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## Finding Common Ground: Smart Growth and Affordable Housing

Edgar Adams

*Roger Williams University*, eadams@rwu.edu

Brian Boisvert

Fenton Bradley

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# Finding Common Ground: Smart Growth and Affordable Housing

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## **Finding Common Ground: Smart Growth and Affordable Housing**

Edgar G. Adams Jr. Roger Williams University

### **Abstract**

Low and Moderate Income (LMI) housing is an integral part of Smart Growth planning; however growth boundaries, taken alone, can constrain the supply of available land driving up housing costs. In many states, with more integrated growth management plans, these costs are made up for by incentives for more compact and integrated housing within well served, mixed use town and village centers; however, in Rhode Island the absence of real incentives and the slow pace of local reforms to outdated and exclusionary zoning policies has created some tension between Smart Growth and LMI housing advocates.

In PART I of this study we developed a way of measuring the smart growth potential of available land in communities throughout the state with particular attention to those towns outside of the Urban Service Boundary. These are often communities that are not served by municipal water and sewer infrastructure. These outlying areas are also among the fastest growing communities in the state and those with the lowest percentage of LMI Housing counting toward the state mandated 10% goal. Land Use 2025's requirement that all projects in these outlying areas that receive state or federal funding be within identified Growth Centers means that, in some cases, there is a lack of suitable land for the development of the necessary LMI housing. This, coupled with the limited densities and increased costs of providing the needed septic systems, often make the cost of developing LMI housing in these areas prohibitive.

In this study, we will look at the perceived tension between Smart Growth policies, such as those advocated in Land Use 2025 or the more recent RoadMap RI plans, and Fair Share housing legislation, in order identify possible remedies. Many of these issues are being taken up as part of the "RoadMAP RI" planning process; however, to the extent that part one of this study helped inform and advance the discussion of Growth Center planning in the state, this current effort will help ensure that we are more proactive in addressing important role of more integrated and diverse housing choices for all of the state's inhabitants. This is critical to ensure expanding opportunities for those trapped in the cycle of poverty that has become entrenched in urban areas where concentrations of our nation's most needy populations remain a persistent and costly challenge.



## **Finding Common Ground: Smart Growth and Affordable Housing**

Edgar G. Adams Jr. Roger Williams University

Low and Moderate Income (LMI) housing is an integral part of Smart Growth planning; however growth boundaries, taken alone, can constrain the supply of available land driving up housing costs. In many states, with more integrated growth management plans, these costs are made up for by incentives for more compact and integrated housing within well served, mixed use town and village centers; however, in Rhode Island the absence of real incentives and the slow pace of local reforms to outdated and exclusionary zoning policies has created some tension between Smart Growth and LMI housing advocates.

### **Fair Share Housing Programs**

The Fair Housing Act was implemented in 1968 as part of the Civil Rights Act. This laid the groundwork for the Mt. Laurel decision of 1975 and was followed by New Jersey's Fair Housing Act of 1984. This Act established the responsibility of all local municipalities within the state to provide some form of affordable housing under the direction of the Council on Affordable Housing or COAH.<sup>1</sup> Protected Class status was gradually expanded beyond race to also include color, national origin, sex, family status, religion and disability. After the failure of the large scale urban renewal programs of the 1960's and 70's, attention soon turned to strategies that would help families find alternatives to areas of entrenched poverty and that emphasized housing choice such as voucher programs. This all occurred during changes in policy that also began to focus on home ownership as a means of building wealth and increasing the individual's stake in the community. At the same time, greater control and responsibility for housing policy and funding was being shifted from the federal government to the states. It did not take long for the states to realize that our 50-year addiction to suburban single family housing left these newly empowered program participants with very limited options.

The comprehensive permit process was established in Massachusetts in 1969 with the enactment of Chapter 40B legislation. In Rhode Island the 1991 Low and Moderate Income Act was introduced to spur the development of LMI housing through the use of a comprehensive permitting process. The "Comprehensive Housing Production and Rehabilitation Act of 2004" (Housing Act of 2004) made significant changes to this measure and followed other similar legislation in Massachusetts, Connecticut and Illinois in establishing clear targets for the production of LMI housing in each community within the state. A 10% target would determine a localities Fair Share contribution to the regions LMI housing needs and would act as a threshold for protection from the comprehensive permit process. Similar legislation also exists in New Jersey and California; however, these states rely on more complex formulas for determining targets for affordable housing production on a local and regional level. As in California, Rhode Island requires that each community prepare an affordable housing plan that identifies potential sites for affordable housing and the strategies needed to reach stipulated targets.<sup>2</sup> In each case, the

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<sup>1</sup> U. S. Dept. of Housing and Urban Development, "39 Steps Toward Fair Housing"

<sup>2</sup> Bratt, Rachel, "Overcoming Restrictive Zoning in Five States".

primary goal is to combat exclusionary zoning practices and to establish a shared and equitable approach to addressing the need for LMI housing on a statewide basis.

Another valuable tool in promoting the production of LMI and housing and expanding housing choice is Inclusionary Zoning. Montgomery County, Maryland's MPDU or Moderately Priced Dwelling Unit program of 1974 was the first to introduce mandatory inclusionary zoning.<sup>3</sup> This program required a fixed percentage of all new development to be moderately priced in exchange for a density bonus. These programs work particularly well in high growth areas and frequently include a buyout or fee in lieu provision. Connecticut's Incentive Housing Zone (IHZ) takes a more targeted approach that gives local communities more control over the location of new development and uses smart growth criteria to determine local sites. The program is incentive based and includes support at each step in the process.<sup>4</sup>

### **Barriers to LMI Housing and Smart Growth**

To the casual bystander, the prescriptive nature of some of the policies above may seem extreme; however, these measures reflect the entrenched nature of many of the seemingly innocent, but ultimately exclusionary, barriers that advocates of LMI housing confront in trying to find more equitable solutions to the social and economic problems created by entrenched urban poverty. Increasing income segregation has made it increasingly difficult to offer individuals and families of limited means access to the opportunities (educational, economic, social) afforded by greater choice in their housing options. Since 2000 the number of homeowners in the state contributing more than 30% of household expenses toward housing rose from 24.5 to 37.4%. For renters, the percentage jumped from 36.6 to 47.4%.<sup>5</sup>

Suburban politics have long been dominated by the individual property owner's desire to do anything and everything to protect the value of their investment in their home. This is complicated by the almost complete reliance on residential zoning dedicated to the production of single family housing on ever increasing lot sizes. Earlier railroad and streetcar suburbs had a greater mix of uses and a more varied housing stock. However, the increasing reliance on the automobile has led to a limiting of our transportation options as well as our housing options.

More established suburban communities such as Barrington, Rhode Island once had a range of housing types and lot sizes. Industrial uses and the accompanying worker housing existed alongside informal summer camps and more stately summer residences. As increasing numbers of farms were platted for residential development after WWII, pressure mounted to increase lot sizes and to eliminate side by sides or duplexes. After the introduction of a town wide sewer system during the 1970's, most undeveloped land was up-zoned to ¼ acre zoning due to fears of overdevelopment. Many fast-growing rural communities in Rhode Island without access to water and sewer infrastructure rely almost exclusively on 1- 5 acre zoning. Exclusionary zoning practices such as this are often

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<sup>3</sup> Ibid. Pg. xx

<sup>4</sup> <http://www.cga.ct.gov/2011/pub/chap124b.htm>

<sup>5</sup> US Census data; ProvPlan, Rhode Island Community Profile

justified by the need to protect private wells and the desire to “protect rural character” yet do nothing to prevent cookie cutter developments from carving up what remains of the agrarian landscape that this zoning purports to protect.

