

**III. HOUSING ELEMENT**

**TOWN OF SOUTH KINGSTOWN, RI**

**COMPREHENSIVE PLAN**

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For revised Housing Element III

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## **A. Introduction**

The Town of South Kingstown is faced with a continued increase in population, due to the popularity of the Town as a residential area and the ever continuing advancement of urban sprawl. To prepare for this predicted growth in an environmentally sensitive and efficient manner, it is necessary for the Town to evaluate its existing housing stock and determine to what extent the Town is capable of accommodating new residents, while preserving its character and protecting its natural environment.

The Town recognizes the need to provide a diverse housing mix to serve the needs of its varied existing and future population, to facilitate the development and retention of its local employment base, and to do its fair share for overcoming a regional shortage of affordable housing. The Town also recognizes the need to develop policies and strategies of growth control. It is widely understood that such public utilities as water and sewer make land more attractive for development, and allow increased housing density. The Town of South Kingstown will take action to manage the resultant growth pressures through its Land Use Plan and Zoning Ordinance.

The Housing Element is intended to provide local officials and residents with more information on the housing inventory and issues related to housing production. It assesses the present and future housing needs of the Town, describes the current housing stock, and prescribes policy recommendations which address housing concerns.

This Housing Element updates and expands the Housing Element prepared as part of the Comprehensive Plan, 1986. Because the Town has been involved in an intensive effort to address housing problems since the preparation of the 1986 Comprehensive Plan, this plan has incorporated many of the goals and objectives, policy issues and recommendations discussed in several Housing Action Plan technical memoranda prepared for the Town Council and Planning Board in 1988 and 1989. These included Zoning Amendments and Briefing Paper, Housing Stock and Needs, Housing Resources and Land Use Regulations.

*NOTE: The data from the revised U.S Census dated July 9, 1992 was not available and is not included in this Element.*

## B. Inventory

An overview of the region and South Kingstown's demographic characteristics and trends is presented below with particular attention to key demand segments and factors that generate demand for housing of various types. General housing, income and employment trends and characteristics are discussed. Projections of future demand are presented. Special populations that require planning attention are discussed. Population information is presented in the Land Use Element.

### 1. Household Trends

a. Size - The basic building block for the identification of housing demand is the household and, to a lesser extent, the family unit. Changing trends in the American lifestyle have led to smaller average household sizes. For instance, average household size in the northeastern region of the nation fell from 2.78 persons in 1980 to 2.62 persons in 1987. Official U.S. Census estimates for Rhode Island and Washington County estimate that household sizes fell from 2.7 to 2.6 persons and 2.82 to 2.69 persons per household respectively from 1980 to 1985. According to the 1990 U.S. Census, from 1980 to 1990, South Kingstown's household size dropped from 2.74 persons to 2.61 persons per household.

The reason for smaller household sizes has been attributed to several demographic, economic, and cultural factors. They include the increased acceptance of non-family household arrangements and one-person households, delays in first marriage, delays in first child birth, more two-wage earner families, lower fertility rates, and increases in divorce. The increased migration of young job seekers from families to find jobs in parts of suburbia where it was occurring, where advancement was possible, and where housing was more affordable also represents a factor toward smaller households. Smaller household size places added pressure on the housing market. Household growth has the potential to outstrip the effect of population growth as a stimulant to housing demand.

The changing age structure of the society and the lifecycle of the individual also increase the number of households. In the 1980's, housing demand was partly due to the effect of the tail-end of the baby boom population (those who were under 25 years of age in the 1980's but born before 1964) coming of age and requiring housing of their own. This age segment created substantial demand for housing as they became first-time and trade-up home buyers.

b. Household Estimates and Projections - As shown in Table 1, the headship rate increases as a population ages. Between 1990 and 2000, the tail end of the baby boom population will have moved primarily through or will still be in the 25 to 34 years segment a period where most individuals form households for the first time. Therefore, an increase of under 3 percent may be expected for this age group and a relative decline in their importance (23 percent to 19 percent) over the decade. Similarly, a substantial bulge in the 35 to 44 years may be expected and an even larger increase in adults between 45-54 years (from 13 percent to 19 percent over the decade). The headship formation rate approach projects that there will be an increase of approximately 210

**Table 1**  
**Estimated and Protected Number of Households by Age Segments**  
**Comparing Headship Formation Rate and Change In Household Size Approaches**

1. Approach – Household Projections Based Upon Headship Formation by Age

2. Approach – Household Projections Based Upon Changing Household Size

TOTAL	Headship Rate	Year 1990	Year 1995	Year 2000	Year 2010	Percent Change 1990-2000	Percent Change 2000-2010	Share 1990	Share 2000
Total South Kingstown Households		8,343	9,487	10,447	12,577	25.2%	20.4%	100.00%	100.00%
Under 25 Years	0.137	1,032	1,095	1,174	1,288	13.7%	9.7%	12.40%	11.20%
25-34 Years	0.485	1,931	2,161	1,985	2,169	2.8%	9.3%	23.10%	19.00%
35-44 Years	0.541	1,848	1,955	2,433	2,492	31.7%	2.4%	22.20%	23.30%
45-54 Years	0.558	1,090	1,590	2,004	2,595	83.9%	29.5%	13.10%	19.20%
55-64 Years	0.591	911	1,032	1,158	2,064	27.0%	78.3%	10.90%	11.10%
65 + Years	0.640	1,530	1,654	1,692	1,968	10.6%	16.3%	18.30%	16.20%
Average Household Size			2.45	2.43	2.36	-2.7	-2.7		
South Kingstown Average Household Size		<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>*1995</u>	<u>**2000</u>	<u>**2010</u>		
		3.1	2.74	2.61	2.28	2.21	2.18		
Total South Kingstown Households		Year <u>1990</u>	Year <u>1995</u>	Year <u>2000</u>	Year <u>2010</u>	Change <u>1990-2000</u>	Change <u>2000-2010</u>		
		7,428	10,188	11,448	13,607	54.1%	18.9%		

\*Constant Rate of Change (1970-1980)

\*\*One-Half the Constant Rate of Change (1970-1980)

Source: U.S. Bureau of the Census, 1990; Current Housing Reports, Series p-20,  
No. 398 Household and Family Characteristics; Louis Berger & Associates, Inc., 1990

households annually to the community during the decade of the 1990's. As this headship rate approach assumes that the age structure of the society defines the need for housing, household sizes continue to decline, but conservatively; this is in contrast to the results generated by an approach that assumes a downward trend in household size will determine the number of households.

If the downward trend in household size were to continue through 1995 and then slow to half its current rate, the total number of new households that could be expected for South Kingstown might approach 285 new units annually through the 1990's. Table 1 compares the total number of households generated by the two approaches as well as the expected household size that would result.

## 2. Income

Income levels are important in determining the overall demand type, location, and tenure of housing. Per capita and median family income characteristics are compared for South Kingstown, Washington County, and Rhode Island residents in Tables 2, 3, and 4.

Per Capita income levels are given in Table 2. It should be noted that the figures for the Town include the student population which comprises approximately 20 percent of the Town population. A 1985 adjusted per capita income (excluding students) showed that the Town was \$1,781 above the State for per capita income.

From 1980 to 1990 the median family income grew by 108.8 percent from \$21,302 to \$41,895 (Table 3). Local median income exceeds the average for the State by over \$3,575 per family. Inflation accounted for approximately 75 percent of this increase over the decade; therefore, in real terms (after inflation), income grew about 14 percent.

The 1990 Census information presented in Table 4 shows that approximately 40 percent of the Town's families had moderate incomes of or less (family incomes below 80 percent of median income or \$33,516). Approximately 20 percent of the Town's families earned incomes that were below 50 percent of the Town's median family income (\$20,948). While the actual size of the family determines the income eligibility of a family, it appears that a significant portion of South Kingstown families would be income-eligible households for affordable housing programs.

## 3. Supply

An overview of the Region and South Kingstown's housing supply characteristics and trends are discussed below:

- a. Size, Type, Tenure - Historically, South Kingstown has been comprised primarily of single-family units. Prior to 1980 single-family units accounted for 77.9 percent of the 6,449 dwelling units available. Taking into account the nearly exclusive development of single family residential

**Table 2**  
**Per Capita Income**  
**South Kingstown, Washington County, Rhode Island**

Year	South Kingstown	Washington County	Rhode Island
1979	\$6,511	\$7,087	\$6,897
1988	\$11,664*	\$12,787	\$12,351
Percent Change As Percent of R.I.	79.1%	80.4%	79.1%
1979	94.4%	102.8%	100.0%
1988	94.4%	103.5%	100.0%

\*Not adjusted for students (20.6% of population).

