AFFORDABLE HOUSING BOND 2006-2007
TOWN OF CHARLESTOWN
TIMELINE OF APPROVALS AND AUTHORIZATIONS

1. JULY 24, 2006 Town Council approval of ballot question
   (ref. Town Council Minutes Book 28 page 283)
   "Shall the Town be authorized to borrow up to ONE MILLION
   DOLLARS ($1,000,000.00) for the purpose of funding affordable housing
   initiatives in the Town, consistent with the approved Charlestown affordable
   housing plan?
   (Approval of this question would authorize the Town to borrow up to
   ONE MILLION DOLLARS ($1,000,000.00) to fund various affordable housing
   initiatives.)"

2. SEPTEMBER 11, 2006 Town Council approval of
   Recommendation, Charlestown Affordable Housing Commission,
   Affordable Housing Bond Procedures.
   (ref. Town Council Minutes Book 28 page 315)

   **1. Resolution by the Town Council** describes the purpose for the proposed bond
   expenditures and the procedures for approving those expenditures:

   A. Eight hundred thousand dollars ($800,000) to be used for the acquisition
   of land suitable for affordable rental housing for the elderly and the work
   force; Town Council will approve acquisition in accordance with Affordable
   Housing Land Acquisition Procedures. Any funds remaining after land
   acquisitions, until the balance remaining is inadequate for land acquisition,
   may be placed in the Restricted Fund.

   B. Two hundred thousand dollars ($200,000) to be placed in a Restricted
   Fund for Affordable Housing Initiative Grants, to be established by
   ordinance; Town Council will approve grants to non-profit agencies not to
   exceed fifty thousand dollars per project, in accordance with the Affordable
   Housing Initiative Grant Procedures.
   Grant applications will be accepted and reviewed on a quarterly basis
   by the Affordable Housing Commission and referred to the Town Council
   with recommendation for Town Council action. Projects must include one or
   more rental units restricted for at least 30 years, but preferably 99 years, to
   households of low or moderate income as defined by state and local laws.
   Approved grants shall be conditioned upon the approval of the
   comprehensive permit by the Planning Commission.

   **2. Rationale:** One of the most important housing needs in Charlestown is for safe
   and affordable year-round rental housing, especially for the elderly and for Town
   and local workers. This bond issue will address this specific need for affordable
   rental housing.
The acquisition of land will position the Town to direct the development of elderly and/or workforce housing in partnership with the Washington County CDC or other non-profit agencies. The grant program will facilitate at least four additional rental housing proposals of a modest size and of a type and location acceptable to the Town. Since the grant applications will be limited to non-profits, all of the rental units produced will be affordable housing units.

Limiting the projects supported by the bond issue to affordable rental units will ensure that the benefit of the housing generated extends to the largest number of residents, and is a renewable housing resource, servicing generations of Charlestown residents.

3. **Affordable Housing Land Acquisition Procedures**, modeled on the Town’s Open Space Acquisition Procedures, to be developed and approved by resolution.

4. **Affordable Housing Initiative Grant Procedures** to be developed and approved by resolution or adopted as part of the ordinance creating the Restricted Fund.

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3. November, 2006

(Ref. The Pipeline, November 2006 Vol. 11 No. 3)

This pre-election issue of the town newsletter provided the following information on "Question 18. AUTHORIZATION TO BORROW FUNDS FOR AFFORDABLE HOUSING INITIATIVES (Authorized by Town Council 7-24-06)"

"(the ballot question in item 1 above)"

"(the resolution of 9-11-06 in item 2 above)"

" END OF RESOLUTION"

The Low and Moderate Housing Act of 1991 (amended in 2002) provides a comprehensive permit process (a fast track approval) for both non-profit and for-profit developers. It requires a Town to have 10% of its housing stock be affordable and remain affordable for at least 30 years. If Charlestown fails to produce 10% of affordable housing units then the Town will have less control over housing plans proposed by for-profit developers.

The federal government considers your rent or mortgage affordable if it consumes no more than 30% of your gross monthly income. The median house in Rhode Island costs $283,000. The median house in Charlestown costs $389,900. The average two-bedroom apartment in Charlestown rents for $1,147. Families that earn less than $123,891 cannot afford the median priced home in Charlestown. Families that earn less than $45,880 cannot afford to rent a two-bedroom apartment in Charlestown. The homes created with this bond will be affordable for at least 30 years. The estimated cost to taxpayers will be approximately .03 cents to .04 cents per $1,000 assessed valuation. As of April of 2006, Charlestown had 3,318 year-round housing units. The number of units that qualified as affordable was 46. There were zero units reserved for the elderly.

If the voters of Charlestown approve this question, approval by the General Assembly will be required before the Town can utilize the money.

*Sources sited- www.housingworksri.org, Letter from Town Treasurer to Affordable Housing Commission dated August 30, 2006.*
4. November 7, 2006   General Election
   Ballot question 18 approved by voters.

