

PORTSMOUTH COMPREHENSIVE COMMUNITY PLAN

ELEMENT 4 – HOUSING

4.1 HOUSING VISION

PORTSMOUTH’S SENSE OF COMMUNITY WILL BE EVIDENT IN A DIVERSE STOCK OF GOOD QUALITY, SAFE, AFFORDABLE HOUSING OPTIONS FOR ALL INDIVIDUAL NEEDS AND INCOME LEVELS, ALL THE WHILE MAINTAINING THE CHARACTER OF INDIVIDUAL NEIGHBORHOODS AND TRADITIONAL DEVELOPMENT PATTERNS.

4.2 INTRODUCTION

In many ways high quality and diverse housing is a fundamental building block of a successful community. Indeed, some of the earliest efforts to regulate land use in America were based on housing concerns. Housing is inextricably linked to issues of economic development, transportation, land use, social equality and environmental sustainability. At 27.7% of total land area*, residential development is the single highest consumer of land in Portsmouth and should rightfully occupy a place of prominence in planning for our future. The forces that impact housing include affordability, marketability of existing and future housing stock, patterns of development and neighborhood community character, aging of housing stock, and land use regulations established to minimize the impacts of incompatible land uses, among others. The planning challenge is to balance all of these interconnected forces and issues to guide future development in order to achieve Portsmouth’s housing vision. We address these challenges throughout this Housing element of our Comprehensive Plan. The State of Rhode Island offers guidance and has enacted laws to assist municipalities in working through these challenges and by law establishes that every comprehensive plan must be consistent with and embody the State’s goals and policies for housing as found in the State Guide Plan and the laws of the State.

RIGL §45-22.2-3(a)(6) states *“Comprehensive planning is needed to provide a basis for municipal and State initiatives to ensure all citizens have access to a range of housing choices, including the availability of affordable housing for all income levels and age groups.”* Further, in RIGL §45-53-2 the law states, *“The general assembly finds and declares that there exists an acute shortage of affordable, accessible, safe, and sanitary housing for its citizens of low and moderate income, both individuals and families; that it is imperative that action is taken immediately to assure the availability of affordable, accessible, safe, and sanitary housing for these persons; that it is necessary that each city and town provide opportunities for the establishment of low and moderate income housing; and that the provisions of this chapter are necessary to assure the health, safety, and welfare of all citizens of this state, and that each citizen*

enjoys the right to affordable, accessible, safe, and sanitary housing. It is further declared to be the purpose of this chapter to provide for housing opportunities for low and moderate income individuals and families in each city and town of the state and that an equal consideration shall be given to the retrofitting and rehabilitation of existing dwellings for low and moderate income housing and assimilating low and moderate income housing into existing and future developments and neighborhoods.”

Within the framework of this plan, it is appropriate to differentiate between “affordable” and “low and moderate income” housing. This plan addresses both types. Specifically, “low and moderate income” housing refers to “subsidized” dwelling units that eligible low-moderate income households may own and occupy and that are deed-restricted in order to remain so for a minimum period of thirty years. In later sections, this plan sets forth strategies to achieve the state-mandated goal of 10% of Portsmouth’s dwelling units to be low-moderate income units. In contrast, “affordable” housing simply refers to housing and related costs that are affordable to citizens within certain income brackets. Affordable housing is often mentioned throughout the plan in the broader context of community housing goals and implementation strategies but should not be thought of as the more restrictive dwelling units described above. The State sets out specific definitions for each type of housing.

The term “housing” refers to all of the structures in which people live – single-family homes, multi-family homes, apartment buildings, condominiums, mobile homes, mixed-use buildings, group homes, homeless shelters, etc. To a greater or lesser degree, housing has evolved in Portsmouth over time to include nearly all of the above housing types as both private market rate units (the overwhelming majority) and public or semi-public subsidized units.

4.3 OVERVIEW

4.3.1 HOUSING STOCK

Housing supply and demand in Portsmouth have matched up over time, at least in the matter of the number of dwelling units for the Town’s population size. Creation of dwelling units has increased in recent years and population projections show only a modest increase in population growth. As illustrated in Table 1, Portsmouth’s population and housing stock experienced a boom from 1980 – 1990, with an 18.2 percent increase in population and a 25.2 percent increase in housing units. Compared to Rhode Island during the same period, Portsmouth outpaced the state, overall, by more than double. The housing crash in the early 1990’s, resulted in only a slight increase in both population and housing units, 1.7 percent and 2.1 percent respectively. After 2000, another small boom was experienced prior to the Great Recession of 2008, followed by a slight decrease in population, and increase in housing units in 2017.

Table 1 Population and Housing Units Portsmouth, 1980 – 2017					
	Portsmouth				
	1980	1990	2000	2010	2017*
Population	14,257	16,857	17,149	17,389	17,361
Total Housing Units	5,773	7,235	7,386	8,294	8,420
		% ± 1980 - 1990	% ± 1990 - 2000	% ± 2000 - 2010	% ± 2010 - 2017
Population		15.42%	1.70%	1.38%	-0.16%
Total Housing Units		20.2%	2.0%	10.9%	1.5%
	Rhode Island				
	1980	1990	2000	2010	2017*
Population	947,154	1,003,464	1,048,319	1,052,567	1,053,661
Total Housing Units	372,672	414,572	439,837	463,388	462,900
		% ± 1980 - 1990	% ± 1990 - 2000	% ± 2000 - 2010	% ± 2010 - 2017
Population		5.61%	4.28%	0.40%	0.10%
Total Housing Units		10.1%	5.7%	5.1%	-0.1%

* Housing Works RI 2017 estimates.

Source: RI Housing Database 2003; U.S. Census 1990, 2000, 2010; Housing Works RI 2017 estimates.

The number of owner- and renter-occupied units has decreased overall from 1990 to 2016, with an increase in seasonal rental units over the same period (Table 2). The traditional single-family home continues to dominate the housing stock in Portsmouth (83.8%) with nearly three-quarters being owner-occupied (74.6%).¹ Multi-family housing, including duplexes, apartments and condominiums make up 12.3% of the housing units in Portsmouth with approximately 315 mobile homes in three mobile home parks accounting for the remainder of the housing stock.²

¹ 2010 Census DP-1 and 2016 ACS DP04.

² Ibid.

Table 2 Owner, Renter-Occupied and Seasonal Housing Units, Portsmouth 1990 - 2016					
	Year	Portsmouth	%	Rhode Island	%
Occupied Units	1990	6,313	87.3%	377,977	91.2%
	2000	6,758	91.5%	408,424	92.9%
	2010	6,988	84.3%	413,600	89.3%
	2016	7,163	84.7%	410,240	88.7%
Owner-Occupied	1990	4,552	72.1%	224,792	59.5%
	2000	5,003	73.9%	245,156	60.0%
	2010	5,191	74.3%	250,952	60.7%
	2016	5,342	63.2%	244,748	52.9%
Renter-Occupied	1990	1,761	27.9%	153,185	40.5%
	2000	1,755	26.1%	163,268	40.0%
	2010	1,797	25.7%	162,648	39.3%
	2016	1,821	21.2%	165,492	35.8%
Vacant Units Total	1990	922	12.7%	36,595	8.8%
	2000	628	8.5%	31,413	7.1%
	2010	1,306	15.7%	49,788	10.7%
	2016	1,294	15.3%	52,417	11.3%
Vacant Seasonal Units	1990	516	7.1%	12,037	2.9%
	2000	381	5.2%	12,988	3.0%
	2010	882	10.6%	17,077	3.7%
Vacant for Sale	1990				
	2000	38	0.5%	2,400	1.5%
	2010	113	1.4%	5,171	1.1%
Vacant for Rent	1990				
	2000	74	1.0%	8,615	2.0%
	2010	156	1.9%	15,763	3.4%
Vacant Rented/Sold Unoccupied	1990				
	2000	27	0.4%	1,726	0.4%
	2010	30	0.4%	1,946	0.5%
Vacant All Other	1990				
	2000	108	1.5%	5,684	1.3%
	2010	125	1.5%	9,831	2.1%

Source: U.S. Census 1990, 2000, 2010, 2012 – 2016 American Community Survey 5-Year estimates.

