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Town of Hopkinton 2003 Affordable Housing Plan: An Analysis of Affordable Housing Needs and a Plan for Creating Affordable Housing, Adopted by the Hopkinton Town Council 11/03

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Town of Hopkinton
2003 Affordable Housing Plan

An Analysis of Affordable Housing Needs And a Plan for Creating Affordable Housing

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A Plan and Research Project Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Community Planning

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MASTER OF COMMUNITY PLANNING

RESEARCH PROJECT

OF

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Abstract

This plan was commissioned by the Planning Department of the Town of Hopkinton, Rhode Island in 2004. Its purpose was to study the affordable housing situation in Hopkinton and make recommendations that would increase the quantity of affordable housing in the town through the introduction of new regulatory and planning policies.

If followed the plan would lead to the creation of: 1) a Mandatory Inclusionary Zoning Ordinance, 2) an Affordable Housing Foundation, 3) an Affordable Housing Trust Fund, 4) a policy of using local discretionary funds for affordable housing programs, 5) a commitment to contract a private non-profit housing organization to provide local housing referral, 6) a policy of increasing density bonuses for affordable units, 7) a commitment to consider implementing a "Historic Restoration Strategy for Village Infill", 8) Residential Incentive Zone Overlays and a policy of Conditional Rezoning, 9) a Linkage Ordinance, 10) a Demolition Delay Ordinance, 11) additional Local Historic Districts, or Neighborhood Conservation Districts, 12) a public affordability commitment policy, 13) a partnership with local banks to participate in affordable housing programs within the community, 14) an amendment to the Comprehensive Permit Ordinance to place all homes built using Comprehensive Permit under the building cap, 15) an Open Space Plan, 16) Open Space Plan Create Overlay Zones, 17) a Design Review Board, and 18) Slope and Elevation Protection Ordinances and Scenic Viewshed Protection Ordinances.

Acknowledgements

This plan was a joint effort involving Town Planner Jason Pezzullo of the Hopkinton Planning Department, and both Dr. Farhad Atash, and Professor Marjorie Jensen of the University of Rhode Island Community Planning Department.

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1.1 The Need for Affordable Housing in Hopkinton

In the last twenty years the cost of a home in Hopkinton has skyrocketed, the median home sale price has gone from $50,000 in 1982 to $201,000 in 2002. The median income has also risen, but not nearly in keeping with the price of home sales. Washington County has become the hottest real estate market in the state.

Both statistical data and anecdotal evidence suggest that it is becoming more and more difficult for the children of Hopkinton's families to afford homes because starter homes are rarely being built in the town or in the county. In addition, as tax evaluations have gone up it has become increasingly difficult for every resident to afford their housing expenses.

Home affordability is a problem nationwide and in Washington County as a whole. Accordingly, solutions have been created in other places that are worth importing. This plan outlines the problem of affordability for the town's policymakers and begins to present the soundest practical advice available.

1.2. Goals and Objectives of the *2003 Affordable Housing Study*

The Hopkinton Planning Department was directed to prepare this plan in May of 2003. The plan assesses the increasing need in the town for housing that is affordable, reviews the town's past housing policies, and suggests a plan for meeting the town's affordable housing need. Ultimately this plan will lead to the creation of more affordable housing in town.

The plan was made necessary by two events: 1) the rising cost of housing in Hopkinton and 2) state guidelines mandating the creation of subsidized housing in Rhode Island's rural and suburban towns.

Rhode Island's Low and Moderate Income Housing Fair Share 10% Act was passed in 1991 and amended during the legislative session of 2002. The Act mandates that 10% of every Rhode Island municipality's housing stock be subsidized by state or federal monies to insure long-term affordability. The adoption of this plan will bring Hopkinton into compliance with the Act.

The Act has been praised nationally in comparison to similar legislation passed in Massachusetts and New Jersey because Rhode Island's Fair Share Act emphasizes local control. It is the understanding of the Hopkinton Planning Department that with the adoption and execution of this plan the town of Hopkinton will regain the right to refuse affordable housing proposals which do not conform to the town's zoning and subdivision regulations. For nearly 300 years in New England land use has been controlled at the municipal level.

This plan will guide the creation of: 1) market-rate affordable housing, which will work toward keeping Hopkinton broadly accessible to low to moderate income residents, and 2) the subsidized affordable housing that will count toward the town's 10%.

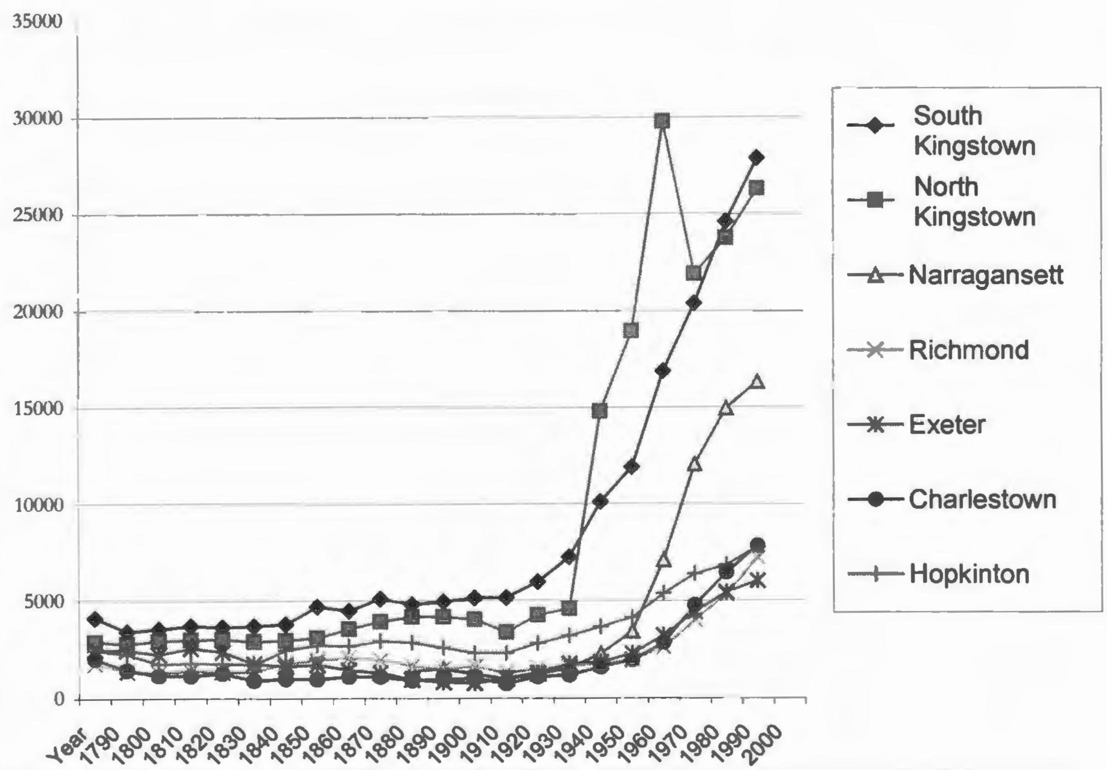
Novel to this affordable housing plan are recommendations to preserve the community's character. While often these two goals are believed to be at odds, it is doubtful that Hopkinton will be able to sustain an affordable housing agenda either in good spirit or politically if the undeniable effects the creation of affordable housing will have on the property tax rate and quality of life for Hopkinton's residences are not mitigated. In its attempt to balance two worthwhile community goals: the creation of housing and the preservation of the town's quality of life, this plan operates in a way similar to the town's Comprehensive Plan with its various components.

2.1 Population Growth

Demand for housing increases with the population. Population growth in Washington County has bounded since 1940, though unevenly (Figure 1).

Hopkinton's population fluxuated slightly for 150 years, from 1790 to 1940, averaging 2285 persons. In 1940 the population began to rise steadily. Hopkinton experienced more growth between 1940 and 2000 than in the 150 years before. In 2000, the population was double 1950 (increasing from 3,676 to 7,836). Still, the towns of Hopkinton, Exeter, Richmond and Charlestown have not seen the exponential increases experienced in South Kingstown, North Kingstown and Narragansett.

