



6. HOUSING

New Shoreham 2016 Draft Comprehensive Plan

VISION

Residential development on Block Island will be planned and designed in a way that complements and preserves the island's scenic and natural resources. A balance of housing opportunities will be available including attainable and adequate housing for the workforce and others who wish to call Block Island home.

HOUSING

SUPPORTING DOCUMENTS

The Low and Moderate Income Housing Act (R.I.G.L. 45-53-3)

2015 Housing Fact Book. HousingWorks RI at Roger Williams University.

http://www.housingworksri.org/sites/default/files/HWRI_FB15.pdf

Overview

In many ways, housing on Block Island is the community's most important and pressing issue. The availability and affordability of housing is critical to maintaining a year-round island community and strong local economy. High demand for vacation homes and rentals on Block Island has resulted in unattainable housing costs for many year-round residents and a limited supply of seasonal workforce housing. No other Rhode Island municipality has anywhere near the level of dominance by second and vacation homes.

In order to address the shortage of available and affordable housing for citizens of low and moderate incomes, the Town has taken many steps including the creation of a housing trust fund and instituting a tax on seasonal rental housing. Zoning regulations, including density bonuses, accessory apartments and planned development with a focus on affordable housing, have all been adopted and refined to encourage greater use of their provisions, and to assure that the units created serve important housing needs. Both town and privately donated land has been provided for housing development. The needs for seasonal employee housing have also been explored. The organizational, financial and regulatory infrastructure for housing accomplishment is largely in place but the work is not complete and housing needs remain unmet. The Town must continue its activist role and work with partners including the business and environmental communities in order to leverage efforts and achieve mutual goals.

The following housing element assesses the island's current housing stock particularly in terms of affordability, evaluates current and future housing needs, and identifies strategies to increase the supply of affordable housing. This housing element also serves as New Shoreham's Affordable Housing Plan, as required by the Rhode Island Low and Moderate Income Housing Act, RIGL 45-53.

Block Island Housing Data

Current estimates indicate that there are 1,801 housing units on the island. Block Island has an unusually low housing occupancy rate, in that the majority of housing units are considered vacant because they are not occupied year-round. As counted by the 2010 Census, the number of seasonal housing units is 1,253 out of 1,808 total housing units, nearly 70%. This is the single most defining characteristic of Block Island's housing

inventory. This occupancy rate is the lowest in Rhode Island. The next lowest rate is in Charlestown, which has an occupancy rate of 63.1% (with 32% of the town's total housing units considered vacant specifically due to seasonal use). Under the 2010 Census the statewide occupancy rate is 88.3% (a vacancy rate of 10.7%), but only 3.7% of the state's total housing units are considered vacant due to seasonal use.

Of the 202 units added in the decade between the last two Census counts, only 42 (21%) are considered year-round units. If this trend continues, the number of housing units temporarily occupied as a percentage of the total number of housing units will continue to increase.

Total # Housing Units	2000	Estimated Increase from 2000 to 2013
1,801	1,606	195
<i>2013 American Community Survey</i>	<i>2000 Census</i>	

Total # Occupied Housing Units	Occupied Housing Units, as % of Total Housing Units	Total # Vacant Housing Units	Vacant Housing Units, as % of Total Housing Units
391	21.7%	1410	78.3%
<i>2013 American Community Survey</i>			

Total Housing Units	# Seasonal Housing Units	Seasonal Housing Units, as % of Total Housing Units
1,808	1253	69.3%
<i>2010 Census</i>		

Total # Housing Units	Total # Seasonal Housing Units	Total # Year-round Housing Units
1801	1248	553
<i>2013 American Community Survey</i>		

# Single Family units	# SF-units, as % of Total Housing Units	# Multi-Family units	# MF-units, as % of Total Housing Units	# Other Housing Units (Mobile Home, Boat, RV, Van, etc...)	# Other Housing Units, as % of Total Housing Units
1618	89.8%	183	10.2%	0	0.0%
<i>2013 American Community Survey</i>					

# Owner Occupied Units	% Owner Occupied Units	# Renter Occupied Units	% Renter Occupied Units
300	76.7%	91	23.3%
<i>2013 American Community Survey</i>			

Age of Housing Stock

Although there is a large component of historical structures that remain, Block Island's housing is relatively young. The median year built of the housing units on Block Island, according to the American Community Survey (2013), is 1975.