4.3.2 HOUSING DEVELOPMENT TRENDS

Prior to 1950, growth in housing in the early years was modest reflecting the rural nature of the community. After 1950, housing development took off with the highest number of new homes being built in the period between 1960 and 1980. An average of 100+ new dwellings were built per year during that period. Growth in housing construction fell to near zero in the early 2000s and again in 2009 after the 2008 Great Recession (Table 3). It has slowly regained since, particularly in the high-end condominium market. As a measure of the above building trends, the median age of a dwelling unit in Portsmouth is 44 years old.³

Table 3 Trends in General Residential Construction 2004 - 2014

	2004			2005			2006		
	Buildings	Units	Construction Cost	Buildings	Units	Construction Cost	Buildings	Units	Construction Cost
Single Family	77	77	\$19,270,500	106	106	\$23,920,390	54	54	\$15,848,273
Two Family	2	4	\$400,000	0	0		0	0	
Three/Four Family	5	15	\$1,460,000	0	0		1	3	\$290,000
Five or More Family	0	0		2	10	\$500,000	1	65	\$37,200,000
Total	84	96	\$21,130,500	108	116	\$24,420,390	56	122	\$53,338,273

	2007			2008			2009		
	Buildings	Units	Construction Cost	Buildings	Units	Construction Cost	Buildings	Units	Construction Cost
Single Family	37	37	\$11,942,684	29	29	\$8,647,710	8	8	\$2,591,500
Two Family	1	2	\$300,000	0	0		0	0	
Three/Four Family	0	0		0	0		0	0	
Five or More Family	1	5	\$250,000	3	18	\$1,120,000	0	0	
Total	39	44	\$12,492,684	32	47	\$9,767,710	8	8	\$2,591,500

	2010			2011			2012		
	Buildings	Units	Construction Cost	Buildings	Units	Construction Cost	Buildings	Units	Construction Cost
Single Family	15	15	\$2,845,895	17	17	\$3,207,000	18	18	\$3,827,692
Two Family	0	0		0	0		2	4	\$524,000
Three/Four Family	0	0		0	0		0	0	
Five or More Family	0	0		0	0		0	0	
Total	15	15	\$2,845,895	17	17	\$3,207,000	20	22	\$4,351,692

³ 2013 ACS B25035.

	2013		Construction Cost	2014		Construction Cost			
	Buildings	Units		Buildings	Units				
Single Family	33	33	\$7,549,600	35	35	\$6,784,060			
Two Family	0	0		1	2	\$150,000			
Three/Four Family	1	3	\$420,000	1	3	\$225,000			
Five or More Family	0	0		0	0				
Total	34	36	\$7,969,600	37	40	\$7,159,060			

Source: U.S. Census Bureau

4.3.3 HOUSING PATTERNS AND CONDITIONS

The pattern of housing development in Portsmouth clearly reflects two significant historic characteristics of its origins – a rural farming community based on the maintenance of large tracts of land, but also a densely developed resort/recreational community based on leisure pursuits and the enjoyment of natural environment. These seemingly inconsistent origins have blended in interesting ways over time. There are dense year-round housing development coming out of what once was intended to be mere tent sites in the historically seasonal resort neighborhood of Island Park. The traditional medium/medium-high-density single-family-type development resulted from the subdivision of large farming tracts across the length and breadth of town. There is also the recent emergence of high-end seasonal recreation-oriented resort-style housing on the west side, as well as the well-established summer homes on Prudence and Hog Islands.

These two historic origins have also contributed to another significant feature of Portsmouth, the lack of a “downtown” or town center. Commercial development is not clustered in one location but distributed in strip-type fashion along the two main north/south highways. There is a mix of residential and commercial uses along these roadways, but true mixed-use housing development is almost non-existent in Portsmouth. An unfortunate effect of the way this residential and commercial development has taken place is that with a few local neighborhood exceptions, Portsmouth scores extremely low (38: car-dependent, out of 100) as a “walkable” community (walkscore.com). This is not likely to change in any significant measure in the future unless we make radical changes to our land use regulations. In the end, the pattern of residential development in Portsmouth is one of a dispersed, semi-rural “bedroom” community with a variety of housing densities and a distinct affinity for recreational and resort-style amenities.

Table 4 identifies the neighborhoods associated with each Census Block Group, also illustrated on Maps H-A and H-B. Table 5 lists the estimated number of housing units, population per acre, median year built, and median home assessed value by Census Tract for Portsmouth in 2014.

Table 4 Neighborhoods within Census Block Groups			
Key	Census Tract	Census Block Group	Neighborhoods
1	40103	5	West Bristol Ferry, Carnegie - NBC - Arnolds Point, Abbey - Industrial, Kings Grant, North Hedly - Middle Road, Willow Lane - Lehigh Terrace
2	40101	1	Island Park, Hummocks
3	40102	1	Sherwood, McCorrie - Windstone, North Sandy Point
4	40101	3	Bristol Ferry - Bay View Avenue, Common Fence Point
5	40102	2	East Main Road - South, Wapping Road, South Sandy Point, Indian Avenue - Black Point, Old Mill Lane
6	40103	2	Oakland Farm, South Union - Jepson, St. Mary's - Sisson, South Carnegie Drive - Middle Road, Redwood Farms, Almeida - Lawton, West Raytheon - Navy, Melville Trailer Park
7	40101	2	East Bristol Ferry, Sprague - North, North Portsmouth Park
8	40103	3	Prudence Island
9	40103	6	South Hedly - Middle Road, Hilltop, Schoolhouse Road, Valleyview, Indian Hill, North Union - Jepson, North Carriage Drive - Middle Road
10	40102	3	South Portsmouth Park, High School, East Central - north, East Central - south
11	40103	4	Melville Park, East Raytheon - Navy, Melville Waterfront
12	40103	1	Hog Island

Source: Town of Portsmouth Planning Department

Table 5 Housing and Demographic Statistics: Portsmouth Census Block Group Level						
Map Key	Census Tract	Census Block Group	Housing Units	Population per Acre	Median Year Built	Median Home Value
1	40103	5	737	0.65	1969	\$350,000
2	40101	1	679	3.49	1947	\$287,300
3	40102	1	614	1.29	1975	\$572,000
4	40101	3	847	2.35	1975	\$285,800
5	40102	2	595	0.98	1974	\$470,500
6	40103	2	923	1.16	1981	\$338,700
7	40101	2	767	4.21	1974	\$275,000
8	40103	3	482	0.07	1952	\$227,700
9	40103	6	1,102	1.65	1971	\$359,600

10	40102	3	1,315	2.98	1969	\$394,200
11	40103	4	81	0.41	1983	
12	40103	1	168	0.56	1956	

Source: 2010- 2014 American Community Survey 5-Year estimates.

Island Park and the Common Fence Point neighborhoods remain near the top in regard to density per acre, along with East Bristol Ferry and east Central (North and South). Prudence and Hog Islands, in addition to the Melville area represent the least dense areas of the community. Single-family development remains the prevalent housing type in Portsmouth, and the general condition of housing is reported as above average by the Building Official.

Of particular note is the foreclosure rate for Portsmouth during the period of 2013 – 2017. The number of actual foreclosures in Portsmouth was 17 in 2013, decreasing down to a low of three in 2015, and an increase to seven in 2017. This pattern contrasts with both Middletown and Newport. Middletown experienced their peak foreclosure rate in 2015 (12), then down to a low of three in 2017, while Newport has experienced both highs and lows over the same period, now steady at seven in 2017.

