

# **TOWN OF CHARLESTOWN**

## **Housing Element Update/Affordable Housing Plan**

**September 10, 2004**

Prepared for:

The Town of Charlestown

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and

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**TABLE OF CONTENTS**

<b>Transmittal letter.....</b>	<b>No Page</b>
<b>Table of Contents.....</b>	<b>i</b>
<b>List of Figures.....</b>	<b>iv</b>
<b>List of Tables.....</b>	<b>iv</b>
<b>Chapter One: INTRODUCTION.....</b>	<b>1</b>
<b>Background and Objectives of the Study.....</b>	<b>1</b>
<b>About the Town of Charlestown.....</b>	<b>2</b>
<b>R.I. Law Concerning Land Use Planning &amp; Low and Moderate Income     Housing.....</b>	<b>4</b>
<b>Methodology for this Study.....</b>	<b>5</b>
<b>Organization of this Report.....</b>	<b>7</b>
<b>Executive Summary.....</b>	<b>7</b>
<b>Summary – Key Points.....</b>	<b>9</b>
<b>Chapter Two: INVENTORY AND ANALYSIS OF EXISTING HOUSING STOCK.....</b>	<b>11</b>
<b>Population and Household Trends.....</b>	<b>11</b>
<b>Income.....</b>	<b>12</b>
<b>Housing Stock.....</b>	<b>15</b>
<b>Sales and Affordability.....</b>	<b>17</b>
<b>Chapter Three: UNMET HOUSING NEEDS; CONTRIBUTING FACTORS.....</b>	<b>20</b>
<b>Unmet Housing Needs.....</b>	<b>20</b>
<b>Homeownership.....</b>	<b>21</b>
<b>Rental Housing.....</b>	<b>22</b>
<b>Barriers to Affordable Housing Development.....</b>	<b>22</b>
<b>Summary.....</b>	<b>25</b>
<b>Chapter Four: STATUS OF EXISTING HOUSING ELEMENT.....</b>	<b>27</b>
<b>Amendments to the Comprehensive Plan.....</b>	<b>27</b>
<b>Goals in the Current Approved Comprehensive Plan.....</b>	<b>27</b>
<b>Low or Moderate Income (LMI) Units Included in Rhode Island Housing     Count.....</b>	<b>29</b>

<b>Chapter Five: AFFORDABLE HOUSING NEEDED TO ACHIEVE 10 PERCENT.....</b>	<b>31</b>
<b>Overview of Need.....</b>	<b>31</b>
<b>Needs of Special Populations.....</b>	<b>31</b>
<b>Populations with Disabilities.....</b>	<b>32</b>
<b>Special Needs and the Homeless.....</b>	<b>33</b>
<b>Key Town Agencies Involved in Affordable Housing Issues.....</b>	<b>34</b>
<b>Town Resident Perspectives on Affordable Housing Options.....</b>	<b>35</b>
<b>Resources Currently Available.....</b>	<b>35</b>
<b>Summary of Factors that Impede the Production of     Affordable Housing.....</b>	<b>36</b>
<b>Chapter Six: RECOMMENDATIONS: GOALS, POLICIES, STRATEGIES.....</b>	<b>37</b>
<b>Introduction and Current Shortfall.....</b>	<b>37</b>
<b>Increase Direct Production of LMI Units.....</b>	<b>38</b>
<b>Adopting a Land Trust Model.....</b>	<b>38</b>
<b>Mandatory Inclusionary Zoning.....</b>	<b>39</b>
<b>Overlay District/ Mixed Use Zoning.....</b>	<b>40</b>
<b>Implement a Developer RFP Process.....</b>	<b>47</b>
<b>Accessory Apartments.....</b>	<b>49</b>
<b>Adaptive Re-use/Location Specific Strategies.....</b>	<b>50</b>
<b>Pursue Regional Strategies.....</b>	<b>54</b>
<b>Employ Creative Subsidies.....</b>	<b>54</b>
<b>Estimate of LMI Units Created by Various Strategies.....</b>	<b>56</b>
<b>Consistency of Estimate with Build Out Analysis.....</b>	<b>58</b>
<b>Feasibility of Obtaining Estimated LMI Units     Via Various Strategies.....</b>	<b>60</b>
<b>Implementation of Early-Action Items .....</b>	<b>61</b>
<b>Build Organizational Infrastructure.....</b>	<b>61</b>
<b>Foster Community Education and Support.....</b>	<b>63</b>
<b>Integrate the Affordable Housing Plan with         Local Comprehensive Plan and Community Vision.....</b>	<b>64</b>
<b>Pursue Long-range Regional Opportunities in Partnership         With Neighboring Communities.....</b>	<b>64</b>

**Chapter Seven. IMPLEMENTATION AND MONITORING ACTION PLAN..... 66**

**LIST OF FIGURES**

**Figure 1: Total Households from 1990 to 2013.....11**  
**Figure 2: Households by Size, 2000.....12**  
**Figure 3: Owner and Renter Households by Income, 1999.....13**  
**Figure 4: Rent Burden by Renter Households as a % of Income, 1999.....14**

**LIST OF TABLES**

**Table 1: Housing Needs for Households at or below 80 percent Of Median  
Income – CHAS Data – Charlestown.....15**  
**Table 2: Housing Needs for Households with Incomes at or Below 80 percent  
of Median Income – CHAS Data – Region.....16**  
**Table 3: Charlestown Housing Sales Statistics 2000-2003.....18**  
**Table 4: LMI Housing in Charlestown.....30**  
**Table 5: Projected LMI Units in Mixed-Use District.....43**  
**Table 6: Estimated LMI Units Created by Various Strategies.....56**  
**Table 6A: Snapshot of Additional LMI Units Created by Various  
CHAS Categories.....57**  
**Table 7: Estimate of Total Units vs. Build Out.....59**  
**Table 8: Affordable Housing Action Plan Summary.....67**

**APPENDICES.....**

- Appendix A. List of Task Force Members and Objectives**
- Appendix B. List of Documents Received As of October 20, 2003**
- Appendix C. List of Meetings**
- Appendix D. Questionnaire Template**
- Appendix E. Glossary of Terms and Acronyms**
- Appendix F. Models for Zoning Ordinance Amendments**
- Appendix G. Handbook 16: Housing Element – Element s**
- Appendix H. State Guide Plan Overview – Element 421: State Housing Plan**
- Appendix I. Detailed Demographic Data**
- Appendix J. Housing Partners in Rhode Island**
- Appendix K. Potential Funding Sources for Affordable Housing Development**
- Appendix L. Targeted Areas for Affordable Housing Development**
- Appendix M. Brown University Build Out Analysis**
- Appendix N. Charlestown Low and Moderate Income Housing and  
Land Use Agency – Concept**
- Appendix O. Zoning News – August 2003 – American Planning Association  
“Zoning Affordability: The Challenges of Inclusionary Housing**
- Appendix P. St. Mary’s/ St. James’ Community Food Pantry – Recap 2003**
- Appendix Q. Amendments to Comprehensive Plan in 2000 Approved by  
Town Council Resolution**
- Appendix R. Active Living for Older Adults, ICMA, Sept. 2003.**
- Appendix S. Extract -URI Study – Old Post Road Village –  
Planning Studio, Fall 2003**
- Appendix T. Affordable Housing Commission – Ordinance # 264  
Passed August 10, 2004**

## **Chapter One. INTRODUCTION**

### **Background and Objectives of the Study**

Currently, there is a need for a more affordable mix of housing Rhode Island. This is true in Washington County and Charlestown as well.

State law requires that each city and town provide affordable, accessible, safe, and sanitary housing for its citizens (R.I.G.L. 45-53). The net effect of current state law is that without thoughtful, doable affordable housing plans in place, communities risk giving up local control over certain decisions about what sort of housing may be constructed in which parts of their community. New statewide planning policy indicates that the State Housing Appeals Board will be more likely to uphold local denial of a comprehensive permit application for towns that have incorporated a sound affordable housing plan in the housing element of their Comprehensive Plan.<sup>1</sup>

With a sound affordable housing plan—and evidence that it is being implemented within a reasonable period of time—communities help ensure local control of land use decisions and, at the same time, take action to increase affordable housing opportunities for their families, neighbors, and local work force. The Town of Charlestown recognized this issue when it first wrote its comprehensive plan, and in 1991 hired the consulting group LandUse, Inc. to work with its Housing Resources Board (a temporary or “ad hoc” board) to complete the document called A Housing Plan and Implementation Program for the Town of Charlestown, incorporated by reference into this document. That Plan was approved by the Housing Resources Board of Charlestown on April 9, 1991, and that original implementing plan was used as a basis for the Demographic and Housing element of Charlestown’s 1991 Comprehensive Plan. Later, in 2003, the Washington County Regional Planning Council (WCRPC), seeing the significant challenges and opportunities posed by both an amended state law and the undeniable need for affordable housing, decided to help the local communities throughout South County to either update or create local affordable housing plans.

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<sup>1</sup> A more detailed discussion of State law and policy governing affordable housing plans and housing elements appears later in this introductory chapter.

Following a competitive selection process, the WCRPC in October 2003 commissioned a Team (referred to throughout this report as “the consulting team”) consisting of BC Stewart & Associates (BCSA) as prime contractor and MAPPLAN Associates and Bay Area Economics (BAE) as sub-consultants, to develop an affordable housing plan for Washington County and two Kent County communities. The cost for these studies were funded by a grant from Rhode Island Housing and from Community Development Block Grant funds. WCRPC conceived of a two-pronged approach: (1) a regional affordable housing strategy, covering nine Washington County communities which expressed interest in participating and two Kent County communities; and (2) nine housing plans, each tailored to the individual participating community (Charlestown, East Greenwich, Exeter, Hopkinton, Narragansett, North Kingstown, Richmond, Westerly, and West Greenwich).

Accordingly, this study/report, based primarily on the work of the above consultants, plus a review of Charlestown’s 1991 approved Housing Plan and Implementation Program, and input from Charlestown’s Ad Hoc Affordable Housing Initiative Task Force (also referred to as the “Task Force”) and various boards and commissions, constitutes the affordable housing plan for the Town of Charlestown and, subject to review and approval of various governing bodies after development of specific strategies, serves as an update to the housing element of the town’s Comprehensive Plan.

### **About the Town of Charlestown**

Founded in 1738, the 59 square miles of coastal Rhode Island known as Charlestown celebrated its 265<sup>th</sup> anniversary in 2003. Located in Washington County on the mid-coast between the Towns of Westerly and South Kingstown, the Town of Charlestown has evolved from its primarily agricultural beginnings into a major recreational community for Rhode Island and Southern New England. Complimenting its 37 square miles of land mass land is 22 square miles of water area.

Part of the long history of this community is intertwined with the history of the local Native American populations. As early as the 17<sup>th</sup> century, land was given by grant to the local Native Americans, in this case as an award for their neutrality during the episode known as King Phillips War. In 1705 a grant of 135,000 acres was given to Ninigret, the tribal Sachem of the Narragansett Indians. By about 1750 a substantial portion of this land had been taken

back to cover indebtedness, a practice that did not stop until 1765 upon petition to the local colonial government. Even after 1765 and into the early 1880's the Narragansett Indians continued to see their land holdings reduced while the arrival of limited commercial and industrial development arrived in the northern areas of the current Town along the Pawcatuck River in industrial villages like Shannock, Carolina, Kenyon and Burdickville.

In the late 1800's the coastal areas of Town began to see the first commercial development that is now the Town's summer colony of vacationers and others who avail themselves of the Town's water access and related recreational opportunities.

Understanding Charlestown as it has evolved means in part understanding how much of the community is dedicated to history as a coastal community. Of the 23,032 acres in the community, over 5,000 acres is dedicated to federal parks, state parks and facilities, town recreation and private recreational uses. An additional 1,957 acres is contained in the Narragansett Indian Land Settlement Claim Area, which if considered in conjunction with the parkland, reserves and private conservation land, represents roughly 1/3 of the land mass of the community. Most of the available undeveloped land is one acre or higher zoning due to the lack of Town sewer, the large volume of wetlands and the need to preserve the local aquifers as almost all homes receive their water from private wells.

Data provided by the Rhode Island Housing and Mortgage Finance Corporation (Rhode Island Housing) shows that while the Town has 4,797 total units of housing, only 3,318 of these units are used by full time residents (i.e. are not "seasonal" units) and thus presently only 1.42% percent (47) of those non-seasonal units meet the statutory definition of affordable housing. Public officials and residents of Charlestown face a major challenge if they are to meet or exceed the state-mandated requirement that a reasonable percentage of the housing units be affordable to low and moderate income households. As a policy decision, the Charlestown Ad Hoc Affordable Housing Initiative Task force has determined that the goal of 10% countable Low or Moderate Income (LMI) housing units for the Town is reasonable and doable, over the long term.

## **Rhode Island Law Concerning Land Use Planning & Low and Moderate Income Housing**

The Rhode Island legislature passed the Comprehensive Planning and Land Use Regulation Act of 1988 (R.I.G.L. 45-22.2) which requires—among other things—that every town and city include a housing element as one of the eight elements<sup>2</sup> in its comprehensive plan. The Act describes the housing element in the following manner:

Housing Element. Consists of identification and analysis of existing and forecasted housing needs and objectives including programs for the preservation, including, but not limited to, the preservation of federally insured or assisted housing, improvement and development of housing for all citizens. The housing element enumerates local policies and implementation techniques to provide a balance of housing choices, recognizing local, regional and statewide needs for all income levels and for all age groups, including but not limited to, the affordability of housing and the preservation of federally insured or assisted housing. The element identifies the specific programs and policies for inclusion in the implementation program, necessary to accomplish this purpose.

Subsequently, in 2004, the State Legislature passed amendments to R.I.G.L. 45-22.2 (incorporated by reference). Also, after 1988 the State Planning Council adopted the *Handbook on the Local Comprehensive Plan* (Handbook Number 16)<sup>3</sup> to provide guidance to municipalities in complying with the requirements of the Comprehensive Plan Act.

In 1991, the legislature passed the Rhode Island Low and Moderate Income Housing Act (R.I.G.L. 45-53), which requires that a municipality's housing element provide for low and moderate income housing in excess of 10 percent of the housing units reported in the most recent census; that act also was amended in 2004 and those changes are incorporated by reference.

By way of updates, Handbook 16 now provides more detailed guidance to those communities that choose to include an affordable housing plan in the housing elements of their comprehensive plans. In addition to the three primary components already required in

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<sup>2</sup> The statute lists eight areas: a statement on goals and policies, plus seven other elements – land use plan, housing, economic development, natural and cultural resources, services and facilities, open space and recreation, and circulation. One could argue that there are actually nine elements because of the requirement for an implementation plan. Many towns, however, address the implementation plan as part of the individual elements as this Study will do for the housing element.

the housing element (inventory and analysis; goals and policies; implementation and monitoring), the updated guidelines specify what constitutes an acceptable affordable housing plan. The plan should include steps that identify the number of LMI units needed to meet the community's affordability goals, specific strategies for attaining the those goals over a reasonable period of time, and how each strategy contributes to reaching the community's goals.

The Rhode Island Statewide Planning Program also issued policy guidance in the form of the State Guide Plan Element 421 (*State Housing Plan*), approved by the State Planning Council on March 9, 2000, and updated as of June 2002. Taken together, Handbook 16 and Element 421 provided the policy framework for developing sound affordable housing plans at the local level (see Appendices G and H for the text of these documents). Also the consulting team met and corresponded with staff of Rhode Island Housing on several occasions to help insure that the Team's approach to the nine individual town housing elements/affordable housing plans would be consistent with state officials' expectations at that time. This affordable housing plan for Charlestown has been crafted to comply with the fundamental requirements of the policy guidelines as further explained by Rhode Island Housing staff.

### **Methodology for this Study**

The consulting team, in crafting the original draft of this plan used the following four primary data collection and analysis techniques in this study: (1) demographic data analysis, drawing primarily but not exclusively from census data; (2) extensive review of policies, regulations, reports, studies, and other documents; (3) interviews and meetings; and (4) an informal survey-questionnaire administered to the Charlestown Ad Hoc Affordable Housing Initiative Task Force members and other knowledgeable persons.

The demographic study is based upon an extensive survey and analysis of available public and private data sources. The most important data source is the 2000 U.S. Census. The Census forms the basis for the Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy (CHAS) database; CHAS data provides detailed information regarding the composition of low-income households. The private data

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<sup>3</sup> Handbook 16 was initially issued in June 1989 and was most recently updated in 2003.

provider (Claritas) prepared household and population projections for Charlestown. In addition, information was gleaned from Rhode Island Housing, the Rhode Island Statewide Planning Program, Grow Smart Rhode Island, town documents, and regional newspapers.