Year	Estimate	Margin of Error	%	% Margin of Error
1939 or earlier	503	+/- 76	27.9%	+/- 4.2
1940 to 1949	70	+/- 32	3.9%	+/- 1.8
1950 to 1959	67	+/- 31	3.7%	+/- 1.7
1960 to 1969	155	+/- 50	8.6%	+/- 2.7
1970 to 1979	204	+/- 44	11.3%	+/- 2.4
1980 to 1989	391	+/- 74	21.7%	+/- 4.0
1990 to 1999	258	+/- 59	14.3%	+/- 3.3
2000 to 2009	153	+/- 50	8.5%	+/- 2.8
2010 or later	0	+/- 13	0.0%	+/- 2.1
Total Housing Units	1,801	+/- 48	-	-
<i>2013 American Community Survey</i>				

Housing Conditions

There are no particular areas on Block Island where a concentration of units with physically poor housing conditions exists. Because of its low population, no published data is available for Block Island, but discussions with the local Building Official indicate that the overall condition of the existing housing stock is remarkably good. However, some housing units on Block Island, particularly seasonal housing and seasonal workforce housing, suffer from deteriorating conditions and residents in some cases live in substandard housing conditions. The Town has utilized resources in the past such as weatherization grants to assist in improving housing conditions.

Recent Housing Development Trend

Over the last two decades, while the rate of home construction and rehabilitation has fluctuated along with the national economy, the trend on the island has been consistent in that most new units are being built as vacation homes, including those built as replacements to modest dwellings which have been torn down. The exception is those units that have been restricted for affordability through public and non-profit efforts. In addition, there have been conversions of existing residences to larger, year-round houses, many occupied by the increasing number of former summer residents retiring and living on Block Island year-round.

Based upon building permit data through the end of 2014, it was estimated that since the 2010 Census there have been about 62 new housing units added on the island. However 11 of these were replacements (single family dwellings constructed in place of “tear-downs”), meaning a net gain of about 51 units. Among these were 17 accessory apartments. Therefore, a fairly accurate estimate of housing units on the island, as of 2015, is 1,850 units, predominately single family (85%). It is important to note that the percentage of apartments increased from 3% to 6% of the total housing units from the 2000 Census to the end of 2013.

As demonstrated by the table below, Block Island has had 9 single family dwellings constructed each year over the past decade.

YEAR	# of New Single Family Dwellings	# of Replacement Dwellings*	Accessory Apartments
2014	9	3	3
2013	9	2	5
2012	4	2	0
2011	5	2	3
2010	7	2	6
2009	2	4	1
2008	4	4	4
2007	40	6	4
2006	9	6	3
2005	7	N/A	5
TOTALS	96	31	34

Source: New Shoreham Building Department

* A completely new dwelling following the demolition of existing dwelling on same site

Housing Cost

High housing costs are mainly driven by the demand for seasonal housing and subsequent high land values on the island. Except when involving public initiatives or funding or both, houses are rarely priced below a million dollars, and condominium sales prices, while lower, are still beyond the reach of most households. Seasonal rental prices make most rental units unaffordable for a twelve-month rental by year-round residents.

As contained in the HousingWorks RI 2015 Housing Fact Book, the median home price on the island is \$1,175,000. The annual report by HousingWorks assumes a down payment of 3.5% and a 30-year mortgage to determine an estimated required monthly payment of \$7,566. The annual income needed to afford this monthly payment is over \$300,000. The median home price and required annual income are by far the highest in the state. For some perspective, the state's estimated average monthly cost of a median price home is \$1,689.

Block Island's home prices are not driven by those who simply meet the minimum income requirements to afford a median priced home, but those with much greater financial resources given much of these homes serve as second homes for the owners.

High housing costs are also exacerbated by the increased costs in construction materials and labor due to the additional transportation costs of ferry and/or air.

THE CURRENT MEDIAN SINGLE FAMILY HOME SALES PRICE

\$1,200,000 (2015, 22 SALES)

General Trend in Home Sales Price

In comparing the average sales price of homes on Block Island to household income, the issue of attainable housing for the workforce is apparent. The median household income of \$90,491 is less than a third of the necessary income in order to be able to afford an average cost home on Block Island. The disparity between wages and home prices makes it incredibly difficult for workers to afford to live on Block Island and unlike other communities in Rhode Island, commuting from a nearby town is not an option.

Single Family		Multi-Family		Condo		
Year	Median Sales Price	# of Sales	Median Sales Price	# of Sales	Median Sales Price	# of Sales
2014	\$ 1,175,000	31	N/A	0	\$ 560,000	5
2013	\$ 1,100,000	23	N/A	0	\$ 375,000	3
2012	\$ 1,448,000	15	\$ 690,000	2	\$ 652,500	4
2011	\$ 970,000	7	\$ 1,425,000	3	\$ 530,000	3
2010	\$ 1,275,000	3	N/A	0	N/A	2
2009	N/A	0	N/A	0	N/A	0
2008	\$ 620,000	1	No Data Available		\$ 2,000	1
2007	\$ 1,250,000	2			\$ 392,000	1
2006	N/A	0			N/A	0
2005	N/A	0			N/A	0
2004	N/A	0			No Data Available	

Source: RILiving.com Home Sales Statistics, RI Association of Realtors

There is limited available data on cost of rentals on Block Island. Below are some figures which represent estimated rents for two-bedroom units averaging between \$1,100 and \$1,200 per month. This data does not represent the cost of rental housing during the summer months. Many rental units are not available for year-round residencies as the owners either occupy the property in the summer or generate income from weekly or monthly vacation rentals during peak summer months.

