

LOW AND MODERATE INCOME HOUSING PLAN



TOWN OF PORTSMOUTH RHODE ISLAND

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TABLE OF CONTENTS

1.0	INTRODUCTION	5
1.1	Purpose of the Low and Moderate income Housing Plan.....	5
1.1.1	THE COMPREHENSIVE PLAN.....	5
1.1.2	DEFINITIONS.....	7
1.1.3	PROCESS	9
1.1.4	PURPOSE OF THE AFFORDABLE HOUSING PLAN	9
1.2	The Planning Context For Affordable Housing.....	10
1.2.1	CONSISTENCY WITH THE STATE GUIDE PLAN	10
1.2.2	THE LOW AND MODERATE INCOME HOUSING ACT	13
1.2.3	MORATORIUM.....	14
1.2.4	COMPREHENSIVE PERMIT APPLICATIONS.....	14
1.2.5	LIMITS ON COMPREHENSIVE PERMIT APPLICATIONS.....	15
1.2.6	AFFORDABLE HOUSING PLANS.....	15
1.2.7	REQUIREMENTS FOR AFFORDABLE HOUSING PLANS	16
1.3	Review of Town Housing Policy	18
1.4	Housing Goals.....	21
2.0	CENSUS AND HOUSING DATA INVENTORY	22
2.1	Population Trends	22
2.2	Age of Residents.....	23
2.3	Racial and Ethnic Composition	24
2.4	Portsmouth’s Households	25
2.5	Housing Characteristics	26
2.6	Housing Unit Distribution.....	28
2.7	Age of Housing	29
2.8	Recent Building Trends	30
2.9	Zoning Analysis	32
2.10	Developable Land/Build-Out Analysis.....	35
2.11	Economic Development.....	36
2.12	Income Data.....	37
2.13	Housing Prices—Ownership and Rental	42
3.0	LOW AND MODERATE INCOME HOUSING IN PORTSMOUTH	46
3.1	Housing Agencies and Organizations working in Portsmouth.....	46
3.1.1	PORTSMOUTH HOUSING AUTHORITY	47
3.1.2	COASTAL HOUSING CORPORATION(CHC).....	49
3.1.3	CHURCH COMMUNITY HOUSING CORPORATION	50
3.2	Homelessness and Special Needs Housing in Portsmouth and the Region.....	51
3.3	Tax Relief Programs in Portsmouth.....	52

4.0	STRATEGIES TO ATTAIN THE LOW AND MODERATE INCOME HOUSING GOAL	54
4.1	Recommended Strategies	54
4.2	Land Management Density Strategies	55
5.0	RELATIONSHIP OF STRATEGIES TO AFFORDABLE HOUSING NEEDS	67
5.1	Quantitative Estimates of Future Housing Needs	67
5.2	Projection of LMI Production	68
5.3	The Rhode Island Consolidated Plan	69
5.4	Housing Needs Analysis of CHAS Data	71
5.5	Need for Homeless and Special Needs Housing	73
6.0	ACHIEVING THE LOW AND MODERATE INCOME HOUSING GOAL.....	75
6.1	Introduction.....	75
6.2	Development Assumptions	75
7.0	RESPONSIBLE PARTIES, PARTNERS AND RESOURCES FOR IMPLEMENTATION STRATEGIES.....	80

LIST OF TABLES

Table 1 - Review of Affordable Housing Implementation Tasks from Comprehensive Plan.....	19
Table 2 – Population Projections for Portsmouth, Newport County and Rhode Island, 2000 – 2030 by the Rhode Island Statewide Planning Program.....	23
Table 3 - Portsmouth and Rhode Island Households, 1990-2000	26
Table 4 – Housing Tenure and Ownership	27
Table 5 - Percent Increases in Population and Housing 1980-2000	28
Table 6 - Town of Portsmouth Housing Stock Distribution	29
Table 7 - Year Housing Structures Were Built in Portsmouth	29
Table 8 – History of New Housing Starts, Town of Portsmouth, RI, 1990 – January 2004	30
Table 9 - Portsmouth Residential Use Regulations (Article V, Section A, Zoning Ordinance)...	33
Table 10 – Land Area Requirements Table, Town of Portsmouth, RI	34
Table 11 – Dimensional Requirements for Multifamily Dwellings	35
Table 12 – Portsmouth Build-Out Analysis by the Portsmouth Planning Department	36
Table 13 - Median Household Income for Portsmouth, East Bay Market Area and Rhode Island, 1980-2000	38
Table 14 – Census Tract Block Groups and Area Names for Portsmouth, RI 2000	39
Table 15 – Population, Housing and Economic Data for the Town of Portsmouth by Census Tract Block Group	40
Table 16 - Household Income Distribution (Year 1999) Portsmouth, East Bay Area, and RI....	41
Table 17 - Median Sales Prices of Portsmouth Single Family Housing Stock, 1980-2003	42
Table 18 – Summary of Low and Moderate Income Housing in Portsmouth, RI, 2004	46
Table 19 – Affordable Housing Development of the Church Community Housing Corporation in Portsmouth, RI.	51
Table 20 – Transitional Housing and Homeless Shelters in the Portsmouth Area.....	52
Table 21 – Data report from Town of Portsmouth Tax Assessor’s database on Senior & Income Exemptions.	53
Table 22—Potential Properties for Affordable Housing Development	62
Table 23 – Summary of Building Permits and Growth Rates between 1980 and 2004.	68
Table 24 – Number of Housing Units Required to Meet the 10 Percent LMI Housing Standard	69
Table 25 – Town of Portsmouth Future LMI Needs Production by CHAS Data.....	72
Table 26 – Projected Number of LMI Units by Household and Tenure Type	78
Table 27 - Projected Number of New LMI Units by Strategy and Timeframe	79

LIST OF FIGURES

Figure 1	Population Growth in Portsmouth and East Bay Market Area, 1950 to 2000...	22
Figure 2	Age Composition of Portsmouth, Newport County and Rhode Island.....	24
Figure 3	Racial and Ethnic Composition of the Population of the Town of Portsmouth, Rhode Island according to the 2000 U.S. Census.....	25
Figure 4	Number of Building Permits Issued for Residential Developments, Town of Portsmouth, RI, 1990 – January 2004.....	31
Figure 5	Median Housing Prices in Portsmouth, RI, 1980 to 1 st Half of 2004.....	43
Figure 6	Photograph of driveway and entrance to Quaker Manor and the Portsmouth Housing Authority.....	47

LIST OF APPENDICES

APPENDIX A	List of CDBG Programs in Portsmouth, RI
APPENDIX B	Regional Revolving Loan Fund Description
APPENDIX C	Island Park Septic System Loan Program
APPENDIX D	List of Building Fees, Portsmouth, RI 2004-05
APPENDIX E	List of Housing Groups
APPENDIX F	2000 CHAS Data, Portsmouth, RI
APPENDIX G	Multifamily Incentive_District Properties Analysis
APPENDIX H	Production Analysis of LMI Housing by RI Housing
APPENDIX I	Analysis of Septic System Age for Island Park and Common Fence point, Portsmouth, RI
APPENDIX J	Justification For Estimate of 40 New Subdivision Lots Per Year in the Inclusionary Zoning Strategy

LIST OF MAPS

Map 1	Proposed Incentive_Zone and Potential Sites for Future Low and Moderate Income Housing Development
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LOW AND MODERATE INCOME HOUSING PLAN

TOWN OF PORTSMOUTH RHODE ISLAND

1.0 INTRODUCTION

1.1 Purpose of the Low and Moderate income Housing Plan

This section examines the purposes of the Affordable Housing Plan and its role in long-range planning programs at the local and State levels.

1.1.1 The Comprehensive Plan

In 1992, the Town adopted a new Comprehensive Plan as required by the Rhode Island Comprehensive Planning and Land Use Regulation Act (RI General Laws, Title 45, Chapter 22.2). As required by the Act, a Housing Element was incorporated into the Plan that addressed existing and forecasted housing needs in the Town. The Plan was approved by the State on August 15, 2002. This approval expires on August 14, 2007.

The Housing Element of the Plan contained the following principal Goal:

Encourage a diversity of housing opportunities for present and future residents of all income levels. Work toward consideration of the special needs of the elderly, handicapped and first-time buyers. Ensure that every Portsmouth resident can obtain safe, decent, sanitary, and affordable housing area. Provide housing opportunities for the elderly, disabled, and low-moderate income families that meet the needs of all those who qualify.

In support of this Goal, six Objectives were also identified:

OBJECTIVE 1 - A mix of housing shall be maintained at current levels to preserve the character of Portsmouth.

We express our desire to have affordable housing and our intention to work with Federal, State and charitable organizations to promote affordable housing and to encourage initiative from all of those organizations.

1. Preserve the diversity of densities provided under the zoning ordinance. Maintain the relatively high density zoning in the northernmost sections of Town, consistent with environmental constraints.
2. A plan will be established to maintain a regular review of all housing needs, including housing opportunities for low-and-moderate income families, the elderly, the handicapped and other Portsmouth special-needs groups.

OBJECTIVE 2 - Address housing constraints and costs in Portsmouth that limit housing availability and affordability.

1. Ensure that Town land use policies, regulations and fees do not inhibit the development or renovation of affordable housing.

OBJECTIVE 3 - Address Needs of First-Time Buyers, Elderly and Handicapped.

1. Provide information on available programs and housing in a central location.
 - a) Cooperate actively with State, Federal and local non-profit organizations.
2. Encourage the availability and maintenance of housing to benefit elderly persons.

OBJECTIVE 4 - Consider types of development regulations to lower costs without lowering quality of life by keeping in perspective concerns for open space, greenbelts, etc.

The cost of raw land and the cost of site improvements create a cumulative cost that is born by the units in the development. Costs can be lowered by increasing site density by methods such as cluster and Planned Unit Development (PUD) and higher lot coverages. Density would be governed by constraints such as utility availability, soil suitability, watershed and traffic.

OBJECTIVE 5 - Identify and pursue opportunities to develop scattered site and cluster “next generation” housing.

Identify parcels that can accommodate this new “next generation” housing. The cost of land is too high to build such new housing at market rates, so this will have to be a subsidized effort.

OBJECTIVE 6 - Improve conduit of ideas and review to Town Officials and Related Boards.

1. Communicate to appropriate Town officials proposals that can be adjusted to changing economics and residents' preferences.
2. Review the housing plan periodically to ensure that it continues to adequately address changing social and economic conditions.

The Town’s housing goals listed above emphasizes its commitment to providing affordable housing in a balanced manner that was compatible with the policies set forth in other elements of the Plan. In particular, Portsmouth is committed to the integration of future low and moderate income housing into the current pattern of development, concentrated primarily in the northern portion of the Town, and to promote innovative development techniques that will produce affordable housing to meet local need.

1.1.2 Definitions

At this time, it is appropriate to differentiate between “affordable” and “low and moderate income” housing. These terms have specific definitions within the General Laws of Rhode Island and are summarized below. In general, “Low and moderate income” housing refers to “subsidized” housing that eligible citizens may occupy. Whereas, “affordable” housing refers to housing, and related costs, that are affordable to citizens within certain income brackets. This plan deals primarily with “low and moderate income” housing in the Town of Portsmouth and, as discussed in Section 2.2 below, is developed to meet state requirements for low and moderate income housing promotion. “Affordable” housing is often mentioned throughout the plan in the broader context of community housing goals and implementation strategies and should not be thought of as “low and moderate income.”

Definitions of “Affordable” and “Low and Moderate Income” Housing according to Rhode Island General Laws ¹	
Affordable Housing §42-128-8.1 (d) (1)	<ul style="list-style-type: none"> 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

¹ R.I.G.L. 42-128-8.1; R.I.G.L. 45-53-3.

	<p>eighty percent (80%) but less than one hundred twenty percent (120%) of the area median income, adjusted for family size.²</p> <ul style="list-style-type: none"> • 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.
<p>Low or moderate income housing §45-53-3 (5)</p>	<p>“Low and moderate income housing” means any housing subsidized by the federal, or 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.</p>

This Affordable Housing Plan addresses the need for both types of housing—affordable and low or moderate income housing. As described later sections, state law requires communities like Portsmouth to meet certain quantitative thresholds for low or moderate income housing, currently established at 10 percent of the Town’s year-round housing stock. The Town will address this requirement, but it will also examine ways to encourage affordable housing that will benefit its citizens, even if these affordable housing units may not qualify or “count” towards the minimum ten percent standard.

In July 2004, the Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) reported that the Town had 7,005 year-

² HUD issues income limits for program guidance every fiscal year. For 2004, the Area Median Income (AMI) for Newport County, Rhode Island is \$67,500. Adjusted for a 2-person family, 80% of the AMI for Portsmouth/Newport County is \$43,450.

round housing units³ for a population estimated by the Statewide Planning Program to be at 17,460 on July 1, 2002.⁴ In its tabulation of housing stock, RI Housing reported that **169** units—or **2.41** percent—could be classified as “low or moderate income housing.” This leaves a shortfall of **532** housing units needed to reach the 10 percent level.

1.1.3 Process

The Portsmouth Land Use Committee was appointed by the Town Council to oversee the development of the community’s Affordable Housing Plan to provide 10% Low- and Moderate- Income Housing. The Committee consists of 13 members including one Planning Board member, one Town Councilor, a zoning official, a member of the Conservation Committee, a real estate developer and a real estate appraiser. For the purposes of the development of the Plan, the Committee met three times, including one Town Forum, which it sponsored. Upon complete of the final draft Plan, the Portsmouth Planning Board and Town Council held a joint public hearing prior to adopting the document on December 1, 2004.

1.1.4 Purpose of The Affordable Housing Plan

The purpose of this Affordable Housing Plan is to examine the Town’s housing policies, to determine how housing affordability has changed over the past decade, and to identify and develop strategies that the Town can follow to meet the housing needs of the future. Toward this end, this Plan identifies specific steps that the Town can take to increase the supply of low and moderate housing, to promote affordable housing production, and to identify resources to be used in this regard.

³ Low and Moderate Income Housing by Community, Rhode Island Housing, updated July 2004

⁴ Housing Data Base, Report No. 106, Population Estimates by City & Town, Rhode Island 2001 & 2002, Statewide Planning Program, July 2003.

1.2 The Planning Context For Affordable Housing

As stated above, the Town of Portsmouth Comprehensive Plan was originally adopted by the Town Council in 1992 and was revised in July 2002. The Plan was subsequently approved by the State on August 15, 2002. Certification of the Plan is effective for a five-year period ending on August 14, 2007. The Rhode Island Comprehensive Planning and Land Use Regulation Act (RI General Laws, Title 45, Chapter 22.2) establishes a series of goals to provide overall direction and consistency for state and municipal agencies in the comprehensive planning process established in the Act. With regard to housing, the Act provides the following goal:

To promote a balance of housing choices, for all income levels and age groups, and which recognizes the affordability of housing as the responsibility of each municipality and the state.

1.2.1 Consistency with the State Guide Plan

A major objective of the Act and one of the principal areas of state review and acceptance is the achievement of consistency with the State Guide Plan. The Act states that local comprehensive plans must be consistent with the State Guide Plan. By maintaining state approval of its comprehensive Plan, the Town strengthens the validity of its zoning ordinance, its subdivision and land development regulations, and its land use decisions. Not only must local zoning and land use decisions be consistent with the comprehensive plan, the actions of state agencies are required to take the local plan into consideration. The Act further states: “Once a municipality’s comprehensive plan is approved [by the state], programs and projects of state agencies, excluding the State Guide Plan...shall conform to that plan.”⁵

The State Guide Plan is composed of several sections, or elements. The State Housing Plan (Element 421) makes recommendations for housing in Rhode Island, which the Town of Portsmouth plan must take into consideration. One of

⁵ Rhode Island General Laws, 45-22.2-10(e)

the principal goals of the State Housing plan is to encourage the production of affordable housing.

Goal 1-1-5 Affordability: Provide an adequate number of affordable housing units for low-income citizens, those with severe cost burdens and those with special needs.

As described in the State Guide Plan Overview⁶, the housing policies of the State of Rhode Island are:

1. **Population and Diversity:** to use the most reliable population and housing statistics available to periodically establish and update state housing proposals; promote diversity of housing types and affordability; and help different racial, ethnic, and special population groups find suitable housing.
2. **Housing Code Enforcement:** promote the updating and enforcement of the various housing codes and ordinances within the state.
3. **Stabilizing and Protecting Existing Areas:** help protect historic as well as other essential aspects of neighborhoods that provide identity and character; help residents from being displaced; and promote ground water protection, watershed management, and flooding abatement.
4. **Improved Usage of Existing Structures:** support the best use and maintenance of existing housing stock.
5. **Optimum Locations for New Housing Units:** encourage new housing construction as warranted, in proximity to planned or existing infrastructure; and support the expansion of neighborhoods relative to a closer relationship with local and regional needs.
6. **Affordable Housing and New Housing Concepts:** study, develop, and support improved methods, techniques, legal remedies, and institutional structures for producing low/moderate income affordable housing; and encourage improved planning of neighborhood development, growth management, affordable housing financing, and housing maintenance programs.

The State Housing Plan⁷ does not contain a list of specific actions to which local communities are required to conform. The Plan instead provides several Strategies and Recommendations that both state agencies and local communities are urged to consider in

⁶ State Guide Plan Overview, p. 421.2.

⁷ RI Statewide Planning Program, State Housing Plan, State Guide Plan Element 421, March 2000, p. 5.10.

their activities and plans that affect the provision of housing. The recommendations on housing affordability are provided below:

Summary of Strategies and Recommendations for Housing Affordability
State Housing Plan 2000

1. The State should provide monetary incentives and/or technical support for courses and training for elected local community officials, and planning and zoning administrators regarding affordable housing and responsibilities in meeting mandated state housing objectives. Such training can demonstrate that affordable housing can be attractive and serve as an asset to the host community.
2. The Rhode Island Housing and Mortgage Finance Corporation should encourage the establishment of non-profit housing cooperatives (either single or multi-family housing units) for low and moderate-income households. Housing cooperatives impart a sense of ownership and can serve households that would otherwise lack the means to purchase housing.
3. Communities should consider appropriate zoning changes to allow smaller residential lot sizes as infill for “built-up” areas where there are adequate public utilities and services.
4. Communities should encourage increased residential construction and conversion of existing units for cooperatives, condominiums, and attached housing, when such units will serve low-income households.
5. Communities should make wider use of planned unit and cluster developments to increase affordability where appropriate.
6. Entitlement communities under the Community Development Block Grant Program should make vacant “building” and “lot” homesteading programs an affordable housing initiative.
7. The RI Housing Resources Commission should sponsor periodic statewide housing conferences and workshops to promote information sharing on such topics as state housing program policies, and innovative ways to lower housing costs to stimulate action to resolve housing need issues. Such conferences should target the financial community, providers, developers and key public officials.
8. Communities should be encouraged to earmark an adequate amount of land for the construction of multi-family housing; especially those towns and cities that do not currently meet the 10 percent low-moderate income housing goal as established by the RI Low and Moderate Income Housing Act (RIGL 45-53).

Source: State Housing Plan, State Guide Plan Element 421, March 2000

1.2.2 The Low and Moderate Income Housing Act

Low and Moderate Income Housing Act (R.I. General Laws, §45-53) was enacted in 1991 to address the need for cities and towns in the state to provide opportunities for the establishment of low and moderate income housing. The Act establishes a ten percent minimum threshold for such housing in each city and town, including Portsmouth⁸. As of July 2004, Rhode Island Housing had reported that only 2.41 percent of the year-round housing units in Portsmouth were considered to be affordable to persons of low and moderate income. At that time, there were 29 communities (out of a total of 39 municipalities) in the state that did not meet the minimum ten percent requirement.

The Act, along with several companion statutes, were substantially amended in 2004 to provide for the provision of safe and affordable housing in accordance with a 5-year strategic plan for housing, to be prepared by a newly-created Rhode Island Housing Resources Commission. This Plan must be prepared by July 1, 2006. Until that time, communities must prepare the housing element of their Comprehensive Plans in accordance with current guidelines adopted by the State Planning Council (see below).

Communities such as Portsmouth that do not meet the ten percent requirement are subject to what is described in the Act as the “Comprehensive Permit Procedure.” A comprehensive permit is defined as “...a single application for a special exception to build low and moderate income housing in lieu of separate applications to applicable boards.”⁹ This procedure allows a developer of

⁸ The Act also provides that urban municipalities having at least 5,000 occupied rental units (and where those units comprise 25 percent or more of all housing units, the requirement is that at least 15 percent of the rental units must be affordable to persons of low and moderate income. As of December 2003, the following communities fell into this category: Cranston, North Providence, Pawtucket, Warwick and West Warwick.

⁹ Rules Implementing the Rhode Island Low and Moderate Income Housing Act established pursuant to R.I.G.L. 45-53, amended February 2003.

such housing to apply to the local permitting authority¹⁰ for a permit to build low/moderate income housing under a “streamlined” procedure designed to greatly reduce the time normally required to obtain development permits. The Act also allows a development to request exceptions to local requirements and regulations normally applied to similar developments. These “exceptions” can greatly increase the density and intensity of a proposed project. During 2003, for example, one application was submitted to the Portsmouth Zoning Board for a comprehensive permit. This application was by the Portsmouth Housing Authority to construct a 10-unit development for the handicapped/elderly.

1.2.3 Moratorium

In February 2004, the General Assembly enacted a moratorium that prohibited private for-profit developers from utilizing the comprehensive permit procedures provided in the Act until the expiration of the moratorium on June 30, 2005, unless further extended¹¹. All current applications on file with a local community are subject to review and appeal procedures specified in the new 2004 general revisions. The moratorium also provided that local communities must prepare by December 31, 2004 a comprehensive plan housing element for low and moderate income housing as specified by the Act. If the plan is submitted and approved, new or pending comprehensive permit applications must conform to the community’s approved housing plan.

1.2.4 Comprehensive Permit Applications

The Act prescribes standards and procedures for the local review board to follow in its review of comprehensive permit applications. Where an application is denied, or is granted with conditions and requirements that make the project

¹⁰ The Low and Moderate Income Housing Act authorizes each municipality to designate a local review board to act on comprehensive permit applications submitted to the Town (§45-53-3 (9))

¹¹ R.I.G.L. 45-53-4, as amended February 13, 2004.

infeasible, the applicant may appeal to the State Housing Appeals Board (SHAB), which has the authority to overturn a denial or otherwise unfavorable decision made by the local review board.

The Act also allows the SHAB to promulgate its own rules and regulations in hearing petitions filed for review. Under the regulations, the minimum percentage of such units required in order to be eligible to file for a comprehensive permit from the town is twenty (20) percent of the total number of units. The intent of this provision in the regulations apparently was to encourage a mixture of housing types and occupants. It may also permit developers of low and moderate income units to be created via cross subsidization from market rate units. Finally, under an amendment to the Act made by the General Assembly in 2002, private developers were granted expanded authority to file applications. Previously, applications under the Act could only be filed by public agencies, nonprofit organizations, limited equity housing cooperatives and private developers of rental projects.

1.2.5 Limits on Comprehensive Permit Applications

The legislation also provides that a municipality with a state-approved affordable housing plan may limit annual total number of units in for-profit comprehensive permit applications to the aggregate of 1% of total year-round units in the municipality.¹² In the case of Portsmouth, this figure would currently be $.01 \times 7,005 = 70$.

1.2.6 Affordable Housing Plans

In order to address the requirements of the Low and Moderate Income Housing Act, communities have the option of adopting an “affordable housing plan.” The Act defines an affordable housing plan as “...a component of a housing element, as defined in section 45-22.2-4(33), to meet housing needs in a

¹² R.I.G.L. § 45-53-4 (a) (4) (xii)

city or town that is prepared in accordance with guidelines adopted by the state planning council,”¹³ Such a plan addresses the specific requirements of the Low and Moderate Income Housing Act with respect to affordability issues, but does not necessarily require the updating of the entire comprehensive plan, or its housing element. Such an affordable housing plan must, however be consistent with other provisions of the housing element and with other elements of the comprehensive plan which affect housing. Local communities that prepare and adopt affordable housing plans must submit them to the Rhode Island Statewide Planning Program for review and approval in the same manner as prescribed for review and approval of local comprehensive plans. The Act also contains a provision that allows a community to apply local zoning and land use regulations where it has adopted a plan to achieve the ten percent affordable housing required by the Act.

