

# Capital Improvement Program FY 2013-2014 through FY 2018-2019



**Town Council  
CIP Work Session #2  
January 9, 2013**

# Long Term Program Project Descriptions

## Open Space, Recreational and Senior Services

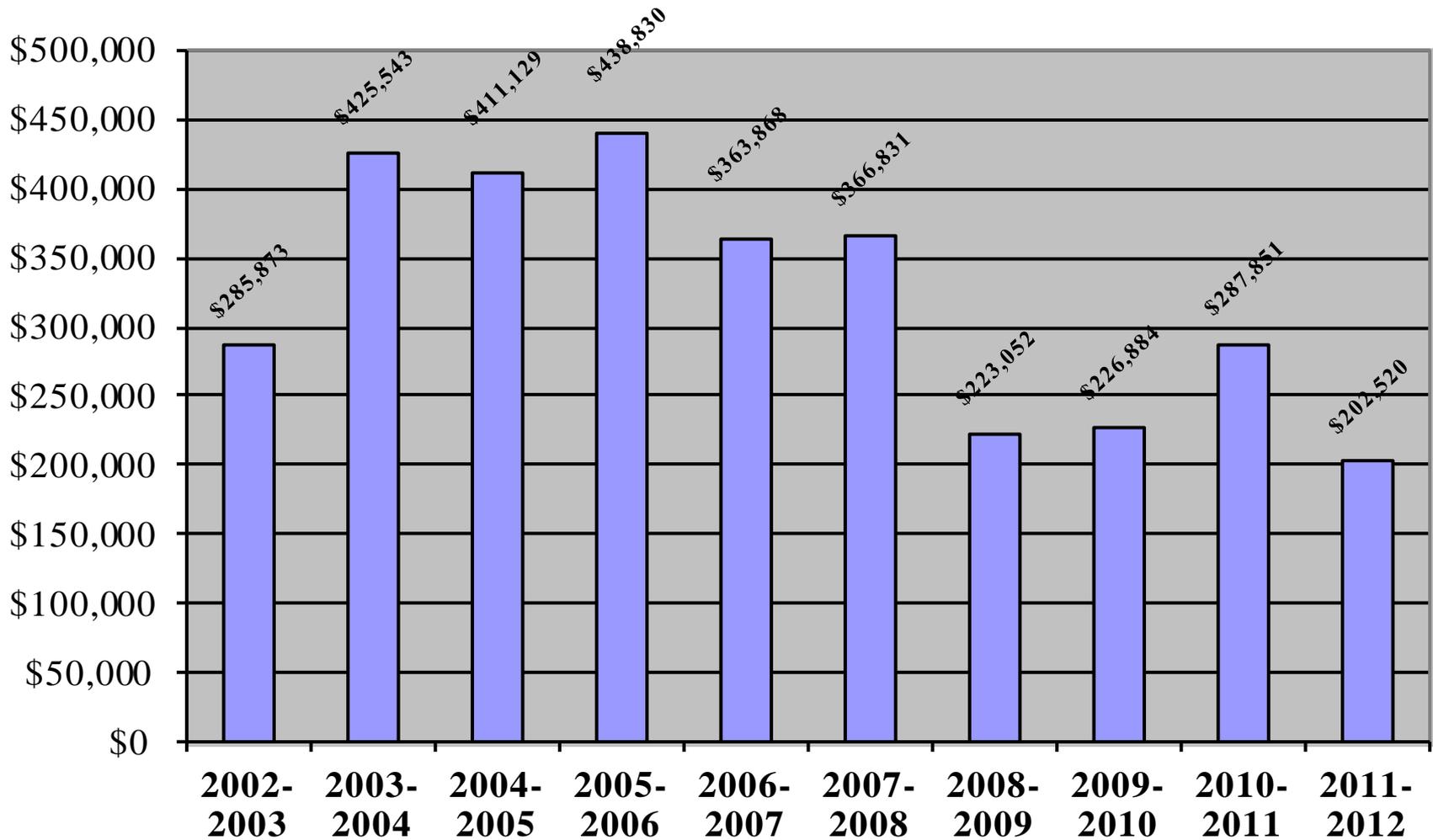
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- Open Space Acquisition Program
- Bike Path Connector – Broad Rock Playfields to South County Commons Property Line
- Neighborhood Guild Improvements
- Community Recreation Center
- Marina Park Improvement Program
- Town Beach Improvement Program
- Senior Services Programs

