

February 25, 2018

Dear Fellow East Siders:

This past week offered a vivid reminder of how members of our neighborhood are committed to maintaining our quality of life. In addition to reviewing Brown University's decision to redesign its performing arts center, this week's letter discusses the City's past deficiencies in contributing to the pension fund, and a meeting last week of the special committee to study homelessness.

A few months ago, Brown University announced plans to build a performing arts center, which included extensive preliminary work by architects and University officials. In its announcement, Brown identified a location and design that required the demolition of five houses. Brown has extensive legal control over its institutional zone, but neighborhood groups, including the Providence Preservation Society and the College Hill Neighborhood Association, persuaded Brown that it should reconsider the impacts of its plan before moving forward. Last week, Brown announced it had reconfigured the center's design, moving portions of it below ground, in order to prevent any houses from being demolished. The neighborhood groups deserve great credit for their work, but I have suggested to Brown University that this cycle provides them with an object lesson in the value of consulting with the neighborhood sooner in the process. I recommended that Brown could avoid the wasted time, effort and expense of the past several months if it engaged with these groups earlier in the process.

This past Friday, the City released a [Report](#) estimating the financial impact of the City's deficient contributions to the pension fund (as compared to the "annual required contribution" calculated by the City's actuary) over the past 20 years. The most recent of these underpayments occurred in 2011, when the City underpaid by \$10 million due to the liquidity crisis from the "Category 5 fiscal hurricane." The total amount of under-payments was slightly over \$100 million, but had the money be invested in the pension fund, it would have grown to more than \$300 million by today. The stresses on the pension fund began in 1989, when the Retirement Board, controlled by a voting majority of employees, dramatically increased payouts beyond the capacity of the program in place. These under-payments represent slightly less than one-third of the current deficit, and the City has made its payments in full since 2012. In other words, this calculation identifies a partial source of the City's current difficulties, but is only one part of a larger picture. Whatever the past history, the City's pension deficit presents an existential threat to the City in the medium term, 10-15 years out.

The Special Committee to Study Homelessness met on Wednesday, February 21 to gain an overview of the problem from a city, state and national perspective. A census conducted on January 24 counted 4,501 homeless in Providence, of whom 2,899 were adults and 1,602 were children. Of those, 709 were identified as chronic homeless, or people who were without a home for the entire previous year, or who had a total of 12 months of homelessness over the previous three years. There are several distinct populations within this group, including the recently evicted (there are around 20 evictions per day in Providence) and those with more chronic challenges. The average rent for a 2-bedroom apartment in Providence is \$1,200, for which a renter normally would need an annual income of at least \$48,000, creating a gap that must be filled with subsidies. While those subsidies are normally provided by the federal or state governments, local governments can assist in reducing the homeless population in other ways, such as creating incentives for development of subsidized housing or encouraging low-cost rental housing through amendments to the zoning ordinance, such as permitting the construction of "accessory dwelling units" such as this [example from Massachusetts](#). Also, some cities have created supports for tenants who face eviction proceedings (something that is already provided to some extent in Providence by Rhode Island Legal Services). Over the next six months, the Committee will be investigating possible initiatives that can mitigate this problem at a City level, consistent with Providence's capabilities and needs.

Sincerely,

Samuel D. Zurier