Year	2-bedroom Units
2014	N/A
2013	\$1,154
2012	N/A
2011	\$1,150
2010	\$1,165
2009	\$1,170
2008	\$1,232
2007	\$1,142
2006	\$1,172
2005	N/A
RI Rent Survey, HousingWorks	

Affordable Housing

Under the RI Low and Moderate Income Housing Act, housing units which meet the definition of low or moderate income (LMI) units and which are included in the inventory of such units as a percentage of the year-round housing units in a municipality, must have been produced with the assistance of some form of public subsidy, whether municipal, state, or federal, and their continuing affordability must be assured for 99 years through a deed restriction and/or land lease.

These units are priced to be affordable to low or moderate income households, with housing costs restricted to 30% of gross annual income, as follows:

Up to 120% of area median income, adjusted for family size, for ownership units

Up to 80% of area median income, adjusted for family size, for rental units

Area median incomes, income limits for low and moderate income households, and housing prices to meet those income limits are established annually by Rhode Island Housing, who also maintains the official count of the LMI units in each municipality. Under State law, the total number of a low or moderated income housing units in a (non-urban) municipality should be in excess of 10% of the total number of year-round housing units, or the town is subject to the provisions of a comprehensive permit application. A comprehensive permit is a single application to a local review board for a housing development which may exceed local zoning and other land use requirements provided that the proposed development include at least twenty-five percent (25%) of the housing as low or moderate income.

The following table summarizes Block Island's inventory of low and moderate income housing units, as of November 30, 2015.

Table H-11 New Shoreham Low and Moderate Income Housing Units			
Development Name	Units & Type	Zoning District / Density Increase	Sponsor
Searles Ball Apartments	16 rental	Service Commercial; Greater than 100%: 16 units on 2.3 acres	BI Economic Development
West Side Development	20 ownership	Service Commercial; 10K SF lots / 20K required	BI Economic Development
Old Harbor Meadows	8 ownership 1 rental	Greater than 100%	BI Economic Development
Beacon Hill Development	7 ownership	Residential A Zone; Greater than 100%: 7 houses on a total of 12 acres	BI Economic Development
Pilot Hill Road	4 ownership	Residential B Zone; 4 houses on a total of 3 acres	Town
Seawinds	1 ownership	Residential B Zone	Private Developer; Comprehensive Permit
Champlin Road	2 ownership		
Totals	42 ownership 17 rentals	N/A	N/A

All units above qualify as low and moderate income housing under the RI Low and Moderate Income Housing Act (as verified by Rhode Island Housing), and are counted towards the required percentage of the island's year-round housing according to the 2010 Census (555 units).

In total, there are 42 ownership and 17 rental units on Block Island which qualify as low or moderate income housing. These units total 10.63% of the total 555 year-round housing units on Block Island. **BLOCK ISLAND IS THE FIRST RHODE ISLAND TOWN TO MEET AND MAINTAIN OVER 10% OF ITS YEAR-ROUND HOUSING UNITS AS LOW OR MODERATE INCOME.** As construction of year-round housing increases, additional low-and-moderate income housing units will need to be created in order to maintain the state's minimum 10%. While New Shoreham does strive to maintain its 10% minimum of state defined LMI housing, the town's goals and efforts related to affordable housing are more importantly directed towards addressing the real and ongoing housing needs specific to Block Island.

Locally, New Shoreham has expanded eligibility for affordable housing up to 140% gross median annual for both ownership and rental units. These units must also be deed restricted in perpetuity. The reason that a higher income range still qualifies for an affordable unit on Block Island is due to the large gap between market prices for homes on the island, and the prices that qualify as "affordable" under most public subsidy rules (annually costing less than about 30% of the income of a household) as described below.

The following table summarizes Block Island’s additional inventory of units with affordability restrictions. These units do not qualify as low-and-moderate income housing units because of the higher income limit (Coast Guard Road), or because they were not created with a government subsidy. The accessory apartments are scattered throughout the island and require verification by the Building Official following inspection every three years.