Figure 1
Rural, Mainland, Washington County
Populations by Town 1790 - 2000



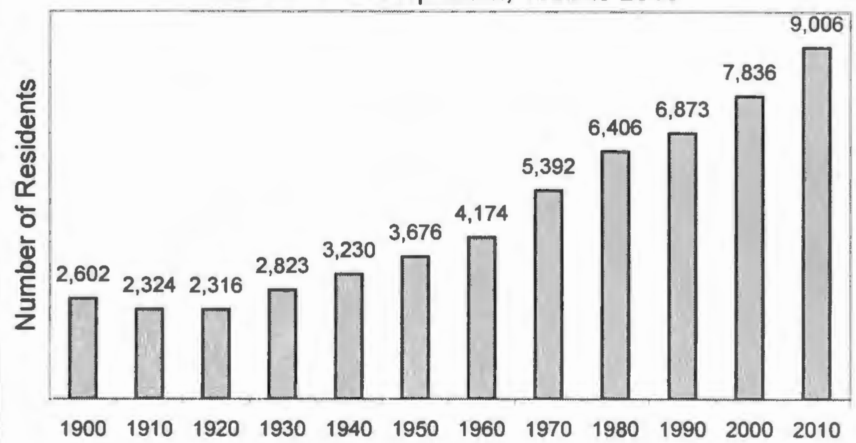
Source: U.S. Bureau of the Census, 1790 to 2000
Complete Data Set Available in Appendix A, Table 30

Hopkinton will be impacted by the southerly movement of the state's population along Routes I-95 and 3. Just as Cranston and Warwick grew during the 1950s and 1960s, and East Greenwich, North Kingstown, South Kingstown and Narragansett grew in the 1970s and 1980s, so Hopkinton Exeter, Richmond, and Charlestown are expected to grow in the decades ahead.

Hopkinton's population is expected to surpass 9,000 by 2010 (Figure 2).

Population forecasts are notorious for missing their mark. However, the 2010 expectation of 9,096 people in Figure 2 was computed using the following logic: the town's average number of persons per household as of 2002 was 2.66 persons (Table 6). Each quarter 11 housing units are allowed to be built, not exceeding 44 in one year, according to the Growth Management Ordinance of 2001. Adding 44 housing units per year with 2.66 persons over 10 years brings the 2000 total to 9,006 persons. Despite the fact the town has issued an average of 40 permits per year between 1980 and 2002 (see Figure 6) the Low and Moderate Income Housing Act is expected to bring this total to the maximum allowed by the building cap.

Figure 2
Long-Term Population Trend and Forecast for Hopkinton, 1900 to 2010

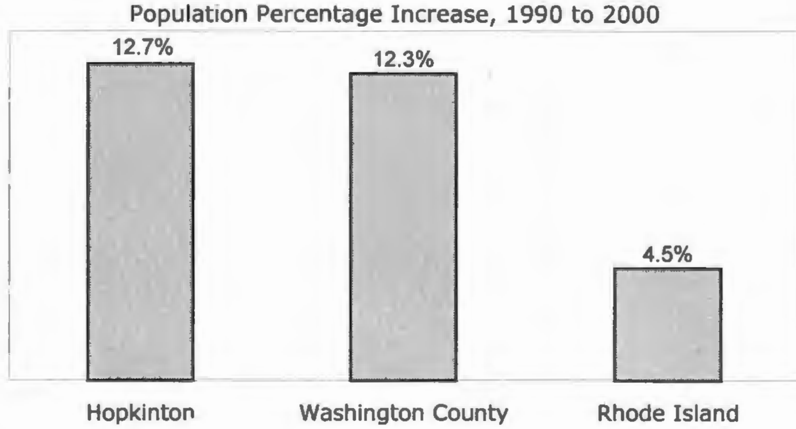


Source: U.S. Bureau of the Census 1900 to 2010

Hopkinton and Washington County are growing at the same pace. Yet Hopkinton and Washington County are growing at three times the speed of the state (Figure 3 and Table 1).

Between 1990 and 2000, the population of Hopkinton grew significantly, growing from a town of 6,953 according to 1990 census data, to a town of 7,836 in 2000. This increase of 12.7% or 883 persons, is greatly more than the growth experienced in the state as a whole. From 1990 to 2000 Rhode Island grew 4.5% from 1,003,464 to 1,048,319. However, the growth in Hopkinton corresponds with the growth in Washington County which experienced a population increase of 12.3%.

Figure 3
Population Percentage Increase, 1990 to 2000



Source for Figure 3 and Table 1: U.S. Bureau of the Census, 1990, 2000

Table 1
Population Trends, 1990 to 2000

	Hopkinton 1990	Hopkinton 2000	Hopkinton Change	Washington County 1990	Washington County 2000	Washington County Change	Rhode Island 1990	Rhode Island 2000	Rhode Island Change
Total Population	6,953	7,836	12.7%	110,006	123,546	12.3%	1,003,464	1,048,319	4.5%

Every year a greater percentage of the state's population and housing units locate in Hopkinton and Washington County (Table 2). This trend is expected to continue.

In 1970 housing units in Hopkinton accounted for .53% of the state's total units; by 2000 they were .70% of the state total. Washington County in 1970 hosted 7.2% of the state's housing units; in 2000 that figure nearly doubled to 13.4%. Hopkinton's population was .56% of the state in 1970; and .75% in 2000. Washington County's population was 9% of the state in 1970 and 11.8% in 2000.

Population estimates are suspect, there are too many variables to take into consideration in determining population trends. Also new legislation such as recent amendments to the Low and Moderate Income Housing Act will have an uncertain effect on growth rates. Yet Hopkinton should anticipate a continued climb in population in the decades ahead (Figure 2).

Table 2
Housing Units and Population, Hopkinton, Washington County and Rhode Island

		Hopkinton	Washington County	Rhode Island	Hopkinton as a Percent of the State	Washington County as a Percent of the State
Housing Units By Year	1970	1,693	22,820	317,193	.53%	7.2%
	1980	2,264	30,696	372,672	.60%	8.2%
	1990	2,662	49,856	414,572	.64%	12%
	2000	3,112	58,816	439,837	.70%	13.4%
Population By Year	1970	5,392	85,706	949,723	.56%	9%
	1980	6,406	93,317	947,154	.67%	9.9%
	1990	6,873	110,006	1,003,464	.68%	11%
	2000	7,836	123,546	1,048,319	.75%	11.8%

Source: U.S. Census and R.I. Statewide Planning

Hopkinton has grown more slowly than its immediate neighbors (Table 3).

Comparing Hopkinton's housing production of the last decade with that of neighboring towns, it was found that the level of new housing construction, while significant, was somewhat lower in Hopkinton. The proportional increase of 14.9% between 1980 and 1990 was surpassed by housing stock increases in Richmond, Exeter and Charlestown of 26.1%, 27.6% and 28%, respectively. The trend continued between 1990 and 2000. Hopkinton experienced an increase of 14.5% while the increase was 27.1% in Richmond, 18.1% in Exeter, and 15.4% in Charlestown.

Table 3
Comparative Housing Production Data

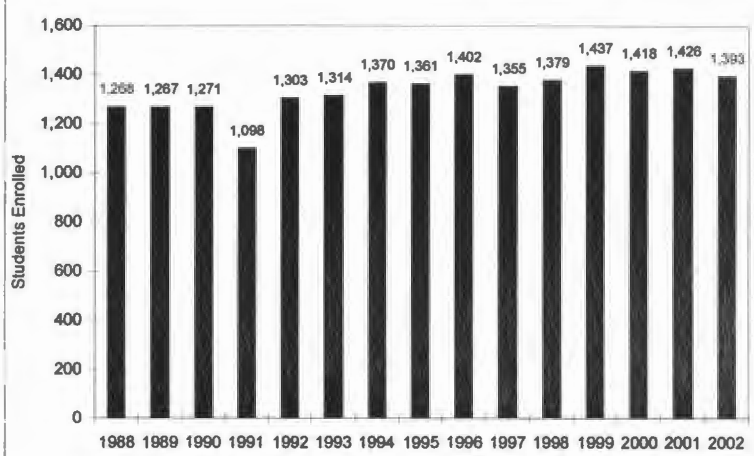
	1980 Stock	80-89 Production	1990 stock	Percent Change	90-00 Production	2000 stock	Percent Change
Hopkinton	2,264	*398*	*2,662*	*14.9%*	*450*	*3,112*	*14.5%*
Richmond	*1,384*	*490*	*1,874*	*26.1%*	*695*	*2,569*	*27.1%*
Exeter	*1,390*	*529*	*1.919*	*27.6%*	*424*	*2,343*	*18.1%*
Charlestown	*3,064*	*1,192*	*4,256*	*28.0%*	*774*	*5,030*	*15.4%*
Westerly	*8,250*	*2,271*	*10,521*	*21.6%*	*1,216*	*11,737*	*10.4%*

Source: U.S. Bureau of the Census, 1980 1990, 2000;
R.I. Department of Economic Development

Population growth has outpaced public school enrollment growth in Hopkinton (Figure 4).

Between 1988 and 2002 Hopkinton added an additional 125 students to the school system (rising from 1,268 students to 1,393). The population of Hopkinton increased 13% between 1990 and 2000 while the total public school enrollment increased 9% during the same period. Hopkinton witnessed an anomalous drop in the student population between 1990 and 1991 (from 1271 students to 1098), yet this drop was followed by an increase of 205 students, or 16%, the following year.