Source: Rhode Island Department of Employment and Training, 1989.

**Table 3**  
**Median Family Income**  
**South Kingstown, Washington County, and Rhode Island**

Year	South Kingstown	Washington County	Rhode Island
1969	\$10,052	\$9,607	\$ 9,736
1980	21,302	20,859	19,448
1990	41,895	42,343	39,172
Percent Change (1980-1990)	92.8%	84.4%	88.7%
<b>As Percent of RI</b>			
1980	109.5%	107.3%	100.0%
1990	111.9%	104.8%	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, 1980 and 1990 Rhode Island Housing Mortgage Finance Corporation, 1990 Prepared by the South Kingstown Planning Department

**Table 4**  
**Family Income 1990**  
**Percent Distribution and Income Eligibility**  
**for Affordable Housing**  
**South Kingstown. Washington County. Rhode Island**

	South Kingstown	Washington County	Rhode Island
Families	5,243	28,309	260,833
Less than \$ 5,000	97	349	5,183
\$ 5,000-\$ 9,999	133	814	13,238
\$ 10,000-\$14,999	217	1,074	15,447
\$15,000-\$ 24,999	613	3,169	36,427
\$ 25,000-\$ 34,999	995	4,895	41,651
\$ 35,000-\$ 49,999	1,238	6,899	61,246
\$ 50,000-\$ 74,999	1,080	6,724	55,102
\$ 75,000-\$ 99,999	506	2,569	18,884
\$100,000-\$ 149,999	224	1,162	9,083
\$150,000 or more	140	654	4,572
Median Family Income	\$ 41,895	\$ 42,343	\$ 39,172
Moderate (80%)	\$ 33,516	\$16,687	\$ 15,590
Low (50%)	\$ 20,948	\$10,430	\$ 9,744

projects throughout the 1980's, single family dwelling units now account for 82 percent of the total inventory of 9,806 units. Table 6 examines the distribution of housing units by type before and after the development of the 1980's.

Building permit activity is the primary indicator of change in the housing stock and also indicates the relative health of the associated economy. In the early 1980's, a recession passed, South Kingstown followed the regional trends of much of the Northeast and experienced a surge in building activity through the mid-1980's. By the end of the 1980's building began to slow. South Kingstown's housing stock is predominantly owner-occupied. As shown in Table 7, rental units only account for 30 percent of the total housing stock compared to 32.5 percent of Washington County and 42.1 percent of the State's housing stock. The small percentage of year-round rental units has led URI students to seek housing in Narragansett and North Kingstown, as well as creating the development of some illegal accessory apartments and the conversion of some seasonal units to year-round occupancy.

A much higher percentage of the total housing stock (year-round and seasonal units) serves as rental stock during the summer months due to a large influx of tourists and summer residents. It is estimated that an additional 4,500 to 5,000 summertime and tourist residents live in Town during the summer months.

Seasonal housing historically has been an important facet of South County's housing market. Seasonal units accounted for 21.5 percent of the South Kingstown housing stock in 1980, down from nearly one-third of the total housing stock in 1970. In 1990, 1,994 units were reported as seasonal, representing 20.3 percent of the housing stock.

Discussions with local building officials indicate a trend toward conversion of seasonal units to year-round units. This is economically attractive for many, as it allows the units to be rented during the winter months. The availability of such units provides a ready and affordable housing opportunity for URI students who frequently share a single unit. However, the potential problems with sewage disposal, traffic, parking, fire safety, and aesthetics may outweigh any benefits and must be of continual concern to the Town.

It is unlikely that the amount of seasonal housing will increase in the future. The trend toward conversion, the availability of a strong rental market, and the building code requirements, make it more attractive to construct year-round units.

b. Location of Recent Building Activity - The location of recent residential building activity was estimated by neighborhood or vicinity areas for the Town Recreation, Conservation and Open Space Plan, (1990). Residential building activity was accounted for through examination of building permits and subdivision applications. The Coastal Ponds area has received the most development activity since 1975 followed by the Kingston/URI/South (upper) Road and the Wakefield/South Road areas. For more detailed information see Figure I of the Land Use Element.

c. Age and Condition of Housing - Over one-half of South Kingstown's housing stock (50.4%) was built after 1970 (see Table 5). Older homes, built prior to 1940, comprise less than one-fourth (22.5%) of the total inventory. Using the age of the housing stock as an indicator of relative condition and potential for demolition, it appears that South Kingstown will not be faced with a large number of demolitions or significant repairs in the next several decades.

The Minimum Housing Officer enforces housing standards and issues citations for non-compliance with the State Building Code. Records from the past few years shows that 34 houses were cited in 1994 of which 11 were considered major violations. Through September, 1995 there were 25 citations issued with 12 being major violations and one resulting in property condemnation. The total of residential structures cited for building code violations represented less than .002% and .001% for 1994 and 1995 respectively. This indicates that approximately two dwellings per thousand would not meet minimum building code standards. This relatively low ratio is a further indication of the overall good housing stock condition.

Table 5  
Age of Housing Stock  
Town of South Kingstown

Time Period	Houses Built	Percent of Total Stock	Total Per cent
Prior to 1940	2425	22.5	100.0
1940 - 1949	709	6.6	77.5
1950 - 1959	1192	11.1	70.9
1960 - 1969	1008	9.4	59.8
1970 - 1979	2047	19.0	50.4
1980 - 1989	2387	22.2	31.4
1990 - present	986	9.2	9.2

\* As of 9/30/95

Source: Building Official's Office records

d. Housing Development and Zoning - A detailed analysis of the existing development, as well as development potential of residential districts in the Town was prepared to assess the availability of space to provide affordable housing. Nearly 42 percent of the residential land in South Kingstown is zoned RR80, Rural Residential, which allows for low-density residential development and agriculture.

In accordance with the Core/Periphery Development Concept, as outlined in the Land Use Element, the Town will foster growth in the central villages of Wakefield, Peace Dale, and Kingston. The result will be a controlled and limited growth in the peripheral areas. This standard of development follows the Town's traditional growth patterns and will help meet specific objectives including provision of affordable housing opportunities in the central higher density zoned core area. Zoning within the core area is dominated by R10 and R20

Table 6  
Type of Housing Units ♦♦  
Town of South Kingstown

	<b>1980</b>	<b>Percent</b>	<b>1990</b>	<b>Percent</b>
Single Family	5,089	78.9	8,043	82.0
♦detached	5,021		7,886-	
♦attached	37		157	
♦mobile home	31		238	
♦other	—		100	
Multifamily	1,360	21.1	1,425	14.5
2	428		379	
3 to 4	172		293	
5 to 9	135		252	
10 to 49	347		174	
50 or more	274		276	
<u>TOTAL</u>	6,449		9,806	<b>100</b>

**Source:** U.S. Bureau of Census, 1980 and 1990  
**Prepared by South Kingstown Planning Department**

**T a b l e 7**  
**Housing Tenure and Ownership**

	South Kingstown	Washington County	Rhode Island
<u>Total # of Housing Units</u>			
1970	6,020	30,951	317,718
1980	8,138	40,899	372,672
1990	9,806	49,856	414,572
<u>Percent Increase</u>			
1970-1980	35.2%	32.1%	17.3%
1980-1990	20.5%	21.9%	11.2%
<u>Number Occupied</u>			
1980	5,843	31,081	338,590
1990	7,428	39,311	377,977
<u>Number Owner-Occupied</u>			
1980	4,119(70%)	21,293 (52%)	196,044 (57%)
1990	5,189 (70%)	27,082 (54%)	224,792 (60%)
<u>Seasonal Units</u>			
1980	1,752(22%)	6,606(16%)	10,039 (2.6%)
1990	1,994 (20%)	8,000 (16%)	12,037 (2.9%)

Source: U.S. Census, 1980 and 1990  
Housing Report # 73, Rhode Island Division of Planning, 1/92  
Prepared by the South Kingstown Planning Department

designations which historically provide for construction of housing that is more affordable than the larger lot (R40, R80, and RLD200) developments.

e. Cost of Housing

1) Sales Trends - The median sales price of housing in South Kingstown and Washington County has far outpaced growth in median family income over the 1980's. In 1980, the median price of a home was \$57,500. In 1990, the median sales price of a home was approximately \$158,700. The ratio of the median family income to a median priced home moved from 37 percent to 25 percent as the price of home increased by 176 percent compared to a median family income increase of 89 percent (see Table 3). These trends were evident throughout Washington County.

Only slightly more than 5 percent of all Town and County sales were for dwellings that were priced under \$100,000. The prices of recent home sales are shown in Table 8.

