



# HOUSING

## COMPREHENSIVE COMMUNITY PLAN

**2025**

**TOWN OF MIDDLETOWN, RI**

*Draft | September 16, 2024*

## Executive Summary

Housing plays a crucial role in the livability and prosperity of a community, making it a key element of the Comprehensive Plan. The purpose of the Housing Element is to assess Middletown's current housing stock, examining it through the lens of affordability, community goals, and projected future housing needs.

### Middletown's Vision for Housing

The Town of Middletown seeks to create a diverse range of housing that includes attainable and varying housing options for all ages, while at the same time preserving the cherished qualities that give Middletown its coastal character. As a community, we will support:

- Smaller mixed-use and multifamily housing on underutilized properties along our commercial corridors
- Design guidelines for new housing that is in keeping with the unique character of our town
- Housing opportunities that connect more residents to public transportation
- Housing efforts that seek to preserve the beaches and other loved open spaces across Middletown

### Community Demographics Influencing Housing Needs

The demographic composition of a community and its changes over time shed light on likely housing needs today and into the future. Middletown's population is not projected to grow significantly over the next decade. However, older and young adult cohorts are growing, while the number of families with young children are shrinking. Additionally, Middletown's household income mix is expected to change, with slight growth among households earning moderate (60-80% AMI, income range \$81,250-108,300) and high incomes (above 120% AMI, income range: \$162,000 or more). Conversely, the low-income household group (30-60% AMI, income range: \$40,600-81,250) is likely to shrink substantially over the next 10 years. Other takeaways from relevant demographic, socioeconomic, and economic patterns and trends relating to housing are summarized as follows:

- Middletown's population is getting older
- There are fewer households with children, while there are more senior households
- The population has a wide range of incomes, occupations, and affordability levels
- Middletown is becoming more racially diverse
- Modest household growth is expected over the next 10 years
- Middletown is home to more jobs than workers

### Existing Housing Supply

In Middletown, most owner-occupied units are detached single-family while all larger multifamily units are rentals. Its housing stock includes more 3-bedroom units than other sizes. Nearly all Studio to-1-bedroom units are rentals, but 2 bedroom units are more evenly balanced between owner-occupied and rental. Middletown's 12.6% vacancy rate suggests seasonal homes and short-term rentals continue to make up a significant proportion of the local housing stock.

From a production perspective, Middletown's highest periods of construction activity were between 1950-1999 and before 1940. Since 2000, comparatively few net-new units have been built, and almost none in the past 10 years. As a result, the median age of Middletown's housing stock is 55 years (1969

median build year). Limited housing construction could be associated with low demand for growth or potential growth could be considered constrained and not realized due to lack of new housing supply.

Average home sales prices in Middletown increased more rapidly since 2020 than over the previous several years, especially among higher-priced homes. The median single family home price in Middletown is \$675,000, up 48% from 2017 (2023 Housing Fact Book).

The average asking rent for a newly occupied unit in Middletown has been rising for the past decade at a pace that began to accelerate in 2020 and has not yet stabilized. The average 2-bedroom rent is \$1,977, up 14% from 2017 (2023 Housing Fact Book).

Like nearly all places in the country, Middletown includes a number of cost burdened households that have not found housing they can comfortably or stably afford. There are about 2,541 cost burdened households in Middletown. Of which 53% are owner households and 47% are renter households. Severely cost-burdened households, those who spend 50% or more of their income on housing, make up 43% (2023 Housing Fact Book)

Of the 360 units that make up Middletown's low- and moderate-income housing stock, 168 units are available to families, 98 are available to seniors, and 94 are available for persons with special needs.

### Current and Future Housing Needs

Existing and project population and demographic trends combined with the Town's equity and economic development goals indicate that there are three groups of potentially underserved current and future residents whose needs should be understood and considered:

- Today's cost-burdened residents: The portion of the current population that is paying more than 30% of their income on housing in Middletown.
- Tomorrow's new residents: The households expected to move to Middletown over the next decade.
- Today's workforce: The people who currently work within Middletown but might not be able to afford to live in town.

Each of these perspectives include higher proportions of lower-income households than currently reside in Middletown.

Middletown is projected to grow by about 561 households between 2023-2033, an estimate that assumes household growth over the past decade continues through the next and enough housing is added in response. To maintain current growth trends, Middletown will need to add about 601 housing units in the next 10 years.

### Achieving Low and Moderate Income Housing Requirements

The State of Rhode Island's Low and Moderate Income Housing Act (RI. GL Section 45-53-2) requires at least 10% of each community's housing supply consist of income-restricted units. Communities that do not meet this standard are subject to comprehensive permit applications for developments containing at least 25% affordable units which can override zoning controls like density, parking, bedrooms, and floor area.

About 4.8% of Middletown's housing stock satisfies the law's requirements. Of the 360 low-and-moderate income housing (LMIH) units, 264 are rental units, 42 are ownership units, and 54 are group home beds. Of these units, 98 are elderly housing, 168 are family units, and 94 are units for special needs.

If Middletown reaches the State's 10% requirement it can avoid comprehensive permits. To reach this threshold today, 390 additional LMIH units would need to be added to the housing stock for a total of 750 LMIH units. Current housing development projects in the pipeline will bring Middletown's total to about 7%.

As noted previously, Middletown will need to add about 601 housing units in the next 10 years to keep up with projected growth. To meet the State's target of 10% low- and moderate-income housing (LMIH) town-wide, about 38% of the 601 new units, 229 units, would need to be designated income restricted. This affordability mix is 10 percentage points lower than the current development pipeline, suggesting Middletown could realistically achieve the 10% goal in the near future without significant changes to its development trajectory. Furthermore, the Town's recent full-build analysis found capacity for 2,200 units, suggesting there is enough developable land to accommodate this growth (Analysis of Full-Build Traffic and Environmental Impacts, Middletown, RI, 2020).

### Implementation Planning

In order to continue supporting quality housing and expand opportunities for affordable housing development within its community, Middletown has developed the following goals to inform its housing policies and implementation plan:

- Protect existing supply of affordable housing
- Provide a variety of housing options that is attainable to and accommodating for all income levels, age groups, and abilities
- Increase supply of workforce housing
- Reduce housing costs while promoting more sustainable development
- Promote safe, connected, and accessible development close to public transit
- Meet the state's 10% requirement for low-and-moderate income housing
- Support housing opportunities that support economic development by prioritizing the redevelopment of underutilized commercial and/or vacant spaces

Middletown's commitment to meeting its community's housing needs extends beyond the affordability requirements set by the State. Should Middletown achieve its 10% affordable threshold it will continue to implement and assess its affordable housing action plan to ensure it remains an attainable option for current and future residents who want to call Middletown home.

## Introduction

The Housing Element of a Comprehensive Plan assesses the town's current housing stock, examining it through the lens of affordability, community goals, and projected future housing needs. The following chapter shares the results of Middletown's housing needs assessment and outlines the policies and strategies that will allow Middletown to meet its affordable housing goals as well as the goals and affordability requirements mandated by the State.

## Housing Needs in Rhode Island

Housing plays a crucial role in the livability and prosperity of a community as well as its residents' social determinants of health. Not only does a home's location impact quality of life, the condition and cost of a home also significantly influences physical and mental health which can impact educational outcomes and job performance. The 2021 and 2022 RI Life Index ([RI Life Index, 2023](#)), a scoring system produced by Blue Cross & Blue Shield of Rhode Island and the Brown University School of Public Health that measures social determinants of health, indicate worsening scores across all determinants. The most significant ones being housing affordability and cost of living, which are performing poorly in both urban and suburban/rural communities in Rhode Island.

More than a third of Rhode Island households are cost burdened as home prices and rents continue to rise. Cost-burdened households spend 30% or more of their household income on housing. Limited new housing development across the state compounds these issues by creating a very limited housing supply. The Covid-19 pandemic and post-pandemic housing landscape has further exacerbated issues of housing insecurity, revealing a 72% increase in the number of people experiencing homelessness since 2019 ([2023 Housing Fact Book, HousingWorksRI, 2023](#)).

In recent years, the RI State legislature has taken steps to lay the groundwork for addressing housing needs and affordability across the state including:

- Actions to eliminate rental application fees, seal court eviction records, and retire the sunset provision for foreclosure mediation
- Investments to increase opportunities for new housing development
- Supporting municipality capacity
- Building public infrastructure to support more housing
- State funded Low-Income Housing Tax Credit Program (LIHTC) to supplement the federal program
- Creation of a new State Department of Housing
- Passing of new State zoning and planning legislation that streamlines development procedures, allows for accessory dwelling units (ADUs), and adaptive reuse of existing structures like schools, factories, and hospitals. Specific legislation changes have included:
  - RI G.L. 45-24 Zoning Ordinances. Introduced a transit-oriented development pilot program to encourage residential housing near convenient public transportation.
  - RI G.L. 45-53 Low and Moderate Income Housing. Created amendments to clarify some definitions and the procedure reviewing low- and moderate-income housing development applications. Amendments were made to the following sections: application, appeal, and judicial review process.

- Bills 2024-H 7062A, 2024-S 2998A. Provide homeowners the ability to develop a single ADU on an owner-occupied property

### State Housing Goals and Planning Efforts

The State's actions are informed by and build upon other several other state housing planning efforts that have focused on equity, strategic planning, fair housing for subsidized low- and moderate-income housing, and homelessness among other topics. The following are some of the key documents that support planning for housing at the State level:

- Equity Profile of Rhode Island
- Rhode Island Five Year Strategic Housing Plan
- State Housing Plan Element 421
- RI Housing's Annual Action Plan
- Open Doors Rhode Island

### Relevant State Laws and Requirements

The State Guide Plan and Rhode Island General Laws also include elements that drive state policy and legislation related to housing as well as plans and actions taken at the local level. Most notably, the Comprehensive Housing Production and Rehabilitation Act of 2004 mandated the incorporation of a five-year strategic plan for housing into the State Guide Plan. The Low and Moderate Income Housing Act (RIGL section 45-53-2) declares that immediate action must be taken to assure the availability of affordable, accessible, safe, and sanitary housing for low and moderate income individuals and families. It also requires that for all Rhode Island cities and towns, at least 10% of the housing supply consists of income restricted low-and moderate-income housing units.

Newly passed State legislation—Bill 2024-H 7062A, 2024-S 2998A—additionally aims to boost housing production by making it easier for property owners to develop accessory dwelling units (ADUs) on their property. It provides homeowners statewide the right to develop a single ADU on an owner-occupied property to accommodate a disabled family member, or within the existing footprint of their structures or on any lot larger than 20,000 square feet, provided that the ADU's design satisfies building code, size limits and infrastructure requirements ([State of Rhode Island General Assembly, 2024](#)). The legislation also prohibits the use of ADUs as short-term rentals.

These laws and plans create standards for planning that must be incorporated into a community's comprehensive plan.

### Public engagement process

This chapter's analysis and implementation plan were informed by feedback from Middletown's Comprehensive Plan Update Committee and a public engagement process that spanned several months and included a public survey and workshop. A public workshop was held on February 15<sup>th</sup>, 2024 to kick off the public engagement process and to collect input from the community regarding Middletown's vision and goals for housing. The Middletown Housing Study survey launched in April 2024 and collected over 500 unique responses related to visioning and goal setting as well as residents' housing preferences and realities. Results from the survey can be found in the Appendix.



The following vision and goals were created from Middletown community feedback to set direction and priorities for the Town’s housing policies and investment moving forward.

### Housing Vision Statement

The town of Middletown seeks to create a diverse range of housing that includes attainable and varying housing options for all ages, while at the same time preserving the cherished qualities that give Middletown its coastal character. We will support:

- Smaller mixed-use and multifamily housing on underutilized properties along our commercial corridors
- Design guidelines for new housing that is in keeping with the unique character of our town
- Housing opportunities that connect more residents to public transportation
- Housing efforts that seek to preserve the beaches and other loved open spaces across Middletown

### Housing Goals

- Protect existing supply of affordable housing
- Provide a variety of housing options that is attainable to and accommodating for persons of all income levels, age groups, and abilities
- Increase supply of workforce housing
- Reduce housing costs while promoting more sustainable development
- Promote safe, connected, and accessible development close to public transit
- Meet the state’s 10% requirement for low-and-moderate income housing
- Support housing opportunities that support economic development by prioritizing the redevelopment of underutilized commercial and/or vacant spaces

## Housing Supply: Middletown’s existing housing context

### Community Demographics and Housing Need

Understanding the demographic composition of a community and the changes over time shed light on likely housing needs today and into the future. Key demographic indicators include population age trends, presence of children or seniors in a household, prevalence of one-person households, and racial or ethnic makeup.

#### Population age trend and projection

Middletown’s older and young adult cohorts are growing, while the number of families with young children are shrinking. Young adults aged 20-34 are increasing but may not produce as many children as prior generations as people are having fewer children and having them later in life. If these trends continue through the next decade, the distribution of age cohorts in Middletown will be dramatically different than it was in 2011 or 2023.

Younger households are more likely to prefer family-oriented housing and neighborhoods whereas older households may have a broader range of preferences and priorities, including senior options.

Figure 1 illustrates both historic and projected trends in population by age cohort.

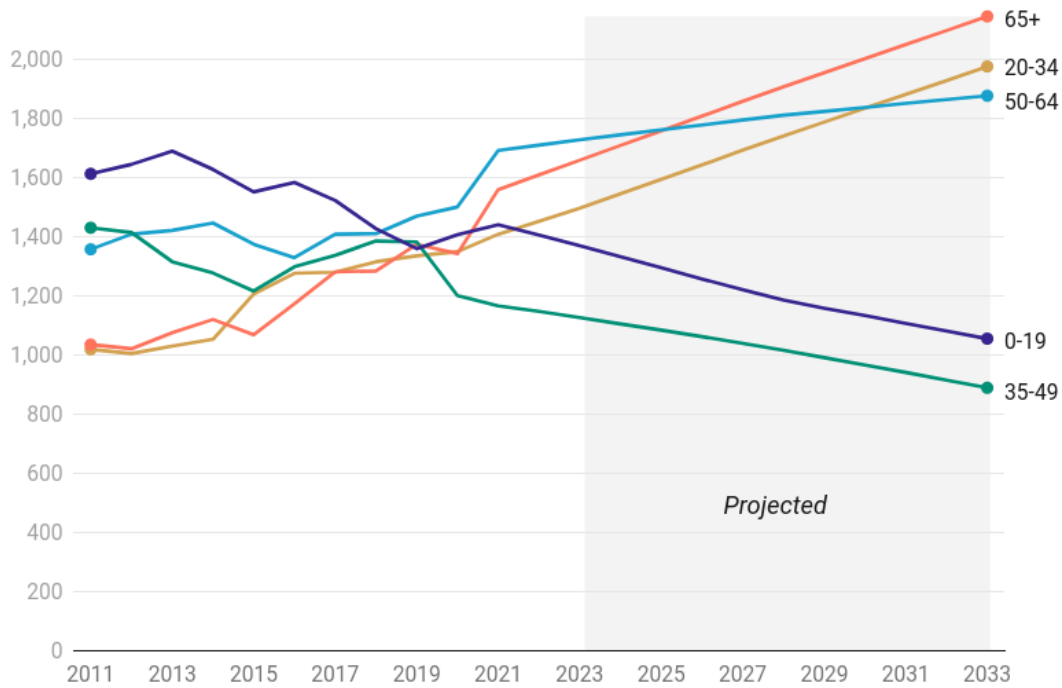
**Figure 1. Middletown Residents by Age Group**

Chart: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010-2021, CommunityScale 2024.

### Household demographic composition

A community's composition may be correlated to need regarding affordability and access to capital for homeownership. More diverse communities may need different housing options to reflect varied preferences.

Households with children may need more bedrooms and select housing based on schools and childcare services. Households with adults over 60 may be interested in downsizing or senior living options.

In conclusion, a declining median age might suggest a need for more family- friendly housing and services while a rising median age might suggest a need for smaller units and senior options.



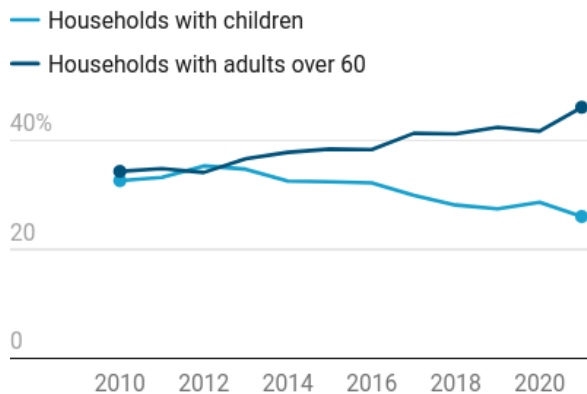
**Figure 2. Share of Middletown Households with Children or Adults over 60**

Chart: CommunityScale • Source: ACS • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010-2021.

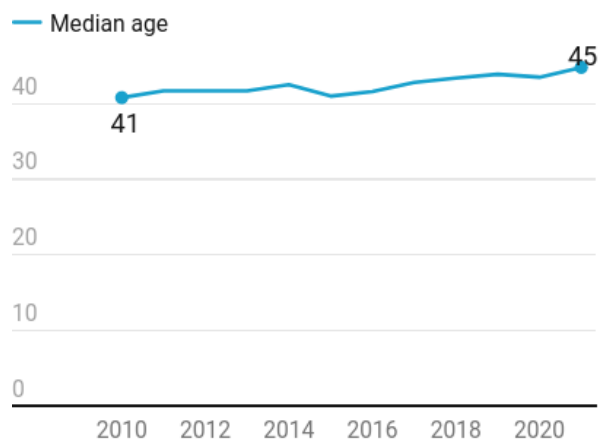
**Figure 3. Median Age in Middletown**

Chart: CommunityScale • Source: ACS • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010-2021.

**Figure 4. Racial Makeup of Middletown's Population**

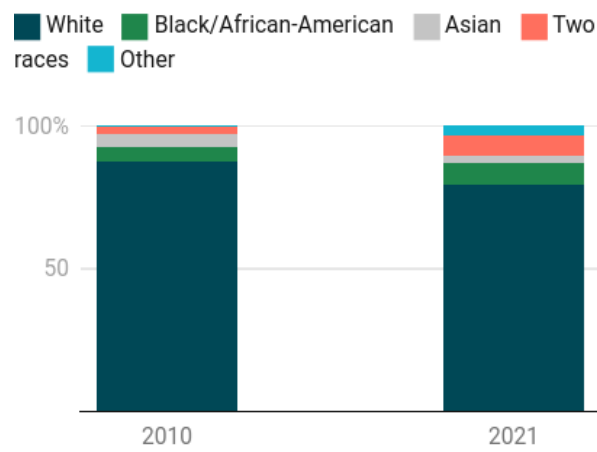


Chart: CommunityScale • Source: ACS • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010 and 2021.

**Figure 5. Ethnic Makeup of Middletown's Population**

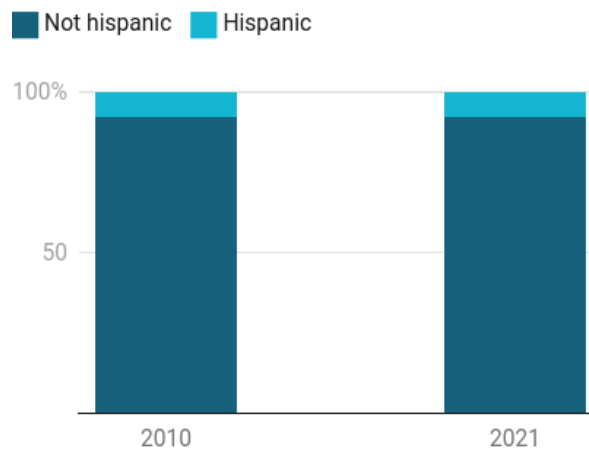


Chart: CommunityScale • Source: ACS • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010 and 2021.

### Middletown household profiles by income group

The following analysis (Figure 6) examines household characteristics and housing need in terms of household incomes relative to the local Area Median Income (AMI), \$135,400, established by the U.S. Department of Housing and Urban Development (HUD, 2023). For example, in Middletown, households within the "60-80%" AMI group earn between \$81,250 and \$108,300 annually. Each household AMI group has a different need for monthly housing costs.

**Figure 6. Middletown household profiles by area median income (AMI) Group**

<b>&lt;30% AMI</b> Very low income	<b>30-60% AMI</b> Low income	<b>60-80% AMI</b> Low-mid income	<b>80-100% AMI</b> Middle income	<b>100-120% AMI</b> High-mid income	<b>&gt;120% AMI</b> High income
<b>1,520</b> Total households	<b>1,501</b> Total households	<b>964</b> Total households	<b>889</b> Total households	<b>695</b> Total households	<b>1,814</b> Total households
<b>&lt;\$40,600</b> Household income range	<b>\$40,600-81,250</b> Household income range	<b>\$81,250-108,300</b> Household income range	<b>\$108,300-135,400</b> Household income range	<b>\$135,400-162,500</b> Household income range	<b>&gt;\$162,500</b> Household income range
Cashiers Waitstaff Retail salespersons Nursing asst. Customer service rep. Top 5 most common jobs	Secretaries Retail sales superv. Customer service rep. Truck drivers Registered nurses Top 5 most common jobs	Elem./Mid. teachers Registered nurses Other managers Truck drivers Retail sales superv. Top 5 most common jobs	Registered nurses Elem./Mid. teachers Other managers Postsecondary teach. Accountants Top 5 most common jobs	Software developers Other managers Postsecondary teach. Registered nurses Accountants Top 5 most common jobs	Other managers Physicians Chief exec./Legisla. Lawyers and judges Financial managers Top 5 most common jobs
<b>0.78</b> Average earners per household	<b>1.09</b> Average earners per household	<b>1.37</b> Average earners per household	<b>1.6</b> Average earners per household	<b>1.69</b> Average earners per household	<b>1.9</b> Average earners per household
<b>&lt;\$1,000</b> Monthly affordable housing costs	<b>\$1,100-2,050</b> Monthly affordable housing costs	<b>\$2,050-2,700</b> Monthly affordable housing costs	<b>\$2,700-3,400</b> Monthly affordable housing costs	<b>\$3,400-4,050</b> Monthly affordable housing costs	<b>&gt;\$4,050</b> Monthly affordable housing costs

Source: American Community Survey, U.S. Census, 2021, Public Use Microdata Sample 2021, CommuinityScale 2024.