This is where advocates of LMI Housing and Smart Growth can truly find common ground. The mantra of choice and variety are prevalent in both camps, as is the emphasis on increased densities, albeit for different reasons. Housing advocates are trying to bring down housing costs and Smart Growth advocates as trying to preserve open space and natural resources. In both cases, there is a strong recognition that the increasing economic and cultural segregation of our society weakens our sense of community, undermines our sense of shared destiny and limits access to educational opportunities.

### **Density**

Rhode Island is the smallest and the second most densely populated state in the union next to New Jersey); however, with the exception of Central Falls and its older urban cores, it is rarely a place of great density. Since the 1980’s we have been consuming out limited land resources at an alarming rate; yet the kinds of densities associated with growth centers, and LMI housing for that matter, strike fear in the hearts some rural residents. Many chose rural locations because they did not want to be able to see another house from their own; yet they think nothing of the long commute or travel to soccer practice or the supermarket. Their children and the elderly, who cannot drive, are completely dependent on others for transportation. Initially the infrastructure is free; however, many communities have resorted to access fees to help defray the mounting costs of maintenance and basic services in such diffusely settled regions.

Many of the rural growth centers in Rhode Island began their lives as Mill Villages that often mixed industrial and agricultural pursuits to create a unique form of community with a rich history. These densely settled rural nodes offer a very positive paradigm for living in harmony with others and with the land. If we are to conserve our rural landscape and the rich agricultural and natural resources that they hold, we must learn to live more densely. Cluster and conservation zoning strategies are some models and cottage housing is another that has great appeal; however, by weaving these and multi-family housing options into integrated mixed-use town and village centers we can provide a very desirable alternative for those who don’t want to spend their retirement riding a tractor mower. Very few rural or suburban communities have zoning that allows for the densities or the housing and transportation choices that are needed to create a vital town or village center.

### **The Role of the Comprehensive Permit Process**

If proper zoning is not in place, and the community has not met its fair share threshold, they are open to Comprehensive Permit proposals. The Comprehensive Permit process usually consists of several components whose desires must be balanced in reaching a final development proposal. This means that the results of this process are often unpredictable and vary widely in their outcomes. In Rhode Island, each community must have a valid housing plan that identifies a clear path toward reaching their stipulated 10% goal. If the local community is not in compliance or has not met their stipulated goal they

are subject to comprehensive permit proposals that may be appealed to a regional or statewide housing board. While the purpose of the comprehensive permit is to overcome local barriers to LMI housing, the ultimate goal is to have the local community identify and provide for this need in a proactive manner in order to avoid the process altogether.

In California, the regional need for housing is assessed and complex formulas are used to determine a local community's allocation. The allocation formula includes growth trends, employment and the relationship of both growth and jobs to transit.<sup>6</sup> Communities are charged with identifying suitable sites and removing barriers to LMI housing development. A certified housing plan exempts the community from appeals and makes them eligible for outside funding.<sup>7</sup> In other states such as Rhode Island a certified housing element is required; but does not exempt you from comprehensive permit applications or appeals. However, the housing appeals board (SHAB) must weight conformance with the town's Comprehensive Plan, as well as the community's ongoing need for affordable housing in reaching a final determination.

Massachusetts has gone a step further and given additional weight to environmental and smart growth criteria. The production of rental housing also includes a special bonus in that all units within the development are counted toward the community's 10 % goal as long as 25 percent of the rental units are affordable. While Massachusetts has made impressive progress across a range of communities under Chapter 40B, many argue that the ends do not justify the means and see it simply as a way to pad developer's wallets. This has led Massachusetts to limit the comprehensive permit process to projects receiving a federal or state subsidy, to non-profit developers or limited dividend organizations.<sup>8</sup> Regardless, given the high cost of housing in many parts of the state, one has to recognize Chapter 40B's important role in helping to spur housing production. What all of these measures have done, is to allow communities to hold private developers accountable to their comprehensive plans and to encourage more strategic compact development on grey and brownfield sites and infill development within existing communities.

### **Housing and Jobs**

The same forces that drove the initial round of suburbanization have also contributed to a phenomenon often referred to as Job Sprawl; yet many low-income families remain in urban areas that have seen a decline in manufacturing and service industry jobs. In Rhode Island our five core cities have lost jobs and we have seen job gains in Urban Ring and Suburban parts of the state. Although it might follow that the decentralization of low income housing would facilitate access to these jobs, the public transportation systems in older east coast cities remain built around edge to center commuting and not the edge to edge commuting prevalent in many contemporary metropolitan regions. This can mean an aided burden for families of limited means that are isolated in suburban communities that often require more than one car. As one might expect, those areas outside of the

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<sup>6</sup> Association of Bay Area Governments, Revised Technical Documentation for Regional Housing Needs Allocation Method, August 2007

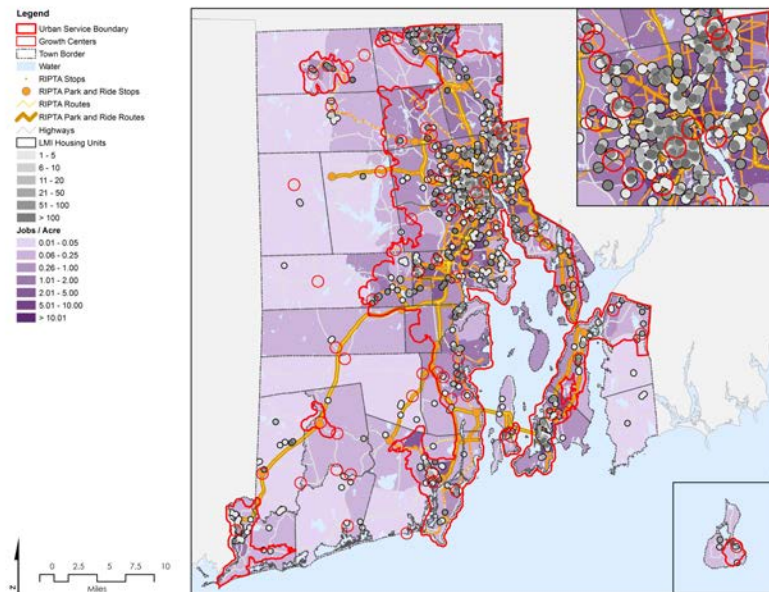
<sup>7</sup> Bratt, Rachel, "Overcoming Restrictive Zoning in Five States", Pg. xxxiv

<sup>8</sup> Ibid.



Urban Service Boundary show between 0-2% use of public transit and 20 to 40% of households have commutes of over 40 minutes. By contrast, over 20% of Providence residents rely on transit to get to work.<sup>9</sup> There is also a mismatch between low wage jobs and communities with low cost housing options. Here again, Smart Growth and LMI Housing policies can find ample common ground.