# Open Space Acquisition Program

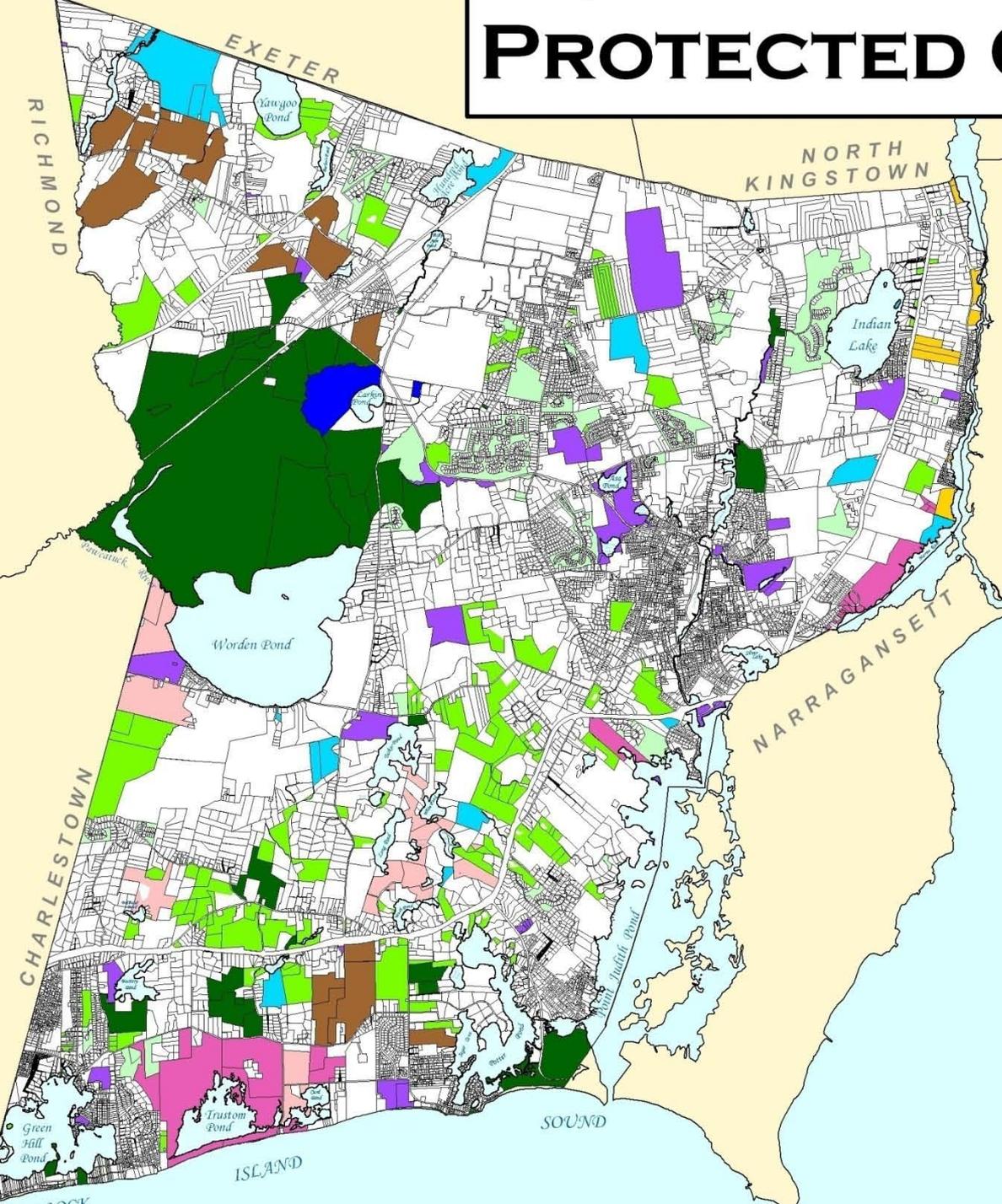
Open Space Acquisition Program								
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Total
<b><i>Revenue Statement</i></b>								
Real Estate Conveyance Tax Proceeds	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,500,000
Bonds Issued	0	0	0	0	0	0	0	\$0
<b>Total Revenues</b>	<b>\$250,000</b>	<b>\$1,250,000</b>						
<b><i>Expense Statement</i></b>								
Debt Service - \$200,000 - FY99 #21	(\$13,267)	(\$12,876)	(\$12,604)	(\$11,831)	(\$11,519)	(\$10,681)	(\$10,347)	(\$69,858)
Debt Service - \$800,000 - FY02 #23	(80,257)	(60,557)	(75,641)	(23,865)	(70,838)	(68,456)	(65,804)	(365,160)
Debt Service - \$400,000 - FY03 #26	(27,804)	(26,749)	(26,601)	(12,447)	(25,125)	(24,416)	(23,712)	(139,050)
Debt Service - \$400,000 - FY04 #28	(30,568)	(29,668)	(28,861)	(13,079)	(27,243)	(26,375)	(25,378)	(150,603)
Debt Service - \$3.5 M - FY06 #31	(276,412)	(269,413)	(262,412)	(255,413)	(246,663)	(239,662)	(232,663)	(1,506,226)
Debt Service - \$700,000 - FY07 #32	(57,575)	(56,087)	(54,600)	(53,200)	(51,800)	(50,536)	(48,869)	(315,092)
<b>Debt in Permanent Financing</b>	<b>(\$485,883)</b>	<b>(\$455,350)</b>	<b>(\$460,718)</b>	<b>(\$369,835)</b>	<b>(\$433,188)</b>	<b>(\$420,126)</b>	<b>(\$406,773)</b>	<b>(\$2,625,100)</b>
Planned New Bonding Requirements	\$0	\$0	\$0	\$0	\$0	0	0	\$0
<b>Planned New OS Debt Service</b>	<b>\$0</b>							
<b>Total Debt Service</b>	<b>(\$485,883)</b>	<b>(\$455,350)</b>	<b>(\$460,718)</b>	<b>(\$369,835)</b>	<b>(\$433,188)</b>	<b>(\$420,126)</b>	<b>(\$406,773)</b>	<b>(\$2,625,100)</b>
Transfer to General Fund	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$1,350,000)
Less Town Acquisitions	(95,000)	(75,000)	(75,000)	(75,000)	(75,000)	(50,000)	(50,000)	(400,000)
<b>Total Expenses</b>	<b>(\$320,000)</b>	<b>(\$300,000)</b>	<b>(\$300,000)</b>	<b>(\$300,000)</b>	<b>(\$300,000)</b>	<b>(\$275,000)</b>	<b>(\$275,000)</b>	<b>(\$1,520,000)</b>
<b>Income to Expense Balance</b>	<b>(70,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	
<b>O S Acquisition Fund Balance</b>	<b>\$281,059</b>	<b>\$231,059</b>	<b>\$181,059</b>	<b>\$131,059</b>	<b>\$81,059</b>	<b>\$56,059</b>	<b>\$31,059</b>	
<sup>1</sup> Property Tax is equal to Projected Debt Service less R.E. Conveyance Tax Proceeds								

