

Kenneth J. Hopkins
Mayor

Michael E. Smith
President

Jason M. Pezzullo, AICP
Planning Director



CITY PLAN COMMISSION

Cranston City Hall
869 Park Avenue, Cranston, RI 02910

Vacant
Vacant
Kathleen Lanphear
Frank Ritz
Ann Marie Maccarone
James Donahue
Robert Coupe
Steven Frias

DRAFT MEETING MINUTES

SPECIAL WORKSHOP – AFFORDABLE HOUSING

Wednesday, May 18th, 2022 – 6:30PM

3rd Floor - City Council Chamber, 869 Park Avenue, Cranston RI

CALL TO ORDER

Chairman Michael Smith called the meeting to order at 6:34 p.m. in the Council Chamber, 869 Park Ave.

The following Commissioners were in attendance for the meeting: Chairman Smith, James Donahue, Steven Frias, Kathleen Lanphear, Ann Marie Maccarone, and Robert Coupe. Frank Ritz was absent, and the Commission currently has two unfilled vacancies.

The following Planning Department members were in attendance: Jason M. Pezzullo, AICP, Planning Director; Douglas McLean, AICP, Principal Planner; Joshua Berry, AICP, Senior Planner; and Alexander Berardo, Planning Technician.

Also attending: Annette Bourne, Research & Policy Director of HousingWorksRI; and Frank DiZoglio, former Chair of the Cranston Affordable Housing Commission.

WORKSHOP – AFFORDABLE HOUSING

Director Pezzullo opened the conversation by reviewing a few baseline concepts and definitions to orient the Commission to the state's legal definition of affordable housing and how it relates to current conditions in Cranston. Among these were:

- Low and Moderate Income Housing (LMI) – any form of housing that is subsidized and deed restricted; subsidies can either be made up-front (ex: direct financial support) or they can take the form of opportunity costs (ex: tax abatement, waiving fees, approval of density bonuses)
- Area Median Income (AMI) – the benchmark used in determining eligibility for affordable housing; the threshold to qualify for affordable housing is 80% of AMI for renters and 120% of AMI for owners

- Exemption – per state law (45-53-3), a municipality is exempt from having to accept Comprehensive Permit applications provided at least 10% of its total housing stock or 15% of its full-time rental housing stock is available at a market rate which falls within the range deemed affordable based on local AMI or provided that it has a concrete plan to increase its affordable housing stock. Director Pezzullo noted Cranston is exempt because more than 15% of its full-time rental housing is affordable. Mr. Berry added that Mr. Frias' recent op-ed in the Cranston Herald rightly noted the state definition of affordability is not perfect, and explained that satisfying the state definition is not always the same as satisfying the particular housing needs of your community.
- Comprehensive Permit – an application process through which developers can secure density bonuses and circumvent local zoning regulations if they propose residential projects in non-exempt communities which include at least 25% affordable housing units and have secured a Letter of Eligibility from RI Housing and provide a detailed pro forma demonstrating the need for a subsidy. Director Pezzullo noted that Comp Permits are not necessarily bad – in cases in which good projects are proposed, it removes hurdles by making the Plan Commission the only municipal decision-maker.

With a baseline understanding of the state's standards established, Director Pezzullo shared a few graphics from the most recent HousingWorksRI Factbook to review the most up-to-date housing numbers the City has access to. Presently, there are roughly 33,000 housing units in the City. Only about 1,800 units (5.48%) out of the City's year-round housing stock is affordable – the City would need to add another 1,574 affordable units to meet the 10% threshold. But 16.6% of the full-time rental units are affordable, so the City has a cushion of 173 units above the minimum threshold for affordability. He further specified that most of the affordable housing units in the city are for elderly, with the next largest amount for special needs, and a smaller amount for families.