(ii) The city or town has promulgated zoning or land use ordinances, requirements, and regulations to implement a comprehensive plan which has been adopted and approved pursuant to chapters 22.2 and 22.3 of this title, and the housing element of the comprehensive plan provides for low and moderate income housing in excess of either ten percent (10%) of the housing units or fifteen percent (15%) of the occupied rental housing units as provided in subdivision (2) (i). (emphasis added)¹⁴

According to Rhode Island Housing, Portsmouth had a total of **169** housing units that qualified as low and moderate income housing, or **2.41%** of its year-round housing units¹⁵.

1.2.7 Requirements for Affordable Housing Plans

Such an affordable housing plan must identify specific steps that the municipality will take to increase the supply of affordable housing and identify resources to be used in this regard. The Rhode Island Statewide Planning

¹³ R.I.G.L. §45-53-3 (6)

¹⁴ R.I.G.L. §45-53-3 (ii)

¹⁵ Rhode Island Housing, Low and Moderate Income Housing by Community, updated July 2004.

Program, in conjunction with Rhode Island Housing, has issued guidelines that identify these specific steps (see inset below).

This Affordable Housing Plan for the Town of Portsmouth is prepared in conformity with the applicable requirements provided by state law and with the applicable rules, regulations and guidelines adopted pursuant thereto, as provided below. This Plan outlines the future actions that will be taken by the Town to address the need for affordability of housing for present and future generations.

***Requirements for Affordable Housing Plans
Handbook 16***

- Identifies the number of affordable units needed to achieve the applicable threshold requirement for affordable housing as quantified in the most recent “Low and Moderate Income Housing by Community” tabulation published by RIHMFC by type and tenure consistent with the consolidated plan.
- Identifies specific strategies to attain the threshold over a reasonable period of time, taking into consideration anticipated residential growth based on building permit activity and build-out estimates. The number and type of low and moderate income units (e.g. family, elderly, special needs) produced by these strategies must be in proportion to the unmet local and state housing needs identified in the housing element and consistent with the consolidated plan.
- Provide quantitative estimates of how each strategy will contribute to attainment of the threshold and the timeframe for implementation of each. This implementation schedule must demonstrate commitment to short-term actions (six months to a year) and project out to the initial minimum five-year implementation program for the element and any subsequent implementation programs of the housing element and comprehensive plan.
- Identifies responsible parties and partners for each implementation strategy and identifies resources that will be tapped to achieve them.
- For land management density strategies such as inclusionary zoning and/or density bonuses, demonstrates that the number of low and moderate income units projected to be produced are consistent with build-out estimates, geographic building constraints (e.g. wetlands, ledge, flood plains), and infrastructure and services planned for targeted areas.
- For redevelopment and/or reuse of existing buildings, identifies specific buildings and/or areas and estimate the number of low and moderate income units projected for each.

Source: Handbook on the Local Comprehensive Plan, Handbook 16, Statewide Planning Program, June 1989, updated 2003.

1.3 Review of Town Housing Policy

The Comprehensive Plan contains a number of recommendations to address the Town's housing needs. One of the principal goals of the Plan, as stated in its Housing Element, was to achieve a diversity of housing opportunities.

Encourage a diversity of housing opportunities for present and future residents of all income levels. Work toward consideration of the special needs of the elderly, handicapped and first-time buyers. Ensure that every Portsmouth resident can obtain safe, decent, sanitary, and affordable housing area. Provide housing opportunities for the elderly, disabled, and low-moderate income families that meet the needs of all those who qualify.

The Plan recommended a number of measures that would allow the Town to achieve its housing goals. Some of these measures have already been enacted or addressed, and others have not. For the most part, Portsmouth continues to implement the original Tasks set forth in the Housing Element. A summary of these Tasks and the progress to date is summarized in Table 1 below.

Table 1 - Review of Affordable Housing Implementation Tasks from Comprehensive Plan

I. HOUSING ELEMENT		
Policy 1 – Housing Element		
Support the development of housing that is affordable to all Portsmouth residents.		
Task	Description	Status
Task A.2	Educate public on likely beneficiaries.	The Town has formed a Land Use Committee, which is authorized to prepare an affordable housing plan (2004). Public workshops and hearings are planned as part of the planning process.
Task A.3	Educate public on types of housing	No specific action to date. Public education on housing issues is expected to increase during the preparation of the affordable housing plan.
<hr/>		
Task B.2	Work with developers and RIHMFC to provide affordable housing.	No specific action to date. The Town Planning Department coordinates applications for residential development with the Planning and Zoning Boards, and the Land Use Committee.
<hr/>		
Task C.2	Target areas for first-time buyers	No specific action to date.
Task C.5	Promote RIHMFC’s home buying assistance program	No specific action to date.
Task C.6. c)	Assist Housing Authority in obtaining financing	The Planning Department provides technical assistance to the Housing Authority as required.
<hr/>		
Task D.1. a)	Study implementation of housing objectives in zoning	No specific action to date.
Task D.1.b) & c)	Investigate acceptable exceptions to and/or flexibility in current land use regulations to make targeted development more feasible	No specific action to date.
Task D.2.a)	Consider “scattered site duplex” program within zoning.	No specific action to date.

Task D.2.b)	Consider mobile home parks beyond industrial zones.	No specific action to date.
Task D.2.c)	Consider densities in R-10 & R-20 for affordable housing.	No specific action to date.
Task D.2.c)	Consider density bonus for cluster in R-30 & R-40	No specific action to date.
Task D.3.b)	Permit cluster for single-family development	The Town adopted residential cluster development provisions in 1997.
Task D.4.a)	Consider increasing tax exemptions for elderly.	The Town has adopted an elderly tax exemption of \$11,650 off the assessed value for qualifying properties. This amount is increased after every 3-yr. revaluation. The Town also has an income exemption for elderly citizens. For incomes of \$0 - 21,159 there is a sliding scale exemption of 5-80% of the assessed value to a maximum value of \$150,000. The maximum income limit is adjusted each year.
Task D.4.b)	Modify zoning for “in-law” accessory units.	No specific action to date.
Task D.4.c)	Sites for elderly & special needs housing.	No specific action to date.
Task D.5	Maintain complaint-based Minimum Housing Program	The Town has maintained a Minimum Housing Program through its Building / Minimum Housing office.
Task E.1	Continue CDBG Home Rehab. Loan Program for LMI Homeowners	The Town administers a home repair / rehab program through its CDBG funding.
Task E.2	Streamline permitting for special needs development.	No specific action to date.
Task E.3	Grant writing assistance.	The Planning Department prepares a variety of grant applications on behalf of the Town. No specific housing grant applications have been submitted to date.
Task E.4	Investigate Donation of Town Owned Land.	The Town does not own sufficient land that is available for conversion to housing. See discussion in Section. _____.
Task E.5	Investigate Donation of Navy Land and Housing	No specific action to date.
Task E.6	Investigate Town and/or State bond issues	No specific local action has been taken to provide revenue for housing programs to date.
Task E.7	Continue support for housing assistance organizations on the Island	Ongoing

1.4 Housing Goals

In addition to the goals stated in the current housing Element, new housing goals are recommended for inclusion in this plan as provided below.

1. **The Town will provide at least ten percent (10%) of the Town's year-round housing units as being available to persons of low and moderate income.**

This new goal is added to state the commitment of the town toward achieving the goal of having at least ten percent (10%) of its year-round housing stock available to persons of low and moderate income. As provided in the 2004 legislation, communities that have met this standard, or have plans to meet this standard, will have a stronger position in their review of proposals from for-profit and non-profit developers to construct housing in their community. It is recognized that this ten percent standard may change with the adoption of the five-year strategic plan for housing as provided in the Comprehensive Housing Production and Rehabilitation Act of 2004¹⁶. The 2004 legislation allows a community to comply with any new standards or guidelines that may be promulgated in this strategic plan as part of its next required comprehensive plan update.

2. **Create a program of local housing incentives to stimulate production of low and moderate income housing.**

The 2004 legislation includes subsidies offered by local municipalities as part of the definition of low or moderate income housing (see footnote below). A local subsidy can take the form of financial support, tax abatements, density bonuses, or other methods provided in the Low and Moderate Income Housing Act.¹⁷ See Strategy 2 in Section 4.

¹⁶ Rhode Island General Laws, §42-128-8.1 (c).

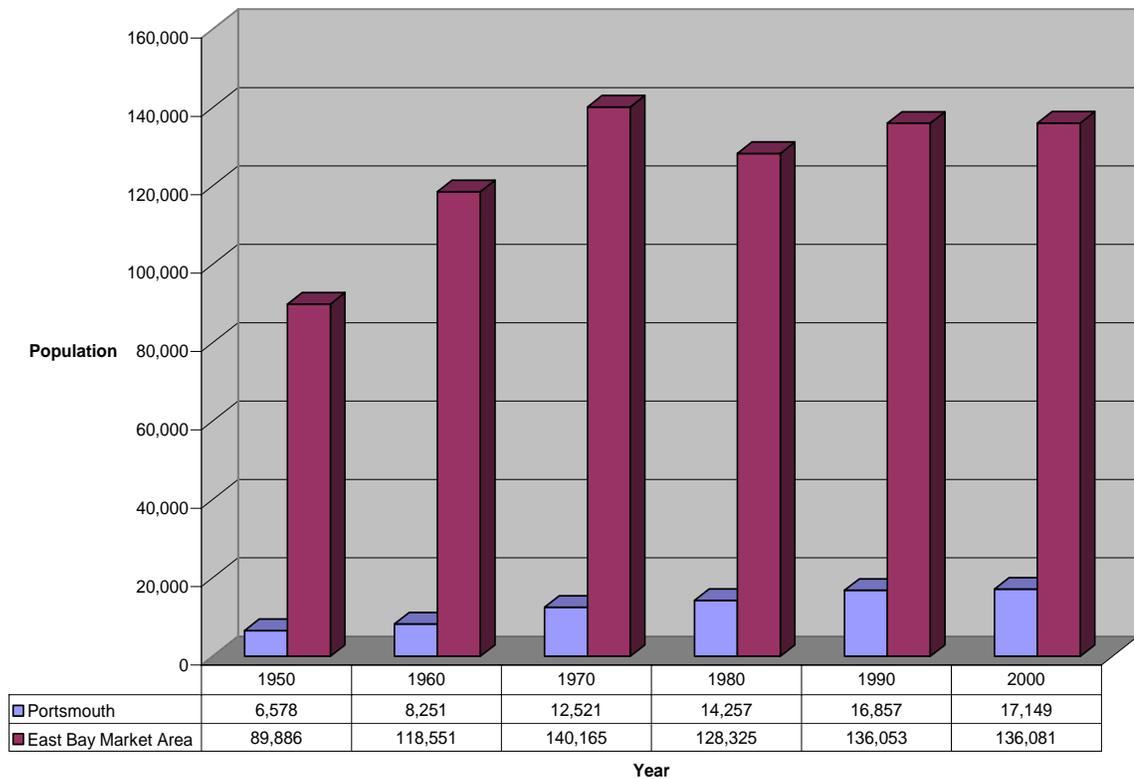
¹⁷ The definition of "Municipal Government Subsidy" means assistance that is made available through a city or town program sufficient to make housing affordable, as affordable housing is defined in subsection 42-128-8.1 (d) (1); such assistance may include, but is not limited to, direct financial support, abatement of taxes, waiver of fees and charges, and approval of density bonuses and/or internal subsidies, and any combination of forms of assistance. (RI General Laws, §45-53-3 (10)).

2.0 CENSUS AND HOUSING DATA INVENTORY

2.1 Population Trends

The Town of Portsmouth’s population grew relatively quickly until 1970 with increases of 25% and 50% in the 1950s and 1960s, respectively (see Figure 1). In more recent decades, the rate of population growth moderated to about 15% between 1970 and 1990 and then, sharply declined to 1.7% in the ten-year period leading to 2000. These trends are comparable to the East Bay region as a whole and quite possibly indicate fluctuations in the military activity and the decrease of available developable land in the region, and on Aquidneck Island specifically. The East Bay Market Area, as defined by Statewide Planning for comparative socioeconomic purposes, is comprised of all the municipalities in Bristol and Newport Counties.¹⁸

Figure 1 – Population Growth in Portsmouth and East Bay Market Area, 1950 to 2000.



¹⁸ Bristol County includes the towns of Barrington, Bristol, and Warren. Newport County consists of the City of Newport and the towns of Jamestown, Little Compton, Middletown, Portsmouth and Tiverton.

The Rhode Island Statewide Planning Program prepares population projections for the State (Table 2).¹⁹ These projections indicate a slow rate of growth in Portsmouth for the next 3 decades, up to a total population of 19,785 in the year 2030, or an increase of 15.4%. In comparison, Newport County is expected to experience the slowest rate of growth in the State through 2030, at 4.3%. And, the State of Rhode Island is projected to grow at 8.8% over the same period.

Table 2 – Population Projections for Portsmouth, Newport County and Rhode Island, 2000 – 2030 by the Rhode Island Statewide Planning Program

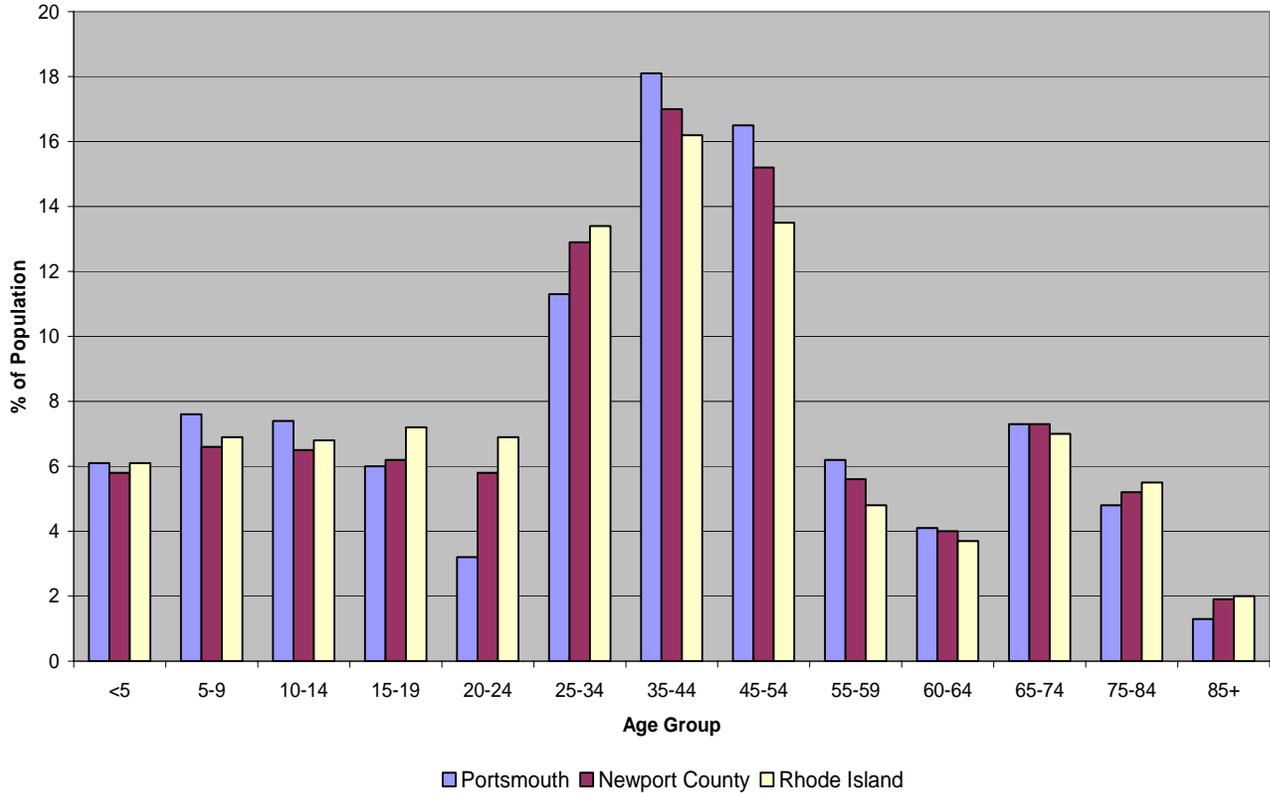
	Year						
	2000	2005	2010	2015	2020	2025	2030
Portsmouth	17,149	17,553	17,889	18,392	18,954	19,434	19,785
Newport County	85,433	85,998	86,469	87,174	87,961	88,633	89,125
Rhode Island	1,048,319 (actual)	1,062,441	1,074,199	1,091,813	1,111,464	1,128,260	1,140,543

2.2 Age of Residents

An examination of the population characteristics of Portsmouth from the 2000 Census indicates a median age of 39.9 years. The following chart provides a breakdown of the percent distribution by age for the town, the county and the state. The most notable feature in this comparison is the relatively high proportion of middle age groupings (25-55 year olds) in Portsmouth’s population, and a slightly lower proportion of the younger and older age groupings.

¹⁹ U.S. Census Bureau and RI Statewide Planning, Population Projections Rhode Island, Cities and Towns by County, 2000-2030, www.planning.ri.gov/census/popprojections, May, 2004.

Figure 2 – Age Composition of Portsmouth, Newport County and Rhode Island, 2000.



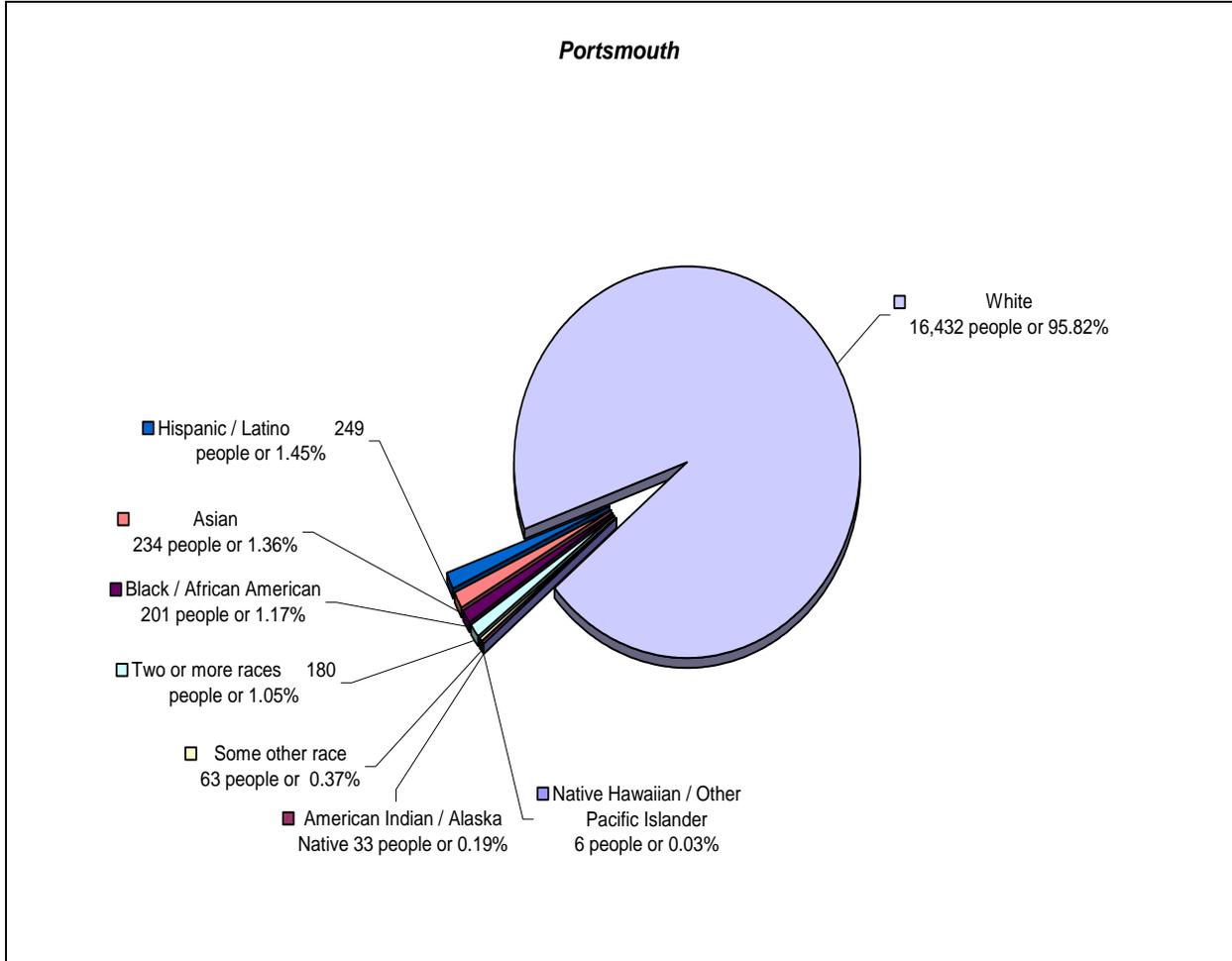
In 2000, Portsmouth’s elderly population (>65) comprised 13.4 percent of the total, which is on par with the entire State (14.5%). The State’s elderly population is expected to remain steady until about 2010, and then increase steadily thereafter until 2030.²⁰ Portsmouth’s elderly population can be expected to will follow this trend.

2.3 Racial and Ethnic Composition

Figure 3 below summarizes the racial and ethnic composition of the Town of Portsmouth according to the 2000 U.S. Census. Portsmouth is a mostly made up of people reporting that they are White/Caucasian. The Latino population is the second largest cohort followed by a close third by the Asian population.

²⁰ Ibid.

Figure 3 – Racial and Ethnic Composition of the Population of the Town of Portsmouth, Rhode Island according to the 2000 U.S. Census.



2.4 Portsmouth's Households

A *household* is defined as a person or group of people who occupy a housing unit as their usual place of residence. The number of households equals the number of occupied housing units in a census unit. In Portsmouth, the number of households increased 6.6% from 1990 to 2000 – this trend is comparable to the increase in households statewide for the same period (Table 3). The average household size in Portsmouth also got smaller, reflecting a state and national trend.

Table 3 - Portsmouth and Rhode Island Households, 1990-2000

	Portsmouth 1990	Portsmouth 2000	% Change	Rhode Island 1990	Rhode Island 2000	% Change
Total Population	16,857	17,149	1.7%	1,003,464	1,048,319	4.5%
Total Households	6,313	6,758	6.6%	377,977	408,424	8.1%
Average Household Size	2.7	2.5		2.6	2.5	
<i>Source: U.S. Census 2000</i>						

2.5 Housing Characteristics

Table 4 below shows the number of housing units, as well as a breakdown of tenure and ownership in Portsmouth, the East Bay Market Area, and the entire State. It also details the changes between 1990 and 2000 in occupied, vacant, and seasonal housing units for the three geographic areas. There was a 7% increase in the number of housing units in the Town of Portsmouth from 1990 to 2000 while the ratio of renters and owners varied slightly. The number of owners increased 1.8% over the decade. Seasonal and vacant units decreased by 1.9% and 4.2% in this time period, respectively.