2) Rent Levels - The rental market is divided into three major unit types: year-round, summer seasonal, and winter. Winter and year-round units have nearly comparable rental costs. Summer rental costs are approximately four times year-round and winter rates. Summer rentals are available and rented by the week. According to the 1990 Census, a one-bedroom unit rented for \$569.00, and a two-bedroom unit rented for \$659.00.

Year-round and student tenants in the local rental market suffer from the extraordinary increase in value generated by summer rentals. Renters are often priced out of the summer market. The drastic increase in rental cost during the summer months has forced many, including entire families, to live in temporary shelters during the summer. These seasonally homeless inhabitants move to a friend or relative's house or live in tents at various campground facilities.

There are rental units available year-round, yet costs are not affordable to many. During the winter season (September - May) the occupancy rate is estimated at 75 percent. Both families and University students comprise this population. The occupancy rate appears to increase considerably during the summer months and is estimated at 90 to 95 percent.

Although rental properties are scattered throughout the Town, several communities contain a larger percentage of the rental stock. Generally, there are less rental units inland and more near the water. Such summer communities as Matunuck, Snug Harbor, Ocean Ridge and Green Hill contain a large number of seasonal units. A high percent of the rental stock near the University is marketed toward winter use by students:

**Table 8**  
**Properties Sold by Price Range**  
**South Kingstown and Washington County, Rhode Island**  
January, 1989 - March, 1990

Sales Price	South Kingstown		Washington County	
	Number	Percent	Number	Percent
0 – 24,999	0	0.0	1	.1
25,000 – 39,999	1	0.4	4	.4
40,000 – 54,999	0	0.0	3	.3
55,000 – 69,999	1	0.4	11	1.1
70,000 – 84,999	4	1.8	11	1.1
85,000 – 99,999	10	4.4	44	4.5
100,000 – 124,999	35	15.6	223	22.6
125,999 - 149,999	62	27.6	254	25.8
150,000 – 199,999	59	26.2	228	23.1
200,000 - -249,999	29	12.9	96	9.7
250,000 and above	24	10.7	111	11.3
<b>TOTAL</b>	<b>225</b>	<b>100.0</b>	<b>986</b>	<b>100.0</b>

Source: Statewide MILS Inc., 1990

There are virtually no new units being constructed for summer use only. Over the last decade a significant portion of seasonal units have been upgraded to allow year-round occupancy. The cost of living and of maintaining a second house in Rhode Island, and elsewhere in the Northeast, has made owning a unit exclusively for summer use prohibitive for a large portion of the population. The loss of an additional seasonal housing stock under construction means that a component of the year-round rental inventory is no longer growing.

f. Housing Rehabilitation - Since 1986, through the Small Cities Community Development Block Grant program, the Town has assisted homeowners in providing funds for making repairs and improvements to their homes. The Housing Rehabilitation Grant Program is administered by the South Kingstown Housing Authority and provides 50% and 100% grants to income eligible applicants. The major purpose of the program is to assist owners in their efforts to bring dwellings in compliance with the State Building Code. The maximum grant amount is \$6,000.

CDBG funding for the program since 1986 totals \$602,000, including the FY95 grant. \$542,000 of those funds is set aside for home rehabilitation grants. From 1986 through 1994 there had been a total of 135 grants awarded with 554 residents directly benefiting. Minority residents comprised 12.7% of the total program beneficiaries (see Table 9).

Projects which have been subsidized through the program include: bathroom renovations; roofing repairs; siding replacement; handicap access structure installation; septic system rehabilitation/replacement; and, electrical system repairs/improvements.

Table 9  
South Kingstown Housing Rehabilitation Program  
Beneficiaries (1986 - 1994)

<u>Year</u>	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Other</u>	<u>Handicapped</u>
1986	91	85	6	-	4
1987	40	28	5	7	2
1988	50	46	4	-	-
1989	37	27	8	2	2
1990	36	32	4		4
1991	52	38	14		2
1992	74	74	-		-
1993	60	52	8		4
1994	114	102	12		16
TOTALS	554	484	61	9	34

Source: Planning Department records

#### 4. Market

a. Residential Building Levels and Household Growth - Using the population projections and headship formation rate method of projecting households referred to in Table 7, it is projected that there will be an addition of 210 households formed annually in the 1990's due to combined effect of in-migration and the aging of the local population. If the factors that have led to smaller household sizes continue, the number of new (and smaller) households could increase (as many as 280 households annually), fueling additional demand for housing. Residential building activity averaged 186 dwelling units authorized by building permits throughout the 1980's. Thus, annual household growth in 1990's may be slightly above the residential building activity levels averaged in the 1980's, but below the level experienced several times in the decade.

b. Market Affordability - The ability of the average person in South Kingstown to purchase a home has diminished over the decade of the 1980's. Depending on the interest rate and down-payment, one must now earn between 10 and 30 percent more than median income to afford the median priced home in South Kingstown. A family earning the 1990 median income, \$41,075, would face an annual income shortfall of between \$3,500 and \$11,100, depending on financing options and the interest rate, if it were to purchase the median price home. A family could afford between 5 and 8 percent of the homes recently sold in the community, unless it could buy down the monthly financing through a greater down payment (equity upon resale). A moderate income family (80 percent of median family income) recently could have purchased no more than 3 percent of the homes sold in the 1990. In 1990, only one home was sold that could have been purchased by a low-income family (below 50 percent of median income).

To make these calculations, a comparison of the median family income (updated from the 1980 census data based upon the Rhode Island State average) and the average cost of housing has been undertaken (Table 10). Several assumptions were required: a household can spend no more than 30 percent of income to a mortgage payment, interest rates will range from 8.5 percent (Alternative 2) to 11 (Alternative 1) percent due to fiscal deficits and inflation fears, a 5 percent (Alternative 1) or 10 percent (Alternative 2) down payment can be made, and the home can be financed over 30 years. Table 10 identifies the varying assumptions and calculations at the time of the 1980 U.S. Census and currently. Alternative 2's deeper financial subsidy--a smaller down-payment and lower interest rate--reflects recent available financing from RIHMFC.

Table 10  
Affordability of Home Ownership  
South Kingstown 1979, 1989

	1979	1989 Alt 1	1989 Alt 2
1. Median Family Income	\$ 21,302	\$ 40,187	\$ 40,187
2. Moderate Income (80 percent of median)	17,042	32,150	32,150
3. Low Income (50 percent of median)	10,651	20,094	20,094
4. Percent of Income for Housing	30%	30%	30%
5. Annual Payment Available for Housing:			
Median	6,391	12,056	12,056
Moderate	5,112	9,645	9,645
Low	3,195	6,028	6,028
6. Interest Rate	13%	11%	8.5%
7. Term in Years	30	30	30
8. Price of Affordable Home			
Median	47,902	104,813	129,565
Moderate	38,321	83,851	103,652
Low	23,951	52,407	64,783
9. Median Asking Price of a Home	57,500	148,600	148,600
10. Loan to Value Ratio	90%	90%	95%
11. Mortgage Amount	51,750	133,740	141,170
12. Annual Payment	6,904	15,383	13,136
13. Minimum Income of Qualifying Households for Median Asking Price Home	23,013	51,278	43,786
14. Approximate Percentage of Households Qualifying	40%	N/A	N/A
15. Percentage that Minimum Income of Qualifying Households Represents of Family Income	108%	127.6%	109%
16. Income Shortfall	(1,711)	(11,091)	(3,599)

Source: U.S. Department of Commerce, Bureau of Census, 1980  
Rhode Island Housing Mortgage Finance Corporation,  
1990  
Statewide MLS Inc., 1990  
Louis Berger & Associates, Inc., 1990

5. Federal Subsidized and Assisted Housing

a. Summary of Programs – Federally assisted rental housing is available in South Kingstown for low income and elderly persons. The South Kingstown Housing Authority administers three federal Department of Housing and Urban Development (HUD) subsidized and assisted housing programs: Section 8 rental certificate program; Housing voucher program; and Housing Authority owned, public housing units. A total of 192 units is served by all three programs.

b. Housing Authority Housing Stock and Programs - Two developments are maintained by the Housing Authority: Champagne Heights and Fournier Estates. Champagne Heights at Curtis Corner was completed in 1974 with 28 apartments. After five years of planning, twelve new apartments were completed by the Housing Authority in July, 1990. Fournier Estates has 12 units and was completed in 1974.

The Housing Authority reports that all of its units are in excellent condition. The units at Champagne Heights and Fournier Estates have gone through a number of renovations since their completion in 1974. In May of 1992, renovations on both Champagne Heights and Fournier Estates were completed, with a \$589,000.00 grant from the Comprehensive Improvement Assistance Program (HUD). The Housing Authority has applied for an additional \$307,000.00 for FY 92-93 from this program.