Development	Units & Type	Density Increase	Sponsor
Coast Guard Road RA Zone	2 ownership	Greater than 100%: house lots less than acre	Housing Board
Salt Pond Settlement PD Zone	9 ownership out of 32 total units	Greater than 100%	Private
Accessory Apartments	37 rental	Double	Private
Totals	11 ownership 37 rental		

HOUSING NEEDS

Year-Round Housing

The Housing Board has found that there is a strong demand among residents for single family ownership units. Over the years, the Block Island Housing Board has worked to quantify the actual demand for year-round housing on the island. The Housing Board developed and distributed an affordable housing questionnaire which asks respondents what their needs and preferences are for affordable year-round housing – ownership vs rental, type of unit (single family, single family attached, condo, apartment, townhouse) and number of bedrooms – as well as the income they have available for monthly housing expenses. Of the 55 who responded to the question of ownership vs rental, 36 (65%) preferred ownership, 10 (18%) preferred rental and 9 (17%) had no preference.

AS OF 2015 THE HOUSING BOARD HAS A LIST OF 59 RESIDENTS, REPRESENTING BOTH INDIVIDUALS AND FAMILIES, WITH A NEED FOR STABLE YEAR-ROUND AFFORDABLE HOUSING.

With an inventory of 59 low-and-moderate income housing units, Block Island has only met half its known demand for affordable year-round housing for its residents. A significant portion of these households have already been deemed income eligible to purchase or rent affordable units. These residents represent over 10% of Block Island’s year-round community and their housing is critical to sustaining the island as a healthy and viable year-round community. Provision of these units, subsidized by reduced-price or donated land and built at cost, must continue to be a priority effort of the Town and the Housing Board.

Year-round affordable housing units, both ownership and rental, must be created in response to actual housing needs on the island, whether they qualify under the RI Low and Moderate Income Housing Act or

not, and even if the Town continues to meet or exceed the goal of greater than 10% low and moderate income year round housing units as required under the state law. Year-round affordable housing should consist of a variety of housing types, both ownership and rental, to meet various housing needs, including single family units, duplexes and condominiums; secondary dwellings and caretaker houses; and accessory apartments and apartments over retail.

The development of five single family affordable homes on a 4.5 acre parcel in the southwest corner of the island, and designed according to the reduced density allowed non-profit developments as well as flexible residential design, is underway with construction and occupancy expected by 2016 or early 2017.

Seasonal Worker Housing

In addition to the need for year-round housing is the need for seasonal housing for the employees of the hotels, inns, restaurants and shops that serve the tourism industry. Unless they have a family home on the island or local connections that include shelter, all seasonal employees need to either have housing provided as part of their employment or locate it on their own. As with homeownership, there is a dual market for seasonal rentals – one marketed to vacationers, and one needed for seasonal workers who do not have the resources to compete for housing with the summer visitors.

Many businesses do provide housing for all or some of their employees, but many seasonal workers struggle to find decent and affordable housing on the island and as a result live in sub-standard conditions.

Senior Housing

Currently, none of New Shoreham's low-and-moderate income housing units are designated as senior housing. In recent history, there has been relatively little interest on Block Island for housing specifically designed and dedicated for seniors. In the early 1990s when a project (Martin House) was to have been so-limited, applicant interest was so low that the age limitation was dropped. However, increased demand for housing designed for seniors, affordable and market-rate, can be expected as the population ages. Between the 2000 and 2010 Census, there was a shift in the age breakdown of New Shoreham's population with greater numbers of older and retired persons as compared to the very young and working age adults. As Block Island's senior population continues to grow, so may the need for housing designed for one and two person households at a variety of price ranges. There will be a growing need for smaller, empty-nester type homes for residents wishing to "downsize" their living accommodations and assisted living or caretaker housing.

Special Needs

The island is planning for housing that will include units designed to accommodate those with special needs such as a vision or mobility disability. However, the number of persons sharing any single special need is so small that providing such services through a housing-based program is rarely if ever likely to be feasible on the island.

Homeless

There is no homeless shelter or shelter beds currently available on Block Island, nor a recorded homeless population. However, unofficial helping hands of this close-knit island community do provide assistance for those at the brink of homelessness or without safe shelter.

HOUSING ORGANIZATIONS

Block Island Economic Development Foundation

The Block Island Economic Development Foundation (“BIED”) has been a leader in the development of affordable housing units, including nine units at Old Harbor Meadows, and the 20-unit all-affordable project on West Side Road.

Block Island Housing Board

The Block Island Housing Board was established to administer the Block Island Housing Trust Fund which is principally funded by a seasonal house rental tax, limited to 1% of the prevailing market rate. The seasonal rental tax is assigned against every property owner or person who rents, leases or lets any living quarters in a seasonal manner (six months or less). It consists of no more than one percent (1%) of the actual rental received for seasonal rental.

The Housing Board can also accept loans, grants and private donations. The duties of the Housing Board are to use its available funding to create affordable year-round and seasonal housing. It can do so by purchasing, selling, developing or restoring real estate and then selling, renting or leasing property with appropriate restrictions to ensure affordability in perpetuity.