Smart Growth seeks to turn back fragmented and sprawling development patterns in order to focus development and investments in infrastructure. By increasing densities in outlying communities access to jobs and services can be eased and public transit can function more effectively. This can lessen the isolation and lack of community often associated with suburban living. LMI housing in these areas can be part of more vital and integrated communities rather than the declining and underserved or marginalized suburban settings where LMI housing options are often found. Smart Growth and affordable housing policies can also help to revitalize towns and villages that have been left behind by new development that has leapfrogged these important historic centers.



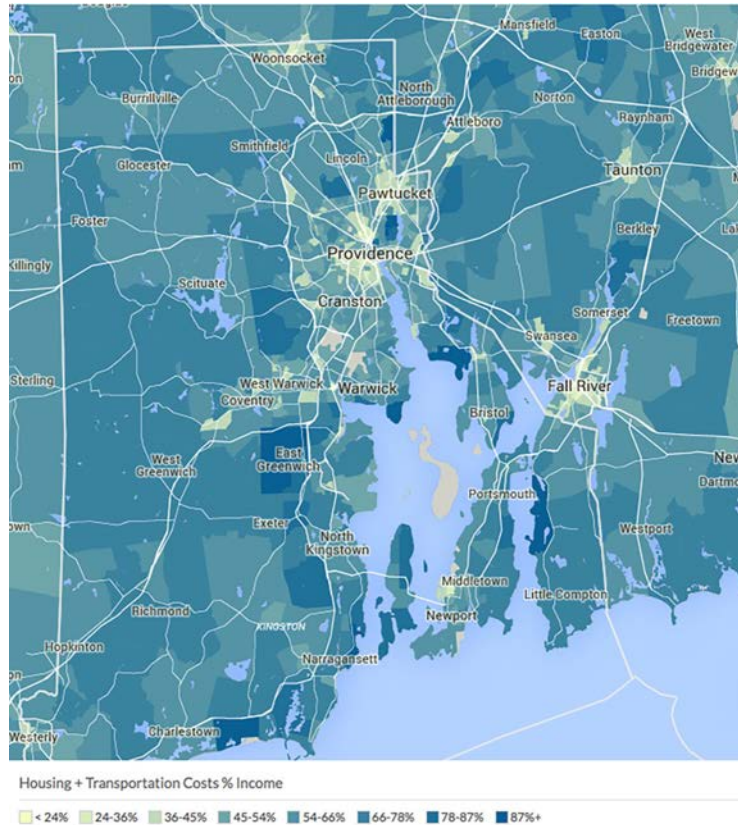
### Long-term Affordability

GrowSmart RI's "The Costs of Sprawl" graphically documented the costs of wasteful and unregulated sprawl develop to Rhode Island's economy. In trying to better document the financial burdens on working families, the Center for Neighborhood Technology has argued that, since housing and transportation are the two largest items in the family budget, they should be considered together when calculating the "true affordability" of our housing choices. They argue that more "location efficient" urban neighborhoods are often more affordable when the costs of transportation are included. In large part this is due to increased walkability, access to goods and services and access to public transportation. These same settlement patterns have also been linked to healthier living

<sup>9</sup> US census data; ProvPlan Rhode Island Community Profiles

patterns (more walking) and decreased carbon emissions (less driving). Rhode Island has a relatively high percentage of car ownership at 89%; however, that percentage drops to 75% and 77% percent respectively for Central Falls and Providence.<sup>10</sup> Similarly, although only 2.7% of households statewide use public transit to get to work, that percentage jumps to 9 % for families living below the poverty level.<sup>11</sup>

### CNT AFFORDABILITY INDEX MAP OF RI



### The Landscape of Opportunity:

At the very same time, the Kirwan Institute at the Ohio State University has been promoting their own mapping exercise, based on HUDs opportunity index, that focuses on those factors seen as the being the best indicators for identifying areas offering low and moderate income families the greatest opportunities for success. They also weight many of the factors indicating conditions that can be seen as limiting one’s chances for success. These include factors common in depressed neighborhoods such as poverty, high unemployment, lower educational achievement, low levels of home ownership and high foreclosure rates. As one might expect, areas that project as having the highest opportunities for success are where the more successful people live. These areas have higher overall levels of education and school performance, fewer children on school lunch programs and are often less transient. Resources like this have been developed to aid mobility and choice and to help those using voucher programs and more portable

<sup>10</sup> U.S. Census Bureau, ProvPlan Rhode Island Community Profiles 2010

<sup>11</sup> U.S. Census Bureau, 2008-2012 American Community Survey

subsidies make informed choices. These programs are aimed at counteracting the increasing economic and social segregation that has been facilitated by the mobility provided by the car.

In a more recent Kirwan Institute study “Equity, Opportunity and Sustainability in the Central Puget Sound Region” conducted as part of the Puget Sound Regional Council’s Growing Transit Communities Partnership, these measures were expanded to include access to jobs and transportation. This more detailed study looked at a broader range of issues that illustrate the importance of transit as a tool for building more equitable and sustainable communities and expanding access to opportunity. Here it was revealed that while more prosperous suburban communities may have more access to opportunity, they are also areas with significant numbers of cost burdened households. These findings, when combined with those from The Center for Neighborhood Technology’s “True Affordability Index” show some of the potential burdens that may await families seeking opportunity in outlying metropolitan areas. This often forces families to settle for housing in suburban areas that share many of the same plights as their former urban neighborhoods. It also highlights the critical role of public transportation in ensuring access to jobs and educational opportunities. This is why Transit Oriented Development strategies are such a critical smart growth tool and why it is important that we look at a more integrated approach in order to build a more equitable and sustainable metropolitan region. A recent report by Jonathan Rothwell of the Metropolitan Policy Program at Brookings showed that “large metro areas with the least restrictive zoning have housing cost gaps that are 40 to 63 percentage points lower than metro areas with the most exclusionary zoning”. The report also argues “eliminating exclusionary zoning in a metro area would, by reducing the housing cost gap, lower its school test score gap by an estimated 4 to 7 percentiles”.<sup>12</sup>

### **Growth Management Impacts**

“Growth Control” programs, such as Portland Oregon’s now famous Urban Growth Boundary, that constrain the supply of available land can artificially drive up the cost of the underlying land and in turn, can drive up the cost of housing. On the other hand “Growth Management” programs seek to mitigate this upward price pressure by using incentives such as allowing for increased densities and targeting public support to designated areas. In Portland, investment was focused on supporting vital new transit infrastructure (TOD). Since many Growth Management programs were put in place to combat runaway growth, it is difficult to isolate the root causes of rising housing costs in areas like Portland and Maryland. Smart growth programs like Maryland’s that rely on a range of linked programs and incentives are also hard to evaluate due to the range of incentives and programs. In a low growth setting like Rhode Island it is also hard to attribute the lack of development to Land Use 2025 when the underlying economic factors have been so weak. However, the stipulation that all projects receiving state or federal funding must either be located within the USB or within a Growth Center does significantly limit the quantity, location and type of land available for the development of LMI housing in more rural areas.