The consulting team reviewed all relevant laws, regulations, and policy documents, including but not limited to: the then available and R.I.G.L. 45-22.2; R.I.G.L. 45-53; *Handbook on the Local Comprehensive Plan for the Rhode Island Comprehensive Planning and Land Use Regulation Act* (Handbook Number 16 – updated 2003); *State Guide Plan – 421: State Housing Plan*; and training materials developed by Grow Smart Rhode Island, Rhode Island Housing, and Rhode Island Statewide Planning Program. The consulting team also conducted extensive research into state-of-the-art affordable housing strategies, including materials developed by the American Planning Association and the Brookings Institution, innovative approaches in cities and towns across the nation, as well as affordable housing plans commissioned by other Rhode Island towns. Information available through the U.S. Department of Housing and Urban Development, Rhode Island Statewide Planning, and Rhode Island Housing was also reviewed and, where appropriate, included in the analysis of town needs.

In addition, the consulting team requested and reviewed extensive documentation from Charlestown staff, including the most recent Comprehensive Plan Housing Element, zoning ordinances, and projects at various points in the planning pipeline. Appendix B contains a listing of the materials requested and received as of October 20, 2003.

In-person interviews and numerous telephone and e-mail conversations also enhanced the consulting team's ability to identify the Town's affordable housing needs. Appendix C lists the meetings convened by the consulting team and/or the Charlestown Ad Hoc Affordable Housing Initiative Task Force as they revised and amended the draft plan. Where appropriate, telephone and electronic communications are referenced throughout the report.

The Charlestown Ad Hoc Affordable Housing Initiative Task Force – see Appendix A for the members and the Task Force Objectives – played a primary role in identifying affordable housing challenges, needs, and strategies, and those meetings also appear in the list provided in Appendix C.

### **Organization of this Report**

Three primary considerations underpin the decisions the Consulting Team made in crafting the draft of this report: (1) commonalities among the nine towns, where appropriate, without using a “one size fits all” approach; (2) foundational need to plumb the demographic data and provide an analytical basis for updating the housing element; and (3) emphasis on developing recommendations for an ambitious, yet doable, affordable housing plan that is driven by the data-defined needs of the community and responsive to the policy preferences of the community.

To that end, Chapter One provides background information on study methodology and objectives, Rhode Island law and policies, and culminates in the executive summary, which follows this section. Chapters Two and Three rely heavily on demographic data to describe the Town of Charlestown in comparison to itself over time, and to the surrounding communities. These chapters conclude with an assessment of the Town’s current and future standing with respect to affordable housing and land use planning as defined by the laws and informed by local need. Chapter Four highlights the current status of Charlestown’s comprehensive plan with particular attention to the housing element.

Chapters Five and Six dive into opportunities and strategies for bringing the Town into compliance with the law—and the local control that engenders—and proposes several approaches that build on Charlestown’s strengths and community needs. And, finally, Chapter Seven aspires to advance an implementation and monitoring plan for launching a vigorous effort to achieve, maintain, and exceed a 10 percent LMI housing threshold.

In deference to our readers’ time constraints; we have only selectively included data tables, charts, graphs and other figures in the body of the report. We encourage all interested parties to review the data and information provided in the various appendices.

### **Executive Summary**

Legislative action in 2002 extended the comprehensive permit privilege to private developers who propose to build homeownership units. The subsequent flurry of large development filings caused great concern, particularly among municipalities who have not

met the 10 percent threshold for affordable housing and were thus open to developers who attempted to override local land use controls using the provision of the Low/Mod Housing Act.

In recognition of the potential threat to suburban, semi-rural, and rural communities in Rhode Island as well as the genuine need for affordable housing, the Washington County Regional Planning Council (WCRPC) hired a consulting team to work with town Task Forces to develop updated housing elements/affordable housing plans for nine towns that elected to participate: **Charlestown**, East Greenwich, Exeter, Hopkinton, Narragansett, North Kingstown, Richmond, West Greenwich, and Westerly. WCRPC also hired the consulting team to develop a regional affordable housing strategy covering all of Washington County.

The draft report provided to Charlestown a detailed demographic profile and described how Charlestown stacked up in comparison to the study region, as well as the state as a whole. This information provided the core of this housing element update. Key points from the data gathering and analysis appear on the next page.

There was at the heart of the draft report the framework for a strategic plan to assist Charlestown officials in addressing the growing affordable housing needs of the town and to help ensure that they retain local control over land use decisions in keeping with the unique character of the community. Thus highlights of the recommendations in this final report include the following:

- Consider implementation of an affordable housing overlay district component of the Town's zoning ordinances. This overlay would provide an alternative to the need for a developer to submit a comprehensive permit in that it would provide for a one stop approach to obtaining appropriate relief from aspects of local zoning that impede cost effective development. Density bonuses would be directly tied to production of LMI units with an overall cap on density at some ratio of buildable acreage to unit that is yet to be determined. This type of overlay district would provide a framework within which the Town and prospective developers could negotiate and key development issues.
- Implement mandatory inclusionary zoning provisions that cover any developments of five or more residential units.

- Take a more proactive role in targeting development by assembling development parcels and issuing developer's RFPs. Using this approach, the Town can define specific parameters including maximum density, design requirements and affordability mix. It will also enable the Town to impose the necessary affordability restrictions to meet any current definition under State Law regarding what counts as a low/mod unit.
- Explore adaptive re-use/location-specific and mixed-use strategies by encouraging innovative design ranging from creating historic districts, to creative uses of existing structures, to encouraging village center models that construct street level retail, some professional office space and LMI apartments on the higher floors.
- Participate actively in regional strategies, including establishing a regional HOME consortium, an Affordable Housing Trust Fund and/or a Housing and Redevelopment Agency that will leverage state and federal funds and draw on the strengths of each town.

The draft report provided by the consulting team to the town also included the recommendation to: "Create a permanent Affordable Housing Commission or Housing Resource Board that provides reporting and tracking systems to ensure consistent attention to and action on affordable housing issues." This recommendation has already been acted upon with the establishment of a permanent Affordable Housing Commission, established by ordinance # 264 on August 10, 2004.

Also, after receipt of the consulting team's draft report the Charlestown Ad Hoc Affordable Housing Initiative Task Force agreed that the following major goal should be added to the Plan:

- It is highly recommended that the Town seriously consider the creation of a local Land Trust model which could qualify as a local funding mechanism to provide land or seed money for the creation of affordable housing in the Town. Such a fund could receive money from real estate transfer taxes, charitable donations, payments in lieu (see inclusionary zoning) other funding sources, and even from local referendum borrowings, i.e. taxpayer money, in much the same way as open space acquisitions are funded. (See Chapter Six of this report).

With sustained local political will, active regional participation, adequate state and federal resources, and creative management implementation action, Charlestown will succeed.

### **Summary – Key Data Elements**

**Information below is drawn from 2000 data unless otherwise noted**

Population: 7,859 (a 21.3% increase over 1990 population of 6,478)

Housing Units: 4,797 (includes seasonal units)

Households: 3,178 (3,416 in 2003)

Year Round Housing Units (minus seasonal units): 3,318

Low/Mod Households: 1,112

Cost-burdened Households: 642

LMI Units: 47 – 1.42%<sup>4</sup>

Shortfall: 285 to meet Charlestown's 10% goal today

Median Household Income: \$51,491 (\$59,053 in 2003)

Median Sales Price: \$144,800 (\$200,000 in 2003, an annual increase of 15% since 2000)

Homeowners: 83.8% of households (fourth highest in the study region)

Other key points:

- Number of households grew substantially faster between 1990 and 2000 compared to the rest of Washington County (2.5% annually compared to 1.8% annually).
- Almost 18% of the vacation rental units or units considered secondary residences located in Washington County can be found in Charlestown (1,505) and these units represent 31.4% of the Town's overall stock.
- Strong moderate to middle income households unlike some of the other towns (>54% households with incomes between \$25,000 - \$75,000).
- Over 43% of households in Charlestown are headed by a resident of child-rearing age, between 35-54 years of age.
- 1,019 families have children under the age of 18.
- In 2000, the median age was 40.8 years old. This is above the State's median of 36.7.
- While a search by the consulting team of Multiple-Listing Service (MLS) real estate listings found no condominiums or single-family homes for sale for less than \$200,000 in Charlestown, a recent, January 2004, search of Multiple Listing Service (MLS) found that from 2000 to 2003, 178 dwelling units sold for under \$165,000. Ten building lots sold for under \$41,000. (See Table 3 in Chapter 2 : Charlestown Housing Sale Statistics). Although these are not countable LMI units, they did sell in the affordable range.

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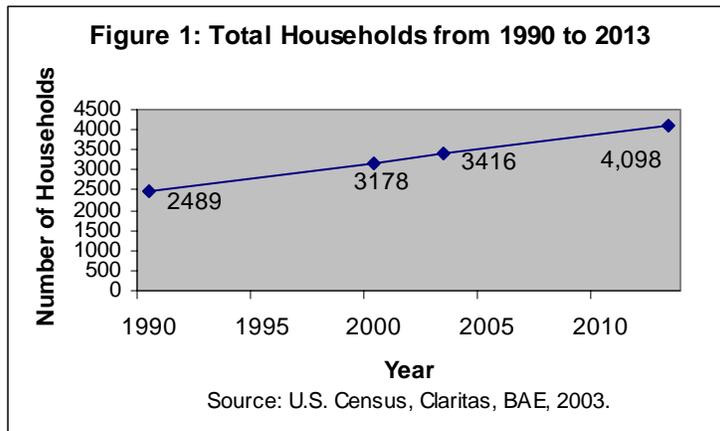
<sup>4</sup> As of 2004, R.I.G.L. 45-53 was amended to define a municipality's low- and moderate-income housing to be a percentage of its "year-round" units.

## Chapter Two: Inventory and Analysis of Existing Housing Stock

### *Demographic Background*

#### **Population and Household Trends**

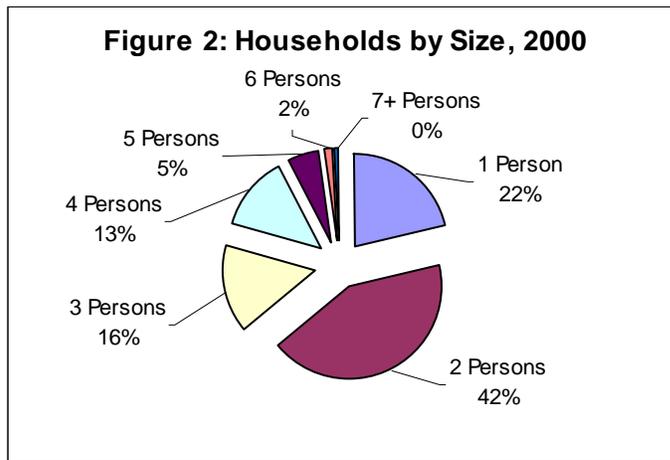
Population and household trends in Charlestown show a town with higher demographic pressure on its housing stock than in the region as a whole. The population of Charlestown grew at a faster rate between 1990 and 2000 than for Washington County as a whole or the 11-town Study Region defined for this housing plan.<sup>5</sup> In 2000, Charlestown consisted of a population of 7,859 residents in 3,178 households. The number of households in Charlestown grew at an annual rate of 2.5 percent between 1990 and 2000, compared with an annual growth rate of 1.8 percent for the Study Region. Historically, Charlestown has a slightly smaller household size than in the Study Region. Based on Census data and current estimates, the average household size in Charlestown continued to shrink between 1990 and 2000. If the development pace of the last three years were to continue over the next 10 years, the number of Charlestown households would grow to 4,098, a 20 percent increase over the current level. Figure 1 presents the current household trends in Charlestown, with projections to 2013.



Charlestown is primarily composed of family households and homeowners. In 2000, almost 84 percent of households in Charlestown owned their own home. Homeownership

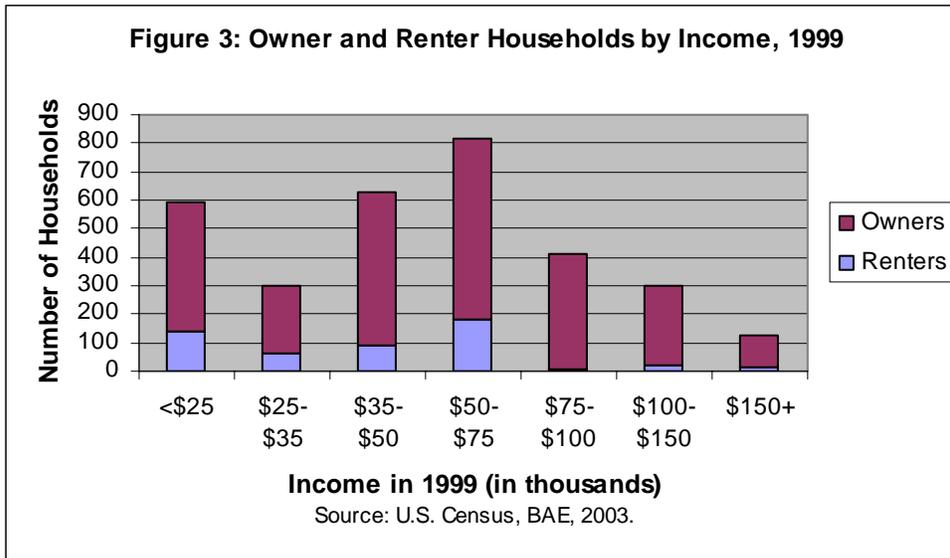
<sup>5</sup> The study region includes every town in Washington County and the towns of East Greenwich and West Greenwich in Kent County.

increased faster in Charlestown between 1990 and 2000 than in the Study Region. Charlestown's 2000 homeownership rate was the fourth highest in the Study Region, behind West Greenwich, Richmond and Exeter. Charlestown's households are smaller and relatively older than in the Study Region. In 2000, over 42 percent of households in Charlestown were headed by residents 55 years of age or older. In the 11-town Study Region, 35 percent of households were headed by a resident 55 years of age or older. Over 60 percent of households in Charlestown have one or two occupants. Figure 2, as follows, presents the size of households in Charlestown in 2000. The demographic and household trends suggest that the greatest pressure on the housing stock will be for smaller homes for Charlestown's population of active seniors and retirees.

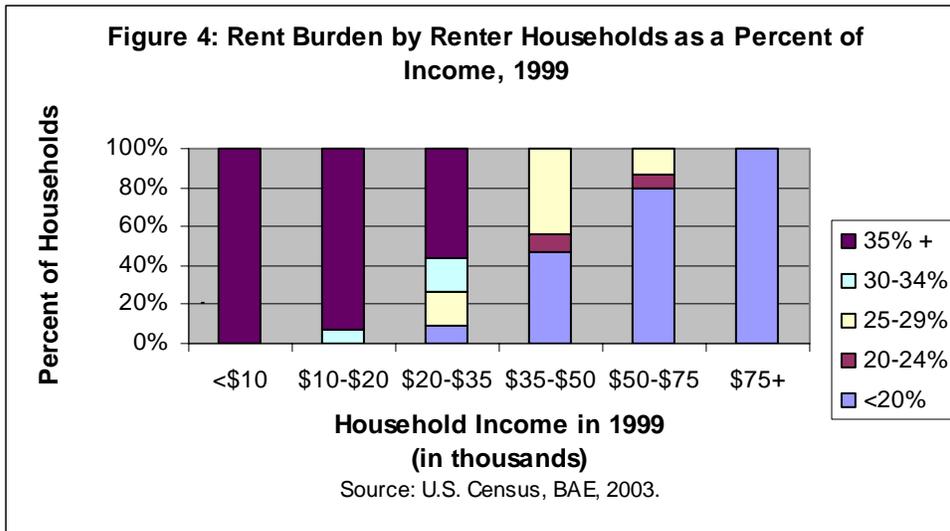


### Income

Household income in Charlestown is comparable to the county and regional medians. In 2003, Charlestown had a median household income of \$59,053 compared to a regional median household income of \$62,920. Charlestown's slightly lower median household income is consistent with the town's higher percentage of senior households. However, Charlestown is a solidly middle-class community with nearly 60 percent of households with annual incomes of \$50,000 or more. Figure 3, as follows, presents the household income of Charlestown residents by homeowners and renters in 1999.



Charlestown’s renter households are considerably more affluent than their counterparts in other Study Region towns. In Charlestown, 44 percent of renter households earn \$50,000 a year or more, compared to only 24 percent households throughout the Study Region. Despite the relatively positive income profile of renters in Charlestown, the 2000 U.S. Census did reveal troubling information about rent burdens in Charlestown. According to the Census, 27 percent of renters in Charlestown paid more than 40 percent of household income for shelter. The extreme rent burdens felt by these 131 renter households suggests that rental opportunities in Charlestown are out of step with the need amongst the most vulnerable population. Figure 4, below, presents the rent burden of Charlestown households in 1999.