Figure 4
Hopkinton Public School Enrollment 1988-2002



Source: Chariho Regional School District 2003

The age group most likely to have children is increasing in Hopkinton (Figure 5).

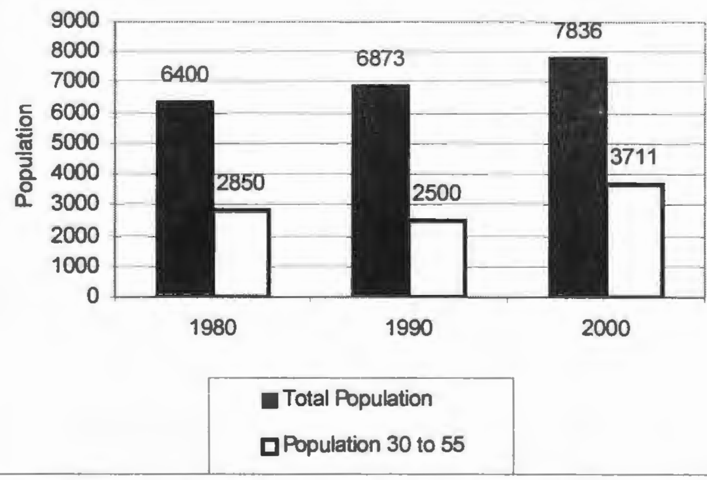
The resident cohort age 30 to 55, which tends to represent those most likely to have children, increased from 1990 to 2000.

The rise may precede a spike in Hopkinton's child population.

Every year rural communities house a larger percentage of the state's school age children (Table 4).

While population estimates are never exact it would appear that in the future the greatest percentage of school-age children will be located in the rural areas of the state if the state's sprawl pattern of development continues.

Figure 5
The Child-Bearing Cohort



Source Figure 5: U.S. Bureau of the Census, 1980 - 2000
Source Table 4: Source: From The Cost of Suburban Sprawl and Urban Decay, Prepared for Grow Smart Rhode Island by H.C. Planning Consultants, Inc 9/26/99

Table 4
Public Enrollment Projections Rhode Island Public Schools, 2000 - 2020

Municipal Type	2000		2010		2020		PK – 12 Increase 2000-2020	Housing Change 2000 – 2020
	PK – 12 Enrollment	Housing Units	PK – 12 Enrollment	Housing Units	PK – 12 Enrollment	Housing Units		
Urban Core	32%	32%	30%	30%	28%	28%	-38%	-36%
Urban Ring	24%	27%	24%	26%	23%	26%	6%	7%
Suburban	27%	26%	28%	27%	28%	28%	59%	63%
Rural	17%	16%	19%	17%	21%	18%	74%	67%
STATE TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

2.2 Hopkinton Households

Affluent households are migrating to Hopkinton (Table 5).

The median household income in Hopkinton rose from $36,737 in 1989 to $52,181 in 1999. While this estimate has not been adjusted to account for inflation this increase is too great to be explained by the combination of inflation and rising local affluence and can only be understood in terms of in-migration. Median household income rose 42% between 1989 and 1999 compared to 32% in Washington County and less than 1% in Rhode Island.

Households with a median income of above $50,000 increased greatly while those with an income below $50,000 decreased sharply. Hopkinton saw its largest increase in the number of households that earned between $100,000 and $149,000. In total, 301 households in that income category were added to the town. Compared to Washington County Hopkinton saw a much higher increase in its percentage of households. A detailed break down of income data is shown in Table 5, below.

Table 5
Median Household Income Distribution 1989 to 1999
Hopkinton, Washington County and Rhode Island

	Hopkinton			Washington County			Rhode Island		
	1989	1999	Percent Change	1989	1999	Percent Change	1989	1999	Percent Change
Households	2,409	2,953	22.6%	62,057	67,341	8.5%	377,080	408,412	8.3%
Less than $10,000	208	190	-8.7%	7,133	4,804	-32.7%	55,061	43,800	-20.4%
$10,000 to $14,999	190	143	-24.7%	4,244	3,997	-5.8%	30,521	28,604	-6.3%
$15,000 to $24,999	294	246	-16.3%	9,199	7,345	-20.2%	59,757	50,524	-15.4%
$25,000 to $34,999	458	347	-24.3%	9,373	7,678	-18.1%	58,348	48,428	-17%
$35,000 to $49,999	527	472	-10.4%	13,288	11,466	-13.7%	74,120	64,068	-13.6%
$50,000 to $74,999	521	756	45.1%	11,998	15,643	30.4%	62,878	82,350	-31%
$75,000 to $99,999	172	326	89.5%	3,886	8,464	117.8%	21,003	43,623	107.7%
$100,000 to $149,999	38	339	792%	1,959	5,257	168%	10,186	31,162	205.9%
$150,000 or more	0	134	--	977	2,687	171%	5,206	15,853	204.5%
Median Household Income	$36,737	$52,181	42%	$36,070	$53,103	32%	$41,985	$42,090	.2%

Source for both tables: US Bureau of the Census 2000

Table 6
Family Size and Housing Trends 1970 to 2000

	1970	*1980*	*1990*	*2000*
Households	1,584	2,065	2,579	2,965
Families	1,364	1,708	2,029	2,181
Average Household Size	3.38	3.1	2.86	2.66
Average Family Size	3.74	3.5	3.32	3.07

Average Household Size and Average Family Size decreased in Hopkinton between 1970 and 2000 (Table 6).

Average Household Size in Hopkinton decreased from 3.38 persons per household to 2.65, while the number of households increased from 1,584 in 1970 to 2,965 by 2000.

The owner occupancy rate has increased since 1990. And while the number of available rental units has risen the percentage of available rental units has decreased (Table 7).

Hopkinton has a high owner-occupancy rate compared to Washington County and the state as a whole. In 2000 owner-occupied units in Hopkinton comprised 76.7% of the town's total occupied housing units – this is up from 72.6% in 1990 (509 units). A similar but larger increase was seen in Washington County as a whole, which went from 54.3% to 58.1% owner-occupancy. Rhode Island's total owner-occupancy rate went up only marginally from 54.2% to 55.7%.

Conversely, the number of renter-occupied units in Hopkinton decreased 1.1%. Renter-occupied units in Washington County decreased 2.4% and in Rhode Island as a whole .2%.

Vacancy rates have declined since 1990, suggesting a tightening housing market (Table 7).

Housing vacancies in Hopkinton, Washington County and Rhode Island declined between 1990 and 2000. Of the 3112 housing units identified in Hopkinton in 2000, 2965 were occupied, only 147 vacant. It is from those 147 houses that housing that is for sale or for rent comes (minus housing units reserved for seasonal, recreational or occasional use).

The vacancy rate in Hopkinton declined from 7.7% to 4.7% between 1990 and 2000; in Washington County from 21.1% to 20.2%; and in Rhode Island from 8.8% to 7.1%.

Table 7
Housing Tenure and Ownership 1990, 2000
Hopkinton, Washington County and Rhode Island

	Hopkinton	Hopkinton Percentages*	Washington County	Washington County Percentages*	Rhode Island	Rhode Island Percentages*
Total Units						
1990	2,662		49,856		414,572	
2000	3,112	17% Increase	58,816	18% Increase	439,837	6% Increase
Occupied Units						
1990	2,456		39,311		377,977	
2000	2,965	20.7% Increase	46,907	19.3% Increase	408,424	8% Increase
Owner-Occupied Units						
1990	1,933	72.6%	27,082	54.3%	224,792	54.2%
2000	2,386	76.7%	34,164	58.1%	245,156	55.7%
Renter-Occupied Units						
1990	523	19.7%	12,229	24.5%	153,185	36.9%
2000	579	18.6%	12,743	21.7%	163,268	37.1%
* As a percent of Total Units not Total Occupied Units						

Source: U.S. Bureau of the Census, 1990, 2000

One trend affecting the rise in housing prices is the increase in house size.

The price and affordability of housing is affected by house size and quality. While no numbers could be found locally nationally the median single family home increased in size from about 1,595 square feet in 1980 to 1,920 square feet in 1995, a 20% increase in 16 years. The number of very large homes over 2,400 square feet increased as a percentage of single family homes from 15% in 1980 to 28% in 1995 while the number of small homes under 1,200 square feet fell from 21% in 1980 to about 10% in 1995 (Anthony, 2003).

2.3 Housing Stock

Single-family homes dominated housing growth after 1990 (Table 8).

Between 1990 and 2000 the supply of housing available in Hopkinton climbed to a total inventory of 3,112 in 2000. This was an increase of 17%, or 450 units. The total population increased of 12.7% and the total number of households increased 22.6%.

In 2000, 81.6% of Hopkinton's 2,539 units were single-family homes, a slight rise from 80.2% in 1990. Single-family units increased during this period by 405. Fourty-seven multi-family units were built during this period. It is also significant to note the loss of 40 units from the mobile home/trailer category.