4.3.4 HOUSING AFFORDABILITY

Another important aspect to Portsmouth’s housing needs is the mismatch between housing and the workforce. We have the dual problem of: (1) nearly 60% of the jobs in Portsmouth are held by those who cannot afford to purchase or rent a home here in town, and (2) salaries/wages for the jobs that are here are relatively low, requiring those who can afford to live here to commute out of town for higher paying jobs elsewhere. An essential economic development strategy expressed elsewhere in this plan is that in order to increase the economic viability of our community we need to make Portsmouth a desirable place to live – work – play. The provision of more affordable housing for our work force is essential to the success of that strategy.

Single-family home production fluctuated from 2000 through 2008 averaging 168 units annually over this time period until the 2008 Great Recession. After which there was a brief decline to a low of 106 units constructed in 2010 (Table 6). The median sale price of single-family homes peaked prior to this in 2006 at \$423,500, then dropped sharply between 2008 and 2010, until 2011 where incremental increases have been experienced since. High-end residential condominium development also fluctuated during the same time period averaging 33 units annually, with a noticeable decline in production in 2007 until a slight rebound in 2011. The median sale price of these same high-end residential condominiums peaked in 2007 at \$518,000. Although high-end condominium production continued to level off through 2014, median sales price remains significantly down by approximately 23% of that in 2007. Today, it would take an annual income of \$106,304 to afford to purchase a median priced single-family home

(\$380,000) in Portsmouth.⁴ A gap of approximately \$16,000 exists between the median household income in Portsmouth (\$90,100) and the income required to afford a single-family home.

Table 6 Trends in Median Home Sales Price 2000 – 2017								
	1999		2000		2001		2002	
	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price
Portsmouth								
Single Family	233	\$175,000	178	\$179,950	163	\$214,900	173	\$290,000
Multi-Family	6	\$137,500	8	\$128,500	6	\$224,450	1	\$230
Condo	15	\$165,500	12	\$161,250	23	\$189,000	50	\$314,355
Rhode Island								
Single Family	9,695	\$126,000	9,108	\$135,976	9,113	\$156,000	9,069	\$188,150
Multi-Family	1,632	\$96,000	1,882	\$108,000	2,063	\$125,000	2,284	\$153,000
Condo	1,260	\$88,500	1,283	\$102,500	1,371	\$121,500	1,327	\$147,000
	2003		2004		2005		2006	
	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price
Portsmouth								
Single Family	177	\$320,000	191	\$345,000	201	\$376,000	165	\$423,500
Multi-Family	3	\$290,000	3	\$399,500	6	\$421,000	7	\$300,000
Condo	38	\$355,742	34	\$327,441	41	\$540,471	34	\$502,925
Rhode Island								
Single Family	9,189	\$230,000	9,982	\$264,700	9,711	\$282,900	8,313	\$282,500
Multi-Family	2,366	\$209,000	2,478	\$260,000	2,307	\$290,000	1,725	\$285,000
Condo	1,493	\$175,000	1,759	\$205,000	2,251	\$218,900	1,883	\$225,000
	2007		2008		2009		2010	
	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price
Portsmouth								
Single Family	163	\$367,000	129	\$320,000	108	\$280,000	106	\$285,000
Multi-Family	3	\$325,000	2	\$214,000	4	\$245,000	3	\$235,000
Condo	21	\$518,000	28	\$422,500	23	\$297,000	26	\$392,450
Rhode Island								
Single Family	7,600	\$275,000	6,648	\$234,900	7,720	\$199,900	6,833	\$210,000
Multi-Family	1,254	\$255,000	1,670	\$135,000	2,284	\$90,000	1,565	\$121,900
Condo	1,806	\$221,000	1,210	\$212,700	1,203	\$214,950	1,144	\$187,000

⁴ 2018 Housing Fact Book, Housing Works RI.

	2011		2012		2013		2014	
	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price
Portsmouth								
Single Family	148	\$321,500	158	\$292,500	160	\$299,500	211	\$315,000
Multi-Family	3	\$355,000	5	\$251,000	3	\$265,000	3	\$335,000
Condo	35	\$350,000	23	\$285,000	32	\$343,500	35	\$310,000
Rhode Island								
Single Family	6,701	\$195,000	8,014	\$190,000	8,844	\$205,000	8,891	\$215,000
Multi-Family	1,284	\$119,950	1,334	\$120,000	1,339	\$130,000	1,318	\$145,750
Condo	1,134	\$176,950	1,266	\$175,000	1,640	\$197,250	1,557	\$192,000
	2015		2016		2017			
	Sales	Median Sales Price	Sales	Median Sales Price	Sales	Median Sales Price		
Portsmouth								
Single Family	217	\$332,000	252	\$347,500	271	\$380,000		
Multi-Family	10	\$274,000	3	\$251,000	7	\$350,000		
Condo	45	\$331,000	59	\$391,000	56	\$400,000		
Rhode Island								
Single Family	9,782	\$225,000	11,038	\$239,900	11,282	\$255,000		
Multi-Family	1,528	\$168,000	1,655	\$182,900	1,914	\$209,000		
Condo	1,654	\$200,000	1,919	\$199,900	2,161	\$215,000		

Source: Statewide MLS/RI Living, <http://www.riliving.com/PressReleases/statistics/Default.asp>.

The median two-bedroom rent in Portsmouth is comparable with surrounding municipalities. Prices for rental units tend to fluctuate, with different unit sizes not necessarily following the same trends (i.e. when one-bed unit rents are falling, two-bed unit rents may be rising), as shown in Table 7. Today, it would take an annual income of \$69,320 to affordably rent an average priced two-bedroom apartment in Portsmouth, fairly consistent with neighboring Middletown and Newport.⁵ Although the rental housing option appears to be more affordable for the median household income in Portsmouth, it does not allow for the same long-term investment or establishment of equity for the typical household.

⁵ 2018 Housing Fact Book, Housing Works RI.

Year	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
2017	\$1,290	\$1,733	\$2,208
2016	\$1,242	\$1,714	\$2,165
2015	\$1,070	\$1,414	\$2,045
2014	\$1,121	\$1,281	\$1,812
2013	\$979	\$1,344	*
2012	*	\$1,391	*
2011	\$1,024	\$1,233	*
2010	\$1,073	\$1,441	*
2009	\$1,020	*	*
2008	\$1,067	*	*
2007	\$999	\$1,239	\$1,722
2006	\$1,007	\$1,128	\$1,416
2005	\$1,016	\$1,244	*
2004	\$983	\$1,307	\$1,937

* Data not available

Source: RI Rent Survey, RI Housing.

Demand for dwelling units is largely a function of population, but when one factors in income data, demand considerations shift to one of affordability. Housing affordability in Portsmouth is an issue for a large and growing number of households in town. A typical measure of housing affordability is the percentage of households that can afford the median-priced house assuming that they spend no more than 30% of their income on housing (including rent or mortgage payments, taxes, insurance and utilities). Households paying more than 30% of its income on housing are considered ‘cost-burdened.’ Households paying more than 50% of its income on housing are considered ‘severely cost-burdened.’ In the case of Portsmouth, over one-third of households are cost-burdened (35.1%), and 14.7% are considered severely cost-burdened (Table 8), which is as a concern for the Town. Whether people are forced by life circumstances or elect to spend more on housing, it equates to less disposable income to put towards necessities such as food, transportation, and healthcare, impacting quality of life but also the local and regional economy.

	Number of Households	Percent of Total
Cost Burdened Households	2,490	35.1% of Total Households
Severely Cost Burdened Households	1,040	14.7% of Total Households
LMI Cost Burdened Households	1,590	64.2% of LMI Households

LMI Severely Cost Burdened Households	835	33.7% of LMI Households
LMI Cost Burdened Households that are Renting	690	43.0%
LMI Cost Burdened Households that Own Their Home	900	56.6%

LMI – Low-moderate income

Source: 2018 Housing Fact Book, Housing Works RI.

