

# TOWN OF FOSTER:

## AFFORDABLE HOUSING BASICS



June 2024

Made possible through a grant from RIHousing

For Municipal Technical Assistance

Created by Libra Planners - a RIHousing Consultant

# ACKNOWLEDGEMENTS

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# INTRODUCTION

## RIHOUSING MTAP ASSISTANCE Affordable Housing Solutions for the Town of Foster

This booklet is the culmination of two research projects and two public presentations, conducted by Libra Planners, presented to the Planning Board of the Town of Foster, using the Municipal Technical Assistance Program (MTAP) provided by RIHousing Corporation.

The MTAP program was created by RIHousing, in cooperation with the State of Rhode Island, to assist municipalities in adopting regulations aimed at easing the current housing crisis. In 2023 the state created a slate of new laws, primarily aimed at regulatory oversight and processes, to encourage new housing production. Municipalities were encouraged to make grant applications to RIHousing to seek technical assistance in performing such work. RIHousing created a roster of qualified planning consultants to provide technical assistance. Libra Planners is a RIHousing roster consultant.

Following the availability of funds, and the creation of the consultant roster, Town of Foster staff worked with Libra Planners to develop a grant proposal for technical assistance. In the proposal, the scope of work included two public presentations and an Affordable Housing Plan. The first presentation was designed to introduce the Foster community to affordable housing conditions and options, it was intended to be informational and broad in scope. The second presentation worked with Foster Planning Board concerns discussed at the first presentation, to further develop future affordable housing policy specifically suited to Foster.

This document is a synthesis of the information and graphics provided in the two public presentations delivered to the Town of Foster's Planning Board by Libra Planners. It will serve as a basis for the future Affordable Housing Plan for the town.

### Foster: Rural, Low Density and Natural



**Affordable housing should be consistent with Foster's rural character.**

- RIHousing supports housing needs across the state, including rural communities like Foster
- Housing needs exist everywhere, including places like Foster
- Rural communities often have many older houses
- LMI options should be compatible with Foster's character
- LMI housing need not look like LMI housing

# HOUSING CONDITIONS AT A GLANCE

## AFFORDABLE HOUSING DEFINED

### Affordable Housing Needed Everywhere

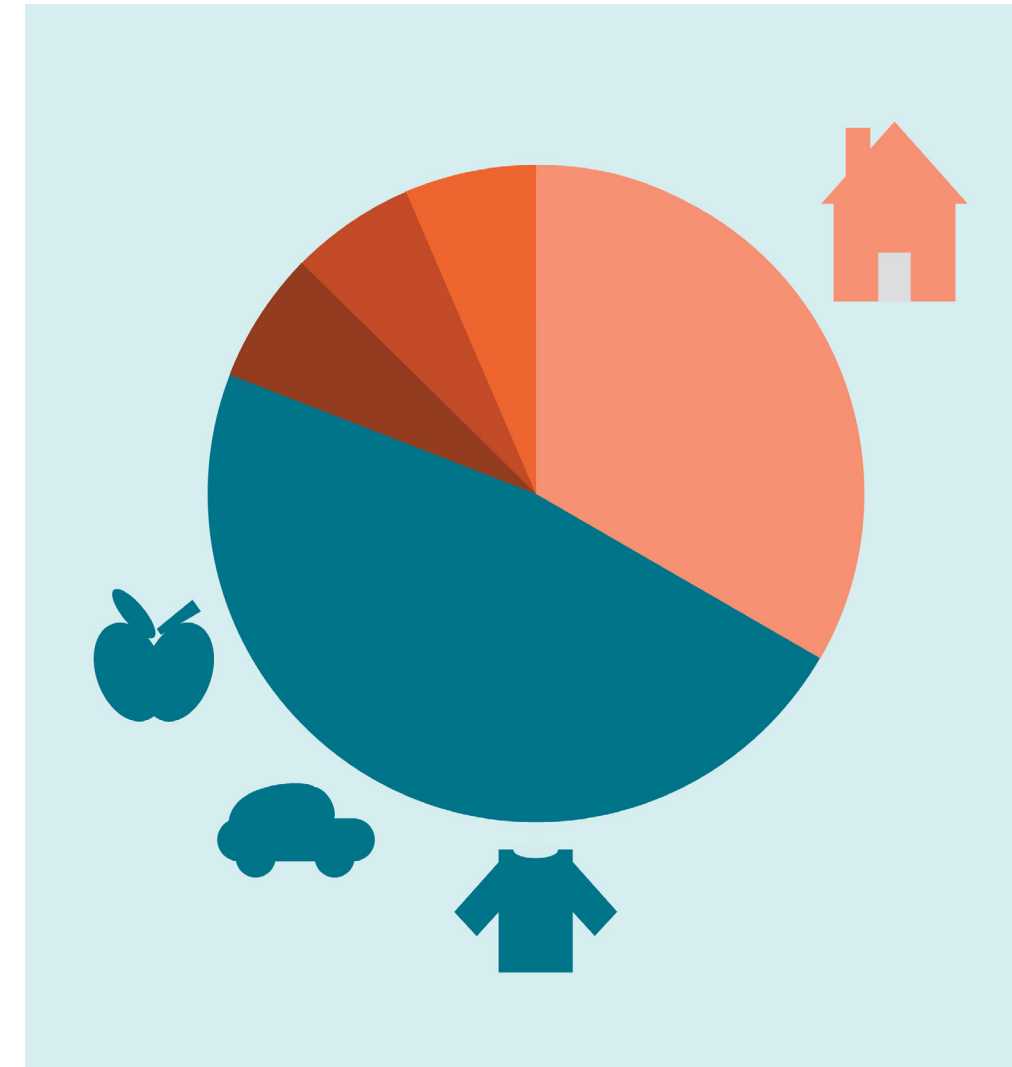
- Spending no more than 30% of your gross household income on rent or mortgage, including utilities, interest, taxes
- When housing costs exceed 30%, the household is “cost burdened”
- Cost Burdened households may not be able to afford other essential living expenses - food, childcare, transportation, healthcare

*A household earning \$50,000 should spend \$15,000 annually or \$1,250 monthly on housing and utility costs combined*

#### SOURCES:

1. 2023 Housing Fact Book, HousingWorks RI at Roger Williams University
2. US Dept. of Housing & Urban Development
3. R.I.G.L. 42-128-8.1(d)(1)

## Portion of Income Spent on Housing



**Increased housing costs eat into money for other necessities.**

- Housing costs should be balanced with other costs
- Housing and Income are linked