### Household growth by AMI group

Middletown is not projected to grow significantly over the next decade. However, the household income mix is expected to change somewhat, with slight growth among households earning 60-80% AMI (income range \$81,250-108,300) and above 120% AMI (income range: \$162,000 or more). On the other hand, the 30-60% AMI (income range: \$40,600-81,250) group is likely to shrink substantially over the next 10 years.

Figure 7 illustrates the past, present, and projected household distribution by AMI group. Changes in this distribution over the next 10 years help inform what types of housing would need to be produced and at what price points to accommodate expected population shifts through growth and other trends.

**Figure 7. Middletown Household Growth by AMI Group**

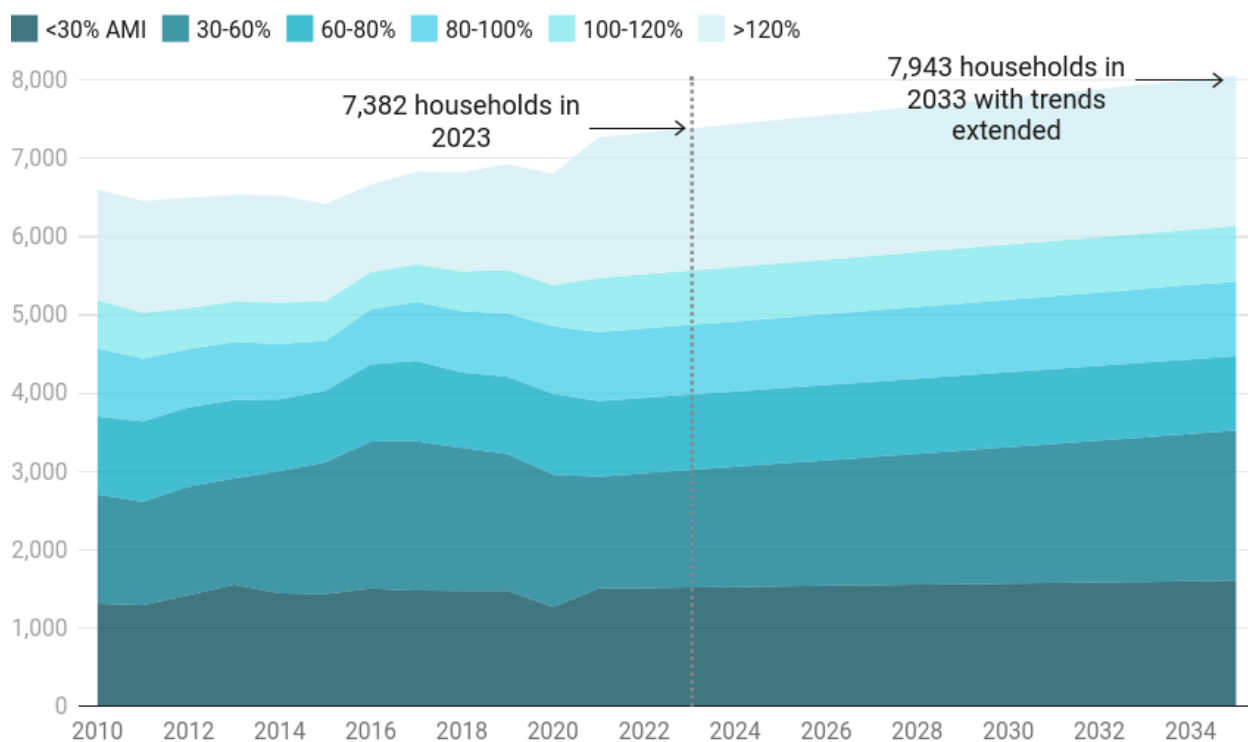


Chart: CommunityScale • Source: ACS, CPI, HUD • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010-2021, Community Scale 2024.

### Cost burdened renters by AMI group

Renters are considered moderately cost burdened when they pay more than 30% of their income on rental costs (primarily lease rent). They are considered severely cost burdened when rental costs exceed 50% of their income. In 2021, there were 3,167 households renting in Middletown, 38% of which (1,194) were cost burdened. Cost burden is more prominent in lower income groups, with nearly half of the renters under 30% AMI considered severely cost-burdened. While it is not as apparent in incomes groups above 80% AMI.

**Figure 8. Cost Burdened Renters in Middletown by AMI Group**

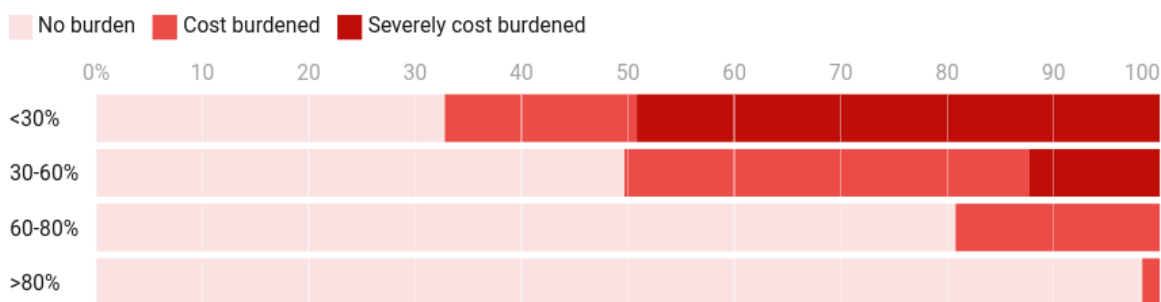
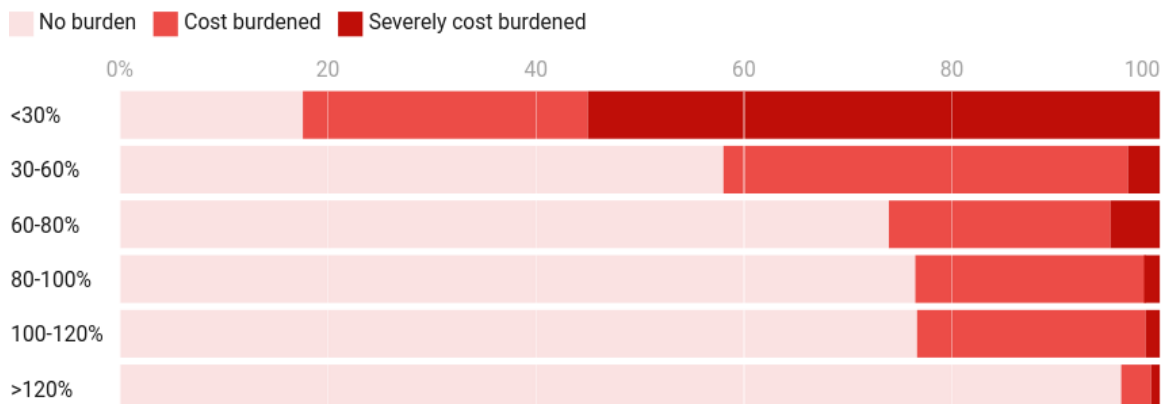


Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021.

### Cost burdened owners by AMI group

Homeowners are considered moderately cost burdened when paying more than 30% of their income on ownership costs (mortgage, property tax, etc.). They are considered severely cost burdened when ownership costs exceed 50% of their income. There are 4,103 homeowners in Middletown, 33% of which (1,347) are cost burdened. Cost burden is more pronounced in lower income groups but occurs even at incomes above 120% AMI.

**Figure 9. Cost Burdened Homeowners in Middletown by AMI Group**

Source: American Community Survey, U.S. Census, 2021.

### Household size by AMI group

In Middletown, household income generally tracks with household size, larger households typically earning more overall, though all household sizes are represented at all income levels.

Smaller households tend to have lower incomes than larger households for several reasons. One-person households in particular are limited to the individual's earning potential and some, like seniors, may be living on a fixed income. Larger households with children are more likely to include parents or guardians closer to prime earning age with higher wages.

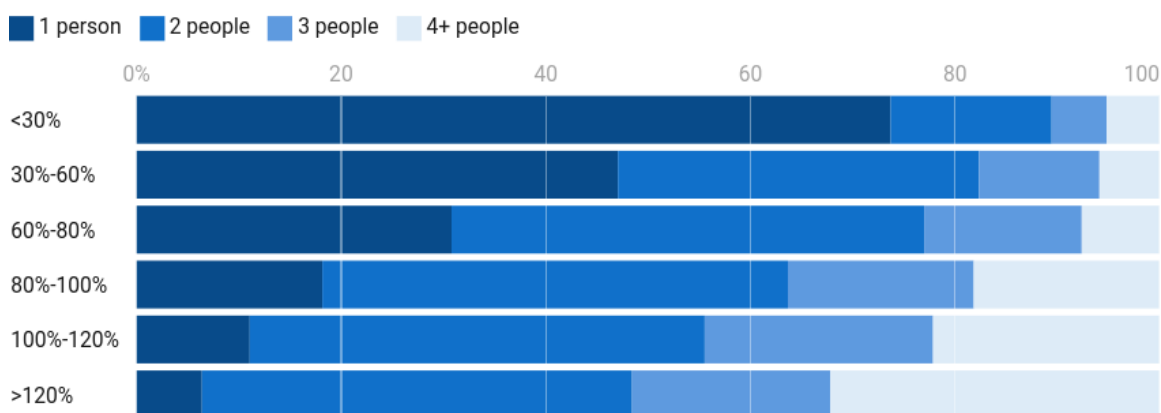
**Figure 10. Middletown Household Size by AMI Group**

Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021

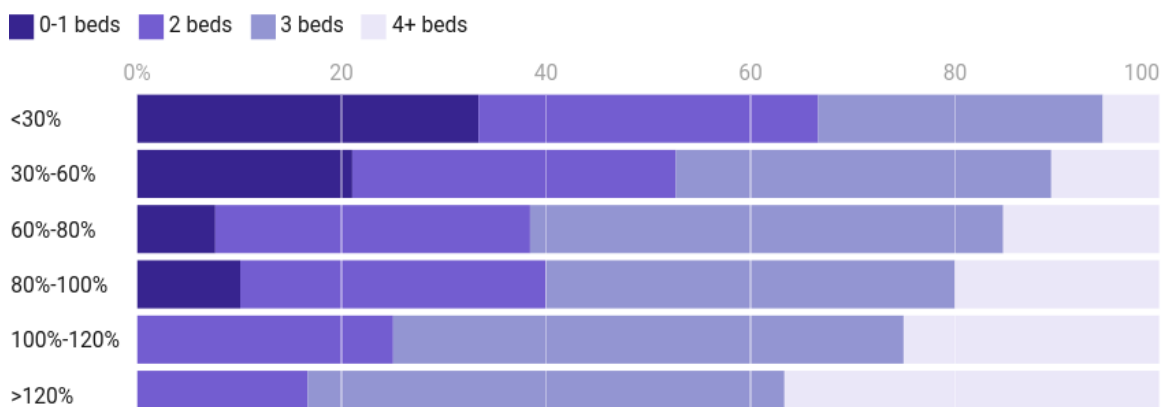


### Bedroom count currently occupied by AMI group

Similar to household size, households with more bedrooms tend to be higher income. Notably, there are no households earning above 100% AMI living in 0-1 bedroom units.

Household size and bedroom count are often related. However, higher-income households are more likely to have an extra bedroom than lower-income households.

**Figure 11. Bedroom Count by AMI Group in Middletown**

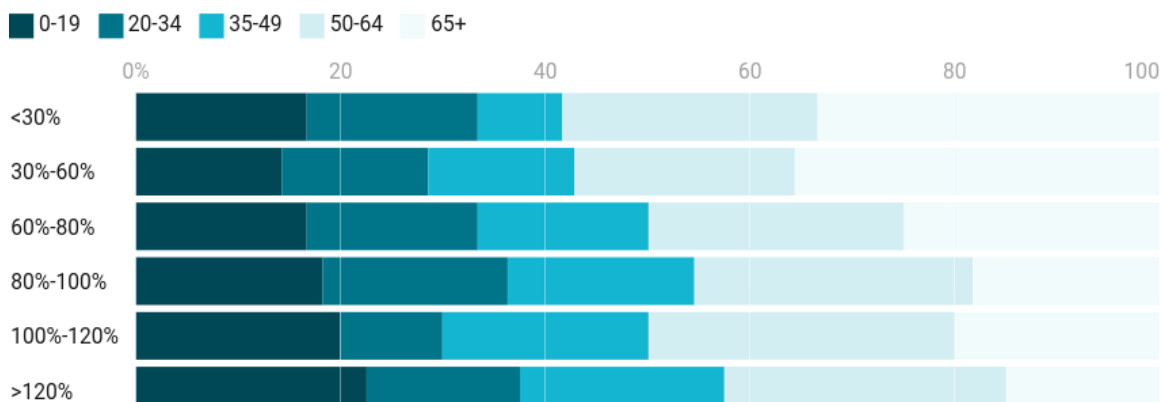


Source: American Community Survey, U.S. Census, 2021.

### Ages by AMI group

Age distribution is relatively even across income levels in Middletown. Households earning 100-120% AMI are most likely to include children, and at a rate higher than typical for the rest of the state.

Patterns between age and income are not always as clear as other indicators. However, older individuals are more likely to be retired and living on a fixed income.

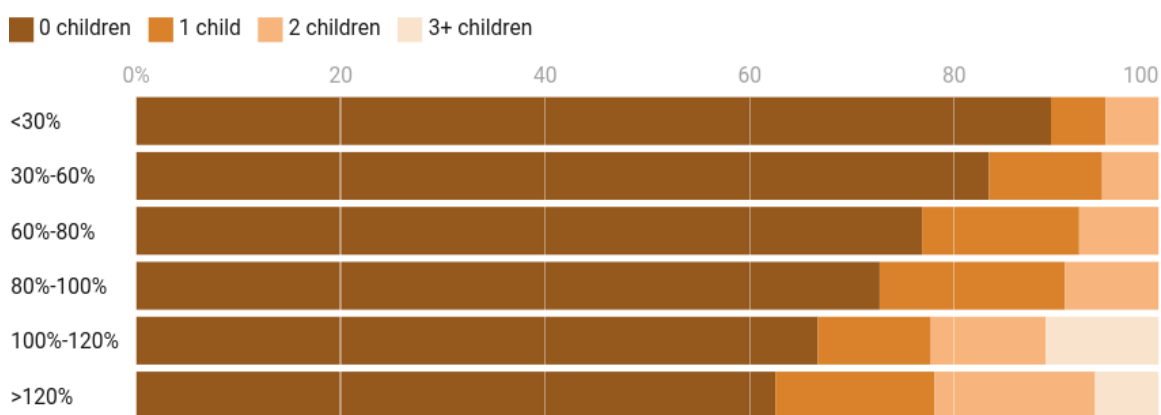
**Figure 12. Middletown Resident Age by AMI Group**

Source: American Community Survey, U.S. Census, 2021.

#### Number of children by AMI group

Overall, higher-income households are more likely to have at least one or more children. In Middletown, there are very few households with 3 or more children below 100% AMI.

While the number of children in a household does not necessarily have a strong relationship to income, it can drive housing cost by requiring more bedrooms and diverting disposable income from housing payments to childcare and other family costs.

**Figure 13. Number of Children in Middletown Households by AMI Group**

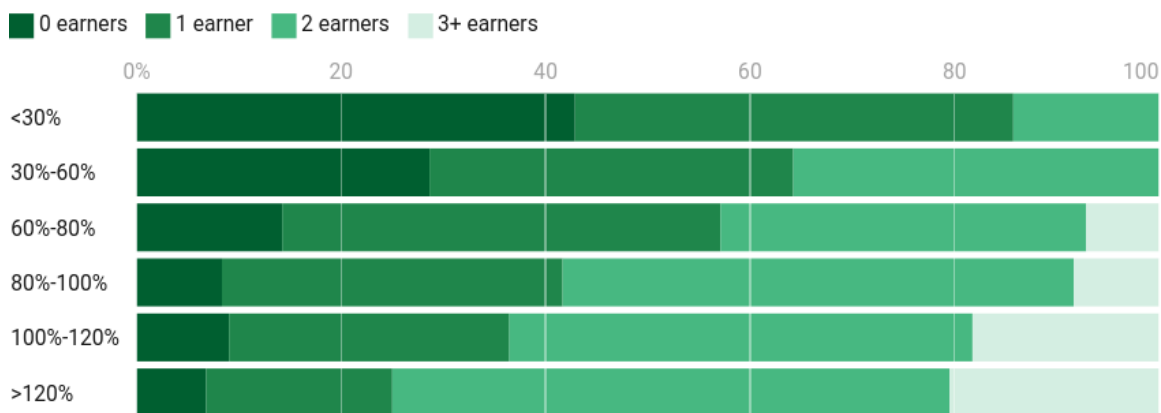
Source: American Community Survey, U.S. Census, 2021.

#### Number of earners by AMI group

Like most places, more earners in a household tends to correlate to higher household incomes in Middletown. Especially at higher incomes, households often include multiple earners which effectively lift household income above an individual's personal wages or salary. Households registering zero

earners might be headed by retirees or people otherwise on fixed incomes derived from sources outside conventional employment.

**Figure 14. Middletown Earners per Household by AMI Group**



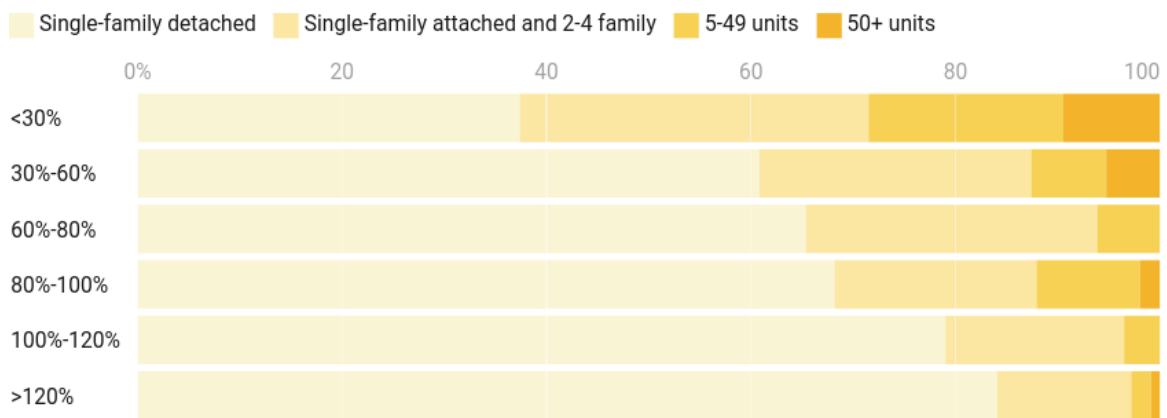
*Source: American Community Survey, U.S. Census, 2021.*

#### Housing structure by AMI group

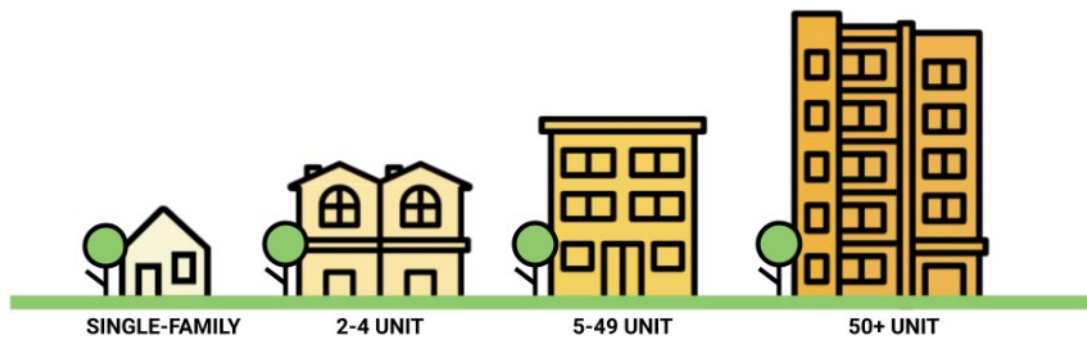
Middletown's housing stock is predominantly single-family detached with a relatively low number of multifamily units in the community.