The question becomes, what is an affordable dwelling unit in Portsmouth? For this we turn to the State definition as guidance to determine if the market is meeting needs:

RIGL §42-128-8.1 (d) (1) "Affordable housing" means 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 principal, interest, taxes, which may be adjusted by state and local programs for property tax relief, and insurance constitute no more than thirty percent (30%) of the gross household income for a household with less than one hundred and twenty percent (120%) of area median income, adjusted for family size. In the case of dwelling units for rent, housing that is affordable means housing for which the rent, heat, and utilities other than telephone constitute no more than thirty percent (30%) of the gross annual household income for a household with eighty percent (80%) or less of area median income, adjusted for family size."

The calculation begins with median area income. 2016 HUD statistics for Aquidneck Island put that number for a four-person household at \$90,100 per year. The definition from State law of a moderate-income household is one which earns between 80% and 120% of the median area income. To meet the definition of a moderate-income household, a four-person household in Portsmouth would earn between \$65,700 and \$108,000 per year. The next piece of the definition says that for a dwelling unit to be considered affordable, a four-person moderate income family should spend no more than 30% of their income on housing. From the above, this means our four-person family can spend between \$19,700 and \$32,400 per year for housing. The question becomes, how much house can they buy for this amount of money? Using data from HousingWorksRI at Roger Williams University, this puts the value of a home considered to be affordable by a moderate income four-person household in Portsmouth at between \$215,800 and \$354,300 with the median value being \$284,200. If we consider the low end of the income range for moderate income, that is from 80% to 100% of median area income and run through this calculation again we find that roughly half (51.7%) of single-family houses in Portsmouth are affordable to a moderate income family of four. 40.7% of the housing stock is above their price range.

The above can be reworked for two-person households and for the limits on rental units.

Low or very low-income households show the greatest need. As is noted above and it bears repeating, just over one third of Portsmouth’s households spend greater than 30% of their income on housing. 15.2% spend more than half of their income on housing. There is a clear need for lower-cost housing in order to meet the needs of all of our residents.

The Comprehensive Housing Affordability Strategy (CHAS) developed by HUD is recognized as one of the best sources of data on local housing needs and problems. The data presented in Table 9 are the most currently available for the Town of Portsmouth and provide a good snapshot of housing needs in Town.

Table 9 CHAS Data Portsmouth, 2011 - 2015		
Household Income	Households with at Least 1 Housing Problem	Percent of Household Type in Income Range
Renters		
≤ 30% HAMFI	410 (555)	73.9%
> 30% - ≤ 50% HAMFI	250 (300)	83.3%
>50% - ≤ 80% HAMFI	120 (310)	38.7%
> 80% - ≤ 100% HAMFI	45 (145)	31.0%
> 100% HAMFI	40 (450)	8.9%
Total	865 (1,755)	49.3%
Owners		
≤ 30% HAMFI	320 (385)	83.1%
> 30% - ≤ 50% HAMFI	205 (300)	68.3%
>50% - ≤ 80% HAMFI	3,990 (685)	56.9%
> 80% - ≤ 100% HAMFI	245 (560)	43.8%
> 100% HAMFI	595 (3,350)	17.8%
Total	1,750 (5,280)	33.1%

HAMFI: HUD Area Median Family Income. This is the median family income calculated by HUD for each jurisdiction, in order to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

Source: 2011 – 2015 HUD CHAS data.

https://www.huduser.gov/portal/datasets/cp/CHAS/data_querytool_chas.html

The CHAS data track four individual housing problems, including: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and cost burden greater than 30% of the household income. Table 9 illustrates households with at least one such problem for renter- and owner-households, and by household income. HAMFI stands for HUD Area Median Family Income, which is calculated by HUD for each jurisdiction. The 'Percent' column represents the percent of households in each category with at least one housing problem...for example, the first row of statistics, "410" represents 73.9% of all renter households (555) earning less than 30% HAMFI.

The data show that over two-thirds of renters earning less than 50% of HAMFI statistically experience one or more housing problems. Even a small percentage of renters earning more than 100% of HAMFI who typically have affordable and high-quality options experience one or more housing problems (8.9%). Of note is the fact that nearly half of all homeowners making between 80 and 100% of HAMFI, as well as almost one-fifth (17.8%) of homeowners making more than that, experience one of more housing problems. This may exist due to the age and/or conditions

of the housing stock, or simply owners choosing to spend more on housing because they value the quality of life in Portsmouth over other household expenses.

4.3.5 HOUSING NEEDS ANALYSIS

There are many reasons why an individual will pay more for housing than their income can afford, but this puts a household at risk for many things, including sacrificing other needs or eviction. Individuals and families who are unable to afford the high cost of housing is evident in Portsmouth today. One indicator that helps us understand this is the percentage of individuals and families living below the poverty level. Portsmouth's poverty rate in 2016 was at 6.8% for individuals, compared to 11.6% statewide.

Another indicator that residents might be struggling to meet daily needs is the number of households participating in public assistance programs. The total number of households receiving food stamps or Supplemental Nutrition Assistance Program (SNAP) within the town as of 2016 is 535 (7.5%). This is up from 1.9% only six years earlier in 2010, over which time the total population of the town remained stable. In addition, seniors are considered at-risk due to fixed incomes. U.S. Census 2016 estimates show that 298 (4.2%) of Portsmouth's households receive some sort of supplemental security income, as compared to just 2.6% (187 households) in 2010. These figures represent a growing portion of Portsmouth residents that are struggling financially, reinforcing the need in Portsmouth for affordable housing as strong.

To help these households meet the high costs of housing, there are several active public housing organizations creating housing options specifically for low- and moderate-income households in the Town of Portsmouth (Table 10). The Portsmouth Housing Authority (PHA) is an independent municipal agency that manages public housing development for the elderly and Portsmouth's Section 8 Voucher Program. It owns and manages Quaker Manor on East Main Road, a 40-unit age-restricted complex with the majority of residents either near elderly, or elderly.

Coastal Housing Corporation (CHC) is a private 501c3 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. The CHC is active in Portsmouth as an owner of affordable units and developer of new housing projects. CHC owns five units on West Main Road that targets people with incomes at or below 50% of the area median income.

Church Community Housing Corporation (CCHC) based out of Newport, is another private, not-for-profit development organization. The CCHC is active on Aquidneck Island developing and managing affordable housing programs and properties.

Sakonnet View Apartments on East Main Road was built in part with financing obtained through the Low-Income Housing Tax Credit (LIHTC) program and receives rental subsidies through HUD-Assisted Housing. These programs have different income limits that can lead to apartments in the same property having different income requirements. Applicants can make up to 80% of the Area Median Income (AMI) and be eligible for a HUD-Assisted

Housing unit. However, they can earn at most 60% of AMI to be eligible for a LIHTC property and many units may be set aside for those with the lowest incomes (down to 15% of AMI). LIHTC properties may also contain some market rate units. Since Sakonnet View Apartments has both programs, the most restrictive of the income limits applies for each unit. If the entire property is funded by LIHTC, the LIHTC income limit of 60% AMI would be used for all units. Apartments in properties with some units not funded by the LIHTC, but receiving Section 8 assistance, would be open to households making up to 80% AMI. Market rate units would have no subsidies or income restrictions.

In addition to the units owned and managed by these organizations, there are another 30 units in Portsmouth that serve the homeless and special needs populations in the area. Outside of town, there are also several regional opportunities for individuals in need of transitional or emergency housing.