# HOUSING CONDITIONS AT A GLANCE

## A SNAPSHOT OF AFFORDABLE HOUSING

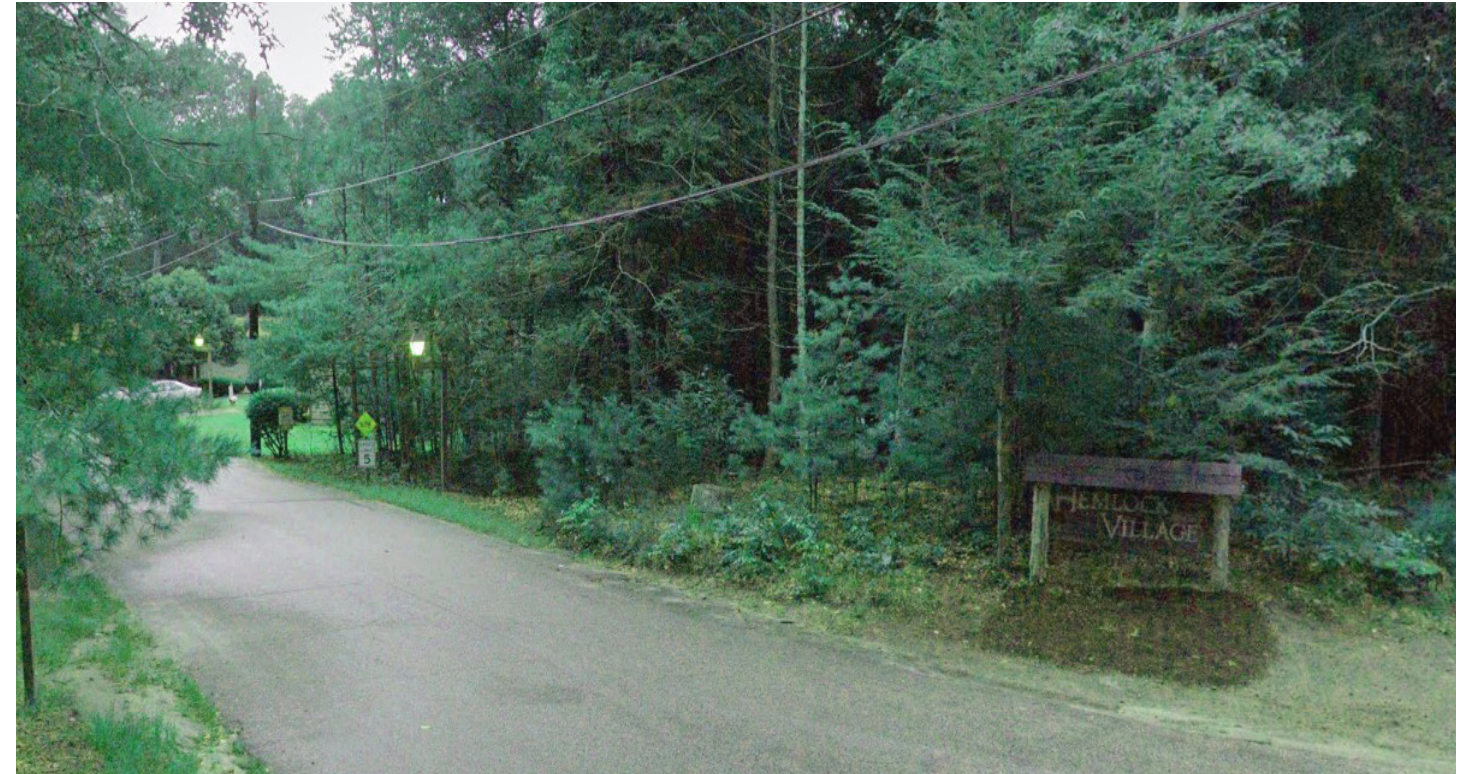
### Local Conditions Mirror National Trends

- National crisis: record unaffordability
- Housing stock shortages
- Barriers to first-time homeownership
- Statewide Median household income: \$74,489
- Median single family home price: \$401,926
- Average two-bedroom rent: \$1,996
- 71% of regional households can't afford median home price of \$370,000
- Foster residents need an income of \$127,311 to affordably buy a home

### SOURCES:

1. *The State of the Nation's Housing 2023, Joint Center for Housing Studies of Harvard University*
2. *2023 Housing Fact Book, HousingWorks RI at Roger Williams University*

### Existing Affordable Housing in Foster



Foster already provides some appropriately scaled affordable housing.

- Housing costs are rising
- Incomes are not keeping up
- Income disparity is increasing
- Rural communities are hit hard

# HOUSING CONDITIONS AT A GLANCE

## A SNAPSHOT OF FOSTER HOUSING TODAY

### Statistics for Foster Today

- Total population: 4,469
- Total households: 1,427
- Median Household Income: \$109,614
- Total Housing Units: 1,836
- Median Gross Rent: \$952/month
- Median Single Family Monthly Housing Payment: \$3,183

### SOURCES:

1. *US Census Profile for Town of Foster: Foster town, Providence County, Rhode Island - Census Bureau Profile*
2. *RIGL § 45-53-3*
3. *RIGL § 42-128-8.1*

### Adaptive Re-use in Foster



Foster is a typical New England town, adapting older forms for modern use.

### Aerial View of Housing in Foster



Foster is sparsely populated and very wooded with small areas of concentrated housing.

- Low density throughout the town
- Houses clustered on major routes
- Few Multi-Family Houses or Housing Opportunities

# TAILORING AN APPROACH FOR FOSTER

## HOUSING FOR A RURAL COMMUNITY

### Housing for the Residents of Foster

- Identify financial targets.
- Discuss ways to “count”.
- Study examples of housing typologies that are possible in Foster.
- Determine which typologies make sense for Foster’s LMI Housing Strategy.

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



Google Maps September 2023

Foster has specific limits for new development.



Former Su Ann Creations site.

### FOSTER HAS LIMITED OPTIONS

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

# TAILORING AN APPROACH FOR FOSTER

## FINANCIAL TARGETS

### Ways to Count

- Median Income is the midpoint of an area's income distribution or the point at which half the households in an area make less and half make more.
  - RI defines Low- and moderate-income (LMI) housing as units that are subsidized (federal, state, municipal) and deed restricted to remain affordable for 30-99 years.
  - Tax breaks are available for developers of LMI housing
  - Deed restricted rental properties are taxed at 8% of gross rent.
- SOURCES:**
1. <https://webservice.rilegislature.gov//Statutes/TITLE45/45-53/45-53-3.1.htm>
  2. <https://www.rihousing.com/wp-content/uploads/FY-23-HUD-Income-Limits.pdf>
  3. <https://www.hud.loans/hud-loans-blog/what-is-area-median-income-ami/#whats-my-ami>
  4. <https://www.housingworksri.org/housing-affordability/housing-glossary#:~:text=Affordable%20Housing%20>
- Regional Area Median Income (AMI) is \$106,000 for a four person household.
  - Financial targets to qualify LMI sale of housing is 120% of AMI.
    - \* Incomes \$122,880 and under
    - \* Housing costs less than \$37k
  - Financial targets to qualify LMI rental housing are 60% to 80% of AMI.
    - \* Incomes \$61,440 and under
    - \* Housing costs less than \$18k
    - \* Incomes \$81,900 and under
    - \* Housing costs less than \$24K

# TAILORING AN APPROACH FOR FOSTER

## MUNICIPAL SUBSIDY

### Achieving State Goals with Local Policy

- Unsubsidized affordable housing exists in Foster.
  - If a 30-year deed restriction is placed on a property, Foster could count those units towards its 10% goal.
  - Foster could incentivize the restrictions with tax breaks and/or direct grants.
- \* Affordable rent for 60% AMI = \$1,000 per month  
 \* Affordable rent for 80% AMI = \$1,500 per month
- RIGL § 45-24-46.1 defines the minimum value of an LMI unit at \$40,000.

#### SOURCES:

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

## MUNICIPAL SUBSIDY EXAMPLE

### Similar to Foster - From Massachusetts

- Massachusetts has an enabling law for municipal housing trusts to assist with the development of affordable housing.
- The Massachusetts Community Preservation Act permits a referendum for a tax surcharge to assist with community priorities, including affordable housing.

### POTENTIAL LOCAL HOUSING PROGRAMS

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

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

# TAILORING AN APPROACH FOR FOSTER

## MUNICIPAL SUBSIDY EXAMPLE

### Continued

- Statewide endeavor
- Most communities participate
- Preserves open space
- Supports historic preservation
- Creates housing units