Structure type describes the building that contains a given unit in terms of its density and form. For example, single-family attached includes townhomes that share party walls; 2-4 unit buildings include duplexes, triplexes, and quadplexes; 5-49 unit structures are small apartment buildings; and 50+ unit structures are larger apartment buildings. Single-family detached are typically more expensive than multifamily units and thus more readily available to households with higher incomes.

**Figure 15. Middletown Housing Structure Type by AMI Group (Renters and Homeowners combined)**



Source: American Community Survey, U.S. Census, 2021.



### Jobs by sector within Middletown and held by Middletown residents

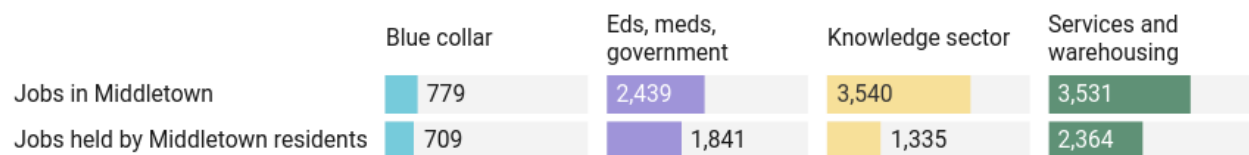
Middletown contains more jobs than employed people. The number of jobs located within the community has changed in distribution over the past decade where the blue collar and knowledge sectors have grown, while other sectors have retracted.

All sectors are growing as represented by jobs held by Middletown residents. This indicates the population base has maintained diversity in its employment, unlike the jobs located in Middletown.

Employees of different sectors can represent different housing preferences, attainability thresholds, and job access considerations. “Jobs in the community” refers to the places of work located within its boundaries. “Jobs held by community residents” refers to the jobs local residents hold regardless of their place of work jurisdiction.

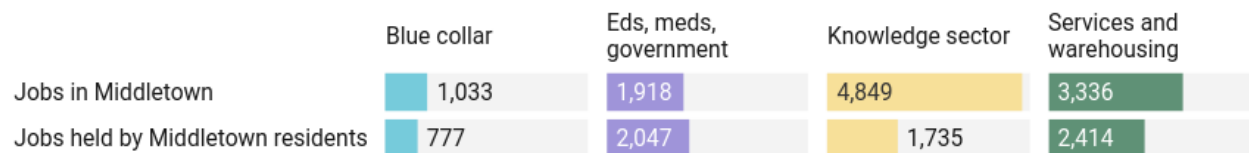
**Figure 16. Jobs by Sector in Middletown Held by Residents in 2010 and 2021**

2010



Created with Datawrapper

2021



Source: U.S. Census, Longitudinal Employer-Household Dynamics dataset, 2010, 2021.

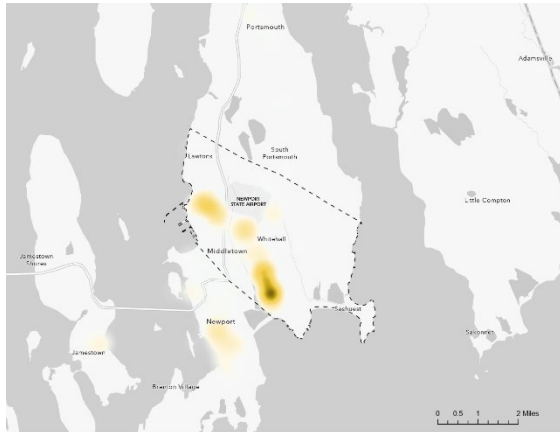
Examples of jobs by sector:

- **Blue collar:** Jobs in construction, manufacturing, and natural resources
- **Eds, meds, and government:** Teachers, nurses, police officers
- **Knowledge sector:** Software engineer, financial manager

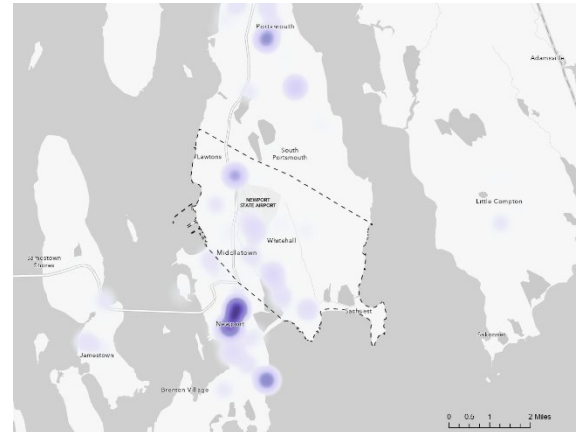
**Services and warehousing:** Warehouse workers, retail salespeople

The maps in Figure 17 illustrate the geographic location of employment clusters by sector in and around Middletown.

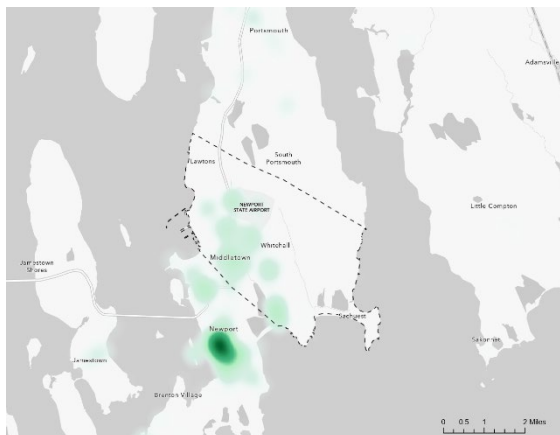
**Figure 17. Middletown Employment Clusters by Sector**



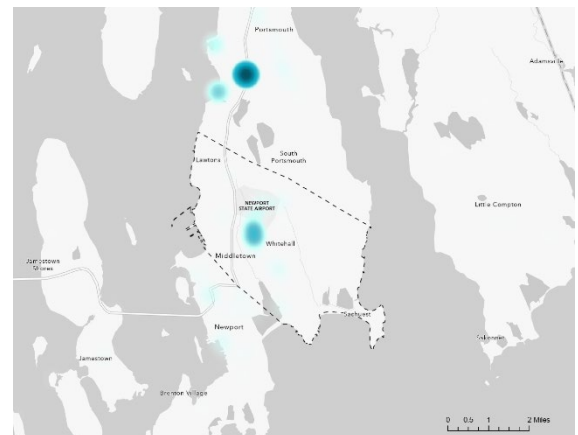
**Knowledge sector**



**Eds, meds, government**



**Service and warehousing**



**Blue collar**

*Source: U.S. Census, Longitudinal Employer-Household Dynamics dataset, 2021.*



### Summary of key demographic trends

The following summarize the key demographic, socioeconomic, and economic patterns and trends in Middletown related to housing:

- Middletown's population is getting older
- There are fewer households with children, while there are more senior households
- The population has a wide range of incomes, occupations, and affordability levels
- Middletown is becoming more racially diverse
- Modest household growth is expected over the next 10 years
- Middletown is home to more jobs than workers

## Existing Housing Stock

### Existing housing patterns and conditions

Middletown's housing is distributed around town with higher density on the west side of town and along the main commercial corridors, where historically, much of the residential construction has taken place. Older housing units were constructed on lots smaller than what current zoning permits and land zoned for residential use in this area is zoned for higher density (4 units per acre on average). The central part of the town is zoned for medium density residential but does contain some areas of higher density residential development. Lower density housing development is on the eastern side of town where there is limited public water and sewer service, and it is zoned for low density residential use and lot sizes are typically one or more acres. Housing in this area is scattered among many of the town's agricultural and conservation lands.

Single-family home typologies in Middletown range from historic farmhouses and small Cape-style homes built mostly in the thirties and forties in the central portion of town, to newly constructed homes on large lots in the east side of town. Many of the older homes on and near Easton's Point were originally built for seasonal use but are now occupied on a year round basis. Currently, the town's multifamily units include several large apartment complexes and a small number of two and three family homes located throughout town. Many of the smaller multifamily units are large single-family homes that have been converted into condominiums. Middletown has over 200 mobile homes, most of which are located in three mobile home parks: Forest Park on Old Airport Road, Bay View Park on Coddington Highway, and Meadowlark Park on Prospect Avenue.

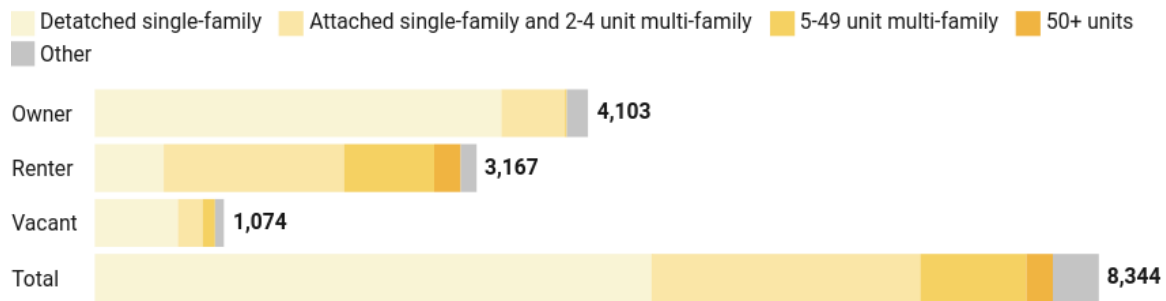
### Existing housing types

In Middletown, most owner-occupied units are detached single-family while all larger multifamily units are rentals.

Figure 18 inventories the local housing stock in terms of each unit's structure type, a characteristic defined as the number of units in the building that contains a given unit.

Households may have different structure type preferences depending on characteristics such as household size, income, employment, presence of children, age of individuals, and lifestyle choices. Understanding the housing stock in corresponding terms helps assess how well existing units align with existing households' ideals.

In most places, ownership units are predominantly single-family detached structures. Rental units are typically more diverse, including small- and large-scale multifamily developments. While these trends might reflect market preferences to some degree, other non-market factors also influence what types of units are actually built, such as zoning ordinances, regulatory constraints, and community choices.

**Figure 18. Middletown's Existing Housing Units by Structure Type**

Source: American Community Survey, U.S. Census, 2021.

Middletown's housing stock includes more 3-bedroom units than other sizes. Nearly all Studio to-1 bedroom units are rentals, but 2 bedroom units are more evenly balanced between owner-occupied and rental.

Figure 19 inventories the local housing stock in terms of bedroom count by unit.

Household size and the presence of children are primary drivers for bedroom count with, as expected, larger families desiring more bedrooms than smaller households. However, other factors such as income and the incremental cost of extra bedrooms also influence these preferences. In most places, ownership units generally offer more bedrooms than rental units. As above with structure type, this is not exclusively a result of the market reflecting household preferences. Few single-family houses contain less than 3 bedrooms so, if they dominate the local ownership supply, there will not be many small ownership units available. Conversely, most rental units contain fewer than 3 bedrooms so households interested in renting a larger unit may have limited options to choose from. This misalignment is at least somewhat driven by the fact that it is less capital efficient to build small houses and large apartments even if there may be some demand for them.

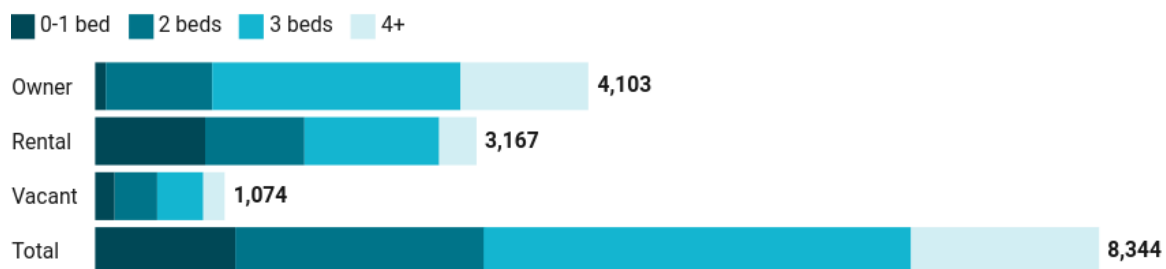
**Figure 19. Existing Units by Bedroom Number in Middletown**

Chart: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021.

### Age of existing housing stock

Middletown's periods of highest construction activity were between 1950-1999 and before 1940. Since 2000, comparatively few net-new units have been built, and almost none in the past 10 years. As a result, the median age of Middletown's housing stock is 55 years (1969 median build year). Depending on the perspective, a lack of housing construction could be associated with low demand for growth. Alternatively, potential growth could be considered constrained and not realized due to lack of new housing supply.

Figure 20 tabulates the age of local housing units in terms of when they were built. This effectively chronicles the community's development history, indicating decades with relatively more or less construction activity. The figure for units built since 2014 is approximate as new housing units are in the process of being completed and this Census measure might not consistently account for homes that were torn down and rebuilt.

**Figure 20. Age of Middletown's Existing Housing Stock**

Year built	Units	Share	Cumulative share
2014 or later	25	0%	0%
2010 to 2013	246	3%	3%
2000 to 2009	455	5%	9%
1990 to 1999	969	12%	20%
1980 to 1989	1,218	15%	35%
1970 to 1979	1,077	13%	48%
1960 to 1969	1,306	16%	63%
1950 to 1959	1,159	14%	77%
1940 to 1949	708	8%	86%
1939 or earlier	1,181	14%	100%

Table: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021.

### Vacancy

A community's vacancy rate represents the proportion of housing units in which there is not a year-round resident living there. A 7-8% vacancy is generally considered the healthy maximum per industry standards. A high vacancy rate of 7-8% or greater can be an indicator of growing numbers of seasonal second homes and short-term rentals. This is often the case in places with a tight and expensive housing market along with a known popularity of second homes. Middletown's 12.6% vacancy rate suggests seasonal homes and short-term rentals continue to make up a significant proportion of the local housing stock. Units with seasonal, recreational, and occasional use contribute to more than half of the vacancy rate as shown in Table 2. This continues the trend of prior decades which have seen an increasing share

of Middletown homes being purchased as second homes for occasional use or short-term rentals. Table 3 documents this trend over time, showing a continued expansion of seasonal units.

**Table 1. Middletown Housing at a Glance**

<b>Total Housing Units</b>	<b>8,335</b>
<b>Single-Family</b>	60%
<b>Two-Family or greater</b>	40%

Source: American Community Survey, U.S. Census, 2021.

<b>Total Housing Units</b>	<b>8,335</b>	
<b>Ownership units</b>	4,668	56%
<b>Rental units</b>	3,667	44%

**Table 2. Housing Occupancy**

<b>Total Housing Units</b>	<b>8,335</b>	
<b>Occupied Units</b>	7,271	87.2%
<b>Total Vacant Units</b>	1,074	12.8%
<i>For rent</i>	323	30%
<i>Rented, not occupied</i>	39	3.6%
<i>For sale only</i>	28	2.6%
<i>Sold, not occupied</i>	0	0%
<i>For seasonal, recreational, or occasional use</i>	603	56%
<i>All other vacant</i>	81	7.5%

Source: American Community Survey, U.S. Census, 2021.

**Table 3. Seasonal Housing Units**

<b>Year</b>	<b>Total Seasonal Housing Units</b>	<b>Percent of Total Housing Units</b>
<b>1990</b>	81	1.1%
<b>2000</b>	193	2.5%
<b>2010</b>	339	4.4%
<b>2020</b>	522	6.5%
<b>2021</b>	603	7.2%

Source: U.S. Decennial, 1990-2020, Census American Community Survey, U.S. Census, 2021.

## Home sale prices

According to the 2023 Housing Fact Book, in 2022 the median single family home price in Middletown is \$675,000, up 48% from 2017.

In addition, average home sales prices in Middletown increased more rapidly since 2020 than over the previous several years, especially among higher-priced homes. While in some parts of the country, prices began stabilizing in 2023, this is not the case yet in Middletown.

In the chart below (Figure 21), the average sales price is portrayed over time of homes within the top 33%, middle 33%, and bottom 33% of total prices. This represents the overall spread of home prices and illustrates that Middletown has a wide range of prices. Expensive homes are extremely expensive while there are also much more affordable units at the lower end of the spectrum. This differs from other communities where the range of home prices may cluster around the mean home price. Figure 21 also illustrates that different price points are rising at different rates. In Middletown, the prices of the most expensive home are rising at a higher rate.

**Figure 21. Home Sales Prices in Middletown between 2012 and 2023**

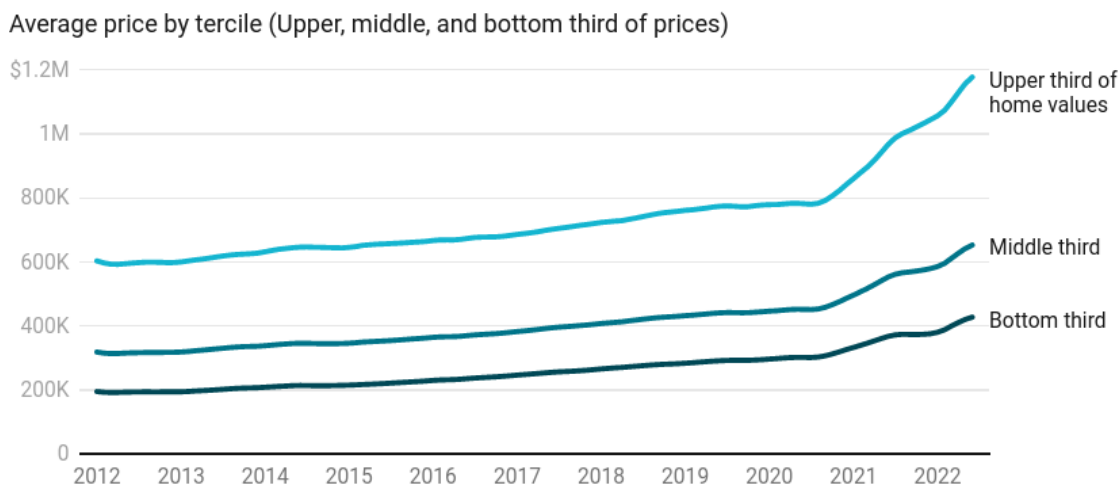


Chart: CommunityScale • Source: Zillow, CommunityScale • Created with Datawrapper

Source: Zillow 2023, CommunityScale 2024.



## Asking rent

The average asking rent for a newly occupied unit in Middletown has been rising for the past decade at a pace that began to accelerate in 2020 and has not yet stabilized.

According to the 2023 Housing Fact Book, the average 2-bedroom rent is \$1,977, up 14% from 2017. This includes units that were leased long ago under different market conditions. Also, this figure is based on 2022 data. The chart at right uses late-2023 data.

The chart below (Figure 22) tracks the average asking rent over the past several years, revealing overall trends as well as short-term fluctuations in the local rental market. This average rental rate should be understood as the typical cost to a household signing a new lease under current conditions. In reality, since this is a single average value, actual asking rents may vary depending on characteristics such as size, location, and property features but they will collectively track along this trendline.

**Figure 22. Average Asking Rent in Middletown between 2015 and 2023**



Chart: CommunityScale • Source: Zillow, CommunityScale • Created with Datawrapper

Source: Zillow 2023.

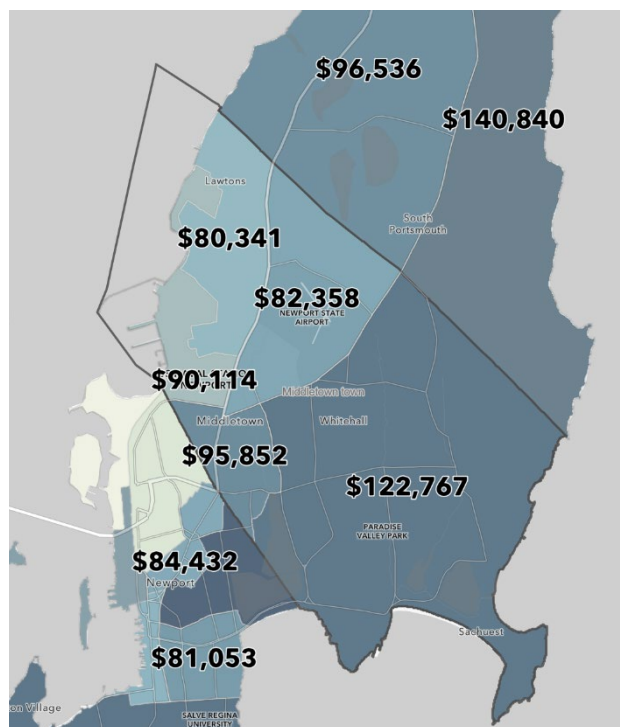
### Spatial distribution of community characteristics: a regional context

Figure 23 visualizes some of the variables described in the community demographics section in terms of how they are distributed across the community. The maps include data by Middletown census tracts and for the areas outside the study area as well, allowing comparison between the local community and its regional context.

