

# TAILORING AN APPROACH FOR LMI HOUSING

APRIL 10, 2024



# AFFORDABLE HOUSING BASICS

## MEETING 1 JANUARY 24, 2024 - RECAP

- AFFORDABLE HOUSING EXISTS WHERE AN OWNER OCCUPANT EARNING 120% OR LESS OF THE AREA MEDIAN INCOME (AMI) OR A RENTING OCCUPANT EARNING 80% OR LESS OF THE AMI IS SPENDING NO MORE THAN 30% OF THE ANNUAL HOUSEHOLD INCOME ON HOUSING COSTS.
- COST BURDEN OCCURS WHEN A HOUSEHOLD SPENDS MORE THAN 30% OF ITS ANNUAL INCOME ON HOUSING COSTS.
  1. Homeowner costs include principal, interest, taxes, fees, and insurance
  2. Renter costs include rent and utilities other than telephone
- INTRODUCED AFFORDABLE HOUSING TYPOLOGIES

### SOURCES:

1. *Affordable housing definition RIGL 42-128-8.1(d)(1)*
2. *Low- or moderate-income housing definition RIGL 45-53-3(9)*



Older and historic housing stock.

## FOSTER IS A RURAL COMMUNITY

- Foster has low density and abundant nature
- It may be surprising, but housing needs exist everywhere, including places like Foster
- Rural communities like Foster often have many older houses
- LMI options should be compatible with Foster's existing character

# TAILORING AN APPROACH

## MEETING 2 AGENDA

- IDENTIFY FINANCIAL TARGETS
- DISCUSS WAYS TO “COUNT”
- STUDY EXAMPLES OF HOUSING TYPOLOGIES THAT ARE POSSIBLE IN FOSTER
- DETERMINE WHICH TYPOLOGIES MAKE SENSE FOR FOSTER’S LMI HOUSING STRATEGY

Google Maps September 2023



Maintain public assets like Woody Lowden as a park for community use.

## Foster has specific limits for new development



Former Su Ann Creations site

## FOSTER HAS LIMITED OPTIONS

- Foster does not have public water and sewer
- The state owns large swaths of watershed protected lands
- Foster does not have much opportunity for adaptive reuse
- Inclusionary zoning has not proven fruitful
- Foster wishes to maintain its low density character

# FINANCIAL TARGETS

## AND WAYS TO COUNT

- **MEDIAN INCOME IS THE MIDPOINT OF AN AREA'S INCOME DISTRIBUTION OR THE POINT AT WHICH HALF THE HOUSEHOLDS IN AN AREA MAKE LESS AND HALF MAKE MORE.**
- **RI DEFINES LOW- AND MODERATE-INCOME (LMI) HOUSING AS UNITS THAT ARE SUBSIDIZED (FEDERAL, STATE, MUNICIPAL) AND DEED RESTRICTED TO REMAIN AFFORDABLE FOR 30-99 YEARS.**
- **TAX BREAKS ARE AVAILABLE FOR DEVELOPERS OF LMI HOUSING**
- **DEED RESTRICTED RENTAL PROPERTIES ARE TAXED AT 8% OF GROSS RENT**

- **REGIONAL AREA MEDIAN INCOME (AMI) IS \$106,000 FOR A FOUR PERSON HOUSEHOLD**
- **FINANCIAL TARGETS TO QUALIFY LMI SALE OF HOUSING IS 120% OF AMI**
  - \* **INCOMES \$122,880 AND UNDER**
  - \* **HOUSING COSTS LESS THAN \$37K**
- **FINANCIAL TARGETS TO QUALIFY LMI RENTAL HOUSING ARE 60% TO 80% OF AMI**
  - \* **INCOMES \$61,440 AND UNDER**
  - \* **HOUSING COSTS LESS THAN \$18K**
  - \* **INCOMES \$81,900 AND UNDER**
  - \* **HOUSING COSTS LESS THAN \$24K**

### SOURCES:

1. <https://webserver.rilegislature.gov/Statutes/TITLE45/45-53/45-53-3.1.htm>
2. <https://www.rihousing.com/wp-content/uploads/FY-23-HUD-Income-Limits.pdf>
3. <https://www.hud.loans/hud-loans-blog/what-is-area-median-income-ami/#whats-my-ami>
4. <https://www.housingworksri.org/housing-affordability/housing-glossary#:~:text=Affordable%20Housing%20>

# MUNICIPAL SUBSIDY

## ACHIEVING STATE GOALS WITH LOCAL POLICY

- UNSUBSIDIZED AFFORDABLE HOUSING EXISTS IN FOSTER
- IF A 30-YEAR DEED RESTRICTION IS PLACED ON A PROPERTY, FOSTER COULD COUNT THOSE UNITS TOWARDS ITS 10% GOAL
- FOSTER COULD INCENTIVIZE THE RESTRICTIONS WITH TAX BREAKS AND/OR DIRECT GRANTS
  - \* AFFORDABLE RENT FOR 60% AMI = \$1,000 PER MONTH
  - \* AFFORDABLE RENT FOR 80% AMI = \$1,500 PER MONTH
- RIGL § 45-24-46.1 DEFINES THE MINIMUM VALUE OF AN LMI UNIT AT \$40,000

### Existing LMI Housing in Foster



Hemlock Village helps to address housing for seniors on fixed incomes.

**RIGL § 44-5-13.11 ALLOWS DEED RESTRICTED RENTAL PROPERTIES TO BE TAXED AT 8% OR LESS OF GROSS RENT RECEIPTS**

# MUNICIPAL SUBSIDY EXAMPLE

## SIMILAR TO FOSTER - FROM MASSACHUSETTS

- MASSACHUSETTS HAS AN ENABLING LAW FOR MUNICIPAL HOUSING TRUSTS TO ASSIST WITH THE DEVELOPMENT OF AFFORDABLE HOUSING
- THE MASSACHUSETTS COMMUNITY PRESERVATION ACT PERMITS A REFERENDUM FOR A TAX SURCHARGE TO ASSIST WITH COMMUNITY PRIORITIES, INCLUDING AFFORDABLE HOUSING

### SOURCES:

[https://www.mhp.net/assets/resources/documents/MAHTGuidebook\\_2018.pdf](https://www.mhp.net/assets/resources/documents/MAHTGuidebook_2018.pdf)

[https://www.communitypreservation.org/sites/g/files/vyhlif4646/f/uploads/cpa\\_overview\\_flyer\\_2024.pdf](https://www.communitypreservation.org/sites/g/files/vyhlif4646/f/uploads/cpa_overview_flyer_2024.pdf)