The Comprehensive Housing Affordability Strategy (CHAS) database provides another means of analyzing the housing cost-burden of Charlestown’s low and moderate-income households (up to 80 percent of median income). As shown in Table 1, as follows, Charlestown had 642 households at or below 80 percent of median income with significant housing cost burdens in 2000. Of those 642 households, 25 percent were elderly households, 49 percent were of families and 26 percent were single-person households and other non-family households (“Other”). As Table 1 shows, 187 of the low and moderate-income households were renters, and 455 of the households were homeowners. Given the state’s current 10 percent affordability threshold, Charlestown is required to create 285 new units of low and moderate-income housing as of July, 2004.

The data shows that over two-thirds of the possible need for low and moderate-income housing is within Charlestown’s homeowner population. However, there are varied reasons that homeowners could be spending over 30% of their income on housing including that they are burdened from equity loans to pay for non-housing items. Since homeowners are currently housed and many of the renters may be in seasonal housing and made temporarily homeless in the summer, the needs of renters seem more pressing in Charlestown.

**Table 1: Housing Needs for Households at or below 80 percent of Median Income, 2002**

<u>Type of Household</u>	<u>Cost Burdened Households (a)</u>			<u>Percent of Total</u>	<u>Current State Housing Gap (c)</u>
	<u>Renter</u>	<u>Owner</u>	<u>Total</u>		
<b>Elderly</b>	24	139	163	25%	
<b>Family</b>	81	231	312	49%	
<b>Other (b)</b>	82	85	167	26%	
<b>Total</b>	187	455	642	100%	-285

Note: (a) Households at or below 80 percent of median income with housing needs, including rent burdens in excess of 30 percent of income. Almost all report excessive cost.

(b) Other households include single-occupant households and households with unrelated occupants.

(c) Low/Mod housing unit need based on the state's 10 percent affordability threshold.

Source: CHAS Database, 2003; BAE, 2003.

### **Housing Stock**

The most striking feature of Charlestown's housing stock is the high proportion of seasonal and vacation homes. In the 2000 U.S. Census, almost one-third of all housing units Charlestown were reported as seasonal or vacation homes. Charlestown's proportion of vacation homes is higher than that of all but one town in the study region (New Shoreham). Seasonal homes distort the local rental market by increasing the average monthly cost of housing and removing rental units from the supply of year-round rentals.

**Table 2: Housing Needs for Households with Incomes at or below 80 percent of Median Income**

Towns	Low/Mod Housing Needs by Type of Household (a)						All Low/Mod Households		
	Elderly		Families		Other (b)		Total with Housing Needs	Total Households	Housing Needs as Percent of Total
	Households	Percent	Households	Percent	Households	Percent			
<b>Study Region</b>	<b>5,274</b>	<b>29%</b>	<b>7,361</b>	<b>40%</b>	<b>5,584</b>	<b>31%</b>	<b>18,219</b>	<b>33,191</b>	<b>55%</b>
Owners	1,938	37%	2,431	46%	939	18%	5,308	9,680	55%
Renters	1,126	23%	1,626	34%	2,066	43%	4,817	9,029	53%
<b>East Greenwich</b>	<b>267</b>	<b>37%</b>	<b>241</b>	<b>33%</b>	<b>215</b>	<b>30%</b>	<b>723</b>	<b>1,323</b>	<b>55%</b>
Owners	137	43%	144	45%	40	12%	321	536	60%
Renters	130	32%	97	24%	175	44%	402	787	51%
<b>West Greenwich</b>	<b>54</b>	<b>21%</b>	<b>137</b>	<b>53%</b>	<b>67</b>	<b>26%</b>	<b>258</b>	<b>452</b>	<b>57%</b>
Owners	30	16%	118	63%	38	20%	186	346	54%
Renters	24	33%	19	26%	29	40%	72	106	68%
<b>Charlestown</b>	<b>163</b>	<b>25%</b>	<b>312</b>	<b>49%</b>	<b>167</b>	<b>26%</b>	<b>642</b>	<b>1,112</b>	<b>58%</b>
Owners	139	31%	231	51%	85	19%	455	862	53%
Renters	24	13%	81	43%	82	44%	187	250	75%
<b>Exeter</b>	<b>50</b>	<b>19%</b>	<b>119</b>	<b>44%</b>	<b>100</b>	<b>37%</b>	<b>269</b>	<b>552</b>	<b>49%</b>
Owners	50	29%	89	51%	35	20%	174	313	56%
Renters	0	0%	30	32%	65	68%	95	239	40%
<b>Hopkinton</b>	<b>193</b>	<b>32%</b>	<b>330</b>	<b>55%</b>	<b>74</b>	<b>12%</b>	<b>597</b>	<b>1,110</b>	<b>54%</b>
Owners	144	35%	218	54%	44	11%	406	746	54%
Renters	49	26%	112	59%	30	16%	191	364	52%
<b>Narragansett</b>	<b>350</b>	<b>19%</b>	<b>509</b>	<b>28%</b>	<b>968</b>	<b>53%</b>	<b>1,828</b>	<b>2,837</b>	<b>64%</b>
Owners	180	32%	226	40%	155	28%	561	1,025	55%
Renters	170	13%	283	22%	813	64%	1,266	1,812	70%
<b>New Shoreham</b>	<b>56</b>	<b>42%</b>	<b>40</b>	<b>30%</b>	<b>38</b>	<b>28%</b>	<b>134</b>	<b>231</b>	<b>58%</b>
Owners	40	41%	32	33%	26	27%	98	145	68%
Renters	16	44%	8	22%	12	33%	36	86	42%
<b>North Kingstown</b>	<b>410</b>	<b>25%</b>	<b>810</b>	<b>50%</b>	<b>397</b>	<b>25%</b>	<b>1,617</b>	<b>2,960</b>	<b>55%</b>
Owners	238	27%	443	51%	185	21%	866	1,406	62%
Renters	172	23%	367	49%	212	28%	751	1,554	48%
<b>Richmond</b>	<b>105</b>	<b>33%</b>	<b>130</b>	<b>41%</b>	<b>79</b>	<b>25%</b>	<b>314</b>	<b>744</b>	<b>42%</b>
Owners	105	37%	110	39%	69	24%	284	624	46%
Renters	0	0%	20	67%	10	33%	30	120	25%
<b>South Kingstown</b>	<b>562</b>	<b>33%</b>	<b>676</b>	<b>39%</b>	<b>475</b>	<b>28%</b>	<b>1,713</b>	<b>3,161</b>	<b>54%</b>
Owners	343	36%	493	52%	119	12%	955	1,637	58%
Renters	219	29%	183	24%	356	47%	758	1,524	50%
<b>Westerly</b>	<b>853</b>	<b>42%</b>	<b>753</b>	<b>37%</b>	<b>425</b>	<b>21%</b>	<b>2,031</b>	<b>4,227</b>	<b>48%</b>
Owners	531	53%	327	33%	143	14%	1,002	2,040	49%
Renters	322	31%	426	41%	282	27%	1,030	2,187	47%

Note: (a) Low and moderate-income households are households with incomes less than or equal to 80 percent of median income. Households with housing needs are defined as those households that pay more than 30 percent of household income for shelter or households that live in substandard conditions. Almost all households included above reported excessive housing costs. (b) Other households include single-occupant households and households composed of non-relatives. Source: CHAS database, 2003; BAE, 2003.

Charlestown is almost entirely composed of single-family detached homes. In 2000, almost 90 percent of housing units were single-family homes, compared to 77 percent for the region. Charlestown had 309 dwelling units in multi-family structures – 260 dwelling units in 2-4 unit structures, 30 dwelling units in 5-9 unit structures, and 18 dwelling units in structures containing 10 or more units. In 2000, Charlestown had 172 mobile homes, a number representing 3.6 percent of all housing units in Charlestown. Charlestown's housing stock is relatively new. Almost 47 percent of all housing units in Charlestown were constructed after 1980. Whereas 26 percent of dwellings in Westerly were constructed prior to 1940, only 8 percent of housing units in Charlestown (384 housing units) were built before 1940.

Charlestown may face considerable challenges creating Low or Moderate Income (LMI) units to meet a goal of 10 percent affordability. In 2004, 47 Charlestown housing units were certified as LMI by the state. With less than two percent LMI units, Charlestown must construct 285 additional LMI housing units to meet its 10% goal. Building permit data from 1996 to 2003 show consistent and steady growth in the town's supply of single-family homes. Almost 600 building permits were issued between January 1996 and August 2003. From 1998 through 2002, Charlestown issued building permits for an average of 85 housing units per year. However, Charlestown has adopted a growth management plan that limits new construction to a maximum of 60 housing units per year. Given the limitations of the growth plan, a large percent of all net new housing units constructed between 2004 and 2014 will have to be reserved for LMI housing to meet the Town's 10% goal.

### **Sales and Affordability**

- Charlestown is becoming increasingly unaffordable as a housing market for people of modest incomes. From 2000 to August 2003, the median sales price of homes in Charlestown increased by 15 percent annually. However, a recent, January 2004, search of Multiple Listing Service (MLS) found that from 2000 to 2003, 178 dwelling units sold for under \$165,000. Ten building lots sold for under \$41,000. (See Table 3: Charlestown Housing Sale Statistics). Although these are not countable LMI units, they did sell in the affordable range.
- According to the RI Housing Rent Survey, one-bedroom units rented for, on average, \$620, and two-bedroom units rented for \$936 in the year 2002. Because of the scarcity of rental ads (most likely due to the scarcity of rental units) that Agency was unable to document average rentals for the year 2003.

Table 3: Charlestown Housing Sale Statistics

2000-2003

Date Source-Realtor Multiple Listing Service

Date compiled Jan. 2004

This represents all properties sold in the affordable range of under \$165,000 from 2000-2003 identified by type of housing.

<u>TYPE</u>	<u># of UNITS</u>	<u>PRICE RANGE</u>
CONDO	45	\$66,000- \$162,500
MULTI-FAMILY	5	\$114,000-\$139,000
MOBIL HOMES	17	< \$57,000
SINGLE FAMILY	111	\$47,000-\$164,000

In addition there were 10 lot sales that fall within the 25% typical cost for land in new construction. (\$165,000 x.25= \$41,000).

LOTS	10	<\$41,000
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- Homeownership is increasingly out-of-reach of Charlestown's low and moderate-income workers and residents. Vacation home or sales to investors (both in-state and out of state) may be considered more commercial than residential in their function when they are used as seasonal rentals.

Rental housing in Charlestown is overwhelmingly clustered in the mid-to-upper range of the spectrum. According to the 2000 U.S. Census, Charlestown had only 8 percent renters paying less than \$500 a month in rent. A recent survey of rental listings found only one apartment listing for Charlestown. Conclusions about the composition of current renters can be discerned by looking closely at Census data from 2000. As noted above, 44 percent of renters in Charlestown had incomes of at least \$50,000 per year. More than 60 percent of renter households had incomes of at least \$35,000 per year. Despite the higher average renter incomes in Charlestown compared to the Study Region (noted above), 27 percent of renters in Charlestown paid a minimum of 40 percent of their annual income for shelter. The U.S. Department of Housing and Urban Development (HUD) recommends that renters pay no more than 30 percent of their income for rental costs. Rental options for low-income seniors and families in Charlestown are further limited by the absence of publicly subsidized

housing. Charlestown has no public housing, and no nursing home or assisted-living facilities.

### **Chapter Three. Unmet Housing Needs; Contributing Factors**

Charlestown confronts significant obstacles to meeting the affordable housing needs in its community. The town is faced by land constraints due to its desirability as a vacation spot on the ocean, and housing pressures from Greater Boston housing market (which includes most of Rhode Island). Steady increases in regional housing prices have increased demand for housing in Charlestown, as have market forces including low-interest rates and rising incomes among professional workers. The median sales price of homes in Charlestown increased by 15 percent annually from 2000 to August 2003. Charlestown has the second highest percentage of vacation homes (after New Shoreham) of all towns in the Study Region. Charlestown is a desirable location to purchase or build second homes and vacation properties. A recent survey of land prices in Charlestown found partial-acre properties selling for as high as \$100,000 to \$175,000. Waterfront properties can command premiums of \$200,000 to \$500,000 for one and a half to three acre parcels. Communities throughout the Study Region of Washington and Kent Counties struggle to balance concerns for quality of life, community preservation and the fiscal costs of housing growth (particularly on schools), with the result that many communities do not support sufficient new residential construction to meet current affordable housing needs. Charlestown is no exception to either local or regional affordable housing trends.

#### **Unmet Housing Needs**

In 2003, Charlestown had 47 certified low and moderate-income housing units. Based on a goal of 10 percent affordability, Charlestown presently has the need for 285 additional units of affordable housing. Based on the maximum number of new units allowed under the town's growth management plan (60 units per year), Charlestown would need an average of 35 (34.5) new Low or Moderate Income Housing (LMI) units per year to get to its 10% goal in 10 years. That would mean that about 58% percent of Charlestown's net new housing stock over the next 10 years would have to be affordable (under current state definitions) if the town is to meet its 10 percent LMI affordability requirement within 10 years; because this percentage is so high, the Task Force believes it is infeasible to reach the town's 10% LMI affordability goal within 10 years.

CHAS data for 2002 indicates Charlestown has 187 renter households that paid more than the recommended 30 percent in gross income for shelter. Assuming those 187 households

continue to live in Charlestown, they constitute a baseline for unmet need in the town. The rent-burdened households in Charlestown constituted 35 percent of all renter households in 2000. Based on current demographic and household trends, it is possible to create a rough projection of the additional need that will be present in 10 years. As presented in Chapter 2, Charlestown will have 682 additional households in 2013, based on current trends. Assuming that the percentage of renter households in the town remains unchanged, there will be 111 additional renter households. If 35 percent of those net new renter households are burdened by excessive rents (pay in excess of 30 percent of annual income for shelter), Charlestown will have 39 new households with an unmet need for LMI housing. As a rough calculation, Charlestown is likely to need a minimum of 226 (the 187 present households plus 39 new households) to meet the total demand for LMI rental housing in 2013. It is interesting to note that this need for 226 rental units would represent a majority (66%) of the LMI units that would need to be produced (345 total LMI units) for the Town to meet its 10% goal in ten years. Also, after 2013, there would be additional need for rentals generated by population growth.

The CHAS data presented in Chapter 2 shows that over 70 percent of Charlestown's low and moderate income households with housing needs (mostly excessive housing costs) are homeowners. However, again a very large majority of the households in Charlestown that the data identifies as households in need of affordable housing are already housed. Households which already own their own homes should not be as high a priority when compared to renters and households without homes.

### **Homeownership**

- The median sales price of homes in Charlestown increased by nearly 15 percent annually from January 2000 to August 2003. Overall, 91 percent of recorded home sales in Charlestown for the most recent 12-month period were for \$150,000 or more. However, a recent, January 2004, search of Multiple Listing Service (MLS) found that from 2000 to 2003, 178 dwelling units sold for under \$165,000. Ten building lots sold for under \$41,000. (See Table 3: Charlestown Housing Sale Statistics) Although these are not countable LMI units, they did sell in the affordable range.

To purchase a home priced at \$200,000, a family buying its first home would need an annual income of at least \$55,000 with a six-percent mortgage interest rate and a five-

percent down payment. If interest rates increase to seven percent, the homebuyer would need an income of at least \$60,000. In Charlestown, 1,112 of the town's 3,178 households (35 percent) have incomes below 80 percent of area median income (AMI). While most of these low and moderate-income households already own a home, new comers to Charlestown would have difficulty in purchasing a home.

The lack of available affordable housing has a direct impact on the ability of public and service workers who work in Charlestown to move to and live in the community. Also, according to State data provided by Grow Smart Rhode Island, the greatest job growth in Rhode Island is occurring within occupations with low salaries, too low to afford the purchase of a home in Charlestown.

### **Rental Housing**

Rental housing opportunities in Charlestown are seriously constrained by the market for vacation homes. Over 30 percent of all housing units in Charlestown are seasonal or vacation homes. As noted above, apartment rentals in vacation communities are typically leased for nine-month periods during the fall and winter, and weekly during the summertime. Partial-year leases are very disruptive to families and others who must search for new, temporary housing during the summer or commute long distances to work in the community. Vacation homes, in some respects, are best understood as standing apart from the regular stock of rental housing in a community. The average rental price of vacation homes (on an annual basis) are well above average rents, and the dislocation of tenants from the units during the summer prevent the apartments from functioning as proper family housing. And, it is predicted that Charlestown is likely to need a minimum of 226 new LMI rental housing units to meet the total demand for LMI rental housing in ten years.