### SOURCES:

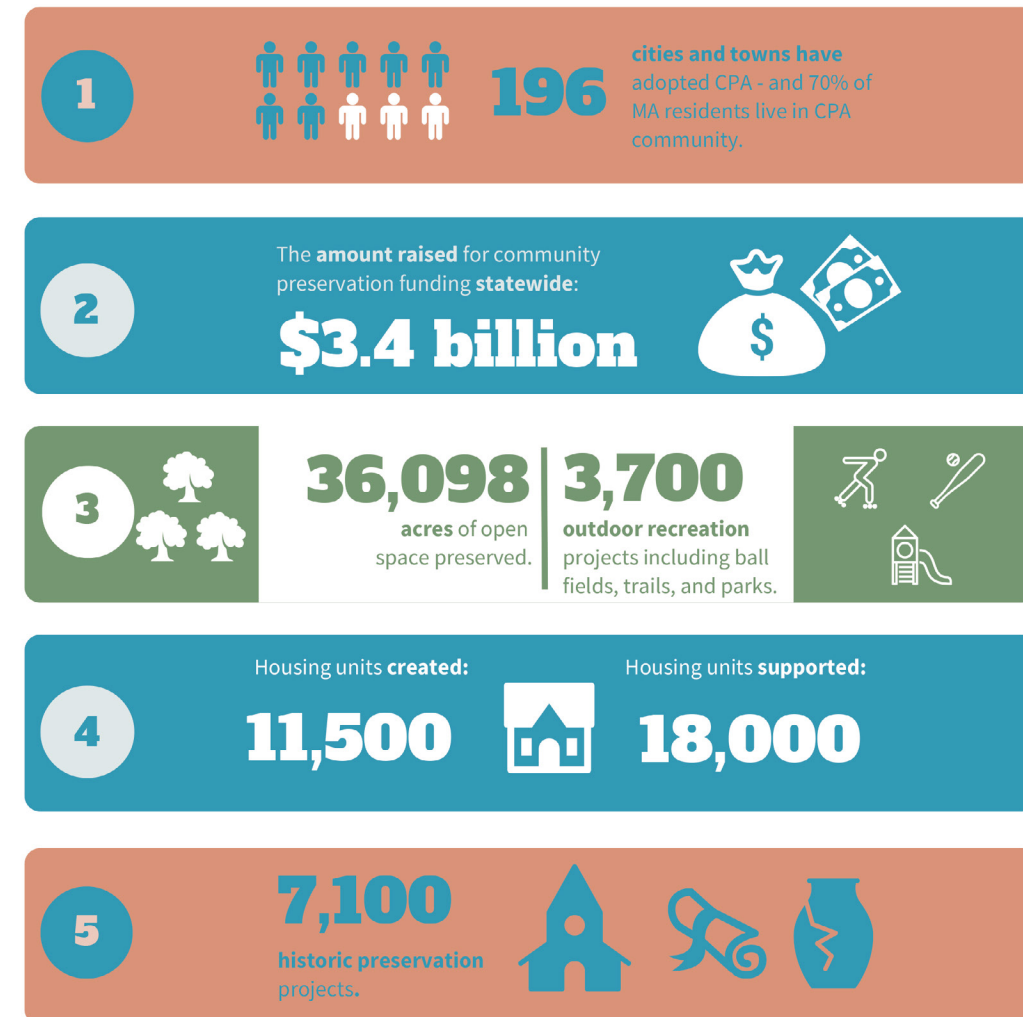
1. [https://www.mhp.net/assets/resources/documents/MAHTGuidebook\\_2018.pdf](https://www.mhp.net/assets/resources/documents/MAHTGuidebook_2018.pdf)
2. [https://www.communitypreservation.org/sites/g/files/vyhlf4646/f/uploads/cpa\\_overview\\_flyer\\_2024.pdf](https://www.communitypreservation.org/sites/g/files/vyhlf4646/f/uploads/cpa_overview_flyer_2024.pdf)

### From the State of Massachusetts:

## An Overview of the Community Preservation Act (CPA)

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

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



# TAILORING AN APPROACH FOR FOSTER

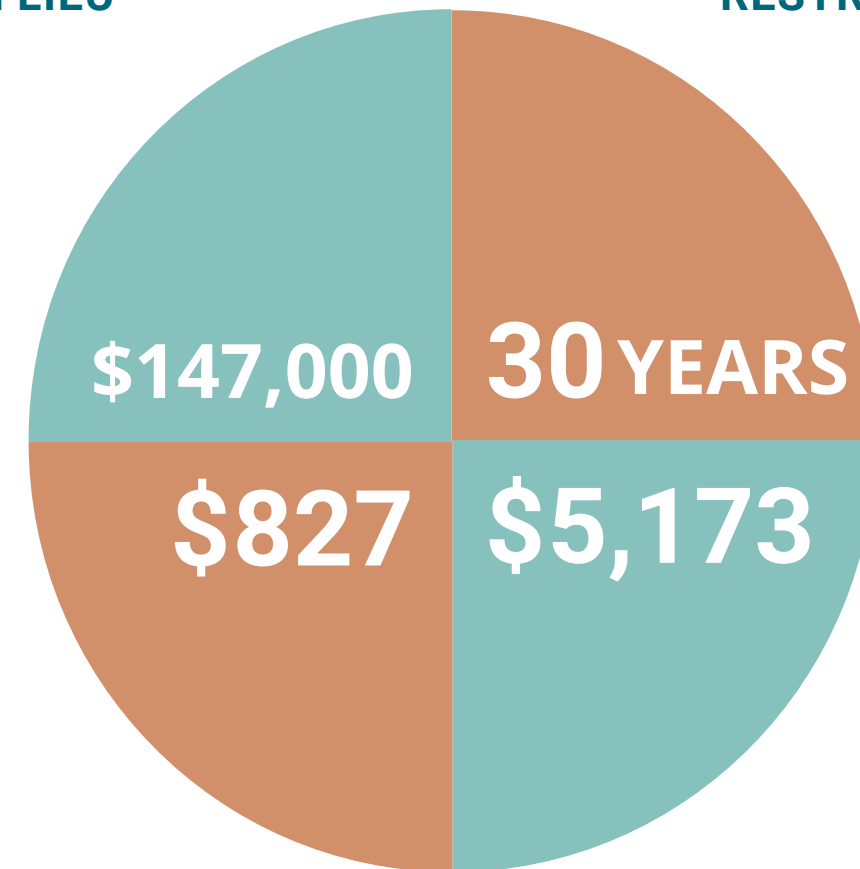
## MUNICIPAL SUBSIDY EXAMPLE

### Continued

- An Accessory Dwelling Unit (ADU) adds \$100,000 value to a house.
  - \* Residential tax rate of \$22.67 equals annual tax bill of \$2,267.
  - \* Rent of \$2,000 per month creates \$24,000 gross income.
  - \* Net income is \$21,733.
- A deed-restricted LMI ADU adds \$50,000 value to a house.
  - \* Rent of \$ 1,500 per month creates \$18,000 gross income.
  - \* Deed restricted tax rate of 8% equals annual tax of \$1,440.
  - \* Net income is \$16,560.
- Annual income differential of \$5,173 per year. Subsidy of \$155,190 required to cover income difference for 30-year deed restriction.
- For reference: RI Housing set fee-in lieu for Foster is \$147,000 per unit.
- Foster could subsidize conversion of existing affordable housing to LMI housing with fees collected from in-lieu inclusionary zoning requirements.