### POTENTIAL LOCAL HOUSING PROGRAMS

*Here are a few examples of programs that can be funded with a local housing trust:*

- *Homebuyers Assistance: provide down payment, closing cost, interest-rate write down, or other financial assistance to income-qualified homebuyers (affordability restrictions may be required).*
- *Rental Assistance: provide local vouchers (modeled after federal Section 8 Housing Choice*
- *Vouchers) that subsidize the rental costs for income-qualified households.*
- *Home Preservation/Purchase, Rehab: acquire below-market homes, rehab as necessary, and resell at affordable prices with long-term deed restrictions to income-qualified households.*
- *Predevelopment financing for new construction of affordable rental housing (30B procurement and public construction could be triggered here.)*

# MUNICIPAL SUBSIDY EXAMPLE

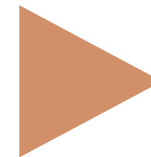
## SIMILAR TO FOSTER - FROM MASSACHUSETTS

- STATEWIDE ENDEAVOR
- MOST COMMUNITIES PARTICIPATE
- PRESERVES OPEN SPACE
- SUPPORTS HISTORIC PRESERVATION
- CREATES HOUSING UNITS

**SOURCES:**

[https://www.mhp.net/assets/resources/documents/MAHTGuidebook\\_2018.pdf](https://www.mhp.net/assets/resources/documents/MAHTGuidebook_2018.pdf)  
[https://www.communitypreservation.org/sites/g/files/vyhlif4646/f/uploads/cpa\\_overview\\_flyer\\_2024.pdf](https://www.communitypreservation.org/sites/g/files/vyhlif4646/f/uploads/cpa_overview_flyer_2024.pdf)

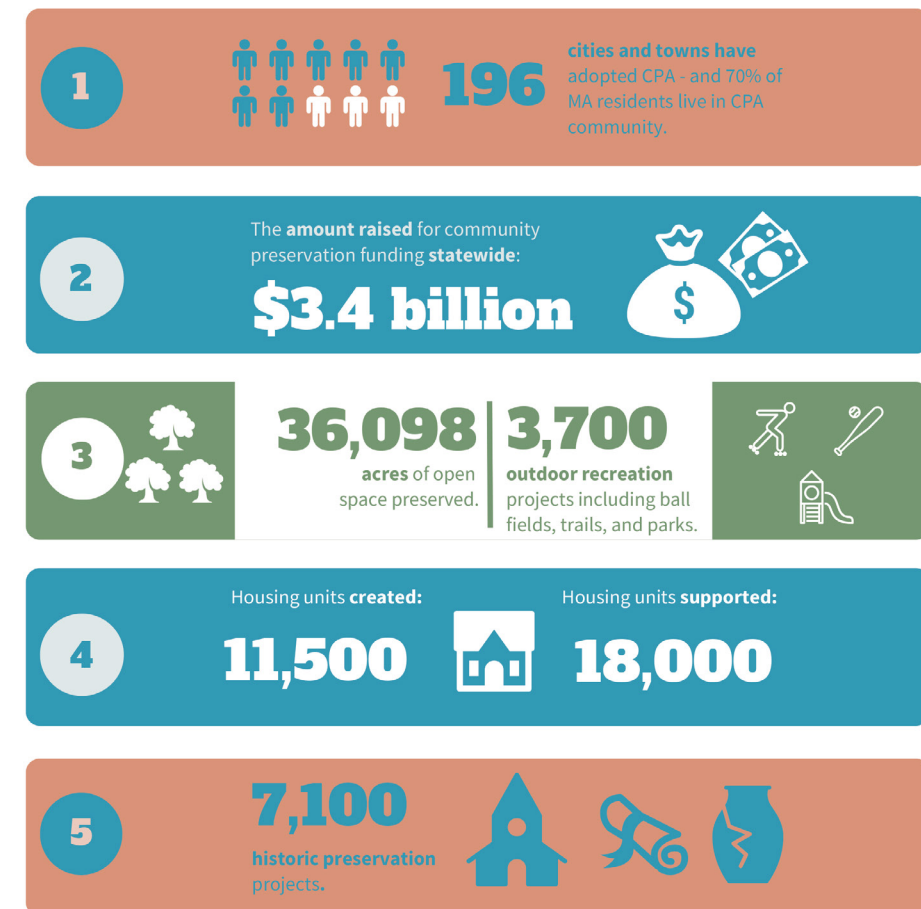
**QUICK FACTS**



### Quick Facts - Massachusetts Community Preservation Act

CPA is a state law passed in 2000 that allows Massachusetts communities to conduct a referendum to add a small surcharge on local property taxes. When combined with matching funds from the statewide Community Preservation Trust Fund, this dedicated fund is used to build and rehabilitate parks, playgrounds, and recreational fields, protect open space, support local affordable housing development, and preserve historic buildings and resources.

#### 5 facts about CPA's statewide impact (as of November 2023):



www.communitypreservation.org  
 @CPA\_Coalition  
 CPA Coalition

Housing Program Examples from Massachusetts Housing Partnership Municipal Affordable Housing Trust Guidebook V.3