As of 2015, the Housing Board has been responsible for the development of two single family ownership units, with five more to be constructed in 2016.

LOCAL HOUSING PROGRAMS AND POLICIES

Town of New Shoreham Zoning Provisions

On Block Island addressing housing needs has been a community effort involving a truly broad array of organizations and people, including not just the Town and nonprofits, but individuals who have made donations of land as a result of zoning incentives. Since the last Comprehensive Plan update (2009) there have been many efforts to increase opportunities, as well as many completed projects. This can be traced to the regulatory facilitation for such housing, which is particularly strong and is summarized below.

Section 405 Affordable Housing

The principal zoning regulation providing for the development of affordable housing units is Section 405 which allows an increase in residential density for the provision of affordable units. Market units must have the minimum required lot area for the appropriate zone, but affordable units can be approved for half the minimum required lot area per unit. Affordable units in a non-profit development can be approved for a

quarter of the minimum required lot area. The density increase is granted as a special use permit by the Zoning Board of Review, with development plan review by the Planning Board. As of 2015 this provision has resulted in the development of thirty-one LMI and two affordable single family home ownership units. Both projects were developed by non-profits.

Section 319 Planned Development Zone

The planned development regulations were initially established for the purposes of developing affordable units, or just below rate market units, as part of a major development or redevelopment of one or more parcels in certain zoning districts. It allows the Town Council to rezone parcels as a PD Zone following the approval of a development plan by the Planning Board. As part of the approval, the Town Council can grant waivers or relief from the requirements of the underlying zoning district to allow a variety of uses, with an emphasis on affordable housing, as well as flexible dimensional standards.

As of 2015 this provision has resulted in the development of eight ownership and one rental housing unit at Old Harbor Meadows, all which qualify as state LMI units, and nine affordable ownership units (out of thirty-two) at Salt Pond Settlement, which involved the conversion of an inn to condominiums.

Section 513 Accessory Apartments

This section allows the Zoning Board to grant a special use permit to allow an accessory apartment in either a principal residential building or accessory structure for rental to either year-round residents or in the case of such units provided in the commercial zones, to seasonal workers. Vacation rental is prohibited, enforced by the Building Official in the form of a signed affidavit recorded with the deed, and by periodic inspection. An owner may voluntarily deed restrict such apartment as affordable in exchange for a property tax reduction equivalent to the value of the accessory apartment. In such cases the unit is monitored by the Housing Board to ensure that the renter meets the income limits. The deed restriction can be removed by the property owner, but not without substantial penalty.

As of 2015, this regulation has allowed 37 year-round accessory apartments, none of which qualify as low-and-moderate income housing units, even if deed restricted because the units were not created with a public subsidy.

Section 403/404 Secondary Dwelling and Attached Multi-Family Development

Section 403 of the zoning ordinance was intended to provide additional housing opportunities for Block Island families by allowing more than one dwelling unit per lot provided certain lot area and dimensional standards related to the secondary dwelling are met. Section 404 allows the development of multi-units in existing buildings in the commercial zones. Both regulations also allow the Zoning Board to grant dimensional variances (lot areas, setbacks, coverages) if the secondary dwelling is to be affordable, (such variances otherwise prohibited for secondary dwellings).

As of 2015, while a number of secondary and multi-family units have been developed, it has not resulted in the creation of units with affordability restrictions or low-or-moderate income units.

Section 411 Commercial/Residential Mixed Use

This section, modified in 2009, allows the establishment of apartments over stores in the mixed use and commercial zones provided at least 40% of the units (or a minimum of one) are either employee housing (as regulated in Section 513) or state defined LMI units.

Section 712 Comprehensive Permits for Low and Moderate Income Housing

This section includes the procedures for the provision of low and moderate income units by either non-profit or private developer as a comprehensive permit as allowed under the RI Low and Moderate Income Housing Act.

As of 2015 there has only been one comprehensive permit application, which resulted in four market rate units and one qualified LMI unit.

POLICIES & STRATEGIES

Adaptive Reuse of Existing Structures

Where possible, there is a preference for achieving affordable housing units through creative reuse of existing structures. This is exemplified by the Salt Pond Settlement, where below-market units were created through adaptive reuse of an inn.

Existing structures, otherwise slated for demolition, preserved from other sites can also be used. A program to move and re-use “tear-downs” for conversion into affordable or public housing units is supported by the demolition delay provided for in the zoning ordinance. The Demolition Review ordinance (Section 711) is designed to allow alternatives to be taken, including relocation of the structure onto another site, where it can become an affordable unit. However, costly upgrades, including bringing structures into compliance with existing building codes, can be a deterrent.

Adaptive re-use of structures on-site and the relocation of structures to be otherwise demolished are viable options, but require a program in place to both provide funding for conversion (the subsidy) and receiving land.