Speaking to the relatively thin margin by which the City retains its exemption from Comp Permits, Director Pezzullo explained that the primary reason the City has made progress with multifamily affordable housing is that it has been able to leverage the inclusion of affordable housing as a condition of support for several larger projects that require Comp Plan amendments. Ms. Bourne noted that much of the City's existing housing supply was first deed-restricted a while ago, and if the state law remains unchanged, many of these units could revert to market-rate once the term of deed restriction ends. She cautioned that in a scenario like this, the 173-unit buffer could disappear faster than expected.

Director Pezzullo then moved the discussion onto housing policy. He reviewed the four priorities he believed were consistent with the positions that the City's Com Plan and Plan Commissioners alike have taken with regard to affordable housing:

- To retain the City's exemption from the Comp Permit process
- To position the City to provide its fair share of affordable housing
- To protect and stabilize existing neighborhoods; and
- To promote good urban design

He then displayed screenshots of the City's Housing Action Plan taken from the most recent Comp Plan and reviewed some of the proposed action items that could prove useful and relevant to the contemporary effort to increase affordable housing in Cranston. These included the following:

- Inclusionary Zoning
- Promoting Mixed-Use Projects
- Enabling existing nonconforming multifamily houses to be renovated/rehabbed for use as affordable housing
- Adaptive reuse of existing buildings, including those not originally used for residential purposes
- Revising the Zoning Code to better match existing historical development patterns
- Creating and maintaining an inventory of City-owned lots that could be developed for affordable housing

- Facilitating alternative living arrangements for the elderly and handicapped

Mr. Donahue asked if any of the items in the Housing Action Plan had been achieved and whether the City had a means of tracking when the terms of the deed-restricted affordable housing units in the City would end. To his first question, Director Pezzullo said he doubted any of the action items had been completed. Ms. Bourne addressed his second question by noting that the organization responsible for subsidizing the affordable units would have the records of when the unit's deed restriction would end. She said it was not always RI Housing, but sometimes HUD that oversees the units.

Ms. Lanphear asked if Planning Staff review development plans for consistency with the Housing Action Plan and/or cite those goals in staff memos. Director Pezzullo said the City cannot hold developers to compliance with the housing plan's goals in the same way they could hold them to comply with official City ordinances.

Director Pezzullo then turned the discussion toward which sorts of actions the City might explore, given Cranston's existing Housing Action Plan policies and information gathered in relevant materials produced by the American Planning Association. He said based on past efforts, he did not believe the City Council would be interested in forcing a developer to include affordable housing through inclusionary zoning. He added that some towns in South County offer developers a fee-in-lieu option: instead of building the affordable units, they pay \$50-75,000 per unbuilt affordable unit into a trust fund that can later be drawn upon to finance affordable housing construction. Neither did he imagine the City would step into the role of developer in the foreseeable future to construct new affordable units of its own.

This being said, he did address a few basic ways that planners might respond to affordable housing needs. One would be to encourage Accessory Dwelling Units (ADU's), which could look like in-law apartments, tiny houses, or take on other forms. Another could be to create new zoning districts, such as an A-5 or an A-4 zone, in residential areas of Eastern Cranston where the current A-6 zoning does not reflect historical development patterns that used 4,000 ft² or 5,000 ft² lots. Two other ways to free up additional land for affordable housing development could include changing the lot merger provision and reducing parking requirements.

Mr. Donahue asked Director Pezzullo which tools and strategies represented the lowest-hanging fruit in his opinion, and which would be the most impactful regardless of their political likelihood. To his first question, Director Pezzullo said passive strategies, such as inclusionary zoning, would be the easiest. He again raised doubts as to whether the City Council would seriously consider an inclusionary zoning ordinance. Mr. Frias said he could envision a political path to pass inclusionary zoning, but it would require presenting the matter as a means of maintaining the City's exemption from having to accept Comp Permits. Director Pezzullo added that the best time to put forward such an ordinance would be whenever there are no pending projects that could take advantage of the ordinance, which would steer the discussion in a more emotional direction than an academic one. Mr. Berry noted that inclusionary zoning ordinances can be a double-edged sword – some developers absolutely refuse to include an affordable housing element in their proposals, so the City could miss out on some projects as a result of passing an inclusionary zoning ordinance.