Table 10 Public Housing Organizations, Portsmouth 2018				
Population Served	Development Name/Owner	Type	Address	Total
Elderly				
	Quaker Manor IV - Portsmouth Housing Authority	Rental	2368 East Main Road	40
	Sakonnet View - HUD	Rental	3225 East Main Road	33
	Anthony House - Church Community Housing	Rental	41 Middle Road	94
Family				
	Church Community Housing	Homeownership		13
Special Needs				
	Various	Group Home Beds		25
	Coastal Housing	Rental	West Main Road	5
Total				210

Source: RI Housing.

The residential build-out analysis performed in support of this Comprehensive Plan (See Appendix A) estimates an additional 1,807 dwelling units could possibly be developed by right based on the estimated buildable land area and the current zoning and subdivision and land development regulations for the Town. While the residential build-out analysis concludes that there is the potential 1,807 dwelling units that could be developed, population projections and historical building permit statistics suggest the full buildout at these rates would take a substantial number of years to occur and almost certainly not within the planning timeline (20 years) of this Comprehensive Plan.

The 2016 American Community Survey estimated the average household size in Portsmouth to be 2.38 persons per household. Using a population projection from Rhode Island Statewide Planning Administration and incorporating the average persons per household, it is estimated that in the year 2040, an additional 170 dwelling units will be needed; a number that represents 9.4% of the potential buildable dwelling units identified in this analysis (Table 11).

	Population		Population Projections					
	2000	2010	2015	2020	2025	2030	2035	2040
Portsmouth	17,149	17,389	17,315	17,386	17,615	17,779	17,845	17,793
Change from 2010			-74	2	226	390	456	404
Need (DU)				0.84	95	164	192	170

Source: Rhode Island Statewide Planning Program - April 2013.

Portsmouth’s population has experienced very little growth since the early 2000s. Future projections anticipate about a 2.5% increase by 2035, with an additional 450 people, then decreasing by 50 in 2040. What is quite evident is Portsmouth’s aging population (Table 12), with over one-third 55 years and older. Planning for housing for older residents needs to concern not only design, such as smaller units or those that are more accessible for those with disabilities, but also affordability given many older residents are on fixed incomes.

Age	Population	% of Population
Under 5 years	662	3.8%
5 to 9 years	931	5.4%
10 to 14 years	1,165	6.7%
15 to 19 years	1,304	7.5%
20 to 24 years	748	4.3%
25 to 34 years	1,218	7.0%
35 to 44 years	1,936	11.2%
45 to 54 years	2,955	17.0%
55 to 59 years	1,660	9.6%
60 to 64 years	1,137	6.6%
65 to 74 years	2,009	11.6%
75 to 84 years	1,164	6.7%
85 years & over	462	2.7%

Source: ACS 5-Yr. Summary File 2012 – 2016, DP05.

While housing Portsmouth’s aging population will require affordable housing stock options as their lifestyle changes, there is also a strong demand for affordable housing for young adults and families looking to establish themselves

in the community. Reflected in a low percentage (11.2%) of the typical family demographic (35 – 45 years of age), young families appear to be priced-out of Portsmouth. The Town should seek solutions to retain the younger generations and attract entry and junior level workforce participants to diversify our aging population and create an attractive workforce for business investment. Portsmouth has historically been commended for providing one of the best public school educations in the State of Rhode Island, but following high school and college, these former students lack the housing options to return to their hometown to begin their professional careers and start their families.

As shown in Table 13, Portsmouth’s housing stock is predominantly comprised of owner-occupied single-family dwelling units (75%). These units are typically larger than the statewide average unit as far as number of rooms and bedrooms. The disproportionate ratio within the Town of multifamily rental units limits the housing choices and affects the overall affordability.

Table 13 Range of Housing Size and Type				
	Rhode Island		Portsmouth	
	Estimate	Percent	Estimate	Percent
Housing Occupancy				
Total Housing Units	462,900	100.0%	8,420	100.0%
Occupied housing units	410,602	88.7%	7,036	83.6%
Vacant housing units	52,298	11.3%	1,384	16.4%
Units in Structure				
Total Housing Units	462,900	100.0%	8,420	100.0%
1-unit, detached	254,825	55.0%	6,631	78.8%
1-unit, attached	15,752	3.4%	400	4.8%
2 units	51,884	11.2%	279	3.3%
3 or 4 units	58,748	12.7%	179	2.1%
5 to 9 units	22,753	4.9%	83	1.0%
10 to 19 units	16,764	3.6%	57	0.7%
20 or more units	37,228	8.0%	487	5.8%
Mobile home	4,657	1.0%	304	3.6%
Boat, RV, van, etc.	289	0.1%	0	0.0%
Rooms				
Total Housing Units	462,900	100.0%	8,420	100.0%
1 room	10,319	2.2%	73	0.9%
2 rooms	13,271	2.9%	169	2.0%
3 rooms	45,978	9.9%	541	6.4%
4 rooms	79,809	17.2%	1,190	14.1%
5 rooms	98,760	21.3%	1,792	21.3%

Table 13 Range of Housing Size and Type				
	Rhode Island		Portsmouth	
	Estimate	Percent	Estimate	Percent
6 rooms	88,849	19.2%	1,192	14.2%
7 rooms	52,177	11.3%	1,395	16.6%
8 rooms	35,802	7.7%	1,038	12.3%
9 rooms or more	37,935	8.2%	1,030	12.2%
Median rooms	5.3		5.9	
Bedrooms				
Total Housing Units	462,900	100.0%	8,420	100.0%
No bedroom	10,969	2.4%	79	0.9%
1 bedroom	65,005	14.0%	825	9.8%
2 bedrooms	137,834	29.8%	2,506	29.8%
3 bedrooms	178,726	38.6%	3,424	40.7%
4 bedrooms	55,595	12.0%	1,284	15.2%
5 or more bedrooms	14,771	3.2%	302	3.6%
Housing Tenure				
Occupied Housing Units	410,602	100.0%	7,036	100.0%
Owner-occupied	246,909	60.1%	5,279	75.0%
Renter-occupied	163,693	39.9%	1,757	25.0%

Source: 2011 – 2015 ACS 5-Year Estimates (DP04).

Where Portsmouth falls short is in the availability of dwelling unit sizes and/or types of units to accommodate changes in the demographics of our population. Household size has been falling, our population has been aging and incomes have in many cases been stagnating. Over one third of Portsmouth’s households (35.1% or 2,490) are considered “cost burdened,” that is they spend greater than 30% of their household income on housing, and 14.7% (1,040) spend greater than 50% of their household income on housing (severely cost-burdened). Future housing stock in Portsmouth must include (1) a greater range of smaller, more affordable housing options such as studios and 1-2 bedroom units, both for rent and for sale, to accommodate smaller families in starter homes or older residents and empty nesters looking to down-size; (2) duplex and multi-family housing as rental units or condominiums to accommodate larger families and seniors with modest means; (3) more age-restricted housing to accommodate the elderly and (4) accessory dwelling units to allow seniors to age in place with family members. Mixed-use buildings, such as office or commercial space on the ground floor and an apartment above, can also be an effective method for providing lower cost dwelling units.

4.4 LOW-MODERATE INCOME HOUSING STRATEGY

In 2004, the Rhode Island General Assembly passed legislation in response to affordable housing needs. Subsequent amendments to this law, known as the Low- and Moderate-Income Housing Act (RIGL 45-53) implement a statewide plan to provide safe and affordable housing to low- and moderate-income families, the

elderly and low wage workers. The Act requires all municipalities to outline strategies to meet a 10% goal of affordable local housing as defined in the Act. "Affordable" units are required to have a subsidy (State/local), with restrictions to assure they will remain affordable for a minimum of 30 years. Communities that already maintain 10% of their total housing stock as low-moderate income are exempt from the Act. The Act mandates that communities that do not meet their 10% goal must find ways to encourage low-moderate income (LMI) housing development. In 2005, as directed by the Act, each Rhode Island municipality assessed its affordable housing needs and outlined strategies to meet their 10% goal. At the time Portsmouth's 10% goal was estimated using housing units at the end of the 20-year planning horizon. As of 2017, the official percentage for Portsmouth is 2.8%, representing a total of 210 LMI units. This leaves a deficit of 546 LMI housing units at the 20-year planning horizon. Table 14 shows the percentage of populations served by these 210 LMI units. Since the Town still has not met the 10% threshold, it remains subject to housing development through Comprehensive Permits. Such developments may be allowed to override local zoning if they provide a certain percentage of LMI housing. Achieving and maintaining the 10% threshold affords the Town more control over local land use decisions in the future.