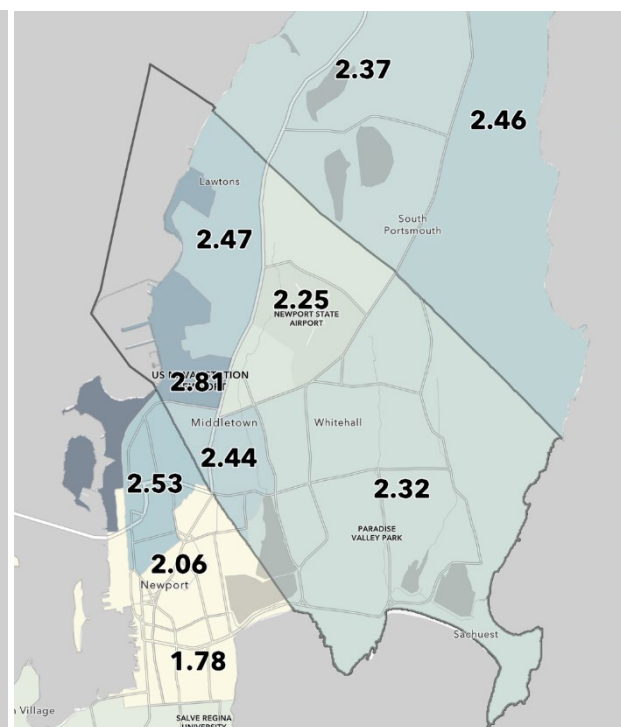
Generally, the southern portion of Middletown has higher earning households and smaller household sizes than households to the north and western portions of town. Median household incomes and average household sizes in Middletown are similar to surrounding communities.

**Figure 23. Spatial Distribution of Select Middletown Community Characteristics by Census Tract**

#### Median household income



#### Average household size



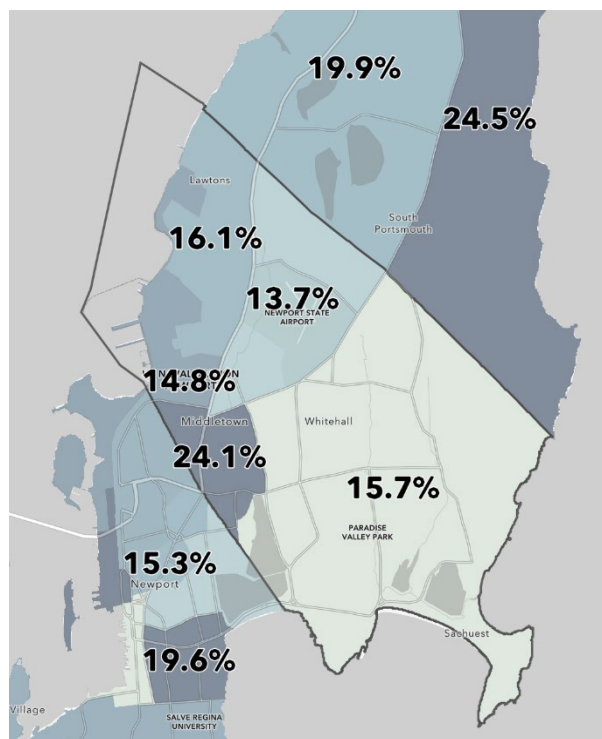
Source: American Community Survey, U.S. Census, 2021.

Figure 24 visualizes the prevalence of cost burden in and around Middletown. As explained elsewhere in the report, a "cost burdened" household is one that spends 30% or more of their monthly income on housing costs. One important role of this report is to better understand these cost burdened households in terms of their housing needs so future housing production might be calibrated to meet them.

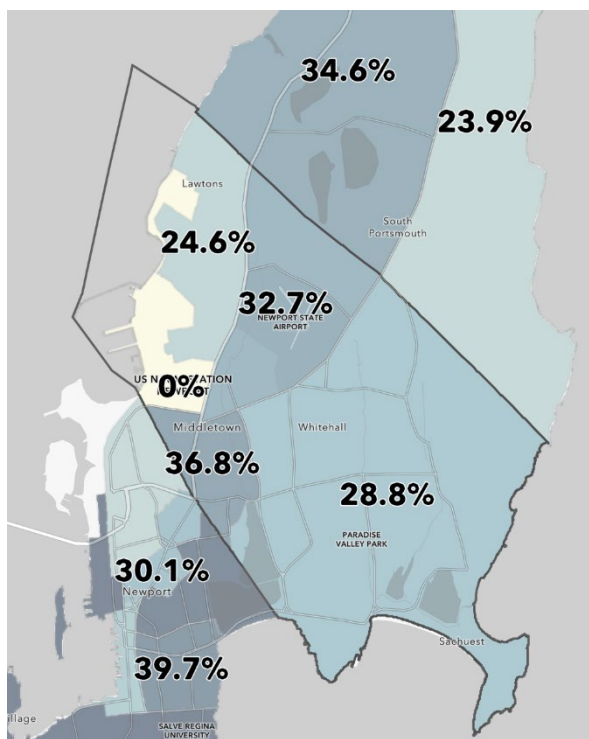
Compared to the regional context, Middletown has a lower share of cost burdened residents than neighboring Newport and Portsmouth.

**Figure 24. Distribution of Cost Burdened Renters and Homeowners in Middletown by Census Tract**

#### Renters



#### Homeowners



Source: American Community Survey, U.S. Census, 2021.

## Housing Affordability

### Housing costs and affordability

The following pages examine housing costs, prices, and other measures of affordability. When combined with the demographic indicators described in Community Demographics section this data directly relates to the scope and scale of attainability problems such as cost burden and other misalignments between demand and supply.

How to estimate what's affordable? Variables and assumptions informing the affordability metrics featured on the following pages include:

- 30-year loan term: 90% of mortgages in the US are 30-year term loans.
- Variable interest rate: This model tracks changing interest rates over time, reflecting the typical rate available at each point in time along the graph. Mortgage rates are a primary driver of affordability: lower rates amplify a household's buying power while higher rates can dramatically reduce it.
- 12.2% down payment: While a 20% down payment is often considered standard, most households pay less. In Rhode Island, the average down payment is 12.2% of the purchase price.
- 0.5% PMI: Private mortgage insurance (PMI) is required by virtually all lenders when the down payment is less than 20% of the purchase price. Rates range widely due to a variety of factors but 0.5% approximates a typical rate.
- Property tax rate: Property tax obligations reduce the amount of household income available for mortgage payments.

Translating sale price to monthly cost. Even setting aside factors such as interest rates and down payments, changes in home sales prices - especially dramatic increases - can significantly limit households' ability to access the housing options they may need or prefer. First-time homebuyers are especially impacted by rising prices because they don't have access to equity in the form of a prior home that they might otherwise be able to sell into the same hot market and derive extra value from. Here is how example sale prices translate into typical monthly costs based on current mortgage rates, down payments, property taxes, and related factors:

- \$200,000 home costs \$1,550/month
- \$400,000 home costs \$3,050/month
- \$600,000 home costs \$4,550/month
- \$800,000 home costs \$6,150/month

### Cost-burdened households

Like nearly all places in the country, Middletown includes a number of cost burdened households that have not found housing they can comfortably or stably afford.

As observed in the 2023 Housing Fact Book, there are about 2,541 cost burdened households in Middletown. Of which 53% are owner households and 47% are renter households. Severely cost-burdened households, those who spend 50% or more of their income on housing, make up 43%.

**Table 4. Cost burdened low and moderate income (LMI) households in Middletown**

Low and moderate income (LMI) Household Type	Total	Percent of total cost-burdened households
<b>Total cost burdened households</b>	<b>2,541</b>	<b>100%</b>
<i>Cost-burdened LMI households</i>	1,716	68%
<i>Severely cost-burdened LMI households</i>	1,086	43%

Source: American Community Survey, U.S. Census, 2021, 2023 Housing Fact Book, HousingWorks RI, 2023.

**Table 5. Tenure of cost burdened low and moderate (LMI) households in Middletown**

Low and moderate income (LMI) Household Type	Total	Percent of total cost-burdened households
<b>Total cost burdened households</b>	<b>2,541</b>	<b>100%</b>
<b>Cost-burdened LMI households that rent</b>	1,194	47%
<b>Cost-burdened LMI households that own</b>	1,347	53%

#### Current owner costs by local households

The most common amounts currently paid by homeowners in Middletown are between \$1,000-\$2,050 per month. Significant numbers pay much more, with a minority paying less than \$1,000 overall.

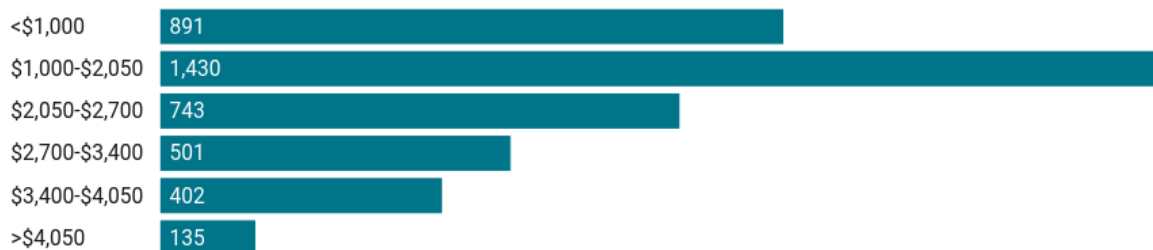
**Figure 25. Current Owner Costs by Middletown Households**

Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021.

The home sales prices described in Figure 21 indicate the cost of typical homes in the area upon their sale to a new household. As such, households not recently or currently in the market for a new unit are not experiencing the same cost levels. The graph in Figure 25 summarizes the distribution of costs across all ownership units in the area, most of which last transacted years ago.

#### Current renter costs by local households

Most renters in Middletown pay less than \$2,050 per month for housing. This total includes newly occupied units along with units that have been occupied for longer (and where rent may have been set at a much lower rate than today's asking price).

As indicated by Figure 22, isolating just newly available units paints a different picture, with the current average asking price approaching \$3,250, or more than 50% higher than what most renting residents currently pay.

**Figure 26. Current Renter Costs by Middletown Households**



Chart: CommunityScale • Source: PUMS, CommunityScale • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021.

To provide context to the asking rent indicator above, the distribution of current rental costs refers to the actual housing costs borne by all renting households in the area, not just those who would be signing a new lease now.

Comparing these costs to the current average asking rent in Figure 26, above, it seems likely most local households would incur a substantial increase in their cost of living should they choose or need to relocate to a different unit in today's market. In the event the new cost outstrips their ability to pay, this could lead to displacement from the community by forcing them to search elsewhere for an option they can afford.





### Median home price affordability

In Middletown, the cost of a median price home has not been affordable to a household earning the median income for many years. Currently, the median price is more than 4 times what the median income could afford if buying today.

According to the 2023 Housing Fact Book, the median single family home price is \$675,000 which is affordable to households earning \$200,192 or more. That number is based on 2022 data. Figure 27 uses late-2023 data.

**Figure 27. Median Listing Prices in Middletown Compared to Median Household Earnings**

### Can a household with a median income afford a median home price?

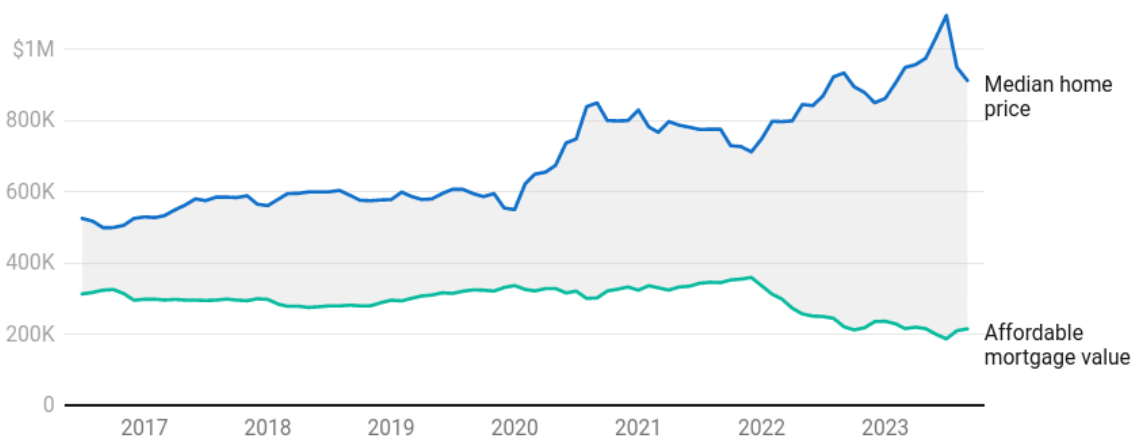


Chart: CommunityScale • Source: FRED, Federal Reserve Bank of St. Louis • Created with Datawrapper

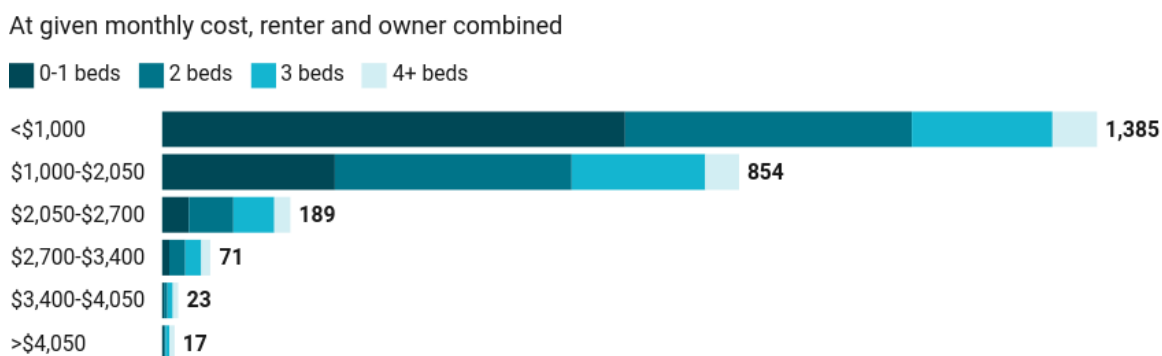
Source: FRED Federal Reserve Bank of St. Louis 2024, CommunityScale 2024.

Figure 27 compares the median listing price in Middletown with the home value affordable to a household earning the median household income. A wider gap means higher barrier to entry for first-time homebuyers and increased risk that an existing resident might be priced out of the community if they choose or need to move to a different house.

### Attainability gaps

Figure 28 translates the total number of cost burdened households into the mix of units they would prefer and be able to afford if they were made available according to an empirical model of the housing choices households with similar incomes have made over recent years in this region. This can serve as a quantification of the community's current attainability gap: these are the units needed to ensure all households are not cost burdened.

**Figure 28. Number of Units Needed to fill Middletown's Projected Attainability Gaps**



Source: CommunityScale 2024.

In many cases, this is an instructive but largely hypothetical analysis due to the scale of the gap and the challenge of delivering new affordable housing in large quantities. However, this is a starting point for the community to start addressing the attainability gap and there are other methods to ease attainability pressure beyond just building new units.

### Existing Affordable Housing Stock

Of the 360 units that make up Middletown's low- and moderate-income housing stock, 168 units are available to families, 98 are available to seniors, and 94 are available for persons with special needs.

### Naturally occurring affordable housing

Naturally occurring affordable housing (NOAH) are residential rental properties that are affordable without public subsidy to low-income households. Their rents are typically lower than the regional housing market. In Middletown there are 6,088 units whose occupants currently pay what would be affordable to <80% AMI. If these units were to enter the market, their rents and prices would likely increase considerably.

### Senior housing

Subsidized housing for seniors is provided at two locations in Middletown. The 50-unit Forest Farm Assisted Living Facility provides supportive housing for low-income frail elderly. It was developed under a demonstration program for alternatives to institution care sponsored by Rhode Island Housing, the Department of Elderly Affairs, and the Department of Human Services; and is subsidized through the Low Income Tax Credit Program (LITC).

West House provides 49 subsidized rental units for very low-income elderly residents. HUD Project Rental Assistance is used to cover the difference between the HUD-approved operating cost per unit and the tenant's rent. Project Rental Assistance contract payments can be approved up to 5 years. Contracts are renewable based on the availability of funds. A 54-unit expansion has been approved and is currently under construction.

### Disability housing

Low and moderate-income individuals with special needs are served by 54 beds at several group homes, 15 units subsidized under the HUD 811 program at Villa Nia, and additional subsidized units at Freedom Apartments. Disability housing locations include:

- Villa Nia
- Freedom Apartments
- Forest Avenue

### Transitional housing

Emergency and transitional housing in Middletown is provided by two non-profit organizations. Lucy's Hearth is an agency that provides shelter and services to women with children who are homeless. The shelter, which has thirty beds in nine family bedrooms, is at full capacity 95% of the time; in addition, there is a waiting list for families needing the shelter. Child and Family Services of Newport provide eight transitional units for homeless families.

Table 6. Low- and Moderate-Income Housing Units in Middletown

Name	Tenure	Address	Total LMIH Units	Type
West House	Rental	417 Forest Avenue	49	Elderly
Forest Farm Assisted Living	Rental	193 Forest Avenue	49	Elderly
Bloom Court	Homeownership	10, 212, 15, 25, 30 Bloom Court	5	Family
Forest Avenue	Homeownership	201 Forest Avenue	8	Family
Forest Avenue	Homeownership	230B Forest Avenue	0	Family
Maple Avenue	Homeownership	25 Maple Avenue	1	Family
Maple Avenue	Homeownership	7 Maple Avenue	1	Family
Marshall Lane	Homeownership	17 Marshall Lane	1	Family
Newport Avenue	Homeownership	121 Newport Avenue	1	Family
Paquin Place	Homeownership	11 Paquin Place	1	Family
Rosedale Avenue	Homeownership	18 Rosedale Avenue	1	Family
Stockton Drive	Homeownership	7, 40 Stockton Drive	2	Family
Sunset Lawn Road	Homeownership	16, 26, 27, 36 Sunset Lawn Rd, 20 Bloom Ct	6	Family
Wood Terrace	Homeownership	12 Wood Terrace	1	Family
Woolsey Road	Homeownership	20A Woolsey Rd	1	Family
Woolsey Road	Homeownership	20B Woolsey Road	1	Family
Villa Nia Cooperative	Homeownership	18A Marshall Lane	12	Family
Forest Avenue	Rental	240A Forest Avenue	0	Special Needs
Lucy's Hearth	Rental	19 Valley Road	15	Special Needs
Sunset Lawn Road	Rental	39, 41, 49, 51 Sunset Lawn Rd	4	Family
Freedom Apartments	Rental	1409 West Main Road	10	Special Needs
Woolsey Road Rental	Rental	4A & 4B Woolsey Road	2	Family
Oxbow Farms	Rental	80 Rogers Lane	120	Family
Villa Nia	Rental	18A Marshall Lane	15	Special Needs
Group Home Beds	N/A	N/A	54	Special Needs
<b>Total</b>			<b>360</b>	

Source: Comprehensive Community Plan, Town of Middletown, 2015.

### Subsidized housing units

The local housing stock includes a mix of supportive housing supported by HUD programs such as Low Income Housing Tax Credits (LIHTC) and Housing Choice Vouchers. For households with particularly low incomes, these units can represent one of the only housing options available to them.

While most of these programs are funded indefinitely, LIHTC units are only required to remain cost-restricted for up to 30 years. After that "expiration" date, the units may convert to market-rate costs, effectively ending their affordability for low-income households.

**Figure 29. Local Inventory of Subsidized Housing Units by HUD program and Expiration Horizon**



Source: U.S. Department of Housing and Urban Development (HUD) 2024.

### Existing housing programs

The following is a list of subsidy program opportunities, most of which have been used to subsidize housing in Middletown.

**HUD 202 (West House):** Provides capital advances and rent subsidies for construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly persons. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project Rental Assistance is used to cover the difference between the HUD-approved operating cost per unit and the tenant's rent. Project Rental Assistance contract payments can be approved up to 5 years. Contracts are renewable based on the availability of funds.

**HUD 236:** Provides an interest rate subsidy that reduces the mortgage interest to an effective rate of 1%; properties must be rented to tenants who make less than 80% of the area median income.

**HUD 811 (Villa Nia & Freedom Apartments):** Provides interest-free capital advances and project rent subsidies to finance the development of non-profit rental housing with supportive services for persons with disabilities. The population this program serves are for very low-income persons between the ages of 18 and 62 who have disabilities, including persons with physical or developmental disabilities or chronic mental illness and disabled families.

**RIH HOME (Church Community Housing units):** Rhode Island Housing provides grants and low-interest loans as gap financing or seed money to encourage the construction or rehabilitation of affordable houses and apartments. In Middletown, Church Community Housing has used RIH HOME funds in its “Landtrust HOME” program to purchase homes, and then sell them at an affordable price to low- and moderate-income households while retaining ownership of the land. Each year, Rhode Island Housing receives approximately \$5 million in federal HOME funds from the U.S. Department of Housing and Urban Development. HOME funds finance both rental and homeownership opportunities and are used to acquire property, rehabilitate existing affordable housing, and to construct apartments and homes.

**LITC (Forest Farm & Rose Brook Commons):** The Low Income Tax Credit is currently the principal federal program for the construction and rehabilitation of affordable apartments. The tax credits are a dollar-for-dollar credit against federal tax liability. Rhode Island Housing allocates tax credits to developers of affordable apartments. The allocation is based on Rhode Island Housing’s annual Qualified Allocation Plan. Developers would then sell the credits to investors, generally for-profit corporations and investment funds, generating the equity necessary to complete their projects.

**Building Homes Rhode Island:** The State Housing Resources Commission created the Building Homes Rhode Island fund in 2007 providing up to \$50 million over four years to create rental units and homeownership opportunities. At the end of its four-year cycle in July 2011, the State's Building Homes Rhode Island (BHRI) program helped to fund the development of 1,255 long-term affordable rental and ownership homes across Rhode Island. Unfortunately, no units were created in Middletown through this program.