### **Barriers to Affordable Housing Development**

Barriers to the construction of affordable housing in Charlestown are similar to those of neighboring communities in Kent and Washington Counties. In Charlestown issues include, apart from regional factors, the cost of land, and the difficulty of providing infrastructure such as water or sewerage. Generally, local zoning can also be an impediment. Since 1991, the Town of Charlestown has adopted numerous zoning changes in an attempt to help provide for affordable housing production (see Chapter Four, and below) yet more can be done.

*Cost of Land*

One of the most significant barriers to developing affordable housing in Charlestown is the cost and availability of vacant buildable land. According to local developers and realtors, coastal properties are in great demand for the construction of market-rate seasonal and permanent homes. One survey of vacant land prices shows a range of \$100,000 for a fraction of an acre up to \$300,000 or more for waterfront properties. Development costs increase given in-fill properties with dilapidated structures or the need to remediate other existing conditions. A significant challenge, related to the cost of land, is the availability of sufficient land to meet the various demands for new vacation housing, market-rate housing, and LMI units.

*Septic/Sewerage Costs*

The abundance of highly permeable soil, sloped lands, and unique soil types that are determined to be unsuitable or poorly suited for community development, as shown in the USDA Soil Survey (incorporated by reference) makes septic system and engineering more difficult in the general area of the southern moraine.

The certification and cost of constructing septic systems for new housing units poses a financial barrier to the creation of affordable housing in Charlestown. In 1990, 95 percent of all homes in Charlestown disposed of waste through a septic tank or cesspool (Rhode Island Planning, 2003). According to local developers, new acreage available in the coastal towns of the Study Region often lack town sewerage and offer significant construction challenges to meet state certification requirements for septic systems. The cost of septic systems depends upon the suitability of the land given the water table, drainage, natural features and adjoining properties (particularly wetlands). According to realtors and developers, most vacant lands that are available for the construction of affordable housing have high water tables, poor drainage and other engineering constraints that raise cost of construction and slow state permit approvals by the Department of Environmental Management. The construction of septic systems increases the cost of new housing by \$5,000 to \$30,000 per unit. However, the construction of multi-family units utilizing a single septic system can reduce the per-unit cost of sewage disposal by as much as 30 percent. In addition, newer technologies can allow for infill development and construction on vacant lands previously considered unsuitable for housing.

*Zoning*

Charlestown's zoning requirements have been modified since 1991 to remove impediments to affordable housing. A list of initiatives, which are almost all changes to zoning to either remove impediments to affordable housing or to encourage certain types of housing that help meet local needs (even if they do not qualify under the Low/Mod definition such as accessory apartments) is shown beginning on pages 27 and 28 of this document. Also, combined with the escalating cost of land, the necessity of protecting ground water resources by requiring relatively large minimum lot sizes (ranging from ½ to 3 acres) can add significantly to the per unit cost of construction in Charlestown. The adoption of Cluster subdivisions, now mandatory in Charlestown for all major subdivisions, was meant to and did, for a time, successfully reduce the costs of construction and added to the efficiency of land use when supported by other economic factors such as scale. However, given the prevalence of septic systems and cesspools on lands not always well-suited to septic systems or which have relationships with aquifers, developers today may face increased costs and longer certification periods when constructing multi-unit septic systems at a density of more than one unit per acre.

*Community Opposition/Fiscal Constraints*

There is no evidence of community opposition to affordable housing in Charlestown. The local task force believes this is because a majority of households are below median income. Furthermore, although 84 percent of households own their own homes, before the recent rapid increase in housing values the majority of Charlestown's households owned homes that were valued at or below the financial limits of affordability. There may however, be a fear that the addition of new low-income families with children into the community from other communities will create a fiscal burden on town budgets. Public concern over new housing developments, whether affordable or not, can create real concerns about fiscal burdens, but these concerns can be mitigated through a process of public planning and discussion; low and moderate income residents are typically families who work full-time and contribute to communities in a variety of roles. It is also essential to note that affordable housing benefits not only new residents, but current residents who pay a disproportionate percentage of their income for shelter, or whose children or family members cannot afford to stay in town.

## Summary

Charlestown faces a series of barriers to the provision of affordable housing including lack of substantial infrastructure in the form of town water and sewer, substantial wetlands, and a variety of soil conditions and geological features that do not lend themselves to development. Furthermore, large amounts of the undeveloped land (over 5000 acres) is presently dedicated to recreation or uses that may not be compatible with housing or under Town control.

Based on a projection of current demographic trends and the need for LMI rental housing, Charlestown would need a minimum of 345 additional LMI housing units by 2014, if the goal was to get to 10% in 10 years. However, the number of building permits issued per year by the town may be too low to reasonably create a sufficient number of LMI housing units in the next ten years to meet that goal in that time frame. From 1990 to 1999, the town issued 696 building permits – an average of almost 70 per year. Over the last five years, from 2000 to 2004, the town issued 327 building permits – an average of slightly more than 65 per year. With a building cap in place that limits production to 60 units per annum, more than 57% of all units permitted in the next ten years would have to fall into the LMI category (the 285 present unit shortfall plus an additional 6 units per year). Even though LMI units presently are given priority over other applications under the building cap, it may be infeasible to try to ensure that such a large percentage of units built fall into the countable LMI category. However, when one doubles the production period to twenty years, the Town would need to see about 20 units or 34% of all units under the cap fall into the LMI category to meet its goal. While Charlestown cannot meet its affordable housing needs based entirely on new construction, this percentage of new units is more reasonable. In addition, the town will need to and should also rely on conversion of existing units or structures to countable LMI units to meet its 10% goal. For instance Charlestown has considerable opportunities to create affordable housing from existing housing stock. There are a significant number of vacant apartments in existing buildings in need of rehabilitation, a large number of trailers and many opportunities for accessory apartments. The Town should also seriously consider projects and mechanisms that provide 100% LMI units.

Beyond rental housing, housing prices in Charlestown are increasing at a rate that may make homeownership possibilities for low- and moderate-income workers in the community

more limited. There are fewer and fewer housing units available in the community for less than \$200,000 and year round rental stock is becoming increasingly home-ownership stock as families with greater resources relocate to the Town. In addition, the high cost of land especially south of Route 1 increases development costs, particularly given the need in most parts of Charlestown to construct septic systems that meet complex state certification requirements. Charlestown must find ways to increase production of affordable housing to meet its affordable housing goals in the context of local concerns about growth management including school system impact, the increasing cost of development, and steady upward regional pressure on the price of housing.

## **Chapter Four. STATUS OF EXISTING HOUSING ELEMENT AND MEASURES TO INCREASE THE AVAILABILITY OF AFFORDABLE HOUSING**

### **Amendments to the Comprehensive Plan**

In May of 2000, the Town Council adopted the amendments to the comprehensive plan shown in Appendix Q. It is of note that the amendments in the housing element, among other suggestions from Statewide Planning, included “Do not encourage additional housing (especially elderly and high density) in vulnerable areas” and “encourage outreach programs for realtors and developers to educate them on hazards ...on building in flood zones...” The Town’s Comprehensive Plan was certified as complete in August 2000.

### **Goals in the Current Approved Comprehensive Plan**

The goals set forth in the Town’s Comprehensive Plan remain relevant. Chapters Six and Seven of this report describe strategies to meet these goals that reflect the changes in the Town and the regional economy using tools to promote affordable housing and local housing economies that have been developed and refined since 1991.

The current Housing goals for the Town of Charlestown as stated in the baseline Housing Element of the Comprehensive Plan include the following<sup>6</sup>:

*Achieve and maintain a range of housing alternatives in keeping with Charlestown’s tradition of being home to people of different times of life, family circumstances and time of life.*

*Provide for means of new homes to offer a good quality of life while fitting into Charlestown’s social and physical setting.*

*Tailor and implement housing efforts to be in keeping with the Town’s limited financial resources.*

*Coordinate housing policies and programs as much as possible with other groups and public bodies.*

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<sup>6</sup> Goals described in the Baseline Housing Element of the Comprehensive Plan adopted by the Town Council 1/13/92.

The Town has undertaken initiatives that reflect a growing interest in responding to retention of affordable housing opportunities and preservation of rural housing characteristics while still maintaining the unique character of Charlestown neighborhoods. A list of initiatives, which are almost all changes to zoning to either remove impediments to affordable housing or to encourage certain types of housing that help meet local needs (even if they do not qualify under the Low/Mod definition such as accessory apartments) follows:

1. (7-8-74). Nursing Homes by Special Exception in B and PB districts.  
(7-1-98). Zoning 218-106. Nursing homes allowed.
2. (10-29-84). Two family dwellings allowed as Permitted Use in R-5A and R-3A  
(10-29-84). Two family dwellings allowed as Special Exception in R-80  
(10-29-84). Multi-family dwellings by Special Exception in R-5A, R-3A, R-80
3. (10-29-84). Mobile or Trailer Park – Allowed by Special Exception in R-5A, R-3A, and R-80 (7-1-98). Zoning 218-45. Mobile Home Parks. Continued to allow them in 1998 zoning and established standards for new mobile home parks.
4. 1984. Zoned land along roads such as Biscuit City and Rt. 2 to smaller lots to encourage affordable housing. Many of these lots were constructed with FHA loans.
5. 1985-Present. Town has a very active program to enroll farmers in the farm forest and open space program.
6. (2-10-92 by Ordinance 183). Zoning 218-109. Day Care or Family Day Care allowed
7. (12-12-94). Zoning 218-100. Allow home occupations. Home becomes a workplace.
8. (7-1-98). Zoning 218-93. Accessory family dwelling unit. One accessory apartment shall be permitted by special use permit within a principal single-family residence or as accessory to a permitted business in business districts that allow residential uses. Permitted by Special Use in R-20, R-40, R-2A, R-3A and C1 zones.
9. (7-1-98). Zoning 218-91. Residential/business uses.
10. (7-1-98). Community Residence allowed by right in R-20, R-40, R-2A, R-3A zones and by Special Use in C1 and C2 zones.
11. (7-1-98). Zoning 218-27. Low and Moderate Income Housing. Application procedure outlined for low and moderate income housing projects.
12. (7-1-98). Zoning 218-104. Agricultural operations. Right to Farm law. Promotes farming and farm related businesses.
13. 1998. In compliance with Comprehensive plan, zoned land around villages to smaller lot sizes to promote village development and affordable housing.
14. (2-17-00). Zoning 218-134. Exemptions from the building quota include Elderly Housing, Retired Adult Communities, Multifamily dwellings that are studio or one-bedroom units, and Accessory Family Dwelling Units.
15. (2-17-00). Zoning 218-135. Priority Issuance under the building cap. The first priority is given to Low and Moderate Income Housing.
16. (4-10-00). Zoning 218-151. Exemptions from the Capital Facilities Impact Fee (for schools) include Elderly Housing, Retired Adult Communities, Multifamily dwellings that are studio or

one-bedroom units, and Accessory Family Dwelling Units. Also exempt are any developments approved pursuant to 218-27, Low and Moderate Income Housing.

17. (5-18-00). All major subdivisions are clusters that keep developers costs down (less infrastructure) thereby encouraging affordable housing.
18. (5-18-00). Zoning 218-32. Rear-Lot Subdivisions and Residential Compounds – again this keeps development costs down and encourages affordable housing.
19. (9-8-03). Zoning 218-104. Farms of certain size may have an accessory dwelling unit in addition to the principal dwelling unit.
20. 1995-2003. Community Development Block Grant money used for housing rehabilitation in Shannock and Columbia Heights as well as town-wide
21. 2003-Present. Working on a mixed-use plan for Cross Mills area that will encourage affordable apartments.

The two main Rhode Island General laws that were adopted to address Rhode Island's affordable housing crisis were R.I.G.L. 42-128-8.1 affordable housing and R.I.G.L. 45-53-3 low and moderate income housing. Presented below are the current statutory definitions of these laws.

#### **Affordable Housing (R.I.G.L. 42-128-8.1)**

In the case of dwelling units for sale, housing that is affordable means housing in which principal, interest, taxes, which may be adjusted by state and local programs for property tax relief, and insurance constitute no more than 30% of the gross household income for a moderate income household. A "moderate income household" means a single person, family, or unrelated persons living together whose adjusted gross income is more than eighty percent (80%) but less than one hundred twenty percent (120%) of the area median income, adjusted for family size.

In the case of dwelling units for rent, housing that is affordable means housing for which the rent, heat, and utilities other than telephone constitute no more than 30% of the gross annual household income for a household with 80% or less of the area median income, **adjusted** for family size.

#### **Low or Moderate Income Housing (R.I.G.L. 45-53-3)**

"Low or moderate income housing" means any housing subsidized by the federal, state, or municipal government under any program to assist the construction or rehabilitation of housing as low or moderate income housing, as defined in the applicable federal or state statute, or local ordinance whether built or operated by any public agency or any nonprofit organization, or by any limited equity housing cooperative or any private developer, that will remain affordable for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal or state subsidy program but shall not be for a period less than thirty (30) years from initial occupancy through a land lease and/or deed restriction.

**Table 4. LMI Housing in Charlestown (RI Housing)**

<i>Type of Housing</i>	<i>Name</i>	<i>Street Address/Location</i>	<i>Source of Subsidy</i>	<i># Units</i>	<i>Remaining Tenure of Subsidy</i>	<i>Total units by Category</i>
<b>Elderly Rental</b>						<b>0</b>
<b>Elderly Home-ownership</b>						<b>0</b>
<b>Family Rental</b>						<b>0</b>
<b>Family Home-ownership</b>						<b>6</b>
	Action Community Land Trust	Scapa Road	RIH HOME	1		
	South County Habitat	Cross Street	RIH HOME	2		
	South County Habitat	128 Old Shannock Road	RIH HOME	1		
	South County Habitat	Shannock Road	RIH HOME	2		
<b>Special Needs</b>						<b>0</b>
<b>Group Home Beds</b>						<b>41</b>
					<b>GRAND TOTAL</b>	<b>47</b>

## **Chapter Five. AFFORDABLE HOUSING NEEDED TO ACHIEVE 10 PERCENT**

Previous chapters have provided a tremendous amount of data and analysis. Before heading into a discussion of Charlestown's challenges and opportunities, a quick summary of key facts may be helpful.

### **Overview of Need**

According to the most current data available, Charlestown neighborhoods provide 3,318 non-seasonal units of housing for a population of 7,859. At present, it appears only 47<sup>7</sup> of those units (1.42 percent) meet the statutory definition of affordable housing. Today, the Town would need an additional 285 Low or Moderate Income (LMI) units to meet the 10 percent threshold.

But it does not stop there. According to information provided, the town is issuing 60 permits per year, the maximum under its development cap, adding a projected 600 units over the next decade. An additional 60 units to the 285 current shortfall, brings the total units needed to 345 in the next ten years, or about 35 units per year, 58% of the total units allowed, annually, under the cap. However, extending the time frame out to 20 years, the Town would have to produce 405 units over the next 20 years, or about 20 units a year, 33% of the cap; This longer term goal, combined with strategies that focus on production of 100% LMI units in a project plus the rehabilitation and re-use of existing structures is feasible and doable. However, decisive action will be needed if Charlestown is to catch up and then maintain a 10 percent affordability level over time.

### **Needs of Special Populations**

#### *Elderly, Family, and "Others"*

As was noted in Chapter Two, information produced by HUD from 2000 census data indicate that there are a relatively large number (455) of low and moderate income owner households and about 187 renter households with significant housing needs – that is, with housing costs in excess of 30 percent of gross household income. Elderly households represent 25 percent of cost-burdened households, and families represent 49 percent of

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<sup>7</sup> A careful examination of the Town's presently uncounted affordable units compared to the new law may yield additional countable units.

cost-burdened households. Because nearly 2/3 the heads of household (60.2 percent) in Charlestown are 45 years of age or older (Appendix I, Table 3), it is reasonable to expect that the elderly cost-burdened portion of the population will increase over the coming decade, suggesting the need for attention to elder housing as well as for financially burdened younger families. It was also referenced at the end of Chapter Two that there are no nursing homes or assisted living facilities in Charlestown. According to a 2000 AARP study, at least 83 percent of adults over 45 want to “age in place”, that is remain where they live, as long as possible.<sup>8</sup> There is no reason to believe older Charlestown residents would have different needs. It is also suggested that the Town study Active Living for Older Adults, in Appendix R for guidance on meeting the needs of active adults in Charlestown.

### **Population with Disabilities**

The U.S. Census added questions to the 2000 Census that allow a better estimate of the number of persons with physical impairments than has been possible in the past. The Census provides data on the number of people self-reporting sensory, physical, mental, self-care, go-outside-home and employment disabilities. Physical disability is defined as a “condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting or carrying.” As such, the number of residents with physical disabilities is significantly larger than the number dependent on wheelchairs and should not be mistaken for the actual need for wheelchair accessible units.

