal, but one we are confident we can achieve by continuing to work with our community, state, and federal partners to secure additional financial resources, while making policy changes to speed the development of affordable housing across our city.

To kick start this effort, the City will be utilizing ARPA funds for affordable housing projects annually. Combined with the action steps outlined below, we have a clear path forward to increasing access to affordable housing in our city.

- Create a sustainable source of local funding for affordable housing. The City has committed to using ARPA funds to deploy the funding immediately and then to include an annual City line item to support the development of Affordable Housing.

- Create the position of Housing Navigator, to have a single point of contact for all local, state and federal programs, to assist residents in accessing information and resources around affordable housing.
- Prioritize affordable housing when making decisions on the disposition of receivership properties.
- Zoning ordinance amendments to support affordable housing development - allow for unified development review for projects with at least 30-year deed restricted affordable housing.



STATE LEVEL SUPPORT

The General Assembly has the opportunity to make a historic investment in affordable housing by utilizing American Rescue Plan Act funds to address the decades-long acute shortage of housing in Rhode Island, especially for people with low-to-moderate incomes.

Pawtucket needs the State to continue to allocate housing funds to small cities to assist in the preservation and development of affordable units.

Additionally, the State can assist by making the building of new affordable housing units more financially viable by exempting project materials and construction costs from the state sales tax.



THIS IS WHAT AFFORDABLE HOUSING LOOKS LIKE: BRANCH BLACKSTONE

Annika Daluz, 30, was frustrated during her housing search when she toured apartments in communities that were in disrepair and well above her budget. After learning about Branch Blackstone through a friend, Annika completed an application, was placed on a waiting list, and was thrilled when she learned she could move into one of the newly constructed units.

**“THE FACT THAT IT’S BRAND NEW AND THAT I CAN AFFORD TO LIVE HERE - IT’S JUST INCREDIBLE. IT’S WONDERFUL.”
- BRANCH BLACKSTONE TENANT ANNIKA DALUZ**



Developed by PCF Development, Branch Blackstone is a 46-unit project that has transformed Branch Street through the creation of 29 new apartments and the preservation of 17 existing homes.

THIS IS WHAT AFFORDABLE HOUSING LOOKS LIKE: EMPOWERING FIRST TIME HOME BUYERS

Jean recently graduated from the Pawtucket Housing Authority's Family Self Sufficiency program. While participating in the program, Jean's goals were to buy a home, improve his credit score, obtain a certificate in a field of interest, and secure a job.

Jean is the primary breadwinner in his home, where he resides with his immigrant parents. He obtained a certificate in Culinary Arts and completed homeownership classes. He is hoping to purchase his first home, where he and his parents will become homeowners.

Jean received a final disbursement of \$25,000 and is hoping to buy a home in the near future.



**“THE OPPORTUNITY TO
BECOME SELF-
SUFFICIENT, COMPLETE
MY GOALS WHICH WILL
GIVE ME A FINANCIAL
OPPORTUNITY TO
BECOME A HOMEOWNER
IS EXTREMELY
IMPORTANT TO ME AND
MY FAMILY.”
– PAWTUCKET HOUSING
AUTHORITY TENANT AND
FAMILY SELF
SUFFICIENCY PROGRAM
GRADUATE JEAN OSTHINE**

AFFORDABLE HOUSING FOR VETERAN POPULATIONS

The City of Pawtucket is working with the State of Rhode Island in a new partnership to provide affordable housing for a specific population; United States Veterans.

Lockwood Development Partners has acquired the former Memorial Hospital site from Care New England in Pawtucket to develop affordable housing units for our country's veterans alongside Veterans Services USA.

The \$70 million redevelopment project is expected to create more than 100 affordable housing units to primarily serve the veteran and senior populations.

The initial designs for the project, along with providing housing, also included a healthcare facility for therapy and social services along with career and training program locations for veterans looking to enter the workforce.



CONCLUSION

The City of Pawtucket works in partnership with the following partners to assist with the creation of affordable housing.

Pawtucket City Council

Pawtucket Housing Authority

Pawtucket Redevelopment Agency

Pawtucket-Central Falls Development

State of Rhode Island

For any questions on this report, please contact the Pawtucket Planning Department at 401-728-0500 ext. 430 or visit www.pawtucketri.com/planning-redevelopment for more information.



Pawtucket

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