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<sup>12</sup> Rothwell, Jonathan; “Housing Costs, Zoning, and Access to High-Scoring Schools”

## **Making Affordable Housing an Integral Element of Smart Growth**

At its core, smart growth uses integrated local and regional policies to promote environmental, social and economic well-being and enhance quality of life. In “Affordable Housing and Smart Growth: Making the Connection”, cosponsored by the Smart Growth Network and the National Neighborhood Coalition, Danielle Arigoni asserts that “ensuring an adequate supply, distribution and quality of affordable housing is a litmus test for smart growth”. Anthony Downs, in his introduction to Growth Management and Affordable Housing concludes that, “programs encouraging growth management will in fact promote affordable housing only if advocates of both goals work closely together to overcome entrenched resistance to affordable housing”. The fact is that both have faced steep battles in gaining acceptance among the general public and in getting major policies in place. Both face entrenched NIMBYism and have been loath to muddy their arguments or distract attention from their core aims by expanding the already daunting task that they face; however, their arguments are so integral that they cannot afford to go it alone.

A major roll back in home prices has already hit suburban landowners, making the specter of declining property values especially difficult to confront. Clearly this is a critical issue and consequently it has been the focus of many studies. Recent academic research into past studies and incorporating new data, suggests that these fears are largely unjustified.<sup>13</sup> Well planned and well integrated projects have been clearly shown to have no negative effects on home values and the new investment in an otherwise declining area can actually raise surrounding home prices. The qualification arises from the predictable consequences of over concentrating affordable housing - a practice that is not currently advocated and that most affordable housing programs expressly seek to combat. The data is slightly more mixed on rental vs. homeownership developments, with high concentrations of rental units being more likely to show negative effects. Smart Growth advocates investing in existing neighborhoods already served by infrastructure and services and it is in these areas that the highest positive effects of investments in affordable housing can be found. In neglected neighborhoods throughout Rhode Island, investments in affordable housing have been a proven redevelopment tool. However, this can have the unfortunate impact of raising the desirability of the area and hence the housing costs.

## **Analysis: The Rhode Island Experience**

### **Background**

As we approach the 10-year anniversary of the 2004 Housing Act and the 2006 introduction of Land Use 2025, it is only appropriate that we have a look at these programs and more specifically their relationship to one another. In rural portions of Rhode Island the perceived conflict between LMI Housing and Smart Growth is most pronounced. The Comprehensive Planning and Land Use Act of 1988 gave each local community the responsibility for producing their own Comprehensive Plan meeting

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<sup>13</sup> Downs “Growth Management and Affordable Housing” & Ellen, Schwartz & Schill “Don’t Put it Here” both include assessments of broad ranging multi-faceted studies and reach the same conclusion – that there is no net negative impact and that in fact there are often positive impacts.

specified statewide standards. The Housing Act of 2004 required that they also prepare an Affordable Housing Plan. This plan was ultimately to be incorporated into the Housing element of the Comprehensive Plan. Since the Housing Act of 2004 predated the 2006 growth center provisions of “Land Use 2025”, many of the sites initially identified to fulfill the mandated 10% housing goal were not identified with smart growth criteria in mind. This meant that, in rural areas outside of the urban service boundary, these sites often were not within areas ultimately identified as Growth Centers. Since Land Use 2025 stipulates that projects outside of the Urban Service Boundary (USB) that are funded using state or federal assistance must be located with designated Growth Centers, sites for LMI housing in more rural parts of the state were highly constrained. This compounds the already substantial costs associated with building water and sewer infrastructure to support the housing densities required for LMI housing.

A slow economy has meant that many rural communities have made limited progress toward LMI housing goals. There has also been limited pressure on communities to more clearly delineate Growth Centers and to implement the necessary zoning and housing provisions. This slow rollout was largely due to the lack of real incentives to adopt Growth Center designations and policies. Although this left community’s vulnerable to Comprehensive Permit projects, many communities preferred to preserve even declining historic village centers rather than see new development.

Most rural villages in Rhode Island began their lives as grists mills or later textile mills. This close relationship to the local waterways and the lack of water and sewer infrastructure make any form of development costly. Some potential Growth Centers like Little Compton have high water tables, while others in Exeter have limited access to water. Historic Villages also have more complex ownership patterns than green-field opportunities outside of more traditional rural centers. While Comprehensive Permits can result in uncoordinated and ultimately unsustainable development of affordable housing often costing municipalities substantial resources for maintenance and services, most projects have been located with some sensitivity to smart growth criteria to the extent that such criteria have been included within local comprehensive plans. However, in a more robust housing market, there is little doubt that greenfield sites would continue to be lost to development at a time when local agricultural activity has seen an impressive resurgence. This land, once developed, is lost for good.

### **Demographic Analysis**

As we have already noted in Part I of this study, the western and coastal (Rural) areas of the state are growing at a rate that far outpaces that of the 5 traditional urban core cities and Providence’s inner ring suburbs. This is a general trend that is anticipated to accelerate over the next 25 years. While Providence is projected to have modest growth, Woonsocket, Newport and Warwick are all anticipated to see over 10% declines.<sup>14</sup> This makes it imperative that we plan carefully for these anticipated changes and that we not burden the state with wasteful spending on infrastructure and services. 60% of the state’s population is divided equally between the 5 urban cores and their inner ring suburbs. The

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<sup>14</sup> <http://www.planning.ri.gov/geodeminfo/data/popprojections.php>

remaining roughly 40% is divided equally between the outer ring suburbs and the combined coastal and western communities.

Using the more traditional Urban / Suburban / Rural categories, rural populations are climbing; but they still make up only roughly 17% of the state's population, with just under 60% of the population in urban areas. At the same time these communities provide 74% of the affordable housing. Providence alone accounts for 17% of the state's population and holds 28% of its LMI housing. By contrast communities identified as "rural" contain almost the same population as the City of Providence; but contribute only 8.5% or 1/2 the share of the state's LMI housing.<sup>15</sup> This burden is, on many levels, unfair; but perhaps not completely unaccounted for in our historical settlement patterns. Suburban communities likewise need to take on a greater share of the LMI housing since they have more than a quarter of the state's population, but account for less than 17.56% of the LMI housing. All of these communities, unlike the rural communities, have the advantage of access to water and/or sewer infrastructure.

### **The Cost of Housing in Rhode Island**

In addition to the high cost and relative scarcity of land, the overall cost of housing is more expensive in Rhode Island and the availability of low cost housing is significantly less. According to the American Community Survey (2009 data) the median rental is \$890 vs. \$842 per month nationwide and home ownership costs are significantly above the median values coming in at \$1,542 vs. \$1,111 nationwide. Median home values paint a more dramatic picture with Rhode Island at \$267,100 compared with only \$185,200 nationwide. This is primarily driven by the fact that 76.8% of homes in RI are valued at over \$200,000 and only 4.1% at under \$100,000. This compares with a much more even distribution of 46.3% and 23.3% nationwide, with 30.4% valued between \$100,000 and \$199,999. Only 19.2% of the homes in Rhode Island are valued between 100 and \$199,999.<sup>16</sup>

If we look at "cost burden" figures for those who own their homes (those families who spend over 30% of their budget toward their housing costs), urban areas have a higher percentage of cost burdened households. Of the state's five traditional urban cores, all have 40% or more of their households ranking as cost burdened and Central Falls tops the list at 63%. Consequently, this area has been particularly hard hit by foreclosures. The gap between cost burdened renters and homeowners is 10% with an average 47% of renters being cost burdened. Here Providence is highest of the five traditional urban cores at 54% joined by suburban communities with constrained rental markets such as East Greenwich and Barrington and at 48 and 52%, while more rural communities such as West Greenwich and Exeter top the list at 64 and 65%.<sup>17</sup> Given that these communities have 2 acre zoning the barriers for families of low to moderate means are substantial and their trailer parks are full to capacity.