Table 14 Low-Moderate Income Housing by Population Served		
	Number of Housing Units	Percent
Number of LMI Housing Units	210	2.8% of Total Year-Round Housing Units
Number of 'Family' LMI Housing Units	13	6.2% of LMI Housing Units
Number of 'Elderly' LMI Housing Units	167	79.5% Of LMI Housing Units
Number of 'Other' LMI Housing Units	30	14.3% of LMI Housing Units
Number of Year-Round Housing Units (2010 minus Seasonal Homes)	7,558	

Source: 2018 Housing Fact Book, Housing Works RI.

4.4.1 EXISTING STRATEGIES TO CREATE LOW- AND MODERATE-INCOME HOUSING

In 2005, Portsmouth estimated it could reach its stated goal of 10% LMI housing units by the year 2025 by implementing a number of strategies that would achieve a total of 888 units by 2025. Minus the existing 169 LMI units at the time, 719 new LMI units, or approximately 36 per year, were to be produced for the 20-year planning horizon. In 2018, at 210 LMI units in total, the Town has not made the significant progress towards increasing the stock of LMI units necessary to meet the housing needs of Portsmouth residents or movement towards the 10% threshold. Regardless of any strategy's success or failure, one overarching limitation to LMI unit development that

remains as a constant is that the Town 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 Waterfront District property in the Melville area. Residential development in this area is not permitted by right. Compounding this, over 80% of Portsmouth’s soils are considered unsuitable by degrees for the installation of sanitary septic facilities. Finding the balance of policies designed to protect our natural resources while also facilitating the development of LMI units will be challenging and require creative approaches. An evaluation of the strategies to produce affordable housing and LMI units from the 2005 Plan follows below. In particular, these strategies were designed to produce a total of **794** LMI units over the 20-year planning horizon.

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.

Status: Portsmouth had 169 low/mod housing units as of July 2004. The fear was that some of these units may be lost at the expiration of the restrictions that guarantee their affordability. In these cases, the Town was to work with the property owners and with state and federal housing agencies to extend the restrictions, on a case-by-case basis. The town took no action to implement this strategy during the 20-year planning horizon but this strategy can be considered successful as all **169** units remain LMI units.

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, Quaker Manor expansion.

Status: In 2005, the Town’s support and collaboration in known future local development projects was intended to produce **128** LMI units. With the Town not offering up the Senior Center property for development of LMI units and Rainbow Heights being developed by a private developer with no incentive to produce LMI units, this strategy fell short of this goal. The development of Quaker Estates, Phases – IV did however add **33** units to the Town’s LMI unit totals.

STRATEGY 2: IDENTIFY AREAS FOR HOUSING REHABILITATION

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

Status: The core objective of this strategy was to preserve the affordable housing and produce LMI units in these neighborhoods by establishing a special program of acquisition and rehabilitation. In cooperation with the Church Community Housing Corporation or other local/regional nonprofit housing organizations, the Town was to 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 were to be rehabilitated or sold to qualified low or moderate income individuals or families. This strategy was intended to produce **20** LMI unit during the 20-year planning horizon. No Town funds were budgeted for the program through the period.

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

Status: No surplus Town-owned land was offered up to be converted to affordable housing. The federal property known as the “Tank Farms” is still undergoing environmental clean-up, is likely to have land use restrictions prohibiting residential development upon completion of the clean-up, will not be transferred to the Town and will likely be purchased from the Navy by a private developer for commercial/industrial purposes. The **138** LMI units intended to be produced by this strategy has not and will not materialize.

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

Status: This inventory has not been not undertaken.

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.

Status: This strategy requires the mobile home parks be organized into a housing cooperative with the land underneath owned by a single entity (perhaps the Town) and a portion of the units committed to long-term affordability restrictions to persist as LMI units. This strategy was intended to produce **120** units during the 20-year planning horizon but has not been analyzed or implemented to date.

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

Action 1: Create an Affordable Housing Trust Fund.

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

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

Action 4: Offer density bonuses through zoning.

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

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

Status: These six actions taken together were intended to produce **34** duplex LMI dwelling units during the 20-year planning horizon. The Affordable Housing Trust fund was not established. The tax abatement to assist elderly and impoverished Portsmouth residents is current and active but it is unclear how this was intended to produce LMI units. Local fees can be waived where applicable. Density bonuses have been offered for duplexes only and only in the R-20 district. This entire strategy is voluntary only. The Town had not adopted inclusionary zoning making development designed to take advantage of these kinds of provisions mandatory (See Strategy 5, Action 3 below). As a result, these six actions taken together have produced **no** LMI units during the 20-year planning horizon.

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.

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

Action 3: Develop an inclusionary zoning ordinance.

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

Action 5: Adopt Conservation Development Ordinances for new subdivisions.

Action 6: Create LMI Housing with open space preservation.

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.

Status: Action 1 - Article XIX of the Portsmouth Zoning Ordinance, Low-Moderate Income Housing, including a low-moderate multi-family incentive zoning district was adopted in June, 2007. This strategy was intended to produce 583 market-rate units + **194** LMI units during the 20-year planning period. Among other incentives, the ordinance provides a 100% density bonus for multi-family dwelling units, a 50% density bonus for duplex developments and one-stop-shopping with the Planning Board using the Comprehensive Permit process. This permitting process requires at least 25% of the units in any development be LMI units. During the 20-year planning horizon, this strategy has produced **1** LMI dwelling unit. This unit was constructed several years ago and remains unsold to date. It is apparent the density bonus incentive is not enough to overcome the 25% LMI unit requirement. Our ordinance is based on State enabling legislation which may need amendment as this failed strategy is not unique to Portsmouth.

Action 3: Inclusionary zoning is a term that describes a zoning technique that provides incentives and 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. All such housing must remain affordable for at least 30 years from initial occupancy. Portsmouth's development and adoption of inclusionary zoning was calculated to add an additional **160** LMI units during the 20-year planning horizon. Portsmouth has yet to develop and adopt inclusionary zoning into our ordinance.

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

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

Action 2: Form a Local Affordable Housing Advisory Board.

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

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

Status: While not necessarily intended to produce LMI unit directly, the above actions work towards housing affordability in general. The Town has participated in talks with Church Community Housing on LMI housing tools and techniques and recently participated and a regional housing summit with our fellow Aquidneck Island neighbors. The Town has not established a local Affordable Housing Advisory Board.

In summary, the seven strategies and their supporting actions established in the Town’s 2005 Low-Moderate Housing Plan were intended to get us to the 10% threshold for LMI units by the year 2025. This include preserving the **169** existing LMI units and producing a total of **719** new LMI units. To date, these various strategies have produced **41** new LMI units, bringing our total to **210** LMI units or a total of 2.8% of our housing stock.

4.4.2 PROJECTING LMI UNIT PRODUCTION

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 **210** such units. Ten percent (10%) of the Town’s 7,558 year-round housing units (2010 U.S. Census) requires a total of **776** units, or a deficit of **566** units. 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,”⁶ this Comprehensive 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 “at full residential buildout” as the reasonable period of time for Portsmouth to achieve the 10% goal.