Table 4 – Housing Tenure and Ownership

	Portsmouth	%	East Bay Market Area	%	Rhode Island	%
Total Units						
1990	7,217		56,042		414,572	
2000	7,386		59,442		439,837	
% Increase						
1990-2000	7.00%		5.70%		6.10%	
Occupied Units						
1990	6,313	87.30%	50,246	89.70%	377,977	91.20%
2000	6,758	91.50%	54,261	91.30%	408,424	92.90%
Owner-Occupied						
1990	4,552	72.10%	31,930	57.00%	224,792	59.50%
2000	5,003	73.90%	35,254	59.30%	245,156	60.00%
Renter Occupied						
1990	1,761	27.90%	18,316	32.70%	153,185	40.50%
2000	1,755	26.10%	19,007	32.00%	163,268	40.00%
Vacant Units						
1990	922	12.70%	5,796	10.30%	36,595	8.80%
2000	628	8.50%	5,181	8.70%	31,413	7.10%
Seasonal Units						
1990	516	7.10%	2,500	4.50%	12,037	2.90%
2000	381	5.20%	2,831	4.80%	12,988	3.00%
<i>Source: U.S. Census 1990, U.S. Census 2000</i>						

Table 5 below compares population growth and the number of housing units. The rate of new housing units in Portsmouth has outpaced population growth over the past the decades between 1980 and 2000. The number of housing units increased from 7,217 in 1990 to 7,386, a change of 7%. Meanwhile, population only increased 1.7% in the same time period. Compared to the growth of the 1980s, there has been a remarkable slowdown in the Town’s residential growth.

These numbers suggest that Portsmouth is following statewide and national trends toward smaller household sizes, especially in rural and suburban communities. In Portsmouth between 1990 and 2000, the average household size decreased from 2.7 to 2.5 persons per household. The average family size showed a slight (0.1%) increase to 3.1 persons. According to the Rhode Island Statewide Planning Program, “...between

1970 and 1995, the state added two units of housing for every one new addition to the population. Reasons for this are complicated. Factors include demographic trends such as smaller households, more elderly persons living independently, and economic trends such as the building boom of the mid-1980s.”²¹

Table 5 - Percent Increases in Population and Housing 1980-2000

	Portsmouth			Rhode Island				
	1980	1990	2000	1980	1990	2000		
Population	14,257	16,857	17,149	947,154	1,003,464	1,048,319		
Total Housing Units	5,773	7,235	7,386	372,672	414,572	439,837		
	% Increase 1980-1990		% Increase 1990-2000		% Increase 1980-1990		% Increase 1990-2000	
Population	15.42%		1.71%		5.90%		4.50%	
Total Housing Units	20.21%		2.10%		11.20%		6.10%	
Source: RI Housing Database 2003; U.S. Census 1990; U.S. Census 2000								

2.6 Housing Unit Distribution

In 2000, the most common type of housing in Portsmouth is a single family detached home, with 75.3% of the housing stock falling into this category. This number reflects an increase from 1990 of 2.4%. As seen in Table 6, the second most common housing type in Portsmouth is a structure that contains 2-4 units. The proportion of this type of housing increased by approximately 1% from 1990 to 2000. Multi-family and condominiums declined in relatively numbers over the study period. These data illustrate that Portsmouth is predominantly a single-family bedroom community and the greater proportion of home are owner-occupied.

²¹ State Housing Plan, op. cit., p. 2.5.

Table 6 - Town of Portsmouth Housing Stock Distribution

	1990	% of 1990	2000	% of 2000
Total Number of Units	7,235	100	7,386	100
Single-family, detached	5,280	72.9	5,559	75.3
Single-family, attached	435	6	365	4.9
2 - 4 Units	611	8.4	699	9.5
5 to 9 Units	87	1.2	133	1.8
10 + Units	285	3.9	268	3.6
Mobile home, Trailer or Other	537	7.4	362	4.9
Source: 2000 U.S. Census				

2.7 Age of Housing

Data on “Year Structure Built” was obtained for both occupied and vacant housing units (Table 7). ‘Year Structure Built’ refers to when the building was first constructed, not when it was remodeled, added to, or converted. The data relate to the number of units built during the specified periods that were still in existence at the time of enumeration of the 2000 Census. Houses have been added at an average rate of approximately 11% since the first reporting year. Recent years show a steady decrease in the building rate in Portsmouth.

Table 7 - Year Housing Structures Were Built in Portsmouth

	Number of Units	% of Total Units
Built 1999 to March 2000	113	1.67
Built 1995 to 1998	314	4.65
Built 1990 to 1994	405	5.99
Built 1980 to 1989	1,154	17.08
Built 1970 to 1979	1,331	19.70
Built 1960 to 1969	1,162	17.19
Built 1950 to 1959	1,050	15.54
Built 1940 to 1949	253	3.74
Built 1939 or earlier	976	14.44
Total Housing Units	6,758	100
Source: US Census 2000		

2.8 Recent Building Trends

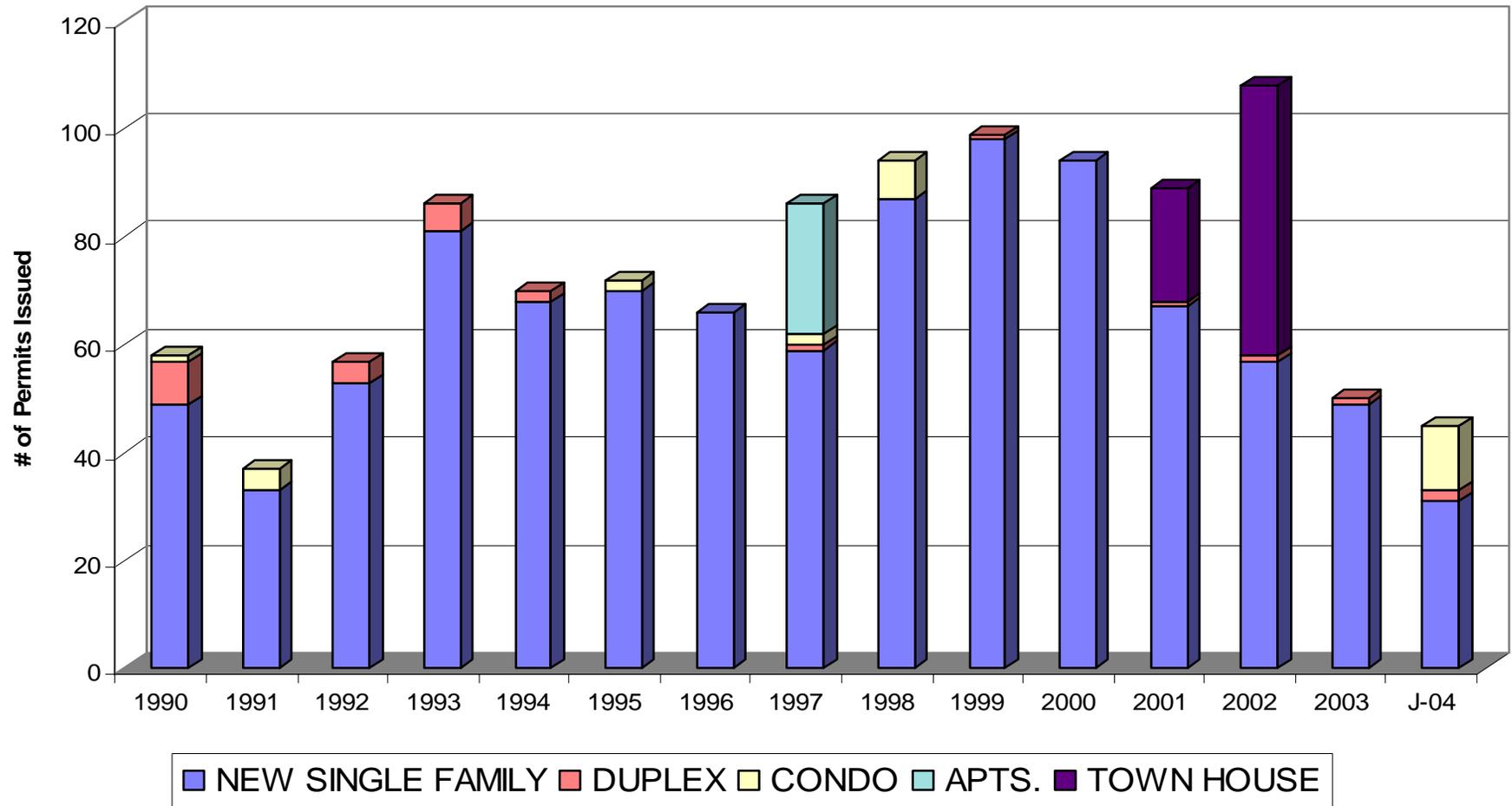
Records of building permits issued by the Town from 1990 through January 2004 are shown in Table 8 and Figure 4 below. These data provide more detail about the type of development that has occurred since 1990. As noted earlier, single family homes have been added to the Town's housing stock in great quantity than other housing types. Periodic increases in the construction of other housing types, such as the number of townhouses in 2001 and 2002, typically reflect the development of large scale residential communities or complexes.

Table 8 – History of New Housing Starts, Town of Portsmouth, RI, 1990 – January 2004

Year	New Single Family	Duplex	Condo	Apartment	Townhouse	TOTAL
1990	49	8	1			58
1991	33		4			37
1992	53	4				57
1993	81	5				86
1994	68	2				70
1995	70		2			72
1996	66					66
1997	59	1	2	24		86
1998	87		7			94
1999	98	1				99
2000	94					94
2001	67	1			21	89
2002	57	1			50	108
2003	49	1				50
J-04	31	2	12			45
Totals	962	26	28	24	71	1,111

Source: Town of Portsmouth Building Official, August 2004.

Figure 4 – Number of Building Permits Issued for Residential Developments, Town of Portsmouth, RI, 1990 – January 2004



2.9 Zoning Analysis

The Town of Portsmouth has a total of ten zoning districts, all of which permit residential uses to some degree. Table 9 shows the land area requirements for the various zoning districts. In summary, the Town's Zoning Ordinance regulates residential development as follows:

1. Single family dwellings are permitted by right in all 5 residential districts, and by special use permit in 3 of 4 non-residential districts by special use permit.
2. Two-family or duplex units are also permitted by right and are treated exactly the same as single family uses with regard to location, but they require twice the lot area as a single family dwelling (except for R20 zoning districts, where they are required to have 1.5 times the lot area). Refer to Table 10.
3. Multifamily uses are only allowed by special use permit in four residential zoning districts. The permitted density in the Waterfront District and the Town Center District as part of a PUD. Apartments, condominiums, cluster or town houses are regulated according to the availability of sewers and the number of bedrooms per unit. Table 11 shows these dimensional requirements. Since the Town does not currently have public sewers, most multifamily development would fall under subsection (1), below, which requires a lower density. The Town allows on-site wastewater treatment systems, sometimes referred to as "package" treatment plants, to qualify for the higher densities provide in subsection (2) in Table 10.

Table 9 - Portsmouth Residential Use Regulations (Article V, Section A, Zoning Ordinance)

A. RESIDENTIAL	R10	R20	R30	R40	R60	C-1	TC	I-L	I-H	WD
(Note: Please also refer to definitions of 'dwelling unit', 'family', and 'household'.)										
1. One detached dwelling unit on a separate lot occupied by not more than one household.	Y	Y	Y	Y	Y	N*	N	S	S	S
2. One two-family or one duplex structure on a separate lot.	Y	Y	Y	Y	Y	N*	N	S	S	S
3. Motels and Hotels (See Article VII.)	N	N	N	N	N	S	N	S	S	S
4. Renting of rooms in an existing dwelling unit to not more than four (4) persons provided there are no separate cooking facilities and no separate means of ingress or egress.	Y	Y	Y	Y	Y	N*	N	N	N	S
5. Renting rooms in an existing dwelling unit to more than four (4) persons.	N	N	N	N	N	S	N	N	N	S
6. Conversion of an existing dwelling unit to accommodate not more than two (2) households provided there is no external evidence of occupancy by more than one (1) household and provided the dimensional requirements for a two-family dwelling are met.	Y	Y	Y	Y	N	N*	N	S	S	S
7. Conversion of an existing dwelling unit to accommodate more than two (2) families.	S	S	S	S	N	N*	N	S	S	S
8. Trailer or mobile home, except in a trailer or mobile home park.	N	N	N	N	N	N	N	N	N	N
9. Trailer park or mobile home park.	N	N	N	N	N	N	N	N	S	N
10. Apartments, Condominiums, Cluster and Town Houses or Multi-family development (See Article VII.)	S	S	S	S	N	N	S	N	N	S
* Lots directly abutted on both sides by residential uses may apply for a special use permit for said residential use.										
11. Mixed Residential and Commercial Uses, except Home Occupations.	N	N	N	N	N	S	S	S	S	S
12. Community Residences (See definition.)	Y	Y	Y	Y	Y	Y	S	S	S	S
Y = Permitted by Right; S = Special Use Permit; N = Not Permitted										

Without some sort of sewage treatment system in place, the current regulations may not provide densities that permit economical development of multifamily housing in affordable price ranges. For example, in a R20 zone, a multifamily development composed of all 2-bedroom units with an onsite ISDS, would require 16,000 sq. ft. per unit, or 2.72 units per acre. The overall range of densities is a high of 11.62 du/ac for a development in an R10 zone having all 1-bedroom units with offsite sewers, to a low of 1.09 dwelling units/acre for a development in an R40 zone having all 3-bedroom units with on-site ISDS.

Table 10 – Land Area Requirements Table, Town of Portsmouth, RI

Zoning District	Min. Lot Area	Min. Lot Area per Dwelling Units	Min. Lot Frontage	Minimum Yard Setbacks			Maximum Bldg. (stories)	Height (feet)	Max. % Lot Coverage
				Front	Rear	Side			
RESIDENTIAL DISTRICTS									
R-10	10,000*	10,000**	100'	20'	20'	10'	2-1/2	35'	20%
R-20	20,000*	15,000**	110'	30'	30'	15'	2-1/2	35'	20%
R-30	30,000*	30,000**	125'	30'	30'	20'	2-1/2	35'	20%
R-40	40,000	40,000	125'	30'	30'	20'	2-1/2	35'	20%
R-60	60,000	60,000	200'	50'	50'	50'	2-1/2	35'	10%
COMMERCIAL DISTRICTS									
C-1	20,000		110'	30'	20'	15'	2	35'	25%
TC	20,000		110'	5'	20'	15'	3	35'	35%
INDUSTRIAL DISTRICTS									
I-L	40,000		200'	60'	50'	30'	2	35'	25%
I-H	40,000		200'	60'	50'	30'	2	35'	25%
WATERFRONT DISTRICTS									
WD	20,000	15,000	110'	30'	30'	15'	2-1/2	35'	30%

* Except 40,000 square feet where not serviced by a public water system
 ** Where more than one dwelling unit is permitted on a lot.

This zoning analysis is provided as a precursor to the discussion regarding community build-out and the potential number of new housing units that could be expected over time based on available land and zoning. The next section applies this information in a summary of the 2001 build-out analysis provided by the Town of Portsmouth Planning Department.

Table 11 – Dimensional Requirements for Multifamily Dwellings

1) If served by an on site sewer system with effluent being discharged into an on site absorption field, the minimum buildable land area per unit in square feet is as follows:				
ZONE	1 BR	2 BR	3 BR	EACH ADD'L BR
R-10	5,000	8,000	10,000	3,000
R-20 & WD	10,000	16,000	20,000	6,000
R-30	15,000	24,000	30,000	9,000
R-40	20,000	32,000	40,000	12,000
2) If served by sewer system plant or public sewer system with effluent being discharged into an offside absorption field the minimum buildable land area per unit in square feet is as follows:				
ZONE	1 BR	2 BR	3 BR	EACH ADD'L BR
R-10	3,750	5,600	7,500	2,000
R-20 & WD	7,500	11,000	15,000	4,000
R-30	11,250	17,000	22,500	6,000
R-40	15,000	22,500	30,000	8,000
NOTE: Any room such as a den, playroom, etc. is to be considered as a bedroom for this purpose. Source: Portsmouth Zoning Ordinance, Article VII, Section C.10, 2004				

2.10 Developable Land/Build-Out Analysis

A build-out analysis is a technique used to estimate the resulting development in a community if it were to be entirely developed under the provisions of existing zoning. It is a planning exercise that shows future land uses that result from existing regulations and policies. There are two major reasons for performing a build-out analysis. First, basic knowledge regarding the ability of the land to accommodate additional development under present zoning can be understood. Second, it can help to identify critical issues (e.g., land shortage or surplus) that may need to be considered in the formulation of planning policies and implementation strategies designed to address them.

The Town of Portsmouth Planning conducted a build-out analysis in 2001. Table 12 below presents the data from this analysis. Several assumptions are made to facilitate the analysis thereby allowing a reasonable estimate of potential developable lots.

Table 12 – Portsmouth Build-Out Analysis by the Portsmouth Planning Department

<i>Vacant Buildable Lots No Subdivision Needed</i>				<i>Yield Potential from Subdivision of Vacant Parcels, Farm and Oversized Lots</i>			
Zone	Platted Parcels	Parcels requiring Variance	TOTAL	Vacant Residential Parcels	Farms	Oversized Residential Lots	TOTAL
R10	8	28	36	60	0	94	154
R20	111	30	141	662	146	903	1,711
R30	22	3	25	937	41	654	1,632
R40	61	9	70	274	146	359	779
OS	0	0	0	28	0	0	28
C	0	0	0	0	0	0	0
LI	0	0	0	0	0	0	0
HI	0	0	0	0	0	0	0
TOTAL	202	70	272	1,961	333	2,010	4,304
Type of Lot							Total
Vacant Buildable Size Lots							272
Additional lots from subdividing Vacant, Oversize Residential + Farms.							4,304
"Dotted Line Lots" over 3,000 SF							264
TOTAL POTENTIAL HOUSING LOTS							4,840

2.11 Economic Development

Historically, Portsmouth is an agricultural and maritime community. Situated at the northern end of Aquidneck Island, it has served a significant role in the local and regional economy, past and present, as home to farms and coastal mercantile waypoints. Due in no small part to World War II, the build up of Naval installations and development supporting industries on Aquidneck Island, the Town was converted to residential uses. In fact, Portsmouth experienced a dramatic population increase of 4,270 from 1950 and 1960. Since that time, industrial and commercial growth led by large corporations like Raytheon (1960) and Kaiser Aluminum (1968), have driven steady increases in residential growth in the town. Raytheon, in particular, currently boasts 1,600 jobs, with 700 new high-paying jobs arriving since 1999.²²

²² RI Manufacturer's Association (<http://63.151.43.135/FeaturedMember/>), October 6, 2004.

The quality of life in Portsmouth is a driving force for local economic development and changes in the housing market. Portsmouth is coastal, scenic and possesses the unique character of a New England island community. It is located within a relatively short commute of Providence, Newport, Fall River, New Bedford and all of the smaller commercial and industrial centers of southeastern New England. Economic development in any of these areas potentially influences Portsmouth with respect to housing. Due to its desirability and proximity to other commercial or population centers, there is a great demand for buildable land in Portsmouth. Simply put, people want to live in Portsmouth, and that desire is driving up the demand for real estate.

2.12 Income Data

The U.S. Census reports that the 1999 median household income in Portsmouth was \$58,835 and the per capita income was \$28,161. The town's median household income is considerably higher than the median statewide, \$42,090, while the per capita income in Portsmouth is also higher than Rhode Island's \$21,688. Portsmouth ranks 10th out of 39 Rhode Island cities and towns in the state in terms of median household income.

Since 1980, the median household income in Portsmouth has grown steadily and on pace with the upward trend experienced by the region and the State as a whole. Table 13 provides a summary of the median household income data for 1980, 1990 and 2000 for Portsmouth, the East Bay Market Area, and the State of Rhode Island. These data are based on 1979, 1989, and 1999 data, respectively and are not adjusted for inflation. Therefore, the percent changes given in Table 13 reflect the increases in actual values for the reported years.

Table 13 - Median Household Income for Portsmouth, East Bay Market Area and Rhode Island, 1980-2000

Year	Portsmouth	East Bay Housing Market Area	Rhode Island
1980	\$20,103	\$17,704	\$16,097
1990	\$42,474	\$36,684	\$32,181
2000	\$58,835	\$50,593	\$42,090
Percent Change 1980-1990	111%	107%	100.0%
Percent Change 1990-2000	38.5%	37.9%	30.8%
<i>Source: U.S. Census 1980; U.S. Census 1990; U.S. Census 2000 (Based on 1979, 1989 and 1999 economic data.)</i>			

Income data for the Town of Portsmouth was analyzed according to U.S. Census Tract Block Groups. U.S. Census Bureau define “census tract” as, a small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment, census tracts average about 4,000 inhabitants. They may be split by any sub-county geographic entity. A block group consists of all the blocks within a census tract with the same beginning number. It defines as block group as, a subdivision of a census tract (or, prior to 2000, a block numbering area), a block group is the smallest geographic unit for which the Census Bureau tabulates sample data.²³ Table 14 summarizes the Census Tract Block Groups for Portsmouth. The analysis was conducted at this level of detail to better understand housing and income variation within the town.

²³ U.S. Census Bureau, 2004. (http://factfinder.census.gov/home/saff/main.html?_lang=en)

Table 14 – Census Tract Block Groups and Area Names for Portsmouth, RI 2000

TRACT	BLOCK GROUP	AREA NAME
401.01	1	Common Fence Point
401.01	2	Fort Butts
401.01	3	Island Park
401.02	1	East Central
401.02	2	Southeast
401.03	1	Northwest
401.03	2	Central
401.03	3	Prudence
401.03	5	So. of Union + Redwood
401.03	9	Melville

Table 15 – Population, Housing and Economic Data for the Town of Portsmouth by Census Tract Block Group

Census Tract	401.01			401.02		401.03				
Block Group	1	2	3	1	2	1	2	3	5	9
Population and Households										
Total population	1,668	1,680	1,295	4,164	1,705	1,439	2,779	88	1,660	671
Total households	654	678	575	1619	617	568	1023	53	776	195
Average household size	2.55	2.48	2.25	2.57	2.76	2.48	2.71	1.66	2.14	3.44
Household Income										
Median Household Income*	\$61,120	\$51,299	\$42,708	\$71,229	\$66,174	\$54,856	\$68,722	\$19,688	\$54,313	\$46,786
Housing Characteristics										
1-unit, detached	697	410	537	1,476	510	475	924	192	330	8
1-unit, attached	0	20	29	42	38	20	0	0	84	132
2 units	7	92	57	95	17	25	29	0	34	123
3 or 4 units	0	36	17	10	47	34	26	0	50	0
5 to 9 units	0	4	6	18	8	32	0	0	65	0
10 to 19 units	0	0	0	0	0	0	0	0	17	0
20 or more units	0	7	0	32	35	15	64	0	98	0
Mobile home	7	131	33	29	8	9	8	0	114	16
Boat, RV, van, etc.	7	0	0	0	0	0	0	0	0	0

Source; U.S. Census 2000

* Median Household Income data in 1999 US\$

According to the 2000 U.S. Census the range of household incomes across the ten block groups of Portsmouth consists of Prudence Island (401.03.3) with the lowest area median household income of \$19,688 and, on the other end of the range, the East Central (401.02.1) part of Portsmouth has a median household income of \$71,229 (Table 15). Coincidentally, these areas are the least and most populated areas in town. If these outliers are removed from the data set, the median household incomes for the other eight block groups fall within \$10,000 of the town wide average.

Table 16 contains data that illustrate the number of households falling into various income brackets. These data suggest a normal distribution of household incomes across the community, which is comparable to regional and state data. These data also show that approximately 7% of Portsmouth households live at or near the federal threshold for families living below the poverty level.²⁴

Table 16 - Household Income Distribution (Year 1999) Portsmouth, East Bay Area, and RI

	Portsmouth	Portsmouth %	East Bay Market Area	East Bay Market %	Rhode Island	Rhode Island %
Number of Households	6,766	100.0%	54,263	100.0%	408,424	100.0%
Less than \$10,000	344	5.1%	4,055	7.5%	43,800	10.7%
\$10,000-\$14,999	220	3.3%	3,215	5.9%	28,604	7.0%
\$15,000-\$24,999	489	7.2%	5,511	10.2%	50,524	12.4%
\$25,000-\$34,999	644	9.5%	5,914	10.9%	48,428	11.9%
\$35,000-\$49,999	993	14.7%	8,127	15.0%	64,068	15.7%
\$50,000-\$74,999	1,753	25.9%	11,624	21.4%	82,350	20.2%
\$75,000-\$99,999	957	14.1%	6,566	12.1%	43,623	10.7%
\$100,000-\$149,999	899	13.3%	5,855	10.8%	31,162	7.6%
\$150,000-\$199,999	221	3.3%	1,586	2.9%	7,914	1.9%
\$200,000 or more	246	3.6%	1,810	3.3%	7,939	1.9%
Median Household Income	\$58,835		\$50,593		\$42,090	

Source: U.S. Census 1990, U.S. Census 2000

²⁴ The 'weighted average threshold' or "poverty line" for one individual in 2000 was \$8,794 and for a 2-person family unit with no children was \$11,239. U.S. Census 2000 (<http://www.census.gov/hhes/poverty/threshld/thresh00.html>).