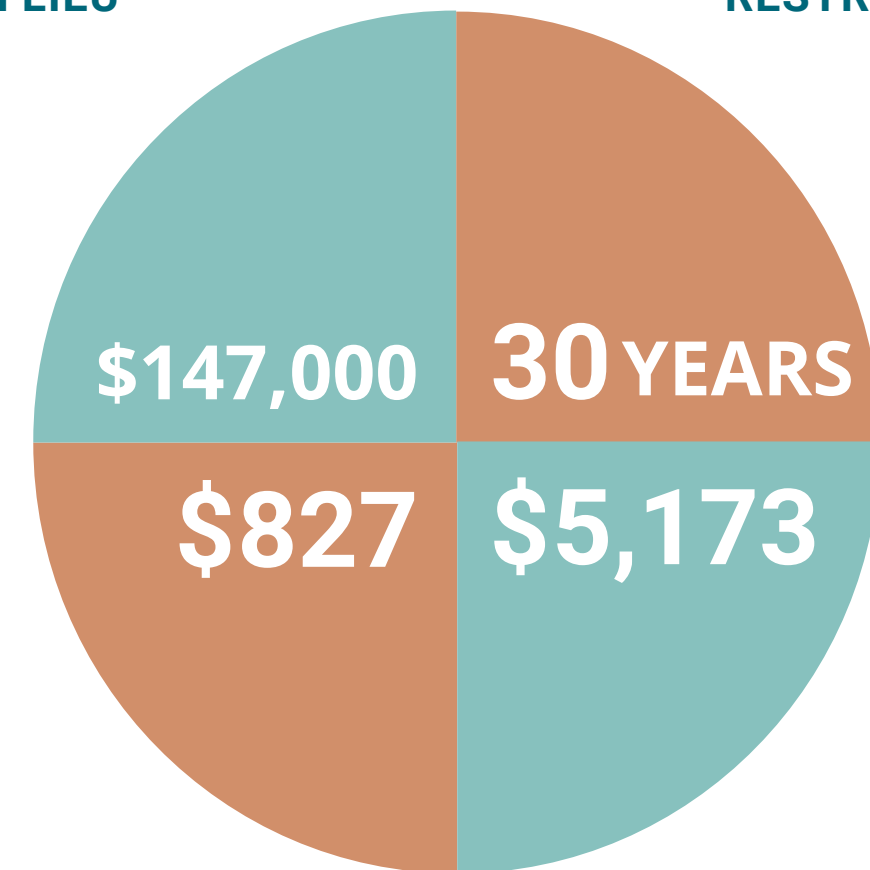
# MUNICIPAL SUBSIDY

## EXAMPLES

- **AN ACCESSORY DWELLING UNIT (ADU) ADDS \$100,000 VALUE TO A HOUSE.**
  - \* RESIDENTIAL TAX RATE OF \$22.67 EQUALS ANNUAL TAX BILL OF \$2,267.
  - \* RENT OF \$2,000 PER MONTH CREATES \$24,000 GROSS INCOME.
  - \* NET INCOME IS \$21,733.
- **A DEED-RESTRICTED LMI ADU ADDS \$50,000 VALUE TO A HOUSE.**
  - \* RENT OF \$ 1,500 PER MONTH CREATES \$18,000 GROSS INCOME.
  - \* DEED RESTRICTED TAX RATE OF 8% EQUALS ANNUAL TAX BILL OF \$1,440.
  - \* NET INCOME IS \$16,560.
- ANNUAL INCOME DIFFERENTIAL OF \$5,173 PER YEAR. SUBSIDY OF \$155,190 REQUIRED TO COVER INCOME DIFFERENCE FOR 30-YEAR DEED RESTRICTION.
- FOR REFERENCE: RI HOUSING SET FEE-IN LIEU FOR FOSTER IS \$147,000 PER UNIT.
- FOSTER COULD SUBSIDIZE CONVERSION OF EXISTING AFFORDABLE HOUSING TO LMI HOUSING WITH FEES COLLECTED FROM IN-LIEU INCLUSIONARY ZONING REQUIREMENTS.

RI HOUSING  
FEE-IN LIEU

MINIMUM DEED  
RESTRICTION



ANNUAL MUNICIPAL TAX  
LOST TO LMI UNIT

ANNUAL INCOME LOST  
TO HOMEOWNER



# AFFORDABLE HOUSING TYPOLOGIES

## YOUR FEEDBACK

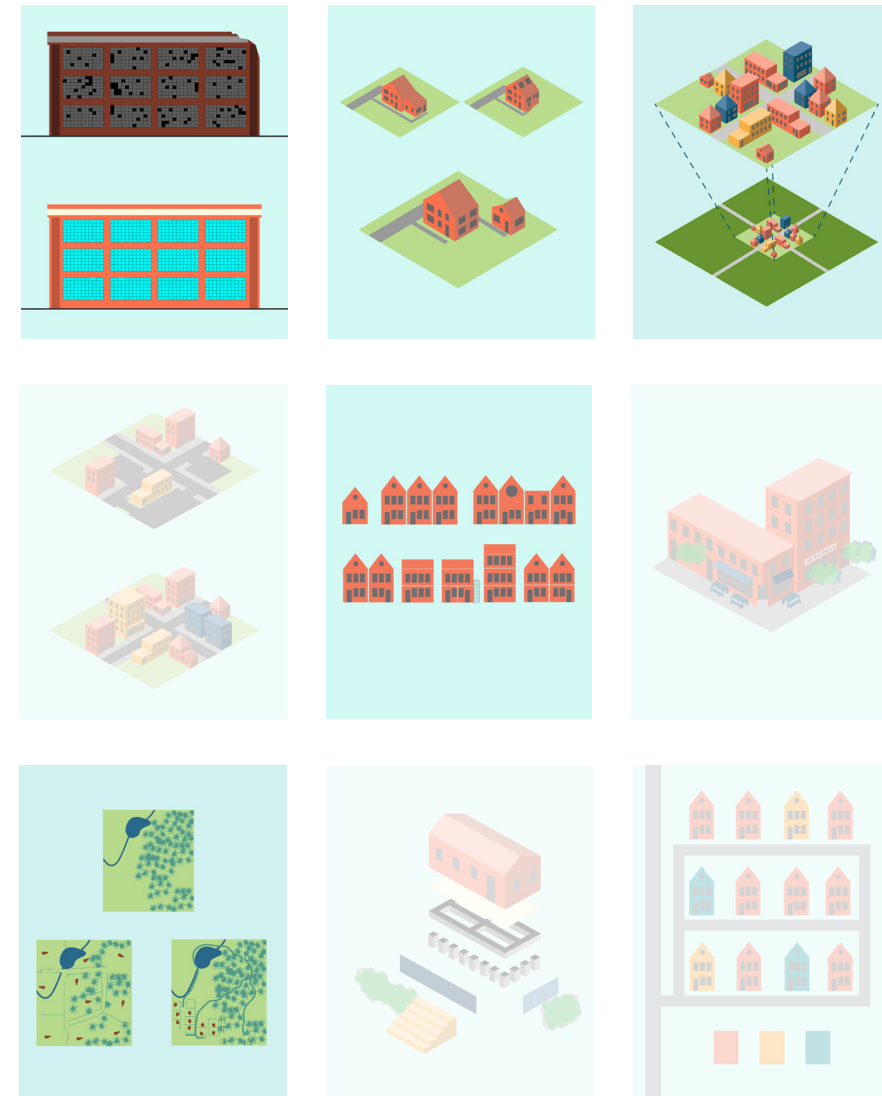
- ADAPTIVE REUSE
- ACCESSORY DWELLING UNIT
- VILLAGE CENTER
- MISSING MIDDLE
- PLANNED UNIT DEVELOPMENT/CLUSTER SUBDIVISION



**SOURCE:**

1. <https://nhhousingtoolbox.org>

Slide Thumbnails:



Housing units can be combined in various ways to complement patterns and types existing in the community.