**The Housing Choice Voucher System:** The Housing Choice Voucher System, previously known as Tenant Based Section 8, provides valuable housing assistance to low-income residents of the Town. In recent decades, federal funding for affordable housing has been diverted from the project-based subsidies described in the previous section to tenant-based assistance. Often voucher programs are administered by a local Public Housing Authority (PHA). However, since Middletown does not have a local PHA, vouchers used in Middletown are administered by Rhode Island Housing. Under the Housing Choice program, the vouchers are available primarily to those whose household income is less than 30 percent of an area’s median household income. A participant would pay 30 to 40 percent of household income on housing and the remaining cost of a rental unit is then subsidized by the federal government. The number of Housing Choice Vouchers used in Middletown increased from 87 in 1995 to 107 in 2002. In 2004, 96 vouchers were used in Middletown. As of 2011, Rhode Island Housing indicated that there were 53 vouchers leased in Middletown. Town staff have expressed the need for additional vouchers in Middletown evidenced by the number of phone calls they receive from individuals looking for affordable housing in the area. Vouchers can only be used in rental units meeting Fair Market Rent Criteria. Table 4 includes the fair market rent annual calculation for our area as determined by the U.S. Department of Housing and Urban Development (HUD). Fair market rates are sometimes less than what rental units in Middletown actually cost and the gap between fair market rent and what is actually being charged for

rental units increases with the size of the unit. The difference between advertised rents and Fair Market rents can make it difficult for voucher holders to find qualifying units within Middletown.

**Table 7. HUD Fair Market Rents by Bedroom Units for FY 2024 and FY 2023**

Year	Studio	1 bed	2 bed	3 beds	4 beds
<b>FY 2024 FMR</b>	\$1,716	\$1,728	\$2,270	\$2,999	\$3,593
<b>FY 2023 FMR</b>	\$1,495	\$1,526	\$1,976	\$2,649	\$3,271

*Source: U.S. Department of Housing and Urban Development (HUD) 2024.*

## Housing Demand: Current and future housing needs

### Overview

In order to calibrate future housing production to best meet the community's needs, two factors must be established: how many units are needed in total and what is the right mix of unit types and prices. The following section addresses each of these factors to inform recommendations that effectively meet local need and reflect the community's values and priorities.

Based on the Town's equity and economic development goals, there are three groups of potentially underserved current and future residents whose needs should be understood and considered in this study:

Scenario 1: Today's cost-burdened residents: The portion of the current population that is paying more than 30% of their income on housing in Middletown.

Scenario 2: Tomorrow's new residents: The households expected to move to Middletown over the next decade.

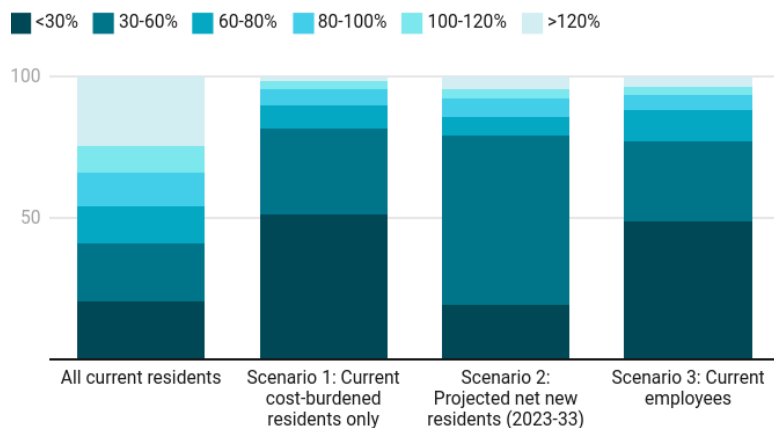
Scenario 3: Today's workforce: The people who currently work within Middletown but might not be able to afford to live in town.

Figure 30 compares each of these groups' income distributions with Middletown's current population proportionally. Figure 31 compares the same distributions in terms of total households represented by each. All of these perspectives include higher proportions of lower-income households than currently reside in Middletown.



**Figure 30. Income Distribution of Potentially Underserved Middletown Residents as a Proportion of Middletown's Current Population by AMI Group**

**Middletown income distributions (proportions)**

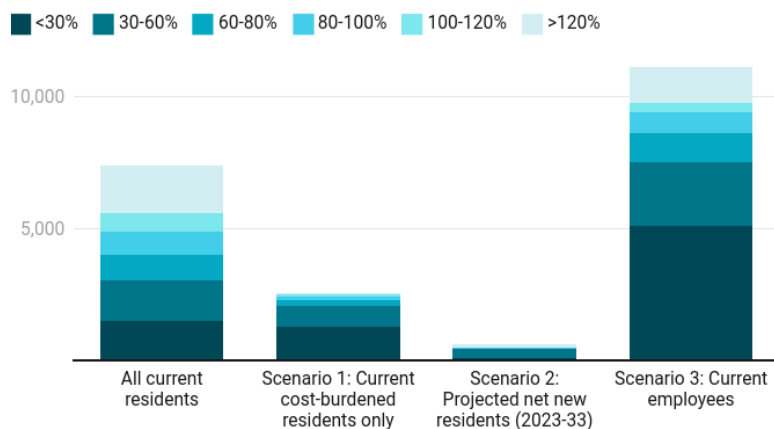


Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021, CommunityScale 2024.

**Figure 31. Income Distribution of Potentially Underserved Middletown Residents as a Proportion of Total Households by AMI Group**

**Middletown income distributions**



Created with Datawrapper

Source: American Community Survey, U.S. Census, 2021, CommunityScale 2024.

## Projected future growth

Each scenario is calibrated to reflect the same growth projection over the next 10 years.

Middletown is projected to grow by about 561 households between 2023-2033. This estimate is based on the assumption household growth over the past decade continues through the next and enough housing is added in response.

The Town’s recent full-build analysis found capacity for 2,200 units, suggesting there is enough developable land to accommodate this growth (Analysis of Full-Build Traffic and Environmental Impacts, Middletown, RI, 2020).

**Figure 32. Observed and Projected Middletown Household Growth**

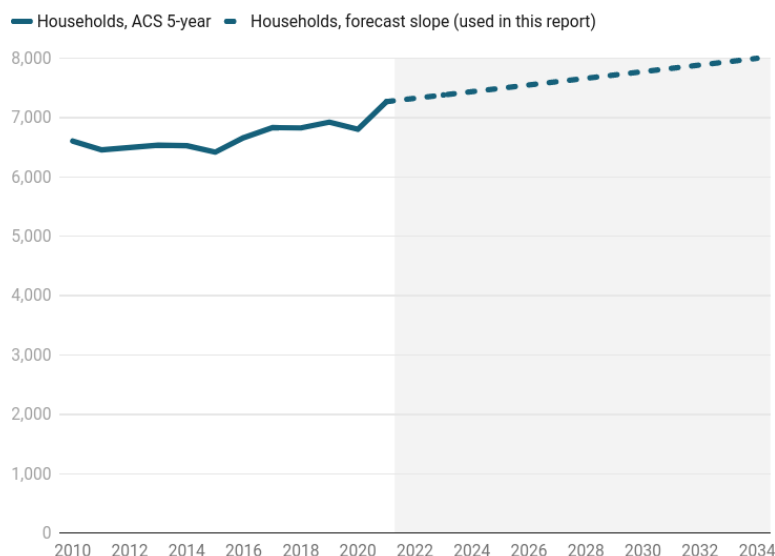


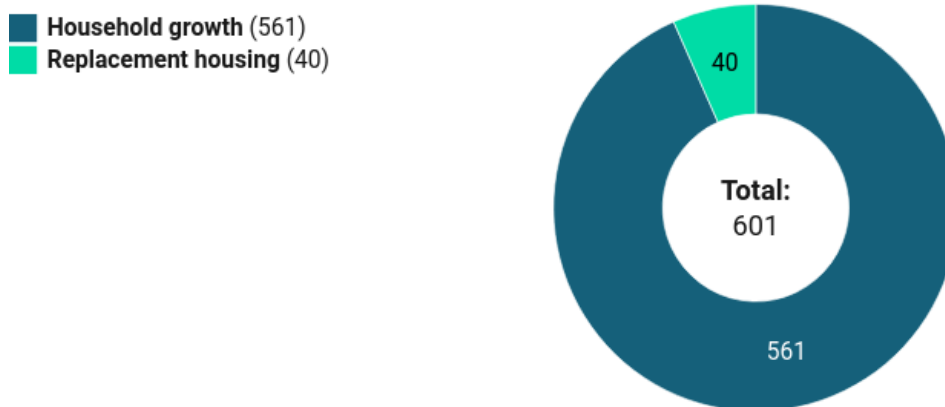
Chart: CommunityScale • Source: CommunityScale, Census • Created with Datawrapper

Source: American Community Survey, U.S. Census, 2010-2021, CommunityScale 2024.

## Target Unit Count

To maintain current growth trends, Middletown will need to add about 601 housing units in the next 10 years. This production target combines demand driven by net household growth as well as other factors detailed at right which also contribute to maintaining a suitable housing supply over time.

In addition to responding to projected growth, housing production will be needed to accommodate the new households that are expected as well as help maintain the overall health and quality of the housing stock. Regardless of growth prospects, every local market should maintain sustainable vacancy rates and offer hospitable housing stock to best serve community residents. Some supplementary housing production is often necessary to keep each of these indicators in a healthy range.

**Figure 33. Housing Production Needed to Maintain 10-year Growth Trend**

2023-2033.

Chart: CommunityScale • Source: ACS, CommunityScale • Created with Datawrapper

Source: CommunityScale 2024.

**Organic household growth:** 80 units forecasted from 2023 to 2033. Organic growth refers to the level of overall growth expected without significant new policy or regulatory changes.

**Overcrowding adjustment:** 0 units. The local rate of 2.1% is higher than the national average of 3.3%. Overcrowding is measured by >1 occupant/room. Often related to vacancy rate, the degree to which supply limitations drive households to occupy under-sized units.

**Replacement housing:** 40 units. 0.05% of the housing stock is replaced annually, which includes uninhabitable or obsolete units requiring replacement.

**Vacancy adjustment:** 0 units. The local rate of 12.9% is above the healthy market minimum of 5% for ownership and rental combined. Vacancy is the “slack” in the housing market (too low and prices can spike, too high and neighborhoods can suffer blight)

**Substandard adjustment:** 0 units. The local rate of 2.5% is lower than the national average of 4.5%. Substandard housing is measured by incomplete plumbing or kitchen. It is the portion of units that are functionally inadequate.

## Most needed affordable housing types

### Group 1: Cost-burdened residents

Applying the target unit count and housing preferences established on previous slides, this scenario models a housing mix calibrated to the needs of Middletown's current cost-burdened residents.

Adding units at the price points and bedroom counts tabulated in Table 5 and Figure 34 would most directly ameliorate (but not completely eliminate) cost burden as experienced by residents currently living in Middletown.

**Table 8. Target Housing Unit Count Needed to Address Needs of Current Cost-Burdened Residents**

### Group 1: Current cost-burdened residents

Monthly Cost	0-1 beds	2 beds	3 beds	4+ beds		
<\$794	162	101	49	15	327	54.5%
\$795-\$1587	61	83	47	12	203	33.8%
\$1588-\$2116	9	16	15	5	45	7.6%
\$2117-\$2645	3	5	6	3	17	2.8%
\$2646-\$3174	0	1	2	1	5	0.8%
>\$3174	0	1	1	1	3	0.5%
	236	208	119	38		
	39.2%	34.6%	19.8%	6.3%		

Source: CommunityScale 2024.

*Note: Monthly cost refers to the amount the household pays per month on baseline housing costs (generally includes mortgage + taxes + insurance + utilities for homeowners; rent + utilities for renters)*

**Figure 34. Housing Mix Needed to Address Middletown’s Current Cost-Burdened Resident Needs (Renters and Homeowners)**

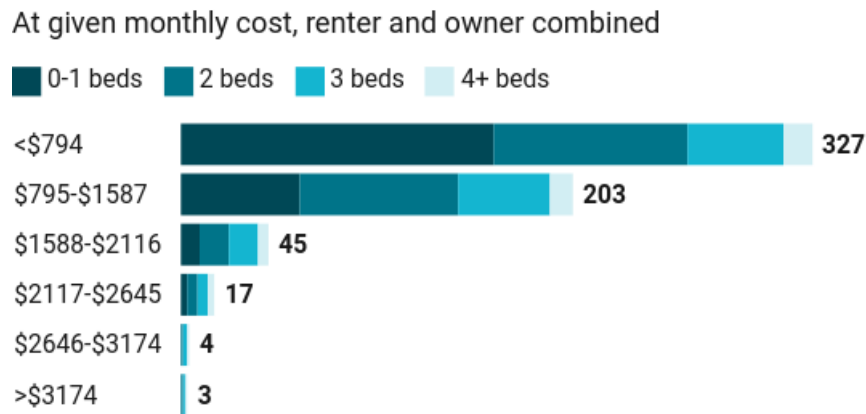


Chart: CommunityScale • Source: ACS, PLIMS, CommunityScale • Created with Datawrapper

Source: CommunityScale 2024.

#### Group 2: Projected future residents

This group models a housing mix calibrated to the needs of the new residents projected to move to Middletown over the next decade.

Adding units at the price points and bedroom counts tabulated in Table 6 and Figure 35 would help ensure new arrivals to Middletown can find housing that meets their preferences and ability to pay without adding to the community’s levels of cost burden.

**Table 9. Target Housing Unit Count Needed to Address Needs of Projected New Residents**

#### Group 2: Projected new residents

Monthly Cost	0-1 beds	2 beds	3 beds	4+ beds		
<\$794	56	35	18	5	114	19.1%
\$795-\$1587	110	146	83	21	360	59.9%
\$1588-\$2116	7	15	12	4	40	6.6%
\$2117-\$2645	6	13	15	7	40	6.7%
\$2646-\$3174	2	5	7	5	19	3.2%
>\$3174	1	5	8	13	27	4.6%
	182	219	143	56		
	30.4%	36.5%	23.7%	9.4%		

Source: CommunityScale 2024.

Note: Monthly cost refers to the amount the household pays per month on baseline housing costs (generally includes mortgage + taxes + insurance + utilities for homeowners; rent + utilities for renters)

**Figure 35. Housing Mix Needed to Address Middletown's Projected Future Resident Needs**

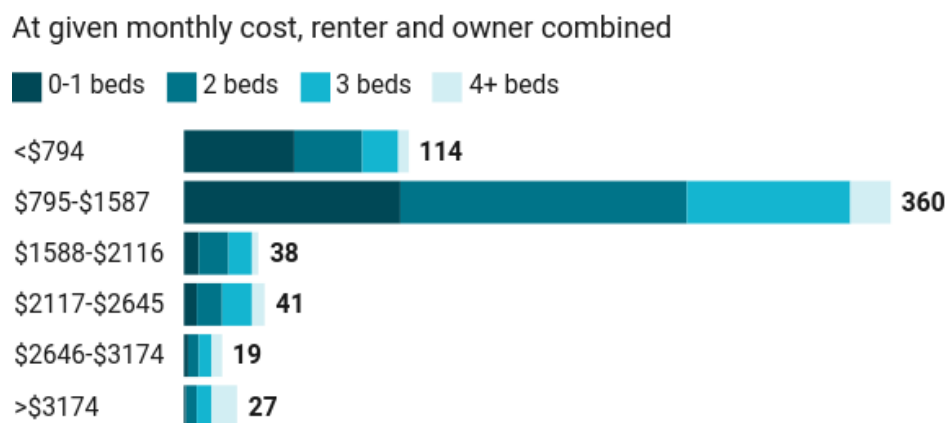


Chart: CommunityScale • Source: ACS, PLIMS, CommunityScale • Created with Datawrapper

Source: CommunityScale 2024.

### Group 3: Current employee's housing needs

Group 3 considers the housing needs of the people who currently work in Middletown (many of whom live elsewhere but may prefer to reside locally if they could find affordable housing options).

Table 7 illustrates the current mix of employees working in Middletown by NAICS sector and income. The following table will translate these incomes into a housing mix optimized to meet their needs and budgets.

**Table 10. Current Employee Mix Working in Middletown by NAICS Sector and Income Level**

### Group 3: Current Employment Mix

Employment Sector: **Blue collar** **Service** **Knowledge** **Eds & Meds**

NAICS sector	<30%	30-60%	60-80%	80-100%	100-120%	>120%	Total	
Agriculture, Forestry, Fishing, etc.	15	17	6	0	0	1	39	0.4%
Mining, Quarrying, and Extraction	0	0	0	0	0	0	0	0.0%
Utilities	1	2	6	0	0	0	9	0.1%
Construction	218	200	37	51	12	33	550	4.9%
Manufacturing	175	103	59	24	11	62	433	3.9%

Wholesale Trade	50	78	18	22	16	15	198	1.8%
Retail Trade	815	236	44	52	21	71	1,238	11.1%
Transportation and Warehousing	86	47	6	5	2	10	156	1.4%
Information	42	39	7	12	10	14	125	1.1%
Finance and Insurance	188	126	116	94	20	169	713	6.4%
Real Estate and Rental and Leasing	42	12	19	11	0	13	96	0.9%
Prof., Scientific, and Tech. Services	1,003	422	420	289	169	750	3,053	27.4%
Mgmt of Companies	430	0	73	0	0	0	503	4.5%
Admin, Waste Mgmt and Remed.	205	111	14	2	13	15	359	3.2%
Educational Services	190	162	96	96	13	44	600	5.4%
Health Care and Social Assistance	412	421	132	58	49	90	1,162	10.4%
Arts, Entertainment, and Recreation	47	21	3	9	0	1	81	0.7%
Accommodation and Food Services	932	235	23	16	0	17	1,223	11.0%
Other Services (excl. Public Admin)	219	157	15	5	11	32	440	4.0%
Public Administration	32	32	15	29	17	31	156	1.4%
<b>Total</b>	<b>5,100</b>	<b>2,421</b>	<b>1,109</b>	<b>773</b>	<b>364</b>	<b>1,367</b>		
	45.8%	21.7%	10.0%	6.9%	3.3%	12.3%		

Source: Public Use Microdata Sample 2021.

This group models a housing mix calibrated to the preferences and budgets of the workforce currently employed in Middletown.

Adding units at the price points and bedroom counts tabulated in Table 8 and Figure 36 would maximize how many people working in Middletown have the opportunity to live in town too.

**Table 11. Target Housing Unit Count Needed to Meet Needs of Middletown's Current Workforce**

**Group 3: Current employees working in Middletown**

Monthly Cost	0-1 beds	2 beds	3 beds	4+ beds		
<\$794	144	90	44	14	292	48.6%
\$795-\$1587	49	71	40	11	171	28.4%
\$1588-\$2116	13	24	21	8	66	10.9%
\$2117-\$2645	5	11	12	6	34	5.6%
\$2646-\$3174	2	5	6	5	17	2.8%

>\$3174	1	4	6	10	22	3.6%
	214	204	130	53		
	35.5%	34.0%	21.7%	8.8%		

Source: CommunityScale 2024.

Note: Monthly cost refers to the amount the household pays per month on baseline housing costs (generally includes mortgage + taxes + insurance + utilities for homeowners; rent + utilities for renters)

**Figure 36. Housing Mix Needed to Address Middletown’s Current Workforce Needs**

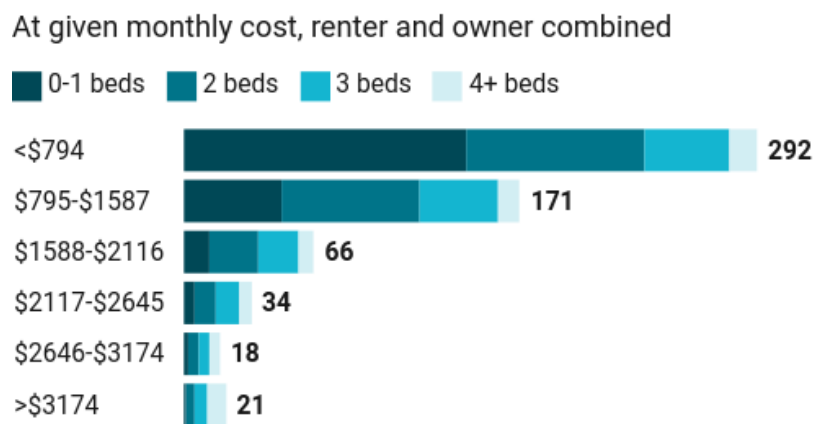


Chart: CommunityScale • Source: ACS, PHMS, CommunityScale • Created with Datawrapper

Source: CommunityScale 2024.