2.13 Housing Prices—Ownership and Rental

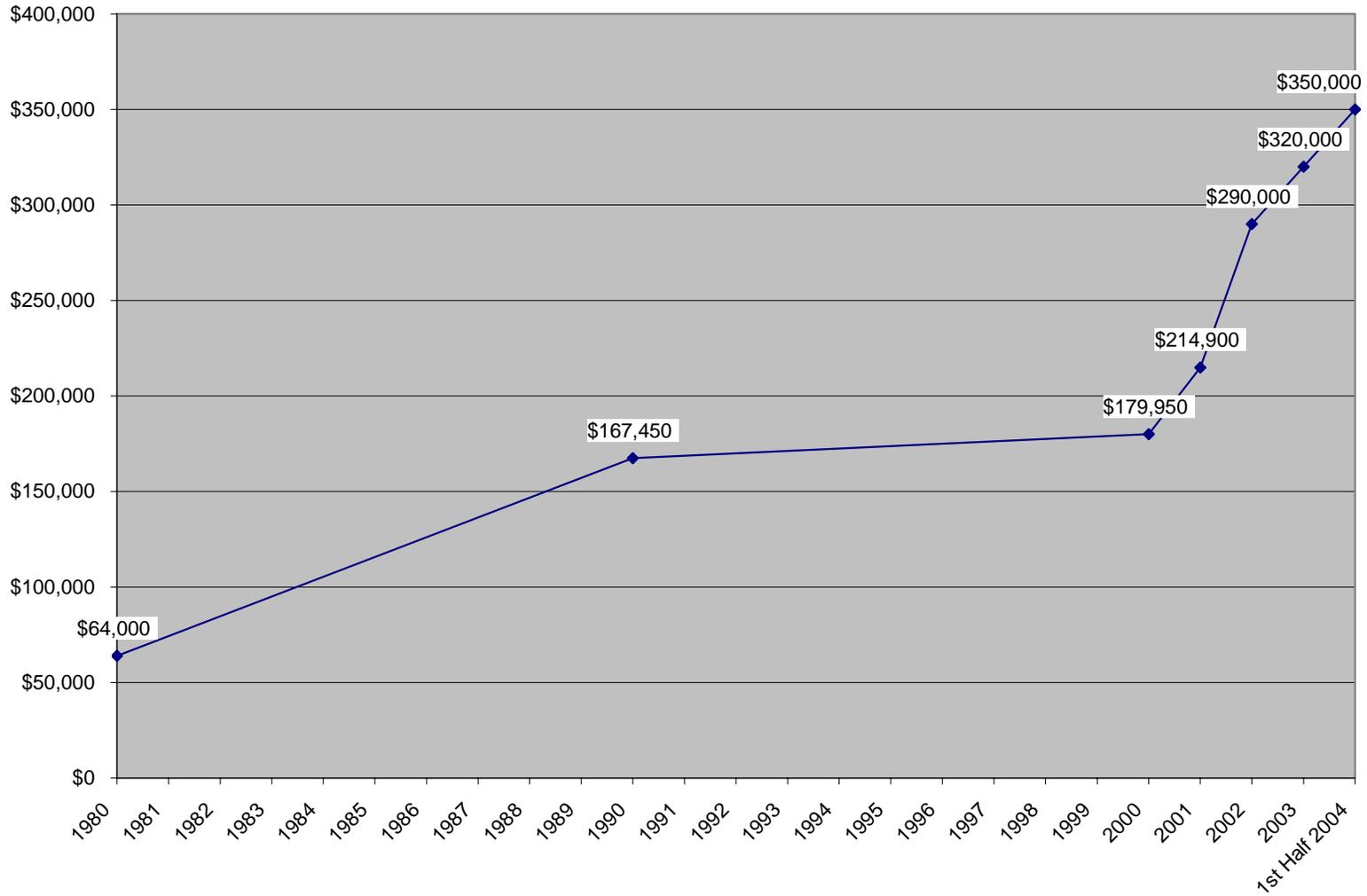
The cost of housing in the Town of Portsmouth is presented in this section, as well as the cost of renting an apartment or other residence. Of the several different types of housing available in the Town, single family detached homes on individual lots are the most common, accounting for 75% of the housing stock. The price of single family homes in Portsmouth has been growing steadily over the last 24 years (Table 17). From 2000 to the second quarter of 2004, housing prices in Portsmouth climbed an average of 23.7% each year. Between 1990 and 2000, housing prices climbed 6.95%, while the 1980s experienced the largest increase in recent history as housing prices grew 61.78%. Figure 6 illustrates the climb in Portsmouth’s housing prices in recent history.

Table 17 - Median Sales Prices of Portsmouth Single Family Housing Stock, 1980-2003

	2004	2003	2002	2001	2000	1990	1980
	1st Half *	Year End	Year End	Year End	Year End	Year End	Year End
Median Sales Price	\$350,000	\$320,000	\$290,000	\$214,900	\$179,950	\$167,450	\$64,000
% Increase	8.57% from 2003	10.34% from 2002	34.95% from 2001	19.42% from 2000	6.95% from 1990	61.78% from 1980	
<i>Source: Rhode Island Living</i>							
<i>*1st Half is defined as January to June</i>							

These sales prices compare favorably to figures for the East Bay Region but exceed sales prices for the State as a whole. In fact, the 2004 and 2003 median sales prices for Portsmouth are equal to the median sales prices for the East Bay Region for the past two years. However, Rhode Island’s median sales prices for 2003 and 2004 were \$100,000 less than the sales prices in Portsmouth for these years. Barrington, Jamestown, Little Compton and Newport have higher median sales prices than Portsmouth for this year.

Figure 5 – Median Housing Prices in Portsmouth, RI, 1980 to 1st Half of 2004²⁵



²⁵ State-Wide Multiple Listing Service Inc., July 2004 (www.riliving.com)

The sharp increase in housing prices in recent years is a statewide, if not nationwide, problem. Recent studies have noted that the “affordability gap” – the financial expanse between [increasing] housing prices and [decreasing] household incomes – is widening. This trend does not bode well for first-time home buyers and working Americans. In order to purchase and maintain a home, more households must spend more than what is considered affordable.²⁶

The financial hurdles to obtain housing is not exclusive to the home buyer; renters seeking housing in Portsmouth, and the greater Rhode Island region, have experienced increases in the rental market. At year-end 2003, the monthly cost of renting a one-bedroom and two-room apartment was approximately \$913 and \$1,255, respectively.²⁷ Compared to year-end 2002, these figures represent a \$47 decrease for a two-bedroom apartment, when taking into account utilities.²⁸ This decrease may be an anomaly because a look back to 2001 shows that a one-bedroom cost \$723 per month and, for the two-bedroom unit, monthly costs were \$865, see Table 18.

Table 18 – Result of the Rhode Island Housing Rental Survey for one- and two- bedroom apartments in Portsmouth, Rhode Island, 2001-2003

Year	One-bedroom	Two-bedroom
2001	\$723	\$865
2002	\$923	na
2003	\$913	\$1,255

Rents in Portsmouth are generally higher than the fair market rents of the greater Northeast region. Table 19 below contains the 2000 – 2004 U.S. Department of Housing and Urban Development’s Fair Market Rents (FMRs) for the greater region. FMRs are

²⁶ Edgar, Randal. *Most R.I. jobs don’t pay enough to provide housing*, Providence Journal-Bulletin, Friday, August 20, 2004. Page A1.

²⁷ *Rhode Island Housing, 2003. “RI Housing Rent Survey, Year-end 2003 vs. Year-end 2002”* (http://www.rihousing.com/pdf/Average_Rents_in_RI_Cities_Towns.pdf). Accessed April 8, 2005.

²⁸ No comparison can be made between 2002 and 2003 rental costs for a 3-bedroom apartment because of the lack of 2002 data.

used by HUD to determine rents and payment standards for several assistance programs, like Section 8 and Housing Choice.²⁹

Table 19 - Rhode Island Area Two Bedroom Fair Market Rents, FY 2000, 2002 – 2004, HUD

FMR Region	FY	FY	FY	FY	% Change 2000 - 2004
	2000	2002	2003	2004	
New London-Norwich, CT-RI	\$729	\$764	\$784	\$797	9%
Providence-Fall River-Warwick MSA	\$667	\$650	\$667	\$678	2%

²⁹ Federal Register / Vol. 68, No. 190 / Wednesday, October 1, 2003

3.0 LOW AND MODERATE INCOME HOUSING IN PORTSMOUTH

As of February 19, 2004, Rhode Island Housing reported that the Town of Portsmouth had 169 low and moderate income housing units, as defined by Rhode Island General Law (R.I.G.L. 45-53-3(5)). These 169 units constitute 2.41% of the Town’s year-round housing stock of 7,005 units. The greater proportion of these units (N = 134) attend to the Town’s elderly housing needs. For Portsmouth’s LMI families in need of housing, there are currently 12 units. And, for special needs and homeless, 23 units are currently available in Portsmouth. Table 18 describes the existing the low and moderate income housing units in the Town of Portsmouth.

Table 18 – Summary of Low and Moderate Income Housing in Portsmouth, RI, 2004

Name/Owner	Type	# of Units
Elderly		
Quaker Manor – Portsmouth Housing Authority	Public Housing - Rental	40
Sakonnet View - USDA	Tax Credit – Rental	24
Anthony House – Church Community Housing	Tax Credit/RIH Section – Rental	70
Family		
Church Community Housing	RIH HOME – Homeownership	12
Special Needs		
Various	Group Home Beds	18
Coastal Housing	RIH HOME – Rental	5
GRAND TOTAL		169
<i>Source: Rhode Island Housing, February 19, 2004</i>		

3.1 Housing Agencies and Organizations working in Portsmouth

There are three active public housing organizations at work in the Town of Portsmouth. The **Portsmouth Public Housing Authority** is an independent municipal agency that manages a public housing development for the elderly called, Quaker Manor, and Portsmouth’s Section 8 Voucher Program. **Coastal Housing Corporation** is a private 501(c)3 organization governed by a Board of Directors made up of nine Executive Directors of public housing authorities from municipalities across the State of Rhode Island. Their mission is to development and manage affordable housing projects

across the State. **Church Community Housing Corporation** based out of Newport, Rhode Island, is another private, not-for-profit development organization with a long, successful history of developing and managing housing ownership and rental projects.

3.1.1 Portsmouth Housing Authority

The Portsmouth Housing Authority (PHA) is an independent agency working in partnership with the Town. The PHA manages the Town's Section 8 housing assistance (voucher) program and owns, manages and administers Portsmouth's only public housing development, Quaker Manor, on East Main Road. PHA has its offices located at Quaker Manor. Quaker Manor is a 40-unit complex made up of one-bedroom apartments (350 – 400 sq. feet each) housing 18 couples and 22 singles (Figure 6). The residential complex is age-restricted; all residents are near-elderly (50+) or elderly. It was constructed in the early 1960s and has an interminable restriction on affordability. In other words, it will remain public housing indefinitely.

Figure 6 – Photograph of driveway and entrance to Quaker Manor and the Portsmouth Housing Authority.



There is a local and regional demand for beds at Quaker Manor. The present-day waiting list for Quaker Manor contains 10 Portsmouth residents. On a regional scale, nearby Town of Jamestown has 55-person waiting list for space. PHA believes that the waiting list would be longer if Quaker Manor's apartments were larger.³⁰ At 350 to 400 sq. ft. each, people consider these units too small. In general, the demand is highest for age-restricted housing with spacious apartments.

PHA would like to expand Quaker Manor on land it owns next to the existing complex. They have a 9-acre parcel of land. On this land, they envision 20 new units served with individual sewage disposal systems (ISDSs). If a

³⁰ Personal communication. James Dilley, Executive Director, Portsmouth Housing Authority. October 25, 2004.

centralized wastewater treatment system or an alternative, package ISDS were in place, PHA believes the development potential of the site would yield as many as 100 units.³¹

Portsmouth's Section 8 Voucher Program consists of 85 individual vouchers. The Town has no project-based vouchers. Seventy (70) individual vouchers are currently applied to housing while 15 vouchers are held but waiting for affordable rental opportunities to open. Jim Dilley, Executive Director of the PHA, stated that there are 340 people on the Town's Section 8 wait list; 68 of them are families from Portsmouth. Affordable rental units are the limiting factor in this supply/demand relationship.

3.1.2 Coastal Housing Corporation (CHC)

The CHC is active in the Town of Portsmouth as an owner of affordable units and as an active developer of new housing projects. It has several conceptual projects that will lead to more affordable housing units. On one 4.5-acre parcel, there is a house with a basement apartment and a converted garage (handicap accessible) totaling three units. A new development on this parcel, currently in its second phase of funding, will bring 10 units of elderly-restricted housing. Final Design for this project is expected for delivery in April 2005.³²

CHC also owns five units on West Main Road that targets people with incomes at or below 50% of the Area Median Income. The current income restriction on these units will expire in 2009 as a 15-year restriction, which began in May 1994, comes to an end. Efforts to address this development are currently being considered. Potential solutions include working with a private developer to include low and moderate housing in a new development in exchange for land owned by CHC.

³¹ Ibid.

³² Ibid.

Other projects CHC has considered have faced a variety of difficulties that signal the type of challenges faced in today's affordable housing market. Recently, they have looked at three new development projects. One of these projects was a former Ramada Inn on Route 24 in northern Portsmouth. The second was a small subdivision next to Portsmouth High School. The third opportunity is the former Founder's Brook Motel. The Ramada Inn and High School opportunities fell through due to competition from other land developments. In the case of the Ramada Inn, Roger Williams University purchased and developed the property to supplement its residential facilities in Bristol, RI. Founder's Brook is also being looked at by the University of student housing. CHC realizes it has stiff competition when private universities are searching for real estate opportunities similar to them.

3.1.3 Church Community Housing Corporation

Church Community Housing Corporation (CCHC) based in Newport, Rhode Island is very active on Aquidneck Island in many aspects of development and managing affordable housing programs and properties (see Table 19 below). Its website best summarizes its impressive accomplishments: "CCHC has developed 375 units of low-income rental housing including family, elderly, homeless, and special needs housing. In addition, it has developed over 100 units of housing for first-time homebuyers and has provided rehabilitation loans for over 1200 units of housing in Newport County. CCHC has also assisted two resident organizations develop housing cooperatives that serve 35 families. Their homebuyer-training program has graduated over 180 families. CCHC also works with local municipalities to fund public sidewalk replacement, tree planting programs, sewer line installations and community center improvements."³³

³³ Housing Network of Rhode Island Member Website. (<http://www.housingnetworkri.org/page0021.htm>) November 1, 2004.

Table 19 – Affordable Housing Development of the Church Community Housing Corporation in Portsmouth, RI.

NAME	UNITS	POPULATION
Anthony House Middle Road	71 apartments	Elderly & Disabled
Linda Terrace	8 bed Group home	Developmental Disabled
Homeownership/Land Trust Various locations	11 single family homes	First time homebuyers & Families
<i>Source:</i> Church Community Housing. November 1, 2004.		

The Town of Portsmouth pays CCHC an administrative fee to administer its Community Development Block Grant programs. These programs range in scope from housing development and rehabilitation assistance to funding for improvements to public services and facilities. A comprehensive list of these programs and their associated expenditures from 1998 to 2004 are provided in Appendix A. In addition, CCHC administers Portsmouth’s Regional Revolving Loan Fund (RRLF) and Island Park Septic System Loan Program. Appendix B and C provide detailed summaries of these programs, respectively.³⁴

3.2 Homelessness and Special Needs Housing in Portsmouth and the Region

According to Rhode Island Housing, 23 units in Portsmouth serve the homeless and special needs populations in the area. There are 18 Group Home beds and five (5) very low income rental units in total. Outside of the town, there are several regional opportunities for individuals in need of transitional or emergency housing. Table 20 lists the shelters in the region as documented by the Rhode Island Coalition for the Homeless.³⁵

³⁴ Church Community Housing Corporation. November 2004.

³⁵ RI Coalition for the Homeless. (http://www.rhomeless.com/emergency_housing.htm) November 1, 2004.

Table 20 – Transitional Housing and Homeless Shelters in the Portsmouth Area

Facility Name	Location	Population Served
<i>Transitional Housing</i>		
Child and Family Services of Newport County – Winslow Court	24 School Street Newport, RI	Adults/families
Lucy’s Hearth	909 West Main Road Middletown, RI	Women/Children
Rhode Island Veteran’s Home	480 Metacom Avenue Bristol, RI	Veterans/ Adult Males
<i>Homeless Shelters</i>		
Lucy’s Hearth	909 West Main Road Middletown, RI	Women/Children
McKinney Cooperative Shelter	15 Meeting Street Newport, RI	Individuals/Families
Women’s Resource Center of Newport/Bristol Counties	114 Touro Street Newport, RI	Victims of domestic violence and their children

It is worth mentioning here that included within the special needs population are the frail elderly. Currently, frail elderly are served by the Portsmouth Housing Authority at Quaker Manor, which is restricted to elderly residents, including elderly with disabilities. Approximately 10% of the 40 beds at this facility are occupied by the frail elderly. Otherwise, this facility is operating at full capacity and there is a waiting list, as discussed above.

3.3 Tax Relief Programs in Portsmouth

The Town of Portsmouth offers tax exemptions to qualifying seniors and impoverished residents as a local subsidy for costs of housing and real property. This direct financial assistance allows residents to stay in their homes without the risk of foreclosure. For the current fiscal year (2005), 1,146 exemptions were given by the Town for a total of \$16,003,365. A breakdown of the exemptions is provided in Table 21 below.

Table 21 – Data report from Town of Portsmouth Tax Assessor's database on Senior & Income Exemptions.

	Senior	Senior Variable	Poverty
Number of Exemptions	1,068	71	7
Total Exempted (\$)	\$12,442,220	\$3,435,200	\$155,965
Total Value at Current Tax Rate	\$202,683	\$55,959	\$2,541
Average Value per Exemption	\$190	\$788	\$363
Senior – Over the age of 65. Senior Variable – Exemption based on income from \$0 to \$21,561 household income. Poverty – Exemption based on income from \$0 to \$15,000. Source: Town of Portsmouth. November 2004.			

4.0 STRATEGIES TO ATTAIN THE LOW AND MODERATE INCOME HOUSING GOAL

4.1 Recommended Strategies

As required by Handbook 16, the Town must identify specific strategies required to attain the ten percent threshold requirement for low and moderate income housing. This section presents a detailed explanation of strategies specifically recommended for all types of “affordable housing.” It includes affordable housing that is defined in state enabling legislation,³⁶ but is not considered to be “low or moderate income housing” that is credited toward a community’s ten percent standard. More general housing policies and strategies are also provided in the Housing Element.

The Town’s Land Use Committee met several times during the fall of 2004 to develop a series of actions that would create opportunities for the creation of LMI housing units and to provide specific actions designed to achieve the number of low and moderate income housing units projected in Section 5.0. In addition, these strategies are based on the Town’s Housing Goals as stated in the Housing Element as modified in Section 3.1 herein.

³⁶ Rhode Island general Laws, §42-128-8.1(d) (1) defines “affordable housing” as residential housing that has a sales price or rental amount that is within the means of a household that is moderate income or less. In the case of dwelling units for sale, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, heat and utilities other than telephone, and condominium or association fees, if any, constitute no more than thirty percent (30%) of the gross household income for a moderate income household. 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 thirty percent (30%) of the gross annual household income for a household with eighty percent (80%) or less of median income for the area of residence, adjusted for family size. Affordable housing shall include all types of year-round housing, including, but not limited to, manufactured housing, housing originally constructed for workers and their families, accessory dwelling units, housing accepting rental vouchers and/or tenant-based certificates under Section 8 of the United States Housing Act of 1937, as amended, and assisted living housing, where the sales or rental amount of such housing, adjusted for any federal, state, or municipal government subsidy, is less than or equal to thirty percent (30%) of the gross household income of the low and/or moderate income occupants of the housing.

4.2 Land Management Density Strategies

In order to be consistent with state guidelines for affordable housing plans, land management density strategies must demonstrate “...that the number of low and moderate income units projected to be produced are consistent with build-out estimates, geographic building constraints (e.g. wetlands, ledge, flood plains), and infrastructure and services planned for targeted areas.”³⁷

As discussed in Section 2.10, the Land Use Element of the Comprehensive Plan contained a build-out analysis that found that there would be an estimated 12,229 housing units at build-out and an estimated population of nearly 30,000 people. This compares with the 2000 Census counts of 7,386 total housing units and a 17,149 population, and represents increases of 66% in housing units and 71% in population. While there appears to be sufficient residential capacity in the community under current zoning, the Town actually faces severe constraints in locating new LMI housing at densities that exceed that which is permitted by current zoning.

The Town of Portsmouth does not have a public sewer system, except in limited areas on Navy property. The Comprehensive Plan noted that 86% of Portsmouth soils are rated as “poor,” or having development constraints that limit the use of conventional ISDS. Also, some 29% of Portsmouth has a high water table. The Plan contains very strong policies that are designed to protect groundwater, wetlands and coastal features, and to avoid environmental degradation due to overdevelopment and inadequate treatment of wastewater.

The land use strategies outlined below echo these policies by identifying construction of new and/or significant rehabilitation of affordable housing only in the areas that are best suited for high density housing, and by requiring adequate provision of facilities to prevent or reduce septic pollution.

³⁷ Handbook on the Local Comprehensive Plan, op. cit., p. IV-18.

STRATEGY 1: PRESERVE AND EXPLOIT EXISTING AFFORDABLE HOUSING OPPORTUNITIES IN THE TOWN

Action 1: Maintain the continued affordability of the Town's current affordable housing units.

As described in Section 5, the Town had 169 low/mod housing units as of July 2004. Some of these units may be lost at the expiration of the restrictions that guarantee their affordability. In these cases, the Town shall work with the property owners and with state and federal housing agencies to extend the restrictions, on a case-by-case basis. In the case of Quaker Manor, owned by the Portsmouth Housing Authority, this housing will be affordable for an indefinite length of time.

Action 2: Support local development projects that will result in additional low and moderate income housing for the community, including active and proposed developments referred to as, Boys Town, Coastal Housing Corporation Property, Senior Center, Quaker Manor expansion, and Rainbow Heights..

The Boys Town Organization has broken ground on five long-term residential homes in Portsmouth to provide direct care to abused, abandoned and neglected area children. (Boys Town is a privately funded non-profit organization.) The Coastal Housing Corporation has reached the final planning phase for 11 new units on its East Main Road property (combination of HUD 202, HOME, NOP and Threshold programs). Approximately 3.2 acres of vacant land adjacent to the Town Senior Center is proposed for new construction for elderly rental units. Approximately 26 housing units could be located here, possibly through the Town Housing Authority, most likely utilizing HUD 202 funds. The Portsmouth Housing Authority owns 9 acres adjacent to Quaker Manor. Under current conditions and a development served by ISDSs, 10 elderly-only units will be built to expand Quaker Manor (HUD 202 funds). The area of Town known as Rainbow Heights is a portion of the transferred U.S. Navy's property that will be developed by a private developer in cooperation with Church Community Housing Corporation and Coastal Housing Corporation. These housing corporations estimate as many as 74 additional LMI units to be created at the site (HUD 202, HOME and CDBG funds).

The Town of Portsmouth is committed to supporting these local LMI housing developments in the form of planning assistance. It will also cooperate with the two housing corporations to identify local, state, and federal funding sources to help develop and maintain these properties.