## Real Estate Conveyance Fees for Open Space Purchases



# PROTECTED OPEN SPACES

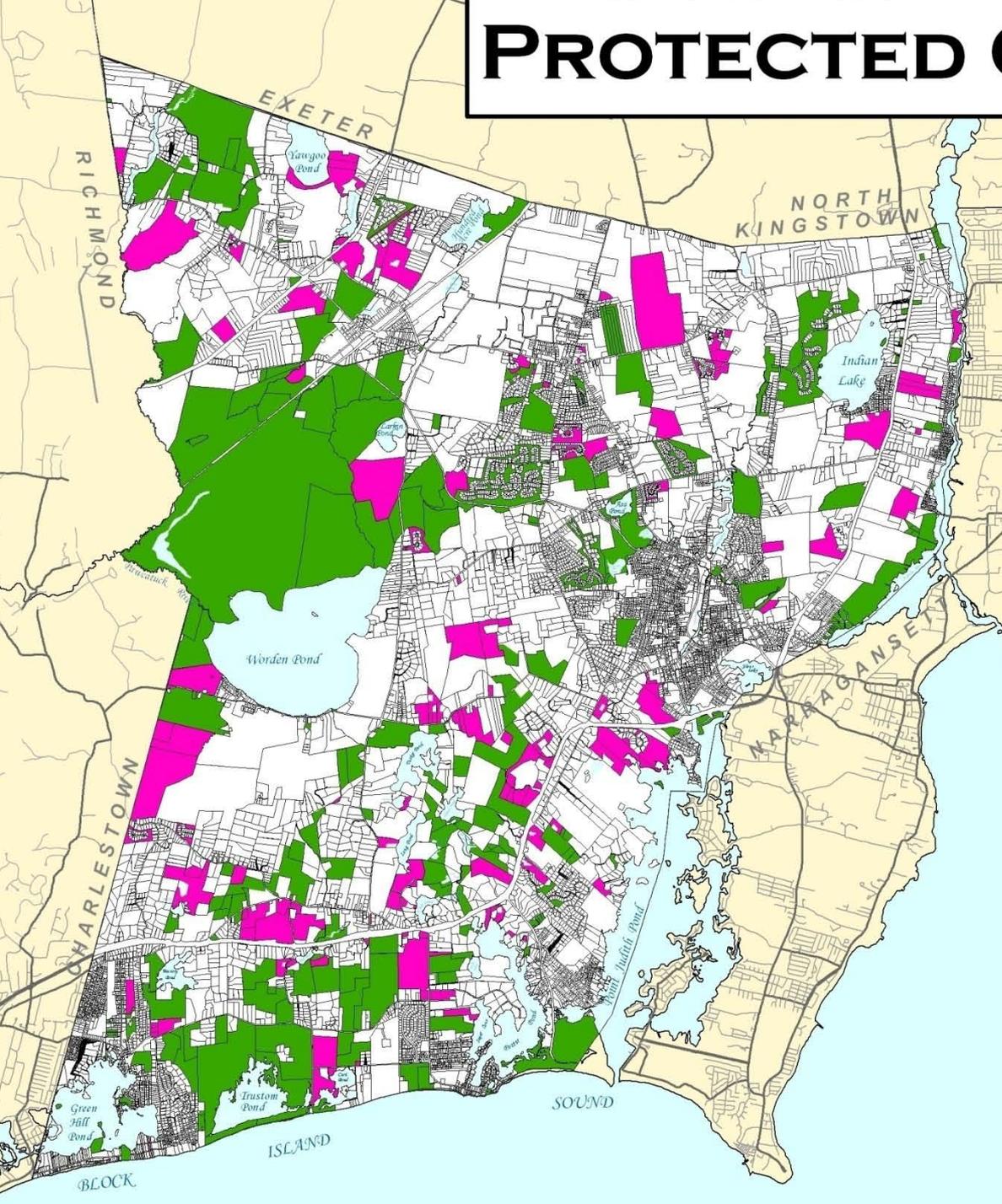
*December 2012*



-  Agricultural Land Preservation Commission
-  Girl Scouts of America
-  Narrow River Land Trust
-  South Kingstown Land Trust
-  Audubon Society of Rhode Island
-  The Nature Conservancy
-  Town of South Kingstown
-  State of Rhode Island
-  US Fish and Wildlife Service
-  Private / Other