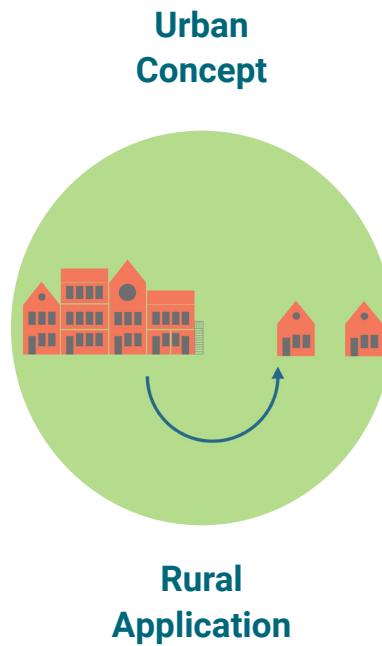
# ADAPTIVE REUSE

## USE WHAT YOU ALREADY HAVE

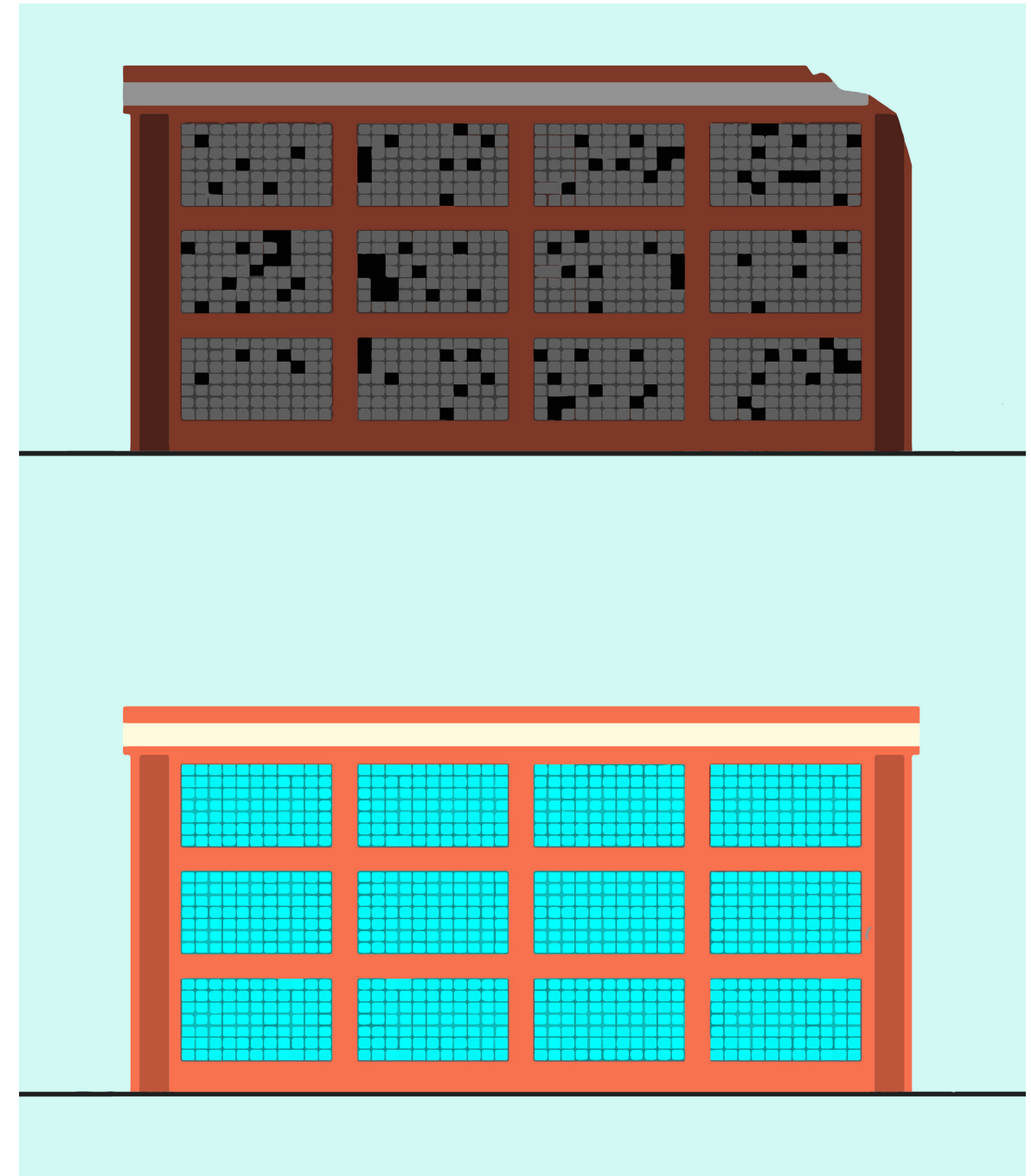
- REUSE OF OLD BUILDINGS FOR NEW PURPOSES
- STATE LAW PERMITS ADAPTIVE REUSE EVERYWHERE TO ENCOURAGE HOUSING PRODUCTION
- UNDERUTILIZED PROPERTIES ARE OFTEN LOCATED IN AMENITY RICH ENVIRONMENTS

**SOURCE:**

1. <https://nhhousingtoolbox.org/strategies/adaptive-reuse/>



### Renovation of Existing Industrial Building



Adaptive reuse puts to work vacant and underutilized properties.

# ADAPTIVE REUSE EXAMPLE

## DEFUNCT COMMERCIAL PROPERTY

- AFFORDABLE HOUSING DEVELOPMENT IN CUMBERLAND PROVIDING 44 NEW APARTMENTS OF WHICH 10 ARE RESERVED FOR OLDER ADULTS (62+)
- ADAPTIVE REUSE OF CHURCH AND RECTORY
- \$300,000 FUNDED THROUGH GRANT TO TOWN
- POSSIBILITIES IN FOSTER ARE THE FORMER SU ANN CREATIONS BUILDING AND LOT

### SOURCE:

1. <https://oneneighborhoodbuilders.org/steeple-stone-awarded-grant-for-adaptive-reuse-of-church-and-rectory/>

- Consists of one to three bedroom units and nine townhouses.
- Makes use of an empty or abandoned building.
- Replaces surface parking with housing