Not all of the households with persons who have physical disabilities require wheelchair-accessible units. Some have physical disabilities that limit their ability to walk a quarter mile without resting, which is the Census Bureau’s definition of a mobility impairment, but are ambulatory and do not require wheelchairs or walkers. Others may have physical disabilities that do not involve walking, such as needing assistance in dressing. Based on national statistics, BAE estimates that one-tenth of persons with physical disabilities require wheelchairs in order to be mobile. This estimate does not consider individuals who choose to use wheelchairs although not medically required.

Table 17 within Appendix I (Detailed Demographic Data) reports the number of disabled residents in Charlestown by age and type of disability. The disability count is higher than

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<sup>8</sup> AARP, These Four Walls: Americans 45+ Talk About Home and Community.

the actual number of residents because residents can report more than one disability. Overall, Charlestown had 703 reported disabilities in 2000. Among residents aged 16 to 64 years, there were 450 residents with employment disabilities, 91 with physical disabilities, 27 residents with mental disabilities and 43 people with sensory disabilities. Among senior citizens, 98 residents reported physical disabilities, 31 residents reported difficulty going outside the home and 1 seniors reported mental disabilities.

Unfortunately, the Census data do not provide good information about how many of these persons with disabilities are in low to moderate income households now cost-burdened with respect to housing. However, it seems reasonable to conclude that persons with disabilities experience at least the same level of need for affordable housing as non-disabled households in Charlestown, and probably more. Indeed, the Governor's Commission on Disabilities recently published a report that identified affordable housing as one of the top three concerns of people with disabilities and their families.<sup>9</sup> As Charlestown pursues various strategies for increasing LMI housing production, it is essential that the housing for populations with special needs be taken into account, including but by no means limited to the needs of the elderly who may be dealing with multiple disabilities in a single household.

### **Special Needs and the Homeless**

Charlestown recognizes the need to provide housing accommodating both the special needs and homeless populations. In fact, due to a spike in the number of poor and needy over the 2003 – 2004 holiday season the Town reinstated a Director of Public Assistance.<sup>10</sup> Also, the 2003 Recap of activity by the St. Mary's – St. James Community Food Pantry (see Appendix P) showed that during 2003 "77 homeless families came thru the pantry – 40 families were from Charlestown/ 52 adults and 31 children – many lived in campgrounds, cars, parks, and hotels for permanent residency." There are currently 41 units classified as group home beds serving the needs of the disabled. According to the most recent Rhode Island Emergency Shelter Annual Report, 33 shelter residents had identified Charlestown as their last address. Opportunities exist to provide affordable housing to these groups on a

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<sup>9</sup> *Report on the Concerns of People with Disabilities and their Families: Identified during Five Public Forums July 21 – 25, 2003.* Available at: <http://www.disabilities.ri.gov>.

<sup>10</sup> As reported in the Providence Journal on February 17, 2004.

scattered site basis throughout the town as well as in the Historic Village Districts of Cross Mills, Shannock, and Carolina.

### **Key Town Agencies Involved in Affordable Housing Issues**

Currently, the Town Council and Planning Commission and Zoning Board members and staff are the key players in the local affordable housing front. Even more important will be recommendations and actions of the newly created permanent Affordable Housing Commission created by town ordinance on August 10, 2004. (See Appendix T.) Specific duties as well as a commitment for clerical support are in the enabling legislation shown. While it was noted in the draft to this report that “only four towns in the study region have housing authorities, and Charlestown is not one of them” the permanent Housing Commission may or may not recommend to the Council the creation of a housing authority, in conjunction with or without a land trust.

Community Development Block Grant (CDBG) funds, provided through The Community Development Consortium, have been instrumental in a significant amount of rehabilitation work in a joint undertaking between the Towns of Charlestown and Richmond known as the Village Revitalization Plan for Shannock, Rhode Island. To date, however, public officials note that while these projects contributed significantly to the affordability of housing in that area, through low cost or free revitalization of structures and neighborhoods, none of that work has produced dwellings that qualify as affordable housing as currently defined by state policy.

The South County Habitat for Humanity has also had a presence in Charlestown. While Habitat’s work does not add significantly to the LMI housing stock, its presence on the affordable housing front and visibility as a force for the housing needs of families contribute in important ways to community awareness of the issues.

Clearly, the Town of Charlestown has limited capacity through its existing municipal structure to deal with producing any significant amount of LMI housing production although the creation through enabling legislation of a permanent housing commission is a very big step forward. These issues will be discussed in more detail in Chapter Six.

### **Town Resident Perspectives on Affordable Housing**

Seven public officials and citizens completed a questionnaire distributed in 2003 by the consulting team (see Appendix D for form that was distributed to the Charlestown respondents). Although much of the data in the questionnaire was made obsolete by amendments to the low mod housing laws, responses showed a willingness to support a variety of approaches to increasing LMI housing and meeting the 10 percent requirement. One respondent saw Charlestown as an inappropriate locality given the lack of public transportation. Several respondents favored Charlestown's participation in a regional approach. Five of the respondents favored inclusionary zoning and other approaches and only three did not mark inclusionary/ cluster zoning as a preferred option for meeting the 10 percent affordability requirement.

It was clear from the surveys that were received that a range of concerns about the requirements and how to address them remain. It should be noted that the survey was by no means a scientific sample, but an underlying theme of concern seemed to be about a loss of local control.

### **Resources Currently Available**

For the Town of Charlestown, its greatest resource will be the efforts of the newly created permanent Affordable Housing Commission, in conjunction with the willingness of the previously appointed Charlestown Ad Hoc Affordable Housing Initiative Task Force, and other officials to entertain a full range of options for increasing LMI housing in the community. Already, the Task Force, with representatives from Planning, Conservation and Zoning has begun to explore the potential for creating affordable housing zones, establishing a housing trust fund, looking at village center development, and a host of other possibilities; many of the task force's recommendations are incorporated into this document.

An emerging consensus among Task Force members is that one major difficulty in implementing some of the strategies incorporated into the Town's Housing Plan and Implementation Program approved by the Housing Resources Board in 1991 was that the Housing Resources Board was disbanded after it's approval, with responsibility for implementation then passed over to the Council and Planning Commission. The task force

members felt through the re-establishment of the Housing Resource Board, into a similar but permanent commission, the Town would be better able to assure implementation of the goals of the program. They felt that only a permanent commission working solely and exclusively on the affordable housing issue, with authority for their actions and a commitment for support reflected in enabling legislation, is what had originally and was still required. Through a permanent commission or body, the Town will be better able to task manage the entire issue of increasing the supply of LMI housing in Charlestown. It was recognized that many of the issues and ideas that have surfaced as part of this Task Force process were similar to ideas already included in the Housing Element of the Comprehensive Plan but which had yet to result in production of LMI units. In part the demise of the Housing Resource Board which helped generate the initial strategies was seen as a major reason for the overall inertia, thus the importance of making that first step, taken in August of 2004, of creating a permanent commission.

#### **Summary of Factors that Impede the Production of Affordable Housing in Charlestown**

- Insufficient public utility infrastructure (town water & sewer)
- *uniquely and highly constrained land typical in southern moraine (Large areas of Charlestown's land are already considered developed beyond carrying capacity as noted in CRMC's SAM Plan, incorporated by reference)*
- *The aggressive consumption of units by out of state investors*
- *Highly sloped lands and permeable soil typical in southern moraine,*
- Limited employment opportunities within Town borders and lack of inexpensive public transportation to regional job centers
- Market driven by vacation/second home market; pushes up prices and no highly attractive incentive/requirement that developers produce affordable housing.
- Limited funds at state and federal levels to provide subsidies.
- Local concerns about attracting young families and over-burdening an already stressed public school system.
- Environmental concerns regarding further nitrate loading and eutrophication of salt ponds by watershed groups etc., highly constrained land, highly sloped, and lands already developed beyond carrying capacity.
- Major hurdle is over consumption of single family units by out of state investors.

## **Chapter Six. RECOMMENDATIONS: GOALS, POLICIES, STRATEGIES**

### **Introduction and Current Shortfall**

In Charlestown, the Task Force has been considering a number of policy alternatives, including innovative zoning approaches.

Planning staff and Task Force members from a number of the towns in the study region expressed interest in having a matrix of affordable housing strategy options and tools to assist them in their decision-making process. A number of officials in the various towns also signaled a desire for a better understanding of the fundamental concepts before they expressed an opinion on their receptivity to particular strategies. Accordingly, the consultant developed a matrix to facilitate discussion and promote understanding of how other jurisdictions have dealt with affordable-housing related challenges. The consultant also provided a summary-level outline of a number of affordable housing tools, for use by the Planning staff and Task Force members. This list was not exhaustive, by any means, but it did cover most of the major policy tools.

After Charlestown held preliminary discussions with town staff and officials, an assessment of the town needs, obstacles, and opportunities was accomplished. Upon this consensus building effort, Charlestown decided to utilize the policy tools and developmental strategies detailed within this chapter. Furthermore, these policy tools and developmental strategies are detailed further within Chapter 7 – Table 8: Affordable Housing Action Plan Summary.

The narrative below is based upon discussion and input from the Task Force beginning with the steps that will contribute directly to the actual production of housing and continuing with a discussion of the organizational and community infrastructure that will be essential to the success of the other initiatives. The underlying assumption in the following discussion is that Charlestown is fully committed to achieving and maintaining 10 percent affordability and must therefore address this reality:

***Current shortfall: 286 units Low or Moderate Income Housing (LMI) units (as of 3/23/2005) PLUS 10 percent of whatever comes on line in the coming years.***

### **Increase Direct Production of LMI Units**

Charlestown, as with other towns in the study region, will be challenged to accomplish at least two primary objectives if it is to achieve its 10 percent goal (1) “Catch up” by addressing the current shortfall of roughly 286 LMI units; and (2) at least “stay even” into the future as additional units come on line and add to the base for the 10 percent calculation. It is unlikely that any single strategy will achieve both objectives and, as a result, public officials should be looking for a multi-pronged approach that promotes their vision for their community.

### ***Adopting a Land Trust Model***

The Town should consider a Land Trust model. Under this model the Town retains ownership of the land accepting only a modest lease payment. The Town would be required to commit resources to acquire land and these funds would not be fully recouped. However, a Land Trust model could be funded by real estate transfer taxes, payment in lieu of land dedication fees where developers opt out of mandatory zoning (see below), charitable donations, taxpayer approved funding through a bond referendum, or other potential funding sources. Other potential funding sources that have been successfully employed elsewhere to implement the Land Trust Model include the Community Development Block Grant (CDBG) program, the HUD Housing Investment Partnerships Program (HOME Program), and the Federal Home Loan Bank Boston Affordable Housing Program (AHP Program). Additionally, the town is presently working with Habitat for Humanity, an organization that has access to funding and routinely employs land trust principles. The town could also work with landowners through bargain sales wherein funds are realized from the difference between the sale price and market price of their parcel – the landowner could be eligible for a tax break in this process. Furthermore, the model, adopted as an ordinance, would qualify as a local subsidy by providing for permit affordability as the project would either have to be some form of cooperative home-ownership (perhaps a limited equity model) or if it were rental, could not be restructured or sold without the cooperation of the town. The Town could also look into leveraging such funds or proposing bond referendums that combine

open space preservation funding with funding for affordable housing. There is also, in the situation where the Trust is funded by a referendum funding both open space and affordable housing, the possibility that the entitlement to build in the preserved areas are transferred to another area of town (which could support higher density) through a transfer of development rights. A concept of the Land Trust Model, as developed by one Task Force member, is shown in Appendix N. The Land Trust Model is an excellent means of preserving long-term affordability and will likely be used in pursuit of the following area-specific strategies.

### **1) *Mandatory Inclusionary Zoning***

Communities across the nation use inclusionary zoning as a method for increasing the availability of LMI housing. Although some communities have chosen to craft only voluntary programs—also known as “incentive zoning” – Charlestown will adopt a mandatory inclusionary zoning policy.

Essentially, an inclusionary zoning ordinance sets up a trade or an exchange of sorts between the town and developers who want to build residential units. In exchange for the developer’s inclusion of a certain percentage of LMI units among new, rehabilitated, or converted market-rate units, the town agrees to grant certain benefits to the developer, usually in the form of a density bonus and design flexibility. For most of the towns in the study region, the consulting team recommended a 20 percent LMI housing requirement for major developments (greater than five units) with a 20 percent density bonus and consideration of such additional benefits as smaller lot sizes, reduced setbacks, and other design flexibility. However, because of local concerns for ground and surface water protection and CRMC regulations, density increases may not be appropriate in all areas of Charlestown. In Charlestown zoning was based on protecting groundwater, the overall density may also protect rural character, but the minimum lot sizes were determined by soils and underlying groundwater. Increasing density in many areas of town will either directly contradict CRMC guidelines or result in increased stress on aquifers

Some communities offer developers other options under their inclusionary zoning policy. For instance, instead of providing all of the required LMI units in the proposed subdivision, the developer may opt to fulfill a portion of the requirement by designating existing units at another site as LMI, deeding appropriately zoned and buildable land to the municipality, or making a “payment-in-lieu” to an affordable housing trust fund or donation of land to a housing land trust.

As an adjunct to inclusionary zoning, the Task Force has indicated an interest in a **Transfer of Development Rights** (TDR) mechanism as way to provide for any density bonuses for a

specific buildout but to simultaneously control overall growth within the Town and to promote preservation of open space.

Should Charlestown consider the “payment in lieu” mechanism as a means to provide the required LMI units, for land donations or cash options, the value of the substitution should be great enough to cover the estimated cost to build the required units in another venue. Also, this “opt out” option could provide a substantial source of funding, with the funds going into the land trust.

Charlestown will adopt a mandatory inclusionary zoning ordinance with a twenty percent LMI housing set aside applying to all minor and major subdivisions. All LMI units developed under this strategy will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program. From 1988 to 2004, the Town of Charlestown approved the creation of 428 lots through the subdivision process, an average of approximately 25 lots per year. Assuming this rate of development continues, it is reasonable to expect an annual production of five LMI units via the mandatory inclusionary zoning strategy. Over a twenty-year period, this rate would yield 100 units of LMI housing. The Town of Charlestown has issued 327 building permits for single family homes during the latest five year period: 87 in 2000, 61 in 2001, 67 in 2002, 59 in 2003, and 53 in 2004.

**Mandatory Inclusionary Zoning – Location – Scattered Town-wide**

Estimated LMI units in 20 years:

41 Elderly Units – 41 owned, 0 rental

59 Family Units – 59 owned, 0 rental

100 Total Units

***2) Pursue proactive new construction through an affordable housing overlay district and/or amended mixed-use zoning.***

Having an alternative to comprehensive permits as part of the town Zoning Ordinance could provide for many of the forms of zoning relief customarily sought through the Comprehensive Permit Process. And this approach, called here an overlay district approach, would be more responsive to town interests in terms of location (proposed village centers or other areas for which denser growth could be sustained even though not currently a by right under current zoning), affordability mix, site requirements for issues like setbacks from the road or property lines, etc.

In many ways this is like inclusionary zoning except that these communities would be intended to promote mixed use, mixed development on a larger scale and in ways specifically targeted by the Town. It provides a mechanism whereby existing owners of land for which the Town now has a new vision could either remain under existing zoning or be redeveloped in accordance with the newer vision such as the concepts that were put forward for Old Post Road Village, by the URI CPL Studio in the Fall of 2003 (see Appendix S). Many of the design principles invoked could be applied elsewhere in town, most notably other “village centers” (Shannock Historic Village District, Carolina Historic Village District) or potential mixed use areas, i.e. those areas of Town currently zoned PDD (Planned Development Districts) (see Map 1 – Appendix L). This could result in significant production of additional LMI rental units especially for families and seniors, a major need based on the CHAS data-set that is often difficult to address without incentives and targeting by the municipality.

The mixed-use zoning ordinance applying to commercially zoned parcels in the Cross Mills Historic Village District, that was adopted by the Town Council in October, 2004, has been revisited by the Affordable Housing Commission, Economic Improvement Commission, and Planning Commission to amend for the incorporation of LMI housing. At present, a business owner may have one dwelling unit per lot in conjunction with their business. At its regular meeting of September 12, 2005, the Town Council adopted Ordinance #279, allowing additional dwelling units to be constructed in the Mixed-Use Zoning Overlay District, provided that 59% of them are LMI dwelling units, and will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy

program. The dwelling units allowed under this ordinance may be situated on second and third floors of a commercial building or attached at ground level to a commercial building. Sewage Disposal approval from the RIDEM will be a limiting factor on the total number of units allowed. Considering that only one dwelling unit is presently allowed per lot in this Mixed-Use Zoning Overlay District, this ordinance provides a potentially huge density bonus, with the exact percentage to be determined on a project-by-project basis.