No plans exist for the development of new housing units at these sites as there is no room for any further expansion of units. At this time, there is no federal money for site acquisition and new project development. For the near-term, the Authority will be required to find new ways to provide low-income housing.

In addition to the 52 public housing units, the Housing Authority has issued approximately 100 Section 8 certificates and housing vouchers over the last 4 to 5 years. These programs limit what a housing unit can rent for and subsidize a shortfall in a fair rent payment associated with a low-income household.

Section 8 certificates can only be issued for year-long lease contracts. The Housing Authority emphasized that they have no problem finding one-year leases for the Section 8 certificates they issue; approximately 95 percent of the certificates currently issued have secured lease contracts.

Privately owned subsidized housing developments are Indian Run Village, Peace Dale Estates, Peace Dale House and the former University Gardens. Both Indian Run Village and Peace Dale House provide housing for senior citizens and handicapped residents under the Section 8 program. A staff member at Indian Run Village noted that there is a five-year waiting list of 150 people for the 115 units on site. Staff at Peace Dale House revealed a similar situation with a three-year waiting list, that has been closed until January 1991, for the 100 units at that location. Administrators of these facilities indicate that a substantial portion (80 to 90 percent) of those on the waiting lists are South Kingstown residents. In both cases residents live in self-contained units, as neither development is equipped as a nursing or quasi-medical facility.

c. Demand for Subsidized Housing: Waiting Lists – The three programs administered by the Housing Authority, had a total of 269 applicant families on the waiting lists: 105 of which were from South Kingstown. These numbers only represent applicants who have been pre-screened for eligibility in a relevant Department of Housing and Urban Development (HUD) program. According to family income projections based on the 1980 U.S. Census data, Rhode Island Housing reports there are 987 very low-income and low-income renters in South Kingstown. Therefore, it is reasonable to assume that there is a strong need for additional affordable housing units in Town. It has been estimated by the Housing Authority staff that there is between a one and two year waiting time before receiving housing assistance. For this reason, the South Kingstown Housing Authority recently has stopped accepting new applications for subsidized housing, as have the towns of North Kingstown and Narragansett.

However, the Housing Authority notes that most applicants on its waiting lists also are probably on lists in other municipalities because many social workers place their clients on lists in every municipality in the area. Furthermore, social service shelters for battered and abused women automatically fill-out such applications for women in their shelter.

d. HUD Preferences - The South Kingstown Housing Authority is free to develop and promulgate its own preference categories. However, the local preferences must rank lower than the HUD preferences for waiting list priority purposes. Therefore, the Housing Authority adopts all of HUD's preferences, without weighing them, in ranking applicants on waiting lists. HUD preferences include: 1) applicants without housing or about to be without housing (i.e. facing court ordered eviction); 2) applicants living in substandard housing; 3) applicants paying 50 percent or more of their monthly income on housing; 4) applicants (women, elderly) living in an abusive situation; and, 5) residents of the local municipality.

The Housing Authority estimates that 80 percent of all applicants on their waiting lists fall into one or more preference categories. No statistics are available, however, for how many applicants there are in each preference category (with the exception of local residents). The Housing Authority has disagreed with HUD over the special nature of the seasonal rental housing market in South Kingstown attempting to modify the HUD "without housing or about to be without housing" category to exclude those people who were living in tents during the summer months and renting apartments on 8 or 9 month leases for the remainder of the year. They wanted to give these applicants, a small segment that does this year after year, a lower preference ranking than those applicants who were truly forced out into the street after an eviction, fire, etc. However, the local housing authorities cannot alter the definition of HUD preference categories and individuals who apply while living on campground sites during the summer are eligible for HUD's "without housing category."

e. Income - Over several decades, numerous efforts have been proposed at the federal and local level, publicly and privately, to reduce the costs of some of the nation's housing. Lower cost housing measures have addressed land costs, construction costs, regulatory permit streamlining, zoning density increases, low cost loans, federal grants, sweat equity, and a variety of other mechanisms.

The Housing Authority estimates that about half of the applicants on their waiting lists fall into the low-income category (incomes below 80 percent of the household median income) and half fall into the very low-income category (incomes below 50 percent of the household median income). As of February, 1991, HUD income-eligibility guidelines for low-income and very low-income were as follows:

Type of Household	Maximum Low-Income Income Limits	Maximum Very-Low Income Limits
One Person Household	\$23,350	\$14,600
Two Person Household	\$26,700	\$16,700
Three Person Household	\$30,500	\$18,750
Four Person Household	\$33,350	\$20,850
Five Person Household	\$36,050	\$22,500
Six Person Household	\$38,700	\$24,200
Seven Person Household	\$41,350	\$25,850
Eight Person Household	\$44,050	\$27,500

f. Minority Citizen Housing Needs - South Kingstown's minority residents comprise 6.6% of the total population (1,631 of 24,631). Minorities make up 13.4% of the ninety households receiving public assistance through Section 8 vouchers and certificates. The specific percentages being: Blacks - 8.8%; Native Americans - 3.3%; and Hispanic - 1.3%. Approximately 35 to 40% of applicants on the Housing Authority waiting lists for these units are African-Americans. The Town recognizes the disproportionate numbers of minorities at lower income levels and in need of housing assistance.

In response to this situation, the Town has taken various regulatory and policy measures in an effort to improve the overall housing opportunities for minority residents with low to moderate income levels. Since 1985 the Town has implemented certain fair housing strategies to provide clean, safe affordable housing for all South Kingstown residents.

The Zoning Ordinance has been amended over the past five years to specifically include provisions intended to encourage the development of more housing opportunities for low and moderate income residents. Article 3 of the ordinance allows for construction of one accessory apartment on the same lot as a principal residence. These apartments offer a viable living alternative to residents whose income hinders the ability to purchase a home.

Land developers are provided an incentive for constructing more affordable units under Article 22 of the Zoning Ordinance. Lots or dwelling units specifically limited to affordable housing are exempt from payment of fair share development fees. The present fee schedule is \$3238.25 for single household units.

g. Housing for Special Needs Individuals - Special needs clients are those individuals that either: have a substance abuse problem; are mentally challenged; have developmental disabilities; have mobility impairments; or are diagnosed as HIV positive. Some veterans and recent returnees from corrections facilities are also included.

The South Kingstown Housing Authority provides subsidized housing for those with special needs through the availability of 140 Section 8 certificates and vouchers and a total of fifty-two units of public housing. A cooperative agreement signed between the Town and the PHA allows for construction of seventy units of low rent housing. The PHA received HUD funds in 1994 for construction of the remaining eighteen units.

There are also four privately owned and operated housing developments in South Kingstown. Both the Indian Run Village and Peace Dale House facilities provide housing for handicapped residents under the Section 8 program.

Through the Community Development Block Grant program the Town secures funding to support local and regional social service agencies that provide facilities and services to special needs clients. Agencies that have been funded in the past include: Women's Resource Center; South Shore Mental Health Center; Galilee Mission to Fishermen; Sympatico; South County Community Action; CANE Day Care Center; and, Health Center of South County.

The Town of South Kingstown's annual budget includes appropriations to human service agency programming. Programs receiving Town support serve the needs of target populations including low income, elderly and special needs residents. Many of the agencies supported by these municipal funds provide temporary housing and shelter for special needs clients.

h. Residents of Areas Outside of South Kingstown - The Housing Authority estimates that of the 164 applicants on the waiting list who reside outside of South Kingstown, most live in Washington County; a little over 50 percent reside in communities that are contiguous to South Kingstown, (Narragansett and North Kingstown), and the remainder live in other communities, (primarily Providence and the other larger cities). Section 8 certificates are transferable, as a result of a lawsuit by applicants in Narragansett against the Town of Narragansett. Housing vouchers have always been transferable. The Housing Authority notes that they receive a significant number of certificates and vouchers issued in other communities. They already have distributed the 100 rental certificates and vouchers granted by HUD. They expect to receive only six more vouchers in the coming year.

i. Seasonal Rentals and HUD Eligibility - While the Housing Authority did not have information for the number of applicants who live in rental housing subject to seasonal leases, they noted that a significant number of applicants (as well as many non-applicant Town residents) depend upon camping sites for the summer months, being able to obtain only eight or nine month leases due to intense summertime competition for rental dwellings.

j. Homelessness - A general economic slow-down in the region particularly lost construction jobs coupled with a shortage of low income housing in nearby communities have been cited as primary causes of an increasing homeless population. Housing costs seem to be consuming an increasing percentage of personal income as indicated by a 300 percent increase in the need for emergency food services statewide.