Urban  
Concept



Rural  
Application

Steeple & Stone Development / Former St. Patrick Church in Cumberland, RI



44 Apartments available for households earning up to 60% of AMI

# ADAPTIVE REUSE EXAMPLE

## MOTEL RENOVATION IN NEW HAMPSHIRE

- INCENTIVISE DEVELOPERS WHO SPECIALIZE IN DISTRESSED PROPERTIES
- SOME EXISTING INFRASTRUCTURE MAY BE UTILIZED
- COMMUNITY IMPROVEMENT IS WELCOMED BY NEIGHBORS
- ADDITIONAL OVERSIGHT CAN FURTHER IMPROVEMENTS, SUCH AS MUCH NEEDED FRONT LANDSCAPING

Urban  
Concept



Rural  
Application

### SOURCES:

1. [https://www.unionleader.com/news/homes/milford-motel-is-being-converted-into-one-bedroom-apartments/article\\_2fc27561-94a6-5213-a984-a573bc79f0e4.html](https://www.unionleader.com/news/homes/milford-motel-is-being-converted-into-one-bedroom-apartments/article_2fc27561-94a6-5213-a984-a573bc79f0e4.html)
2. <https://www.dbsg.com/blog/hotel-to-apartment-conversions-gaining-popularity/>

371 Elm Street, Milford, New Hampshire



Before and after photos

# ACCESSORY DWELLING UNITS (ADUS)

## ADU STATE LAW CHANGES IN 2022

- ADUS ADD HOUSING WITHIN THE EXISTING BUILT ENVIRONMENT
- FOSTER HAS ADUS SINCE 1994
- RHODE ISLAND WIDE AS OF 2016
- A PREVIOUS REQUIREMENT TO DEMOLISH ADUS WHEN THE FAMILY MEMBER MOVES OUT WAS REMOVED IN 2022
- MUNICIPALITIES THAT PERMIT ADUS ARE NO LONGER ALLOWED TO LIMIT TO FAMILY MEMBERS
- RI STATE LEGISLATURE MAY PERMIT ADUS STATEWIDE IN 2024

**SOURCE:**

1. <https://nhhousingtoolbox.org/strategies/accessory-dwelling-units-adus/>

### Accessory Dwelling Unit Typologies



ADUs capitalize on the existing built environment.

# ADU EXAMPLE

## RURAL FARMSTEADS

- **FOSTER'S CURRENT CODE**
  - \* ALLOWED ONLY FOR FAMILY MEMBERS
  - \* MUST BE ATTACHED TO PRINCIPAL RESIDENCE
  - \* LIMITED TO 600 SQ. FEET
- **HOUSE BILL PASSED/SENATE BILL UNDER CONSIDERATION**
  - \* NO PLANNING REVIEW
  - \* PERMITTED ON ALL LOTS AT LEAST 40,000 SF IN SIZE
  - \* PERMITTED TO BE 60% OF PRINCIPAL DWELLING IN SIZE OR 900 SF - WHICHEVER IS LESS
  - \* MAY BE A DETACHED UNIT OR ATTACHED TO PRINCIPAL OR ACCESSORY UNIT (EX. DETACHED GARAGE)
  - \* ALLOWED IN ALL RESIDENTIAL ZONES
  - \* MAY NOT RESTRICT TENANTS BASED ON FAMILIAL RELATIONSHIPS OR AGE MAY NOT BE RENTED THROUGH A HOSTING PLATFORM (I.E. AIRBNB), SUBDIVIDED, OR CONDOIZED
- **CAN BE DEED RESTRICTED TO "COUNT"**

### SOURCES:

1. <https://my.searchrealestate.com/idx/photogallery/c088/1349690>
2. [https://www.realtor.com/realestateandhomes-detail/4019-Post-Rd\\_Warwick\\_RI\\_02886\\_M49096-52233?from=srp-list-card](https://www.realtor.com/realestateandhomes-detail/4019-Post-Rd_Warwick_RI_02886_M49096-52233?from=srp-list-card)

### Examples from Warwick and Richmond



ADUs are often architecturally designed to be integrated into a single-family home



ADUs often make use of garages and separate entrances

# VILLAGE CENTER

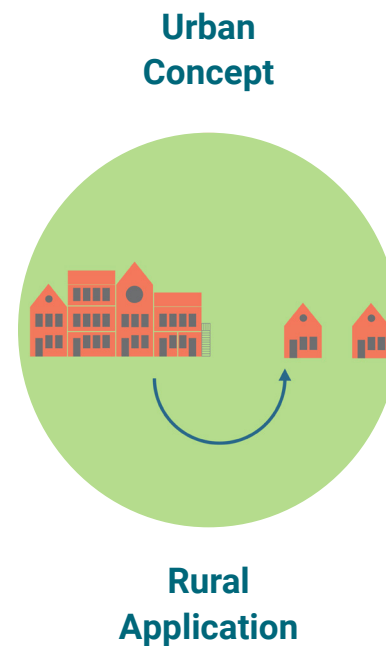
## A VILLAGE PLAN ALTERNATIVE

- ZONING TOOL THAT ENCOURAGES DEVELOPMENT OF NEW VILLAGES IN RURAL AREAS
- COMBINES NEIGHBORHOOD DESIGN WITH OPEN SPACE CONSERVATION
- HOUSING CONCENTRATED NEAR IMPORTANT INTERSECTIONS
- HOUSING LOCATED NEAR IMPORTANT INFRASTRUCTURE
- CREATES STRONGER SOCIAL NETWORKS