STRATEGY 2: IDENTIFY AREAS FOR HOUSING REHABILITATION

Action 1: Designate Island Park, Common Fence Point and Prudence Island as priority areas for rehabilitation.

The Island Park and Common Fence Point neighborhoods are high-density residential areas with significant numbers of former summer cottages. Many of these houses are being enlarged and/or converted to year-round housing, at significant increases in housing price. As a result, the Town

is losing an area that has traditionally been available to residents at more affordable prices. In order to preserve the affordable housing in this area, a special program of acquisition and rehabilitation shall be instituted. In cooperation with the Church Community Housing Corporation or other local/regional nonprofit housing organizations, the Town shall create a long-term program to acquire properties that qualify under Rhode Island Housing's Low Income Housing Tax Credit Program. Once acquired, these properties can be rehabilitated or sold to qualified low or moderate income individuals or families. Because the process of acquisition of several small properties is incremental, the use of the Land Bank Program offered by Rhode Island Housing may be helpful. Under this program, RIH will assist the Town and nonprofit agencies to acquire and hold property intended for development or rehabilitation of affordable housing for twelve months or longer. Using this technique, more than one property at a time can be converted to affordable housing, resulting in more efficient programming and cost savings.

The potential number of homes that could be targeted for this strategy was examined by investigating the age septic systems in the neighborhoods of Common Fence Point and Island Park. Appendix I includes two graphs representing the number of homes in these areas on cesspools – one indicator of their year of construction. Several hundred of these homes are in need of renovation and would most likely qualify for assistance to rehabilitate the building and/or the septic system. For the sake of this planning effort, it is projected that approximately, 25 % of these homes have the potential to be included in a targeted rehabilitation program.

Action 2: Create a process for conversion of surplus Town owned lands and buildings and Federal surplus property to affordable housing.

The Town shall adopt a policy of offering surplus properties for priority use as affordable housing. The Town shall offer such buildings/properties through a Request for Proposals (RFP) to private or nonprofit developers, who would be required to develop a mix of affordable and market rate housing as a reuse of former Town-owned buildings.

The Town will endeavor to secure a portion of surplus federal properties, especially the so-called “tank farms”, for use as affordable housing. This would include a careful assessment of which portions of such properties are suitable for residential development.

Action 3: Prepare an inventory of potentially suitable sites for rehabilitation of existing housing and adaptive re-use of nonresidential properties.

The Town shall create a data base of housing that has experienced code violations, sought rehabilitation loans, or has been changed from single to multi-family use. The database shall include information on the potential for expansion to accommodate additional affordable housing, mixed use opportunities, parking information, lot area and merger status, etc. These units shall be evaluated for their potential for acquisition and conversion to affordable housing by nonprofit housing agencies.

STRATEGY 3: ENCOURAGE THE DEVELOPMENT OF MORE TYPES OF AFFORDABLE HOUSING

Action 1: Encourage the conversion of the Town’s existing mobile home parks to affordable housing.

In Portsmouth as of December 31, 2003, there were 317 mobile homes: 132 are in Sunny Acres off Bristol Ferry Rd. and 133 at Melville Mobile Homes. There are two others of seven and 14 units each; the rest are scattered about town (e.g. 25 in Island Park that are not in an organized mobile home community). These homes may qualify for subsidizes if organized into a housing cooperative that maintain affordability restrictions over time. This strategy is modeled after efforts completed by Church Community Housing Corporation with a mobile home park in Tiverton, RI. Within the housing cooperative, a portion of the unit are committed to long-term affordability restrictions to persist as low and moderate income housing. The other units are stay as market rate [but clearly more “affordable” than typical homes].

The Town shall create a data base of housing that has experienced code violations, sought rehabilitation loans, or has been changed from single to multi-family use. In the Island Park area in particular, the data base shall include information on the potential for expansion to accommodate additional affordable housing, mixed use opportunities, parking information, lot area and merger status, etc. These units shall be evaluated for their potential for acquisition and conversion to affordable housing by nonprofit housing agencies.

STRATEGY 4: CREATE LOCAL INCENTIVES FOR THE CONSTRUCTION OF AFFORDABLE HOUSING.

Action 1: Create an Affordable Housing Trust Fund.

An Affordable Housing Trust Fund would act as the treasury for funds generated specifically for creation of affordable housing. The Trust Fund would be administered by the Town, acting as the fiduciary agent for all funds generated through impact fees, fees-in-lieu-of the construction of housing, assessments, grants, state or federal funding programs, private donations, land acquisitions or other sources of funding for affordable housing. The Town’s Affordable Housing Advisory Board (see Strategy 6, Action 2 below) shall advise the Town on the operation of the Trust Fund to ensure that the Fund is accountable to local needs. The Town Council shall approve all disbursements from the fund.

There are several local and national models of ‘housing trusts’ or ‘community trusts’ that Portsmouth could follow. The 2004 housing legislation package has created a special “Housing and Conservation Trust Study Commission” to study the potential contribution of land trust mechanisms to the development of low and moderate income housing in Rhode Island. Depending on the results of this study, Portsmouth may choose to lead the way by considering its recommendations for adoption at the local level. The State of New Jersey has pioneered successful programs that blend inclusionary housing and transfer of housing development credits between metropolitan and non-metro areas.³⁸ Such a system has not been tried in Rhode Island and State law does not prohibit it at present.

³⁸ Buchsbaum, Peter A., Esq. April 26, 2004. Implementing an Inclusionary Housing Program. Greenbaum, Rowe, Smith, Ravin, Davis and Himmel LLP. New Jersey.

Action 2: Continue property tax credits / abatements program for affordable housing.

For the current fiscal year (2005), the Town issued 1,146 exemptions for a total value of \$16,003,365. These tax abatements assist elderly and impoverished Portsmouth residents and allow them to stay in their homes. The Town will continue this local subsidy program.

Action 3: Waive local fees where applicable for production of affordable housing units through new construction or rehabilitation.

Currently the town assesses a variety of fees against new housing construction. These are listed in Appendix D. The average cost of these fees varies by the type and location of the construction, but it is estimated that a new single family dwelling valued at \$300,000 located on water lines would pay approximately \$5,941 in fees. Waiver of fees and charges for LMI units may be considered a “municipal government subsidy” as defined in the 2004 state housing legislation.³⁹ Any such housing that receives a waiver of fees, in order to be considered low or moderate income housing, must remain affordable for a period of at least thirty years.

Action 4: Offer density bonuses through zoning.

As in the case of a waiver of fees and charges, another technique that qualifies as a municipal government subsidy is the approval of density bonuses and/or internal subsidies. A “density bonus” is one form of Incentive Zoning that is permitted in Rhode Island, and is defined as “The process whereby the local authority may grant additional development capacity in exchange for the developer’s provision of a public benefit or amenity as specified in local ordinances.”⁴⁰ In this case, the public benefit would be the provision of low or moderate income housing. Under this technique, the housing density, or the maximum number of housing units permitted under zoning for any given development, is increased in exchange for the provision of low or moderate income housing.

Another technique that could be used to offer density bonuses as a form of municipal subsidy, is to permit low and moderate income housing in zoning districts at greater densities that would otherwise be permitted for market-rate housing by current zoning. The location of these areas shall be limited to sites that are suitable for higher density housing by virtue of environmental considerations, presence of utilities and adequate transportation. These sites shall be selected by the Town rather than by the developer. The locations of potentially suitable sites are described in Strategy No. 5, below, and are shown on Map 1. Under this incentive scenario, options are made available that permit low and moderate income housing to be developed at densities that are not allowed by the current, or underlying zoning district. In exchange for these densities, a certain percentage (or all) of the housing units in a development must be low or moderate income housing.

Action 5: Lower the minimum lot area for a two-family dwelling.

Two-family or duplex units are currently permitted by right wherever single family units are allowed, but they require twice the lot area as a single family dwelling (except for R20 zoning

³⁹ Rhode Island General Laws, §45-53-3(10).

⁴⁰ Rhode Island General Laws, §45-24-31(35)

districts, where they are required to have 1.5 times the lot area). As an incentive to the creation of LMI housing in two-family structures, the zoning shall be amended to grant a density bonus that permits two units in a structure on lots having an area that is 50% greater than that required for a single-family house in all zones, by right, provided that they are designed to be compatible with the neighborhood. The Town will develop architectural guidelines to this effect. In order to receive the lower minimum lot size, one of the two units must be restricted to remain affordable for at least thirty years.

Action 6: Offer use of internal subsidies as an incentive.

Another provision of the 2004 amendments to the state’s Low and Moderate Income Housing Act is the ability of the Town to allow “internal subsidies” by developers to qualify as a municipal government subsidy⁴¹. Although there is no clear definition of this term in the legislation, it refers to the practice whereby a developer is allowed to construct a certain number of market-rate housing units, and, through the profits generated from these units, is able to provide a certain percentage of low or moderate income housing in the same development. This is similar to the density bonus technique, because the number of market rate units must be high enough to generate a profit margin sufficient to “subsidize” the low and moderate units. This is particularly important for inclusionary zoning techniques described in Strategy 5, Action 4.

STRATEGY 5: IDENTIFY AREAS FOR NEW LMI HOUSING CONSTRUCTION

Action 1: Develop a multifamily zoning incentive district that consists of sites with the potential for the construction of low and moderate income housing units.

An incentive district adds another layer of land use guidelines or restrictions to an existing zone. Applied to specific, designated areas and shown on the Official Zoning Map, the incentive zone will permit the construction of LMI housing units using new construction on vacant land or the conversion of existing developed properties. Incentive districts of this type increase the potential to develop LMI housing in addition to the existing permitted uses of the underlying zoning district. The incentive district is not a mandatory requirement. Property owners may voluntarily choose to take advantage of the additional housing density (i.e., incentive) offered in the district, or may develop their property as permitted in the underlying zoning district currently in effect.

The density bonus recommended in this Plan has been designed to offer a one hundred percent (100%) bonus over the density, which is currently permitted in the zoning ordinance for multifamily dwellings having no sewer treatment plant or public sewer system. Of the total number of units created, a minimum of 25 percent (25%) are required to be LMI housing units, or more if the developer chooses to allocated a higher percentage of the total number of units to LMI housing.

⁴¹ The definition of “Municipal Government Subsidy” means assistance that is made available through a city or town program sufficient to make housing affordable, as affordable housing is defined in subsection 42-128-8.1 (d) (1); such assistance may include, but is not limited to, direct financial support, abatement of taxes, waiver of fees and charges, and approval of density bonuses and/or internal subsidies, and any combination of forms of assistance. (RI General Laws, §45-53-3 (10)).

Such a case may be true for a non-profit housing developer that may wish to use the incentive zone to build a development with 100% of the units as LMI housing.

Any LMI housing units created through the incentive zoning are considered to be a density bonus--qualifying as a municipal subsidy--and thus, will be credited towards the Town's ten percent LMI goal. All such LMI units permitted in this incentive zone must be guaranteed to remain affordable to low and moderate income residents for a minimum of 30 years.

Initially, zoning incentive districts have been designated in targeted growth areas, such as the Town Center district, along major highway corridors, along bus lines, and where there is adequate infrastructure and good soils. The Town has identified areas for this incentive district and it is presented as Map 1 of this Plan. In order to ensure that quality affordable housing that is consistent with the character of the town, the Town of Portsmouth will work closely with Rhode Island Housing and Mortgage Finance Authority to help determine the financial feasibility of specific projects, as needed.

Within the incentive district area, the Town has identified 32 sites that offer the potential for construction of up to 259 affordable housing units. The total area of these sites is 249 acres, of which approximately 215 acres of land is considered developable. This estimation of developable land was determined through a spatial analysis using RIGIS data and GIS software. Nonbuildable areas (e.g., wetlands, steep slopes) were subtracted from the total parcel area. These parcels are listed in Table 22 and Appendix G. They include sites that are zoned residential (27) and commercial (5), some of which are currently developed while others are vacant sites. Some parcels require the conversion of existing buildings, particularly in the commercial zones, where the first floor of a building would remain in commercial use, with up to two additional stories to be added for LMI housing.

It is recognized that many of these sites will not become available immediately, especially sites which are currently used for commercial uses. As indicated later in this Plan, the production of low and moderate income housing units may take up to 20 years to reach the level of ten percent of all year-round housing units in the Town.

Table 22—Potential Properties for Affordable Housing Development

Parcel Map / Lot	Zoning	Developable Land Area (acres)	Potential New Housing Units
12 20	R-20	2.50	12
12 43	R-20	2.50	12
12 52	R-20	2.50	12
13 2	R-20	20.00	97
13 5	R-20	3.10	15
18 11	R-20	2.51	12
23 18	R-20	5.00	24
23 19	R-20	14.42	70
23 3	R-20	2.50	12
27 1	R-20	1.50	7
27 33	R-20	5.00	24
28 13	R-20	1.50	5
29 101B	R-20	5.00	24
29 32	C	2.00	10
29 36	R-20	1.50	7
29 38A	R-20	2.00	10
30 8	R-20	21.64	105
31 32	C	4.00	19
34 10	R-20	2.00	10
34 4	R-20	3.00	15
35 14	C	6.00	29
38 4	R-20	3.56	17
38 4A	R-20	1.75	8
39 44A	R-20	3.00	15
41 35	R-20	2.87	14
44 15 front	C	6.99	34
45 93	C	2.50	12
45 96	R-20	13.00	63
57 10	R-30	14.60	71
57 11	R-30	19.70	95
57 12	R-30	24.46	118
64 28B	R-30	12.00	58
Total		215	1,036

Note: The estimate of 1,036 total units takes into account a 100% density bonus. With the 25% LMI requirement a total of 259 Potential New LMI Units could result. For the purposes of this plan, it was assumed that 75% of the units (777 units) would be built by 2025. Twenty-five percent of the total units, or 194 units, will be LMI housing units.

Action 2: Permit multifamily development at densities that are economical for development of affordable housing, yet protect environmental quality.

The Town’s zoning ordinance currently provides a sliding scale of densities for multifamily developments. Permitted densities range from a high of 11.62 du/ac for a development in a R10 zone

having all 1-bedroom units with offsite sewers, to a low of 1.09 du/ac for a development in an R40 zone having all 3-bedroom units with on-site ISDS. In order to encourage the production of LMI housing not included in the multifamily incentive district described in Action 1 above, these densities shall be increased to 4-7 units per acre. The sliding scale shall be retained, with higher densities offered for development projects having a high percent of LMI units vs. market rate units.

Action 3: Develop an inclusionary zoning ordinance.

Inclusionary zoning is a term that describes a zoning technique that provides incentives or mandatory requirements that a certain percentage of the housing constructed in new subdivisions or other land development projects is guaranteed to be affordable. Unless all of these units are financially subsidized by federal, state or nonprofit housing subsidy programs, the Town shall consider offering a density bonus of 30% above the maximum number of housing units permitted under zoning, so that these additional market-rate units will permit private developers to be able to finance the construction of the affordable units, which must be 20% of the total number of units in the development. All such housing must remain affordable for at least 30 years from initial occupancy.

Action 4: Allow payments in lieu of construction of LMI housing in any inclusionary zoning ordinance.

As an alternative to mandatory requirements that all new subdivisions or other residential developments construct a certain number of LMI housing units, the Town shall offer the option to allow the developer to pay a fee to the Town. These funds must be set aside and used only for the construction of LMI housing in other areas of the Town. The creation of an Affordable Housing Trust Fund is recommended below as an entity to receive, manage and distribute expenditures for the production of LMI housing units in the Town.

Action 5: Adopt Conservation Development Ordinances for new subdivisions.

Conservation Development is a site planning technique that requires a major percentage of a property being subdivided to be set aside as permanent open space. This open space can be creatively used for the location of wastewater drainfields, or other types of Innovative/Advanced wastewater treatment systems. If properly applied, conservation zoning could save open space while providing land for the treatment of wastewater needed to support the densities that are necessary for creation of affordable housing. The conservation development technique can also be used very effectively in conjunction with various incentives to produce affordable housing. For example, where a development proposal will preserve as open space or farmland, in perpetuity, an amount of land equal to or greater than the land area occupied by a low and moderate income development, the developable portion of said preserved land area could count toward developable lot area for the housing development. All other density bonuses for LMI development would also apply.

Action 6: Create LMI Housing with open space preservation

A major goal of all Portsmouth residents is to preserve open space, farmland, and the rural atmosphere of Portsmouth. The development of low and moderate income housing may seem at odds with this goal, but it need not be so. There are examples in which greater housing density is permitted on a small portion of a parcel, with the remainder permanently set aside for open space and/or farming. (This can also take place on separate parcels.) Most notable is the “Vermont Model,” which includes use of a community land trust. Their coalition included advocates of farmland protection and affordable housing, representatives of low-moderate income groups and environmentalists. It clearly demonstrates that communities do not have to choose between conservation and housing.

The Town will develop regulations that would permit greater density for low and moderate income housing in trade for either permanent set-aside of land for open space and/or farming on the same or another parcel, or a contribution to a land trust. The land trust would help purchase development rights of farms and open space.

Action 7: Limit the annual total number of units in for-profit comprehensive permit applications to the aggregate of 1% of total year-round units in the municipality.

In order to prevent Portsmouth from being overwhelmed with new housing units in any one year, the annual total number of units in for-profit comprehensive permit applications shall be limited to an aggregate of 1% of total year-round units existing at the time of application in Portsmouth.

STRATEGY 6: CREATE PROGRAMS THAT ACTIVELY SUPPORT AFFORDABLE HOUSING OPPORTUNITIES IN PORTSMOUTH.

Action 1: Expand collaborative efforts with local non-profit housing providers.

Church Community Housing Corporation (CCHC) has established a significant presence in the East Bay communities of Portsmouth, Middletown and Newport. Their mission is to provide decent, safe, and healthy neighborhoods. CCHC has developed 375 rental units of low-income rental housing in the area, including family, elderly, homeless, and special needs housing. Currently, CCHC administers the Town’s CDBG programs. The Town shall expand its current working relationship with this group and others like it, to work cooperatively on the creation of low and moderate income housing opportunities.

A list of organizations active in providing housing and housing-related services in the Portsmouth area is provided in the Appendix E.

Action 2: Form a Local Affordable Housing Advisory Board.

An Affordable Housing Advisory Board shall be created to act as a catalyst for affordable housing initiatives within the Town. It would also assist the Town, the State, and private and nonprofit developers to provide affordable housing in a manner that is consistent with the Comprehensive

Community Plan. The Board would initially be appointed by the Town Council and consist of citizens who represent the housing community, banking, real estate, business, local community organizations and others who have a direct interest in affordable housing in the Town. It would be advisory in nature, and would not replace or duplicate the duties of the Town Council, Planning Board, Zoning Board or Planning Department.

The general duties and purposes of an Affordable Housing Advisory Board are to:

- Establish short-term and long-term housing goals for the town that include those in this Plan;
- Support and expand the role of non-profit organizations in providing permanent affordable housing in the Town;
- Research properties in the Town that may be sites for affordable housing projects;
- Develop a site inventory of potentially suitable sites for rehabilitation of existing housing and adaptive re-use of nonresidential properties;
- Conduct educational programs regarding affordable housing issues within the community;
- Assist the Town in developing zoning amendments contained in this Plan to encourage affordable housing;
- Research the need and methods of establishing and administering an Affordable Housing Trust Fund;
- Identify funding sources for the production of affordable housing within the Town.
- Assure that any amendments to this plan are consistent with annual growth projections.
- Encourage and support the conversion of mobile home parks to affordable housing.

Action 3: Provide specific methods and procedures for the review of low and moderate income housing applications.

The Town shall adopt a zoning amendment that establishes procedural and substantive requirements for applicants seeking approval of low or moderate income housing as comprehensive permits. This section shall conform to new amendments made to the Low and Moderate Income Housing Act in 2004.

Action 4: Participate in statewide housing activities and planning efforts.

As described previously, the 2004 legislative amendments have expanded the duties of the State Housing Resources Commission, and requires them to develop a 5-year strategic housing plan by July 1, 2006. The content of this strategic plan may affect all local housing initiatives, including the policies and strategies/actions contained in this Affordable Housing Plan. The Town shall monitor the development of state housing plans and participate as required in their preparation. In addition, the studies to be undertaken by the Conservation Trust Study Commission may identify funding mechanisms that may assist the Town of Portsmouth in implementing the recommendations of this Plan.

5.0 RELATIONSHIP OF STRATEGIES TO AFFORDABLE HOUSING NEEDS

5.1 Quantitative Estimates of Future Housing Needs

This section examines the number of affordable housing units needed to achieve the applicable threshold requirement for low and moderate housing in Portsmouth. At the present time, the Town has 169 such units. Ten percent (10%) of the Town's 7,005 year-round housing units (2000 U.S. Census) requires a total of 701 units, or a deficit of 532 units as of July 2004. Of course, as the Town grows, the 10% number also grows. In order to encourage the construction of enough low and moderate units to reach the ten percent (10%) goal "within a reasonable period of time,"⁴² the Housing Plan must adopt policies and identify strategies that will, if successfully implemented, put the Town in compliance with the requirements of the Act. We have chosen a 20-year time frame as "reasonable". This requires an estimate of the total number of housing units in 20 years (2025), including new LMI housing to be built.

The analysis in Table 23 below assumes four growth scenarios: (1) most recent building rate; (2) slow growth; (3) moderate growth; and (4) high growth.⁴³ In each of these scenarios, an estimate is made of the number of low/mod units that would be required to be constructed annually to reach the goal. These estimates range from 34 to 38 units per year until the year 2020.

With no other action whatsoever, the Town would have to restrict anywhere from 33% - 45% of the usual annual number of housing units built in the Town to low and moderate income housing. In other words, 33% - 45% of all new housing units permitted by the Town would have to be subsidized through some federal, state or municipal program and carry an affordability restriction for at least 30 years. Obviously, this would be unrealistic. Therefore, attainment of the LMI threshold will have to rely on more than a percentage of additional units created by new development.

⁴² Handbook 16, op. cit., p. IV-19.

⁴³ Rhode Island Housing, Low and Moderate Income Housing Status Worksheet, Town of Portsmouth, August 2004, modified by Kleinschmidt Associates.

Portsmouth is approximately 60% developed, not subtracting wetlands. In addition, it is a long-standing community policy to preserve farms and open space. Despite environmental and community limits on growth, if we assume that the required low and moderate income housing units were constructed *in addition to* the estimated annual average of new housing starts of 78 units per year (1990 - 2004), the Town's ability to meet the ten percent threshold requirement would be pushed further into the future. This accelerated development forecast would strain the ability of the Town to manage the impacts created by the influx of new population and housing. Public facilities, like public schools, and their capacity to adequately serve, may be overburdened if all of these units are built - both market rate and low/moderate income – and add hundreds of new service recipients (especially school children). Ultimately, the Town must plan for the impacts of additional new low and moderate income housing as part of its overall growth management program. As shown in the various strategies, a portion, but not all, of the 10 percent goal can be accomplished by converting existing housing to LMI housing.

Table 23 – Summary of Building Permits and Growth Rates between 1980 and 2003 based on projections from Rhode Island Housing and recent Portsmouth Building Permit Data..

	1980 - 1989	1990 - 1999	1980 – 1999	1990 - 2004
Single Family	897	689	1,586	1,021
Multifamily	256	76	332	84
Total Units	1,153	765	1,918	1,105
Average Permits/Year	115	77	96	78
<i>*See Appendix H for a complete LMI Projection provided by Rhode Island Housing</i>				

5.2 Projection of LMI Production

It is estimated that the Town can reach its stated goal of 10 percent LMI housing units by the year 2025 by implementing the strategies detailed in Section 4. This would require an additional 444 units by 2015 and an additional 888 units by 2025. These LMI

units are projected in proportion to the anticipated growth of the Town from all sources, including traditional development in subdivisions, new housing units created in the RM incentive district, new LMI units created in the RM incentive district, and new LMI units created through strategies identified in Section 4 other than the RM incentive district.