South Kingstown has a relatively small homeless population; but, according to a spokesperson for the United Way of Southeastern New England, it was the largest of any

town in Washington County in the winter of 1990. As of January 30, 1990, the homeless population of South Kingstown was 103 persons. This is high compared with that of other nearby communities Block Island (5 persons), Scituate (11 persons), Richmond (17 persons), Exeter (19 persons), Westerly 45 (persons), and Narragansett (50 persons). At the time of the count, the homeless population in South County included many families and young persons: 50 percent of the population was below the age of 17 years, as compared to 25 percent State-wide.

A July 1, 1989 survey noted a homeless count of 14 in Narragansett and 29 in South Kingstown. This variability may be more due to seasonal factors. The homeless population is tracked through its shelters, estimates do not reflect those who do not utilize shelter services, but who live on the streets, in seasonal campgrounds, or share crowded housing with relatives and friends.

A staff member at the Rhode Island Department of Human Services provided the following list of shelters in the South Kingstown area: the Galilee Mission to Fisherman in Narragansett (which provides assistance to men with substance abuse problems and their families), the Women's Resource Center of South County in Wakefield, the South County Emergency Shelter (Welcome House Shelter) in Peace Dale and Westerly Area Rooms and Meals (WARM).

## 6. Public and Private Resources

South Kingstown has many physical, social and financial resources available to create new housing opportunities. The use of numerous resources, sometimes cooperatively, will be the necessary strategy to create housing opportunities for South Kingstown's target groups. An inventory of these resources is presented below.

a. Physical Resources - The high cost of land coupled with the difficulty of saving a large down payment are the biggest hurdles to the first time homebuyer and to the development of affordable housing. In 1991, building lots in South Kingstown were being sold for \$65,000 to \$90,000. The total costs of housing development would be much lower if inexpensive land could be found or parcels donated or leased.

The most prominent physical resource for the Town is developable land. South Kingstown has a large amount of vacant land that has potential for housing development. All residential zoning districts have significant acreage (at least 500 acres) of unoccupied land, with the exception of the zoning districts along the Town sewer, R10 and RM zones.

1) Town Owned Land - At the present time, there exists no suitable surplus Town owned land for affordable housing. However, as existing property changes use or becomes surplus or vacant, it will not be sold or transferred to another use without first assessing its potential for affordable housing.

2) URI Land - The Town recognizes the impact of the University on the housing situation in South Kingstown. The University recognizes the effect that the housing situation has on URI's ability to attract students, faculty and staff. The most suitable

location for such housing would be on land presently owned by the State adjacent to the University.

3) Land Owned by Not-for-Profit Organizations - Churches and other non-profit organizations own parcels of land in South Kingstown. These groups benefit from their not-for-profit status and their land is generally tax-exempt.

The Town has inventoried local parcels that are owned by not-for-profit entities including the University of Rhode Island and area churches. It may be possible for the Town or the Housing Authority to either purchase or lease land from non profit groups. If the land were made available through a long-term lease, the not-for-profit organization would retain ownership of this portion of its endowment. Or, the non-profit group may be willing to defer return on its equity until a future, designated time.

4) Privately-owned Land - As mentioned above, there are thousands of acres of privately owned, vacant land in South Kingstown. Development of affordable housing can be encouraged on privately owned land, using innovative zoning and other regulatory mechanisms. Potential sites on privately-owned land should be evaluated according to a system that tallies points or identifies a threshold performance level with respect to a number of criteria for environmental planning, including:

- existing zoning;
- environmental impacts and regulations;
- abutting and surrounding existing land uses  
availability and proximity of infrastructure including sewer, water, roadways and public transportation; and,
- proximity to community, educational and shopping facilities.

b. Social Resources - Social resources may be private or public, groups or individuals. These resources can offer land, financing, technical assistance, or social and political leadership.

1) Town - The Town has many resources that would facilitate the development of affordable housing. Technical assistance to the developer in some areas of planning and paper processing can be given. The Town may relax some requirements for developers of affordable housing, for example, through density bonuses or the elimination of select cost-generating subdivision standards. Along with the Housing Authority, the Town could develop housing packages to present to Rhode Island Housing and Mortgage Finance Corporation.

2) Churches - Many of the Town's churches have land holdings. These properties are considered assets by the churches, so they are unlikely to part with them without receiving some benefit from the Town or other development agency. Programs could be developed so that the church holds and/or leases the land until it is sold, at which time the church would reap a return on the property. The churches also have the means to provide social leadership. Through their membership, they may be able to tap into their resources and to become aware of other housing opportunities.

3) Employers - Businesses and major employers in Town know the importance of having a strong labor force. It is therefore important that the labor force be able to find affordable housing in the area. Businesses that do not hold land may establish programs to aid employees in financing housing. These could include low interest loans and the creation of a fund for down payments. Employers with property, such as the University of Rhode Island and commercial buildings with underutilized upper floors, may be able to provide land or buildings for housing purposes.

4) Social Service Organizations - Such organizations as the South County Community Action Program and the Emergency Shelter have first hand experience with many of the Town's target groups. They can offer temporary housing and contacts through which target groups can find housing. As these organizations implement action programs in pursuit of their specific mission, they will provide part of the full spectrum of housing types needed in South Kingstown.

c. Financial Resources - To successfully mobilize the physical and social resources discussed above, financial resources must be tapped. While the federal government has cut back its involvement, there are still a limited number of financial resources available in Rhode Island.

State of Rhode Island - The allocation of State housing assistance is subject to competitive criteria. According to Area-wide Housing Plan prepared by the Statewide Planning Program, housing assistance will be allocated according to such factors as manufacturing growth, manufacturing jobs, State population, percent of total acreage of sites available for the construction of low and moderate income housing, percentage of the State's need for a specific category of assisted housing, relative fiscal capacity, percent of the State's minority and low-moderate income population, and percent of federally assisted housing. At the time of the report's preparation, South Kingstown was entitled to approximately 1.6 percent of the State's housing assistance.

Rhode Island Housing Programs are administered by Rhode Island Housing Mortgage Finance Corporation (RIHMFC). The agency offers several programs that the Town of South Kingstown may utilize to provide affordable housing opportunities for its low and moderate income residents. These programs provide the mechanisms necessary for a housing authority or a Town created non-profit organization, such as the proposed Affordable Housing Foundation, to develop affordable housing in South Kingstown.

1) Land Bank - This \$1.5 million revolving fund provides loans at below-market interest rates (at a maximum of 3.0 percent) to non-profit corporations and government authorities that cover 100 percent financing for the purchase of undeveloped land upon which affordable housing will be developed. There are no minimum or maximum limits for loan size although the maximum loan term is 36 months. Non-profit and governmental authorities may submit applications for land purchase upon which either for-purchase homes or rental units will be developed.

2) Construction Loan Program - This \$2.5 million revolving loan fund offers below market interest rate loans that provide an opportunity for the Town to develop for-purchase and rental housing on Town-owned land, land donated or leased from charitable organizations or land purchased in conjunction with the land bank program previously discussed. The program also provides below market rate loans for the acquisition and rehabilitation of existing housing to be sold or rented to low and moderate-income families.

These loans cover up to 100 percent of all development costs; interest rates cannot exceed 6.0 percent. The loan term is for a maximum of 12 months for new construction and 18 months for rehabilitation of existing housing.

3) First Homes Mortgage Program - This program is open to all first time homebuyers whose annual household income does not exceed \$37,500 for one and two person households, or \$43,125 for households of three or more persons. Special interest rates are offered for both existing one to four family homes and newly constructed one family homes and condominiums. The minimum down payment required ranges between only four and five percent of the purchase prices of the home. Households with annual incomes of \$23,000 or less may also be eligible for a grant 2 percent of the home purchase price (up to \$1,000 maximum) to help cover closing costs or meet cash reserve requirements.

Interest rates range between 5.5 and 8.5 percent. During the first two years of the thirty year mortgage, households at the lowest range of the income eligibility guidelines receive a rate of 5.5 percent, which increases by one percentage point every two years until reaching the maximum rate of 8.5 percent which continues for the balance term. Households in the middle and upper ranges of the income eligibility guidelines begin at rates of 7.5 percent, increasing to 8.5 percent after two years, and 8.5 percent, respectively.