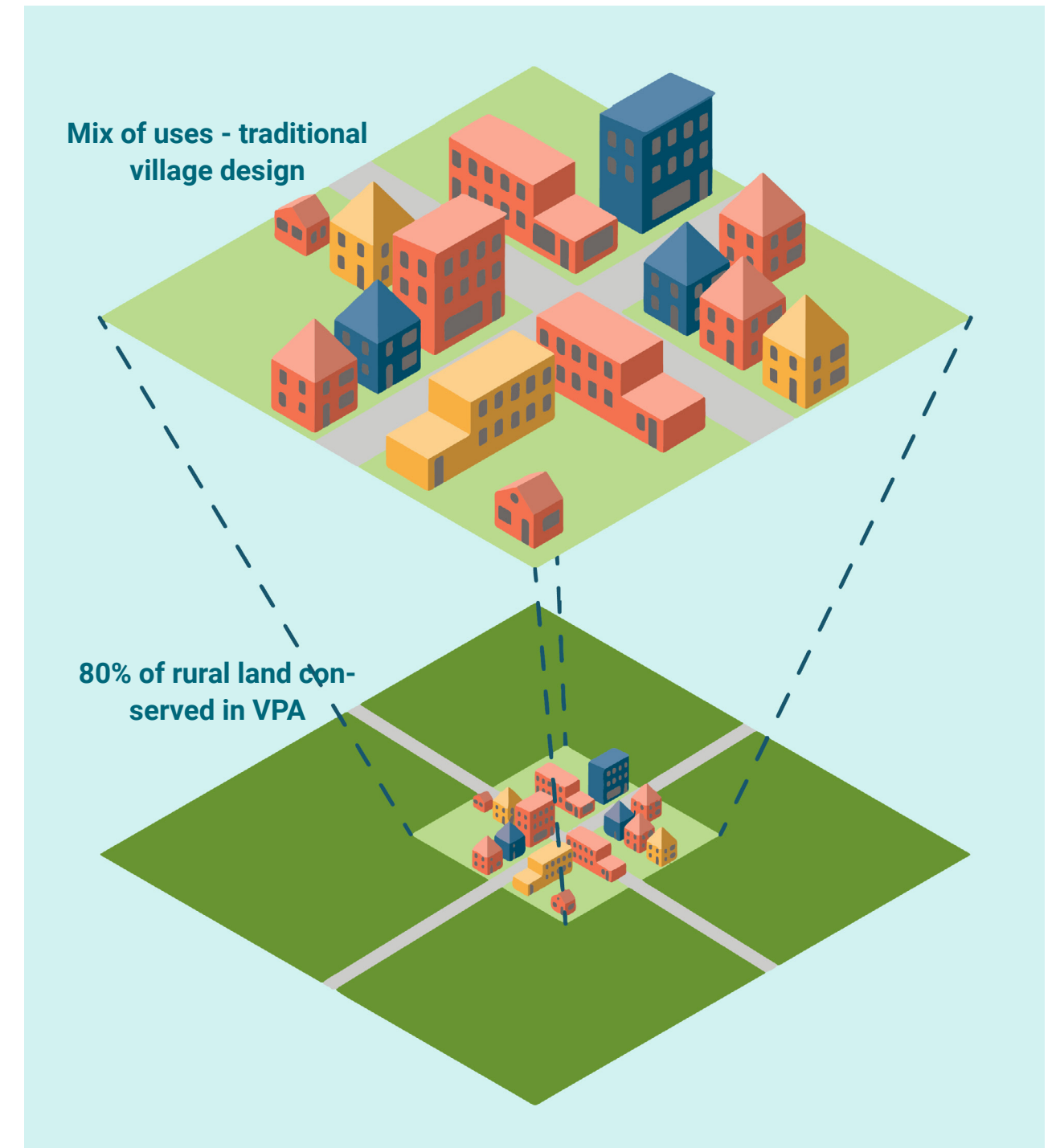
**SOURCE:**

1. <https://nhhousingtoolbox.org/strategies/village-plan-alternative-vpa/>

*This is a tool available to Foster to increase its villages or create new ones. Shared infrastructure would reduce development costs.*



### Village Center Diagram



Village centers protect rural character and open space.

# VILLAGE CENTER EXAMPLE

## OTHER RURAL RHODE ISLAND VILLAGES

- LIKE FOSTER, CHEPACHET IS AN AREA WITHOUT PUBLIC WATER & SEWER
- CHEPACHET'S VILLAGE CENTER IS SET ALONG PUTNAM PIKE SOUTH OF WHERE RTS. 44 AND 102 MEET
- WHILE FOSTER DOES NOT HAVE MANY MAJOR INTERSECTIONS, THE RI-14/102 INTERSECTION OFFERS POTENTIAL

Urban Concept



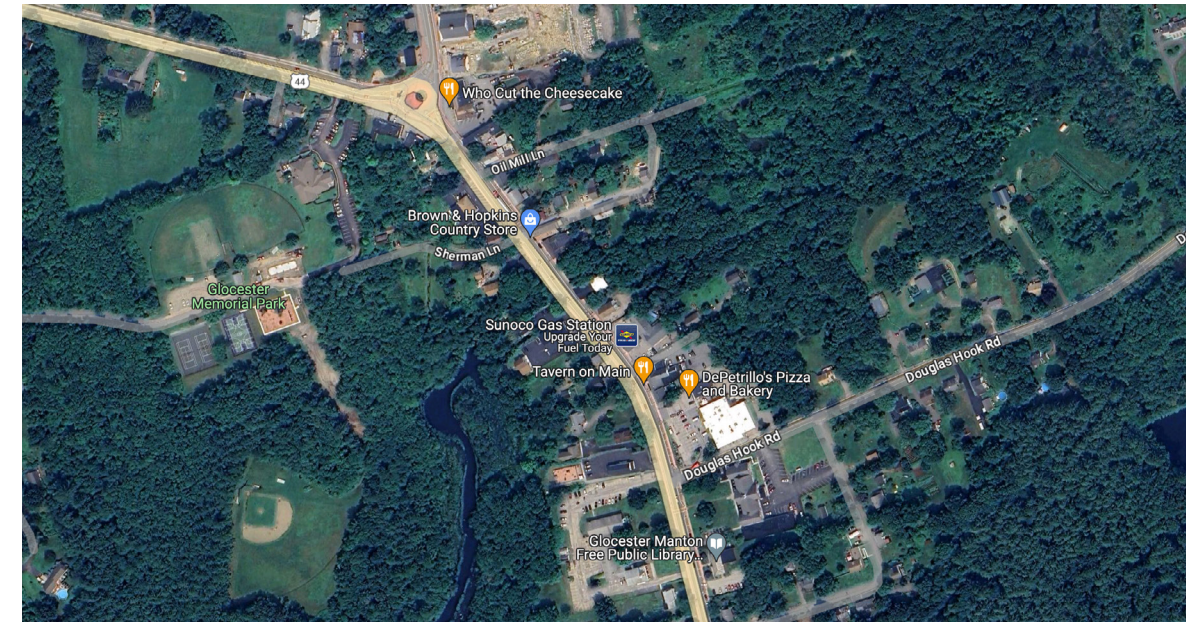
Rural Application

### SOURCE:

1. <https://nhhousingtoolbox.org/strategies/village-plan-alternative-opa/>

*This is a tool available to Foster to increase its villages or create new ones. Shared infrastructure would reduce development costs.*

### Chepachet Village Center



Aerial view of Chepachet



The village center offers a mix of economic and employment activity nearby to town services and residences.