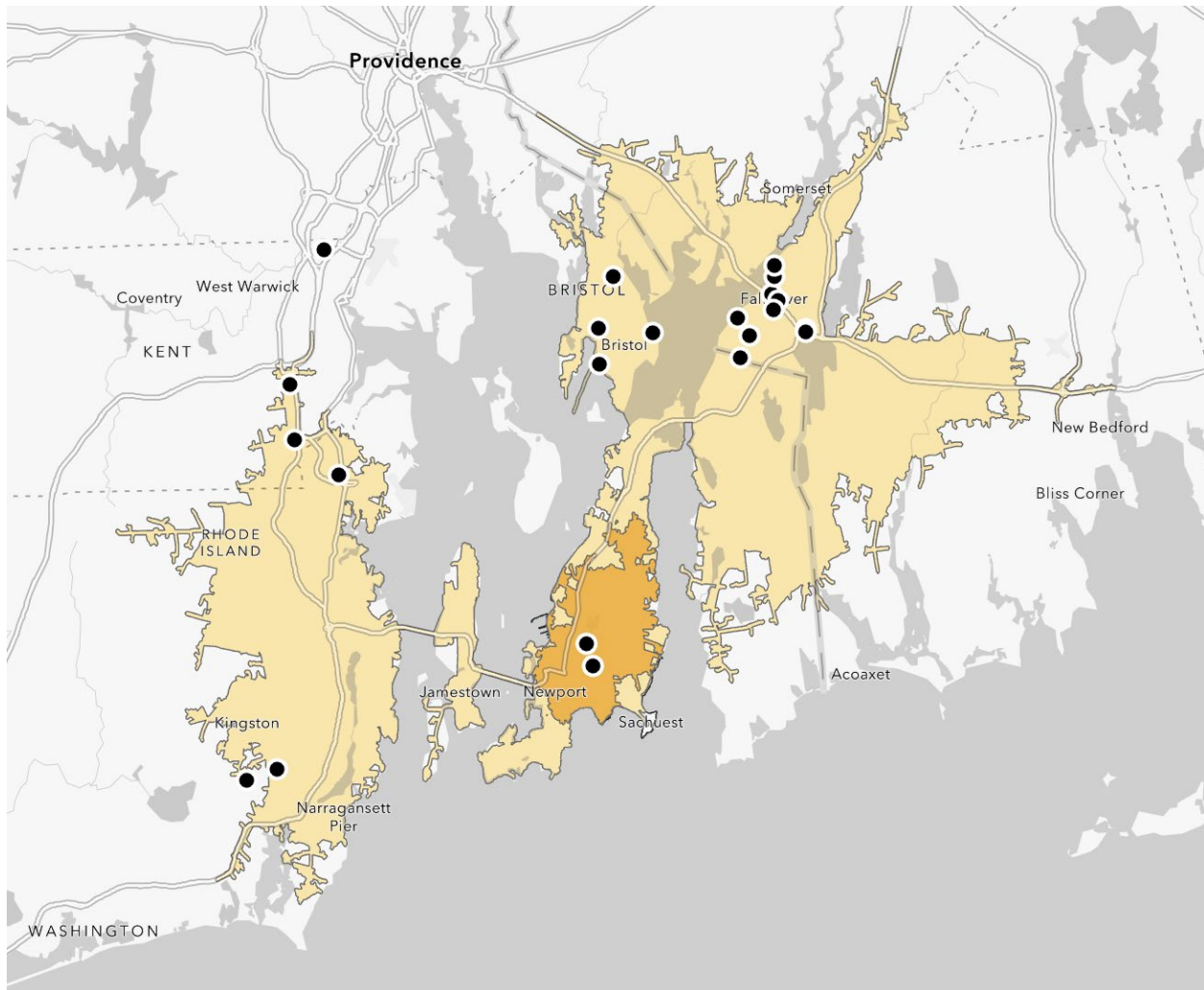
## Determining the appropriate affordability mix

### Benchmarks from the Regional Context

Middletown’s regional market includes 16 market-rate multifamily properties completed over the past 5 years and 6 under construction. These development examples suggest the typologies and rent levels that would support market-rate development without subsidy.

Though this study does not rely on comparables to derive potential housing demand, we do consider recent development trends to understand what building typologies, unit mixes, and price points represent financially feasible market-rate construction in today’s market. Figure 37 shows all examples built in the region since 2018. The images in Figure 38 illustrate a sampling of these projects for added context.



**Figure 37. Market-Rate Multifamily Properties in The Middletown Region**

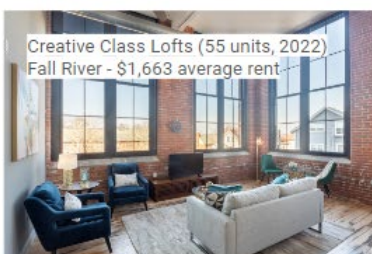
Source: CoStar 2024.

**Figure 38. Examples of Middletown Region's Market-Rate Multifamily Properties**

**Market: Suburban style**



**Market: Adaptive reuse lofts**



**Local**



Source: CoStar, [CommunityScale](#)

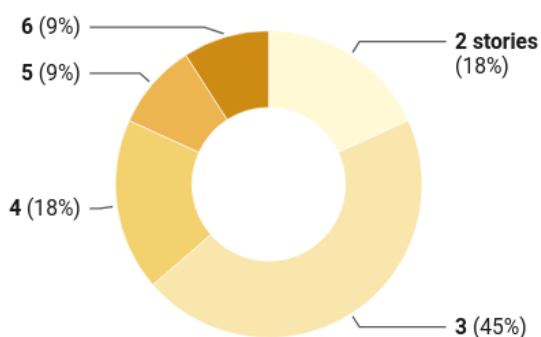
Source: CoStar 2024.

The latest market-rate development in the Middletown region trended toward mid-rise construction with mostly smaller units. A three to four floor development is a good representation of what would be realistic for Middletown from a market perspective. Allowing up to 4 floors of development could improve the feasibility and reduce the cost of new construction on a per unit basis.

The charts in Figure 39 summarize key design parameters for market-rate multifamily developments built in the region since 2018. Because this inventory is limited to only recently completed projects, these parameters can be effective benchmarks for designing new market-rate development more likely to be financially feasible under present conditions. Understanding what is being built in the regional market can help in understanding what is possible in Middletown from a market perspective.

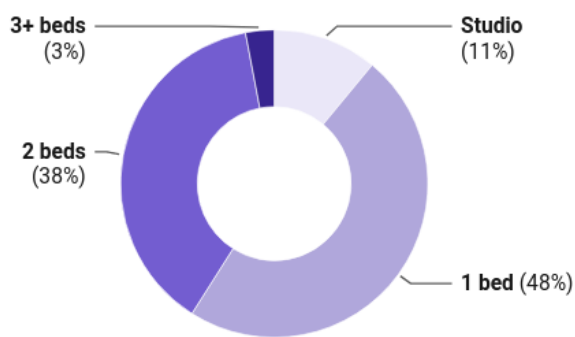
**Figure 39. Recent Market-Rate Multifamily Development Trends in Middletown Region since 2018**

#### Building stories



Created with Datawrapper

#### Bedrooms



Created with Datawrapper

Source: CoStar 2024.

**Table 12. Recent Market-Rate Trends in Multifamily Development by Unit Size**

Unit Size	Average SF
Studio	767
1 bedroom	817
2 bedroom	1,059
3 bedroom	1,386

Source: CoStar 2024.

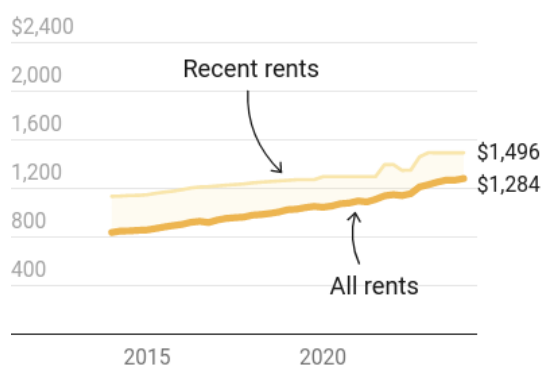
The charts in Figure 40 below summarize market-rate rent trends in the region by bedroom count:

**All rents:** The average rent for units of this size. This measure includes both older and newer units.

**Recent rents:** The average rent for units built in the past 5 years. This measure is more indicative of the rents expected at a new development in the Middletown area.

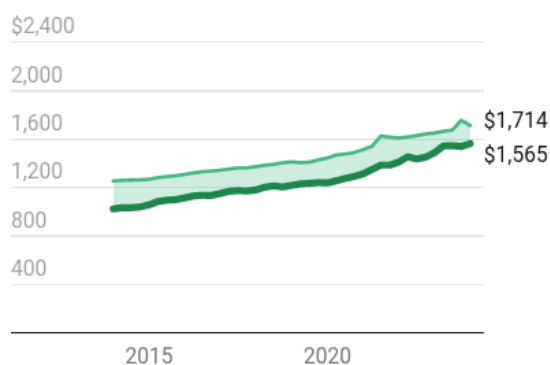
**Figure 40. Recent Market-Rate Multifamily Development Trends in Middletown Region by Bedroom Count**

#### Studio units



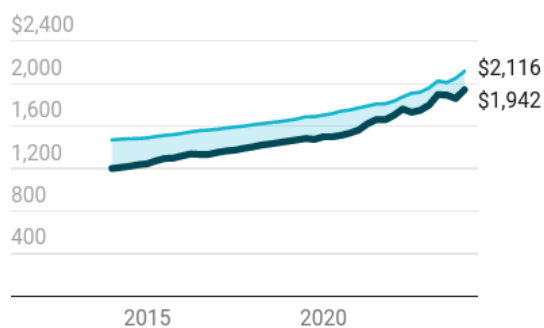
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#### 1 bedroom units



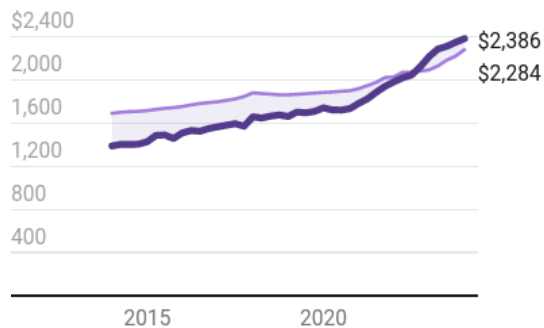
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#### 2 bedroom units



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#### 3 bedroom units



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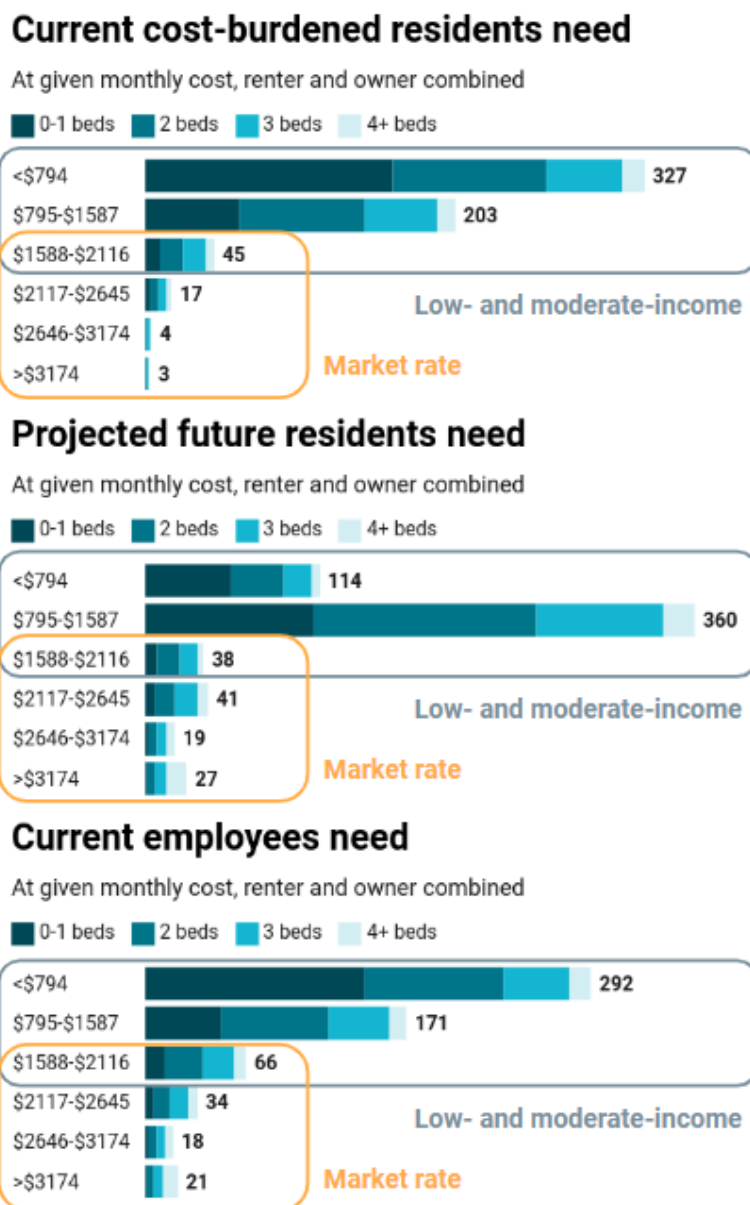
Source: CoStar 2024.

## Affordability Mix and potential development scenario

Each group needs a different mix of unit sizes and price points. However, there is significant overlap among all groups, suggesting the possibility that the right comprehensive strategy could address need across all groups.

Based on the market rate benchmarks described in Figures 37-40, the annotations in Figure 41 below indicate which units could be developed as market-rate (i.e. no subsidies) and which would qualify as low- and moderate-income, satisfying legislative requirements but possibly requiring subsidy to produce.

**Figure 41. Overlap in Affordability Mix Needed by Current Cost-Burdened Residents, Projected Future Residents, and Current Employees**



Source: CommunityScale 2024.

The scenario shown in Table 10 and Figure 42 represents the average of the three groups summarized in Figure 41 plus an adjustment to ensure the LMIH total is enough to push Middletown to the 10% overall state goal.

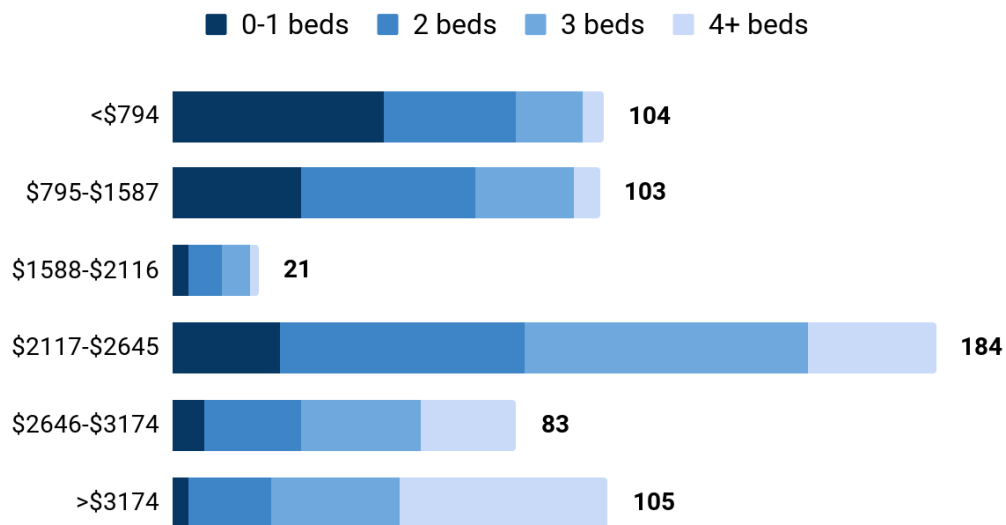
This scenario includes 601 units, 229 of which are LMIH.

**Table 13. Target Housing Unit Count to Meet Average Needs Across Current Cost-Burdened Residents, Projected Future Residents, And Current Employees**

Cost	0-1 beds	2 beds	3 beds	4+ beds		
<\$794	51	32	16	5	104	17.3%
\$795-\$1587	31	42	24	6	104	17.3%
\$1588-\$2116	4	8	7	2	21	3.5%
\$2117-\$2645	26	59	68	31	184	30.7%
\$2646-\$3174	8	23	29	23	83	13.8%
>\$3174	4	20	31	50	105	17.4%
	125	184	174	118		
	20.8%	30.5%	29.0%	19.7%		

Source: CommunityScale 2024.

**Figure 42. Target Housing Unit Mix to Meet Average Needs of Current Cost-Burdened Residents, Projected Future Residents, And Current Employees**



Source: CommunityScale 2024.

## Achieving LMI Requirements

### Requirements

Rhode Island's Low and Moderate Income Housing Act requires at least 10% of each community's housing supply consist of income-restricted units. Communities that do not meet this standard are subject to comprehensive permit applications for developments containing at least 25% affordable units which can override zoning controls like density, parking, bedrooms, and floor area.

The law includes a provision for some market rate units to count against the 10% goal if they are included in a mixed-income development that contains mostly low- and moderate- income housing.

For example, consider a 100-unit development with the following mix:

- 20 units at market rate
- 50 units for households earning 80% AMI
- 30 units for households earning 60% AMI

The example above would receive credit for 90 low- and moderate- income units even though only 80 are income-restricted.

### Compliance

While there is no specific penalty for failing to comply with the 10% low- and moderate-income standard, a municipality won't be eligible for benefits and incentives from the State or other agencies without having a State-approved comprehensive plan. This stipulation also applies if a municipality fails to provide the required 5-year progress update on its comprehensive plan's implementation program (i.e. the action items identified to implement the goals and strategies of each com plan element).

Regarding the housing element and meeting the 10% affordable requirement, the element needs to show how the 10% would be reached from both a spatial perspective (where it can be developed) and implementation perspective (what are the specific goals and strategies for achieving it) as well as the timeframe for when it will be achieved. Without these pieces, the comprehensive plan will not be approved by the State.

Within 5 years of adoption, the municipality must also submit a 5-year status update that demonstrates the progress the municipality is making on its implementation actions across all comprehensive plan elements. If the 10% requirement is not met, developers are able to submit a comprehensive permit application which in most cases supersedes local controls on development.

### Evaluating Progress

The State's Department of Housing uses data from RI Housing to monitor municipalities' progress on an annual basis. Increasing the percentage of low- and moderate-income units between intervals constitutes progress. Currently, there is no formal benchmarking process in place to evaluate rates of progress or decline.

### Where Middletown Stands

About 4.8% of Middletown's housing stock satisfies the law's requirements. Of the 360 LMI units, 264 are rental units, 42 are ownership units, and 54 are group home beds. Of these units, 98 are elderly housing, 168 are family units, and 94 are units for special needs.

**Table 14. Existing Low Moderate-Income Housing in Middletown**

<b>Unit Type</b>	<b>Total Units</b>	<b>Percent</b>
Rental	264	73%
Ownership	42	12%
Group Home beds	54	15%
<b>Total</b>	<b>360</b>	<b>4.8%</b>

*Source: Office of Housing and Community Development, State of Rhode Island 2023.*



### Achieving low- and moderate-income housing goals

Middletown can avoid comprehensive permits if it reaches the 10% goal. To reach this threshold today, 390 additional LMI units would need to be added to the housing stock for a total of 750 LMI units.

Current housing development projects in the pipeline will bring Middletown's total to about 7%.

**Table 15. Approved or Pending Housing Projects in Middletown's Development Pipeline as of July 2024**

	Unrestricted, market rate units	Affordable units	Total Units
Multifamily	205	199	404
Single Family	31	0	31
<b>Total</b>	<b>236</b>	<b>199</b>	<b>435</b>

*Source: Town of Middletown 2024.*

As referenced earlier in this chapter, Middletown will need to add about 601 housing units in the next 10 years to keep up with projected growth. To meet the State's target of 10% low- and moderate-income housing (LMIH) town-wide, about 38% of the 601 new units, 229 units, would need to be designated income restricted. This affordability mix is 10 percentage points lower than the current development pipeline, suggesting Middletown could realistically achieve the 10% goal in the near future without significant changes to its development trajectory.

**Table 16. Summary of Housing Units Needed in Next 10 Years to Accommodate Projected Growth and Meet Low-And Moderate Income Housing Requirements**

	LMIH%	Total units (incl LMIH)	LMIH units
<b>Current total</b>	<b>4.80%</b>	<b>6,874</b>	<b>360</b>
Pipeline	45.74%	435	199
<b>Working total</b>	<b>7.65%</b>	<b>7,309</b>	<b>559</b>
<b>Needed</b>	<b>38.10%</b>	<b>601</b>	<b>229</b>
Planning total	10.00%	7,910	788

Middletown's housing goals transcend the State's LMI housing requirements in their commitment to providing a variety of housing options that are attainable to and accommodating for persons of all income levels, age groups, and abilities. This means, Middletown will continue to meet the housing affordability needs of its community even if exceeds the State's 10% requirement.

## Potential Development Opportunity Sites

### *Build-out Analysis*

According to estimates from the town's Full-build Analysis completed in 2020, Middletown could accommodate an additional 1,916 dwelling units under current zoning. The analysis identified areas that are considered environmentally buildable based upon parcel size, current allowed land uses, and dimensional standards within the Town's existing zoning code. It also projected the maximum potential residential housing units that could be developed. The projected residential build-out was limited to single-family residential zones. The findings are documented in Figures 43 and 44 below.