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<sup>15</sup> The Urban / Suburban / Rural demarcations are particularly tricky since Rhode Island's settlement patterns were well formed prior to the advent of suburbanization. Based on 2010 figures. See appendix.

<sup>16</sup> U.S. Census Bureau, 2009 American Community Survey

<sup>17</sup> U.S. Census Bureau, ProvPlan Rhode Island Community Profiles 2010

Given the low transit usage in these areas (less than 1%), and the fact that 21% of rural commuters have commutes of more 40 minutes, transportation costs will be higher. While 90% of Rhode Island households own a car. The percentage of households without a car in suburban regions (6.9%) is twice that in rural areas (3.4%) and for Providence (at 23%) the figure is almost 7 times as great.<sup>18</sup> The Center for Neighborhood Technology has developed a previously mentioned measure of affordability and location efficiency called the H+T Affordability Index. They use information, such as the census data above, to determine the probable aggregate costs average regional household. By keeping household characteristics the same across a region, we get a more uniform view of relative costs across the metropolitan landscape. Using their “Abogo” application we tabulated the money an average household (from the Providence, Fall River, New Bedford Metropolitan Statistical Area) would spend for transportation for each town in Rhode Island. According the H+T Affordability Index those living in rural segments of the state spend 29% of their income on transportation in contrast with 20% for urban areas. What this information and the corresponding mappings tell us is that with a household income of \$55,652 there are a range housing options below the 30% cost burden threshold; however, once the transportation costs are added in options shrink and the five urban cores become the most cost effective places to live.

### **The Costs of Opportunity**

There is a striking inverse correlation between the H+T Affordability Index mappings and the Opportunity mappings of Rhode Island produced by the Kirwan Institute. This is due in large part to the obvious correlation between the cost of housing and the desirability of the location of that housing. It is a well-documented fact that households are willing to pay a significant premium to be in a community with good schools. Similar measures of the security and stability of a neighborhood also contribute to the investment value of a property as well as its desirability. However, there is also a cost to the increased isolation and lack of diversity that suburban flight has caused. Recent studies support the notion that, given access to better schools, underprivileged students do improve their performance.<sup>19</sup> Schools are just one of a range of environmental factors that contribute to a young person’s ability to reach their full potential; however it is clear that in more integrated and diverse communities the performance gaps between various racial groups are significantly decreased.<sup>20</sup> These school performance gaps represent one of the most persistent issues impacting Rhode Island’s economic competitiveness as a region and our ability to provide economic opportunities to that segment of our population that is least equipped for the service or knowledge based jobs of the future. In light of this research HUD has increasingly supported voucher programs and other initiatives that increase housing choice (options). The principle of housing choice is also a fundamental component of Smart Growth and is critical if these choices are to support the changing economic and social dynamics that characterize a vital metropolitan region.

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<sup>18</sup> Ibid.

<sup>19</sup> Rothwell, Jonathan; Op. Cit.

<sup>20</sup> Ibid. pg. 3



Opportunity Mapping Comprehensive Score					
	Inside GCs		Outside GCs		
Low	3,856	11.99%	7,713	23.99%	11,569 35.99%
Medium Low	1,274	3.96%	6,269	19.50%	7,543 23.46%
Medium	873	2.72%	4,498	13.99%	5,371 16.71%
Medium High	357	1.11%	3,478	10.82%	3,835 11.93%
High	738	2.30%	3,093	9.62%	3,831 11.92%
	<b>7,098</b>	<b>22.08%</b>	<b>25,051</b>	<b>77.92%</b>	<b>32,149 100.00%</b>

### LMI Housing and Land Use 2025

The Urban Service Boundary (USB) established by Land Use 2025 contains 98% of the state’s LMI housing; however, only 22% of that housing is located within the 67 loosely defined Growth Centers identified during the recent RoadMAP RI process. For the purposes of this study we have used a uniform half-mile radius from the location designated by Statewide Planning and RoadMAP RI. Of these 7,018 LMI units, only 80 units (.25%) are located in Growth Centers outside of an USB.<sup>21</sup> Unfortunately, as has been discussed elsewhere, not enough communities have clearly delineated their Growth Centers. While the number of LMI units within Growth Centers is likely to grow once that process is complete, it represents many of the challenges when working within more rural circumstances. A visual survey of the mapping indicates that many of the existing rural LMI units are within striking distance of a growth center or are located in an area that has some access to existing infrastructure and services.

When using criteria developed from the goals of Land Use 2025 to measure the smart growth performance of developed and undeveloped land (see Part I of this report), 75% of LMI housing is found in areas that rank as high performing; and 55% of those housing units were not within a ½ mile radius of the GIS location for the growth center. This is not an exact measure; however, it suggests that, while the Growth Center initiative is still developing, most LMI housing is located with smart growth criteria in mind. Chief among these is access to public transportation. 92% of LMI housing is located within a .5 mile of a RIPTA stop and the number jumps to 97% if we include housing within 5 miles of a RIPTA Park and Ride.

Urban Service Boundary and Growth Centers					
	Inside GCs		Outside GCs		
Inside USB	7,018	21.83%	24,386	75.85%	31,404 97.68%
Outside USB	80	0.25%	665	2.07%	745 2.32%
	<b>7,098</b>	<b>22.08%</b>	<b>25,051</b>	<b>77.92%</b>	<b>32,149 100.00%</b>

Developed Land Use Areas					
	Inside GCs		Outside GCs		
Residential -Low	53	0.16%	76	0.08%	79 0.25%
Res -Medium Low	0	0.00%	38	0.12%	38 0.12%
Res -Medium	136	0.42%	1,693	5.27%	1,829 5.69%
Res -Medium High	516	1.61%	2,529	7.87%	3,045 9.47%
Res -High	2,520	7.84%	13,638	42.42%	16,158 50.26%
Institutional	439	1.37%	371	1.15%	810 2.52%
Industrial	206	0.64%	434	1.35%	640 1.99%
Commercial	3,228	10.04%	6,322	19.66%	9,550 29.71%
	<b>7,098</b>	<b>22.08%</b>	<b>25,051</b>	<b>77.92%</b>	<b>32,149 100.00%</b>

Smart Growth Performance					
	Inside GCs		Outside GCs		
Low	141	0.44%	810	2.52%	951 2.96%
Medium	753	2.34%	6,413	19.95%	7,166 22.29%
High	6,204	19.30%	17,828	55.45%	24,032 74.75%
	<b>7,098</b>	<b>22.08%</b>	<b>25,051</b>	<b>77.92%</b>	<b>32,149 100.00%</b>



## Jobs and Housing

Connecting jobs to housing is a key smart growth and affordable housing goal; however only 24% of LMI units are located within medium high - high job areas. These are areas with over 5 jobs per acre. Interestingly, LMI housing located within a Growth Center is twice as likely to be in a “med. high – high” job region. One half of all LMI housing in growth centers is in a commercial or mixed-use zone and 40% are in “High Density” residential regions. Only 26% of LMI housing outside of a growth center is in a commercial or mixed-use zone. Given the coarse nature of the census level Jobs data in low population areas, the Land Use data is perhaps more telling, however, the findings show a clear correlation.