# PROTECTED OPEN SPACES

*December 2012*



-  Protected Before 1999
-  Protected After 1999

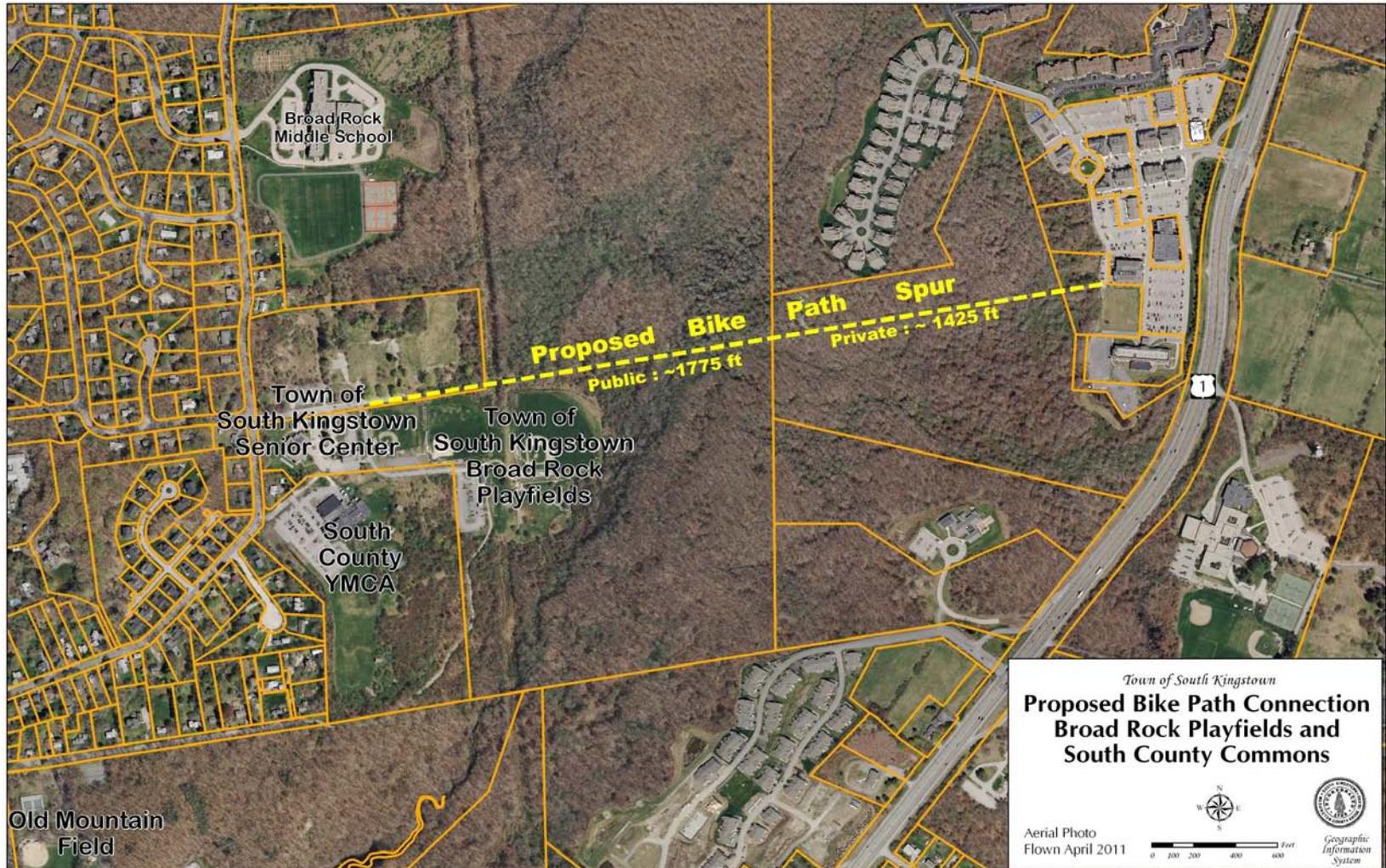
# Bike Path Connector

## Broad Rock Playfields to South County Commons

<b>Bike Path Connector - Broad Rock Road to South County Commons</b>		
<b>Income</b>	<b>Town Property Only</b>	
<b>Surface Condition</b>	<b>Unpaved</b>	<b>Paved</b>
Recreation Impact Fees	\$225,000	\$275,000
<b>Total Income</b>	<b>\$225,000</b>	<b>\$275,000</b>
<b>Expenses</b>		
So County Commons Bike Path Spur	\$200,000	\$250,000
Contingency	25,000	25,000
<b>Total Expenditures</b>	<b>\$225,000</b>	<b>\$275,000</b>

# Bike Path Connector

## Broad Rock Playfields to South County Commons



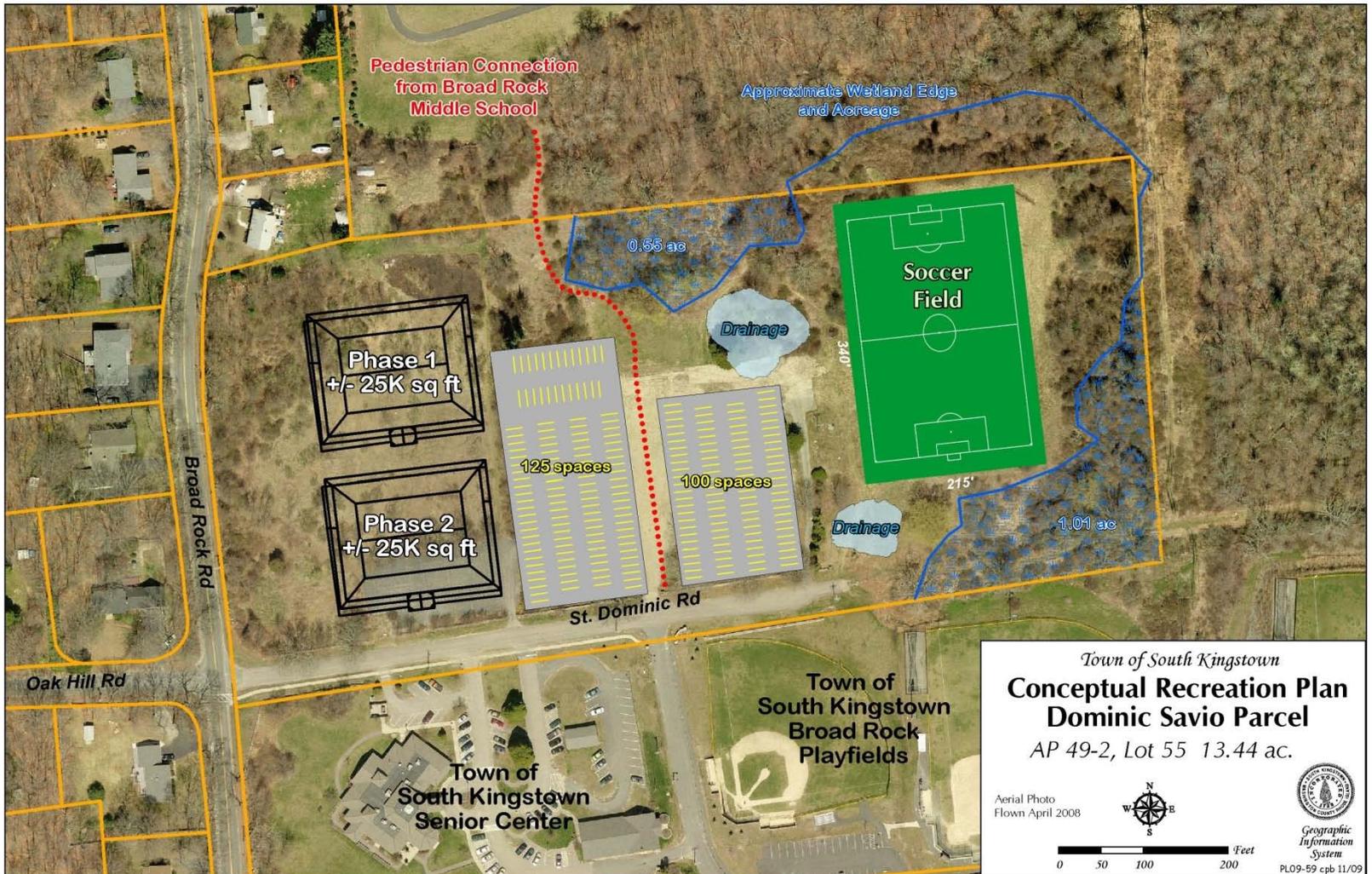
# Neighborhood Guild Improvements

<b>Neighborhood Guild Improvements</b>		<b>FY 2016</b>
<b>Income</b>		
Municipal Bond - May 2015		\$1,000,000
<b>Total Income</b>		<b>\$1,000,000</b>
<b>Expenses</b>		
Window Replacement		\$350,000
Air Conditioning Installation		250,000
Interior Renovations		150,000
Exterior Renovations		25,000
Electrical/Plumbing Improvements		50,000
Design and Architectural Services		25,000
Contingency		150,000
<b>Total Expenditures</b>		<b>\$1,000,000</b>