Using the downtown district as a test case, the Task Force recommends that the Town consider incorporating affordable housing legislation in all village areas plus those areas currently zoned PDD. Also, the Task Force specifically notes 121 lots (approximately 218 total acres) within the Cross Mills Historic Village District identified on Map 2 of Appendix L as an area targeted for LMI housing development. In addition, the Shannock Historic Village District, specifically (AP 28 Lot 163), as identified on Map 1 of Appendix L, has also been identified by the Task Force as a potential key development for LMI housing within that district. Conservatively, if only five (5) of the 121 eligible lots, within the Cross Mills Historic Village District, take advantage of this allowance and create 12 LMI dwelling units per lot, this assumption would realize 60 LMI units. A quick scan of the 121 lots found in Table 5 suggest five potential candidates to take advantage of this provision: AP 7 Lot 56 (4.42 acres), AP 12 Lot 133 (3.71 acres), AP 12 Lot 135-2 (5.60 acres), AP 13 Lot 5 (2.32 acres), and AP 13 Lot 13 (4.29 acres). It is anticipated that these parcels will accommodate 1,000-1,500 sq.ft. rental units.

Table 5 illustrates the use of the LMI housing provisions applying to the Mixed-Use Zoning Overlay District. A total of 85 units are projected under the conservative assumption that a parcel could support one unit per 20,000 square feet. In this example, the quotient resulting from the division of the area of each parcel by 20,000 square feet, rounded down, yields the total projected units per parcel. The total projected units per parcel were multiplied by the required 59% LMI portion and rounded down to yield the projected number of LMI units per parcel. Applying this formula to all 121 parcels resulted in a rough projection of 200 LMI units. There were a total of 115 LMI units (highlighted in bold, italic, underline per parcel) that were deducted from the rough projection due to either little likelihood of their being realized, their inclusion under another strategy or some other limiting factor; subtracting this number from the rough projection yields a possible number of 85 LMI dwelling units. For

purposes of this plan, however, a 35% utilization rate is assumed. This means that 35% (i.e., 30 units) of the projected 85 LMI dwelling units can be reasonably expected to ultimately come to fruition.

Table 5. Projected LMI Units in Mixed-Use District

<u>MAP</u>	<u>LOT</u>	<u>ZONE</u>	<u>ACREAGE</u>	<u>TOTAL UNITS</u>	<u>LMI UNITS</u>
<b>7</b>	52	C2 NON-CONFORMING RESIDENTIAL	0.91	1	0
	53	C2 NON-CONFORMING RESIDENTIAL	0.91	1	0
	54	C2 NON-CONFORMING RESIDENTIAL	0.91	1	0
	55	CURRENT MIXED USE	0.91	1	0
	56	C2 BUILT	4.42	9	5
	59-1	C2 BUILT (Ambulance)	1.31	2	<u>1</u>
<u>MAP</u>	<u>LOT</u>	<u>ZONE</u>	<u>ACREAGE</u>	<u>TOTAL UNITS</u>	<u>LMI UNITS</u>
<b>12</b>	7	C1 BUILT	0.33	0	0
	8	C1 BUILT	0.35	0	0
	9	C1 BUILT	0.39	0	0
	10	C1 NON-CONFORMING RESIDENTIAL	1.39	3	1
	11	SPLIT ZONE C1/R2A (Mostly Residential)	3.99	8	<u>4</u>
	12	C1 BUILT	1.06	2	1
	13	C1 NON-CONFORMING RESIDENTIAL	0.69	1	0
	13-1	C1 NOT BUILT	1.01	2	1
	13-2	C1 NOT BUILT	1.01	2	1
	14	C1 NON-CONFORMING RESIDENTIAL	0.45	0	0
	20	C1 BUILT	0.23	0	0
	21	C1 BUILT	1.70	3	1
	22	C1 NON-CONFORMING RESIDENTIAL	0.83	1	0
	24	SPLIT ZONE C1/R2A (Mostly Residential)	16.54	36	<u>21</u>
	25-1	C1 NOT BUILT	2.03	4	2
	26	C1 NON-CONFORMING RESIDENTIAL	1.79	3	1
	48-1	C1 NON-CONFORMING RESIDENTIAL	0.63	1	0
	49	C1 NON-CONFORMING RESIDENTIAL	0.95	2	1
	50	C1 NON-CONFORMING RESIDENTIAL	0.70	1	0
	51	C1 BUILT	0.60	1	0
52	C1 NON-CONFORMING RESIDENTIAL	0.49	1	0	
62	C1 BUILT	0.24	0	0	
63	C1 BUILT	2.74	5	2	
108	C2 BUILT	0.23	0	0	
109	C2 NON-CONFORMING RESIDENTIAL	0.94	2	1	

109-1	C2 NOT BUILT	0.34	0	0
110	C2 BUILT	0.86	1	0
111	C2 BUILT	1.15	2	1
126	C1 BUILT	0.85	1	0
128	C1 BUILT	0.88	1	0
130	C1 BUILT	0.46	1	0
132	C1 BUILT	0.86	1	0
132-1	C2 NON-CONFORMING RESIDENTIAL		0	0
132-2	C2 NON-CONFORMING RESIDENTIAL	0.83	1	0
133	C2 BUILT	3.71	8	4
133-1	C2 NON-CONFORMING RESIDENTIAL	0.67	1	0
133-2	C2 NOT BUILT	0.84	1	0
134	C2 BUILT	0.71	1	0
135	C2 NOT BUILT (Falcone Property)	8.07	17	<u>10</u>
135-1	C2 BUILT	0.75	1	0
135-2	C2 BUILT	5.60	12	7
135-3	C2 BUILT	0.60	1	0
135-5	C2 NOT BUILT	1.16	2	1
136	C2 BUILT	0.34	0	0
137	C2 BUILT	1.29	2	1

<u>MAP</u>	<u>LOT</u>	<u>ZONE</u>	<u>TOTAL</u> <u>ACREAGE</u>	<u>UNITS</u>	<u>LMI</u> <u>UNITS</u>
<b>13</b>	1	C2BUILT (General Stanton Inn)	6.85	14	<u>8</u>
	2	C2BUILT	0.49	1	0
	3	C2 NON-CONFORMING RESIDENTIAL	0.61	1	0
	4	CURRENT MIXED USE	0.21	0	0
	5	C2 NOT BUILT	2.32	5	2
	5-1	C2 BUILT	0.88	1	0
	5-2	C2 NOT BUILT	0.91	1	0
	6	C2 NON-CONFORMING RESIDENTIAL	0.91	1	0
	7	C2 BUILT	2.27	4	2
	9	C2 NON-CONFORMING RESIDENTIAL	0.91	1	0
	10	CURRENT MIXED USE	0.50	1	0
	11	CURRENT MIXED USE	0.67	1	0
	12	C2 BUILT	0.59	1	0
	12-1	C2 BUILT	0.86	1	0
	13	C2 NON-CONFORMING RESIDENTIAL	4.29	9	5
	14	C2 BUILT	0.84	1	0
	15	C2 BUILT	0.47	1	0
	16	C2 BUILT	0.96	2	1
	17	C2 NOT BUILT	1.29	2	1
	18	C2 BUILT	0.78	1	0
	19	C2 BUILT (Larlham Landscape)	5.42	11	<u>6</u>
	19-1	C2 BUILT	0.57	1	0
	19-2	C2 BUILT	1.15	2	1

19-3	C2 NOT BUILT	2.41	5	2
19-4	C2 NOT BUILT	1.45	3	1
19-5	C2 NOT BUILT	1.62	3	1
19-6	C2 NOT BUILT		0	0
20	C2 NON-CONFORMING RESIDENTIAL	1.81	3	1
21	C2 NON-CONFORMING RESIDENTIAL	0.50	1	0
22	C2 NON-CONFORMING RESIDENTIAL	1.00	2	1
23	C2 BUILT	0.64	1	0
24	C2 NON-CONFORMING RESIDENTIAL	1.06	2	1
25	C2 NON-CONFORMING RESIDENTIAL	0.50	1	0
26	C2 BUILT	1.62	3	1
27	C2 NON-CONFORMING RESIDENTIAL	1.59	3	1
28	C2 NON-CONFORMING RESIDENTIAL	2.26	4	2
29	C2 NON-CONFORMING RESIDENTIAL	0.41	0	0
30	C2 BUILT (US Fish & Wildlife)	9.12	19	<u>11</u>
30-1	C2 NON-CONFORMING RESIDENTIAL	0.26	0	0
31	C2 BUILT	1.03	2	1
32	C2 NOT BUILT	0.39	0	0
33	C2 BUILT	1.25	2	1
34	SPLIT ZONE C2/R40 (Drake Property)	33.38	72	<u>42</u>
34-1	C2 BUILT	0.83	1	0

<u>MAP</u>	<u>LOT</u>	<u>ZONE</u>	<u>ACREAGE</u>	<u>TOTAL UNITS</u>	<u>LMI UNITS</u>
13	34-2	C2 NOT BUILT	2.18	4	2
	34-3	SPLIT ZONE C2/R40		0	0
	34-4	C2 BUILT	3.44	7	4
	35	C2 NON-CONFORMING RESIDENTIAL	1.00	2	1
	36	C2 BUILT	1.02	2	1
	37	C2 BUILT	0.94	2	1
	38	C2 BUILT	0.51	1	0
	39	C2 NON-CONFORMING RESIDENTIAL	1.99	4	2
	40	SPLIT ZONE C2/R40	0.92	2	<u>1</u>
	41	C2 NON-CONFORMING RESIDENTIAL	0.98	2	1
	42	C2 NOT BUILT	0.72	1	0
	43	C2 BUILT	2.85	6	3
	44	C2 BUILT	0.92	2	1
	45	C2 BUILT	0.50	1	0
	47	C2 NOT BUILT	0.50	1	0
	48	C2 NON-CONFORMING RESIDENTIAL	0.59	1	0
	50	C2 NOT BUILT	1.08	2	1
	50-3	C2 NOT BUILT	2.12	4	2
	58-1	C2 NOT BUILT	1.10	2	1
	59	C2 NON-CONFORMING RESIDENTIAL	0.90	1	0
	167	C2 BUILT	0.32	0	0
	168	C2 NON-CONFORMING RESIDENTIAL	0.33	0	0

<u>MAP</u>	<u>LOT</u>	<u>ZONE</u>	<u>ACREAGE</u>	<u>TOTAL UNITS</u>	<u>LMI UNITS</u>
<b>17</b>	190	C2 BUILT	0.54	1	0
	187	C2 NOT BUILT	5.53	12	7
	188	C2 BUILT	2.28	4	2
	189	C2 BUILT (Police Station)	9.48	20	<b>11</b>
<b>total acreage</b>			<b>199.8</b>		200
				LESS	115
PROJECTED POTENTIAL					<b>85</b>
YIELD ASSUMING 35% UTILIZATION RATE					<b>30</b>

Note – The numbers highlighted in red in the LMI units column are not included within this analysis as they pertain to Strategy 3 – Adaptive Re-Use/Location Specific Projects.

**AFFORDABLE HOUSING OVERLAY DISTRICT/VILLAGE CENTER MIXED USE –**  
 Location – Cross Mills Historic Village District (30 units).  
*(Can use land purchased through Land Trust Model)*

Estimated potential LMI units in 20 years:

- 7 Elderly Units – 7 rental
- 15 Family Units – 15 rental
- 8 Other Units – 8 rental
- 30 Total Units**

### **3) *Implement a Developer RFP Process***

The basic premise of this approach is simple. The Town acquires and assembles parcels, prepares a master plan for the acreage and issues a developer RFP that describes the development program giving the developer a certain amount of latitude in the final design of the project but controlling the density and overall project impact. Developers would respond to the RFP, which in essence is a bundle of development rights, with a purchase price agreeing to develop within the parameters imposed. Because the project should in essence be able to avoid a protracted permitting process and already be acceptable in a general sense to the community, developers would have an incentive to respond knowing that projects could be completed in 24 to 36 months or even shorter periods in some cases depending upon sources of financing. These development parcels should be distributed around the town spatially to avoid concentrations of lower income.

The parcels could be either already zoned for multi-family or be subject to some other zoning but rely on the overlay district mechanism described above. By using the RFP process, the Town would be able to control selection of the developer in terms of experience and willingness to work with the Town. The incentive for a professional developer is that by working with the town he or she is better able to control risk and therefore should be willing to take a reasonable fee for completing the project.

This same mechanism could be used to establish or re-establish village centers, but in this context the strategy is intended to complement the village centers with purely residential development; while this methodology is not usually used to develop mixed use developments, the Town might consider exploring that option, in which the commercial development allowed to the developer helps to or wholly subsidizes the costs of developing the LMI residential units. This is a method that could be used to develop family housing (2 and 3 bedroom) units or much needed smaller units for retirees or single person households within a walking village center.

The possibility of developing a RFP for an assisted living or congregate care facility in land presently zoned PDD (presently approximately 268 acres in town) and having said facility built on land purchased through the land Trust could bring much needed care for elderly

and/or other special needs persons in the Town, while at the same time providing a mechanism to allow older persons to remain in Town or “age in place” as referenced in the AARP study. A congregate care facility would also bring much-needed jobs to the region, and allow workers to work closer to home.

Presently, there are two parcels in town zoned PDD, a 77 acre parcel (AP 7 Lot 59) owned by South County Sand and Gravel and a 191 acre parcel (AP 24 Lot 1-2) owned by United Nuclear Corporation (see Map 1 - Appendix L). A Brown University student build-out analysis (see Appendix M), employing a computer-based methodology that takes a given parcel area, subtracts area having constraints to development and divides by the minimum lot size required by the Zoning Ordinance within the given district, estimated the South County Gravel parcel to accommodate 13 dwelling units. This would be an excellent location for elderly and other populations with special needs as it is adjacent to the South Shore Mental Health Center, and very near the Ninigret Park recreational area, Charlestown Ambulance facility and the new Charlestown Police Station. The development guidelines for PDD’s contained in the Zoning Ordinance allow for non-residential development to not exceed 40 percent of the PDD and residential density not to exceed 1 dwelling unit per 3 acres. Assuming a high-end density of 1 dwelling unit per 3 acres, without factoring constraints to development, the South County Sand and Gravel parcel could accommodate approximately 25 dwelling units. In order to realize these 25 dwelling units, the town could issue a developer RFP for a 100% LMI project having a density of two dwelling units per acre on a small portion of this parcel. Please refer to the map at the end of this chapter for the location of the two parcels zoned Planned Development District.

Given the environmental issues that must be addressed at the UNC site prior to receiving DEM clearance for development and action on the part of the Town of Charlestown necessary to realize 25 LMI units from the development of the South County Sand and Gravel site, this plan has not factored any LMI units created through the Developer RFP process from these two parcels. As mentioned previously, please consider that the Affordable Housing Initiative Task Force recommends that the Town consider incorporating affordable housing legislation in all village areas plus those areas currently zoned PDD.

Developer RFPs – Location – Historic Villages, Planned Development Districts, Scattered Town-wide (*Can use land purchased through Land Trust Model*)

Potential LMI units in 20 years:

While the Developer RFP strategy provides significant LMI housing opportunities, the Charlestown plan has not factored any newly created LMI units in its projections at this time.

#### **4) Accessory Apartments**

Methods to turn existing housing stock into units that meet the affordability definition under the act is an approach that is important in all Rhode Island communities given that volume of new construction that would need to occur if that were the only strategy.

Although the Town already has an accessory apartment ordinance, looking at how it might be restructured to promote LMI rental housing in one and two bedroom category and in such a manner as to have these units count towards the overall goal would be a useful secondary strategy. While there may be a significant amount of “under-utilization” of existing single-family homes, the Town needs to carefully evaluate what would motivate an existing home-owner to either make an addition to their home, rebuild and ancillary structure such as a garage into a code compliant small unit or to subdivide an existing structure into what is in essence a duplex unit.

Accessory Apartments – Location – Scattered Town-wide

Potential LMI units in 20 years:

While the Accessory Apartment strategy provides significant LMI housing opportunities, the Charlestown plan has not factored any newly created LMI units in its projections at this time.

**5) Adaptive Re-Use/Location Specific Projects**

The adaptive reuse of existing structures in Charlestown is another factor in the overall equation. All LMI units developed under this strategy will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program.