Table 8
Hopkinton Housing Stock Distribution*

	1990	% of 1990	2000	% of 2000
Total Number of Units	2,662		3,112	
Single Family Homes	2,134	80.2%	2,539	81.6%
1 unit attached	19	.7%	79	2.5%
2 to 4 units	288	10.8%	206	6.6%
5 to 9 units	23	.8%	56	1.8%
10 or more units	80	3%	94	3%
Mobile Home, trailer or other	118	4.4%	78	2.5%
* Not all units were counted				

Source: U.S. Bureau of the Census, 1990, 2000

The historic preference for single-family residences is partly a reflection of the lack of utilities and infrastructure. In 1980, nearly 96% of all residences had on-site water supplies (the highest proportion in the state), while 98% of all residents had on-site septic disposal systems. Current residential zoning practice is designed to continue the reliance on on-site water and sewage systems. As a result, very few small lot subdivisions have been developed, except in those areas that can be served by private water districts.

Hopkinton loses older homes at a high rate and older, often historic homes (built before 1940) are typically affordable homes. In 2000 over three quarters of Hopkinton's housing units were modern, built after 1940 (Table 9).

Hopkinton lost over 300 older homes between 1980 and 2000 according to the Comprehensive Plan. The Plan reported that in 1980 45.8% of the housing stock had been built before 1940. Hopkinton's housing stock is a mix of older, often historic structures and contemporary suburban-style homes. In 2000 approximately 24% had been built before 1939, 76% after. Although it is worth noting that since the 2000 Census approximately 90 residential building permits have been issued. This will change the ratio to 23%/76% after the construction of those houses.

Table 9
Age of Housing Stock in Hopkinton

Year Structure Was Built	Number of Units	Percent of Total Units
1999 to March 2000	64	2.1%
1995 to 1998	103	3.3%
1990 to 1994	387	12.4%
1980 to 1989	455	14.6%
1970 to 1979	520	16.7%
1960 to 1969	415	13.3%
1940 to 1959	423	13.6%
1939 or earlier	745	23.9%

Source: U.S. Bureau of the Census, 1990, 2000

Compact development patterns have yielded to disperse patterns.

Historically, the settlement of Hopkinton took place in and around its villages: Hope Valley, Ashaway, Bradford and several smaller village centers. In 1970, 78% of all households resided in the villages. By 1980 a new development pattern emerged and the bulk of development was in the form of individual unit frontage development in the town's rural areas. By 1980 the proportion of all households located in the villages had declined to 69.8%. Since early 1990 the predominant form of development has been subdivisions on former farmlands.

The current zoning emphasizes two-acre residential lots to preserve the rural identity of the town. However, the zoning prohibits appropriate, denser development in the village areas where houses are already close together.

The number of housing permits issued jumped during the 1980s and then returned to the average range of 40 permits per year (Figure 6), following statewide trends (Figure 7).

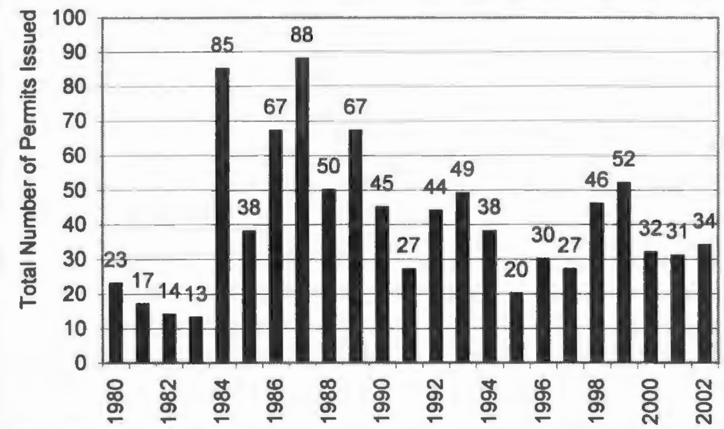
During the last ten years the pattern of housing production in Hopkinton has slowed significantly from the regional building boom of the 1980s which left a surplus in the housing market. The surge in construction is clearly visible in the years 1984 through 1989, yet indicates a significant slow-down during the early to mid-1990s, only picking up slightly towards the new century.

The annual construction levels during that time period are typical of all Rhode Island communities as they reacted to the restructuring of the housing market. The production of multi-family projects saw a corresponding increase, but is not believed to be directly related to shifts in market demand.

Since 1993, the average number of yearly permits issued was approximately 36, meaning that the 2002 number of 34 is slightly lower than the decade average.

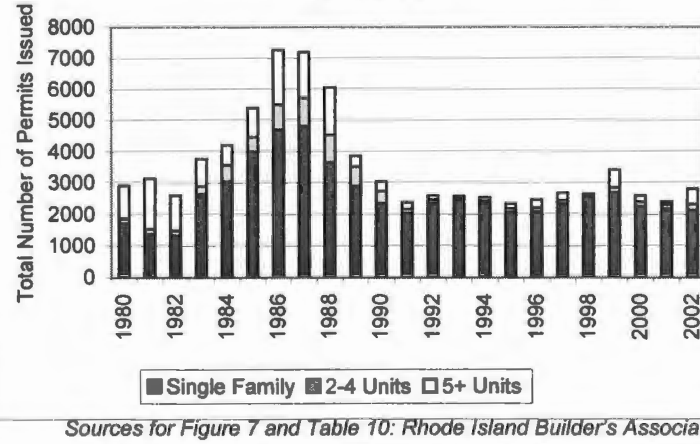
It is worth noting that statewide multi-family units were regularly built while in Hopkinton the number of multi-family units was far less.

Figure 6
Hopkinton Housing Production by Permits Issued, 1980 to 2000



Source: Hopkinton Town Planner's Office; 2001 Growth Management Study, Building and Zoning Department; Herr and Associates Report, 2003; U.S. Bureau of the Census, 2000

Figure 7
Rhode Island Housing Production by Permits Issued
1980 to 2000



Sources for Figure 7 and Table 10: Rhode Island Builder's Association

Recently, home building saw a decline in every mainland Washington County community except for Hopkinton, which saw a large increase (Table 10).

The number of single-family building permits fell in the area yet increased in Hopkinton.

Table 10
Single-Family Building Permits 1/03 to 6/30

	2002	2003	Percent Change
Hopkinton	11	15	36.4%
Charlestown	42	29	-31.0%
Narragansett	45	35	-22.2%
North Kingstown	60	35	-41.7%
South Kingstown	65	51	-21.5%
Richmond	24	20	-16.7%
Westerly	55	51	-7.3%

3.1 Affordability Defined

There are several definitions of affordable housing. The number of affordable units varies widely. Hopkinton has between 4.8% and 76% affordable housing depending on the definition used.

Typically, housing that costs 30% or less of its owner's income is defined as "affordable". Differences in definitions, then, depend on how many costs are counted as housing costs. Total housing costs include mortgages, homeowner's insurance, Private Mortgage Insurance (PMI), utilities, property taxes, closing costs and other costs.

Differences in definitions of affordability also arise when different levels of specificity are used in calculating mortgage payment amounts. Financing is based on variables such as interest rates, down payments, and others.

The state of Rhode Island's definition of affordable is anomalous in that it defines affordable housing as only that which is subsidized, although this is in keeping with other states with Fair Share laws. Very few of Hopkinton's houses are subsidized: 4.8% in 2003 (Appendix B).

Like other housing plans in the state this plan uses a Department of Housing and Urban Development (HUD) definition of "affordable" to conduct an analysis of true affordability. Using this HUD definition, Hopkinton's housing stock was between 5% and 11% affordable for 50% of the population in 2003, depending on financing (Tables 11,16).

For policy purposes this plan synchronizes its Maximum Home Sales Price for Affordable Units with that of the State of Rhode Island (as represented by Rhode Island Housing and Mortgage Finance Corporation, RIHMFC, see Table 11) although further analysis using the HUD definition instead of RIHMFC's reveals that very favorable financing is necessary to afford the RIHMFC maximum price of $150,000 with a median income (Table 16).

HUD includes a high number of housing costs in its estimation of Gross Housing Costs, namely: mortgages, amortization, condominium or association fees, homeowner's insurance, Private Mortgage Insurance (PMI), utilities, and property taxes.

Using the HUD formula, a household with an annual income of $52,181 (Hopkinton's median income in 1999) can afford to pay no more than $1,305 for housing expenses monthly (Table 11). By this measure only homes worth between $90,000 and $150,000 (depending on interest rates, down payment, insurance rates, etc.) were affordable (Table 16). Given typical financing for the 2000 – 2003 period however, it can be said that a household with an annual income of $52,181 could afford a home of only $100,000 comfortably ("affordably" by the HUD definition) while the maximum price by the state standard is $150,000 according to RIHMFC.