# Community Recreation Center

<b>Community Recreation Center</b>		<b>FY 2018</b>
<b>Income</b>		
Municipal Bond #1 11/04 Approval Issue 5/15/17		\$650,000
School Bond #1 - 11/04 Approval - Issue 5/15/17		900,000
Municipal Bond #2 - 11/06 Approval - Issue 5/15/17		1,600,000
Recreation Impact Fees		1,085,300
<b>Total Income</b>		<b>\$4,235,300</b>
<b>Expenses</b>		
Building (23,000 Sq. Ft. @ \$145/SF Cost)		\$3,335,000
Furnishings		200,000
Design Services - (8% of Construction Cost)		266,800
Contingency - (10% of Construction Cost)		333,500
Parking (50 Spaces @ \$2,000 per unit cost)		100,000
<b>Total Expenditures</b>		<b>\$4,235,300</b>

# Community Recreation Center



# Marina Park Improvement Program

<b>Marina Park Improvement Program</b>	
<b>Income</b>	
Funds Held in Reserve - 6/30/12	\$17,335
CIP Transfers FY 2014 through FY 2019	80,000
Recreational Impact Fees	80,000
<b>Total Income</b>	<b>\$177,335</b>
<b>Expenses</b>	
Public Dock/Access Improvements - FY 2013-2014	\$82,000
West & East Parking Lots Resurfacing - FY 2014-2015	55,000
Boat Ramp Reconstruction - FY 2017-2018	40,000
<b>Total Program Cost</b>	<b>\$177,000</b>

# Marina Park Improvement Program



# Town Beach Improvement Program

<b>Town Beach Improvement</b>	
<b>Revenues</b>	
Funds Held in Reserve - 6/30/12	\$62,097
Federal Stafford Act Hazard Mitigation	119,906
Federal Hazard Mitigation Grant Program (HMGP)	178,268
FY 2012-2013 CIP	25,000
Future CIP Transfers	80,000
<b>Total Income</b>	<b>\$465,271</b>
<b>Expenditures</b>	
<i>Pavilion Relocation Program</i>	
Engineering Services - FY 2013-2014	\$10,000
On-Site Wastewater System - FY 2013-2014	150,000
Pavilion Relocation - FY 2013-2014	240,000
<b>Relocation Project Total</b>	<b>\$400,000</b>
<i>Other Beach Related Improvements</i>	
Sand Replenishment - FY 2015-2016 - FY 2017-2018	\$25,000
Parking Lot Improvements - FY 2014-2015	10,000
Playground Upgrade - FY 2016-2017	25,000
<b>Other Beach Related Improvements Total</b>	<b>\$60,000</b>
<b>Total Program Cost</b>	<b>\$460,000</b>

# Town Beach Improvement Program

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# Town Beach Improvement Program

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# Senior Services Program

<b>Senior Services Program</b>	
<b>Income</b>	
Capital Budget Transfers FY 2014 - FY 2019	\$60,000
Transfer from Elderly Services Fund	100,000
<b>Total Income</b>	<b>\$160,000</b>
<b>Expenses</b>	
<b>Adult Day Service Center Improvements</b>	
Interior Space Renovations	\$20,000
<b>Senior Center Facility Improvements</b>	
Interior Painting/Carpets/Wallpaper	\$30,000
Addition of Divider Wall in Main Room	10,000
HVAC Replacement Reserve	10,000
Roof Replacement Reserve	30,000
<b>Senior Center Annex Improvements</b>	
Replacement Windows/Doors	\$20,000
Exterior Shingling and Insulation	25,000
Construct Hard Ceiling/Attic Insulation	0
<b>Senior Center Barn Improvements</b>	
Exterior Upgrades - Windows/Doors	\$0
Roof and Siding Replacement	15,000
<b>Senior Transportation</b>	
New Senior Van	\$0
<b>Senior Services Program</b>	<b>\$160,000</b>

# Parks and Recreation Programs

FY 2013-2014 Capital Budget (Pay As You Go)

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# Park Improvement and Rehabilitation Program FY 2013-2014 Capital Budget

- Park improvements and rehabilitation is an ongoing program providing for the development, maintenance and repair of the existing park system, recreation facilities, athletic fields and playground components.

Location	FY 2013-2014
<b>Playground Upgrades</b>	
Curtis Corner Playfields	\$15,000
Stepping Stone Pre-School	5,000
Tuckertown Park	30,000
Village Green	10,000
West Kingston Park	15,000
<b>Total - Playground Upgrades</b>	<b>\$75,000</b>
<b>Multi-Year Projects</b>	
Marina Park Boat Ramp Reconstruction	\$10,000
Town Beach Pavilion Relocation	10,000
Tuckertown Park Restroom Bldg. Improvements	10,000
<b>Total - Multi-Year Projects</b>	<b>\$30,000</b>
<b>Total</b>	<b>\$105,000</b>
<b>Less Capital Funds Forward</b>	<b>(10,000)</b>
<b>Net PAUG Transfers</b>	<b>\$95,000</b>

# Playground Upgrades

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Proposed capital budget allocations for FY 2013-2014: \$75,000

- Replacement of existing play structures (or components of structures) at the following locations:
  - Curtis Corner Playfields
  - Stepping Stone Pre-School
  - Tuckertown Park
  - Village Green
  - West Kingston Park

# Curtis Corner Playfields Playground Upgrade

- Replacement of main play structure, designed for children ages 2 to 5 at Curtis Corner Playground
- Current structure is approximately 15 years old
- Frequency of maintenance has increased in the past year and a half
- \$15,000 FY 2013-2014



# Stepping Stone School Playground Upgrade

- Replacement of play equipment designed for children ages 3 to 5
- Utilized by students of Stepping Stone Preschool
- Existing structure is over fifteen years old
- \$5,000 FY 2013-2014