**RI HOUSING FEE-IN LIEU**

**MINIMUM DEED RESTRICTION**



**ANNUAL MUNICIPAL TAX LOST TO LMI UNIT**

**ANNUAL INCOME LOST TO HOMEOWNER**

# TYPOLOGIES FOR FOSTER

## FROM THE PLANNER'S TOOLKIT

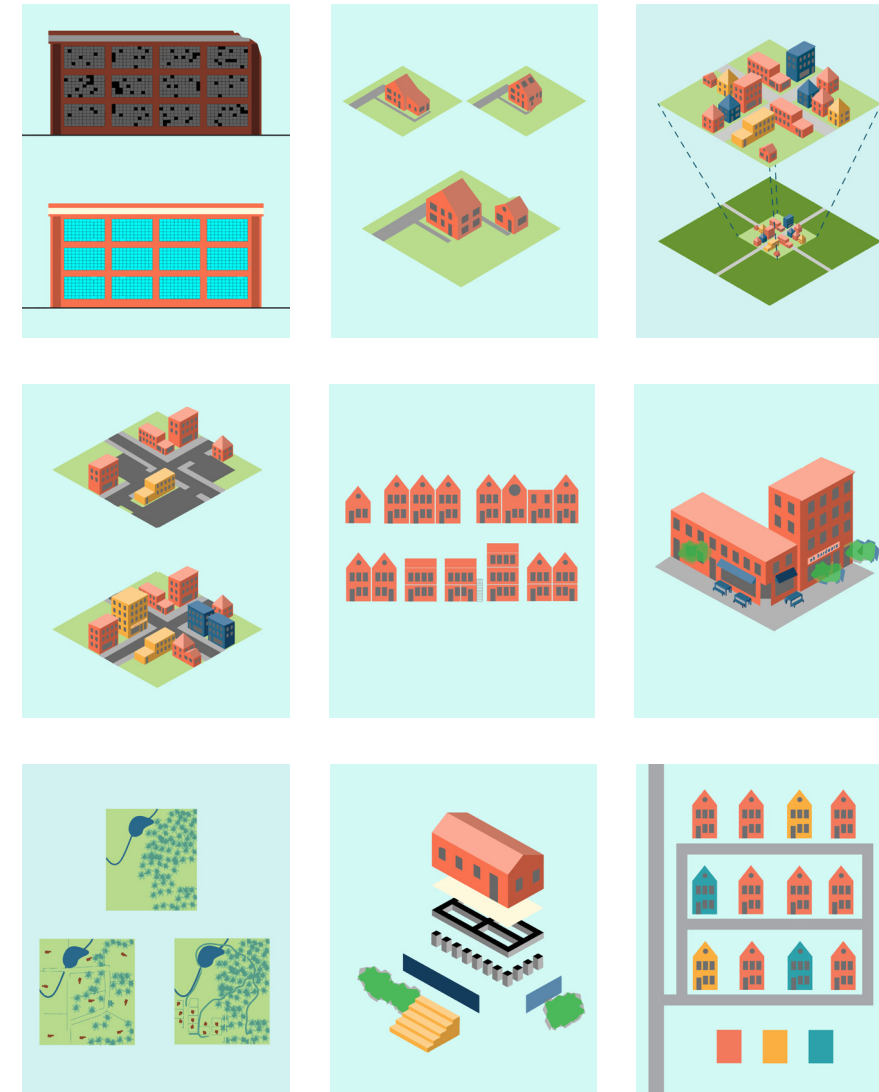
Which typologies are right for Foster?

- Adaptive Reuse
- Village Center
- Infill Development
- Middle Housing
- Mixed-use development
- Planned Unit Development/Cluster Subdivision
- Manufactured Housing

### SOURCE:

1. <https://nhhousingtoolbox.org>

### Slide Thumbnails:



These above listed typologies were presented to the Foster Planning Board. They provided feedback on the suitability of these typologies for their community. The following examples are deemed appropriate for a rural community that lacks a public water supply, and is constrained by significant environmental protection.

# TYOLOGIES FOR FOSTER

## ADAPTIVE REUSE

### Reuse Old Buildings

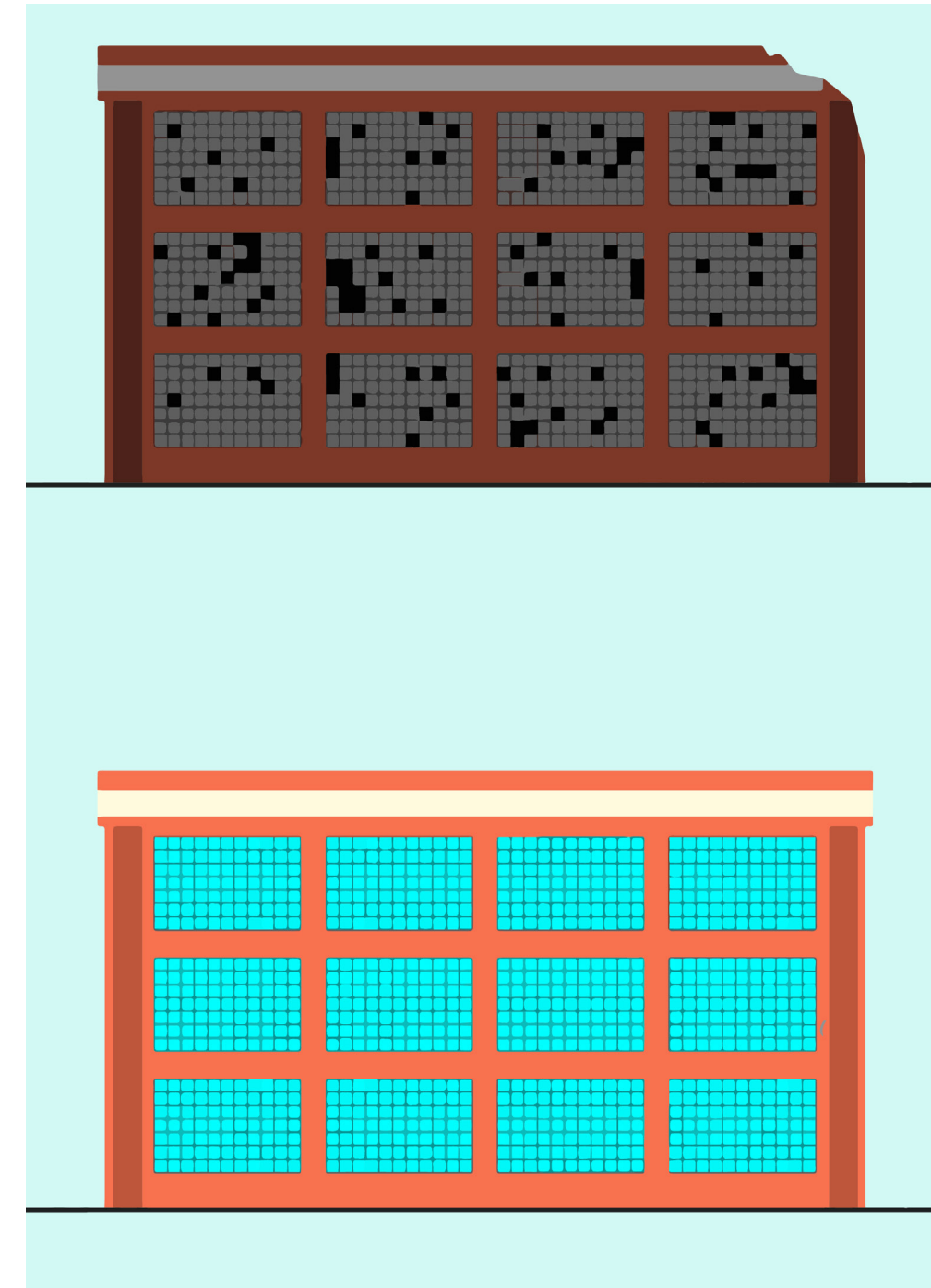
- Reuse of old buildings for new purposes
- State law permits Adaptive Reuse everywhere to encourage housing production
- Underutilized properties are often located in amenity rich environments



#### SOURCE:

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

### Renovation of Existing Industrial Building



Adaptive reuse puts to work vacant and underutilized properties.

# TYOLOGIES FOR FOSTER

## ADAPTIVE REUSE EXAMPLE Defunct Commercial Property

- Affordable housing development in Cumberland providing 44 new apartments of which 10 are reserved for older adults (62+)
- Adaptive reuse of church and rectory
- \$300,000 funded through grant to town.
- Possibilities in Foster are the former Su Ann Creations building and lot.
- Consists of one to three bedroom units and nine townhouses.
- Makes use of an empty or abandoned building.
- Replaces surface parking with housing.



### SOURCE:

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

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



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

# TYOLOGIES FOR FOSTER

## ADAPTIVE REUSE EXAMPLE Motel Renovation in New Hampshire

- Incentivise developers who specialize in distressed properties.
- Some existing infrastructure may be utilized.
- Community improvement is welcomed by neighbors.
- Additional Oversight can further improvements, such as much needed front landscaping.