# THE MISSING MIDDLE

## WORKFORCE AND MIDDLE INCOME TYPES

- RANGE OF HOUSING OPTIONS SMALLER THAN SINGLE-FAMILY HOMES, BUT NOT LARGE APARTMENT BUILDINGS
- “MISSING MIDDLE” REFERS TO FILLING THE GAP BETWEEN SINGLE-FAMILY HOMES AND LARGE APARTMENT BUILDINGS

**SOURCE:**

1. <https://nhhousingtoolbox.org/strategies/missing-middle-housing-types/>

Missing Middle Diagram



Towns should provide adequate housing for workforce and middle income residents like teachers, nurses and first responders.

# THE MISSING MIDDLE EXAMPLE

## A LOCAL SUCCESS

- PINE VIEW APARTMENTS IN EXETER IS A 40 - APARTMENT AFFORDABLE HOUSING DEVELOPMENT
- RESTRICTED TO 30%, 50%, AND 60% AMI
- PINE VIEW IS AN EXAMPLE OF A COMPREHENSIVE PERMIT APPLICATION
- COMPREHENSIVE PERMIT APPLICATIONS CANNOT BE DENIED UNDER 2023 RI STATE LAW CHANGES
- FOSTER'S CURRENT REGULATORY ENVIRONMENT
- FOSTER DOES NOT HAVE AN AFFORDABLE HOUSING PLAN

Pine View Apartments Exeter, RI



Exeter, RI has achieved its 10% AMI housing goal with missing middle Comprehensive Permit housing.



Affordable housing can be as attractive as more expensive housing. Design matters. Architects and developers should consider the quality of place.

# PLANNED UNIT DEVELOPMENTS

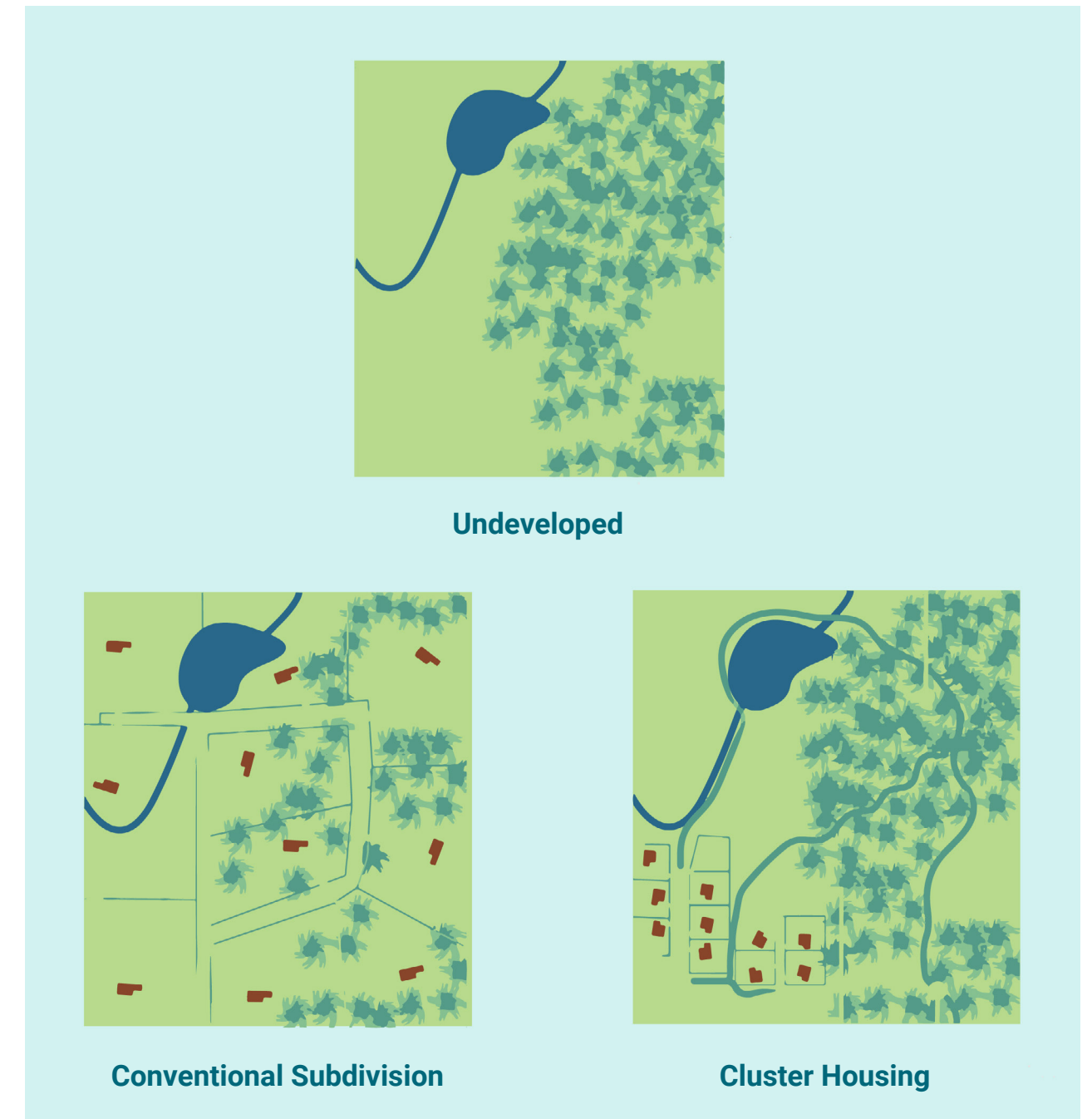
## CLUSTER SUBDIVISION

- LAND USE REGULATION THAT SPECIFIES MIX OF LAND USES, BUILDING TYPES, DENSITIES, SITE DESIGN, AND INFRASTRUCTURE FOR A SINGLE PARCEL OR SMALL COLLECTION OF PARCELS
- PRESERVES NATURAL AREAS
- REDUCES DEVELOPMENT COSTS
- MUST CONSIDER CONSERVATION AREAS

**SOURCE:**

1. <https://nhhousingtoolbox.org/strategies/planned-unit-developments-puds/>

### PUD Planning Diagrams



Planned Unit Developments cluster housing in desirable suburban contexts.