Table 24 presents the housing production figures required to meet the 10 percent threshold by 2025. This projection results in approximately 44 new LMI units per year (i.e. 888 divided by 20) for each of the next 20 years.

Table 24 – Number of Housing Units Required to Meet the 10 Percent LMI Housing Standard

Year	Total Year-Round Housing Units	Low and Moderate Housing Units	Additional Low and Moderate Units	Percentage Low and Moderate
2000	7,005	169	0	2.41
July 2004	7,319 ¹	169	0	2.31
2015	8,099	613	444	7.57
2025	8,879	888	719	10
At Build-Out	11,845	1,185	1,016	10.0
Notes:				
1. Estimated housing units from Building Official's records of new housing permits through July 2004.				
2. This assumes that new housing will continue be added at a rate equal to the 15-year period 1990 - 2004, or approximately 78 units per year based on the Town Building Official's records for those years. See discussion in Section 2.8				
3. A build-out estimate of 4,840 more units than the 2000 total is based upon the Land Use Element of the Comprehensive Plan.				

5.3 The Rhode Island Consolidated Plan

The need for low and moderate income housing must be examined in light of the state and regional housing demand, as well as local needs. The Town must plan its affordable housing strategies so as to encourage production of the types of housing that are most needed in the community, region and State. These strategies must also bear a direct relationship with the State's five-year housing plan, which also serves as its HUD application and statewide strategic housing document. This document is called the Rhode Island Consolidated Plan 2000 – 2005⁴⁴ or, "Consolidated Plan." This five-year plan is based on a review of the State's housing market and overall housing and community development needs.

⁴⁴ Rhode Island Housing, 1999. Rhode Island Consolidated Plan 2000 -2005.

The Consolidated Plan 2000-2005 examined housing conditions in the state based on the 1990 Census. Some of the major findings of this study are:

- Rhode Island's homeownership rate continues to be lower than the national average
- Rhode Island has an insufficient number of large rental units
- Rhode Island has an inadequate supply of affordable housing
- The cost of rental housing continues to be a problem for Rhode Island renters
- Homelessness continues to be a statewide problem, not restricted only to cities
- There is a need for more permanent supportive housing for Rhode Island's diverse special needs population

The Plan assigned a high priority to several groups for which housing is needed on a statewide basis. Local communities are required to develop local housing strategies that are in proportion to the unmet local, regional and state housing needs identified in this Housing Element and in the Consolidated Plan. The Consolidated Plan identifies unmet regional and statewide housing needs as follows:

A. Rental Housing

- Extremely Low-Income Households (0-30% MFI)
- Families for both small and large related households
- Elderly, especially frail elderly and extremely low income elderly

B. Home Owners

- Moderate Income (51-80% MFI)

C. Homeless

D. Special Needs

- Frail Elderly
- Disabled Persons
- People Living with HIV/AIDS
- People transitioning from institutional care

5.4 Housing Needs Analysis of CHAS Data

In order to measure the nature of local housing demand in Portsmouth, the information contained in the Comprehensive Housing Affordability Strategy (CHAS)⁴⁵ was reviewed. CHAS is required as part of the National Affordability Housing Act of 1991, and is a requirement of agencies such as Rhode Island Housing to receive federal monies to support their programs. The CHAS is now a component of the Consolidated Plan. This information is published by HUD after every Census and provides information on the type of housing problems in a given community.

The 2000 CHAS data reveals that of Portsmouth's 2,071 low and moderate income households studied, 50.7 percent (50.7%), or 1,050 households, face some type of housing problem.⁴⁶ The 2000 CHAS data is presented in its entirety in Appendix F and summarized in Table 25 below, which presents these CHAS data by the household type – elderly, family and other – reporting housing problems. The figures in this table may differ slightly to the CHAS data in Appendix F due to rounding.

The housing needs of Portsmouth's LMI households appear consistent with those identified in the State's Consolidated Plan. Ownership needs are proportionally greater than rental housing needs for elderly, families and special needs. Elderly have the greatest housing needs overall based on estimates of current need; however, elderly rental housing is also in greatest supply compared to other housing types. Families comprised the greatest future need for new LMI housing in the state, region and Portsmouth. As Table 25 suggests, the proportional CHAS need for families may be lower than that for the elderly, but existing supply presently satisfies a significant share of that need. In the future, family housing constitutes approximately 42% of the need, elderly housing need

⁴⁵ United States Department of Housing and Urban Development, 2004. State of the Cities Data System (http://socds.huduser.org/CHAS/CHAS_java.htm). November 12, 2004.

⁴⁶ According to HUD, any housing problem is that which presents a, "cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities." Substandard conditions are defined as, "facilities without complete kitchen or bathroom facilities." (http://socds.huduser.org/CHAS/CHAS_java.htm). November 2004.

equates to approximately 34% and special needs will demand approximately 24% of the new LMI housing.

Table 25 – Town of Portsmouth Future LMI Needs Production by CHAS Data						
<i>Household Type</i>	<i>2000 Number of Households with Any Housing Problem</i>	<i>Proportional CHAS Need¹ (<= 80% AMI)</i>	<i># of LMI Units Needed by 2025²</i>	<i>Existing Supply</i>	<i>Future Need³</i>	<i>Proportion of Future Need</i>
<i>Elderly Renter</i>	130	12.4%	110	134	-24	-3.3%
<i>Elderly Owner</i>	302	28.8%	255	0	255	35.5%
<i>Family Renter</i>	154	14.7%	130	0	130	18.1%
<i>Family Owner</i>	226	21.5%	191	12	179	24.9%
<i>Other Renter⁴</i>	150	14.3%	127	23	104	14.4%
<i>Other Owner</i>	88	8.4%	74	0	74	10.4%
<i>Total LMI Units</i>	<i>1,050</i>	<i>100.0%</i>	<i>888</i>	<i>169</i>	<i>719</i>	<i>100.0%</i>

1 Projected by 2000 CHAS for households with less than or equal to 80% Area Median Income (AMI).
 2 Value equals Proportional CHAS Need multiplied by the number of LMI units needed by 2025 based on the 1990 to 2004 growth rate of 78 housing units per year.
 3 Future need equals CHAS need minus existing LMI supply.
 4 For the purposes of this analysis and planning effort, 'Other' signifies special needs populations in the community.

Implementation of this Plan and the resultant new LMI units will be based on the needs quantified above. Over the next 20 years, new housing will have to be apportioned based on the number of units needed for each household type and tenure. These figures may change due to fluctuations in the housing market and population trends. Therefore, what is presented above shall be viewed as reasonable estimates based on today's best available data. Future affordable housing planning efforts will have to revisit these figures and make any necessary adjustments.

5.5 Need for Homeless and Special Needs Housing

In Portsmouth, twenty-three housing units are currently occupied by special needs individuals. According to the CHAS data discussed in Section 5.4, 238 units of housing constitute the Year 2000 need for the special needs population in Portsmouth.⁴⁷ Therefore, the Town has a current deficit of 215 units to meet the demand for housing units serving special needs individuals.

Special need populations in Portsmouth consist of the frail elderly, veterans, persons with physical, mental or developmental disabilities and people living with substance abuse problems.⁴⁸ These individuals have unique treatment and housing needs particular to their particular situation. In addition, many require specialized medical and/or psychiatric care as well as permanent housing. Others require transitional housing and treatment facilities to assist them in adapting to life outside of the institutional environment. To provide adequate housing for these Portsmouth citizens, the Town targets a certain proportion of the additional housing units prescribed in this plan as specified in the next section.

The RI Emergency Food and Shelter Board surveys shelter clients to determine the last place of residence for each individual to estimate the state and local homeless populations. These numbers provide some indication of the homeless need in the area. Twenty-five (25) clients reported the Town of Portsmouth as their last place of residence or 4% of the statewide total.⁴⁹ Three hundred and forty-six (346), or 6%, individual clients claimed to originate from towns in the East Bay Market Area, the region designated for this analysis. Of the East Bay towns, Newport has a large number of clients that claimed that city has a last place of residence – 225 clients – compared to 1 for Little Compton. Portsmouth’s neighbors of Middletown and Bristol were reported by

⁴⁷ For the purpose of this analysis and planning, a portion of the CHAS category “Other” is equated to signifies the special needs category for describing a population in the community in need of housing .

⁴⁸ Rhode Island Consolidated Plan 2000 – 2005. Rhode Island Housing and Mortgage Finance Corporation, January 15, 2000.

⁴⁹ *Ibid*, page 22.

39 and 35 clients, respectively. The total number statewide for 2002 -2003 was 5,686 with Providence reporting the most clients at 2,303.⁵⁰

There is no permanent or emergency homeless shelter in the Town of Portsmouth, although homeless persons originate from the town. Regionally, neighboring Bristol and the City of Newport report together 260 homeless clients. Homelessness is a statewide crisis with potentially severe localized impact for certain municipalities. The Town of Portsmouth is no exception. Therefore, Portsmouth, like all communities has a potentially significant role in managing the regional and state homelessness crisis. As a part of this comprehensive strategy to promote housing for low and moderate income households and the homeless, Portsmouth has assigned a proportionate number of additional units to address the homeless population. It will work with statewide and regional homeless organizations and faith-based groups to determine how to more specifically meet the needs of these populations.

⁵⁰ Ibid, *page 22*.

6.0 ACHIEVING THE LOW AND MODERATE INCOME HOUSING GOAL

6.1 Introduction

Table 24 indicated that the Town must have 888 new LMI housing units by the Year 2025 in order to achieve a ten percent threshold in that year. Of these 888 total units, 719 will be new and will be added to the 169 units the Town currently has. Table 25 assigned these 888 units to different household types and tenure type, to reflect current and future housing needs documented in the CHAS. Development action strategies were then identified and discussed in Section 4 as a means of attaining the ten percent threshold requirement. These strategies are briefly summarized as follows:

- Identification of specific sites
- Creation of a multifamily incentive district
- Inclusionary zoning
- Rehabilitation strategies
- Conversion of existing mobile home parks

Table 26 depicts the number of LMI housing units projected for each strategy by household and tenure type. Table 27 identifies the projected time period in which each strategy must be completed. These time periods are preliminary, and are subject to revision as the Town implements each strategy over time. Adjustments can and shall be made on at least an annual basis, and shall be reflected in the Town's periodic 5-year comprehensive plan updates.

6.2 Development Assumptions

Multifamily (R-M) Incentive Zoning District

For properties located in the Multifamily Incentive District, it is proposed to offer a municipal subsidy in the form of a density bonus equal to one hundred (100) percent of the total number of housing units allowed under current zoning, without sewers. Of these total units, 25 percent must be LMI housing units. These density provisions are discussed in detail in Section 2.9 and Table 10.

Within the incentive district, the Town has identified 32 properties identified in Table 22 and shown on Map 1, which contain enough developable land to support the development of a multifamily dwelling project. A complete analysis of these properties is provided in Appendix G. For these properties, the current zoning will support approximately 518 housing units. Assuming that 75% of these units will be developed before 2025 and an 100 percent bonus is applied; then 777 total units will be added to the Town based on the implementation of this strategy, of which 25 percent, or 194 would be LMI housing units.

A new RM zoning incentive district for these parcels will be adopted to permit these properties to be developed for multifamily housing without the need of obtaining a zone change from the Town Council, or a special use permit from the Zoning Board. The Town will adopt zoning amendments that provide for the review and approval of developments within the incentive district as a land development project by the Planning Board.

Town Property – Approximately 3.2 acres of vacant land adjacent to the Town Senior Center is proposed for new construction for elderly rental units. Approximately 26 housing units could be located here, possibly through the Town Housing Authority. The Portsmouth Housing Authority owns 9 acres adjacent to Quaker Manor. Under current conditions and a development served by ISDSs, 10 elderly-only units plus 3 family rental units will be built at Quaker Manor.

Rainbow Heights – Using HUD’s Section 202 Supportive Housing for the Elderly program, the Town will work with private, nonprofit sponsors to develop up to 52 units of supportive housing for very low-income elderly persons, including the frail elderly.

Inclusionary Zoning – Approximately half of the average 78 new units built per year are in new major subdivisions (six or more lots). It is assumed that the Planning Board will approve approximately 40 new residential units/lot per year in major subdivisions, of which 20 percent, or 8 units will be LMI units. A 30 percent density bonus will be given to the developer as an incentive to include these LMI units. This will be a mandatory provision for all new major subdivisions. Over the 20-year implementation period, this will create about 160 units⁵¹, of which 50 percent are projected to be family households, 25 percent elderly ownership units, and 25 percent special needs units.

Rehabilitation Strategies (Scattered Site Tax Credit) – The Low Income Housing Tax Credit (LIHTC) program offered by Rhode Island Housing offers assistance in the rehabilitation of existing housing, for sale or rental to qualified low/moderate income individuals. The Town will work with local non-profit housing organizations to acquire, rehab and return an estimated 30 units in each of the four, 5-year periods identified in Table 27. These 120 total units will be all

⁵¹ See Appendix J for calculations used to arrive at this figure.

family-occupied units, divided among family rental and home ownership on a 25-75% basis, reflecting the CHAS proportions in Table 25.

Lower Minimum Lot Size for 2-Family Homes (Duplexes)

Projections for duplex homes with adoption of a new ‘1.5 Times Basic Zoning’ requirement were made based on 531 existing vacant lots (Code 1300 as follows:

Minimum Lot Size (s.f.)	Minimum for 2 Lots (s.f.)	Minimum Lot of Duplex Home	Projected Number of Duplexes
10,000	20,000	15,000	3
20,000	40,000	30,000	21
30,000	60,000	45,000	3
40,000	80,000	60,000	7
60,000	120,000	90,000	0
			34
<i>of</i>	<i>531</i>	<i>code 1300 vacant lots</i>	

Conversion of Existing Mobile Home Parks – In partnership with local non-profit housing organizations, the Town will work with the owners and residents of two of the larger mobile home parks in the Town, Sunny Acres (132 units) and Melville Mobile Homes (133). A key step in this process entails the formation of housing cooperative comprised of the park residents. A portion of the individual homes in the development will have income limits and occupancy restrictions for LMI residents, the other portion of homes may not wish to participate in this type of program. Therefore, it is estimated that 60 LMI housing units can be created in each park, or 50% of each park, split equally between elderly homeownership and family homeownership units.

Table 26 – Projected Number of LMI Units by Household and Tenure Type							
Development Strategy	LMI Unit Totals by Strategy	Elderly		Family		Other Special Needs*	
		Rental	Home Ownership	Rental	Home Ownership	Rental	Home Ownership
Residential Multifamily Incentive Zoning District							
Subtotal RM Properties (583 market rate + 194 LMI = 777 total units. See Table 22)	194	25	25	80	54	10	
Town Properties							
Senior Center Property (Town)	26	26					
Quaker Manor	13	10		3			
Navy Property							
Navy (Rainbow Heights)	74	50		12	12		
Tank Farms	138	<u>39</u>		<u>39</u>		<u>118-40</u>	20
Inclusionary Zoning							
All new subdivisions, 2005-2025	160		10	50	80	20	
Duplex Housing							
Based on 531 vacant lots	34	5		19	5		5
Rehabilitation Strategies (Scattered Site Tax Credit) – see Appendix I							
Island Park	10				10		
Common Fence Point	6				6		
Prudence Island	4				4		
Conversion of Mobile Home Parks							
Sunny Acres	60		30		30		
Melville Mobile Homes	60		30		30		
Miscellaneous							
Boys Town	5					5	
Coastal Housing Corporation	10	10					
Totals by Household & Tenure Type							
Projected New LMI Units	794	<u>426-165</u>	95	<u>164-203</u>	231	<u>453-75</u>	25
Current LMI Housing Units	169	134	0	0	12	23	0
Total New + Current LMI Units	910	<u>260-299</u>	95	108-203	243	476-98	25
2025 Need Goal by CHAS Data*	881		355		324		201
Excess (Deficit)	82-83		0-39		27-122		0-78

Table 27 - Projected Number of New LMI Units by Strategy and Timeframe

Development Strategy	Year 0 to 5	Year 6 to 10	Year 11 to 15	Year 16 to 20	20-Year Totals
Multifamily Overlay Zoning District	14	60	60	60	194
Town Properties	13	26			39
Navy	74		69	69	212
Inclusionary Zoning	40	40	40	40	160
<i>Duplex Homes</i>	4	10	10	10	34
Rehabilitation Strategies (Scattered Site Tax Credit)		7	7	6	20
Conversion of Mobile Home Parks		60	60		120
Miscellaneous	15				15
Totals	160	203	246	185	794

7.0 RESPONSIBLE PARTIES, PARTNERS AND RESOURCES FOR IMPLEMENTATION STRATEGIES

This section identifies short-term actions (six months to a year); medium-term actions (1 to 5 years); and long-term actions (5 to 20 years) that are required in order to enable the Town to achieve its overall affordable housing goals. “Continuing” means actions that will take place throughout the 2-year period. Actions related to specific time frames in the Development Strategy (Table 27) are so specified. This matrix also identifies responsible parties and partners for each implementation strategy and identifies resources that will be tapped to achieve them. The following recommended Strategies and Actions are discussed in more detail in Section 4 – Strategies To Attain The Low And Moderate Income Housing Goal. For financial resources to support the development of low and moderate income housing in the Town of Portsmouth and the State of Rhode Island, please see the detailed summary of housing financial resources in Appendix E.

STRATEGY 1: PRESERVE AND EXPLOIT EXISTING AFFORDABLE HOUSING OPPORTUNITIES IN THE TOWN			
Action	Resources / Comments	Timeframe	Responsible Parties
<i>Action 1: Maintain the continued affordability of the Town’s current affordable housing units.</i>	The Town will continue to monitor the affordability restrictions on all LMI housing units created under this Plan	On-going	Affordable Housing Advisory Board, Town Solicitor, Planning Dept., PHA
<i>Action 2: Support local development projects that will result in additional low and moderate income housing for the community, including Boys Town, Coastal Housing Corporation Property, Senior Center, Quaker Manor expansion, <u>surplussed Tank Farms and Rainbow Heights</u>.</i>	The Town is a willing partner in the planning and development efforts for the Boys Town, Senior Center, Quaker Manor, <u>surplussed Tank Farms and Rainbow Heights</u> . It will continue to provide technical assistance to these efforts.	On-going	Planning and Zoning Departments, CCHC, Coastal Housing Corporation, <u>State of Rhode Island, Navy</u>

STRATEGY 2: IDENTIFY AREAS FOR HOUSING REHABILITATION			
Action 1: Designate Island Park, Common Fence Point and Prudence Island as a priority area for rehabilitation.	This is a policy that is stated in the Affordable Housing Plan. Coordination with local nonprofit and for-profit housing providers is required.	Ongoing; long-term	Town Council, Planning Board, Affordable Housing Advisory Board, Planning Dept.
Action 2: Create a process for conversion of surplus Town owned lands and buildings to affordable housing.	The Town Council shall adopt a resolution stating this policy, and require all municipal agencies (e.g., School Committee) to prepare a list of potentially surplus properties.	<i>Year 0 to 5</i>	Town Council, Town Solicitor,
Action 3: Prepare an inventory of potentially suitable sites for rehabilitation of existing housing and adaptive re-use of nonresidential properties.	This work can be done in-house. Allow for input from property owners, residents, local nonprofit and for-profit housing providers	On-going	Affordable Housing Advisory Board, Planning Dept., Building Official

STRATEGY 3: ENCOURAGE THE DEVELOPMENT OF MORE TYPES OF AFFORDABLE HOUSING			
Action	Resources / Comments	Timeframe	Responsible Parties
Action 1: Encourage the conversion of the Town's existing mobile home parks to affordable housing.	This action requires cooperation among the Town, Church Community Housing (CCHC), and affected property owners and residents of each mobile home park.	Years 6 - 15	Planning Department, Affordable Housing Advisory Board, CCHC, property owners & residents

STRATEGY 4: CREATE LOCAL INCENTIVES FOR THE CONSTRUCTION OF AFFORDABLE HOUSING

Action	Resources / Comments	Timeframe	Responsible Parties
<p>Action 1: Create an Affordable Housing Trust Fund</p>	<p>The creation of the Trust Fund can be initiated within the first year. Coordination with the state Conservation Trust Study Committee may take a year or two. Establishing long-term funding sources will be a long-term project, with ongoing input and Fund administration required.</p>	<p>On-going</p>	<p>Town Council, Town Solicitor, Tax Assessor</p>
<p>Action 2: Continue property tax credits / abatements for affordable housing</p> <p>Action 3: Waive local fees where applicable for production of affordable housing units through new construction or rehabilitation</p>	<p>The Town must research the potential impact on local taxes. The Affordable Housing Advisory Board shall be given the opportunity to provide input.</p>	<p>On-going</p>	<p>Town Council, Town Solicitor, Tax Assessor</p>

<p>Action 4: Offer density bonuses through zoning</p> <p>Action 5: Lower the minimum lot area for a two-family dwelling</p> <p>Action 6: Offer use of internal subsidies as an incentive</p>	<p>The Town will prepare and adopt a single comprehensive amendment to the Zoning Ordinance and Subdivision Regulations to implement the affordable housing strategies provided in this Plan.</p> <p>The use of consultants for this work element may be required. Estimated time of completion is 6 months - 1 year, to permit the Affordable Housing Advisory Board the opportunity to provide input.</p>	<p><i>Years 0 to 5</i></p>	<p>Town Council, Planning Board, Affordable Housing Advisory Board, Town Solicitor, Planning Dept., consultants</p>
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STRATEGY 5: IDENTIFY AREAS FOR NEW LMI HOUSING CONSTRUCTION

Action	Resources / Comments	Timeframe	Responsible Parties
<p>Action 1: Develop a multifamily zoning incentive district that consists of sites with the potential for the construction of low and moderate income housing units.</p>	<p>The Town has identified 35 potential sites and several areas/districts, which are shown on Map 1 and listed in Table 22. In the future, as new sites are identified from time to time, amendments to the Affordable Housing Plan shall be made. Input from housing nonprofits, property owners and developers is required.</p>	<p><i>First part completed; ordinance within year 1</i></p>	<p>Town Council, Planning Board, Affordable Housing Advisory Board</p>

<p>Action 2: Permit multifamily development at densities that are economical for development of affordable housing, yet protect environmental quality.</p> <p>Action 3: Develop an inclusionary zoning ordinance</p> <p>Action 4: Allow Payments in lieu of construction of LMI housing in any inclusionary zoning ordinance</p> <p>Action 5: Adopt Conservation Development Ordinances for New Subdivisions</p> <p>Action 6: Create LMI Housing with open space Preservation</p> <p>Action 7: Limit the annual total number of units in for-profit comprehensive permit applications to the aggregate of 1% of total year-round units in the municipality.</p>	<p>The Town will prepare and adopt a single comprehensive amendment to the Zoning Ordinance and Subdivision Regulations to implement the affordable housing strategies provided in this Plan.</p> <p>The use of consultants for this work element may be required. Estimated time of completion is 6 months - 1 year, to permit the Affordable Housing Advisory Board the opportunity to provide input.</p>	<p><i>Years 0 to 5</i></p>	<p>Town Council, Planning Board, Affordable Housing Advisory Board, Town Solicitor, Planning Dept., consultants</p>
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STRATEGY 6: CREATE PROGRAMS THAT ACTIVELY SUPPORT AFFORDABLE HOUSING OPPORTUNITIES IN PORTSMOUTH

Action	Resources / Comments	Timeframe	Responsible Parties
<p>Action 1: Expand collaborative efforts with local non-profit housing providers.</p>	<p>Initially, the Town will work in cooperation with the Church Community Housing Corporation and the Portsmouth Housing Authority. After an Affordable Housing Trust Fund is established, the Town can begin to initiate projects on its own.</p>	<p>Long-term, ongoing</p>	<p>Town Council, Planning Board, Affordable Housing Advisory Board, Planning Dept.</p>
<p>Action 2: Form a Local Affordable Housing Advisory Board.</p>	<p>The Town Council must establish this Board by resolution, and identify its purposes, duties, composition and authority.</p>	<p><i>Within year 1</i></p>	<p>Town Council</p>
<p>Action 3: Provide specific methods and procedures for the review of low and moderate-income housing applications.</p>	<p>The Town Solicitor and Planning Department shall prepare amendments to the Zoning Ordinance for handling comprehensive permit applications, consistent with recent housing legislation</p>	<p><i>Within year 1</i></p>	<p>Town Solicitor, Planning Dept., consultants</p>
<p>Action 4: Participate in statewide housing activities and planning efforts.</p>	<p>The State 5-year strategic plan is due to be completed by July 1, 2006. On-going coordination with Statewide Planning and the Housing Resources Commission by the Town is required.</p>	<p><i>Ongoing</i></p>	<p>Planning Dept., Affordable Housing Advisory Board,</p>

APPENDIX A

TOWN OF PORTSMOUTH

Community Development Block Grant Activities 1998 to 2004

ACQUISITION:

Housing Development: Extend water service at Quaker Estates to serve 5 new units planned for development the Portsmouth Housing Authority and Coastal Housing Corporation.