The conversion of motels provides another opportunity to increase the stock of LMI housing. The town is presently considering a proposal from the owner of the Ninigret Inn at 34 Prosser Trail (AM 17 Lot 33-1) to convert their 32-unit motel to condominiums, 12 market rate units and 4 LMI units. Possible subsidies that could be used in motel conversion include Low Income Housing Tax Credits for rentals, HOME Funds, Rhode Island Housing Loan Program, or Community Development Block Grant funds. All LMI units in this proposal will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program

The Lakeview Neurological Rehabilitation Center has brought a proposal to the Town of Charlestown for a 16-bed facility on a 7-acre parcel (AP 25 Lot 93) off Route 2 for patients who have sufficiently recovered from brain-related injuries to leave their main treatment facility in New Hampshire. Returning patients closer to home would facilitate visitation from family and friends. Their proposed project entails converting an existing residence into an eight-bed facility and constructing a new building also having eight beds. Town approval will be necessary in order to have two residential buildings on a single parcel; it is expected such density bonus will be the local subsidy. A letter to the Town of Charlestown, dated September 6, 2005, from Susan Bodington at Rhode Island Housing indicates that as the beds in this facility are residential and residency will be longer than two years, they will contribute to the town's stock of low and moderate-income housing units.

As for location-specific projects, the Drake property (AP 13 Lot 34), in the Cross Mills Historic Village District, has been discussed as an LMI housing project site. If developed in conformity with current zoning, the Drake property could accommodate approximately 18 dwelling units. The Charlestown Planning Commission has recently entertained a pre-application proposal from a private developer to create 26 lots from this 33.5 acre parcel, one of which would contain seven, 4-unit buildings (28 LMI units) of LMI housing for the elderly. The lot containing the LMI housing is proposed to be 5.69 acres, of which 1.23 acres is wetland. All LMI units developed under this strategy will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program.

Commonwealth Engineering, along with the Women's Development Corporation, have designed a well and septic system to serve a 53-unit building for seniors on a portion of a 9-10 acre parcel (AP 13 Lot 30) located at 3769 Old Post Road, which is the former location of the US Fish and Wildlife administrative offices. Based upon this development proposal, this plan conservatively projects that this parcel could accommodate, in some fashion, 30 units of LMI, elderly rental housing. The HUD Section 202 program, benefiting the elderly, and the HUD Section 811 program, that benefits special needs populations, would be possible subsidies that could be used on this project. All LMI units developed under this strategy will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program.

The town is also working with Narragansett Affordable Housing to bring another location-specific project to fruition that involves the construction of seven single-family homes on a seven-acre parcel (AP 20 Lot 22) in the Carolina Historic Village District. Phase II involves a Vermont-model conservation/affordable housing project on an adjoining 55-acre parcel (AP 24 Lot 19) which could support at least 30 units of LMI housing. Narragansett Affordable Housing will secure subsidies (e.g., HOME funds) for this development through Rhode Island Housing and seek additional subsidies from among those listed in Appendix K. It is

more than reasonable to assume that, in total, more than 37 LMI units will be realized through this two-phase project. The LMI units in this development will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program.

Plat 13 Lot 34-4 in the downtown offers an immediate opportunity to increase LMI units by 2 in a mixed use setting, as the owners have been working with Rhode Island Housing in an effort to get these units, that are presently rented at affordable rates, counted as LMI units. Despite this effort, these units are not included in the projections below for this strategy. Please refer to Map 1 in Appendix L for the location of the Cross Mills Historic Village District, Shannock Historic Village District, and Carolina Historic Village District.

An example of the type of mixed use development that the town would consider within the Cross Mills Historic Village District to provide LMI housing opportunities could apply to an approximately 8 acre undeveloped parcel (AM 12 Lot 135) within walking distance to the bank, coffee shop, and grocery shopping. The Women's Development Corporation has talked with the owner of this parcel relative to a mixed-use project. This site could potentially accommodate 32 units of LMI elderly rental apartments, for an overall density of four units per acre, with a local subsidy through the mixed use overlay zone. The HUD Section 202 program would be one possible subsidy to employ here. All LMI units developed under this strategy will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program. A thorough environmental analysis will be conducted to assess the actual development potential of this parcel.

The Town is presently working with the Trust for Public Land to identify and secure a parcel suitable for an open space/affordable housing project. Two, among many of the parcels being considered for this endeavor are the 80-acre Magliari parcel (AP 16 Lot 212) and the 82-acre Hopkins parcel (AP 22 Lot 16). It is expected that a project containing a minimum of 16 LMI units could be achieved on either of these two parcels. The LMI units in this

development will remain LMI restricted for ninety-nine (99) years or such other period that is either agreed to by the applicant and town but shall not be for a period of less than thirty (30) years from initial occupancy through a land lease and/or deed restriction or prescribed by the federal, state or municipal subsidy program.

Adaptive Re-Use/Location Specific Projects – Location – Scattered Town-wide

Potential LMI units in 20 years:

100 Elderly Units – 100 rental

45 Family Units – 45 owned

18 Other Units – 18 rental

163 Total Units

**6) Pursue regional strategies**

The regional strategy for the study region constitutes an essential element in Charlestown's affordable housing plan. There is strength and opportunity in numbers and Charlestown should avail itself of that leverage, while proactively pursuing the opportunities afforded by its own unique profile. In brief, the regional plan recommends several viable approaches, including establishing a regional HOME consortium, a Regional Affordable Housing Trust fund, and/or a Regional Housing and Redevelopment Agency.

Regional Strategies – Location – Washington County Study Area (*Can use land purchased through Land Trust Model*)

Total potential LMI units in 20 years:

While the Town of Charlestown will continue to work with the Washington County Regional Planning Council on regional strategies to address affordable housing needs, the Charlestown plan has not factored any LMI units created through regional efforts into its estimates of newly created units in town.

**7) Employ creatively structured subsidies**

Current amended statutory definition of a countable LMI unit now includes units subsidized through a municipal program. Charlestown has an important challenge and opportunity. Mobile homes in Charlestown are a logical fit with the common notion of affordable housing. Information from local, state, and federal sources differs somewhat, but a conservative estimate puts the mobile home count at about 172. Most of these units are contained within the three mobile home parks in town: Border Hill Mobile Home Park (53 units), Land Harbor Leisure Park (24 units), and Indian Cedar Mobile Home Park (65 units). This plan conservatively assumes that 77 units could be gained here with the application of creatively structured subsidies. This projection is supported by discussion with Geoff Marchant, director of the Community Development Consortium, who has seen income surveys indicating 86% of the residents of Kingston Mobile Home Park (Krzack) in North Kingstown and Blueberry Heights Mobile Home Park in West Greenwich are of low-moderate income. Given this empirical evidence, it would be reasonable to extrapolate a yield of 77 LMI units

from the conversion of the Indian Cedar Mobile Home Park and Land Harbor Leisure Park. The realization of countable, LMI dwelling units from these mobile home parks will entail tenant buyout through the establishment of housing cooperatives. Possible subsidies that will be used in mobile home park conversion include any of the following: HOME Funds, Rhode Island Housing Loan Program, or Community Development Block Grant (CDBG) funds. The town will support this initiative by applying for CDBG funds as well as other Federal/State grants to be used for the purchase of these parks, the repair/replacement of existing units within the parks, and park infrastructure improvements. This effort will be accompanied by at least a 30-year deed restriction or land lease as a mechanism to ensure long-term affordability.

The question is what steps if any can Charlestown take to ensure that they **are** counted under the current updated definition. All towns in the study region have the opportunity to work with state and federal agencies to ensure that these units are certified by the state as LMI housing. Officials and staff in Charlestown should work with state and federal agencies to pursue ways to structure qualifying funds in such a way that the mobile homes receive some modicum of federal/state/municipal funding

Structured Subsidies – Location – Scattered Town-wide (*Can use land purchased through Land Trust Model*)

Total potential LMI units in 20 years:

0 Elderly Units

59 Family Units – 59 owned

18 Other Units – 18 rental

77 Total Units

### Estimate of LMI Units Created Via Various Strategies

Over a 10-year period, these strategies could result in a potential of 205 more LMI units, in addition to the 47 units in RI Housing’s recent estimate, for a total of about 252 units, over half way, percentage wise to Charlestown’s 10% LMI housing goal. Table 6 below provides a snapshot of how these units might come on line over the next two decades and the impact upon progress toward the 10 percent threshold. Note the current projections show Charlestown meeting its goal of providing 10% LMI housing within 20 years, through a combination of strategies. The estimated increase in the total number of non-seasonal housing units assumes that 42 units of non-seasonal units are produced, with the rest of the units (18 plus) being or continuing to be consumed by seasonal buyers.

**Table 6: Snapshot of Estimated LMI Units Created by Various Strategies  
(Calculations are cumulative)**

LMI units Strategy	Now	Addition al Each Year	In 5 years 2009	In 10 years 2014	In 15 years 2019	In 20 years 2024
Beginning number of LMI units <sup>11</sup>	46	0	46	46	46	<b>46</b>
Mandatory inclusionary zoning (IZ)		5	25	50	75	<b>100</b>
Pursue proactive new construction through an affordable housing overlay district.		1.5	7.5	15	22.5	<b>30</b>
Implement a Developer RFP Process		0	0	0	0	<b>0</b>
Accessory Apartments		0	0	0	0	<b>0</b>
Adaptive Re-Use/Location Specific Projects		16.2	81	82	163	<b>163</b>
Regional Strategies		0	0	0	0	<b>0</b>
Creatively structured subsidies		3.85	19.25	38.50	57.75	<b>77</b>
Subtotal estimated LMI units	46	26.55	178.8	231.5	364.3	<b>416</b>
Number of non-seasonal units*	3,318	42	3,528	3,738	3,948	<b>4,158</b>
Percent Affordability	1.4	63.2%	5.1%	6.7%	9.2%	10.0%

\* Assumes total number of non-seasonal units increases by 42 units per year; all the rest of construction is consumed by seasonal buyers.

These early estimates suggest that with significant political will and proactive measures, Charlestown could reach and maintain 10 percent affordability in about 20 years. It is

important to mention and emphasize that the strategies identified by the town in this plan to address affordable housing needs are distinct and can reasonably expect to achieve the estimated number of units. Total projected units are not counted under multiple strategies. Mandatory inclusionary zoning is expected to apply to subdivisions wherever they may occur in town. The town has already passed an ordinance creating a mixed-use zoning overlay district consisting of commercially zoned parcels in the Cross Mills Historic Village District. This ordinance is presently being reviewed for amendment to include provisions for LMI housing. The developer RFP process can be used on a town-wide basis where appropriate. The town also recognizes that a significant opportunity exists to secure LMI housing through conversion of mobile home parks. While all of these strategies may employ land trust principles as a means of ensuring long-term affordability, the number of projected units specific to the Land Trust Model strategy are those to be produced beyond those identified in other strategies.

It is of note that the percentage of units targeted to be built are, for the categories of “elderly”, “family” and “other” proportional to the needs of the population based on the CHAS data given in Chapter Two. See Chart 6A below.

**Table 6A: Snapshot of Additional LMI Units Created by Various CHAS Category**

LMI units Strategy	Elderly	Family	Special Needs	Owned	Rental	Total
Mandatory inclusionary zoning (IZ)	41	59	0	100	0	<b>100</b>
Pursue proactive new construction through an affordable housing overlay district.	7	15	8	0	30	<b>30</b>
Implement a Developer RFP Process	0	0	0	0	0	<b>0</b>
Accessory Apartments	0	0	0	0	0	<b>0</b>
Adaptive Re-Use/Location Specific	100	45	18	45	118	<b>163</b>
Regional Strategies	0	0	0	0	0	<b>0</b>
Creatively structured subsidies	0	59	18	77	0	<b>77</b>
Total number new units by category	148	178	44	222	148	<b>370</b>
Percentage of units by category	40%	48%	12%	60%	40%	<b>100%</b>

<sup>11</sup> The table assumes that the affordability of units currently counted will be preserved over the next 20 years; as of January 2004, RI Housing estimated Charlestown affordable units at 47.

However, it can be seen from the chart above that the units targeted to be built are, for the categories of “rental” vs. “owned” not proportional to the needs of the population based on the CHAS data. This is because the Task Force believed that while the CHAS data accurately indicated needs of the community by family type, the need for rental units in Charlestown was particularly strong because:

- Homeownership percentage is very high in the Town, indicating there is very little opportunity for rental housing in the Town; since the goal of the Comprehensive Plan is to provide a variety of housing, an emphasis should be made on providing that which the Town does not have – and that is rental housing.
- The Town will need to provide, according to the projections in Chapter Three Unmet Housing needs, a minimum of 226 rental units in ten years, and additional rental units after that. By amending the plan to target at least 50% of units (or 205 units) to be rental, the Town will at least come close to that minimum goal of 226 units. It is hoped that the additional 21 units could be created by increased unit construction in the village districts made possible by additional or improved infrastructure there.

### **Consistency of Estimate with Build Out Analysis**

There is no build out analysis presently in Charlestown’s approved comprehensive plan; such an analysis was not required or performed back in 1991 when the plan was submitted. However, in 2001 the town had The Center for Environmental Studies at Brown University perform a build out analysis for planning purposes. (See Appendix M for an extract of this report). The result of that analysis indicated that by the year 2032 the Town would reach full build out at 6,500 units. The analysis was performed by individually analyzing each and every parcel in town, applying current zoning, and taking into consideration constraints to the land (wetlands, ledge etc.) and then determining what could be the additional unit construction on each of the parcels. Comparing the Brown University build out analysis to this report’s projections for additional LMI housing units one can see the projections are very similar:

**Table 7. Estimate of Total Units vs. Build Out**

	Now	In 5 years 2009	In 10 years 2014	In 15 years 2019	In 20 years 2024	In 25 Year 2029	At Build Out 2032
Number of total units	4,797	5,097	5,397	5,697	5,997	6,297	<b>6,500</b>
Number of non seasonal units	3,318	3,528	3,738	3,948	4,158	4,368	4,608
Population	7,859	8,642	9,174	9,768	10,276	10,648	<b>13,000</b>

Note: All data in the above table are from current estimates (those in italics are from Statewide Planning and relate to years 2010, 2,015, 2020, and 2,025) Those in BOLD are from the Brown University Build Out Analysis.

It is interesting to note that: 1.) The Brown University Build Out Analysis was partially based on an analysis of the physical constraints inherent in much of Charlestown’s then undeveloped land, constraints (such as the large areas of wetlands) that prohibited dense development on those parcels 2.) The 1,703 additional total units that can be constructed until build out would be limited by those constraints and 3.) In 25 years, by 2029 the Town would already be extremely close to its maximum build out potential.

Thus if the Town can feasibly only accommodate an additional 1,703 total units prior to reaching build out (estimated to be in 2032) 1,176 of those units (or 42 units a year for the 28 years between 2004 and 2032) would be available for non-seasonal usage<sup>12</sup> (and a total 461 units by 2032 or 414 (461-47) of the new units would have to be LMI) it is imperative that the Town continue to enforce its growth management cap of 60 units per year, while at the same time giving preference to LMI units for receipt of those permits. To allow a larger amount of construction per year would put the Town at a disadvantage, as the seemingly insatiable demand for second homes would quickly consume almost any amount of permits allowed prior to the Town being able to effectively and proactively create programs and implement strategies that assure that LMI units, not just seasonal and non LMI units are constructed. In other words, when there is limited capacity for building due to constrained land, time, in the form of building cap enforcement, slows down “market rate” construction to

<sup>12</sup> Projections in this report of non-seasonal units built (at 42 units a year) are based on the assumption that the proportion of seasonal vs. non-seasonal units will remain the same; this assumption was also used in the Brown University Build Out analysis.

ensure ample time to create LMI units; This combined with giving absolute preference<sup>13</sup> to the issuance of permits for LMI units makes sure the limited resource of buildable land is properly allocated to meet all the town's needs (not just market demand for high end houses). Of course increased density in appropriate areas in town can be made a possibility through improved infrastructure, and thus the development of that infrastructure will give greater flexibility to the Town to provide LMI units, and may very well change the ultimate build out projections.

### **Feasibility of Obtaining Estimated LMI Units Via Various Strategies**

The estimates previously given suggest that with significant political will and proactive measures, Charlestown could reach and maintain 10 percent affordability in about 20 years. However, it should be noted that such a time line would require that 34% of all new units produced in 20 years would be LMI. Is that doable? While the goal seems ambitious, the implementation of early-action items relative to land management changes (see next section) plus a focus and emphasis on projects that provide 100% LMI units, rather than just a percentage (LMI congregate care through an RFP process for instance) should make the “20 year plan” a reality:

Another accomplishment that could increase density, and the number of LMI units within the Cross Mills downtown district would be the creation of a downtown public water system. That idea is currently being researched by the Community Water System Ad Hoc Committee. And, it should be noted that under currently proposed mixed use zoning for that district, there is an entitlement given of one residential unit per lot and with 121 lots in the district (see Appendix L.) This provides, already – with no infrastructure in place – a potential for 121 LMI units.