5. November 13, 2006   Resolution of the Town Council
   (ref. Resolution November 13, 2006)
   "A RESOLUTION MEMORIALIZING THE GENERAL ASSEMBLY TO ENACT LEGISLATION
   AUTHORIZING THE TOWN OF CHARLESTOWN, WITH THE APPROVAL OF THE
   QUALIFIED ELECTORS, TO ISSUE BONDS AND NOTES TO FINANCE AFFORDABLE
   HOUSING INITIATIVES IN THE TOWN CONSISTENT WITH THE APPROVED
   CHARLESTOWN AFFORDABLE HOUSING PLAN

   WHEREAS, the Town Council of the Town of Charlestown endorses and supports
   affordable housing initiatives in the Town consistent with the approved Charlestown
   Affordable Housing Plan (the "Project");
   WHEREAS, in order to undertake and complete the Project, there would be a need to
   issue bonds and notes in an amount not to exceed $1,000,000. NOW, THEREFORE BE
   IT RESOLVED: that the Town of Charlestown hereby memorializes the General Assembly to
   enact legislation authorizing the Town, with the approval of the qualified electors, to
   issue bonds and notes in an amount not to exceed One Million Dollars ($1,000,000.00)
   for the above purposes. AND BE IT FURTHER
   RESOLVED: that Town Officials, working with Bond Counsel for the Town of
   Charlestown, ensure that the appropriate legislation in substantially the form attached
   hereto is submitted in a timely manner to the Rhode Island General Assembly to ensure
   that all requirements are met to ensure consideration of this question by the electors.
   AND BE IT FURTHER
   RESOLVED: that this resolution is an affirmative action of the Town Council of the Town
   of Charlestown toward the issuance of bonds or notes in accordance with the purposes
   of the laws of the State. This resolution constitutes the Town’s declaration of official
   intent, pursuant to Treasury Regulation Section 1.150(2), to reimburse the Town for
   certain capital expenditures for the Project paid on or after the date which is sixty (60)
   days prior to the date of this resolution but prior to the issuance of the bonds or notes.
   Such amounts to be reimbursed shall not exceed $1,000,000 and shall be reimbursed
   not later than eighteen (18) months after (a) the date on which the expenditure is paid,
   or (b) the date the Project is placed in service or abandoned, but in no event later than
   three (3) years after the date the expenditure is paid. AND BE IT FURTHER
   RESOLVED: THIS Resolution shall take effect upon its passage.
   Passed at legally assembled Town Council meeting held November 13, 2006.

6. January 24, 2007   Senate Bill No.135
   BY Algiere, Breene
   ENTITLED, AN ACT AUTHORIZING THE TOWN OF CHARLESTOWN TO
   FINANCE AFFORDABLE HOUSING INITIATIVES IN THE TOWN CONSISTENT
   WITH THE APPROVED CHARLESTOWN AFFORDABLE HOUSING PLAN BY THE
   ISSUANCE OF NOT MORE THAN $1,000,000 BONDS AND/OR NOTES
   THEREFOR
01/24/2007 Introduced, referred to Senate Housing and Municipal Government
03/01/2007 Scheduled for hearing and/or consideration
03/01/2007 Committee recommends passage
03/01/2007 Placed on Senate Calendar
03/07/2007 Senate read and passed
03/07/2007 Referred to House Municipal Government
03/14/2007 Scheduled for hearing and/or consideration
03/14/2007 Committee recommends passage in concurrence
03/15/2007 Placed on House Calendar
04/03/2007 House passed in concurrence
04/03/2007 Transmitted to Governor
04/11/2007 Effective without Governor's signature

7. January 24, 2007

House Bill No.5189

BY Walsh, Scott

ENTITLED, AN ACT AUTHORIZING THE TOWN OF CHARLESTOWN TO FINANCE AFFORDABLE HOUSING INITIATIVES IN THE TOWN CONSISTENT WITH THE APPROVED CHARLESTOWN AFFORDABLE HOUSING PLAN BY THE ISSUANCE OF NOT MORE THAN $1,000,000 BONDS AND/OR NOTES THEREFOR

01/24/2007 Introduced, referred to House Municipal Government
02/08/2007 Scheduled for hearing and/or consideration
02/08/2007 Committee postponed at request of sponsor
02/14/2007 Scheduled for hearing and/or consideration
03/07/2007 Scheduled for hearing and/or consideration
03/07/2007 Committee recommends passage
03/21/2007 Placed on House Calendar
03/22/2007 House read and passed
03/22/2007 Referred to Senate Housing and Municipal Government
03/29/2007 Scheduled for hearing and/or consideration
03/29/2007 Committee recommends passage in concurrence
04/12/2007 Placed on Senate Calendar
04/25/2007 Senate passed in concurrence
04/25/2007 Transmitted to Governor
05/03/2007 Effective without Governor's signature