To Mr. Donahue's second question, Director Pezzullo said facilitating the creation of ADU's would be a game-changer. Mr. Frias and Mr. Coupe both wondered if homeowners who might otherwise be open to the idea of creating ADU's on their properties would be turned off by the length of time for which the units would be deed restricted. Director Pezzullo said the subsidy that allows the unit to be deemed affordable per state law could be enough of an incentive to overcome the downside of the deed restriction's term. Mr. Berry reminded the Commission that even if the ADU's weren't all deed restricted, there is still a need to create additional housing units in general.

Mr. Coupe said he thought the strategy which would be both the toughest to navigate politically, as well as the most effective, would be to offer density bonuses, although he wondered aloud how the City could square being opposed to projects that exceed density requirements and supporting ordinances that would allow developers to exceed those requirements. Director Pezzullo noted that for developers, density

bonuses are often the “carrot” that a municipality offers while wielding the inclusionary zoning “stick.” He added that piecemeal modifications to the Zoning Code as it relates to density and associated elements, such as parking, would be justifiable since the Code (along with the Comp Plan and Future Land Use Map) would be disregarded altogether if the City lost its exemption and had to entertain Comp Permits. Mr. Frias asked whether the Plan Commission could reduce parking standards itself; Mr. Berry said that the Plan Commission could recommend a parking reduction on an ordinance or variance application for a given project, but the City Council has the final say. Director Pezzullo said parking requirements would be under the Plan Commission’s purview in the event it was entertaining a Comp Permit.

Director Pezzullo suggested the Commission consider how it might handle a “friendly” Comp Permit for a project the Commission finds beneficial. He noted that the City could theoretically entertain a Comp Permit even though it is not required to do so, and the potential benefit of doing so for a “friendly” application would be to streamline the approval process and keep the project entirely under the Commission’s authority. Mr. Frias said he preferred systems of checks and balances to unilateral decision-making as a general rule. Mr. Berry asked on which grounds the City could deny a Comp Permit, and Director Pezzullo said the City could reject a proposal simply because it is not bound to do so by virtue of exceeding the 15% affordable rental threshold. He acknowledged that developers would know going into the process that the City could reject their applications, and that greatly reduces the likelihood that they would try to submit a Comp Permit in the first place. Mr. Coupe thought in the interest of fairness, the Commission would have to spell out in its own Policy Guide which specific findings it could use as grounds for denial.

Finally, Director Pezzullo suggested the Commission’s next step could be to organize a joint workshop with the Cranston Housing Commission to share the policies it is interested in pursuing. Once consensus is reached on which policies would make for viable ordinances, the Commission could arrange a joint workshop with the City Council and try to secure sponsorship. Mr. Frias recommended waiting after the upcoming election to present any draft ordinances to the City Council, and he said he believed an inclusionary zoning ordinance of at least 15% would be workable. Mr. Berry suggested aiming even higher than 15% to provide a better cushion in case the deed restriction period expires unexpectedly for many affordable units at once. Mr. McLean asked if inclusionary zoning could be targeted to specific housing models (ex: rental vs. ownership); Director Pezzullo said the previous time it was attempted, it was specific to subdivisions, so he thought it could be targeted toward multifamily.

Chairman Smith thanked all the Commissioners for their thoughts and participation, and he also thanked Staff for developing the presentation and guiding the discussion.

ADJOURNMENT / NEXT REGULAR MEETING

- Tuesday, June 7th, 2022 — City Hall Council Chambers, 869 Park Avenue

Upon motion made by Mr. Donahue, and seconded by Mr. Coupe, the City Plan Commission unanimously voted to adjourn the workshop meeting at 8:41 p.m.