### 371 Elm Street, Milford, New Hampshire



Before and after photos

#### SOURCES:

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

# TYOLOGIES FOR FOSTER

## ACCESSORY DWELLING UNITS

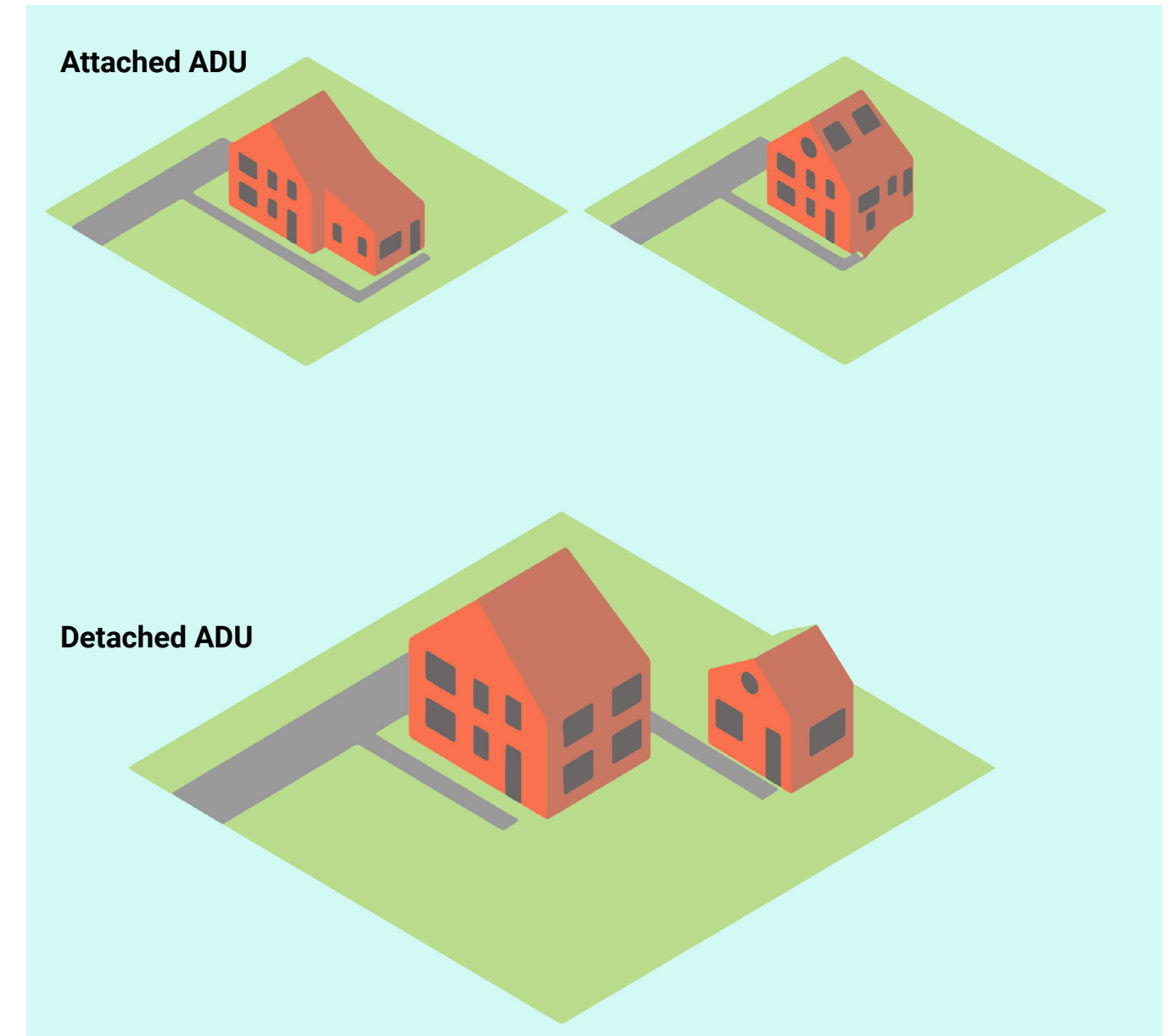
### ADUs State Law Changes in 2022

- ADUs add housing within the existing built environment
- Foster has ADUs since 1994
- Rhode Island wide as of 2016
- A previous requirement to demolish ADUs when the family member moves out was removed in 2022
- Municipalities that permit ADUs are no longer allowed to limit to family members
- RI State legislature may permit ADUs statewide in 2024

#### SOURCE:

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

### Accessory Dwelling Unit Typologies



ADUs capitalize on the existing built environment.

# TYOLOGIES FOR FOSTER

## ACCESSORY DWELLING UNITS EXAMPLE

Foster's Current Code:

- Allowed only for family members
- Must be attached to principal residence
- Limited to 600 sq. feet

House Bill passed/Senate Bill under consideration:

- No planning review
- Permitted on all lots at least 40,000 sf in size
- Permitted to be 60% of principal dwelling in size or 900 sf - whichever is less
- May be a detached unit or attached to principal or accessory unit (ex. detached garage)
- Allowed in all residential zones
- May not restrict tenants based on familial relationships or age May not be rented through a hosting platform (i.e. AirBnb), subdivided, or changed to condominiums
- Can be deed restricted to "count"

### SOURCES:

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

### Examples from Warwick and Richmond



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



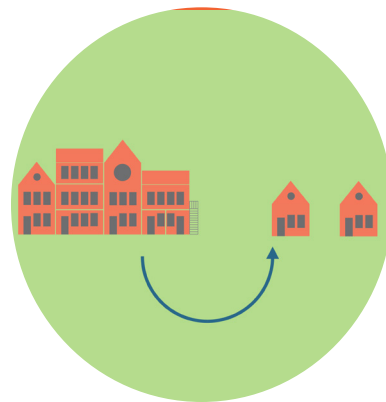
**ADUs often make use of garages and separate entrances.**

# TYOLOGIES FOR FOSTER

## VILLAGE CENTER

### A Village Plan Alternative

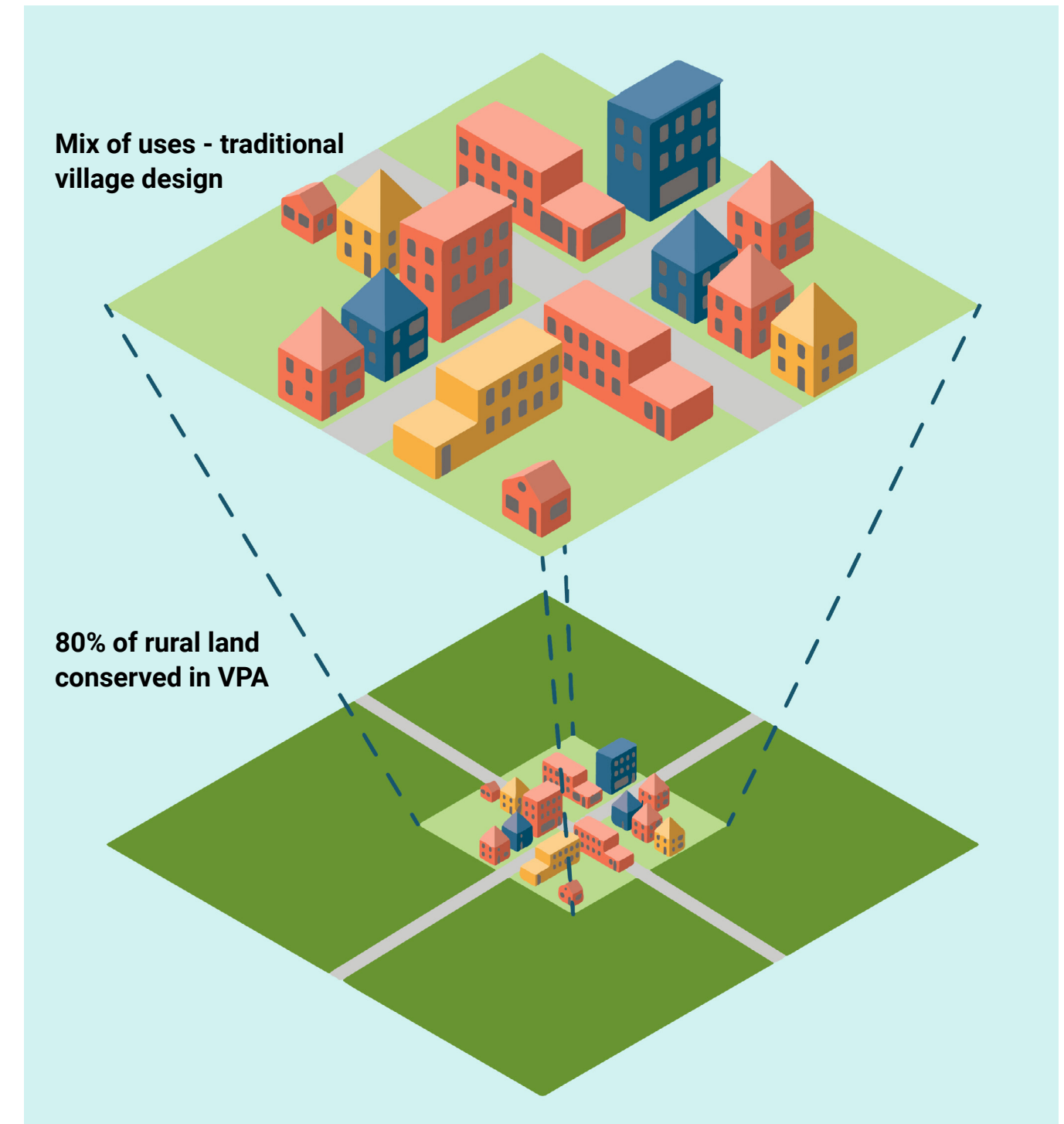
- Zoning tool that encourages development of new villages in rural areas
- Combines neighborhood design with open space conservation
- Housing concentrated near important intersections
- Housing located near important infrastructure
- Creates stronger social networks



#### SOURCE:

1. <https://nhhousingtoolbox.org/strategies/village-plan-alternative-vpa/>
2. This is a tool available to Foster to increase its villages or create new ones. Shared infrastructure would reduce development costs.