4) Rental Production Program - Rhode Island's Rental Production Program is designed to construct, substantially rehabilitate and maintain affordable rental housing units. Among the financial resources available under this program are the following:

- Mortgage financing. First mortgage financing is available for developments of 15 units or more through the sale of tax-exempt or taxable bonds.
- Targeted loan fund. Funds are available to write down the cost of low-income units. A maximum of \$22,000 per low-income unit is available for zero interest second mortgage financing.
- Rental-Subsidy Program. Developments that receive rental assistance through this program will be underwritten at the Section 8 Fair Market Rent levels. Furthermore, eligible developers may be able to obtain a set aside of Federal Section 8 Existing Contract Authority from the Housing Authority.

5) Low Income Tax Credits - A Low-Income Tax Credit Program was established as part of the Tax Reform Act of 1986, as an incentive for the production and maintenance of rental housing units for low-income people, as well as rehabilitation of existing poor or uninhabitable housing. The tax credit provisions allow for the reduction in tax liability to owners and investors in eligible low-income new construction, rehabilitation, or existing rental housing developments. The credit is available for a ten-year period, and is a percentage of the cost of the low-income units in a development.

The Tax Credit Program was started in 1987 and is overseen by the Rhode Island Housing and Mortgage Finance Corporation. Each state can issue tax credits up to a total value of \$9375 per resident for calendar year 1990. In Rhode Island, this translates into approximately \$932,625 of credit authority.

6) Farmers Home Administration - The FHA has a Rural Housing Site Loans Program that makes loans to public and private local nonprofit organizations for the development of low and moderate income family housing. This program has been used in South Kingstown in the past, but it is intended for rural areas (usually places of less than 20,000 in population). The Town may continue to draw upon the loan program in the future as, despite recent growth, it still meets the applicable eligibility criteria for funding.

7) Community Development Block Grants - CDBG funds have been used for forgivable and revolving loans and limited-equity projects in other communities. CDBG funds often are used to subsidize the staff operations budgets of local not-for-profit organizations or to support materials purchases in sweat-equity projects. These funds also may be used to fund affordable housing, land trusts or other affordable housing projects.

8) Banks and Lending Institutions - Banks and lending institutions, particularly those locally based, may serve as financial resources by offering loans and by facilitating State and local programs such as those offered by RIHMC Housing is the top priority of the CDBG program.

9) Employers/Businesses - Businesses may be able to establish funds for loans and down payments in an effort to strengthen the local labor force and to attract and to keep needed employees.

## **C. Affordable Housing Strategies**

### **1. Affordable Housing Foundation**

a. Purpose - The creation of a Town-affiliated, non-profit affordable housing foundation that would promote affordable housing through education, development, subsidies, offering services, and possibly management was proposed in a 1988 addendum to the Housing Action Plan and endorsed by the Town Council. Among its functions would be the following:

1) management and administration of an Affordable Housing Trust Fund; 2) solicitation of funds for an affordable housing trust fund; 3) development of affordable housing; 4) management and administration of programs designed to ensure future affordability of units developed by the foundation; and, 5) to act as a conduit for grants from other State housing programs, such as the land bank and construction loan programs discussed in further detail in a later sub-section.

The Foundation's Board of Directors should consist of all or some members appointed by the Town Council. South Kingstown will have continued input into the direction of the foundation, but the new foundation will serve as a separate not-for-profit corporation.

The Affordable Housing Foundation would retain ownership of the land (a key cost in housing) and would sell or rent units it develops to qualified families and individuals. Prospective owners and renters could be identified through an application process and the help of other social service organizations in South Kingstown, e.g. South County Community Action (SCCA) and the South Kingstown Housing Authority.

The Affordable Housing Foundation's initial charge would be to oversee any affordable units gained through inclusionary zoning provisions, density bonus formulas or any other innovative regulatory mechanisms, discussed below.

b. Maintenance of Affordability Restrictions - One technique for maintaining the long-term affordability of units developed by the foundation would have buyers be limited equity owners: the Foundation would retain an ownership interest in the unit. Restrictions would be placed upon the future resale of the units by the limited equity homeowners. Such restrictions could include a right of first refusal by the Affordable Housing Foundation when the unit is sold. In order to maintain the affordability of the units, the Foundation would exercise this right in nearly every instance. Furthermore, the amount of profit that the limited equity homeowner can realize upon resale of the unit would be limited. This restriction allows the owner to gain some equity to help in the purchase of another home while simultaneously keeping the selling price of the unit low enough that it is still affordable to the original target group upon resale, or rental by the Foundation. The Foundation would also retain the right to enter the property in order to perform needed maintenance, with the cost of such maintenance work being deducted from the limited equity owners' ultimate share of the equity.

c. Benefits of Affordable Housing Foundation - The creation of an Affordable Housing Foundation to develop and administer affordable housing for South Kingstown would provide the following benefits:

- the affordability of the units developed is guaranteed and enforceable over time;
- the inflating cost of land is removed from future resale value;
- a balance is struck between an owners need and right to earn equity and the community's need and right to preserve a public subsidy and maintain affordability over time;
- maintenance and upkeep of the units over time is guaranteed by the right of the Foundation to intervene, if necessary, and perform needed work; and,

- the Town is not directly involved with the business of developing and managing housing.

d. Potential Agents for Affordable Housing Foundation - As an alternative to the Town's establishment of an Affordable Housing Foundation, either South County Community Action (SCCA) or the South Kingstown Housing Authority could be charged by the Town Council to serve in the capacity of an affordable housing foundation. Given their slightly different missions, it is conceivable that both organizations could perform the functions of an affordable housing foundation targeted to distinct needy populations.

South County Community Action (SCCA) has been increasingly involved in non-profit housing development since 1985. The social service agency generally works with the very poor of South County. The agency has worked on a self-help housing development of six units in the county, and in 1988 built and sold five, three-bedroom ranch houses for just over \$75,000 in Hopkinton. The buyers of these homes had an average income of approximately \$17,000; instead of a \$450 to \$550 monthly rental cost, plus utilities, these homeowners now pay FHA insured mortgages of approximately \$250, plus utilities.

The South Kingstown Housing Authority currently is charged with administering Federal HUD programs. However, the absence of new federal commitments has led the Housing Authority to explore a broader role that may encompass the development and administration of non-federally subsidized low and moderate-income housing. This new role may be carved out in addition to or in conjunction with the creation of a non-profit Affordable Housing Foundation.

## 2. Affordable Housing Trust Fund

The Housing Advisory Committee proposed the establishment of an Affordable Housing Fund in its Housing Policy and Action Plan (revised by the Town Council of South Kingstown, September 14, 1988). An Affordable Housing Trust would establish a fund to be used for low interest loans or other methods for reducing the cost of housing, including the purchase or leasing of land. A combination of sources could fund the trust, including the following:

- the Town's annual budget;
- payments by developers, as required by inclusionary zoning ordinances, in addition to or in lieu of the construction of affordable units;
- State grants, particularly Rhode Island Housing's Land Bank and Construction Loan programs, funded and administered by the Rhode Island Housing Mortgage Finance Corporation (RIHMFC);
- repayment of revolving loans;
- contributions from private and corporate sources; and,
- real estate transfer taxes.

### 3. Regulatory Mechanisms

The zoning and development review powers of the municipality can play a major role in shaping the creation of affordable housing. However, if these powers are misused, they can create exclusionary ordinances that instead prevent the development of a diverse mix of housing.

There are four approaches that can be implemented to meet the Town objectives of providing affordable housing to its residents. Firstly, the manner in which land is zoned can have a direct effect on its affordability. Secondly, the adoption of inclusionary zoning and density bonus provisions can add to the affordable housing stock in a town. Thirdly, some of the cost-generating requirements for subdivision projects may be modified to decrease the total project cost without jeopardizing project quality and safety. A fourth option available to a town is the conversion of existing, nonresidential structures to residential uses or the allowance of a mixed use of specified commercial and residential buildings.

a. Zoning Map - The most important regulatory mechanism governing the provision of affordable housing in the Town is zoning. The Town must provide a sufficient amount of land zoned at densities that will support the economical development of housing. These zoning districts are primarily multifamily and the smaller lot single family residential zoning districts: RM, R10 and R20. The Land Use Plan Element indicates that these zoning districts will be provided within the central core area of Town, primarily within the villages of Wakefield, Peace Dale and Kingston. This Element estimates there is a sufficient amount of vacant buildable land in the core area to create the potential for up to 1400 new dwelling units.

b. Inclusionary Zoning

1) Purpose - Inclusionary zoning is one method used to increase the affordable housing stock through regulatory means. It can be developed as a mandatory step in subdivision approval or as something done through an incentive program.

2) Mandatory Inclusionary Zoning - The intent of such an amendment would be to incorporate guaranteed affordable housing into subdivision development throughout the Town. A developer would be required to include a certain number of affordable units in a subdivision as a part of the approval. Therefore, the affordable units would be mixed with market rate homes. Off-site inclusionary exactions, described below, would be another option for a mandatory program.