11% of Hopkinton's homes (335 of 3,112) were determined to have a Property Tax Assessed Value of under $150,000 after a tax reevaluation completed in May of 2003. Assuming favorable financing it could be said that 11% of Hopkinton's housing was affordable to 50% of the town's population (Table 16).

Table 11
Affordability Defined Using 2000 Census Median Income

	Hopkinton	Washington County	Rhode Island	Hopkinton Maximum Monthly Expense	Hopkinton Maximum Total Cost*
Median Household Income	$52,181	$53,103	$42,090	$1,305	$150,000
80% of Median Income	$41,745	$42,482	$33,672	$1,043	$120,000
60% of Median Income	$31,309	$31,862	$25,254	$783	$90,000
50% of Median Income	$26,091	$26,552	$21,045	$652	$75,000
30% of Median Income	$15,654	$15,931	$12,627	$391	$45,000

*Prices rounded up to create listing prices

Prices rose dramatically between 2001 and 2002 during the second quarter, less so between 2002 and 2003 (Table 13).

In the second quarter of 2002 the median sales price for houses in Hopkinton rose to $210,500. This rise is 18.3% from the same time in 2001, when the median sales price was $178,000. From 2002 to 2003 during the second quarter the rise was 17.6%, from a median of $210,500 to one of $247,450.

Table 13
2001, 2002, 2003 2nd Quarter (April – June) Existing Single Family Home Sales Comparison*

Area	Sales 2001	Sales 2002	Percent Change	Sales 2002	Sales 2003	Percent Change	Median 2001 2nd Quarter	Median 2002 2nd Quarter	Percent Change	Median 2002 2nd Quarter	Median 2003 2nd Quarter	Percent Change
Hopkinton	29	22	-31.8%	22	30	36.4%	$178,000	$210,500	18.3%	$210,500	$247,450	17.6%

*The median sales price reflects the properties being sold at the time and is not a true measure of home values.

Source: Statewide Multiple Listing Service, Inc.

The number of days homes stayed on the market decreased between 2001 and 2002, less so between 2002 and 2003 (Table 14).

There was a 24.1% decrease between the number of days when a property was placed on the market and when a purchase-and-sales agreement was signed. The overall slowdown in sales may be occurring because it is more difficult to buy a house. Or, with mortgage rates rising, 5.83% in January of 2003 to 5.58% in August of 2003 for a 30-year fixed rate mortgage, buying a home may be becoming less attractive.

Table 14
Number of Days on the Market, 2002 to 2003

Area	Days on Market 2001	Days on Market 2002	Percent Change	Days on Market 2002	Days on Market 2003	Percent Change
Hopkinton	83	63	-24.1%	63	52	- 17.5%

Source: Statewide Multiple Listing Service, Inc.

In spite of the decrease in the rise of housing prices and a decrease in the speed of home sales between 2001 and 2003 – despite the possibility that the housing market may have recently begun to slide – housing prices have been on the rise for thirty years (Table 15, Figure 8).

The price for single-family homes has risen from $162,000 in 2001 to $201,000 in 2002.

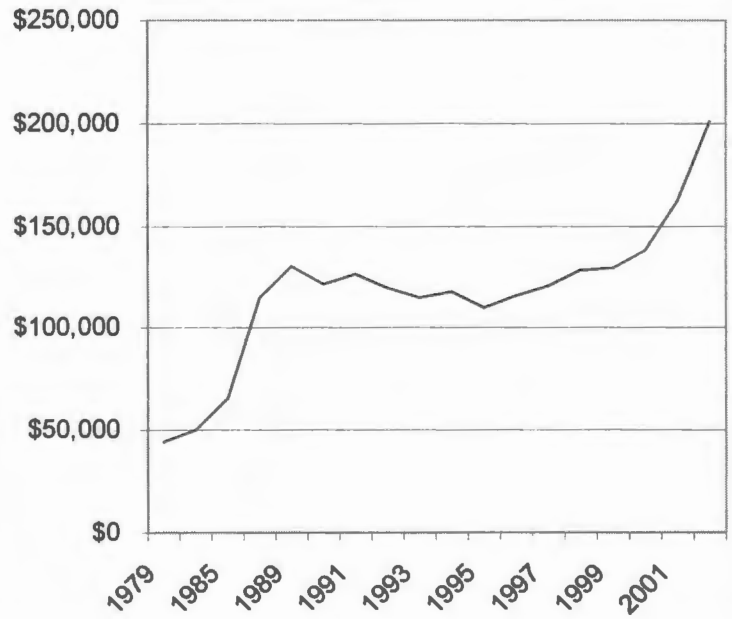
In Rhode Island and in many places across the nation, high demand, low vacancies and historically low mortgage rates have raised the prices of homes to record levels. This is occurring despite the fact that Rhode Island has built over 75,000 homes since 1981, averaging 3,267 a year (counting the total number of building permits issued). Hopkinton built over 924 housing units since 1981, averaging 40 per year (Appendix E, Table 30). While this latest housing boom is expected to stabilize, especially should mortgage rates rise, housing prices in Hopkinton have risen considerably over the last thirty years.

Table 15
Hopkinton Median Home Sales Prices, Existing Single Family Homes 1979 to 2002

Year	Median Sales Price
1979	$44,250*
1982	$49,900*
1985	$65,900*
1988	$114,500*
1989	$130,000*
1990	$122,000*
1991	$126,000*
1992	$120,000*
1993	$115,000*
1994	$118,000*
1995	$110,000*
1996	$116,000*
1997	$120,500*
1998	$128,450*
1999	$129,000**
2000	$137,700**
2001	$162,000**
2002	$201,000***

* RI Housing Estimates
** RI Housing and Mortgage Finance Corporation
*** Statewide Multiple Listing Service

Figure 8
Hopkinton Median Home Sales Prices, Existing Single Family Homes 1979 to 2002



Source: Rhode Island Housing Consolidated Plan 2000 – 2005; Rhode Island Economic Development Corporation, Statewide Multiple Listing Service

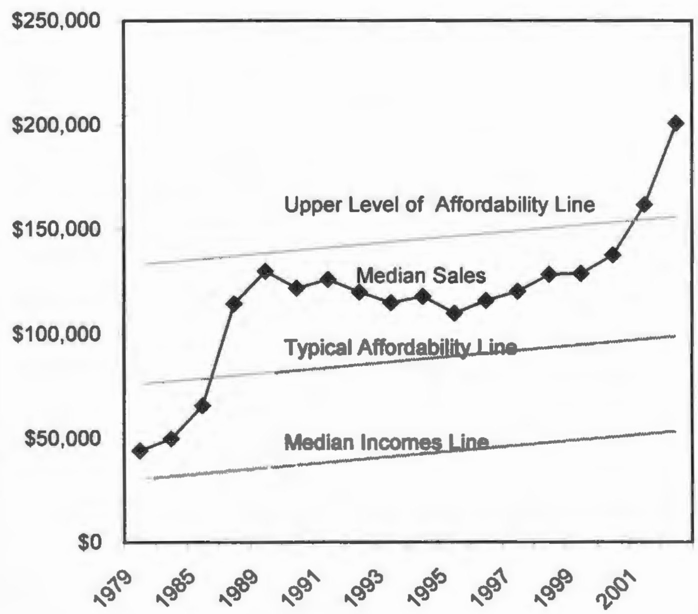
Using the HUD definition of "affordable" (no more than 30% of income for gross housing costs) the median sale price has been typically out of reach for those earning median incomes since the 1980s. This trend is expected to continue (Figure 9, Table 16).

Reviewing the last three years:

In 2000:
The median sales price was $137,700 in 2000 (Table 5). Given an interest rate of 7 percent and a 10 percent down payment, the income necessary to secure a $137,700 home and pay for home insurance, taxes etc., was $67,120 (Table 16). The median household income was $52,181 in 2000 (Table 3). A household earning the median household income would need to pay 39% of that income to afford a home.

In 2002:
The median sales price was $201,000 in 2002 (Table 5). Given an interest rate of 7% and a 10 % down payment, the income necessary to a secure a $201,000 home, and pay for home insurance, taxes etc., was $87,800 (Table 16) .The median household income was 52,181 in 2000 (Table 5). A household earning the median household income would need to pay 48% of that income to afford a home.

Figure 9
Median Housing Price, Median Income, Median Affordability (Based on Financing) for Hopkinton
Using HUD Definition of Affordability



Source: Fannie Mae Mortgage Company, The Department of Housing and Urban Development (HUD)

In 2003:
The median sales price was $201,000 in 2002 (Table 15).Given the historically low mortgage rates, one of 3% for example, and a 10% down payment, the income necessary to a secure a $201,000 home, and pay for home insurance, taxes etc., was $65,640 (Table 16) . The median household income was $52,181 in 2000 (Table 5). A household earning the median household income would need to pay 38% of that income to afford a home.