**Figure 43. Residential Full Build Capacity Calculations from Middletown's 2020 Full Build Impact Analysis**

**Table 2.5. Residential dwelling Units by Zoning District with Current Zoning**

<b>Zone</b>	<b>Existing Dwelling Units</b>	<b>Additional Dwelling Units, Full-Build</b>	<b>Total Dwelling Units</b>
<b>R-10</b>	2,724	250	2,974
<b>R-20</b>	1,672	226	1,898
<b>R-30</b>	276	247	523
<b>R-40</b>	878	414	1,292
<b>R-60</b>	267	174	441
<b>Mobile / Transient</b>	89	0	89
<b>Multifamily</b>	1,185	0	1,185
<b>OS <sup>1</sup></b>	6	125	131
<b>COM <sup>2, 5</sup></b>	348	423	674 <sup>4</sup>
<b>P <sup>3, 5</sup></b>	354	57	411
<b>Total</b>	7,799	1,916	9,618

<sup>1</sup> OS is Open Space; Additional Dwelling Units reflect redevelopment of Wanumetonomy Country Club

<sup>2</sup> COM is General Business, Limited Business, Office Business, Office Park, and Light Industrial

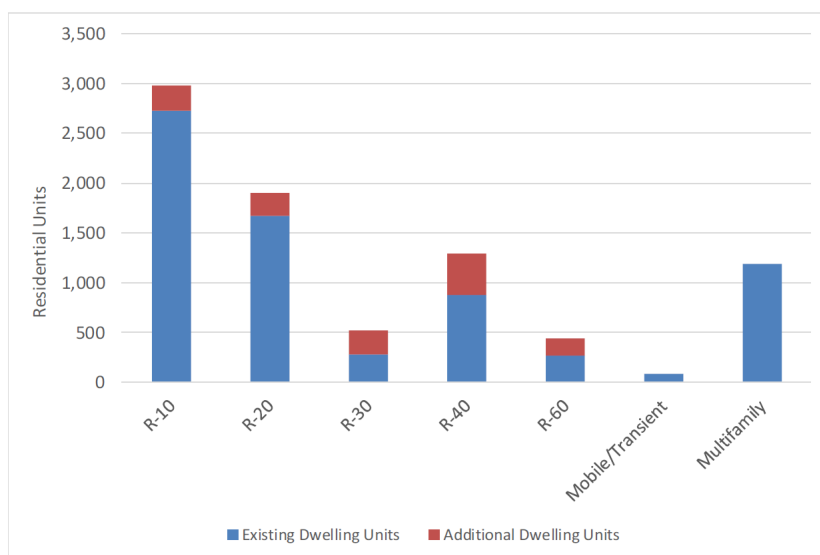
<sup>3</sup> P is Public

<sup>4</sup> Not a direct sum. Some existing residential units in commercial zones are converted to commercial space through build-out

<sup>5</sup> Future development in commercial and public zones is part of mixed-use development described in Commercial full-build results section

*Source: Analysis of Full-build Traffic and Environmental Impacts, Middletown, RI, 2020.*

**Figure 44. Residential Full Build Capacity Calculations by Existing Zoning District from Middletown's 2020 Full Build Impact Analysis**



**Figure 2.11 Full-Build Residential Dwelling Units by Zoning District, Full-Build with Current Zoning**

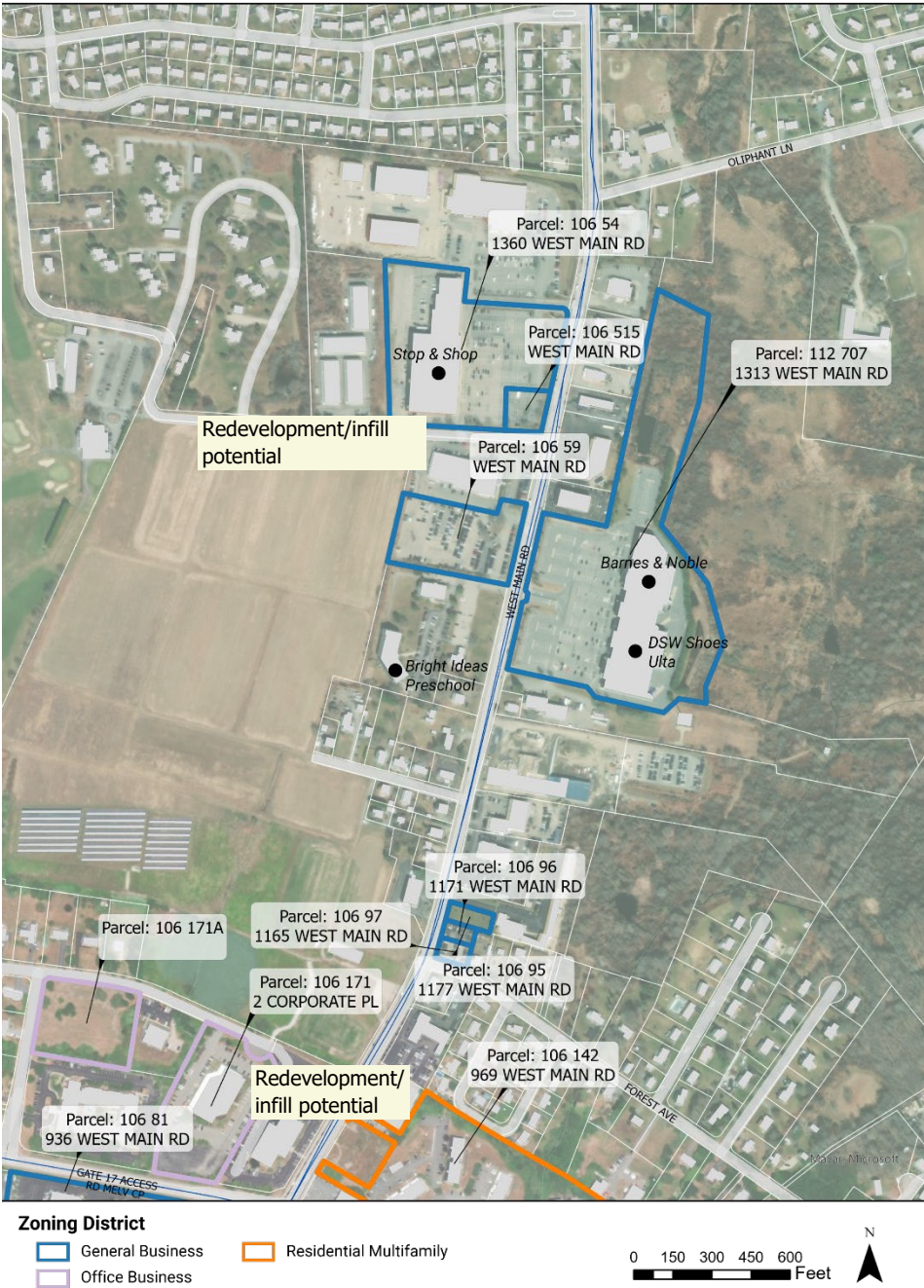
*Source: Analysis of Full-build Traffic and Environmental Impacts, Middletown, RI, 2020.*

The full-build analysis highlights the increase in residential units is greatest in the R-40 zone. The R-30, R-40, and R-60 zones exhibit higher relative increases in units due to the lower existing unit counts in these zones. Despite units being added, the build-out does not significantly affect the distribution of dwelling units across the residential zones. The total build-out adds 1,436 single-family units which includes 125 new units on the existing Wanumetonomy Country Club which is currently zoned Open Space (Analysis of Full-build Traffic and Environmental Impacts, Middletown, RI, 2020).

*Developable Land Analysis*

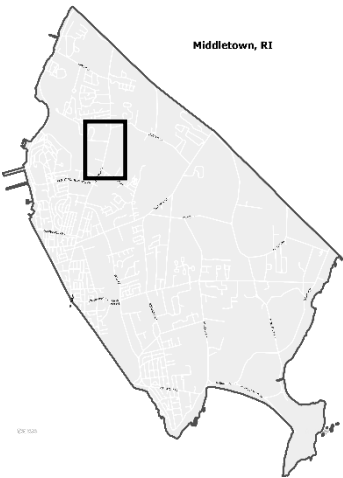
An additional developable land analysis identified forty-two parcels, totaling about 204 acres, as vacant or under-utilized parcels that could theoretically be redeveloped to accommodate higher density or multi-family housing under current zoning regulations. The following figures explore the different areas where these parcels are clustered and their potential housing unit capacity. Additional analysis would be needed to fully explore the residential development potential and capacity of these sites.

Figure 45. West Main Road Potential Development Opportunity Area



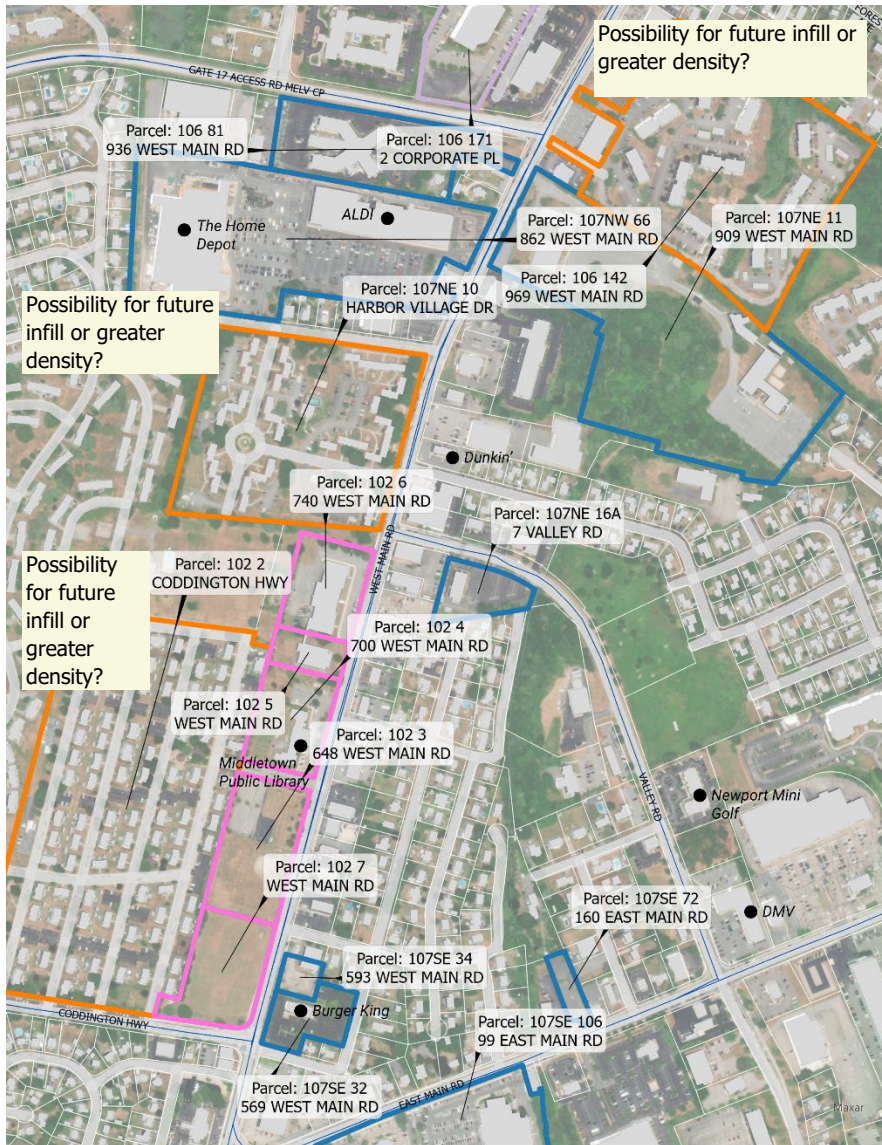
Minimum lot size requirements											
Parcel	Address	Area (acres)	Water / Sewer	Zoning	SF	2F	MF (3-6 units/lot)	MF project, including condos	Senior Ind Liv	Mixed-Use, Single Building	Chat   Kearney, Steve   s Dr Alanna.Wittet@stantec.
106 54	1360 W Main Rd	7.48 325,947 sf	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
106 515	West Main Rd	.57 24,792 sf	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
112 707	1313 W Main Rd	653,783 SF	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
106 59	West Main Rd	3 130,547 SF	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
106 95	1177 W Main Rd	.29 12,554 SF	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
106 96	1171 W Main Rd	.19 8,485 SF	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
106 97	1165 W Main Rd	.24 10,295 SF	Y	GBA	N	N	N	N	N	12,000 SF	12,000 SF
106 171	2 Corporate Pl	4 173,999 SF	Y	OB	<b>20,000 SF</b>	40,000 SF	40,000 SF	5 acres	N	40,000 SF	N
106 171A	Corporate Pl	2.57 111,795 SF	Y	OB	<b>20,000 SF</b>	40,000 SF	40,000 SF	5 acres	N	40,000 SF	N

**Bold** = Permitted by right





**Figure 46. West Main Road/Valley Road Potential Development Opportunity Area**



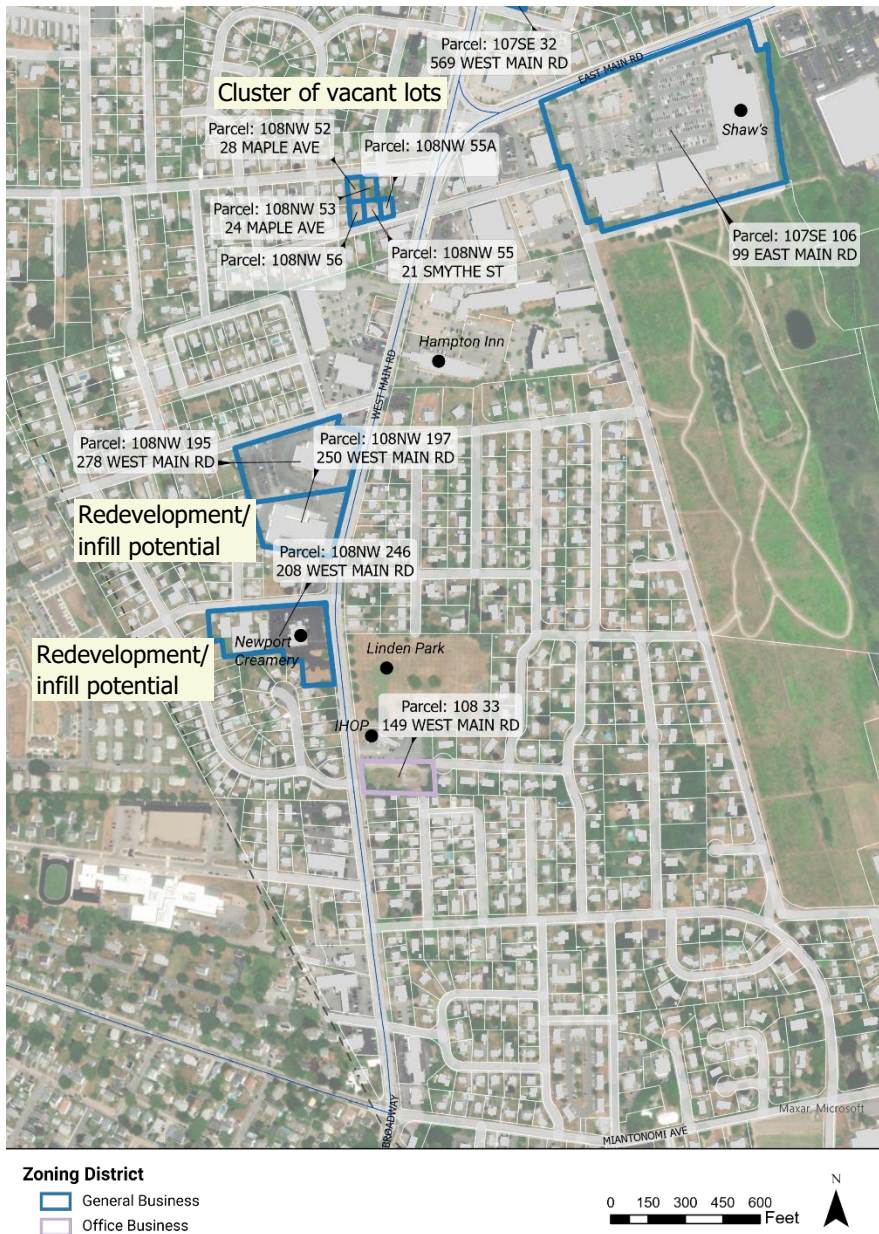
Parcel	Address	Area (acres)	Water/ Sewer	Zoning	Minimum lot size requirements							Housing Unit Capacity
					SF	2F	MF (3-6 units/ lot)	MF project, including condos	Senior Ind Liv	Mixed-Use, Single Building	Mixed-Use Development	
107NE 10	Harbor Village Dr	14.5 631,404 29	Y	RMA	<b>10,000</b>	<b>15,000</b>	40,000	5 acres	N	N	N	?
102 2	Coddington Hwy	1,263,29 9 SF	Y	RM	<b>10,000</b>	<b>15,000</b>	40,000	5 acres	N	N	N	?
106 142	969 W Main Rd	780,595 SF	Y	RM	<b>10,000</b>	<b>15,000</b>	40,000	5 acres	N	N	N	?
106 81	936 W Main Rd	283,140 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	25
107NW 66	862 W Main Rd	41,033 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	75
107NE 11	909 W Main Rd	509,216 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	50
107NE 16A	7 Valley Rd	1.57 68,498 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	34
107SE 34	593 W Main Rd	.54 23,693 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	12
107SE 32	569 W Main Rd	1.6 69,907 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	8
107SE 72	160 E Main Rd	.6 25,937 SF	Y	GBA	<b>12,000</b>	N	N	N	N	<b>12,000</b>	<b>12,000</b>	13
102 6-7	Middletown Center	15 ac 653,400 SF	Y	PA	N	N	N	N	N	N	N	150

**Bold = Permitted by right**





Figure 47. West Main Road/Maple Road /Smythe Street Potential Development Opportunity Area



Parcel	Address	Area (acres)	Water/ Sewer	Zoning	Minimum lot size requirements							
					SF	2F	MF (3-6 units/ lot)	MF project, including condos	Senior Ind Liv	Mixed-Use, Single Building	Mixed-Use Development	Housing Unit Capacity
107SE 106	99 E Main Rd	527,947 SF	Y	GB	12,000	N	N	N	N	12,000	12,000	83
108NW 55A	Maple Ave	0.08 3,645 SF	Y	GB	12,000	N	N	N	N	12,000	12,000	2
108NW 52	28 Maple Ave	0.13 5,794 sf	Y	GB	12,000	N	N	N	N	12,000	12,000	3
108NW 55	21 Smythe St	0.12 5,064 SF	Y	GB	12,000	N	N	N	N	12,000	12,000	2
108NW 53	24 Maple Ave	0.13 5,510 SF	Y	GB	12,000	N	N	N	N	12,000	12,000	3
108NW 56	Smythe St	0.12 5,197 SF	Y	GB	12,000	N	N	N	N	12,000	12,000	3
108NW 195	278 West Main Rd	2.73 118,912 SF	Y	GBA	12,000	N	N	N	N	12,000	12,000	12
108NW 197	250 West Main Rd	74,052 SF	Y	GBA	12,000	N	N	N	N	12,000	12,000	14
108NW 246	208 West Main Rd	2.38 1,037,333 SF	Y	GBA	12,000	N	N	N	N	12,000	12,000	10
108 33	149 West Main Rd	42,253 SF	Y	OBA	20,000	40,000 SF	40,000 SF	5 acres	N	40,000 SF	N	10

**Bold = Permitted by right**



Figure 48. Aquidneck Avenue Potential Development Opportunity Area

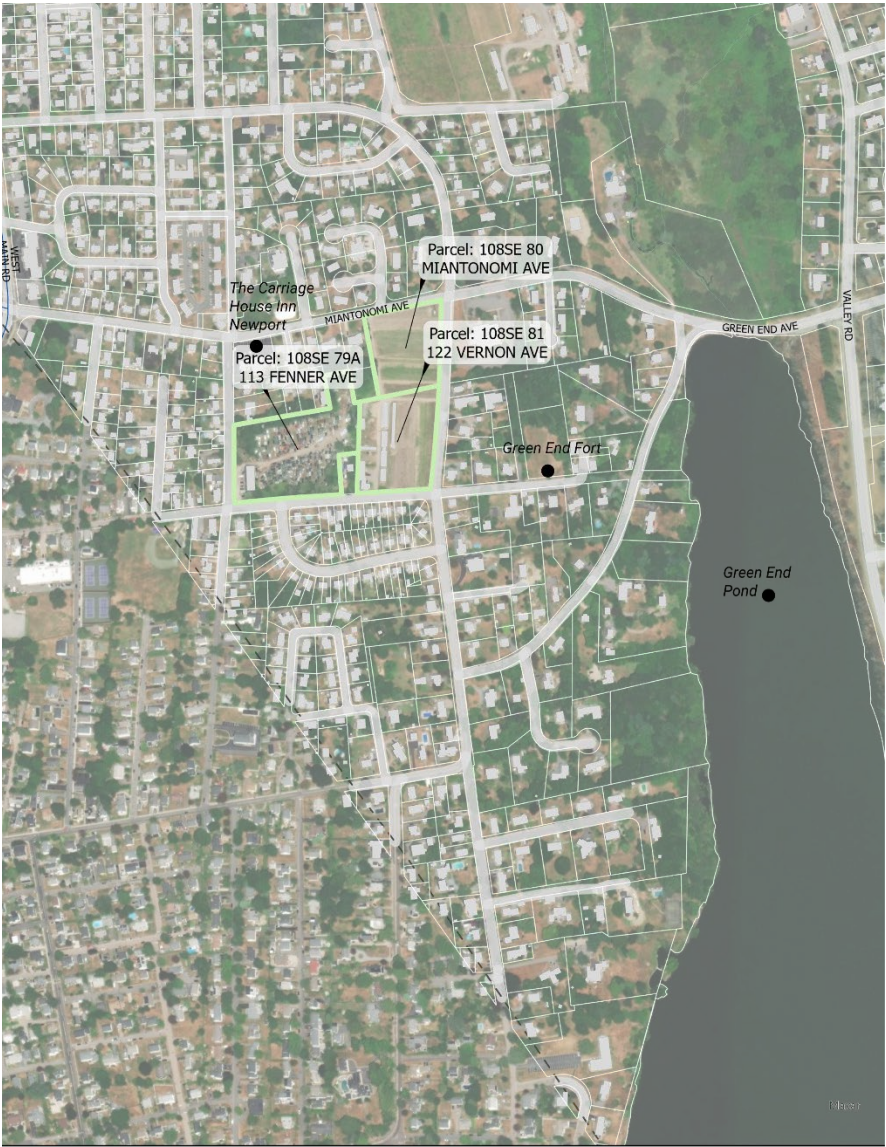


Parcel	Address	Area (acres)	Sewer	Zoning	Minimum lot size requirements							Housing Unit Capacity
					SF	2F	MF (3-6 units/ lot)	MF project, including condos	Senior Ind Liv	Mixed-Use, Single Building	Mixed-Use Development	
113 106A	1036 Aquidneck Ave	2.24 97,466 SF	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	58
114 91	Aquidneck Ave	1.26 54,808 SF	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	33
114 89	990 Aquidneck Ave	2.07 90,112 sf	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	54
114 507	Aquidneck Ave	3 130,410 SF	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	78
114 92C	850 Aquidneck Ave	4.56 1,985,058 SF	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	20
114 515	787 Aquidneck Ave	1.18 51,367 SF	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	31
114 514	Aquidneck Ave	1.12 48,617 SF	Y	LBA	10,000	15,000	40,000	N	N	20,000	<b>20,000</b>	29