# Tuckertown Park Playground Upgrade

- Replacement of heavily used play structure at one of the Town's busiest parks
- Upgrade of other play structures and grounds of play area
- \$30,000 FY 2013-2014



# Tuckertown Park Playground Upgrade

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# Village Green Playground Upgrade

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- Replacement of major components of two aged play structures at the Village Green playground
- Improvements will bring playground up to date to match two new swing sets installed in 2010 as part of the Village Green Rehabilitation project
- \$10,000 FY 2013-2014

# Village Green Playground Upgrade



# West Kingston Park Playground Upgrade

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- Replacement of two play structures designed for children ages 3 to 5 and 6 to 12 that are twenty years old
- Structures were installed when the park was built in 1993 and are twenty years old
- Second year of a two phase project (*Total Cost \$30,000*)
- \$15,000 FY 2013-2014

# West Kingston Park Playground Upgrade



# Marina Park Improvement Program

## Public Dock

Proposed capital budget allocations for FY 2013-2014: \$10,000

- CIP transfer to Marina Park Improvement Program reserve fund
- FY 2013-2014 improvements include upgrade of existing public dock and addition of walkway from parking area to staircase that will lead to a platform providing access to dock



# Town Beach Improvement Program Pavilion Relocation Project

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Proposed capital budget allocations for FY 2013-2014: \$10,000

- CIP transfer to Beach Capital Reserve Fund
- Pavilion relocation and installation of on site waster water treatment system in FY 2013-2014
- Grant funding secured through FEMA Hazard Mitigation Grant Program and Federal Stafford Act Hazard Mitigation Program

# Town Beach Improvement Program

<b>Town Beach Improvement</b>	
<b>Revenues</b>	
Funds Held in Reserve - 6/30/11	\$62,097
Federal Stafford Act Hazard Mitigation	119,906
Federal Hazard Mitigation Grant Program (HMGP)	178,268
FY 2012-2013 CIP	25,000
Future CIP Transfers	80,000
<b>Total Income</b>	<b>\$465,271</b>
<b>Expenditures</b>	
<i>Pavilion Relocation Program</i>	
Engineering Services - FY 2013-2014	\$10,000
On-Site Wastewater System - FY 2013-2014	150,000
Pavilion Relocation - FY 2013-2014	240,000
<b>Relocation Project Total</b>	<b>\$400,000</b>
<i>Other Beach Related Improvements</i>	
Sand Replenishment - FY 2015-2016 - FY 2017-2018	\$25,000
Parking Lot Improvements - FY 2014-2015	10,000
Playground Upgrade - FY 2016-2017	25,000
<b>Other Beach Related Improvements Total</b>	<b>\$60,000</b>
<b>Total Program Cost</b>	<b>\$460,000</b>

# Tuckertown Park

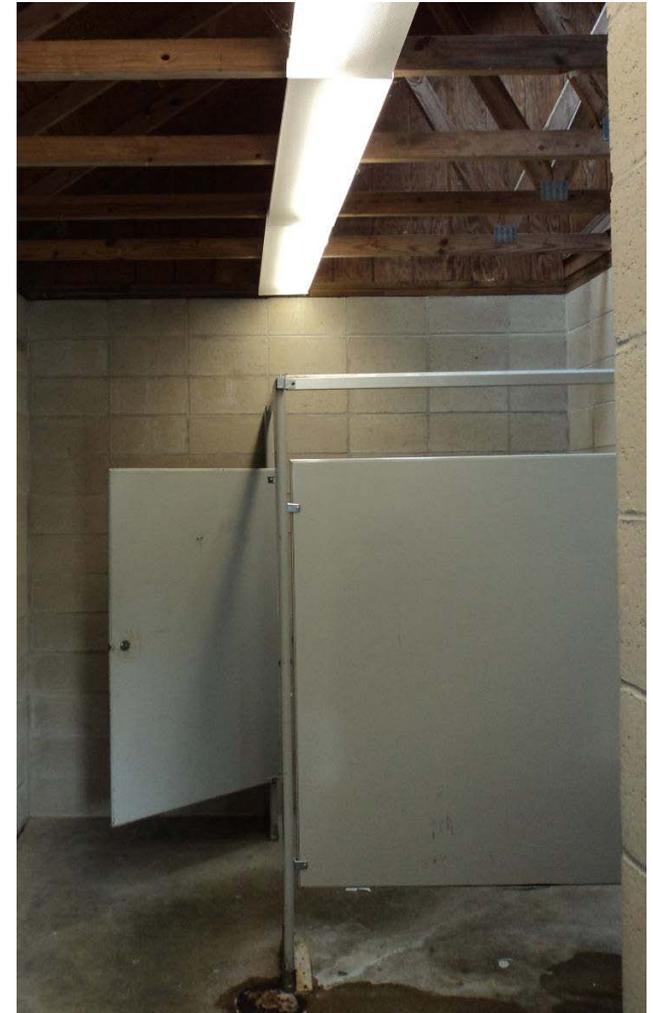
## Restroom Building Improvements

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Proposed capital budget allocations for FY 2013-2014: \$10,000

- Installation of vandal resistant wall treatment over existing cinderblock; fixture replacements, and automatic locking mechanisms on exterior doors of the Tuckertown Park restroom facilities
- Second of three installments to fund this project which will commence in FY 2014-2015
- Total Project Cost \$35,000

# Tuckertown Park Restroom Building Improvements



# Equipment Acquisition/Replacement Program FY 2013-2014 Capital Budget

The Parks and Recreation equipment acquisition and replacement program is designed to ensure that the Town has the necessary equipment and vehicles to effectively manage public buildings, park facilities, park system grounds and to provide administrative services.