2004 - Amount: \$ 65,000

Housing Development: Provide funds to CCHC to acquire property for affordable housing opportunities for low and moderate-income families.

2004 - Amount: \$100,000

2003 - Amount: \$ 50,000

Down Payment Assistance: Provide 0% deferred payment loan to first time homebuyer:

2004 - Amount: \$ 5,000

2002 - Amount: \$ 3,500

2001 - Amount: \$ 4,000

2000 - Amount: \$ 5,000

1998 - Amount: \$ 3,800

REHABILITATION

Housing Rehabilitation: Provide 0% interest deferred payment \$5,000 loans to residents in the Island Park area to upgrade septic system.

2004 - Amount: \$ 20,000

2003 - Amount: \$ 35,000

Housing Rehabilitation: Provide grants up to \$5,000 for residents carry out lead abatement work.

2001 - Amount: \$ 15,000

Commercial Rehabilitation: Provide grants for Storefront improvements for business in Island Park.

2003 - Amount: \$ 5,800

1998 - Amount: \$ 6,450

Housing Rehabilitation: Rehab loans to owner occupied low and moderate-income homeowners:

2004 - Amount: \$ 89,300

2003 - Amount: \$ 51,300

2002 - Amount: \$ 71,400

2001 - Amount: \$ 77,400

2000 - Amount: \$ 61,595

1998 - Amount: \$ 35,000

CCHC Operating Cost - Regional Revolving Loan Fund, Down Payment Assistance, RI Housing Home Repair programs, Commercial Rehabilitation, neighborhood revitalization and loan servicing.

2004 - Amount: \$ 25,000

2003 - Amount: \$ 25,000

2002 - Amount: \$ 25,000

2001 - Amount: \$ 25,000

2000 - Amount: \$ 25,000

1998 - Amount: \$ 25,000

PUBLIC FACILITIES

Senior Center: A variety of renovations including handicapped access, energy conservation and miscellaneous repairs.

2004 - Amount: \$ 20,000
2002 - Amount: \$ 40,000
2001 - Amount: \$ 12,000
2000 - Amount: \$ 15,000
1998 - Amount: \$ 36,950

Streetscape improvements: including landscaping, lighting, benches, trash receptacles, and trees in the Island Park area.

2004 - Amount: \$ 30,000
2003 - Amount: \$ 50,000

PUBLIC SERVICES

East Bay Community Action: 2004 - Amount: \$ 5,000
2003 - Amount: \$ 5,000
2002 - Amount: \$ 20,000
2001 - Amount: \$ 50,000
1998 - Amount: \$ 5,000

Housing Hotline 2004 - Amount: \$ 2,000
2000 - Amount: \$ 3,500
1999 - Amount: \$ 4,000
1998 - Amount: \$ 2,000

Women's Resources Center: 2004 - Amount: \$ 4,000
2002 - Amount: \$ 4,000
2001 - Amount: \$ 3,000
1999 - Amount: \$ 4,000

ECONOMIC DEVELOPMENT

Working Capital 1998 - Amount: \$ 10,000
1999 - Amount: \$ 5,000
2000 - Amount: \$ 10,000

Community College of RI 2000 - Amount: \$ 75,000

TOWN ADMINISTRATION: 2004 - Amount: \$ 2,000
2003 - Amount: \$ 2,000
2002 - Amount: \$ 2,000
2001 - Amount: \$ 1,000
2000 - Amount: \$ 1,000
1999 - Amount: \$ 2,000
1998 - Amount: \$ 5,000

APPENDIX B

CHURCH COMMUNITY HOUSING CORPORATION (CCHC) NEWPORT COUNTY REGIONAL REVOLVING LOAN FUND (RRLF) LOAN PROGRAMS:

RESIDENTIAL REHABILITATION LOAN PROGRAM REGULATIONS

1. BORROWER ELIGIBILITY

- (a) The Borrower must be owner occupant or must give satisfactory evidence that he will become owner occupant upon completion of the rehabilitation work. The Borrower must occupy the rehabilitated structure for period of not less than (3) years after the date of the first loan payment. If the borrower vacates the structure prior to the three-year period without sufficient cause, the interest rate on the balance of the outstanding loan will be readjusted to the then market rate. The Borrower may also be a non-profit entity that rents to low & moderate-income tenants.
- (b) The Borrower must demonstrate ability to repay the rehabilitation loan.
- (c) The Borrower's current income must not exceed the current HUD established moderate income limits as published by HUD and included in these regulations as Section 7, **ELIGIBILITY INCOME LIMITS**.
- (d) Multi-family owner occupied property shall contain at least 51% low and moderate income households, duplex properties shall be 50% low and moderate income households.

2. STRUCTURE ELIGIBILITY

- (a) The structure must contain state minimum housing code violations and it must be demonstrated that all of these code violations will be corrected with the completion of the rehabilitation work. Upon completion of the rehabilitation, the structure will contain not more than four (4) dwelling units; 8 units in the case of a non-profit owner.
- (b) The structure may be a mixed-use building if the residential portion measured by square footage is the dominant use. Eligible improvements shall be restricted to the residential portion of the common area.

3. ELIGIBLE IMPROVEMENTS

- (a) Correction of state minimum housing code violations.
- (b) Heating, electrical, and plumbing systems.
- (c) Chimneys and flue work.
- (d) Insulation and energy conservation.
- (e) Repair or replace ceilings, walls, floors, roofs, exterior siding, doors, windows, and steps.
- (f) Interior and exterior painting.
- (g) Plumbing fixtures, electrical fixtures, kitchen cabinets, and hot water heaters.
- (h) Landscaping, fencing, off-street parking, walks, and rubbish removal.
- (i) Septic Systems
- (j) Lead abatement

4. LOAN TERMS AND CONDITIONS

- (a) Maximum loan or \$20,000 for a single-family property and a maximum loan of \$40,000 per multi-family property. (CCHC, at its option, may provide additional loan funds if it is determined necessary to correct code violations.)
- (b) Minimum loan of \$1,000.

- (c) Interest rate to be 3%.
- (d) Amortization over a maximum of 15 years.
- (e) CCHC, at its option, may secure the loan with a mortgage deed on the rehabilitated property.
- (g) Creditor: Church Community Housing Corporation (CCHC), 50 Washington Square, Newport, RI 02840 or its assignee.

5. DEFERRED PAYMENT LOANS

- (a) Eligibility for a deferred payment loan shall be the same eligibility for a loan, with the exception that the applicant must be at least 60 years of age or permanently disabled. An applicant may be eligible for both a loan and a deferred payment loan if all requirements are met.
- (b) Structure eligibility - Same as the Loan Program.
- (c) Eligible Improvements - Same as the Loan Program.
- (d) Maximum amount of the deferred loan - \$3,500.00
- (e) Terms and Conditions: The deferred payment loan shall be interest free, but payable in full when the property is sold or title transferred. The deferred payment loan shall be secured by a lien against the property.

6. ELIGIBILITY INCOME LIMITS

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Middletown and Portsmouth area:

Family Size:	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Jamestown, Tiverton and Little Compton area:

Family Size:	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000

7. ADDITIONAL REQUIREMENTS

- (a) At the completion of the rehabilitation, at least 51% (50% in the case of a two-unit structure) of the units in the structure must be occupied by low and moderate-income persons.
- (b) At the completion of the rehabilitation rents in the multi-family structures shall be at or below the current HUD established Fair Market Rent Level and must remain at or below this annually adjusted level for the term of the loan

Fair Market Rent Level
(including utilities)

	<u>Middletown and Portsmouth</u>				
# Bedrooms:	0	1	2	3	4
Rent:	597	729	901	1,224	1,581
	<u>Jamestown, Tiverton and Little Compton</u>				
# Bedrooms:	0	1	2	3	4
Rent:	676	732	845	1,013	1,202

HOMEOWNERSHIP ASSISTANCE LOAN PROGRAM REGULATIONS

The purpose of this program is to promote homeownership by providing deferred payment 0% interest loans to eligible families purchasing their first home and in need of financial assistance in paying down payments and closing costs.

1. BORROWER ELIGIBILITY

- (a) The Borrower must be a first time homebuyer as defined by Rhode Island Housing and Mortgage Finance Corporation (RIHMFC). The Borrower shall not have had an ownership interest in his or her primary residence for the past three years. The Borrower must occupy the purchased structure for a period of not less than (3) years after the date of acquisition. If the Borrower vacates the structure prior to the three-year period without sufficient cause, the interest rate on the balance of the outstanding loan will be adjusted to the then market rate.
- (b) The Borrower must demonstrate the ability to obtain financing from the RIHMFC First Homes Mortgage Program or another lending institution.
- (c) The Borrower must demonstrate that the loan funds are necessary to complete the purchase and are not available from other sources.
- (d) The Borrower's current income must not exceed the current HUD established moderate income limits (80% of median) as published by HUD and the Borrower shall provide documentation of income verification equal to that provided to the first mortgage lender to prove eligibility.
- (e) Each Borrower shall be limited to one (1) loan.

2. STRUCTURE ELIGIBILITY

- a) The structure must meet state minimum housing code and HUD Housing Quality Standards.
- (b) Structures to be acquired must be located in Newport County
- (c) Purchase price of the property shall not exceed the maximum purchase price as established by RIHMFC.

3. ELIGIBLE USE OF LOAN FUNDS:

- (a) Loan funds may be used to provide up to 50 percent of the down payment required from a low or moderate-income buyer.
- (b) Loan funds may be used to pay any reasonable closing cost incurred by a low or a moderate-income buyer that are associated with the purchase of a home.

4. LOAN TERMS AND CONDITIONS

- (a) Maximum loan amount shall be \$5,000.
- (b) Minimum loan of \$1,000.
- (c) Interest rate to be 0% unless otherwise stated herein.
- (d) The loan shall be due and payable upon transfer of the property unless otherwise determined by CCHC.
- (e) CCHC, at its option, may secure the loan with a mortgage deed on the property.
- (f) Creditor: RRLF c/o Church Community Housing Corporation (CCHC), 50 Washington Square, Newport, RI 02840 or its assignee.

5. ELIGIBILITY INCOME LIMITS

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Middletown and Portsmouth area:

Family Size:	1	2	3	4	5	6
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Jamestown, Tiverton and Little Compton area:

Family Size:	1	2	3	4	5	6
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000

6. **ADDITIONAL REQUIREMENTS FOR MULTI-FAMILY STRUCTURES**

- (a) Upon the completion of the purchase, at least 51% (50% in the case of a two unit structure) of the units in the structure must be occupied by low and moderate income persons and the rents paid by the occupants shall be at or below the current HUD established Fair Market Rent Levels.

<u>Fair Market Rent Level</u> (including utilities)	# Bedrooms:	<u>Middletown and Portsmouth</u>				
		0	1	2	3	4
	Rent:	597	729	901	1,224	1,581
		<u>Jamestown, Tiverton and Little Compton</u>				
	# Bedrooms:	0	1	2	3	4
	Rent:	676	732	845	1,013	1,202

FORCLOSURE PREVENTION LOAN PROGRAM REGULATIONS

The purpose of this program is to preserve homeownership by providing 3% interest loans to eligible families threatened with foreclosure and loss of stable safe affordable housing.

1. **BORROWER ELIGIBILITY**

- (a) The Borrower must be an existing homeowner threatened with mortgage foreclosure that will result in loss of their primary residence.
- (b) The Borrower must demonstrate the in-ability to obtain financing from the RIHMFC Mortgage Program or another lending institution conventional mortgage programs.
- (c) The Borrower must demonstrate that the loan funds are necessary and sufficient to prevent foreclosure and there are no other available financing from other sources.
- (d) The Borrower must demonstrate the ability to repay the loan monthly over a period of 15 years.
- (d) The Borrower's current income must not exceed the current HUD established moderate income limits (80% of median) as published by HUD and the Borrower shall provide documentation of income verification equal to that provided to a first mortgage lender to prove eligibility.
- (e) Each Borrower shall be limited to one (1) loan and the Borrower must occupy the home for period of not less than (3) years after the date of the loan closing. If the Borrower vacates the home prior to the three-year period without sufficient cause, the interest rate on the balance of the outstanding loan will be adjusted to the then market rate.

2. **STRUCTURE ELIGIBILITY**

- a) The structure must meet state minimum housing code, HUD Housing Quality Standards be in compliance with local zoning regulations.
- (b) Structures must be located in Jamestown, Middletown, Portsmouth, Tiverton or Little Compton.

3. **ELIGIBLE USE OF LOAN FUNDS:**

- (a) Loan funds may be used to pay-off other defaulted mortgages or tax liens that are threatening foreclosure.
- (b) Loan funds may be used to pay any reasonable closing cost incurred by a low or a moderate-income borrower.

4. LOAN TERMS AND CONDITIONS

- (a) Maximum loan amount shall be \$25,000. (CCHC, at its option, may provide additional loan funds if it is determined necessary to prevent foreclosure and the borrower has the capacity to repay the loan.)
- (b) Minimum loan of \$5,000.
- (c) Interest rate to be 3%.
- (d) Amortization over a maximum of 15 years.
- (e) CCHC, at its option, may secure the loan with a mortgage deed on the rehabilitated property.
- (g) Creditor: RRLF c/o Church Community Housing Corporation (CCHC), 50 Washington Square, Newport, RI 02840 or its assignee.

5. ELIGIBILITY INCOME LIMITS

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Middletown and Portsmouth area:

Family Size:	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Jamestown, Tiverton and Little Compton area:

Family Size:	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000

6. ADDITIONAL REQUIREMENTS FOR MULTI-FAMILY STRUCTURES

- (a) Upon the completion of the foreclosure prevention, at least 51% (50% in the case of a two unit structure) of the units in the structure must be occupied by low and moderate income persons and the rents paid by the occupants shall be at or below the current HUD established Fair Market Rent Levels.

<u>Fair Market Rent Level</u> (including utilities)	# Bedrooms:	<u>Middletown and Portsmouth</u>				
		0	1	2	3	4
	Rent:	597	729	901	1,224	1,581
		<u>Jamestown, Tiverton and Little Compton</u>				
	# Bedrooms:	0	1	2	3	4
	Rent:	676	732	845	1,013	1,202

APPENDIX C

TOWN OF PORTSMOUTH **ISLAND PARK SEPTIC SYSTEM LOAN PROGRAM**

1. BORROWER ELIGIBILITY

- (a) The Borrower must be owner occupant or must give satisfactory evidence that he will become owner occupant upon completion of the rehabilitation work. The Borrower must occupy the rehabilitated structure for period of not less than (3) years after the date of the first loan payment. If the borrower vacates the structure prior to the three-year period without sufficient cause, the interest rate on the balance of the outstanding loan will be readjusted to the then market rate. The Borrower may also be a non-profit entity that rents or sells the property to low & moderate-income tenants.
- (b) The Borrower must demonstrate sufficient equity in the property to repay the Septic System Loan.
- (c) The Borrower's current income must not exceed the current HUD established moderate income limits as published by HUD and included in these regulations as Section 7, **ELIGIBILITY INCOME LIMITS**.
- (d) Multi-family owner occupied property shall contain at least 51% low and moderate income households, duplex properties shall be 50% low and moderate income households.

2. STRUCTURE ELIGIBILITY

- (a) The structure must contain state minimum housing code violations and it must be demonstrated that all of these code violations will be corrected with the completion of the rehabilitation work. Upon completion of the rehabilitation, the structure will contain not more than four (4) dwelling units; 8 units in the case of a non-profit owner.
- (b) The structure may be a mixed-use building if the residential portion measured by square footage is the dominant use. Eligible improvements shall be restricted to the residential portion of the common area.
- (c) Priority will be given to residential properties with failed septic systems located in Census Tract 401.01 Block Group 4.

3. ELIGIBLE IMPROVEMENTS

- (a) Correction of minimum housing code violations.
- (b) Plumbing repairs related to waste water.
- (c) Septic System engineering costs
- (c) Landscaping and rubbish removal.
- (d) Septic Systems

4. LOAN TERMS AND CONDITIONS

- (a) Eligibility for an Island Park deferred payment loan shall the same eligibility for a loan. An applicant may be eligible for loan, deferred payment loan and an Island Park Deferred Payment Loan for Septic System Repairs if all requirements are met.
- (b) Property eligibility – Residential property in Census Tract 401.01 Block Group 4.
- (c) Eligible Improvements – Repair or replacement of Individual Sewage Disposal System.
- (d) Maximum amount of the Island Park deferred loan - \$5,000.00

- (e) Terms and Conditions: The deferred payment loan shall be interest free, but payable in full when the property is sold or title transferred. The deferred payment loan shall be secured by a lien against the property.
- (f) Creditor: Town of Portsmouth, Rhode Island or its assignee.

5. ELIGIBILITY INCOME LIMITS

The Borrower shall have a total household income less than 80% of the HUD established median income level for the Portsmouth area:

Family Size:	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Annual Income:	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$66,300

6. ADDITIONAL REQUIREMENTS

- (a) At the completion of the rehabilitation, at least 51% (50% in the case of a two-unit structure) of the units in the structure must be occupied by low and moderate-income persons.
- (b) At the completion of the rehabilitation rents in the multi-family structures shall be at or below the current HUD established Fair Market Rent Level and must remain at or below this annually adjusted level for the term of the loan

Fair Market Rent Level:
(including utilities)

# Bedrooms:	0	1	2	3	4
Rent:	614	715	918	1,149	1,286

APPENDIX D

PORTSMOUTH BUILDING FEES:

PORTSMOUTH BUILDING FEES (as of 5/25/05):

APPLICATION FEES:

SPECIAL USE PERMITS (as required in Zoning Ordinance):

\$250 Fixed fee plus:

\$100 per unit over two units (apartments, condos, etc.)

\$150 per rental unit (hotel, motel, inn)

\$100 per bed (nursing home, assisted living, etc.)

\$100 per 1,000 gross sq. ft. floor area (retail, commercial, industrial)

RESIDENTIAL SUBDIVISIONS

\$100 per lot at Master Plan phase, plus

\$100 per lot at Preliminary Plan phase, plus

\$100 per lot filing fee

IMPACT FEES – RELATED TO SCHOOL FACILITIES EXPANSION:

<u>BDRMS/UNIT</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
2	\$ 2,559	\$ 2,595	\$2,585
3	\$ 5,118	\$ 5,191	\$5,170
4 +	\$ 7,677	\$ 7,786	\$7,755

Over four-bedroom unit is charged the 4-bedroom rate.

Impact fee is adjusted annually; changes effective July 1 of each year.

BUILDING PERMIT FEES:

Initial Fee	\$20.00
All construction, including accessory structures and basement, decks.	\$0.20 per sq. ft. – all floor space

Repairs, renovations, re-roofing, re-siding, moving demolition, above ground pools, by total cost:

<u>FROM</u>	<u>TO</u>	<u>FEE</u>
\$0	\$150.00	\$5.00
\$150.00	\$499.00	\$8.00
\$500.00	\$999.00	\$11.00
\$1,000.00	\$1,499.00	\$14.00
\$1,500.00	\$1,999.00	\$17.00

\$2,000.00	\$2,499.00	\$20.00
\$2,500.00	\$4,999.00	\$23.00
\$5,000.00	\$7,499.00	\$26.00
\$7,500.00	\$9,999.00	\$30.00
\$10,000.00	\$49,999.00	\$5.00 per \$1,000
\$50,000.00	\$100,000.00	\$350.00
Over	\$100,000.00	3% of labor

Inground Pools	\$50.00
Decks	\$0.20 per sq. ft.
Signs	\$25.00

INDIVIDUAL BUILDING INSPECTION & PERMIT FEES:

ELECTRICAL PERMIT FEES:

Initial Fee	\$10.00
Outlets including lights, switches, receptacles, furnaces, and all other wire terminations	\$0.50 per outlet
New Service	\$15.00
Revamp Service	\$15.00
Temporary service	\$15.00
Commercial	3% of labor

PLUMBING FEES:

Initial Fee	\$10.00
All fixtures	\$6.00 per fixture
Commercial	3% of labor

MECHANICAL PERMIT FEES:

Initial Fee	\$10.00
Boilers and furnaces	\$45.00
Replacement	\$25.00
Central air conditioning	\$40.00
Commercial	3% of installation cost

\$1.00 per \$1,000 on all permits for ADA fee, to a maximum of \$50.00.

LATE FEE FOR ALL PERMITS 50% OF COST, MINIMUM CHARGE \$50.00.

Adopted February 28, 2000.

Rhode Island Housing Resources

1. **First Mortgage Financing:** Tax exempt and taxable first mortgage financing is available for both construction and permanent financing for a term of up to thirty years. Borrowers must be single-asset entities and must have a satisfactory credit history. First mortgages are non-recourse and may not exceed 90% of as-built value as determined by an independent appraisal. Requests for tax-exempt financing which require an increase in bonding authorization for RIH are subject to approval by the Rhode Island Housing Board of Commissioners (the Board).

2. **Targeted Loan Funds:** Targeted loan funds are anticipated to be made available to write down the cost of developments as needed. These funds may be used as second mortgage financing but not as an operating subsidy and are only available to those developments utilizing our first mortgage finance. We reserve the right to waive this provision if there are significant benefits resulting from the use of other first mortgage financing.

The maximum amount of Targeted Loan Funds available for one development is \$1 million. The maximum amount of Targeted Loan Funds per low-income unit is as follows:

7.1.1.1 Maximum Per Unit Targeted Loan	
Size of Unit	Maximum Targeted Loan Per Unit
SRO	\$ 8,400
Efficiency	\$ 9,000
1 BR	\$13,000
2 BR	\$21,000
3 BR	\$26,600
4 BR	\$29,800

The interest rate on Targeted Loan Funds will be five percent (5%) simple interest. The term of the loan will be a maximum of thirty years. Repayment of Targeted Loan Funds will be made from available cash flow based on the following formula: 50% of available cash flow will be used to repay the Targeted Loan and the remaining 50% may be used to pay a return on equity to the Developer.

3. **Housing Tax Credits:**

The Housing Tax Credit (HTC) is a direct dollar-for-dollar offset against a taxpayer's federal income tax liability. These tax credits are sold in exchange for equity investments in qualified low-income housing developments.

There are two types of HTC's that can be awarded to a project. The first, known as the 9% credit, can be used for new construction or substantial rehabilitation. Rhode Island receives a limited amount of 9% credits each year so they are awarded annually through a competitive process outlined in our Qualified Allocation Plan. The second type of HTC, known as the 4% credit, can be used for acquisition of existing buildings and for developments financed with tax-exempt bonds. Currently, these credits are not awarded through a competitive process so requests for these are accepted throughout the year but developments are subject to all requirements of the Handbook.

In order to qualify for HTC's, developments must set aside at least 20% of the units for households earning 50% or less of the area median income OR 40% of the units for households earning 60% or less of the area median income. In addition, HTC's may only be received on units that will remain rent-restricted for a 30-year period.