## Village Center Diagram



Village centers protect rural character and open space.

# TYOLOGIES FOR FOSTER

## VILLAGE CENTER EXAMPLES IN RHODE ISLAND

- Like Foster, Chepachet is an area without public water & sewer
- Chepachet's village center is set along Putnam Pike south of where Rts. 44 and 102 meet
- While Foster does not have many major intersections, the RI-14/102 intersection offers potential

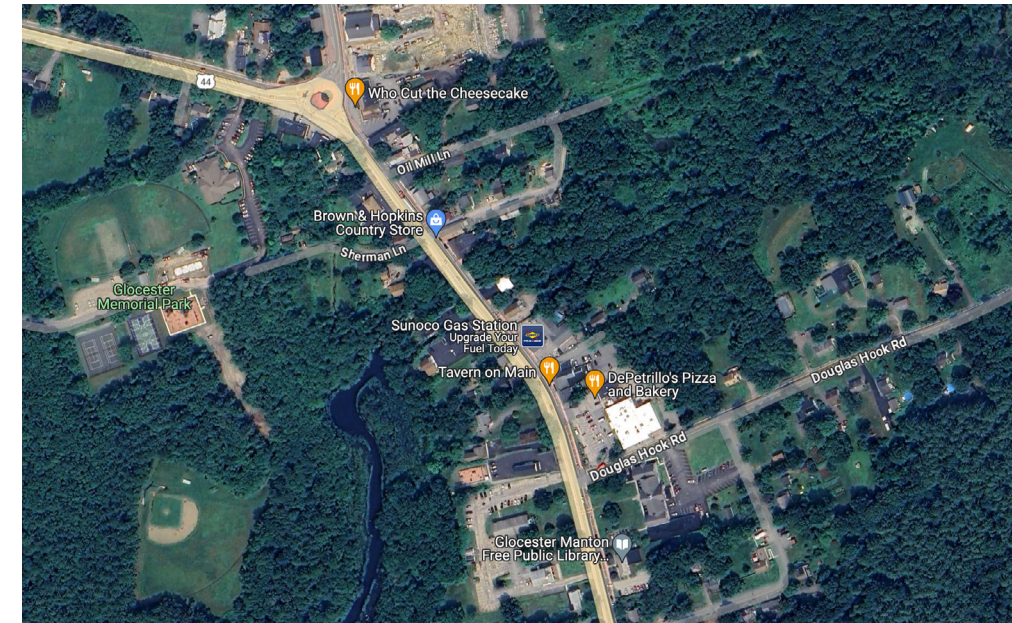


### SOURCE:

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

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

## Chepachet Village Center



Aerial view of Chepachet



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

# TYOLOGIES FOR FOSTER

## PLANNED UNIT DEVELOPMENTS

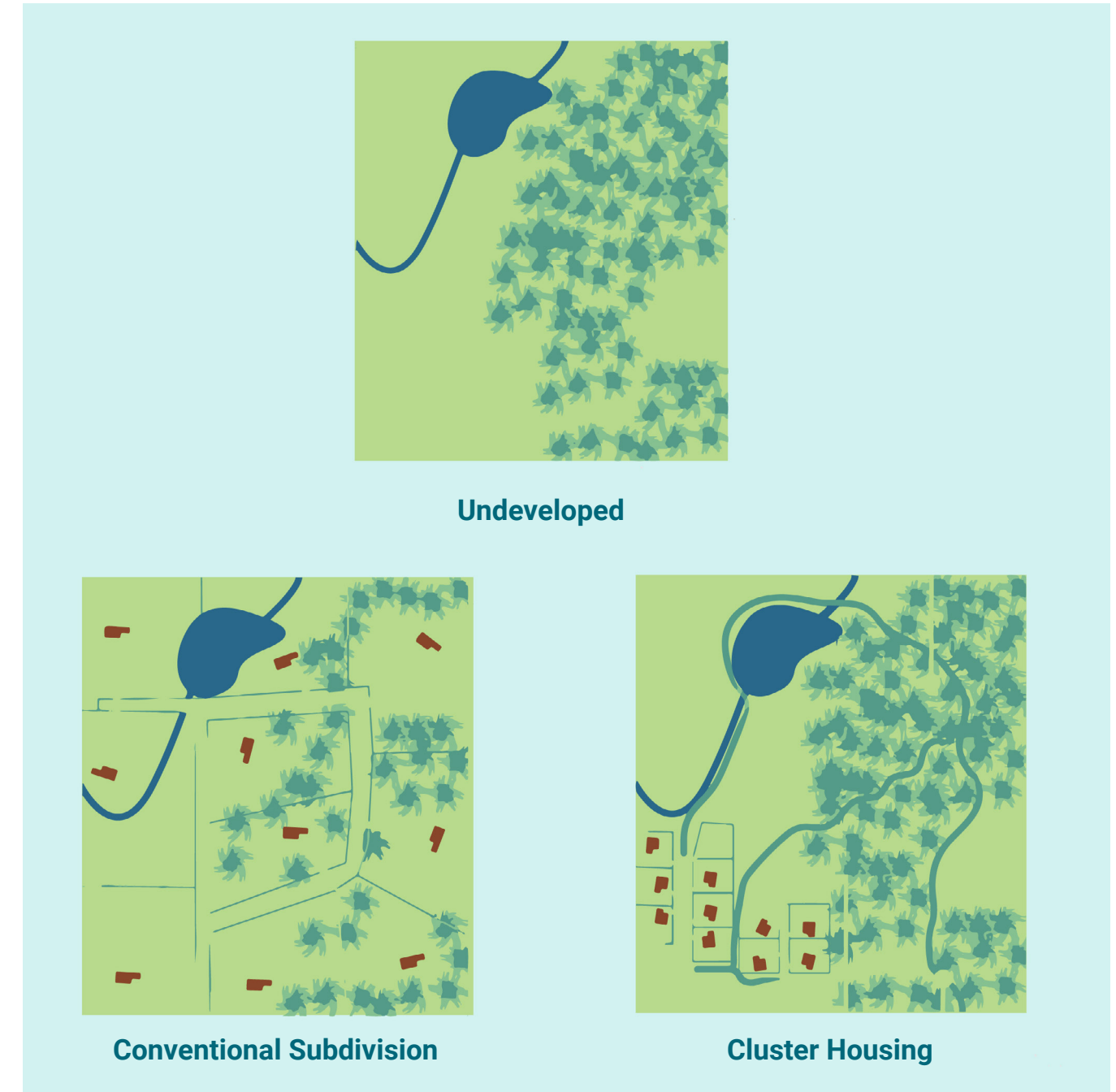
### Cluster Subdivision

- Land use regulation that specifies mix of land uses, building types, densities, site design, and infrastructure for a single parcel or small collection of parcels
- Preserves natural areas
- Reduces development costs
- Must consider conservation areas

#### SOURCE:

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

### PUD Planning Diagrams



Planned Unit Developments cluster housing in desirable suburban contexts.