Proposed capital budget allocations for FY 2013-2014: \$62,000

Equipment		Cost
1. 3/4 Ton Pick-up Truck		\$27,000
2. Multi-Use Vehicle		13,000
3. Tractor		15,000
4. Equipment trailer		7,000
<b>Total</b>		<b>\$62,000</b>

# Pick Up Truck (¾ Ton)

- Replacement of a 2005 ¾ ton Pick up Truck
- Vehicle is used in day to day operation in support of Parks Division grounds and facilities maintenance
- Utilized for plowing in winter months
- \$27,000



# Multi Use Vehicle

- Replacement of 2006 multi use vehicle with approximately 900 hours
- Used for daily support of Town beach facilities and grounds maintenance
- Also used for bike path and general maintenance during the fall/winter
- \$13,000



# Tractor

- Replacement of a 1992 John Deere 4200 Tractor with recommended 10 year life cycle.
- Used year round expressly for maintenance and development of parks and facilities
- Second of two year funding cycle
- \$15,000



# Equipment Trailer

- Replacement of a 2001 21' foot utility trailer
- Used in support of grounds maintenance operations in transporting equipment throughout the park system for daily maintenance support and specialized projects
- \$7,000



# Senior Services Program

## FY 2013-2014 Capital Budget (Pay As You Go)

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# Senior Center Facility Improvements

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Proposed capital budget allocations for FY 2013-2014: \$10,000

- Reserve funding is proposed for future facility maintenance projects and upgrades, including:
  - Paint/wallpaper in lobby and dining room
  - Replacement of carpeting
  - Repairs to interior walls
  - Installation of accordion divider wall in main activity area

# Senior Center Facility Improvements



# Fair Share Development Fees

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## **A. Educational Facilities**

An Educational Fair Share Fee, which provides limited reimbursement of capital costs associated with the development of new school facilities, is imposed for all new residential structures and is paid at the time a certificate of occupancy is issued. Revenues from Fair Share Fees are used to pay down the cost of debt service associated with general obligation bonds issued for new or expanded school facilities.

## **B. Open Space, Conservation, Park, and Recreational Land**

This component provides for the acquisition of open space and/or conservation land to meet Town open space standards as described in the Comprehensive Community Plan. Fees collected are also used to acquire land for active recreation facilities and the development of these properties.

# Educational Fair Share Fee

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## *Methodology for Computing Education-Related Fair Share Development Fees*

The methodology used to set the Education-Related Fair Share Development Fee was last revised in FY 2010-2011. In prior years, establishing the value of the fee required detailed analysis of existing and projected student populations and forecasting the need for additional school building construction associated with predicted space needs.

This method was a valid exercise when school enrollments were increasing and the planning and financing of additional school buildings was critical to the long term economic viability of the Town's Capital Improvement Program. Subsequent to the construction of Broad Rock Middle School, enrollment began to decline and the size of the school system's facilities are now believed to be more than adequate to meet anticipated future enrollments over the next ten years.

# Educational Fair Share Fee

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- Recognizing that seated enrollment space requirements will no longer require additional school construction and the capital costs associated with such construction, the method of calculating Education-Related Fair Share Fees was revised to reflect more accurately the cost per student seat housed at the Broad Rock Middle School over the useful life of the facility.
- The cost of land acquisition and facility construction for Broad Rock Middle School is summarized in the next chart. The methodology establishes the cost allocation to be recovered from Fair Share Fees at 50% of the net program costs. The remaining program cost is required to be recovered through the property tax levy. In addition, the net cost to be recovered from fees is proposed to be discounted by 25%.

# Educational Fair Share Fee

<b>Middle School Construction Program</b>			
<b>Middle School Program</b>	<b>School Construction Cost</b>	<b>Recovered Cost by Fees - 50%</b>	<b>Recovered Cost by Taxes - 50%</b>
Land Acquisition	\$406,382	\$203,191	\$203,191
Facility Construction	10,570,000	5,285,000	5,285,000
Athletic Fields Phases 1 & 2	1,040,000	520,000	520,000
Building Equipment/Supplies	599,203	299,602	299,602
<b>Total Facility Cost</b>	<b>\$12,615,585</b>	<b>\$6,307,793</b>	<b>\$6,307,793</b>
Plus Bond Interest Expense	5,919,293	2,959,647	2,959,647
<b>Recoverable Capital Cost</b>	<b>\$18,534,878</b>	<b>\$9,267,439</b>	<b>\$9,267,439</b>
Less State School Construction Aid	(5,560,463)	(2,780,232)	(2,780,232)
<b>Net Facility Cost to Community</b>	<b>\$12,974,415</b>	<b>\$6,487,207</b>	<b>\$6,487,207</b>
25% Discount and Cost Transfer		(\$1,621,802)	\$1,621,802
<b>Net Cost Share</b>	<b>\$12,974,415</b>	<b>\$4,865,405</b>	<b>\$8,109,009</b>

# Educational Fair Share Fee

<b>Fair Share Development Fees - Education Related Cost Recovery: Broad Rock Middle School</b>	
Middle School Building Capacity (Seats)	600
Less 50% Students from Housing Constructed Prior to 1990	(300)
Students from Housing Constructed after 1990 - Use Maximum - Per Year	300
Assumes 15 year use before Major Renovations	4,500
Individual Student Years in Middle School Program	3
Maximum # of Students over Expected Use Term	1,500
Recoverable Cost	\$4,865,405
<b>School Related Fair Share Development Fee</b>	<b>\$3,244</b>

# Educational Fair Share Fee

<b>Educational Fair Share Fee - FY 2013-2014</b>	<b>Adopted 2012-2013</b>	<b>Proposed 2013-2014</b>	<b>Change in Fee</b>
All Single & Duplex Household Units	\$3,244	\$3,244	(\$0)
Multi-Household Units - With 2 Bedrooms or less	\$1,622	\$1,622	(\$0)
Accessory Apartments & Multi-Household Units - With one bedroom	\$811	\$811	(\$0)

# Educational Fair Share Fee

<b>School Related - Fair Share Fees Collection/Expenditures</b>		
<i>13 Year Term</i>	<b>Income</b>	<b>Expended</b>
2000-2001	\$226,961	(\$700,000)
2001-2002	339,750	(250,000)
2002-2003	397,354	(360,325)
2003-2004	505,515	(400,000)
2004-2005	312,907	(400,000)
2005-2006	273,976	(400,000)
2006-2007	116,738	(400,000)
2007-2008	94,846	(200,000)
2008-2009	83,282	(100,000)
2009-2010	91,456	(80,000)
2010-2011	62,206	(80,000)
2011-2012	115,184	(70,000)
2012-2013 -Estimated	90,000	(70,000)
	<b>\$2,710,175</b>	<b>\$3,510,325</b>

# Recreational Fair Share Fee

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- For the FY 2013-2014 Capital Improvement Program, it is proposed to maintain the existing methodology for calculation of the fee per dwelling unit for open space, conservation, park, and recreation land and/or facilities.
- The existing methodology, introduced in FY 2011-2012, establishes a two-tiered fee based on occupancy type and expected average household size.
- The two-tiers of the fee would be a base fee for a typical single-household, detached structure (average household size of 2.60 persons as documented in the 2010 US Census, up from 2.56 persons) and a fee with a reduced occupancy basis for elderly housing and units with two bedrooms or fewer (average household size of 1.95 persons (US Census 2010), up from 1.92 persons (US Census 2000) per unit).