Utilizing the State’s 20-year population projections and Portsmouth’s 2016 residential buildout analysis, a new target for LMI homes may be calculated. In Portsmouth, the population is projected to increase only slightly to 17,845 persons by 2040. This projects an increase of only 459 persons over 2020 projected levels. At an average household size of 2.38 (2016 ACS), Portsmouth currently has enough housing stock (7,558 units) to accommodate the projected population increase. Nevertheless, full residential buildout projects an addition of 1807 new dwelling units if all

⁶ Handbook 16, op. cit., p. IV-19.

available residentially-zoned land is developed. Using the average rate of addition of new dwelling units during the years 2007 – 2018, 31 units per year, the addition of the new 1807 dwelling units will take approximately 58 years. Adding to the current dwelling unit stock, the total number of dwelling units in Portsmouth at buildout will be 9365 units. The 10% threshold of LMI units at residential buildout in the year 2077 will be **936** units. Subtracting the current total of LMI units (210), Portsmouth will need to produce **726** new LMI units, or approximately 12.5 LMI units per year to achieve the 10% threshold by full residential buildout in the 58-year period. Incrementally, Portsmouth will need to add approximately 145 new LMI dwelling units for each 5-year period going forward to stay on track towards the 10% goal.

With no other action whatsoever and strict reliance on new building as a means of LMI production, Portsmouth would have to restrict approximately 40% of the usual annual average number of new housing units built in the Town to low and moderate income housing. In other words, 40% 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. This is unrealistic for a number of reasons, not the least of which is the overburden put on schools and other public services and facilities by the influx of new population and housing. Therefore, attainment of the LMI threshold will have to rely heavily on more than a percentage of additional units created by new development. Other methods of producing LMI units will have to be utilized.

4.4.3 DISTRIBUTION OF LMI NEED

In 2005, the distribution of need among Household types was calculated and is shown below in Table 15. A majority of the need was for families (42%), followed by the elderly and other populations with special needs (singles, individuals with special needs, and transient housing).

Table 15 Distribution of LMI Unit Needs by Household Type				
Household Type	Proportional Need Projected	Number of LMI Units Needed by 2025 (773 to meet goal x CHAS %)	Existing Supply	Future Need
Elderly	34%	191	167	358
Family	42%	236	13	249
Other	24%	135	30	165
Total LMI Units		563	210	773

Source: HUD 2000 CHAS Database, based on Portsmouth data.

Portsmouth has fallen short in not only total LMI production but in the intended distribution of need by household type. As noted above in Table 14, we have significantly over-produced housing for the elderly and under-produced housing designed to serve families. The strategies going forward for producing LMI housing by household type are designed to correct this imbalance by leaning production of LMI housing towards a greater range of smaller, more affordable housing options such as studios and 1-2 bedroom units, both for rent and for sale, to accommodate smaller families in starter homes or older residents and empty nesters looking to down-size. To date all of our “elderly” LMI Housing production has been in age-restricted multi-family building which certainly serves this need category but cuts out the need for low-income family housing. By re-orienting our strategies, we intend to produce LMI housing units in quantities more aligned with the 2005 distribution of need.

Table 16 Distribution of LMI Unit Needs by Household Type

Household Type	Proportional Need Projected	Number of LMI Units Needed at Residential Buildout (936 to meet goal x CHAS %)	Existing Supply	Future Need
Elderly	34%	318	167	151
Family	42%	393	13	380
Other	24%	225	30	195
Total LMI Units		936	210	726

4.5 CONSIDERATION OF NEW STRATEGIES

(This section remains under construction. A matrix is yet to be developed to determine the number of LMI units it is estimated will be developed by each strategy and when the 10% threshold will be achieved)

As previously noted, the above strategies for producing LMI units in Portsmouth have resulted in very little progress in the last decade. A significant reworking of these strategies will be needed in order to make progress towards complying with State Law. The Town must identify specific strategies required to attain the 10% threshold requirement for low and moderate income housing and estimate the number of LMI units that will be produced for each strategy. However we must not lose sight of the fact that planning

for affordable housing for our citizens cannot be solely oriented towards attaining the 10% LMI threshold. Of equal importance is planning for non-deed restricted affordable housing to meet the needs of a range of incomes and household types. This section presents a detailed explanation of strategies specifically recommended for all types of housing including affordable housing that is defined in state enabling legislation⁷ but is not considered to be “low or moderate income housing” credited toward a community’s ten percent standard.

Build partnerships, mechanisms and community support for Affordable Housing.

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 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.

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

⁷ 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.

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.

Partner with non-profit developers (CCHC and others)

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. 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.

Preserve existing LMI units

Maintain the continued affordability of the Town’s current affordable housing units. Portsmouth had 210 low/mod housing units as of July, 2018. Work to ensure that none of these units are lost at the expiration of the restrictions that guarantee their affordability. Work with the property owners and with state and federal housing agencies to extend the restrictions, on a case-by-case basis.

Adopt Mandatory Inclusionary Zoning w/ Fee-in-lieu

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.

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.

Strategies for supporting existing housing through municipal subsidies

Tax abatement program – elderly and impoverished

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.

Revolving Loan Program for home repair & rehab

The establishment of a Town-funded revolving loan program can not only provide an incentive for existing homeowners to improve their property in exchange for dedicating the dwelling unit as an LMI unit but to raise the overall condition of housing stock in Portsmouth, particularly those properties of modest value. Terms and conditions of the loan can be adjusted depending whether deed restriction is part of the agreement or not.

Acquisition of existing homes by the Town, private parties and non-profits

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. As of 2018 there are nearly 1700 single family dwelling units in Portsmouth that have assessed values which put them in the range of being “affordable” and eligible to be an LMI unit if a deed restriction is put in place. These units shall be evaluated for their potential for acquisition and conversion to LMI units by the Town, nonprofit housing agencies or private parties to earn charitable tax credits.

Voluntary deed restriction for tax credit

A program should be developed to explore the tax revenue impacts to the Town by giving substantial property tax credits to those who voluntarily deed restrict their property to create a LMI unit. This strategy has the potential to generate a significant number of LMI units in the coming years if an optimum balance can be achieved where the homeowner is incentivized to participate and the drop in the tax revenue to the Town does not significantly impact the delivery of Town services.

Comprehensive Permit

The Town currently has in place a section of our Zoning Ordinance setting out the requirements and procedures for submitting affordable housing developments as a comprehensive permit application, a process allowed under the Rhode Island Low and Moderate Income Housing Act for consolidating local review and approval of qualifying LMI housing Projects. A Multi-Family Incentive Zone has been established with incentives and standard are provided to guide development. To date the Comprehensive Permit process has been underutilized. An analysis of the incentives for such development needs to be performed to discover the impediments to its use and adjust incentives accordingly.

PUD & Mixed-Use Zoning

Adopt mixed-use zoning in Portsmouth’s Commercial District with a density bonus for a certain percentage of the residential units qualifying as LMI units. Amend our PUD regulations to include density bonuses and other incentives to create LMI units as part of the development.

Waive Building permit for LMI units

Currently the town assesses a variety of fees against new housing construction. Waiver of fees and charges for LMI units may be considered a “municipal government subsidy” as defined in the 2004 state housing legislation. 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.

Incentivize the creation of Duplex Housing Units

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 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.

Accessory Dwelling Units

The town should amend the Zoning Ordinance to allow accessory dwelling units by right if land space requirements can be met without dimensional variances and by Special Use Permit otherwise. If the accessory dwelling unit is to be deed restricted as an LMI unit, the Town may limit the taxes on the unit to a certain percentage of the income obtained from the property as a LMI rental unit. This is not a subsidy but an incentive to create LMI units. The municipal subsidy will be allowing accessory dwelling units by right where currently they are not allowed by ordinance. This is considered a density bonus and a municipal subsidy.