Specific Requirements Relating to developments financed with tax-exempt bonds:

- In a situation where RIH is not the issuer of the tax-exempt bonds but is asked to allocate 4% credit, we reserve the right to deny an allocation if due diligence demonstrates that the financing package is not beneficial to the long-term viability of the development.
- Units must consist of self-contained rental units with separate and complete facilities for living, sleeping, eating, cooking and sanitation.

4. **RIH Predevelopment Loan Program:** The Predevelopment Loan Program is an initiative designed to provide non-profit developers with the resources necessary to determine the feasibility of and obtain site control for an affordable housing development. Predevelopment loans are expected to be repaid at closing of construction or permanent financing, or within 24 months, whichever occurs first. Predevelopment financing can be applied only to that percentage of a development that will be occupied by households at or below 80% of median income. In addition to site control costs, technical assistance costs that may be covered include architectural fees, financial packaging, legal costs, engineering, market analysis, application and bank fees, inspection, appraisal and survey fees, insurance, and title search and recording.

5. **HOME Investment Partnerships Program:** RIH is responsible for administering the federal HOME Program on behalf of the State. HOME funds may be used for acquisition, rehabilitation, new construction and tenant-based rental assistance. Eligible applicants include nonprofit and for-profit developers, municipalities and Public Housing Authorities. The minimum amount of assistance per unit is \$1,000. The maximum allocation is \$500,000 per applicant per fiscal year allocation. All HOME-assisted units must

be occupied by households with income at or below 80% of area median gross income and 90% of those must be occupied by households with income at or below 60% of area median gross income. Twenty percent (20%) of rental units in buildings containing five or more units must be occupied by households at or below 50% of area median gross income, adjusted for family size. An application is included in the "Application" section.

- 6. Thresholds Program:** Thresholds is a program administered by RIH that provides state bond funding and technical assistance to create supported housing for clients of the mental health system who are able to live independently. To promote the integration of consumers of mental health services into the community, the Thresholds Program avoids over concentration in any one building. Thus the majority of Thresholds funds are used to make one or more of a development's units available to supported housing candidates.

Under the Thresholds Program, the total development cost per unit, adjusted for size, is available in the form of loans or grants to cover capital costs of producing Threshold units. Rents must be set at levels affordable to someone at an SSI income level. All applicants for funds are encouraged to include Thresholds units within their developments.

- 7. Neighborhood Opportunities Program:** The State of Rhode Island provides funding to increase the supply of decent, safe, sanitary and affordable rental housing for very low income families and individuals through two programs. The Family Housing Program provides funds to produce rental units affordable to families with children working at or near minimum wage. The Permanent Supportive Housing Program provides funds to produce rental units for very low income individuals and families who have a determination of a disability and who are homeless or at risk of being homeless. Both programs offer capital funds as well as operating subsidies. Interested parties should contact the Rhode Island Housing Resources Commission at 450-1357 for further information.
- 8. Rental Subsidies:** Developers may be able to obtain a set-aside of Federal Section 8 project based contract authority from an administering housing authority.
- 9. Construction Loan:** The Construction Loan Program is designed to provide below-market rate financing for approved Proposals submitted by developers for the construction or rehabilitation of housing for eventual sale to low and moderate income purchasers.
- 10. Land Bank:** The Land Bank Program is designed to provide below-market rate interim financing to nonprofit developers for the acquisition of property or buildings for development as affordable housing.
- 11. Lead Hazard Reduction Program:** The Lead Hazard Reduction Program is designed to provide financial assistance to property owners to make their properties lead safe. Financing is intended to bring housing units to a lead safe condition.

- 12. McKinney Homeless Programs:** The McKinney Homeless Programs-- Supportive Housing, Shelter Plus Care, and Section 8 SRO Moderate Rehabilitation--are HUD programs administered by RIH intended to promote the development of supportive housing and services that help homeless persons transition from homelessness to living as independently as possible.

Supportive Housing funds may be used to partially support development and operation of transitional housing, permanent supportive housing for the disabled, and supportive services for homeless persons. Funds may be used to create homeless-only projects or support units for eligible persons within larger rental housing projects. *Shelter Plus Care* funds provide rental assistance for homeless disabled persons in permanent housing. The Developer or a third party must pay the costs of the supportive services. Rental assistance may be provided to tenants, Developers, or projects in renewable time increments ranging from 5-10 years. *Section 8 Moderate Rehabilitation Single Room Occupancy (SRO)* provides rental assistance to projects containing no more than 100 assisted units. The structure to be assisted must meet rehabilitation cost and vacancy requirements. Nonprofit developers must subcontract with a Public Housing authority to administer the assistance.

- 13. Affordable Housing Trust:** The Affordable Housing Trust is an independent non-profit trust created by RIH to further the preservation of low-income housing.

- 14. Qualified 501 (c) (3) Tax Exempt Bond Financing:** RIH has the ability to provide 501(c)(3) tax-exempt bond funding to qualified nonprofits to produce affordable housing. Advantages of the 501 (c) (3) alternative are that these issues are not subject to the state volume cap, are less rigid regarding rent requirements and don't require a sale of the property.

Other Resources

- 15. Resources Available Through Cities and Towns:** Developers are encouraged to explore with local planning and/or community development departments the availability of such resources as Community Development Block Grant funds, Section 108 funds, city-administered HOME funds, and tax incentives.

- 16. Affordable Housing Program of the Federal Home Loan Bank:** The Affordable Housing Program (AHP) was created in 1990 to fund homeownership and rental housing proposals that benefit low and moderate income individuals and families. In the case of rental projects, at least twenty percent (20%) of the units must be set aside for households whose incomes do not exceed fifty percent (50%) of area median gross income, adjusted for family size. Proposals for projects in New England must be submitted by a bank affiliated with the FHLB of Boston. Deadlines for applications are traditionally in April and October, but applicants should prepare to discuss proposals with their local bank prior to these deadlines. For more information, contact either your local member bank, or the Housing and Community Investment Office of the FHLB of Boston.

17. **Medicaid Waivers:** The Department of Human Services administers a home and community-based services waiver program designed to fund assisted living supportive services in assisted living facilities. Any available waivers will be considered for developments that make a commitment to long-term affordability and meet the requirements of the Developers Handbook.

Please refer to the Assisted Living Program section in this Developer's Handbook for a detailed description of RIH underwriting and program guidelines.

18. **Rural Housing Service:** The Rural Housing Service (RHS), an Agency of the U.S. Department of Agriculture, offers the Guaranteed Rural Rental Housing Program (GRRHP) which is designed to serve the rental housing needs of low- and moderate-income rural households by providing loan guarantees for newly constructed or rehabilitated rental property in eligible rural areas. For information on RHS programs, please call (401) 826-0842.
19. **Federal and State Historic Tax Credits:** Developments that include substantial rehabilitation and meet certain standards for historic rehabilitation may qualify for Federal and/or State Historic Tax Credits. For information on these programs, please call the Historical Preservation and Heritage Commission at (401) 222-2678.

Appendix F 2000 CHAS Data for Portsmouth, RI

Name of Jurisdiction: Portsmouth town, Rhode Island		Source of Data: CHAS Data Book				Data Current as of: 2000					
	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Renters	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Owners	Total Households
	(A)	(B)	I	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Household Income ≤ 50% MFI	166	140	14	150	470	360	66	15	64	505	975
2. Household Income ≤ 30% MFI	107	45	10	85	247	201	22	0	10	233	480
3. % with any housing problems	62.6	33.3	100.0	58.8	57.5	76.1	81.8	N/A	100.0	77.7	67.3
4. % Cost Burden >30%	62.6	33.3	100.0	58.8	57.5	76.1	81.8	N/A	100.0	77.7	67.3
5. % Cost Burden >50%	36.4	33.3	100.0	41.2	40.1	56.2	63.6	N/A	100.0	58.8	49.2
6. Household Income >30 to ≤50% MFI	59	95	4	65	223	159	44	15	54	272	495
7. % with any housing problems	57.6	73.7	100.0	69.2	68.6	49.7	77.3	100.0	35.2	54.0	60.6
8. % Cost Burden >30%	57.6	73.7	100.0	69.2	68.6	49.7	77.3	100.0	35.2	54.0	60.6
9. % Cost Burden >50%	6.8	31.6	0.0	38.5	26.5	18.2	68.2	100.0	27.8	32.7	29.9
10. Household Income >50 to ≤80% MFI	89	195	10	150	444	240	230	69	113	652	1,096
11. % with any housing problems	32.6	28.2	0.0	36.7	31.3	29.2	58.7	34.8	52.2	44.2	39.0
12. % Cost Burden	32.6	20.5	0.0	36.7	27.9	29.2	58.7	34.8	52.2	44.2	37.6

>30%											
13. % Cost Burden >50%	0.0	10.3	0.0	10.0	7.9	8.3	30.4	5.8	17.7	17.5	13.6
14. Household Income >80% MFI	75	530	75	175	855	775	2,289	360	380	3,804	4,659
15.% with any housing problems	0.0	2.8	26.7	8.6	5.8	12.3	14.6	12.5	27.6	15.2	13.5
16.% Cost Burden >30%	0.0	2.8	13.3	0.0	2.9	11.0	14.4	12.5	27.6	14.9	12.7
17. % Cost Burden >50%	0.0	0.0	0.0	0.0	0.0	1.9	1.3	0.0	0.0	1.2	1.0
18. Total Households	330	865	99	475	1,769	1,375	2,585	444	557	4,961	6,730
19. % with any housing problems	39.4	17.9	34.3	34.7	27.4	28.9	20.2	18.9	34.6	24.1	24.9
20. % Cost Burden >30	39.4	16.2	24.2	31.6	25.1	28.1	20.0	18.9	34.6	23.8	24.1
21. % Cost Burden >50	13.0	7.5	10.1	15.8	10.9	12.9	5.6	4.3	8.1	7.8	8.6

Definitions:

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems: overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households: 1 or 2 person household, either person 62 years old or older.

Renter: Data do not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: [Tables F5A, F5B, F5C, F5D](#)

Appendix G – Parcels within Overlay Zone for Potential LMI Housing Development

100% BONUS OVER CURRENT "WITHOUT SEWERS" SF / UNIT FOR MULTI-FAMILY IN ZONING																	
						25%			40%			9,000	SF/Unit				
PARCEL	ZNG 04	ACRE	DEVEL ACRES	SF for development	bldgs. foot print**	max. bldg. cover	total area for parking	Tot. Imperv. Cover	max. imperv. Cover	leach field area	Area for Set Backs	MAX # UNITS	Units per Acre	Total Lot Used	Not used		
12 20	R-20	3.08	2.50	108,900	9,075	27,225	10,598	19,673	43,560	16,131	48,100	12	4.8	83,904	24,996		
12 43	R-20	2.88	2.50	108,900	9,075	27,225	10,598	19,673	43,560	16,131	40,050	12	4.8	75,854	33,046		
12 52	R-20	2.69	2.50	108,900	9,075	27,225	10,598	19,673	43,560	16,131	40,665	12	4.8	76,469	32,431		
13 2	R-20	22.21	20.00	871,200	72,601	217,800	84,785	157,386	348,480	129,047	101,950	97	4.8	388,383	482,817		
13 5	R-20	3.10	3.10	135,036	11,253	33,759	13,142	24,395	54,014	20,002	41,340	15	4.8	85,737	49,299		
18 11	R-20	2.51	2.51	109,336	9,111	27,334	10,641	19,752	43,734	16,195	42,905	12	4.8	78,852	30,483		
23 18	R-20	5.00	5.00	217,800	18,150	54,450	21,196	39,346	87,120	32,262	80,670	24	4.8	152,278	65,522		
23 19	R-20	14.42	14.42	628,135	52,345	157,034	61,130	113,475	251,254	93,043	79,185	70	4.8	285,703	342,432		
23 3	R-20	3.74	2.50	108,900	9,075	27,225	10,598	19,673	43,560	16,131	26,250	12	4.8	62,054	46,846		
27 1	R-20	2.35	1.50	65,340	5,445	16,335	6,359	11,804	26,136	9,679	39,800	7	4.8	61,282	4,058		
27 33	R-20	12.53	5.00	217,800	18,150	54,450	21,196	39,346	87,120	32,262	60,845	24	4.8	132,453	85,347		
28 13	R-20	2.11	1.50	65,340	3,750	16,335	4,379	8,129	26,136	6,666	50,035	5	3.3	64,830	510		
29 101B	R-20	5.00	5.00	217,800	18,150	54,450	21,196	39,346	87,120	32,262	46,695	24	4.8	118,303	99,497		
29 32	C	4.15	2.00	87,120	7,260	21,780	8,479	15,739	34,848	12,905	45,840	10	4.8	74,483	12,637		
29 36	R-20	2.08	1.50	65,340	5,445	16,335	6,359	11,804	26,136	9,679	39,825	7	4.8	61,307	4,033		
29 38A	R-20	3.47	2.00	87,120	7,260	21,780	8,479	15,739	34,848	12,905	53,500	10	4.8	82,143	4,977		
30 8	R-20	26.64	21.64	942,501	78,542	235,625	91,724	170,267	377,000	139,609	129,500	105	4.8	439,376	503,125		
31 32	C	4.40	4.00	174,240	14,520	43,560	16,957	31,477	69,696	25,809	49,720	19	4.8	107,007	67,233		
34 10	R-20	2.54	2.00	87,120	7,260	21,780	8,479	15,739	34,848	12,905	35,475	10	4.8	64,118	23,002		
34 4	R-20	3.28	3.00	130,680	10,890	32,670	12,718	23,608	52,272	19,357	52,815	15	4.8	95,780	34,900		
35 14	C	9.36	6.00	261,360	21,780	65,340	25,436	47,216	104,544	38,714	68,070	29	4.8	154,000	107,360		
38 4	R-20	3.56	3.56	155,074	12,923	38,768	15,092	28,015	62,029	22,970	44,505	17	4.8	95,490	59,583		
38 4A	R-20	2.14	1.75	76,230	6,353	19,058	7,419	13,771	30,492	11,292	33,500	8	4.8	58,563	17,667		
39 44A	R-20	4.10	3.00	130,680	10,890	32,670	12,718	23,608	52,272	19,357	49,550	15	4.8	92,515	38,165		
41 35	R-20	2.87	2.87	125,017	10,418	31,254	12,167	22,585	50,007	18,518	41,250	14	4.8	82,353	42,664		
44 15 front	C	6.99	6.99	304,484	25,374	76,121	29,632	55,006	121,794	45,102	71,800	34	4.8	171,908	132,576		
45 93	C	3.65	2.50	108,900	9,075	27,225	10,598	19,673	43,560	16,131	31,280	12	4.8	67,084	41,816		
45 96	R-20	15.99	13.00	566,280	47,190	141,570	55,110	102,301	226,512	83,881	98,280	63	4.8	284,462	281,818		
57 10	R-30	14.60	14.60	635,976	52,998	158,994	61,893	114,892	254,390	94,205	89,300	71	4.8	298,396	337,580		
57 11	R-30	19.70	19.70	858,132	71,512	214,533	83,514	155,025	343,253	127,112	89,045	95	4.8	371,182	486,950		
57 12	R-30	24.46	24.46	1,065,478	88,790	266,369	103,692	192,483	426,191	157,825	110,575	118	4.8	460,883	604,595		
64 28B	R-30	13.85	12.00	522,720	43,560	130,680	50,871	94,432	209,088	77,428	107,950	58	4.8	279,810	242,910		
				Current Zoning:	18,000	SF/unit						32 RES. & C ZONED LOTS > 2 ACRES					
				RM Overlay at	9,000	SF/unit						Total Dwelling Units 1036					
				is	100.0%	density bonus						Min. % LMI	20%	25%	30%	40%	
												Min. # LMI	207	259	311	415	
												CHAS Min.	896				
												Min need from Multi-Fam:	214				
												Excess over CHAS	-7	45	97	201	
												% Excess over CHAS	-1%	5%	11%	22%	
Navy & Town Properties																	
PARCEL	ZNG 04	ACRE	DEVEL ACRES	SF for development	bldgs. foot print**	max. bldg. cover	total area for parking	Tot. Imperv. Cover	max. imperv. Cover	leach field area	Area for Set Backs	MAX # UNITS	Units per Acre	Total Lot Used	Not used		
43 1	R-20	9.45	9.45	411,642	39,000	102,911	45,546	84,546	164,657	69,323	75,905	52	5.5	229,773	181,869		
23 2	R-20	4.84	3.00	130,680	19,500	32,670	22,773	42,273	52,272	34,661	56,660	26	8.7	133,594	(2,914)		
39 47A rea	R-20	6.99	4.00	174,240	15,000	43,560	17,518	32,518	69,696	26,663	46,305	20	5.0	105,485	68,755		

Appendix H

Production Analysis of LMI Housing by Rhode Island Housing

Low & Moderate-Income Housing Status

-		-	
	Total Housing Stock as of Census 2000	<u>7,005</u>	
	Required 10% LMI units	<u>701</u>	
	Total LMI Units (December 2003)	<u>169</u>	
	Current LMI %	<u>2.41%</u>	
	Additional LMI Units Needed to Reach 10%	<u>532</u>	

Building Permit History

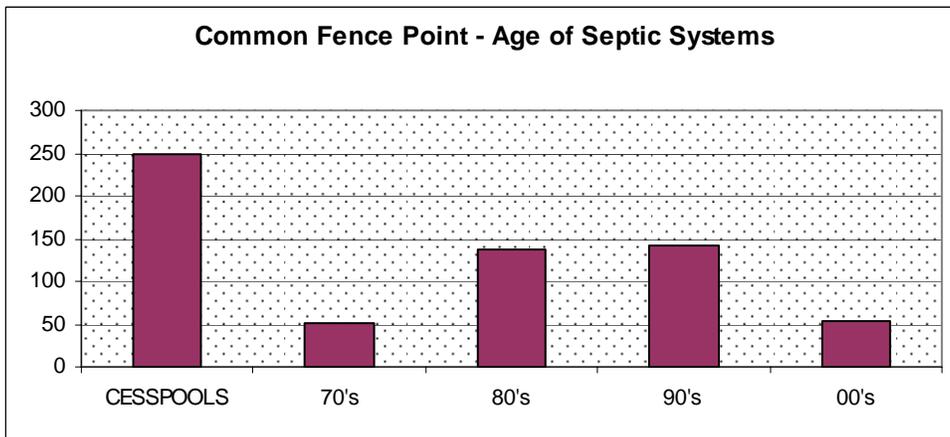
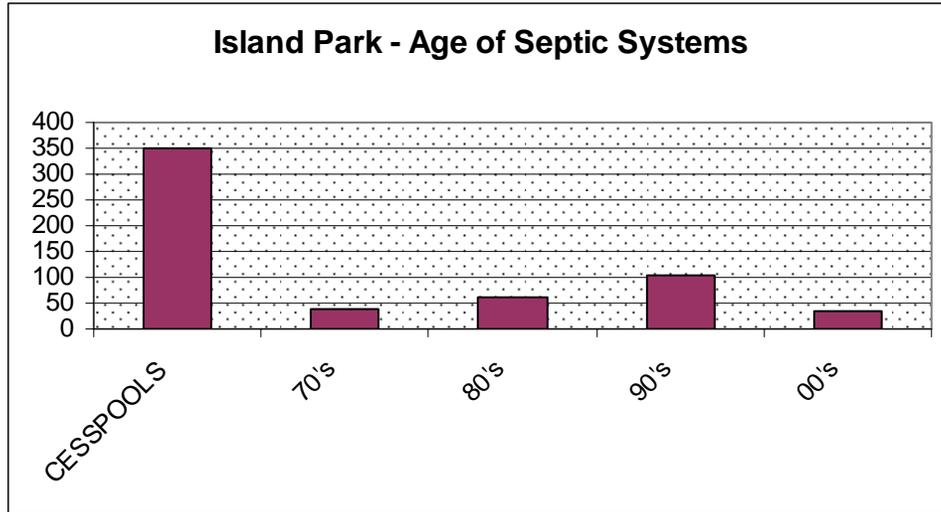
	1980 - 1989	1990 - 1999	1980 - 1999
Single Family	897	689	1,586
Multifamily	256	76	332
Total Units	1,153	765	1,918
Average per yr.	115	77	96

2000-03

-		-	
	Single Family	332	
	Multifamily	8	
	Total Units	340	
	Average per yr.	85	

Most Recent Building Rate	Slow Growth	Moderate Growth	High Growth
If Portsmouth builds new housing at a rate equal to the LAST 3 YEARS, the town's total housing stock in the year	If Portsmouth builds new housing at a rate equal to the 1990s, the town's total housing stock in the year	If Portsmouth builds new housing at a rate equal to the 1980-1999 average, the town's total housing stock in the year	If Portsmouth builds new housing at a rate equal to the 1980s, the town's total housing stock in the year
2020	2020	2020	2020
will be 8,705 Ten percent (10%) of that number equals <u>871</u> To reach that number of LMI units,	will be 8,535 Ten percent (10%) of that number equals <u>854</u> To reach that number of LMI units,	will be 8,923 Ten percent (10%) of that number equals <u>892</u> To reach that number of LMI units,	will be 9,311 Ten percent (10%) of that number equals <u>931</u> To reach that number of LMI units,
<u>35</u>	<u>34</u>	<u>36</u>	<u>38</u>
new LMI units would have to be built in Portsmouth each year.	new LMI units would have to be built in Portsmouth each year.	new LMI units would have to be built in Portsmouth each year.	new LMI units would have to be built in Portsmouth each year.
Those LMI units would represent <u>41%</u>	Those LMI units would represent <u>45%</u>	Those LMI units would represent <u>38%</u>	Those LMI units would represent <u>33%</u>
of all housing units permitted in Portsmouth during each of the next <u>20</u> years.	of all housing units permitted in Portsmouth during each of the next <u>20</u> years.	of all housing units permitted in Portsmouth during each of the next <u>20</u> years.	of all housing units permitted in Portsmouth during each of the next <u>20</u> years.

Appendix I– Analysis of Septic System Age for Island Park and Common Fence Point, Portsmouth, RI



APPENDIX J

JUSTIFICATION FOR ESTIMATE OF 40 NEW SUBDIVISION LOTS PER YEAR in the INCLUSIONARY ZONING STRATEGY

The development assumptions in Section 6.2 estimates 40 lots per year will be created in subdivisions. The following information supports that estimate:

1. Attached is a compilation of major subdivisions approved over the past 8.5 years, not including condos. It shows an average of 31.6 per year. With a 30% lot bonus going in our LMI Plan, this becomes 41.1 lots per year. This has been rounded down to 40 lots per year for purposes of this plan.

2. Attached is an excerpt from our 2002 Comp Plan showing a potential 4,304 new lots from subdivisions at buildout. While this does not separate Major from Minor subdivisions, nor can it estimate when buildout might occur, it does show that there is more than enough land available to support 40 new lots per year.

3. The attached spreadsheet shows all residentially zoned parcels large enough to become major subdivisions, including vacant parcels and parcels with an existing house but enough excess land to subdivide. This list is from the Tax Assessor's database as of 12/31/04. This list does not include parcels for which development rights have been sold, parcels owned by governments or churches, nor lots identified as 'undevelopable' by the firm (Vision Appraisal) that appraises properties for the Town. It shows a potential of 3,664 potential lots from major subdivisions.

An analysis of 123 residentially zoned lots on the Aquidneck Island portion of Portsmouth that are large enough for a major (6+) lot subdivision shows the following:

TOTAL POTENTIAL NEW LOTS FROM SUBDIVISIONS OF 6+ LOTS

not including Prudence or Hog Islands	minimum lot size:		Zone	7.2 Pot. Lots
	20,000	SF	R20	1,469
	30,000	SF	R30	1,415
	40,000	SF	R40	743
	60,000	SF	R60	37
			TOTAL	3,664

8.0 CONCLUSION

#1 alone proves the likelihood of more than 40 lots per year. #2 and #3 show there is plenty of vacant developable land to accommodate such growth. Of course, there is no way to reasonably predict actual growth. 2005 has been slow. But a decision by a single one of the 8 remaining farms to stop farming and sell for development means not only their acreage, but also the large lots they lease from others, would be developed.

Map 1 – Proposed Incentive District for Residential Multi-family