Appropriately Locate Affordable Housing

There is also a preference for sites requiring less auto dependence and in areas that are already served by infrastructure, facilities and municipal services. Structures located within the village (downtown and transition areas) are especially appropriate for such adaptive reuse, because of the available density and variety of allowable uses and housing types. Targeting housing development in these areas can reduce municipal and resident expenses. Infrastructure extensions including new roads, sewers, water mains, and electricity lines can be expensive, even without taking into account the cost of maintaining the infrastructure over time. While these costs are often not borne by the municipality, they are spread across all of the rate payers, increasing user fees and the overall cost of living in a community. From an overall cost perspective, the best place to target new residential development is within existing developed areas and for New Shoreham that suggest the village area. However, at the same time it is important that a diversity of housing

opportunities be available throughout the island and not concentrated to one area. Therefore, there is support for the creation of well-sited affordable units outside of the village as well.

Advocate for Fair and Effective Affordable Housing Legislation at the State Level

It is the Town's position that all units which are developed or established with a local subsidy, including density bonuses for private developers, and which are deed restricted, should be counted on the Low-and-Moderate Income Housing Chart despite being sold to residents with slightly higher median incomes. The skewed housing market on Block Island can justify this increase. An adjustment for Block Island should be part of amendments to the state law that allows some accommodation for local conditions.

**LOCAL EFFORTS INCLUDE PETITIONING THE STATE TO
EXPAND THE INCOME RANGE TO 140% OF AREA MEDIAN
INCOME FOR INCLUSION ON THE LOW AND MODERATE
INCOME HOUSING CHART.**

Develop a Housing Program for Municipal Employees

Alternatives for addressing the housing needs of town or school employees otherwise unable to afford to live on the island, whether through housing subsidies for key employees or the acquisition of housing units must be explored. Cost-effective options to accommodate seasonal municipal employees and consultants for the town needing temporary housing should also be explored.

Support Construction of Seasonal Workforce Housing

A great challenge to operating a business on Block Island is the lack of affordable and temporary housing for the seasonal workforce. As such, many businesses including inns, restaurants, and shops provide housing as part of their employment package in order to recruit seasonal workers. Seasonal workers not provided with housing often live in sub-standard conditions including overcrowding in order to afford housing during the peak summer season.

To address this critical housing and economic development issue, the Town should work cooperatively with employers to promote the development of multi-unit temporary employee housing. Seasonal employee housing can be developed with relatively low construction cost per unit by taking advantage of the sharing of facilities such as kitchens. Allocating land and minor funding from the Housing Board should be explored along with community cooperation in developing and furnishing the units.

Evaluate Local Tax Assessment Policy

Steps the Town could take to mitigate any negative impacts of tax revaluation should be identified and explored. The Town could also petition the RI Legislature to enact authorization for New Shoreham to provide homestead tax exemption as has been done for Providence and Woonsocket, providing reduced property taxes for dwellings occupied as a principal residence by a registered voter, and without seasonal rental. An additional strategy related to local tax policy that should be explored is providing tax incentives to owners for offering year-round rental of their homes to income eligible residents.

Review and Update Local Regulations Related to Housing

Block Island has taken many steps over the years in its regulations to facilitate housing affordability. However, it is still necessary to review the zoning and land use regulations to ensure that there are adequate provisions for housing alternatives in all appropriate zones, including affordable units, multi-family and mixed use buildings, family compounds and secondary dwellings. The establishment of local regulations to address seasonal workforce housing development should be explored. There is a particular need for regulations related to the provision of on-site seasonal housing for hospitality businesses. New regulations should include a requirement that new or expanding businesses relying on seasonal workers submit plans for how employees will be housed as part of project review and approval.

Formalize Affordable Housing Units in Perpetuity

There are many ways of reducing the price of a given housing unit and assuring that it stays that way. Communities like Block Island commonly use federal grants to help write down the unit price, and in return attach a deed restriction assuring that the initial level of affordability will be maintained over time and ownership change. Potential locations exist all over the island. The units produced should include ones adapted to meet requirements for seniors and for households having special needs that can be met through adaptation of the housing unit.

As of 2015, there are also about thirty-seven accessory apartments established under Section 513 of the Zoning Ordinance that are not deed restricted or have any type of long term legal protection to keep them as attainable year-round apartments. A stronger monitoring program and/or a tax abatement program should be established to maintain this inventory of year-round apartments.

Inclusionary Zoning

Block Island does not currently have an inclusionary zoning ordinance. The town will explore inclusionary zoning as a requirement of larger-scale residential development with the option to provide a payment in lieu. A municipal subsidy program including a substantial density bonus would be required to make projects feasible. An inclusionary zoning ordinance can assist the town in maintaining its percentage of LMI units as new residential development occurs. Some benefits of inclusionary zoning are that it requires minimal municipal funding and a distribution of affordable housing units throughout a community rather than concentrated in one location. However, inclusionary zoning will not produce a significant number of units during weak housing markets and in communities with a limited number of large-scale residential development, as is the case on Block Island. The payment in lieu option could provide an additional source of funding or land to the Town for affordable housing efforts.