3) Density Bonus - A density bonus option provision in the zoning ordinance could be designed to encourage developers to earn density bonuses of up to twenty (20) percent, in certain circumstances, by meeting requirements established in the density bonus amendment.

These requirements could take the form of a point system, or a minimum performance threshold might have to be surpassed by a developer. Either way, certain criteria must be established by the ordinance. Increases in densities would be allowed if specified threshold or point levels are met. Among the key criteria for evaluation are the following:

- the inclusion of affordable units in the development. Such a proportion should be at least ten (10) percent, and perhaps as much as twenty (20) percent;
- donation of money to the Town's affordable housing trust fund, administered by the affordable housing foundation. More points could be earned for monetary donations that bring more affordable units to the Affordable Housing Foundation;
- donation of land, either on or adjacent to the subdivision site, or at another appropriate location, to the Town's Affordable Housing Foundation;
- donation of real property, either with or without the donation of the underlying land, which could be sold or rented as affordable units by the Affordable Housing Authority.

Under a point system, the larger the donation of money or land, or the greater the percentage of units set aside as affordable, the greater the number of points earned by the developer. Care would have to be taken to develop formulae for the density bonus zoning amendment whereby the density increases allowed would prove profitable enough to provide real incentives for developers to contribute affordable units, or alternatively, make donations.

4) Off-Site Inclusionary Exactions - As an alternate to the requirement or option for subdivisions to target a certain proportion of units to low and moderate income households, the inclusionary zoning ordinance amendment could allow for off-site alternatives. For instance, developers could:

a) Donate Money to an Affordable Housing Trust Fund. The amount of money to be proffered would be fixed by a formula geared to facilitate off-site development by the Affordable Housing Foundation. This formula could be determined by the approximate number of affordable units that would have been required in the subdivision;

In New Jersey, an example of this approach is the Regional Contribution Agreement (RCA). Monies are transmitted from sending municipality's to other municipalities that are interested in building new or rehabilitated housing for those of low and moderate income. In this high cost housing market, recipient projects (communities) have received between \$20,000 and \$30,000 per unit from a donating community. Donating communities often receive their funds from developers who are willing to contribute in return for development approvals and/or density bonuses;

b) Donate Land. Land donations could be made either on or adjacent to subdivision sites, or at another location suitable for the development of affordable housing. Donations could be made to the Affordable Housing Foundation; and,

c) Donate Land and Existing Buildings - The Affordable Housing Foundation could then market as affordable rental units, homes, or sites either with or without substantial rehabilitation or development.

5) Targeted Affordability Levels - The Town has to determine the level of affordability for units created through the inclusionary zoning process. The Office of Housing and Urban Development (HUD) has developed guidelines for determining income levels based on the median income level of the Town which should be useful. In addition, the HUD formula for affordability states that no more than thirty (30) percent of the total, annual household income may be used for housing.

6) Deed Restrictions on Affordability - Restrictions placed upon the deed of property developed as affordable housing could be utilized to maintain the affordability over time. Such restrictions could limit the sale price of the unit upon re-sale of the property. Such price limitations could be fixed by a formula that determines the maximum selling price as a certain percentage, such that the annual mortgage outlay will not exceed 30 percent of household income (at 50 percent or 80 percent of median household income), assuming competitive interest rates and terms of mortgages. Reimbursements for documented monetary outlays for capital improvements that render the unit suitable for a larger household could be made. Deed restrictions could give the Affordable Housing Foundation, discussed above, the right of first refusal at the time of resale. Funds from the Affordable Housing Trust, administered by the affordable housing foundation, could be used to purchase such deed restricted housing, which the foundation could in turn rent or sell to limited equity purchasers. Deed restrictions should be written so that the property is restricted in perpetuity.

c. Removal of Cost-generating Subdivision Standards

In lieu of new federal funds for housing programs, a major affordable housing issue taken up by the federal government in the 1980's concerned the regulatory features that contributed higher costs for housing. Taken alone, the removal of cost generating subdivision standards will not likely generate a significant number of new housing units. However, there are measures that a community can take to lower the cost-generating components of their subdivision ordinances. These measures can be applied uniformly to all new development projects through the amendment of the subdivision ordinances, or alternatively, different standards could be tolerated for those projects that qualify for inclusionary and density bonus provisions.

1) Impact Fees Exemptions - The Town presently assesses fees to defray impacts to schools and recreational facilities that result from the influx of new residents. These funds are called 'fair share development fees' and are assessed at the time application is made for a building permit. The fee schedule is set annually by the Town Council and is included in the adopted Capital Improvement Program. Fees for the period 7/1/95 through 6/30/96 are as follows:

<u>Household</u>	<u>Education</u>	<u>Recreation</u>	<u>Total</u>
Single-family unit	\$ 1868	\$ 1370.25	\$3238.25
Two-family unit	934	1370.25	2304.25
Multi-family unit	467	1370.25	1837.25

Article 22 of the Zoning Ordinance provides a mechanism that promotes affordable housing for low and moderate-income families. Under the present article, those lots or dwelling units whose development will be limited to affordable housing are exempt from paying both the education (school facility) and recreation fair share development fees. Affordable housing is defined in the article as affordable to families having incomes no higher than 80% of the Washington County median family income, with no more than 30% of income being committed to rental or owner-occupied housing.

Housing for the elderly is also encouraged under the provisions of Article 22. Housing that is exclusively set aside for older persons is exempt from the payment of school facility fees. This includes both publicly subsidized and private housing, including mobile and manufactured home parks, provided that the units are intended solely for at least one person over age 55 years per housing unit.

2) Filing fees - There are filing fees associated with Preliminary and Final Plat reviews. These fees are reasonable, and the savings created if they were waived would be small. However, it may be possible to raise the filing fees for conventional housing projects so as to cover the costs of reviewing plans for affordable housing.

3) Minimum Design and Improvement Standards - The Town does not endorse the indiscriminate relaxation of physical construction standards in subdivisions to promote affordable housing. This would include relaxation of standards such as right-of-way and pavement widths, sidewalks, utilities, site accessibility and other construction requirements. It is felt that such savings would be short-range in nature, and would eventually require future public spending to bring such things as roadways and curbing up to acceptable standards. The Town, however, does endorse flexible construction requirements as discussed in more detail in the Circulation Element.

4) Minor Subdivisions - The Town amended its Subdivision Regulations in October of 1990 to create a new category of subdivision, entitled Minor Subdivisions. This type of development allows subdivisions of three lots or less to be constructed on private gravel surfaced streets. The cost of land development and infrastructure improvement is significantly less in this type of subdivision.

5) Residential Compounds - This is a type of residential subdivision which permits the development of house lots on private roads which are not constructed to the standards of public streets. The savings in construction costs permits more economical development of residential land.

d. Potential Conversion of Existing Structures

1) Accessory Apartments - The Town amended the zoning ordinance in 1991 to allow for accessory apartments under certain conditions that meet design review, fire and building code, septic performance and parking conditions. The intent of an accessory apartment zoning change was to increase the Town's rental housing stock. Among other things, accessory apartments create income for the homeowner, permit the elderly to maintain large homes with a feeling of security, and offer a legal rental housing choice for students and others previously not allowed.

2) Commercial Buildings - The Town will promote amending the zoning ordinance in the C1, C2 and C3 zones to allow additional residential uses in commercial zones. Allowing a mix of residential and commercial uses helps to absorb added density in areas that are already zoned and serviced for more intense use. Commercial zones that include already existing two and three story commercial structures are particularly suited for residential use in the upper floors of such structures.

3) Adaptive Reuse of Industrial Buildings - The Town will promote the reuse of abandoned, vacant or unused industrial facilities for residential mixed use where appropriate. Factors to be considered would include: 1) environmental impacts and regulations; 2) abutting and surrounding existing land uses, and; 3) availability and proximity of infrastructure and other amenities, including sewer, water, roadways, community, educational and shopping facilities, and public transportation access.

e. Duplexes - Duplexes, or two family dwellings, are currently permitted in Cluster Development projects and Mixed-Use zoning districts, and, under Special Exception, in the R10, RM, C1 and C2 zoning districts. By amending the zoning ordinance to increase the zones allowing the development of duplexes, the range of housing choices in South Kingstown would be increased. With conditions in an ordinance amendment drafted so as to protect the environment and community character, duplexes could be allowed in all residential zones except RLD200 and certain non-residential zones where other residential uses are permitted.