# Recreational Fair Share Fee

- This tiered-fee structure is based on the following assumptions:
  - The purchase and development of new municipal parkland will cost on average \$105,000 per acre. This cost per acre is based on the estimated “Market Value” for all vacant lots of at least 10,000 sq. ft. that have sold in Town over the past year.
  - The Comprehensive Community Plan identifies the Town-wide need for recreation land to be 10.50 acres per 1,000 persons.
  - For a typical single household detached structure, the average occupancy is 2.60 <sup>[1]</sup> persons per unit. For household units that are age restricted (elderly occupancy only) or include two bedrooms or fewer, the expected occupancy is 1.95 persons per household (75% of single household average).

<sup>[1]</sup> US Census Bureau, *Profile of General Demographic Characteristics 2010 – South Kingstown, Rhode Island, May 2011.*

# Recreational Fair Share Fee

<b>Recreational/Open Space Fees</b>	<b>Single Household</b>	<b>2 Bedroom or Less Units</b>
Estimated Value of Land Per Acre	\$105,000	\$105,000
Land (Acre) Needed per 1,000 persons	10.50	10.50
Persons Per Owner Occupied household Unit	2.60	1.95
<b>Proposed Recreation Fee for FY 2013 -2014</b>	<b>\$2,867</b>	<b>\$2,150</b>
FY 2012-2013 Recreation Fee	\$2,867	\$2,150
Decrease in Fee	\$0	\$0
Percentage Decrease	0.0%	0.0%

# Fee Exemption For Affordable Housing

<b>Assumptions</b>	<b>SK Affordable Unit Guidelines</b>	<b>RI Housing Guidelines</b>
Median Family Income	<b>80% of MFI</b>	<b>120% of MFI</b>
Single Family Dwelling	3 Bedrooms	3 Bedrooms
Interest Rate	<b>4.00%</b>	<b>4.00%</b>
Term in Years	30	30
2012-2013 Tax Rate Per \$1000 of Property Assessment	\$14.50	\$14.50
South Kingstown Median Household Income - 2012	75,600	75,600
Percent of Median Household Income - (80%, 120%)	60,480	90,720
30 percent Available for Housing	18,144	27,216
Monthly Housing Expense 1/12 of above	<b>1,512</b>	<b>2,268</b>
Property Taxes (monthly)	266	405
Hazard & Mortgage Insurance (monthly)	200	265
<b>Available for Mortgage Payment</b>	<b>\$1,046</b>	<b>\$1,598</b>
<b>Maximum Total Sales Price</b>	<b>\$220,000</b>	<b>\$335,000</b>
<b>Mortgage Payment - 30 Year Term</b>	<b>\$1,050</b>	<b>\$1,599</b>

# In Lieu Fee Requirements For Affordable Housing

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- Pursuant to amendments adopted by the Town Council on October 22, 2007, Section 502.6 of the Zoning Ordinance, “Inclusionary Zoning,” Section H “Off-site exactions” outlines the methodology and determines the amount that would be required where the Planning Board permits a fee to be paid in-lieu of providing affordable housing units in a major subdivision or land development project.
- Under the Town’s inclusionary zoning requirements, a developer of a major subdivision or land development project ( $\geq 6$  units) would be required to provide 20% of such units as “affordable” under RIGL §45-53-3. In consideration of this requirement, the developer is afforded a zoning incentive of 20% over the basic maximum number of units that would be permitted under the development parcel’s zoning classification.
- The “fee in lieu” requirements under Section H of the Zoning Ordinance are listed as a progression of options that would be used by the Planning Board where constructing the affordable units on the development site is determined to be infeasible. The Ordinance outlines off site options to construct required units that would have to be exhausted before a fee in lieu of providing the units is considered.

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- Section 502.6 H. 5. (a.) of the Zoning Ordinance details the methodology for calculation of the in-lieu fee as follows: “The in-lieu fee per affordable unit required shall be the difference between the median sales price for a single-family home in South Kingstown and the maximum affordable sales price of a single-family home for a South Kingstown family of four earning 80% of the area median income (AMI).”
- The Ordinance requires that the fee be updated annually in the Capital Improvement Program (CIP) using data sets from the Town of South Kingstown Department of Assessment, the Warren Group (for median sales price data) and RI Housing and Mortgage Finance Corporation (for determining the maximum sales price of a single-family home for a family of four (4) at 80% AMI).

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## *Calculation of In-lieu Fee – Fiscal Year 2013 – 2014*

South Kingtown Average Sale Price*	\$280,000
Maximum Purchase Price for Affordable Unit	220,000
In-Lieu Fee Requirement (Per Unit)	\$60,000
* Average Price for Single Household Unit - Jan-July 2012 The Warren Group	

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## *Supreme Court Bar of Use of In Lieu Fee*

- In July 2011, the RI State Supreme Court in the consideration of an East Greenwich case involving “fee in lieu” as a tool for the provision of affordable housing (North End Realty LLC v. Thomas Mattos et al., *Note: Mattos is the Finance Director for the Town of East Greenwich*), essentially prohibited the use of this technique by RI cities and towns citing a lack of enabling legislation authorizing same.
- As such, at the present time the Town Solicitor has advised that, pending the RI General Assembly addressing this issue, “in lieu fee requirements” cannot be utilized by the Planning Board in furtherance of providing affordable housing in South Kingstown. Nonetheless, the fee requirements defined under Town ordinance have been calculated to allow reintroduction of the In Lieu Fee should the General Assembly address this issue in the 2013 session of the General Assembly.