# TYOLOGIES FOR FOSTER

## PLANNED UNIT DEVELOPMENT EXAMPLE A Cluster Subdivision in Charlestown, RI

- Charlestown, RI has mandatory cluster subdivisions, preserving open space and reducing development costs.
- Lot sizes are around 1 acre with 70% of the parcel as open space.
- Can be developed similarly to Conservation Development.

### Botka Woods Drive Charlestown, RI



House lots are positioned to avoid important natural resources.

#### SOURCE:

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

# TYOLOGIES FOR FOSTER

## A LOCAL SUCCESS

- Pine View Apartments in Exeter is a 40 - apartment affordable housing development
- Restricted to 30%, 50%, and 60% AMI
- Pine view Is An example of a comprehensive permit application.
- Comprehensive permit applications cannot be denied under 2023 RI state law changes.
- Foster does not have an affordable housing plan.

### Pine View Apartments Exeter, RI



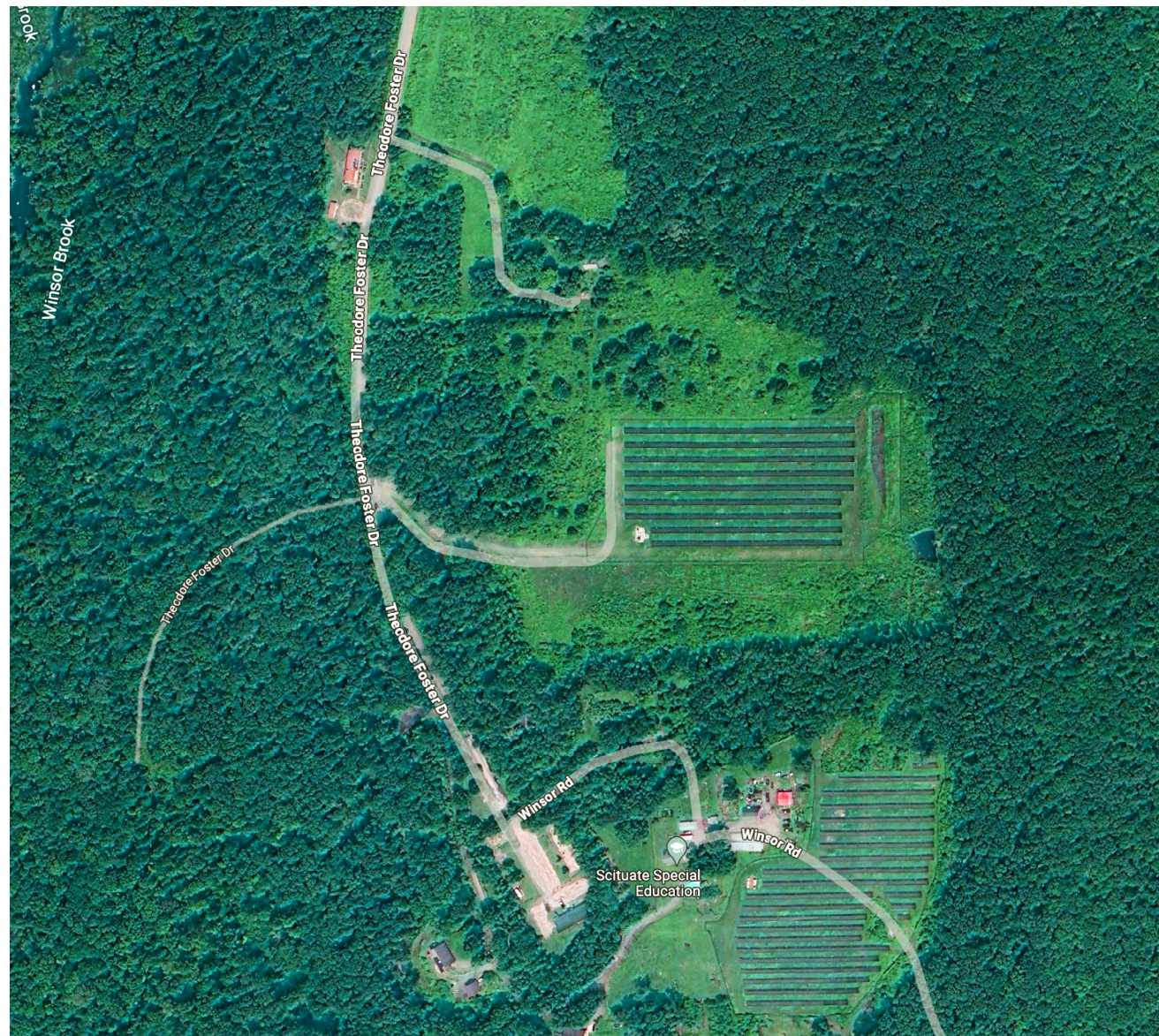
**Exeter, RI has achieved its 10% AMI housing goal with missing middle Comprehensive Permit housing.**