## Access to Services

While access to services or social assets can be important for families with limited resources (and limited mobility), proximity to existing services can also reduce the cost burden of new development for local communities and protect the environment. 86.5% of LMI housing within growth centers is within a quarter mile walking distance of a school. This compares with 53% for housing outside of a growth center. Existing LMI housing within a Growth Center is also more than 5 times as likely to be within a quarter mile walking distance of the town hall and 3 times as likely to be within a quarter mile walking distance of a library, police or fire services.

Jobs / Acre					
	Inside GCs		Outside GCs		
Low (< 1 per acre)	1,888	5.87%	6,040	18.79%	7,928 24.66%
Med. Low (1-2 per acre)	1,003	3.12%	6,571	20.44%	7,574 23.56%
Medium (2-5 per acre)	1,329	4.13%	7,678	23.88%	9,007 28.02%
Med. High (5-10 per acre)	1,130	3.51%	3,076	9.57%	4,206 13.08%
High (> 10 per acre)	1,748	5.44%	1,686	5.24%	3,434 10.68%
	<b>7,098</b>	<b>22.08%</b>	<b>25,051</b>	<b>77.92%</b>	<b>32,149 100.00%</b>

RIPTA / Park and Ride Stops					
	Inside GCs		Outside GCs		
RIPTA Stops (1/2 mile)	6,931	21.56%	22,654	70.47%	29,585 92.02%
Park and Ride (5 miles)	6,759	21.02%	24,535	76.32%	31,294 97.34%

Water and Sewer Supply Regions					
	Inside GCs		Outside GCs		
Water Supply	6,906	21.48%	24,210	75.31%	31,116 96.79%
Sewer Supply	6,364	19.80%	22,991	71.51%	29,355 91.31%
Water and Sewer Supply	6,364	19.80%	22,743	70.74%	29,107 90.54%

Social Assets (1/4 Mile Radius)					
	Inside GCs		Outside GCs		
EMS	1,377	4.28%	2,618	8.14%	3,995 12.43%
Fire Station	2,600	8.09%	3,696	11.50%	6,296 19.58%
Police Station	2,017	6.27%	2,806	8.73%	4,823 15.00%
Library	2,186	6.80%	2,546	7.92%	4,732 14.72%
School	4,866	15.14%	13,336	41.48%	18,202 56.62%
Town Hall	1,842	5.73%	922	2.87%	2,764 8.60%

## **Conclusion**

This study has focused on rural Growth Centers due primarily to the rapid growth in these areas and the difficulties in building at a density that is typically needed for the production of affordable housing. Eleven of the 21 Growth Centers identified in Land Use 2025 were outside of the Urban Service Boundary (USB). With RoadMAP RI, the number of designated centers has risen to 67 with 17 of these or 25% outside of a USB. Some of these communities have made significant progress toward their LMI housing goals, albeit from very modest starting points. Rural communities contributed 560 LMI units between 2006 and 2012; however, of the 1,913 total LMI housing units added, 1,342 were in the 3 cities of Providence, Pawtucket and Central Falls (several other urban and suburban communities actually lost housing units as well as population). To achieve their 10% share of the regional LMI housing, rural communities with Growth Centers outside of an USB, would have to more than double their current number of LMI housing units, giving them a significant numerical challenge on top of the obvious physical and planning challenges already discussed. These communities are also projected to grow an average of 16% in population by 2040. A good portion of this growth, along with the needed LMI housing, will need to be accommodated in rural Growth Centers if the state's overall LMI housing and growth management goals are to be met.

In Rhode Island, many of the most impoverished areas are in the former industrial cores of Providence, North Providence, Pawtucket, Central Falls, and Woonsocket. These areas contain over one half of the states LMI housing and are plagued with high levels of entrenched poverty and unemployment. Urban areas account for 74% of all LMI housing; however, they also have many of the physical characteristics associated with Smart Growth. They are high-density walkable neighborhoods that once had proximity to jobs as well as a host of other amenities and infrastructure; however, they are also anticipated to see declining populations over the next 25-30 years. If we are to maximize our investment in existing infrastructure and resources, we must find a way to make these traditional population and job creation centers vital hubs once again. While this might absorb some of the pressure for outward expansion, we must also ensure that the development of existing town and village centers in more rural areas is prioritized over green field development. This may require additional investments in water and sewer infrastructure as well as incentives or adjustments to the tax structure to make development in Brown or Grey field sites more attractive. This would be in addition to the existing incentives for the preservation of historic structures that have been instrumental in aiding in the restoration of our housing stock and the repurposing our industrial heritage.

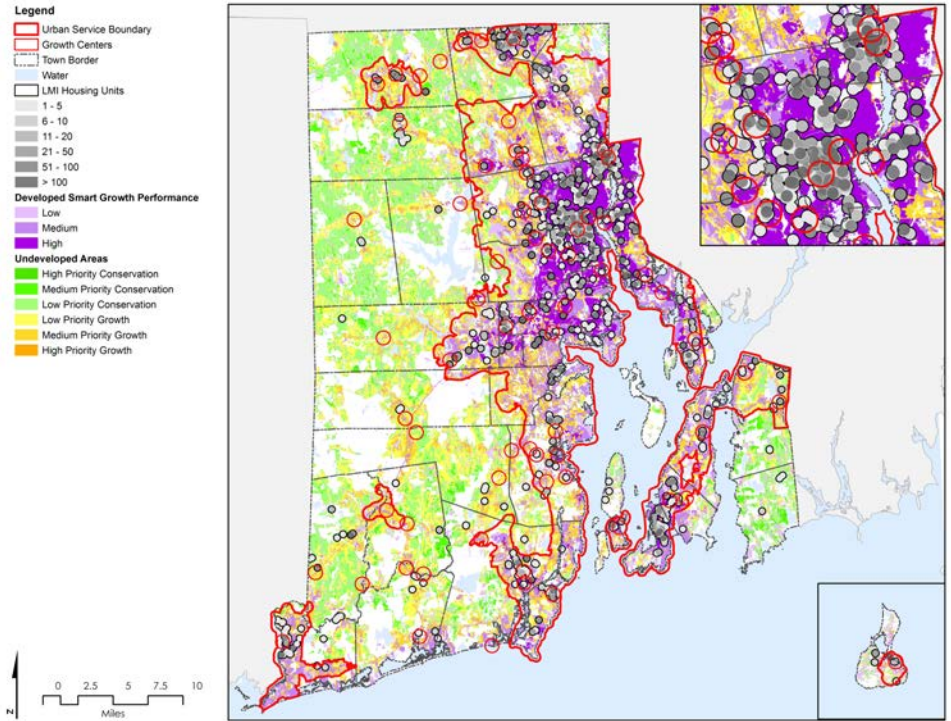
Investing in our existing cities, towns and villages means leveraging our existing infrastructure; however, this will only work if these areas also have access to good educational and employment opportunities. Only by developing at increased densities can we create population levels conducive to a more efficient and effective public transit system that can help to break down access to opportunities and lower the cost burdens associated with our high costs of housing and transportation. Existing LMI housing is well located in terms of access to public transit; however, housing located in Growth

Centers is significantly more likely to have access to schools, services and commercial areas further reducing car dependency and increasing affordability.