**Bold** = Permitted by right



Figure 49. Miantonomi Avenue/The Boulevard Potential Development Opportunity Area

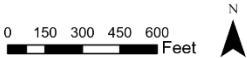


Parcel	Address	Area (acres)	Sewer	Zoning	Minimum lot size requirements							Housing Unit Capacity
					SF	2F	MF (3-6 units/ lot)	MF project, including condos	Senior Ind Liv	Mixed-Use, Single Building	Mixed-Use Development	
108SE 79A	113 Fenner Ave	3.89 169,456 SF	Y	R10	10,000	15,000	N	N	10,000	N	N	33
108SE 80	Miantonomi Ave	2.17 94,532 SF	Y	R10	10,000	15,000	N	N	10,000	N	N	19
108SE 81	122 Vernon Ave	2.75 119,690 SF	Y	R10	10,000	15,000	N	N	10,000	N	N	24

**Bold** = Permitted by right



**Zoning District**  
R-10 High Density Residential



Lots 79A, 80, and 81 Plat on Tax Assessor's Plat 108SE, shown in Figure 49, are also well suited for development into a combination of workforce, senior and low-income housing. Lot 79A is currently utilized as an automobile salvage yard and is approximately 169,456 sq ft. Lots 80 and 81 are agricultural uses and together make up approximately 214,222 sq ft. Together the three plots consist of 383,678 sq ft. All three properties are commercial uses in a residential area.

The developable land and full-build analyses indicate that enough land and buildable parcels exist to accommodate the number of units needed to keep up with projected growth and achieve the town's 10% affordability threshold.

## LMI Housing Strategies

### Previous/Current strategies

During the past few years, the Town has worked toward addressing several action items of this plan that are intended to promote the development of affordable housing. Recent and ongoing actions include the following:

- Establish an affordable housing committee to implement the affordable housing plan and review the plan's progress annually (Action Item H-VI.A.1.) – The committee has met on a regular basis over the past year to investigate options and opportunities to create affordable housing.
- Continue to grant tax exemptions to seniors; allow tax deferments for elderly; and freeze taxes for low-income seniors (Action Item H-II.B.4.) – The Town is actively evaluating alternatives for enhancing policies to benefit elderly and low-income residents.
- Permit forms of housing that are affordable without subsidies; such types of housing include multi-family housing, mobile homes and Accessory Family Dwelling Units (Action Item H-III.A.4.) – The Town has adopted a mixed-use ordinance and amendments to make it a more attractive development option.
- Encourage development of new rental housing by allowing multi-family and mixed-use development where appropriate in the Zoning Ordinance (Action Item H-III.A.5.) - The Town has adopted a mixed-use ordinance and amendments to make it a more attractive development option.
- Allow mixed use by right in appropriate areas including second story residential over commercial properties (Action Item H-IV.B.2.) – Completed with the adoption of the Town's mixed-use development ordinance.
- Identify both municipally and privately owned properties which could be considered suitable sites for the development of affordable residential units (Action Item H-IV.C.3.) – The Affordable Housing Committee has been active in evaluating potential development sites, including the identification of two Town-owned properties with the potential for 50+ units of senior housing. The Town has also identified the West Main/Coddington redevelopment project as a significant opportunity to create new market-rate and affordable housing units.
- Consider adopting an inclusionary zoning ordinance with density bonus (Action Item H-III.A.1.) – Identified by the Planning Board for consideration in 2022.
- Continue use of Community Development Block Grants (CDBG) funding for programs that create low- and moderate-income units in Middletown supported by the community (Action Item H-VI.B.1.) – The Town continues to support development and rehabilitation of affordable housing units through CDBG applications, and in partnership with outside organizations such as Lucy's Hearth and Church Community Housing Corporation.
- Explore establishing an affordable housing trust fund (Action Item H-VI.C.3.) – The Town is exploring funding options for creation of a trust fund.

In addition to these actions taken by the Town, several private developers have recently expressed interest in creation of both market-rate and deed-restricted affordable multi-family residential and mixed-use developments.

### Inclusionary Zoning Ordinance

Middletown's zoning ordinance does not currently include provisions for inclusionary zoning. Recent efforts by the Planning Board and Town Council have attempted to approve an amendment that would require all major subdivisions (six lots or more) and residential land development projects (six residential units or more), including mixed use developments, to include a minimum of 20% of residential units dedicated for affordable housing. Review and approval of this proposed amendment to implement inclusionary zoning is still in process and will continue to be discussed in context to recent changes to the State's inclusionary housing statute.

### Proposed strategies for meeting 10% threshold

The Town of Middletown recognizes the importance and its responsibility in promoting affordable housing. The following action plan (Table 17) sets forth Middletown's strategy to increase the town's supply of affordable housing. This plan lays out actions that will be taken over the next ten years to meet the town's affordable housing goals. The plan will be reviewed annually to ensure progress is being made. Changes to the plan will be made as necessary and as new guidelines on affordable housing are made available from Statewide Planning, the Housing Resources Commission and Rhode Island Housing.

**Table 17. Middletown's 10-Year Affordable Housing Strategy**

Strategies to increase the supply of low-and moderate-income housing	Potential benefits identified	Potential barriers identified	Previous success / # of units produced and reasons why
Consider adopting an Inclusionary Zoning ordinance	<p>IZ can assist the town in maintaining its percentage of low-and-moderate income housing as new residential development occurs</p> <p>Disperses affordable units throughout town</p> <p>Provides affordable housing without requiring municipal funding</p>	<p>IZ will not produce a significant number of units during weak housing market and if limited number of large-scale residential developments</p> <p>Public opposition</p> <p>Determining specifics within the ordinance</p>	Currently under consideration due to changes in State law.
Encourage mixed-use development in appropriate locations in town	Promotes a village-style mix of retail, restaurants, offices, civic uses, and multifamily housing	Need to include incentives to encourage developers to go with the mixed-use option and to include low-and-	Two mixed-use projects totaling 24 units have been developed with other under consideration.

	<p>Promotes pedestrian &amp; bicycle travel</p> <p>Promotes a sense of place</p> <p>Encourages economic investment</p> <p>Makes more efficient use of land and infrastructure</p> <p>Guides development toward established areas, protecting outlying rural areas and environmentally sensitive resources</p>	<p>moderate income units in developments</p> <p>Potential conflicts between uses</p> <p>Willingness of chain retail stores to have residential units above</p> <p>Complexity of design, review, and construction.</p>	
Encourage Inclusion of Mixed Income Housing as part of the West Main / Coddington redevelopment center	<p>Promotes a village-style mix of retail, restaurants, offices, civic uses, and housing</p> <p>Encourages economic investment</p> <p>Promotes efficient use of land and infrastructure</p> <p>Guides development toward established areas, protecting outlying rural areas and environmentally sensitive resources</p>	<p>Need to include incentives to encourage developers to include low and-moderate income units in redevelopment</p> <p>Potential conflicts between uses</p>	The Town is currently in negotiations with a private development team for a mixed-use project that will include mixed-income housing, with at least 10% of units income restricted.
Continue to provide CDBG funding for the development of affordable housing	Proven past success	Needs to be leveraged with other funding sources	Sunset Lawn, 10 units
Redevelopment of vacant or underutilized properties	<p>Potentially lower development cost</p> <p>More likely to be located within urban services boundary and</p>	Potential conflicts with established nearby uses	2015 Strategy. Freedom Apartments - 10 special needs units

	convenient to transit and services		
Secure additional Section 8 Housing Choice Vouchers to be used within Middletown	Does not create concentration of affordable housing units  Little to no cost to local community	Competing with needs of other communities including Newport	2015 Strategy
Support conversion of mobile home parks to cooperatives	Allows low-income residents to own land	Does not necessarily create additional affordable housing units	2015 Strategy
Establish a Town Affordable Housing Trust Fund	Provides a revenue source for funding the creation of affordable housing  Enables leveraging with other funding sources	Acquiring funding sources and determining what will receive funding	2015 Strategy
Assist with expansion and/or conversion of existing facilities such as Oxbow, Landings, Lucy's Hearth, Forest Farm	Potentially less local opposition as sites already utilized for this purpose	Does not diversity location of affordable housing	2015 Strategy
Further evaluate the higher priority identified sites for comprehensive permit development and identify potential for-profit and non-profit development partners	Gives town more control over comprehensive permit locations and opportunity to identify development partners with mutual goals	Town's administrative capacity  Developer willingness to collaborate with Town	New Strategy
Amend zoning to allow for the development of accessory dwelling units as low-and moderate-income housing by right per new RI State legislation and to allow their development on smaller lot sizes than State law  <i>(Currently Accessory Family Dwelling units are allowed by Special Use Permit only to family, New State Legislation allows ADU development by-right)</i>	Provides a means for homeowners, particularly seniors, to obtain extra income, security, companionship, and services  Makes more efficient use of existing housing stock and infrastructure Provides a mix of housing types / rental housing  Allows lower-income individuals to live in typically unattainable	ADU's may be viewed as a potential threat to the stability and character of single-family neighborhoods.  High building costs may make ADU construction cost prohibitive to property owners	New Strategy  New 2024 State Legislation allows for the development of ADU's by right, surpassing local ADU regulations.

	<p>single-family neighborhoods</p> <p>Ordinance could encourage legalization of existing illegal units by waiving any applicable fines for homeowners who are willing to</p>		
<p>Encourage and incentivize the development, adaptation, and use of accessory dwelling units and seasonal properties as year-round and long-term rentals</p>	<p>Makes more efficient use of existing housing stock and infrastructure</p> <p>Provides a mix of housing types / rental housing</p> <p>Increases proportion of year-round rental opportunities</p>	<p>ADU's may be viewed as a potential threat to the stability and character of single-family neighborhoods</p> <p>Lack of interest by ADU or seasonal property owners</p>	New Strategy
<p>Amend zoning to allow for a higher maximum height in certain zones</p>	<p>Allowing for 4 floors in mixed-use and multifamily development could improve the feasibility and reduce the cost of new construction on a per unit basis</p> <p>Could allow Middletown to capture the existing market demand in the region for higher density mixed-use and multifamily units</p>	<p>Community may oppose a reduction in height restrictions due to concern that building higher will alter Middletown's character</p>	New Strategy

To keep up with projected growth, 601 new units are needed in the next 10 years with 38% designated as income restricted (229). To reach 10% affordable, 229 more LMIH units will need to be developed in addition to completion of the 199 slated pipeline LMIH projects. Middletown can likely achieve this 299 low-moderate-income unit target over the next 10 years. Assuming all strategies are implemented and successful, Middletown could potentially reach compliance with the State's 10% low- and moderate-income housing requirement in the not so distant future.

While Middletown supports the State's affordable housing goals, its commitment to meeting its community's housing needs extends beyond the affordability requirements set by the State. Should Middletown achieve its 10% affordable threshold it will continue to implement and assess its affordable housing action plan to ensure it remains an attainable option for current and future residents who want to call Middletown home.



## Goals, Policies, & Implementation Plan

Middletown is committed to building upon its past efforts while pursuing new goals and policies to continue supporting quality housing and expand opportunities for affordable housing development. Middletown's housing goals include:

1. Protect existing supply of affordable housing
2. Provide a variety of housing options that is attainable to and accommodating for all income levels, age groups, and abilities
3. Increase supply of workforce housing
4. Reduce housing costs while promoting more sustainable development
5. Promote safe, connected, and accessible development close to public transit
6. Meet the state's 10% requirement for low-and-moderate income housing
7. Support housing opportunities that support economic development by prioritizing the redevelopment of underutilized commercial and/or vacant spaces

The following implementation plan will be used to work towards accomplishing these goals:

**Table 18. Middletown Housing Implementation Plan**

<b>GOAL H-1: Protect existing supply of affordable housing</b>		
<i>Policy</i>	<i>Action Item</i>	<i>Responsible Department</i>
<b>1A: Monitor existing affordable housing stock</b>	Maintain a detailed affordable housing inventory and work with owners and other partners in effort to preserve expiring units	Planning Department; Affordable Housing Committee
<b>1B: Support creation of low- and moderate-income housing units from existing development</b>	Investigate conversion of mobile home parks into cooperatives	Planning Board
	Expand existing affordable housing developments including Lucy's Heart and Oxbow	Town Council
	Pursue the redevelopment, conversion, and adaptive reuse of vacant or underutilized structures into affordable housing units	Planning Board, Town Council
	Investigate potential to increase density of existing multifamily developments	Planning Board; Planning Department

<b>GOAL H-2: Provide a variety of housing options that are attainable to and accommodating for all income levels, age groups, and abilities</b>		
<i>Policy</i>	<i>Action Item</i>	<i>Responsible Department</i>
<b>2A: Support development of special needs housing</b>	Continue to support subsidized housing for special needs individuals through Community Development Block Grants and other available funding	Town Council
	Apply/advocate for ADA federal and state funding for access and safety improvements for residential units occupied by elderly and disabled tenants/owners	Town Council
<b>2B: Support development of senior housing and opportunities for aging in place</b>	Continue to provide CDBG funding to assist in creating housing for senior citizens	Town Council
	Continue to support Senior Independent Living Facilities as defined in the Zoning Ordinance	Planning Board
	Allow for the adaption of accessory dwelling units to low and-moderate income housing. The amendment to the Zoning Ordinance will allow for appropriate restrictions.	Planning Board, Town Council
	Continue to grant tax exemptions to seniors; allow tax deferments for elderly; and freeze taxes for low-income seniors	Town Council, Tax Accessor
<b>2C: Support development of affordable family</b>	Provide for affordable housing for households up to 120% Area Mean Income (AMI) in Inclusionary Zoning Ordinance	Planning Board; Town Council

and multifamily housing	Encourage a mix of unit sizes, number of bedrooms, and unit typologies in market rate and low- and moderate-income housing developments	Planning Board
2D: Increase the number of year-round rental properties	Incentivize the rehabilitation of unused or underutilized buildings and large homes into multi-family dwellings and rental units	Planning Board; Town Council
	Encourage and incentivize the development, adaptation, and use of accessory dwelling units and seasonal properties as year-round and long-term rentals	Planning Board; Town Council

GOAL H-3: Increase supply of workforce housing		
<i>Policy</i>	<i>Action Item</i>	<i>Responsible Department</i>
3A: Promote the development of workforce housing	Continue to pursue adoption of inclusionary zoning ordinance with density bonus	Planning Board; Town Council
	Explore implementation of a municipal subsidy program with a multi-tiered incentives structure and identify potential funding sources	Planning Board; Town Council
	Prioritize affordable homeownership programs in CDBG applications	Town Council
	Permit forms of housing that are affordable without subsidies, such as multi-family housing, mobile	Planning Board; Zoning Board

	homes and Accessory Dwelling Units	
	Initiate development of new rental housing by allowing multi-family and mixed-use development where appropriate in the Zoning Ordinance	Planning Board; Town Council

<b>GOAL H-4: Reduce housing costs while promoting more sustainable development</b>		
<i>Policy</i>	<i>Action Item</i>	<i>Responsible Department</i>
<b>4A: Advance lower housing costs through the waiving of associated town fees for low-and-moderate income housing development</b>	Develop standards and process for waiving or reducing fees (building permit and other fees) for affordable housing projects	Town Council
<b>4B: Encourage mixed use and transit-oriented developments</b>	Create incentives for developers of mixed-use developments to create low- and moderate-income housing units	Planning Board; Town Council
	Allow mixed use by right in appropriate areas including second story residential over commercial properties	Planning Board; Town Council
<b>4C: Encourage infill development and conversion of existing structures or</b>	Identify areas suitable for infill development/redevelopment	Planning Department

<b>underdeveloped properties into affordable housing</b>	Consider reducing lot sizes, setbacks, and parking requirements to encourage infill  Consider reducing restrictions on lot sizes, setbacks, lot coverage, height, and parking requirements to encourage infill	Planning Board; Town Council
	Continue to investigate municipally and privately owned properties which could be considered suitable sites for the development of affordable residential units	Planning Department
<b>4D: Advance the use of energy efficient and climate resilience measures in building design and construction to decrease housing costs in long term</b>	Enforce energy efficient building codes	Building & Zoning
	Promote energy efficiency programs	Planning Board; Building & Zoning; Town Council
	Incentivize green infrastructure and other flood mitigation measures in new development	Planning Board; Building & Zoning; Town Council

<b>GOAL H-5: Promote safe, connected, and accessible development close to public transit</b>		
<i>Policy</i>	<i>Action Item</i>	<i>Responsible Department</i>
<b>5A: Integrate affordable housing into the community</b>	Ensure affordable units are integrated with market-rate units in new developments whenever feasible, to avoid the	Planning Board; Zoning Board

	concentration of units in specific areas of town	
	Require inclusionary units be on-site whenever feasible	Planning Board
<b>5B: Consider characteristics of surrounding area when reviewing plans for affordable housing</b>	Encourage the siting of affordable housing near existing services, public transit and employment opportunities	Planning Board
	Encourage developments for elderly and special needs housing to be easily accessible to municipal, commercial, and medical facilities as well as transit	Planning Board
<b>5C: Explore a transfer of development rights (TDR) program</b>	Research transfer of development rights (TDR) program	Planning Department
	Explore options for implementation of a regional TDR Program through communication with neighboring communities	Planning Department

<b>GOAL H-6: Meet the state's 10% requirement for low- and moderate-income housing</b>		
<i>Policy</i>	<i>Action Item</i>	<i>Responsible Department</i>
<b>6A: Ensure coordination of affordable housing activities</b>	Maintain an affordable housing committee to implement the affordable housing plan and review the plan's progress annually	Town Council
<b>6B: Identify potential locations for comprehensive permit developments and collaborate with local affordable housing developers to achieve mutual goals</b>	Continue use of Community Development Block Grants (CDBG) funding for programs that create low- and moderate-income units in Middletown supported by the community	Town Council
	Further evaluate the higher priority identified sites for comprehensive permit development and identify potential for-profit and non-profit development partners	Planning Department
<b>6C: Secure funding for affordable housing</b>	Monitor and pursue federal, state, and local funding opportunities for development of affordable housing	Planning Department
	Advocate for increase in project based rental subsidies tied to Middletown housing units	Planning Department
	Explore establishing an affordable housing trust fund	Town Council
	Work with RI Housing, neighboring communities, and other affordable housing partners to maximize the	Town Council

	availability of federal and state resources like the Federal Low Income Housing Tax Credits (LIHTC) and Community Development Block Grants (CDBG)	
<b>6D: Advocate for fair and effective affordable housing legislation at the state level</b>	In partnership with other municipalities, participate in review and update of current affordable housing legislation	Town Council; Planning Department

**GOAL H-7: Promote housing opportunities that support economic development by prioritizing the redevelopment of underutilized commercial, residential, and/or vacant spaces in commercial areas**

<b>6E: Locate housing near existing services and facilities, employment opportunities, and transportation</b>	Coordinate streetscape improvements like sidewalks, crosswalks, bicycle facilities and other amenities so they facilitate maximum affordable housing opportunities	Town Council, Planning Department
<b>7B: Prioritize the redevelopment of underutilized commercial and/or vacant spaces into mixed-use and multi-family housing</b>	Identify commercial areas suitable for mixed-use development	Planning Board; Planning Department
	Identify a range of uses that would complement housing and best accomplish Middletown's economic development goals	Planning Department; Economic Development Department; Town Council
	Incentivize preferred mixed-use developments with density or other bonuses	Planning Department; Planning Board