Mixed-Use Development

Mixed-use development in appropriate locations would provide the island with a greater diversity in type of housing stock. This type of development makes more efficient use of land and infrastructure and would be appropriate within and nearby the village area (Old Harbor and New Harbor). Housing units could be created over existing commercial structures.

Redevelopment of Vacant or Underutilized Public Property

Efforts to address housing needs should look for opportunities to use existing buildings instead of new construction to avoid the possible negative impacts related to new development. Buildings currently owned by the Town could provide appropriate locations for the creation of affordable housing units or temporary workforce housing. This strategy has the potential to create units at lower development costs and with less visual impact than new development. However, it could eliminate future use of the public property for other potentially needed public uses.

DRAFT

Goals, Policies & Implementation Actions

GOAL HI: Meet the needs of residents for attainable year-round homeownership and rental housing opportunities

POLICY	ACTION	RESPONSIBLE PARTY	TIMEFRAME
HI.A. Promote the production of attainable year-round housing	HI.A.1. Consider adopting an inclusionary zoning ordinance with a municipal subsidy system and option to pay-in-lieu	Planning Board	Medium-term
	HI.A.2. Identify additional sources of funding for Housing Trust Fund	Town Council; Finance; Town Manager; Housing Board	Ongoing
HI.B. Increase the supply of rental housing	HI.B.1. Explore providing tax incentives to owners who offer year-round rental of their home to income eligible residents	Town Council; Finance; Town Manager; Housing Board	Medium-term
HI.C. Support redevelopment of vacant or underutilized structures into affordable housing units	HI.C.1. Identify both town and privately owned properties which could be suitable sites for the development of affordable residential units	LCAS; Planning Board; Town Manager; Housing Board	Short-term
HI.D. Protect existing affordable housing stock	HI.D.1. Monitor deed restrictions of affordable housing units and act proactively to ensure units do not expire and transition to market-rate housing	Housing Board	Ongoing
HI.E. Continue to permit forms of housing that are affordable without subsidies such as accessory apartments	HI.E.1. Establish a stronger monitoring program and/or a tax abatement program for accessory apartments	Planning Board; Town Council	Ongoing
		Town Manager; Town Council; Building, Zoning, Land Use & Planning; Finance	Medium-term
HI.F. Proactively plan for the future housing needs of the community	HI.F.1. Evaluate demand for senior and special needs housing	Housing Board; Building, Zoning, Land Use & Planning; Planning Board	Medium-term; Ongoing
	HI.F.2. Acquire and hold land for future affordable housing needs	Town Council; Housing Board	Ongoing
HI.G. Support initiatives to reduce housing cost including utility costs	HI.G.1. Evaluate current tax assessment policies and explore instituting a homestead tax exemption	Town Council; Finance; Tax Assessor; Town Manager	Medium-term

	H1.G.2. Investigate housing subsidy program option for workers (current and retired) fulfilling necessary government functions	Town Council; Finance; Town Manager	Medium-term
	H1.G.3. Explore options for town provision of seasonal and/or temporary housing / overnight accommodations for temporary town employees or contractors	Planning Board; Town Manager; Facilities Manager; Town Council	Medium-term
H1.H. Continue to exceed the state's required minimum of 10% low-and-moderate income housing			
H1.I. Advocate for fair and effective affordable housing legislation at the state level	H1.I.1. In partnership with other municipalities, participate in review and update of current affordable housing legislation	Town Council; Housing Board; Town Manager	Ongoing

GOAL H2: Achieve sustainable housing production which results in a diversity of housing choices and healthy housing conditions

<u>POLICY</u>	<u>ACTION</u>	<u>RESPONSIBLE PARTY</u>	<u>TIMEFRAME</u>
H2.A. Ensure adequate and affordable housing is available for seasonal workforce	H2.A.1. Foster public private partnerships to address seasonal workforce housing needs	Town Manager; Town Council	Short-term
	H2.A.2. Advance zoning measures to facilitate the provision of seasonal workforce housing by the private sector	Building, Zoning, Land Use & Planning; Planning Board	Short-term
	H2.A.3. Conduct an education and outreach campaign to raise awareness about seasonal workforce housing needs; encourage owners to rent rooms to seasonal workers	Housing Board; Town Council	Ongoing
H2.B. Maintain a housing stock that is safe, healthy and sanitary	H2.B.1. Inform homeowners about resources to assist with home repair, maintenance and winterization	Building, Zoning, Land Use & Planning; Minimum Housing Inspector	Ongoing
H2.C. Ensure new housing development is directed to areas with existing infrastructure and designed in a way that minimizes impacts on natural and scenic resources	H2.C.1. Promote low housing densities where public services are unavailable and are not planned	Planning Board	Ongoing
	H2.C.2. Promote conservation-style development requiring open space set asides in all new major subdivision	Planning Board	Ongoing