A duplex is a structure containing two dwelling units separated by a wall or ceiling. Each unit should be more than 600 square feet in area. The minimum size per unit differentiates duplexes from accessory apartments.

A zoning ordinance amendment permitting duplexes would increase the total number of units available for rent for families or for sale to first time homebuyers. The maximum area is intended to help assure that these units can be marketed as affordable units. The combined effect of the duplexes' smaller floor area and the increase in the total number of rental units on the market added by the development of duplexes should keep the cost of these units affordable over time.

Specific target groups that the two family dwelling provision would address include: 1) young families and working couples who need the rental income of the other unit in order to afford the purchase of their first home; 2) older couples, seniors, and retired people who need a supplementary income; 3) renting families, and; 4) low-moderate income individuals, students, and families who need affordable rental housing.

For revised Housing Element III  
Section C.3.e  
See amendment dated 2/24/99

Most duplexes would be developed as part of new subdivisions, thereby ensuring that these units will be mixed among other types of housing. In order to minimize the visual impact that duplexes may have on a new subdivision, design standards could be promoted in a subdivision ordinance amendment. Such conditions could include screening, setbacks, screened on site parking, and a requirement that no more than one entry door be situated on any face of the structure. The proportion of duplexes in any subdivision could be limited to a maximum percentage, such as fifty (50) percent. Such conditions in the ordinance amendment would help preserve the visual character of South Kingstown.

Duplexes should be allowed by right in the central areas of Town (MU, RM R10 and R20 zones), by special use permit in R30 and prohibited in rural residential areas. Duplexes should continue to be prohibited in zoning districts where single household dwellings are normally prohibited, such as Industrial zones, Highway Commercial districts and Government and Institutional districts. They should not be permitted in flood-prone areas, such as HFD zones.

In any zoning district where permitted, and which is serviced by public sewers, the minimum land area required for each duplex shall be 1.5 times the minimum area required for single family dwellings. In addition, the minimum lot width (street frontage) should be the same as required for single-family dwellings in order to economize on required street construction for each duplex. In R-10 zoning districts and in Residential Multi Household, Commercial and Mixed Use districts, public sewers shall be mandatory for duplexes in order to minimize potential groundwater pollution problems.

In any other zoning districts where permitted, and which are not serviced by public sewers, the minimum land area required for each duplex shall be 2.0 times the minimum area required for single family dwellings. The same provision regarding street frontage should apply. For example, if a duplex is proposed in a R30 district without public sewers, the minimum land area would currently be 60,000 sq. ft. and the required minimum frontage would be 125 feet.

#### **D. Policies, Goals and Implementation**

##### **1. Consistency with State Housing Plans**

The Housing Element of the South Kingstown Comprehensive Plan is being revised in order to comply with the requirements of the 1988 Rhode Island Comprehensive Planning and Land Use Regulation Act of 1988, Sec. 45-22.2. As part of the requirements of this Act, the Town of South Kingstown's Housing Element must be consistent with the goals and objectives of the State Housing Plan (State Guide Plan Element 421) and the Area Wide Housing Plan (State Guide Plan Element 422).

State Planning efforts have focused on the identification and elimination of practices that foster concentration of low-income and minority households. Practices that limit low-cost housing options should be recognized and changed. The Town's planning and implementation should reflect concern with the State and local trends including the rapid rise in home

prices relative to income, and a shortage of decent affordable housing for low and moderate income families with children. The Town should take affirmative measures to meet current and anticipated housing problems related to demographic changes, and should not promote excessive regulatory mechanisms that prevent housing needs from being achieved.

## 2. Goals

### **Overall Goal of Housing Element**

**To encourage a range of housing choices in order that the Town can continue to be a home to a vital mix of people.**

### **Goal 1**

**To keep South Kingstown a community that is home to a vital mix of people by maintaining a wide range of housing options, through a combination of innovative regulatory mechanisms, public and private initiative, and joint public and private ventures.**

**Policy 1.1** - The Town supports providing housing opportunities for people of varying ages, lifestyles, and stages of the lifecycle, including singles, couples, single parents, families, senior citizens, the handicapped, and students.

**Policy 1.2** - The Town supports providing affordable housing opportunities for people not served by the private housing market, including: a) people with no income and people on public assistance; b) people with low to moderate incomes who cannot afford to purchase a home and may have difficulty renting; and, c) moderate and middle income members of the local work force.

**Policy 1.3** - The Town supports providing housing opportunities for year-round renters, first time buyers, and homeowners who need or choose to change their living arrangements due to lifecycle and/or altered physical and financial capabilities.

**Policy 1.4** - The Town supports an ongoing program of advocating and administering affordable housing through the coordinated efforts of Town officials and boards, the South Kingstown Housing Authority, community non-profit organizations, and ad-hoc citizen committees.

**Policy 1.5** - The Town supports achieving a goal of maintaining long-term affordability for approximately 10 (ten) percent of the Town's housing stock.

**Policy 1.6** - The Town supports designing programs that meet the needs of current residents and locally-employed people, without developing preference systems that effectively discriminate against minorities.

**Policy 1.7** - The Town supports the concept of open negotiations for needed housing opportunities as part of the development review process.

## **Implementation**

- The Town shall establish an Affordable Housing Foundation and Trust Fund to increase the number of perpetually affordable housing units in Town.

Responsible Party: Town Council, and Planning Department, working in conjunction with the South Kingstown Housing Authority and the South County Community Action.

- The Town shall amend its land use regulations to stimulate production of needed housing opportunities by private landowners and developers by providing sufficient stock of RM and R-10 zoned land, and through such mechanisms as inclusionary zoning (i.e. mandatory provision of affordable housing, density bonuses, or off-site inclusionary exactions), removal of cost generating subdivision standards, and conversions of existing structures.

Responsible Party: Town Council, Planning Department, Planning Board, and the South Kingstown Housing Authority

- The Town shall review each proposal for affordable housing in subdivisions on a case-by-case basis to determine the applicability of various improvements.

Responsible Party: Planning Department, Planning Board

- The Town shall promote the development of elderly and other higher density housing where there are public sewers and water, and such safe and convenient support facilities as walkways, traffic control and public transportation.

Responsible Party: Town Council, Planning Department, Planning Board, and the South Kingstown Housing Authority

- The Town shall develop a comprehensive policy as it relates to its homeless population. The Town will establish and maintain support systems to facilitate the homeless person's integration into the community.

Responsible Party: Town Council and Planning Board, in conjunction with South County Community Action and South County Emergency Shelter

- The Town shall attempt to acquire or to lease below-market rate parcels of land for production of affordable units.

Responsible Party: Town Manager's Office, Town Council, Planning Department, and the Affordable Housing Foundation.

### **Goal 2**

**To accommodate needed housing in a manner consistent with South Kingstown's physical, social and financial resources.**

**Policy 2.1** - The Town supports a mix affordable and market rate housing units throughout South Kingstown and the development of small-scale, scattered site affordable housing developments.

**Policy 2.2** - The Town supports a combination of affordable owner-occupied and rental units, and a distribution of these affordable units among all housing types.

**Policy 2.3** - The Town supports working with the University of Rhode Island to achieve on-campus and near-campus housing for students and faculty in an effort to make year round rental opportunities available to other Town residents.

**Policy 2.4** - The Town encourages the restoration and preservation of its historic residential, commercial and industrial buildings.

### **Implementation**

- The Town shall identify potential sites upon which development of affordable should be encouraged, using such criteria as environmental constraints, levels of infrastructure, and existing regulatory mechanisms.

Responsible Party: Planning Department in conjunction with the Tax Assessor

- The Town shall target a desired number of types of housing units within certain price ranges and periodically evaluate the achievement of this goal.

Responsible Party: Planning Department, Planning Board, and the Affordable Housing Foundation

- The Town shall amend the land use regulations to allow limited residential uses in commercial zones, adaptive re-use of industrial buildings, and duplexes in more zones.

Responsible Party: Town Council, Planning Department, and Planning Board

- The Town actively shall seek to achieve construction of some affordable units on Town-owned land.

Responsible Party: Town Council, Planning Department, and the Affordable Housing Foundation

- The Town shall pursue an assertive partnership with the University of Rhode Island to create more on-campus affordable housing for students and faculty.

Responsible Party: Town Manager's Office, Town Council, and Planning Department to coordinate with the University of Rhode Island

- The Town shall investigate various incentives for non-profit organizations to make some of their land holding available for affordable housing.

Responsible Party: Planning Department and the Affordable Housing Foundation.

- The Town shall work with developers to obtain assistance from State and federal programs for affordable housing.

Responsible Party: Town Manager's Office, Town Council, and Planning Department.

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