Target Selected Sites for In-fill Development

Residential or mixed-use Infill development is beneficial in a variety of way but most importantly it utilizes existing infrastructure and can incorporate new affordable housing into existing neighborhoods. An inventory of appropriate sites should be developed and density bonuses and/or tax incentives can be proposed to incentivize the production of LMI units. This strategy, along with the support of existing housing proposed above, may prove to be the most successful way for Portsmouth to achieve the 10% LMI threshold.

Land Trust Strategies

Town property

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 Town-owned buildings and land.

Land acquisition by Town

Utilizing funds from a variety of sources to be passed through the Affordable Housing Trust Fund, the Town should look for opportunities to purchase land that can then be long-term leased to a non-profit developer at very low cost to in-turn leverage their resources to design and build deed-restricted affordable housing.

Mobile Home Parks

Encourage the conversion of the Town’s existing mobile home parks (approximately 275 units in three parks) to affordable housing. This strategy requires the mobile home parks be organized into a housing cooperative with the land underneath owned by a single entity (perhaps the Town) and a portion of the units committed to long-term affordability restrictions to persist as LMI units.

Legislative Efforts

Encourage the State to amend the Low and Moderate Income Housing Act (RIGL Chapter 45-53) to make it easier for communities to achieve the 10% threshold of LMI units as follows:

- Amend the definition of “low and moderate income housing” to include a wider range of housing types.
- Lower the minimum percentage of LMI units required to be eligible to file for a comprehensive permit from the current 25%.
- Lower the minimum deed restriction for LMI units from 30 years to 20 years.

4.6 GOALS, POLICIES AND IMPLEMENTATION

GOAL H - 1

Attain a degree of diversity in safe and affordable housing choices that meet the needs of present and future residents of all economic status and household groups.

Policy H - 1.1

Preserve existing affordable housing opportunities.

Action H - 1.1a – Monitor the status of all existing LMI units for expiration of deed restrictions and participate in activities that would extend the LMI status.

Action H - 1.1b – Maintain and annually review a database of current housing stock, evolving housing needs and trends in household make up, paying particular attention to housing in the affordable range.

Action H - 1.1c – Amend local tax assessment policy regarding affordable housing units to reflect acquisition costs rather than market value.

Action H - 1.1d – Support local active residential developments that have the opportunity to provide additional low- and moderate-income housing for the community (Quaker Manor, Boys Town, Anthony House, etc.)

Action H - 1.1e – Develop a tax abatement program that encourages owners of affordable housing units to voluntarily deed restrict their homes to allow them to qualify as LMI units.

Policy H - 1.2

Support and incentivize future residential development projects that result in additional affordable housing units.

Action H - 1.2a – Adopt provisions in Portsmouth’s Zoning Ordinance that make it mandatory for all new residential developments of 6 units or more to designate 20% of the units as LMI units (Inclusionary Zoning).

Action H - 1.2b – Adopt provisions in the zoning Ordinance that allow for payment-in-lieu-of, off-site construction or rehabilitation and other strategies that allow developers to fulfill their affordable housing obligations.

Action H - 1.2c – Review and update the Low- and Moderate-Income Housing section of our Zoning Ordinance (Article XIX) which governs affordable housing development in the Residential Multi-Family Incentive District.

Action H - 1.2d – Require all proposed residential developments to submit a cluster or open space plan in addition to the standard yield plan for land subdivision.

Action H - 1.2e – Continue to waive all building permit fees for the construction Low Moderate-Income housing units.

Action H - 1.2f – Consider adjusting the assessment if Impact Fees to reduce development costs for affordable senior and LMI housing units.

Action H - 1.2g – Explore restructuring the present Senior Center site to include affordable senior housing plus the Senior Center at the same site.

Policy H - 1.3

Encourage the development of more types of housing choices to accommodate changing household demographics.

Action H - 1.3a – Allow Accessory family dwelling units (so-called in-law apartments) by Special Use Permit in all residential zoning districts.

Action H - 1.3b – Encourage the conversion of the Town’s existing mobile home parks to affordable housing, a portion of which to qualify as LMI units.

Action H – 1.3c – Increase the density bonus for duplex housing particularly if one of both of the units is designated as an LMI unit.

Action H - 1.3d – Amend the Zoning Ordinance to support the development of work force housing where appropriate.

Action H - 1.3e – Update the Zoning Ordinance to allow more opportunities for mixed-use housing development in our Commercial and Light Industrial Districts.

Action H – 1.3f – Zoning that allows multi-family dwelling units to encourage town-house and condominium style developments

Policy H - 1.4

Recognize a particular obligation to meet the housing needs of our elderly population, first-time home buyers and those who are disabled or with special needs.

Action H - 1.4a – Continue the Town’s property tax abatement program for our elderly and impoverished residents.

Action H - 1.4b – Establish a locally funded low-interest loan program (modeled after the Septic Loan program) to assist owners of affordable housing in maintaining and rehabilitating their homes.

Action H – 1.4c – Continue to robustly enforce the Building Code and Minimum Housing Standards particularly with regard to elderly and special needs residents.

Action H - 1.4d – Work with the Portsmouth Housing Authority to expand elderly housing opportunities.

Action H - 1.4e – Consider the Town acquisition of available land for the development of affordable housing development, particularly parcels with easy access to existing infrastructure and services.

Action H – 1.4f – Address Needs of First-Time Buyers, Elderly and Handicapped by providing information on available programs and housing opportunities in a central location.

GOAL H - 2

Guide future housing development that is in character with that of Portsmouth in general and that of individual neighborhoods in particular.

Policy H-2.1

Promote opportunities to integrate affordable housing into existing neighborhoods.

Action H – 2.1a – Develop a program, to be administered by an Affordable Housing Commission to vigorously pursue the creation of LMI units from existing housing stock.

Action H – 2.1b – Develop neighborhood-sensitive design guidelines for rebuilding “tear-downs” and for the rehabilitation and/or reconstruction of housing units in the creation of LMI units in existing neighborhoods.

Policy H-2.2

Prioritize locations for affordable housing that are closely related to existing infrastructure, facilities and services.

Action H – 2.2a – Identify specific sites and specific projects for the development of affordable housing, particularly those sites in close proximity to facilities and services.

Action H – 2.2b – Consider improvements to public infrastructure to facilitate the development of affordable housing.

Policy H-2.3

Recognize that scattered site and infill development accompanied by effective housing rehabilitation programs is the desired way to achieving Portsmouth’s housing goals.

Action H - 2.3a – Create a database of existing structures and vacant in-fill sites that appropriate for the conversion and/or development for affordable housing and LMI units.

Action H - 2.3b – Identify housing stock in flood-prone areas for exclusion in affordable housing strategies.

GOAL H - 3

Build a level of community support for affordable housing development that is self-sustaining, all-inclusive and proactive.

Policy H - 3.1

Advance programs that raise awareness of housing needs in the community and expand civic participation in affordable housing programs.

Action H – 3.1a – Create and fund an Affordable Housing Trust Fund to aid in the financing of affordable housing and the creation of LMI units.

Action H – 3.1b – Establish an Affordable Housing Commission with the powers and duties necessary to guide housing strategies in Portsmouth.

Action H – 3.1c – Expand collaborative effort with local non-profit housing providers.

Action H – 3.1d – Participate in Statewide Housing legislative activities and planning efforts.

Action H – 3.1e – Issue general obligation bonds to assure a steady source of income to the Housing Trust Fund.

Action H – 3.1f – Advocate for Fair and Effective affordable housing legislation at the state level.

Action H – 3.1g – Conduct periodic “Housing Summits” to educate the public on housing needs and opportunities as well as the effectiveness of current programs and policies.

GOAL H - 4

Goal - Reach the quantitative threshold of Low-Moderate Income (LMI) housing units in Portsmouth as defined by State law.