Timeframes: Short-term (1-3 years); Medium-term (4-6 years); Long-term (7-10 years)

Appendix H-A Housing Cost Burden

The Comprehensive Housing Affordability Strategy (CHAS) data, available through the US Department of Housing and Urban Development, is intended to determine the number of households in need of housing assistance by estimating the number of households which spend greater than 30% of household income on housing, with a focus on low income renters. The following data tables are required by the State for inclusion in local Comprehensive Plans.

According to CHAS data, there is an estimated 25% of households on Block Island that have a housing cost burden (paying more than 30% of their income on housing) and 8% that are severely housing cost burdened (paying more than 50% of their income on housing).

Housing Cost Burden				
Total Households w/ a Housing Cost-burden			Total Households	Total Households w/ a Housing Cost-burden as a percent of Total Households
<i>Households with a Housing Cost Burden > 30% but < 50%</i>	<i>Households with a Housing Cost burden > 50%</i>	<i>Total Households with a Housing Cost-burden</i>		
68	32	100	395	25.3%

* Source: HUD CHAS data derived from 2012 ACS 5-Year Estimates.

Severe Housing Cost Burden		
Total Households that are Severely Housing Cost-burdened	Total Households	Total Households that are Severely Housing Cost-burdened as a percent of Total Households
32	395	8.1%

* Source: HUD CHAS data derived from 2012 ACS 5-Year Estimates.

Number of Low-and-Moderate Income households that are housing cost burdened, also as a percent of total LMI households.					
LMI Households w/ a Housing Cost-burden				Total LMI Households	Total LMI Households w/ a Cost burden, as a % of Total LMI Households
<i>Household Income <=/= 30% HAMFI</i>	<i>Household Income > 30% to <=/= 50% HAMFI</i>	<i>Household Income >50% to <=/= 80% HAMFI</i>	Total LMI Households that are Cost-burdened		
25	8	4	37	80	46.3%

Housing Cost-burdened - Households paying greater than 30% of their income on housing.
LMI Household - A household earning up to 80% of the area median income.

* Source: HUD CHAS data derived from 2012 ACS 5-Year Estimates.

Number of Low-and-Moderate Income households that are severely housing cost burdened, also as a percent of total LMI households					
LMI Households that are Severely Housing Cost-burdened				Total LMI Households	Total LMI Households that are Severely Cost-burdened, as a % of Total LMI Households
<i>Household Income <= 30% HAMFI</i>	<i>Household Income > 30% to <= 50% HAMFI</i>	<i>Household Income >50% to <= 80% HAMFI</i>	Total LMI Households that are Severely Cost-burdened		
10	4	4	18	80	22.5%
Severely Housing Cost-burdened - Households paying greater than 50% of their income on housing.					
LMI Household - A household earning up to 80% of the area median income.					
* Source: HUD CHAS data derived from 2012 ACS 5-Year Estimates.					

Number of LMI renter households that are housing cost-burdened, also as a percent of total LMI households					
LMI Renter Households w/ a Housing Cost-burden				Total LMI Households with a cost-burden	Total LMI Renter Households w/ a Cost burden, as a % of Total LMI Households
<i>Household Income <= 30% HAMFI</i>	<i>Household Income > 30% to <= 50% HAMFI</i>	<i>Household Income >50% to <= 80% HAMFI</i>	Total LMI Renter Households that are Cost-burdened		
4	0	0	4	37	10.8%
Housing Cost-burdened - Households paying greater than 30% of their income on housing.					
LMI Household - A household earning up to 80% of the area median income.					
* Source: HUD CHAS data derived from 2012 ACS 5-Year Estimates.					

Number of LMI owner households that are housing cost-burdened, also as a percentage of total LMI households.					
LMI Owner Households w/ a Housing Cost-burden				Total LMI Households with a cost-burden	Total LMI Owner Households w/ a Cost burden, as a % of Total LMI Households
<i>Household Income <= 30% HAMFI</i>	<i>Household Income > 30% to <= 50% HAMFI</i>	<i>Household Income >50% to <= 80% HAMFI</i>	Total LMI Owner Households that are Cost-burdened		
20	8	4	32	37	86.5%
Housing Cost-burdened - Households paying greater than 30% of their income on housing.					
LMI Household - A household earning up to 80% of the area median income.					
* Source: HUD CHAS data derived from 2012 ACS 5-Year Estimates.					