In the future:
Scenario 1: Despite the dramatic rise in median household incomes ($36,737 in 1989 to $52,181 in 1999, an increase of $1,545 a year, Table 5), the rise in sales prices has been greater in terms of percentage ($130,000 in 1989 to $201,000 in 2002, an increase of $5,462 a year). Should this trend continue in some approximate form the median sales price would be $222,848 in 2005, and the median income $61,451. Given that median income, still 38% would need to go toward housing expenses even with low mortgage rates. An income of $78,520 would be necessary to buy such a house affordably (given the favorable interest rate of 5% and a 10% down payment).

Scenario 2: Should the median sales price of homes stabilize, because perhaps a rise in interest rates will deter buyers, and should the 2005 median sales price remains at 2002 levels ($201,000) while the median income continues to rise ($61,451 by 2005) the median sales prices would still remain out of reach. This is because $83,240 would be needed to purchase a $201,000 home affordably (assuming an interest rate of 7%, and a 10% down payment).

Table 16 Affordability Index for Mortgages on Selected Hopkinton Single Family Homes Using HUD Suggested Guidelines								
House Cost	Down Payment Amount	Interest Rate	Loan Term	Home Insurance, PMI, Per Month	Utilities, Property Taxes, Per Month	Total Monthly Payment	Income Necessary (Spending 30% on Housing Costs)	Monthly Payment as Percentage of 2000 Median Income
Median Sales Price 2000								
$137,700	10	7, no points	30	$150	$650	$1,678	$67,120	39%
Projected Median Sales Price for 2005								
$222,848	10	5, no points	30	$150	$650	$1,963	$78,520	45%
General Affordability Computed for 2002 Median Sales Price								
$201,000	5%	7, no points	30	$150	$650	$2,195	$87,800	50.1%
$201,000	10%	7, no points	30	$150	$650	$2,091	$83,240	48%
$201,000	5%	6, no points	30	$150	$650	$2,068	$82,720	47%
$201,000	10%	6, no points	30	$150	$650	$1,963	$78,520	45%
$201,000	5%	5, no points	30	$150	$650	$1,950	$78,000	45%
$201,000	10%	5, no points	30	$150	$650	$1,850	$74,000	43%
$201,000	5%	3, no points	30	$150	$650	$1,729	$69,160	40%
$201,000	10%	3, no points	30	$150	$650	$1,641	$65,640	38%
General Affordability Computed for $150,000 Homes – Homes Commonly Referred To As "Affordable"								
$150,000	5%	7, no points	30	$150	$650	$1,840	$73,600	42%
$150,000	10%	7, no points	30	$150	$650	$1,756	$70,240	40%
$150,000	5%	6, no points	30	$150	$650	$1,746	$69,840	40%
$150,000	10%	6, no points	30	$150	$650	$1,668	$66,720	38%
$150,000	5%	5, no points	30	$150	$650	$1,657	$66,280	38%
$150,000	10%	5, no points	30	$150	$650	$1,583	$63,320	36%
$150,000	5%	3, no points	30	$150	$650	$1,493	$59,720	34%
$150,000	10%	3, no points	30	$150	$650	$1,427	$57,080	32%
Range of Homes Affordable for Household Median Income Earners								
$150,000	20%	3, no points	30	$150	$650	$1,305	$52,181	30%
$100,000	10%	6, no points	30	$150	$650	$1,378	$55,120	32%
$90,000	10%	6, no points	30	$150	$650	$1,320	$52,800	30.04%

Source: Fannie Mae Mortgage Company,
The Department of Housing and Urban Development (HUD).
For more information see Appendix F

76% of Hopkinton's households reported less than 30% of their income went toward housing costs (Table 17). Households which reported this defined their housing costs only in terms of their mortgage payments.

76% of Hopkinton's households were able to report their housing expenses to be affordable by defining their housing expenses strictly in terms of their mortgage payment. Respondents to the 2000 Census did not use the HUD definition of affordability (no more than 30% of income for gross housing costs including taxes, homeowner's insurance, PMI, utilities, etc.).

Table 17
Selected Monthly Owner Costs
As A Percentage of Household Income in 1999

Less than 15 percent	584	28.8%
15 to 19 percent	362	17.9%
20 to 24 percent	324	16.0%
25 to 29 percent	254	12.5%
30 to 34 percent	97	4.8%
35 percent or more	389	19.2%
Not computed	17	.8

Source: U.S. Bureau of the Census 2000

It is unclear what effect the increase in residential development -- which will increase property taxes -- may have on the affordability of housing for Hopkinton's retired seniors living in single family houses whose main housing expense consists of property taxes now that their mortgages have been paid. (Table 18, Table 19).

As the cost of services the town must provide to accommodate residential growth increases so will property taxes. Seniors living on a fixed income, like those collecting Social Security, for example, will see a rise in town property taxes which may, over a long enough a timeline, make their housing less affordable.

Table 18
Hopkinton Homeowner Population
At Or Nearing Retirement Age, 2000

Age Group	Number	Percent of Total Population
55 to 64 years	438	14.8%
65 years and over	600	20.2%

Source: U.S. Bureau of the Census 2000

Over 23% of homes in Hopkinton are not mortgaged and presumably most of these are owned by seniors. The primary cost of housing for those seniors who have paid their mortgages would be property taxes.

Over 20% of the town's current home-owning population is at retirement age or above. Approximately 15% will reach retirement age in 10 years or less; thus the number of senior residents in down can be expected to increase.

In 1995, for every dollar of taxes collected from residences the municipality of Hopkinton spent $1.08 in services; thus, Hopkinton spent 8 cents more for every dollar collected from residences according to the *Cost of Community Services (COCS) Study* commissioned by the Southern New England Forest Consortium, Inc. This can be explained primarily by the fact that residential developments generate school children and incur high expenses for the town educational budgets. This computation does not take into consideration homes of over $400,000 in assessed value that are likely to cost less than the cost in services they require.

Table 19
Mortgage and Selected Monthly Costs

With a mortgage	1,554	76.7%
Less than $300	7	0.3%
$300 to $499	22	1.1%
$500 to $699	80	3.9%
$700 to $999	328	16.2%
$1,000 to $1,499	804	39.7%
$1,500 to $1,999	299	14.8%
$2,000 or more	14	0.7%
Median (dollars)	1,163	(X)
Not mortgaged	473	23.3%
Median (dollars)	376	(X)

Source: U.S. Bureau of the Census, 2000

While property tax policy is viewed as an affordability concern to the extent the local property taxes impact ownership costs in long range planning, in the short-term property tax rates have dropped in the 2000s from $24 to $14.77 per $1000 assessed property value.

3.2 Housing for Low Wage Owners

A low wage earner might find it impossible to rent an apartment alone in Hopkinton. Two people making minimum wage and sharing an apartment might find it difficult to afford a rental unit in town (Table 20).

The median rent in Hopkinton was $577 according to the 2000 Census. The minimum wage earner can afford a monthly rent of no more than $320 (this is based on a minimum wage of $6.15 an hour although the minimum wage was recently raised to $6.75 in Rhode Island).

A working person living alone would need to make $14.69 per hour assuming a 40-hour workweek to afford a two-bedroom apartment in Hopkinton. Two working people splitting a two-bedroom apartment would need to make $7.40 per hour each.

Two minimum wage workers would need to work 48 hours per week each to afford a two-bedroom apartment. Given that the town's average household size is 2.65 (Table 6) it is often enough the case that two working people are living together.

Table 20
Cost of Housing For Low Wage Earners in 2001

Area	Number of Renter Households	Family Annual Area Median Income 2001	Maximum Affordable Monthly Housing At 30% Income	Maximum Affordable Monthly Housing At 80% Income	Total Hourly Wages Needed to Afford a Rental with 2 Bedrooms
Hopkinton	579	$58,500	$439	$1,170	$14.69

Source: National Low Income Housing Coalition, 2001 Report

Homeownership can be financially advantageous over renting (Table 21).

The table below shows a cost comparison for a renter and a homeowner over a seven-year period. Approximately $2664 can be saved in taxes over a seven-year period. Of course, owning a home brings with it extra expenses including: Property Taxes and Special Assessments, Home/Hazard Insurance, Utilities, and Maintenance.

- The renter starts out paying $800 per month with annual increases of 5%.
- The homeowner purchases a home for $110,000 and pays a monthly mortgage of $1,000 (not including other housing costs).
- After 6 years, the homeowner's payment is lower than the renter's with the tax savings of homeownership, the homeowner's payment is less than the rental payment after 3 years.

Table 21
Renting vs. Owning

Year	Rent Payment	Mortgage Payment	Monthly Difference	After Tax Savings	Yearly Difference	After Tax Savings
1	800	1000	-200	-50	-2400	-600
2	840	1000	-160	-10	-1920	-120
3	882	1000	-118	+32	-1416	+384
4	926	1000	-74	+76	-888	+912
5	972	1000	-28	+122	-336	+1464
6	1021	1000	+21	+171	+252	+2052
7	1072	1000	+72	+222	+864	+2664

Source: The U.S. Department of Housing and Urban Development, HUD

3.3 Subsidized Housing in Hopkinton

In order to be in compliance with Rhode Island's Low and Moderate Income Housing Act Hopkinton must increase its number of subsidized housing units (Table 22, Table 23, and Appendix B for the complete table and relevant definitions).