Furthermore, there are currently plans to upgrade and extend the Shannock Cooperative Water Association service area into abutting areas, and it is hoped that this will allow increased density and infill development within and around that village district. As of this writing the engineering report for this water extension has been completed by C & E Engineering and legislation has already been approved by the state legislature to implement the new water district.

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<sup>13</sup> See suggested amendments to the building cap described under Early Action Items in Chapter 6.

For all of the above reasons, the task force believes a 20-year goal is doable.

However, clearly, not all of the projects discussed earlier will transpire. In fact, the projections may be optimistic in that the additional total units being constructed due to possible density bonuses in inclusionary zoning are not taken into consideration, nor are probabilities assigned as to the likelihood of any strategy actually producing 100% of the estimated “potential” units. These omissions could be, hopefully, mitigated by additional and more and better creative solutions devised as time go by. One issue the Town may face is a legal challenge to inclusionary zoning if density bonuses are not granted. The town may wish to study suggestions as to how they could survive “a takings claim” as suggested in the article “Zoning Affordability: The Challenges of Inclusionary Housing” (see Appendix O).

### **Implementation of early-action items relative to land management changes**

The following regulatory actions relative to land management changes must take place in the first year of plan implementation:

- Integration of affordable housing zoning within the new mixed use zoning, with a look to applying this zoning in all village districts.
- Amending the building cap to continue giving LMI units first priority, but in the event yearly allocation is already used up at time of application, grant a waiver (make that particular application exempt.) This will be effective in continuing to slow down non LMI housing construction, thus reserving scarce buildable land for LMI units, while at the same time giving applications for permits for LMI units an absolute guarantee of receiving those permits.
- Liberalization of accessory apartment zoning

### **Build Organizational Infrastructure**

Without organizational capacity and continuity, even the most thoughtfully crafted, ambitious, and well-intended plans to produce additional affordable housing will not succeed. The following actions will create a solid foundation for Charlestown's efforts now and into the future.

***The need to create an Affordable Housing Commission has already been established and the Commission was formed via ordinance in August of 2004.*** In establishing a

permanent Affordable Housing Commission to serve as the central point for monitoring and reporting on implementation of the affordable housing plan, to represent the Town at the regional level, and to ensure that the commitment to affordable housing represented by the Plan receives the institutional attention it deserves, a big step forward has been made.

However, in determining the present and future composition of the composition of the Board, the Town Council should ensure that a broad range of interests are represented, and that planning and other government officials and staff, human services providers, and local business persons are involved as appropriate. It will be important to provide clear direction to professional staff on priorities and expectations for deliverables.

The Board should meet on a quarterly basis to discuss progress on the Plan, consider new innovations and opportunities in affordable housing production, provide advice and assistance to staff and public officials as they deal with the challenges of implementing the affordable housing plan, and advocate for the prominence of affordable housing on the public agenda. On an annual basis, the Board should report formally to the Town Council on progress on the Plan and recommend refinements, new initiatives, and resource allocation through the budget process, as appropriate.

***Charge staff with developing data collection and reporting systems that foster efficient quarterly reporting on progress toward the affordable housing plan.*** Updating information on the availability of affordable housing, opportunities in the pipeline, and progress on goals and strategies should be an ongoing responsibility of staff. Although planning staff undoubtedly play a key role in this undertaking, there are other resources in the Town that may be brought to bear on devising appropriate data collection and reporting systems. The Council should consider assisting the Housing Commission by directing professional staff to develop a simple management information system that will provide an efficient basis for reporting to the Board on a quarterly basis. The Town Administrator may wish to consider hiring technical assistance or borrowing expertise from the regional pool for this undertaking.

***The Town Council should ensure that all extant knowledge resources are tapped and brought into the Affordable Housing initiative.*** The town government contains a wealth

of resources on the current state of the community housing stock and the needs of community residents. For instance: The building inspection staff will know where dwellings are not up to code; the Tax Assessor has detailed knowledge of properties in danger of foreclosure, town-owned lands that may be appropriate for affordable housing purposes, and the contributions of various enterprises to the tax base; All these and other considerations – such as potential historic district and current and future open space preservation – may contribute to thoughtful and informed discussion of affordable housing needs and opportunities.

In light of the relatively small municipal staff, the Town Council may wish to more closely integrate the Board and the inter-disciplinary staff efforts by convening a quarterly “think tank” session and writing up the proceedings for presentation to the governing body. The Town may find that contracting for technical assistance in the process will facilitate progress without unduly taxing professional staff who already deals with multiple assignments and priorities.

### **Foster Community Education and Support**

The Charlestown community, if its leaders are representative of the residents, is remarkably supportive of affordable housing, particularly where the impact upon the community infrastructure (water, transportation, and schools, most notably) are fully taken into account. However, as with other communities in the study region, community education will be vital to ensuring support for and involvement in increasing the availability of affordable housing. Although less so than for neighboring communities, local residents may still harbor concerns regarding the potential for affordable housing to negatively impact upon the small town setting, its rural flavor and historic village centers. Ensuring adequate affordable housing is, in fact, consistent with Charlestown’s fundamental values, which include a commitment to ensuring that residents will be able to stay in the community as they age and that children will be able to remain after they leave home and begin families of their own. As the demographic data indicate, many people who serve Charlestown in a variety of ways – staff positions in Town Hall, safety workers, teachers, nurses, service workers, etc. – simply cannot afford to live in the community and those who do may find themselves paying an inordinate portion of their income for housing.

Grow Smart Rhode Island, RI Statewide Planning, and RI Housing have offered and are developing public education programs and Charlestown would be well-served by continuing to tap these resources. In addition, the Town can foster public understanding and support for their efforts by providing local media, non-profit organizations, faith-based organizations, and professional associations with information on their progress toward their affordable housing goals.

Rather than simply generating lengthy, official documents on affordable housing, The Affordable Housing Commission should consider recording interesting stories about such successes as local efforts to retrofit a home to better meet the needs of an increasingly frail elderly couple, planned efforts to induce developers to build housing that is affordable to children and parents of current residents, as well as planned efforts to develop the village center and encourage mixed use commercial/residential in areas that can or will have adequate infrastructure to support those initiatives.

### **Integrate the Affordable Housing Plan with Local Comprehensive Plan and Community Vision**

The material in this report provides an abundance of demographic data from the 2000 Census, as well as other sources, which planning staff, the Affordable Housing Commission and other officials will find helpful in fine tuning their implementation of this update to the Towns' Comprehensive Plan. This update to the Comprehensive Plan is consistent with other elements of the Plan. It will be necessary for staff and public officials would be well advised to continually fine tune the strategies in this updated Affordable Housing Component within the Housing Element of the Plan. .

### **Pursue Long-range Regional Opportunities in Partnership with Neighboring Communities**

The futures of all the communities in the study region are integrally related. An influx of jobs and new families as a result of economic activity in the Quonset Industrial Park or the Centre of New England profoundly affects housing in all adjacent communities, and campus expansion in South Kingstown stresses the housing markets in a similar fashion. Of course one reason for lack of affordable housing is that income is not presently keeping pace with housing costs. Economic development that brings higher paying jobs to an area will help

residents afford adequate housing. Therefore, it is important for the Housing Commission to work with and support economic development by communicating with the Town's Economic Improvement Commission and similar regional entities.

There is strength—resources, political clout, ingenuity, expertise—in numbers and Charlestown would be wise to continue to engage with other communities in a regional effort; therefore it is recommended that the newly established Charlestown Affordable Housing Commission work closely with similar groups in neighboring communities.

## **Chapter Seven. IMPLEMENTATION AND MONITORING ACTION PLAN**

With clear agreement from the governing body on the fundamental strategic direction discussed in Chapter Six, The Affordable Housing Commission, with the help of Town Hall staff, will then turn to the matter of translating this strategic plan into a clear, measurable, and doable action plan.

To assist in the process of further developing this Action Plan, we have listed key action strategies in the Affordable Housing Action Plan Summary (Table 8). The strategies contained therein are associated with regulatory and/or developmental actions that are likely to occur within a reasonable period over the course of the 20-year plan. Some of the purely regulatory actions include creation of an Affordable Housing Commission and amending the building cap; others are some combination of regulatory and ongoing developmental actions such as adoption of a mandatory inclusionary zoning ordinance. The Affordable Housing Commission and town staff will no doubt identify other actions that should be included to support the affordable housing strategies. Similarly, the implementation assumptions can be adjusted based on discussion to reflect a plan that is ambitious, yet doable, within the context of other high-priority demands on staff, public officials, and community participants.

**Table 8: AFFORDABLE HOUSING ACTION PLAN SUMMARY**

STRATEGY	GOAL OR OBJECTIVE OF STRATEGY	RESPONSIBLE PARTY	IMPLEMENTATION PERIOD	SPECIFIC MONITORING CHECKPOINTS	PROJECTED UNITS, COST, AND/OR SUBSIDIES
Create/Improve the Affordable Housing Commission.	Build organizational infrastructure for continuity and accountability for meeting and sustaining 10% affordability. Directs the affordable housing public agenda for the Town.	Town Council leadership with support from planning and administrative staff.	<u>Regulatory</u> Created – 8/04, but Improvement will be Ongoing	The Affordable Housing Commission (AHC) will provide detail to the Town Council on a quarterly and annual basis.	<u>Est</u> : None – This strategy will support the current and future production of LMI units.  <u>Cost</u> : Internal/Municipal
Amend the building cap.	To ensure affordable units get permits but continue to slow growth.	Town Council with advisory support from planning staff.	<u>Regulatory</u> : 0 - 1 year	Upon passage, the planning staff will provide detail to the AHC annual report.	<u>Est</u> : None - This strategy will support the current and future production of LMI units.  <u>Cost</u> : Internal/Municipal
1) Adopt a mandatory inclusionary zoning ordinance (IZ) for all minor and major subdivisions.	Integrate affordable housing into the community via a twenty-percent affordable set aside.	Planning staff supporting zoning/planning board decision-making.	<u>Regulatory</u> : 0 – 1 year <u>Developmental</u> : 0 – 20 years	Upon passage, the planning staff will provide detail to the AHC quarterly report.	<u>Est</u> : 100 LMI units.  <u>Subsidy</u> : Density Bonus
2) Pursue proactive new construction through an affordable housing overlay district/or amended mixed-use zoning.	Locate housing near shopping, work, and transportation (refer to Appendix L).	Town Council, Planning Commission, and Affordable Housing Commission (AHC).	<u>Regulatory</u> : Done – 09/12/05 <u>Developmental</u> : 0 – 20 years	The AHC will report to the Town Council during the first year.	<u>Est</u> : 30 LMI units.  <u>Subsidy</u> : Density Bonus
3) Implement a Developer RFP Process.	Enables the Town to realize an affordable housing project that blends into the community.	Town Council and AHC.	Ongoing	The AHC will provide detail to the Town Council annual report.	<u>Est</u> : None – This strategy will support the creation of future LMI units.  <u>Cost</u> : Internal/Municipal

STRATEGY	GOAL OR OBJECTIVE OF STRATEGY	RESPONSIBLE PARTY	IMPLEMENTATION Period	SPECIFIC MONITORING CHECKPOINTS	PROJECTED UNITS, COST, AND/OR SUBSIDIES
4) Amend Accessory Family Dwelling Unit Zoning Ordinance.	Amend the Accessory Family Dwelling Unit Zoning Ordinance to allow accessory dwelling units. This will facilitate the creation of affordable units through the use of existing infrastructure and incentive provisions.	Town Council, AHC, and the planning staff supporting the zoning/planning board decision-making, and any additional technical assistance that may be required.	<u>Regulatory:</u> 0 - 1 year <u>Developmental:</u> 0 – 20 years	Upon passage, planning staff will provide detail to the AHC annual report.	<u>Est</u> : None Projected  <u>Possible Subsidy</u> : Waiver of any building permit fees, any impact fees, or will reduce the additional land requirement for accessory dwelling units.
5) Adaptive Re-Use/Location Specific	Maximize effective use of existing infrastructure and provide incentives for creative approaches to increasing affordable housing.	Planning staff supporting zoning/planning board decision-making. This will require technical assistance and local non-profit housing providers.	<u>Developmental:</u> 0 – 20 years	The planning staff will provide detail to the AHC quarterly report.	<u>Est</u> : 163 LMI units.  <u>Subsidies</u> : HUD 202 or 811 programs. Low Income Housing Tax Credits, HOME funds, RIH Loan Program, or CDBG funds (refer to Appendix K). Density bonuses.
6) Pursue regional strategies.	Leverage state resources and regional strengths to increase affordable housing (refer to Appendix J).	Locally: Town Council leadership with support from planning staff, AHC, and the Town's Economic Improvement Commission. Regionally: Washington County Regional Planning Council.	Ongoing	The Washington County Regional Planning Council (WCRPC) should be the steering group to spearhead this strategy. Additional AHC member participation will be sought. Other entities may evolve from this process.	<u>Est</u> : None – The partnerships established with this strategy will support the creation of future LMI units (refer to Appendix J).  <u>Cost</u> : Internal/Municipal

STRATEGY	GOAL OR OBJECTIVE OF STRATEGY	RESPONSIBLE PARTY	IMPLEMENTATION PERIOD	SPECIFIC MONITORING CHECKPOINTS	PROJECTED UNITS, COST, AND/OR SUBSIDIES
Pursue long-range regional opportunities in partnership with neighboring communities.	Will inventory state resources and regional strengths, along with non-profit housing providers, to increase affordable housing (refer to Appendix J).	Locally: Town Council leadership with support from planning staff, AHC, and the Town's Economic Improvement Commission. Regionally: Washington County Regional Planning Council.	Ongoing	The AHC will provide detail to the Town Council on a quarterly and annual basis.	<u>Est</u> : None - The partnerships established with this strategy will support the creation of future LMI units (refer to Appendix J).  <u>Cost</u> : Internal/Municipal
7) Employ creatively structured subsidies.	Encourage the conversion of the Town's existing mobile home parks to affordable housing.	Planning staff supporting zoning/planning board decision-making.	<u>Developmental</u> : 0 – 20 years	This strategy will require cooperation among the Town, local non-profit housing providers, and both the affected property owners and residents of each mobile home park. The planning staff will provide detail to the AHC quarterly report.	<u>Est</u> : 77 LMI units.  <u>Subsidies</u> – HOME funds, the RIH Loan Program, or CDBG funds (refer to Appendix K).
Adopt Land Trust Model	To provide affordable housing by reducing/eliminating land costs	Town Council, Planning Commission, and the Land Trust Agency.	Ongoing	The Land Use Trust Agency will analyze and detail the Land Trust Model to the Planning Commission and the Town Council. These updates will be presented as requested by the Planning Commission.	<u>Est</u> : None – Units will be realized in conjunction with Land Trust Model, which will provide financial support for other developmental strategies in the future.  <u>Cost</u> : Internal/Municipal

STRATEGY	GOAL OR OBJECTIVE OF STRATEGY	RESPONSIBLE PARTY	IMPLEMENTATION PERIOD	SPECIFIC MONITORING CHECKPOINTS	PROJECTED UNITS, COST, AND/OR SUBSIDIES
Charge staff with developing data collection and reporting systems for monitoring progress/opportunities for Affordable Housing.	To provide immediate affordable housing status report. Ensures that town has useful data on AH count, state-owned property, status, etc	Town Planner, Tax Assessor, and any additional technical assistance that may be required.	Ongoing	The planning staff will provide detail to the AHC quarterly report.	<u>Est</u> : None – This strategy will support the creation of future LMI units.  <u>Cost</u> – Internal/Municipal
Town Council should ensure that all extant knowledge resources are tapped and brought into the Affordable Housing Initiative.	<b>Will promote the departments within the town government to share knowledge and resources that pertain to the housing stock and needs of the community.</b>	All internal/municipal departments within the town government supporting the Town Council, and any additional technical assistance that may be required.	Ongoing	Convening a quarterly “think tank” session along with written proceedings for presentation to the governing body. Participation may include the integration of the Planning Board and the inter-disciplinary staff.	<u>Est</u> : None – This strategy will promote the sharing resources that pertain to the housing stock and the needs of the community. This strategy will thereby support the creation of future LMI units.  <u>Cost</u> : Internal/Municipal
Foster community education and support.	<b>Increase awareness of affordable housing problem.</b>	AHC with support from the State and Quasi-state agencies, along with local non-profit housing providers.	Ongoing	The AHC will provide detail to the AHC and Town Council annual reports.	<u>Est</u> : None - This strategy will support the creation of future LMI units.  <u>Cost</u> – Internal/Municipal