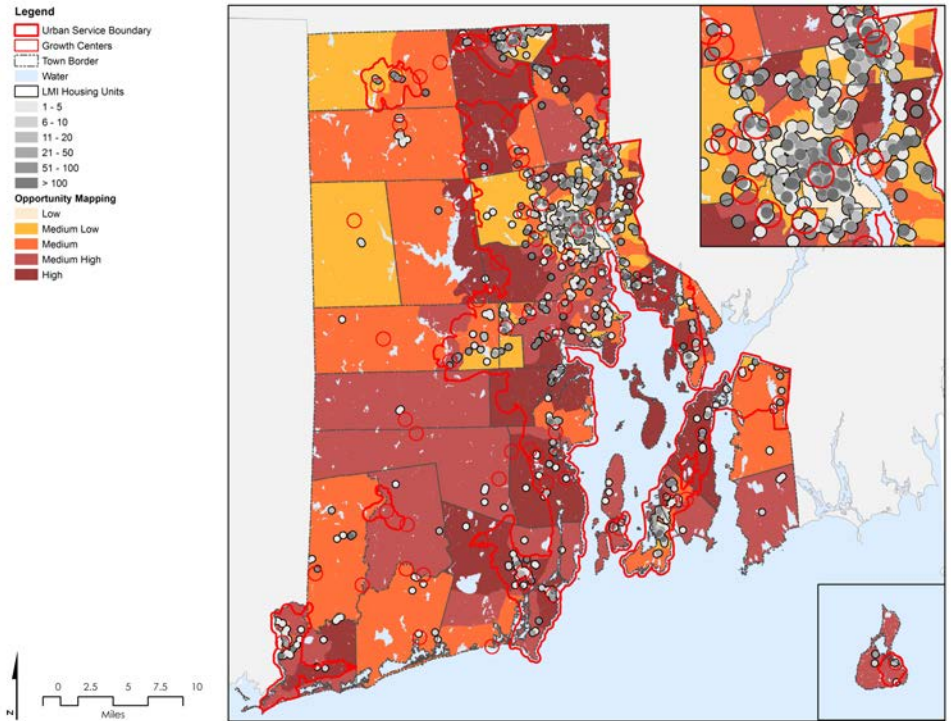
Reducing the levels of entrenched poverty, integrating new levels of immigration from Latin America and educating our workforce for 21<sup>st</sup> century job in a knowledge-based economy are some of the greatest challenges we face. Housing choice and affordability are critical if we are to improve workforce housing to reduce the jobs / housing mismatch that exists in many suburban communities. This means making urban living more attractive for those the work in the city and increasing access to low cost housing for those working low cost jobs in more outlying areas. In more rural areas it means targeted zoning changes and investments in infrastructure that will facilitate greater mobility and housing choice. Equally entrenched and exclusionary zoning policies in rural areas have also contributed to the slow pace of change in more rural areas. These patterns have traditionally tied to the lack of water and sewer infrastructure. Coordinated regional efforts would allow for the more equitable distribution of LMI Housing and resources to support it. Local governments are not effective means for addressing regional issues. Some form of regional governmental oversight and assistance is required to move these efforts forward. Similarly, Housing (like education) is a critical economic and social policy area, should be funded in a way that supports larger regional and metropolitan goals. There are also many things that can be done to promote housing choice using unsubsidized units. The lack of rental housing in Rhode Island greatly impacts the mobility of our workforce and its ability to meet the demand of a changing economic landscape.