Rhode Island's Low and Moderate Income "Fair Share 10%" Housing Act (RIGL 45-53-1) mandates that all of Rhode Island's cities and towns must have 10% affordable housing that is subsidized through either state or federal programs (See Appendix C for the complete legislation and relevant definitions).

Specifically the act defines low or moderate-income housing as:

> "... any housing subsidized by the federal or state government under any program to assist the construction or rehabilitation of low and moderate income housing, as defined by federal or state statute, whether built or operated by any public agency or non profit organization, or by any limited equity housing cooperative or any private developer."
> *Rhode Island General Laws, Sec. 45-53-4*

Table 22
Subsidized Units Counting as Low and Moderate Income Units for 2002 In Washington County and the State

Cities/Towns	Total Units	Total Low/Mod	Percent Low/Mod	Family Low/Mod	Low/Mod Family Percent	Elderly Low/Mod	Low/Mod Elderly Percent
Hopkinton	3112	152	4.88%	15	9.87%	137	90.13%
Charlestown	4797	45	0.94%	45	100.00%	0	0.00%
New Shoreham	1606	27	1.68%	4	14.81%	23	85.19%
South Kingstown	11291	594	5.26%	221	37.21%	373	62.79%
Richmond	2620	53	2.02%	53	100.00%	0	0.00%
Westerly	11292	517	4.58%	137	26.50%	380	73.50%
Narragansett	9159	332	3.62%	222	66.87%	110	33.13%
State	438579	35217	8.03%	13775	39.11%	20436	58.03%

Source: Rhode Island Housing

According to a 2002 report by Rhode Island Housing, Hopkinton has 4.88% subsidized housing given that the town has 152 subsidized units and 3,112 total units. Of the various subsidization programs, transportable Section 8 Certificates and Vouchers are excluded.

Table 23
Subsidized Low and Moderate Income Housing in Hopkinton

Development	Occupants	Subsidy Type	Rent/Own	Street Name	# Units
Canonchet Cliffs I	Elderly	HUD 202	Rental	Nooseneck Hill Road	59
Canonchet Cliffs II	Elderly	HUD 202	Rental	Nooseneck Hill Road	55
Canonchet Cliffs III	Elderly	RIH Tax Credit	Rental	Nooseneck Hill Road	23
South County Habitat	Family	HOME Funds	Own	Lawton Foster Road	1
Group Home Beds		Group Home Beds			14
				Total	152

Source: Rhode Island Housing

Over 90% of Hopkinton's subsidized units assist elderly residents living at the Canonchet Cliffs Elderly Living Centers on Route 3.

Between 1993 and 2002 Hopkinton was one of only three municipalities in the state to lose subsidized housing percentage points and the only one in Washington County (Table 24). Hopkinton should expect to lose points toward its "Fair Share 10%" in the future.

Of the 36 Cities and towns in Rhode Island only three lost subsidized units between 1993 and 2002: Hopkinton, Coventry and Providence.

Table 24
Changes in Percentages of Subsidized Units in Washington County

City/Town	1993	1995	1997	1999	2001	2002
Hopkinton	5.18%	5.75%	5.75%	5.75%	4.85%	4.88%
Charlestown	0.09%	1.01%	1.01%	1.01%	0.92%	0.94%
New Shoreham	1.27%	1.27%	1.27%	1.27%	1.68%	1.68%
S. Kingstown	4.20%	4.76%	5.00%	5.48%	5.15%	5.26%
Richmond	0.21%	1.81%	1.81%	1.81%	2.02%	2.02%
Westerly	4.03%	4.65%	4.55%	4.93%	4.58%	4.58%
Narragansett	2.17%	2.35%	2.78%	2.78%	3.61%	3.62%
State	7.17%	7.69%	7.81%	7.91%	8.03%	8.03%

Source: Rhode Island Housing

It is assumed that the 30-year deed restriction had expired on the units Hopkinton lost.

3.4 The Low and Moderate Income Housing Act

The Act is an example of the affordable housing strategy known nationally as by the term "Comprehensive Permitting". This strategy is used when state or federal governments believes it can better articulate the ground rules for development than the governmental body ordinarily appointed to this task. This strategy strives to decrease the number of months for approvals, allows the consolidation of permits, and most especially, allows the bypass of local regulatory boards – so that the costs of development can be decreased and local opposition can be circumvented.

In 1991 the Low and Moderate Income Housing Act applied to non-profit developers (such as public agencies and limited equity housing cooperatives). Amendments passed in 2002 included private, for-profit developers.

Developers are given the opportunity to ignore local zoning regulations and build at whatever density they deem necessary to pay for 20% affordable units. Because the act may result statewide in the construction of ten times the number of units than would ordinarily be allowed by zoning the act has been termed "the builder's remedy" to affordable housing.

The Low and Moderate Income Housing Act can be advantageous to a community in that it reduces the possibility that the town may be sued for "spot zoning". Spot zoning is a charge that can be levied whenever the town approves one affordable housing project to the detriment of property values for one set of owners and rejects another affordable housing project to the advantage of another set of owners. By taking the approval of affordable housing projects out of the hands of the municipality and placing it into the jurisdiction of a judicial board, the State Housing and Appeal Board (SHAB), the municipality is freed from possible litigation.

The State Housing Appeals Board (SHAB) was created by the 1991 Rhode Island Low and Moderate Income Housing Act. The SHAB has heard 13 cases in the last 11 years and 8 have been decided in the favor of the developer (Appendix E).

Similar legislation was passed in other states, including Massachusetts (the legislation is referred to as Chapter 40B). Massachusetts was the first state to create an appeals board to override local decisions that restricted affordable housing. While the Massachusetts law has been in effect since 1969, less than 8% of local governments have met their 10% affordable housing goal.

It would not surprising given that the Low and Moderate Income Act defines affordable housing only as subsidized housing that this narrow definition may change in upcoming legislative sessions. It is important to recognize however that 10% was actually an arbitrary number intended to stimulate a reasonable supply of subsidized housing. This plan deals with the legislation in its 2002 form (Appendix C).

Legislation will be introduced in the Massachusetts General Assembly during the 2003 – 2004 legislative session to include mobile homes and Section 8 vouchers in the community's 10% count. The absolute failure of Massachusetts to reach its 10% goal in 30 years has led recently to a total review of their "Fair Share 10%" policy.

Under the current legislation it is worth noting that in reviewing a permit request, the zoning board may deny it for any of the following reasons:

> "If the proposal is inconstant with local needs, including, but not limited to the needs identified in an approved comprehensive plan, and local zoning ordinances and procedures promulgated in conformance with the comprehensive plan."
>
> "If the proposal is not in conformance with the comprehensive plan;"
>
> "If the community has met or has plans top meet the standard of 10 percent of the units"
>
> If concerns for the environment and the health and safety of current residents have not been addressed."
>
> *Rhode Island General Laws, Section 45-53-4*

An applicant using a Comprehensive Permit has the right to appeal to the State Housing Appeals Board (SHAB) if an application is denied or if it is granted with conditions and requirements that make the building or operation of the housing "infeasible". Appendix D contains a FAQ sheet on this topic.

One case was decided in the favor of the community by the SHAB. Cranston had its zoning board appeal upheld in 1992. However, for the SHAB to have sided with the developer in that case would have required a complete zoning change from a non-residential zone to a residential zone (See Appendix E, Table 29 for a listing of SHAB decisions).

While several of the affordable housing goals in the Comprehensive Plan have been accomplished, much still needs to be done (Tables 25, 26, and 27).

The *1992 Housing Element* to the *Hopkinton Comprehensive Plan* gives an account of housing supply, demand, and issues using U.S. Census from 1970, 1980, 1990 and 2000. The Element includes specific strategies and recommendations to improve housing conditions and accommodate future development. In regards to affordable housing the Comprehensive Plan's goal is to maintain sufficient levels and proportions of the housing stock which are affordable and accessible to all residents.

Specific policies include:

- Encourage the preservation of existing housing which is affordable and the development of new low cost housing which is affordable to low income and/or first time buyers.
- Encourage residential development which can be marked as cost effective rental projects for moderate-income residents.
- Promote and encourage affordable housing programs initiated through the private sector.

The need for greater numbers of quality affordable housing waxed and waned since 1970 but grew significantly between 1980 and 2000 and is expected to increase further as the population boom in Washington County continues and housing prices escalate in the region.