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

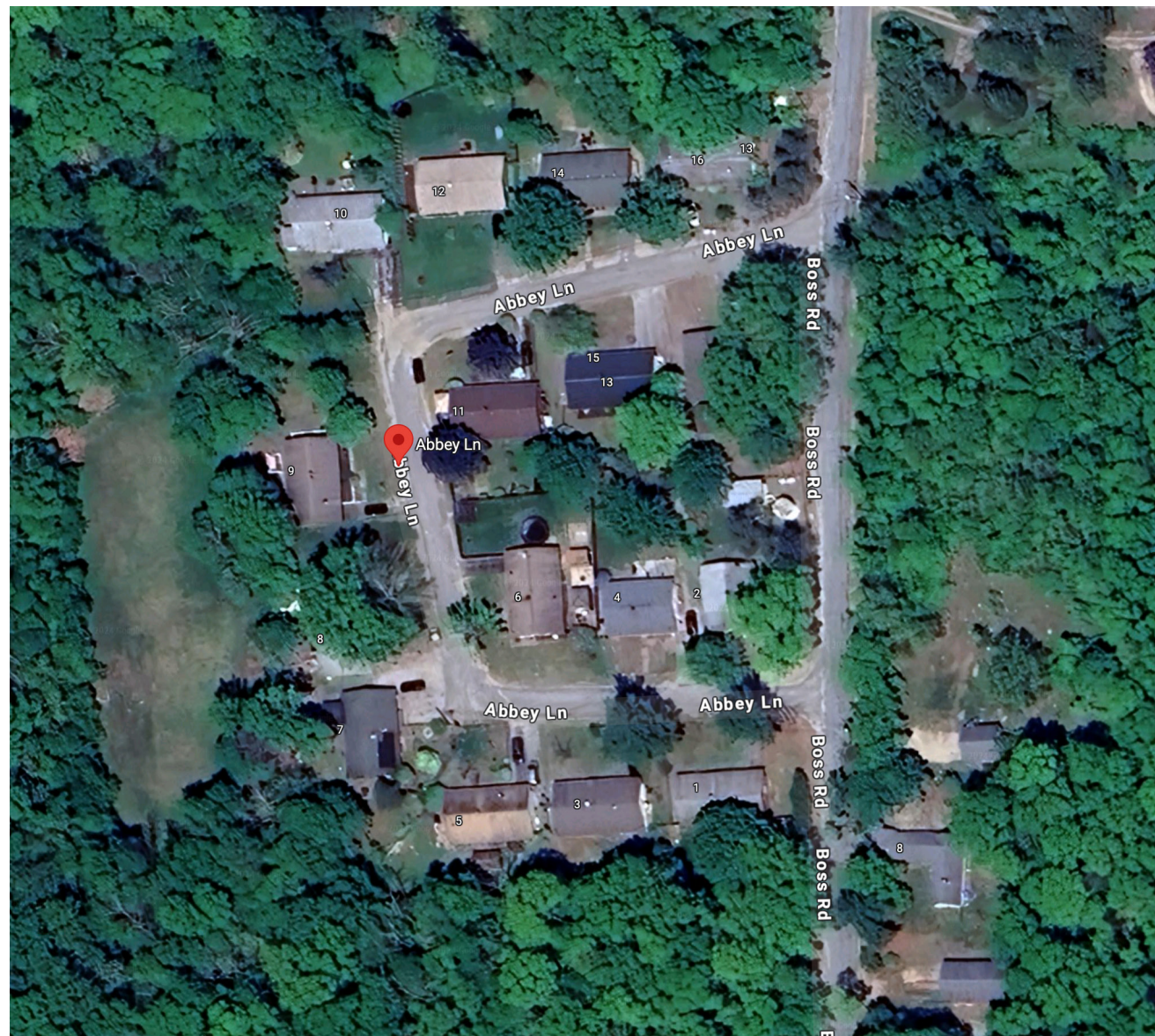
# FOSTER SITES FOR CONSIDERATION

## THE NIKE MISSILE SITE Future Housing Development Potential

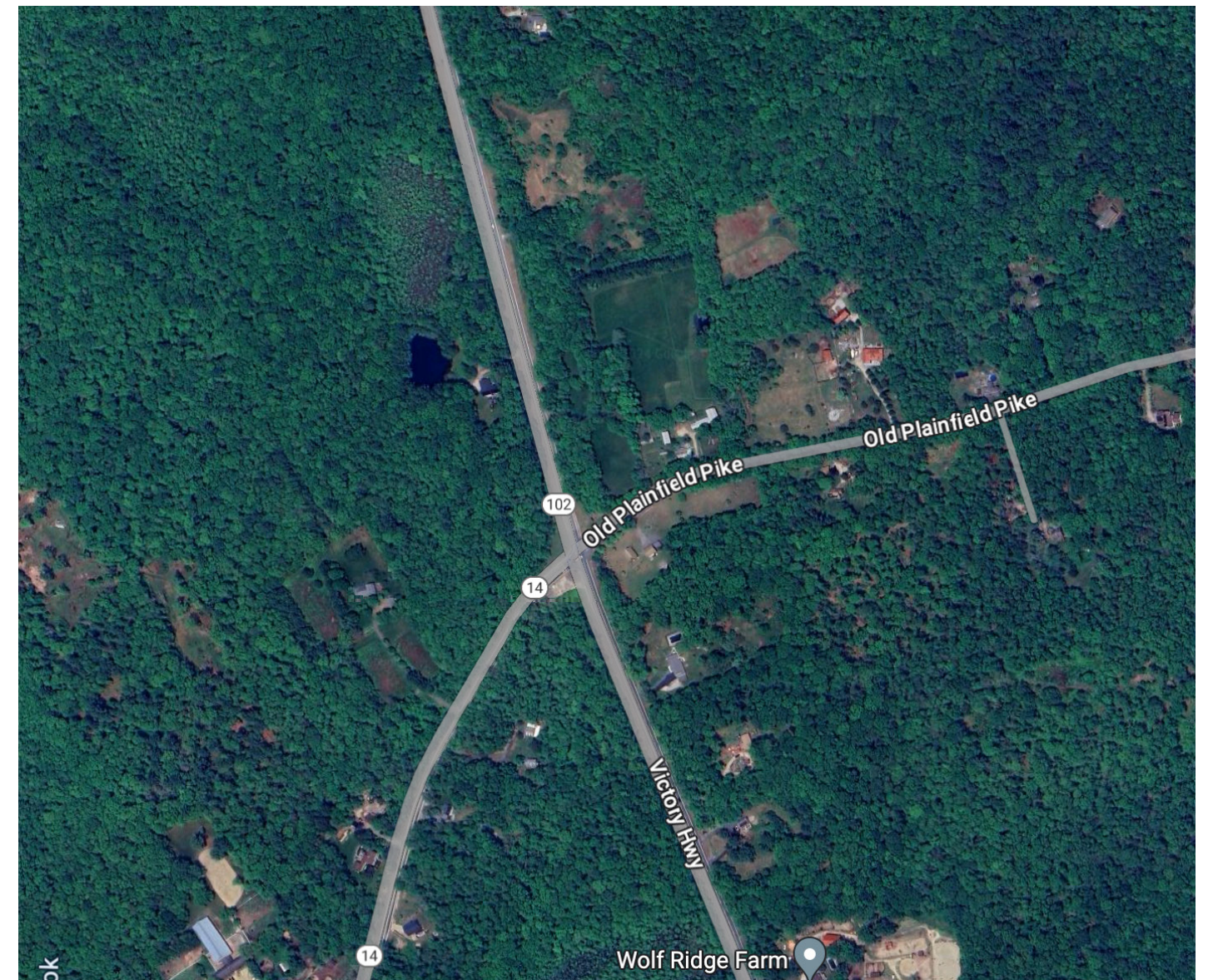


# FOSTER SITES FOR CONSIDERATION

## FORMER NAVY HOUSING ON ABBEY LANE Future Housing Development Potential



## INTERSECTION AT ROUTES 14 & 102 Future Housing Development Potential



# CONCLUSIONS

The initial presentation to the Town of Foster's Planning Board and residents that took place in January of 2024, Meeting 1 in the grant proposal, was designed to provide fundamental information on affordable housing. Libra Planners defined key terms for affordable housing, compared current housing conditions nationwide, regionally, and locally, and presented a broad array of housing typologies that can address affordable housing shortages.

The town's residents and its Planning Board shared Foster's challenges with many of the housing typologies:

1. Having few major intersections, it was difficult to imagine how mixed-use, village center, and infill development typologies would be possible.
2. Vast areas of state protected watersheds also limit typologies that take advantage of or promote activity centers around the few major intersections.
3. Limitations of services in the rural town, such as public water, sewer, and transportation, could make affordable housing units difficult and expensive to develop.
4. The town owns few parcels and buildings, and there are few buildings privately held that could be imagined as options for adaptive reuse.
5. More employment and business opportunities are needed to sustain incomes for residents.

Affordable housing that already exists in Foster, and could be expanded upon, was discussed with the residents and Planning Board. Foster currently has family compounds where multiple housing units exist on a single parcel of land. These compounds may include accessory dwelling units (ADUs) that are often rented below market rate. Additionally Foster has a senior housing facility that serves aging residents in need of affordable housing - Hemlock Village. While some of these existing units, such as Hemlock Village, contribute to the state mandated LMI goal, others, particularly ADUs rented below market rates to family or friends with low to moderate incomes are not counted because they are not deed restricted.

At the end of the Meeting 1, the town's Board, staff, and residents sought to better understand the financial targets for affordable housing and to look at opportunities to expand on the affordable housing typologies that already exist. They sought to learn of additional typologies that may be suitable for Foster, and they hoped to address issues that exist around the delivery of public services.

To shape Foster's strategy for affordable housing, a second presentation to Foster's Planning Board took place during their April 2024 meeting. The first half of the presentation focused on ways to count affordable housing that already exists in Foster, but does not technically meet the definition of LMI housing. For example, family members may rent to other family members at below market rates. It was estimated that Foster would need 150 LMI housing units to achieve the state's 10% LMI goal. Libra identified financial targets to qualify the sale of a home or rental rates, and presented examples of local policy, specifically municipal subsidy programs, to encourage the conversion of existing units to LMI units as well as new development of affordable housing.

## Older and historic housing stock.



Libra also presented case studies of the affordable housing typologies that were palatable to Foster during the first meeting. The Board also considered possible sites for future development. Some of the key findings that resulted from this discussion were:

1. Limitations of publicly owned land and facilities, and a lack of public infrastructure where water and sewer are concerned will challenge the production of affordable housing units.
2. Foster's residents are aging in place and at the time of this report there is a waiting list of around 100 people for Hemlock Village, the town's senior housing facility.
3. Regulatory requirements are outpacing the town's infrastructure.
4. According to Town surveys of its residents, people live in Foster for its rural qualities and the state's goal is difficult to achieve while maintaining Foster's rural character.

# | CONCLUSIONS

In consideration of these findings and the discussions with town residents, the Board, and the Town Planner; Foster's LMI housing strategy will be developed around these core principles:

- Advocate for state requirements that are attainable in rural areas.
- Prioritize housing for aging residents with fixed incomes and address the waiting list for senior housing.
- Prepare for opportunities to develop housing on public or private parcels and encourage housing typologies compatible with Foster's Comprehensive Plan goals while recognizing the physical and regulatory constraints of future development.