# Appendix: MAPPING

## LMI Housing and Growth Centers / USB: Smart Growth Performance

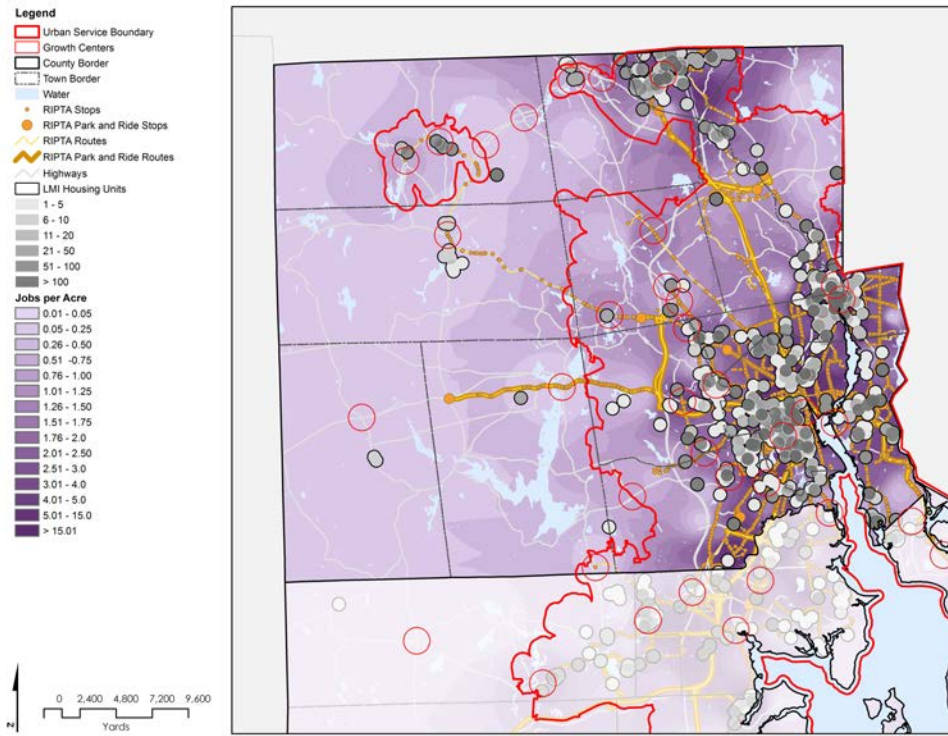


## LMI Housing and Opportunity Index: Kirwan Institute

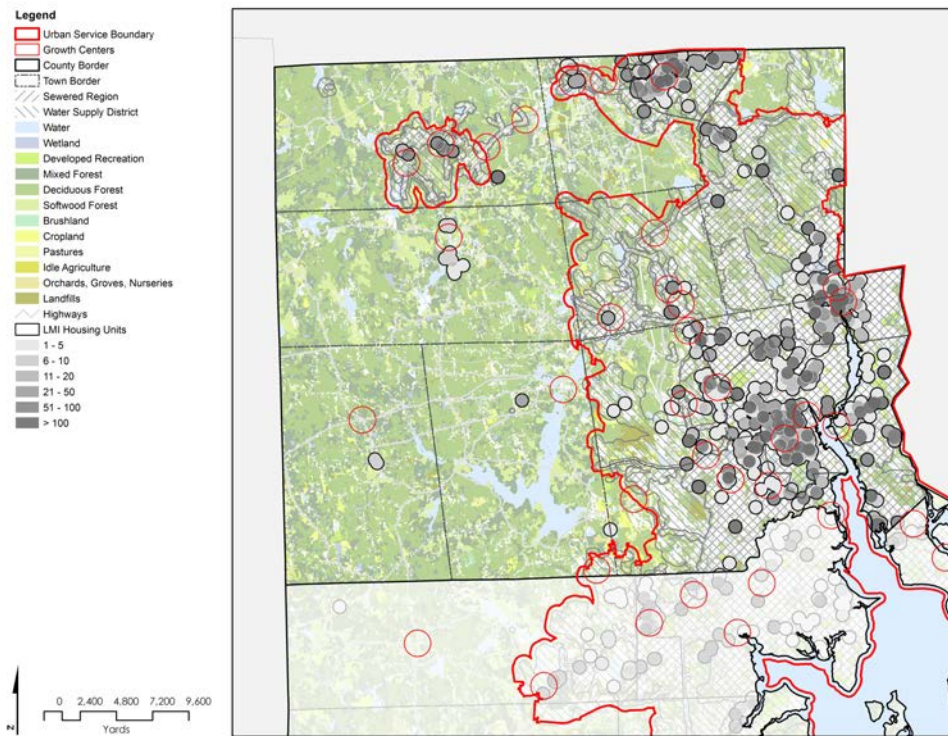




## Providence County Jobs Mapping

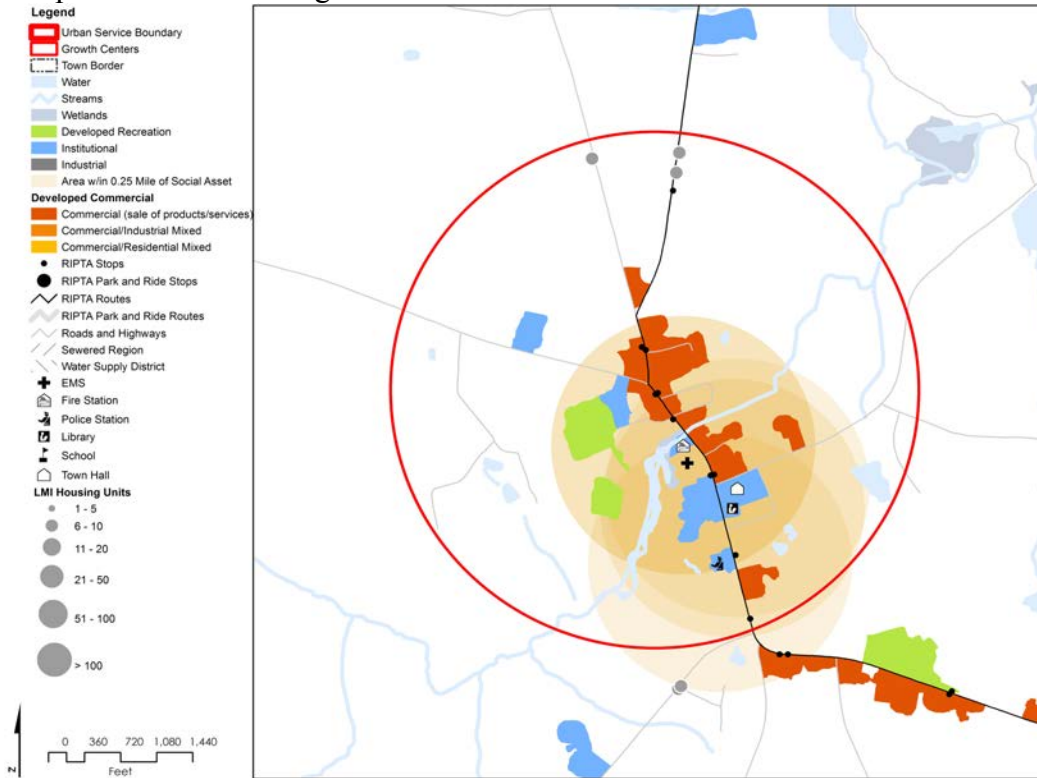


## Providence County Environmental Land Use

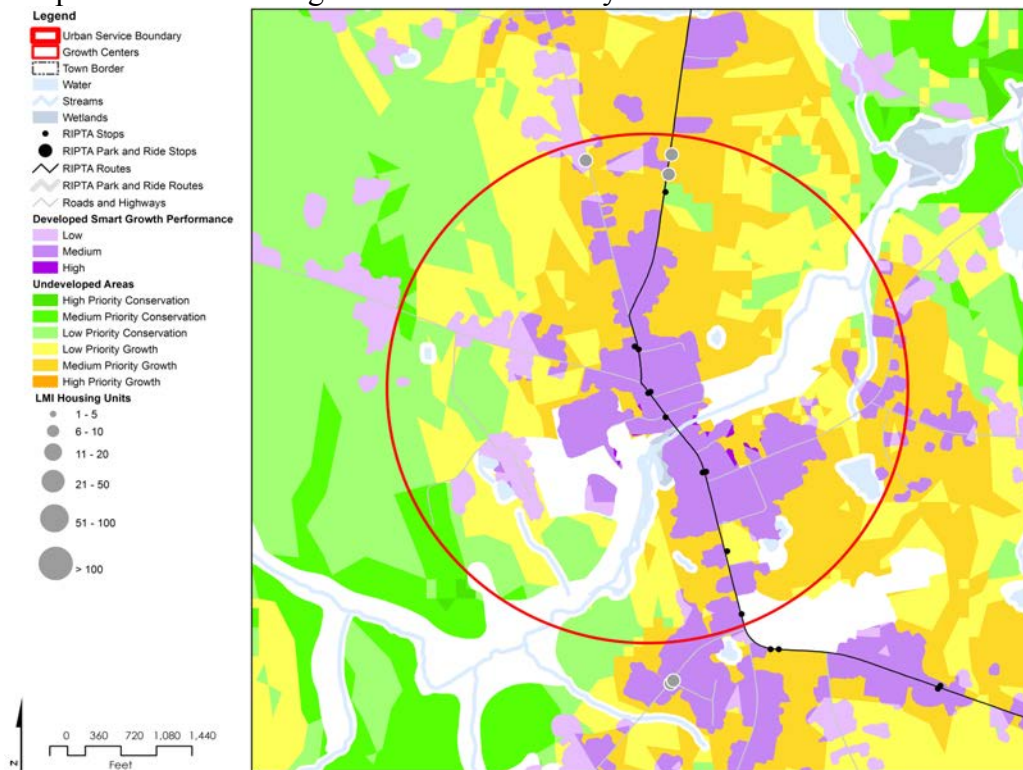


# SAMPLE GROWTH CENTER MAPPING

## Chepachet: LMI Housing / Social Assets



## Chepachet: LMI housing / Smart Growth Analysis



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