# PLANNED UNIT DEVELOPMENTS

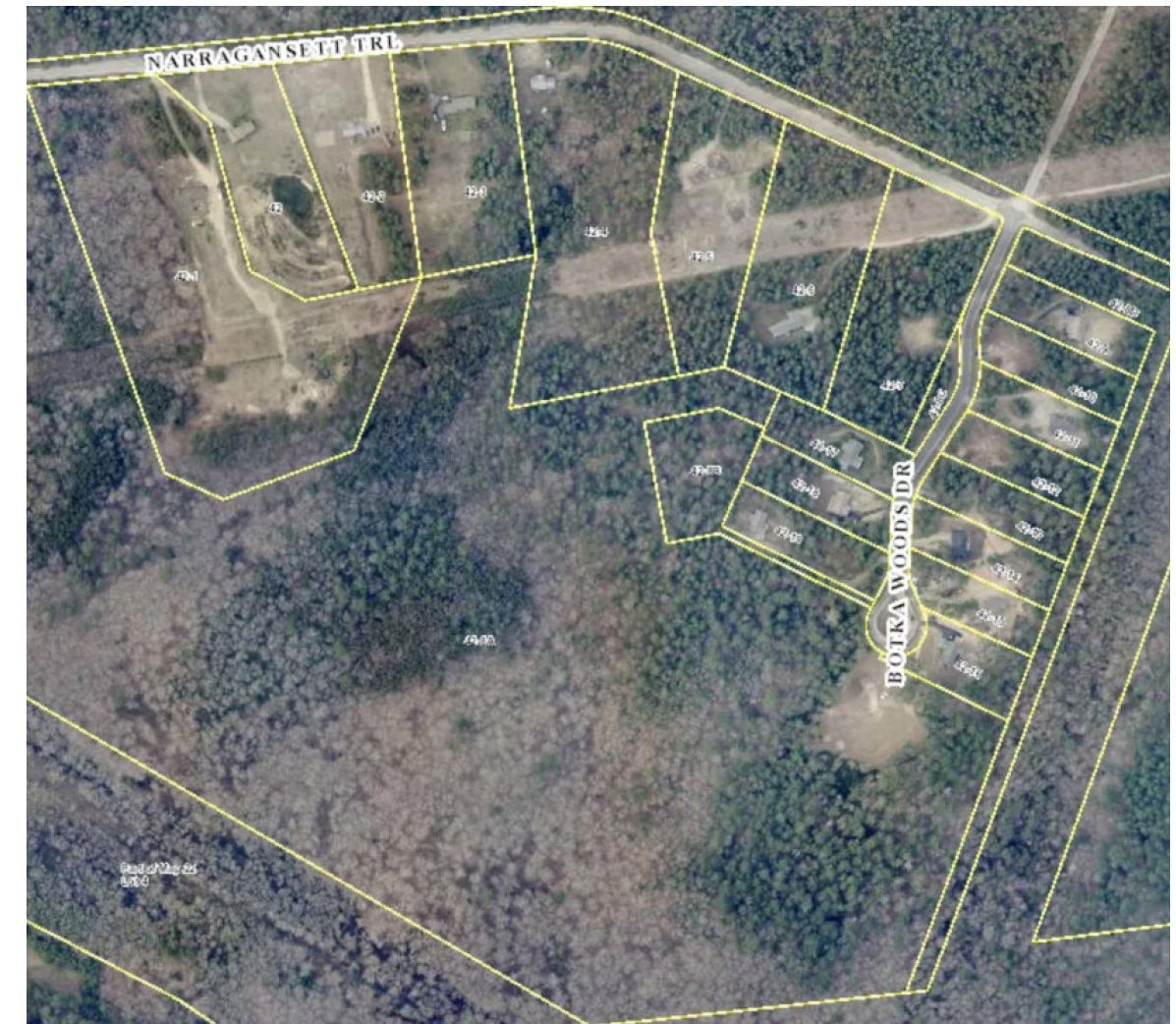
## A LOCAL SUCCESS

- CHARLESTOWN, RI HAS MANDATORY CLUSTER SUBDIVISIONS, PRESERVING OPEN SPACE AND REDUCING DEVELOPMENT COSTS
- LOT SIZES ARE AROUND 1 ACRE WITH 70% OF THE PARCEL AS OPEN SPACE
- CAN BE DEVELOPED SIMILARLY TO CONSERVATION DEVELOPMENT

**SOURCE:**

1. <https://charlestowncitizens.org/2022/07/12/mandatory-cluster-subdivision-22-years/>

Botka Woods Drive Charlestown, RI



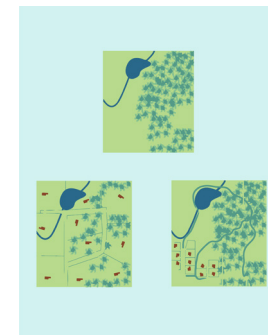
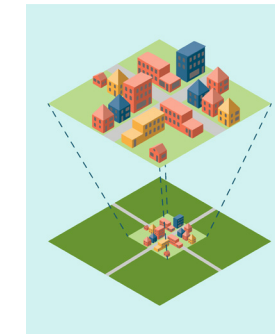
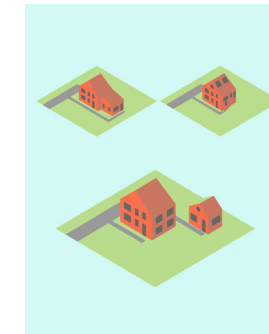
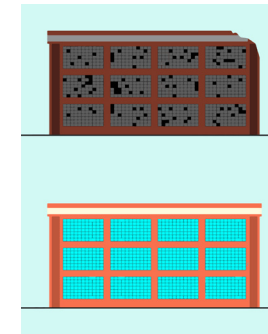
House lots are positioned to avoid important natural resources.

# WHAT MAKES SENSE FOR FOSTER?

## WHICH TYPOLOGIES SUIT FOSTER'S GOALS?

- AFTER REVIEWING THE SLIDES, WHICH TYPOLOGIES MAKE THE MOST SENSE?
- WHAT HAPPENS IF FOSTER DOES NOTHING?
- WHAT COMES NEXT?
  - \* TASK 3 - DEVELOP AN LMI STRATEGY FOR FOSTER
  - \* THE INFORMATION DEVELOPED IN TASKS 1 AND 2 WILL SUPPORT THE STRATEGY
  - \* THIS STRATEGY MAY BE DEVELOPED AS AN AFFORDABLE HOUSING PLAN WITH THE REQUIREMENTS OF RHODE ISLAND GENERAL LAW.

### Slide Thumbnails:



# FORMER NIKE MISSILE SITE

## FUTURE DEVELOPMENT POTENTIAL?



# FORMER NAVY HOUSING ON ABBEY LANE

## FUTURE DEVELOPMENT POTENTIAL?



# INTERSECTION AT ROUTES 14 & 102

## FUTURE DEVELOPMENT POTENTIAL?