Table 25
Unaccomplished Affordable Housing Recommendations
And Strategies from the *1992 Housing Element* to the *Hopkinton Comprehensive Plan*

Recommendation	Rationale	Status	Remains a Strategy Yes/No
Review mixed-use areas in the town and mixed-use structures to determine where additional housing can be located	The mixing of commercial and housing units reduces housing costs. And in units where commercial rental rates are higher than residential rental rates the differential can be used to offset housing costs when both occupy single structure	Not yet accomplished The planning department has begun a dialogue with the owners of the Rockville Mill that may result in a private/partnership and the creation of between 3 and 8 subsidized units	Yes
Approve the structural subdivision of large residential and/or underutilized factory and commercial buildings into affordable units	Structural subdivisions have been used to create affordable housing elsewhere, typically in urban areas	Not yet accomplished The subdivision regulations do not provide for structural subdivisions. While a P.U.D may be the mechanism through which to attempt a structural subdivision a P.U.D currently requires a minimum of 30 acres	Yes

Table 26 Unaccomplished Affordable Housing Recommendations And Strategies from the *1992 Housing Element* to the *Hopkinton Comprehensive Plan*			
Recommendation	Rationale	Status	Remains a Strategy Yes/ No
Amend the subdivision regulations to allow the granting of density bonuses to developers whenever a portion of a proposed development includes affordable units	Density bonuses of this kind are known as voluntary inclusionary zoning and would put the creation of affordable housing in the domain of for-profit developers	The subdivision regulations have been amended.	Accomplished/ However the density bonus option has reportedly never been taken.
Create an Affordable Housing Foundation	Housing Foundations keep the creation of affordable housing a priority while procuring and administrating local and state funds	Not yet accomplished	Yes
Establish a Community Land Trust dedicated to acquiring and developing land for affordable housing	The cost of land contributes greatly to escalating housing costs. A Community Land Trust could acquire and develop land for affordable housing and maintain ownership and control of the land on which the housing is developed to insure its long-term availability at below market cost. The town's support could include donating town owned land, financial support for acquisitions and property tax exemptions	Not yet accomplished	Yes
Use local discretionary funds for affordable housing programs	Nontraditional uses of CDBG funds could be used as a potential funding source for affordable housing. Possible program examples include: rental deposit funds, financial assistance for first time buyers, housing rehabilitation programs and a funding pool for land acquisition for the purpose of residential land banking	Not yet accomplished The town's housing board is currently inactive. No Affordable Housing Foundation exists to implement this recommendation	Yes
Encourage local banks to participate in affordable housing programs within the community	In meeting their community obligations under the Community Reinvestment Act of 1977 local banks frequently take on partnership roles with communities	Not yet accomplished	Yes
Contract a private non-profit housing organization to provide local housing referral, assistance and coordination	In small communities it is not practical to perform these functions as an internal function of town government. Local non-profit organizations, on the other hand, can fulfill this need by operating in more than one community	Not yet accomplished	Yes
Provide greater incentive for the creation and conservation of residential structures for elderly and those with special needs	Extend eligibility for elderly and special needs property tax relief to include qualified landlords who provide rental units that are occupied by such tenants	Not yet accomplished	Yes

Table 26 Continued			
Recommendation	Rationale	Status	Remains a Strategy Yes/ No
Explore methods for increasing rental units	Where owner-occupied housing is increasingly beyond the reach of newly formed households the need for rental units increases. One possible strategy is to adopt residential performance standards that could specify the maximum allowable bedrooms for a given lot size rather than the number of residential units	Not yet accomplished	Yes

Table 27 Accomplished Affordable Housing Recommendations And Strategies from the *1992 Housing Element* to the *Hopkinton Comprehensive Plan*			
Recommendation	Rationale	Status	Remains a Strategy Yes/ No
Develop creative land use controls which encourage alternatives to traditional subdivision design	Innovative site development techniques reduce the overall cost of development by making more efficient use of land, roads and utilities	Clustering, Conservation Development (soon to be enacted) and P.U.Ds have been used and are encouraged to reduce the cost of development It remains uncertain to what degree creative land use controls have decreased the cost of construction and whether that savings has been applied to the sales price of homes	Accomplished/ Ongoing
Approve limited occupancy accessory apartments as a special use exception within designated areas	Existing units should be converted into affordable housing	Accessory apartments are now permitted under the Zoning Ordinance	Accomplished
Remain up to date in all pertinent government programs involving housing assistance and increase the town's capacity to assist residents	In conjunction with an independent housing coordinator the town should research and maintain active files on federal, state and local housing subsidy programs in order to effectively refer residents and potential developers to the appropriate agencies for assistance	The Community Development Consortium Director, based in East Greenwich, has taken on this role for the town	Accomplished/ Ongoing
Enhance grant writing capabilities to develop local housing subsidy programs for low income and elderly individuals	Aggressive pursuit of federal and state funds for affordable housing could expand the base of support for those in need of assistance	The Community Development Consortium Director has increased the town's capacity to seek and administrate grant monies	Accomplished/ Ongoing

Affordable Housing Strategies are becoming increasingly common throughout the country to counter the effects of soaring housing costs. A number of strategies have proven effective in the development and preservation of affordable housing. Some of those strategies were included in the *1992 Housing Element* of the *Hopkinton Comprehensive Plan* and are elaborated on here.

The strategies seek to build new affordable housing, protect the current affordable housing stock, and build the kind of public support for affordable housing that will result in the creation of new units.

5.1 Build Affordable Housing

- **Enact a Mandatory Inclusionary Zoning Ordinance**

Enacting a Mandatory Inclusionary Zoning Ordinance is the surest way to insure an automatic yearly increase in Hopkinton's Fair Share 10% subsidized units.

Inclusionary zoning is a tool to create new affordable housing units. In exchange for development approval, developers must include affordable homes when they build a particular number of market-rate homes (for example, a simple inclusionary zoning ordinance would mandate that in order to get approval to build 10 units, a developer must include 2 affordable units). Often in exchange for developing a certain number or percentage of affordable units within larger, market-rate developments developers are given density bonuses, but not always (to continue the example, a developer wishing to build 10 units with a requirement that 2 be affordable is then allowed to build 2 extra market-rate homes to offset the price; thus a total of 12 units would be built). Some communities also allow developers to build the affordable units off-site or allow a pecuniary contribution to a housing fund equivalent to the housing units mandated to be created.

Both inclusionary zoning and Comprehensive Permitting increase the number of homes in subdivisions. The advantage of inclusionary zoning is to be found in the fact that municipalities can cap the permitted density, (at, for example, 20%) while currently the Comprehensive Permit process allows unlimited densities.

Just as Comprehensive Permitting is used to increase a municipality's Fair Share 10% housing units, mandatory incusionary zoning must also be used as a means to accomplish that end. Affordable housing units created through inclusionary zoning must have attached subsidies.

Inclusionary zoning is a general term but in some form inclusionary zoning is used in over 500 municipalities throughout the country including Massachusetts, California, New Jersey, Maryland, Virginia, Florida, New Mexico, Colorado, Illinois, New York, and Vermont (Appendix H, Table 31).

While a mandatory inclusionary zoning ordinance has not been put into effect in Rhode Island it is recommended in the *Housing Element* of at least North Kingstown and South Kingstown and has been recommended by Barbara Sokoloff Associates, Inc. to South Kingstown in the town's *2002 Affordable Housing Study*.

Expectedly, the development communities in states that have passed mandatory inclusionary zoning ordinances have fought the creation of the ordinance. The development community has fought vigorously in states where Comprehensive Permit legislation allowed the development of subdivisions with unlimited density. Courts have tended, however, to side with municipalities. Inclusionary zoning ordinances are legally vulnerable only if they make it impossible for a developer to earn a reasonable rate of return on the project as a whole. Diminishment of the total profit has been allowed.

Inclusionary zoning ordinances work in conjunction with a local housing trust fund administered by a municipal housing authority, a municipal housing land trust, or a local non-profit. The municipal housing body would maintain a list of eligible families to whom the properties may be marketed. Candidacy would be based on income, targeting families between 60 and 100% of medium income, but may include other variables determined by a merit-based point system. In the town of New Shoreham criteria for affordable housing recipients includes: residency in the town, household size, and community service (years as a teacher, years as a police officer, for example).

Some important variables in inclusionary zoning programs include:

Compliance either mandatory or incentive-based: For mandatory programs the bonuses are used as compensation and to avoid constitutional challenges of a "taking" of a property. For voluntary programs the bonuses are used as an incentive. Many Mandatory Inclusionary Zoning Ordinances have diminished the profit margin of developments without being overturned in a court.

Threshold number of units: For mandatory programs the threshold number sets the size of subdivisions that must adhere to the inclusionary zoning ordinance, often 10 units for example. In municipalities where this rule has been skirted with the creation of 9 unit subdivisions for instance, a fee has been placed on all subdivisions less than the threshold number. That fee goes into an account used to build affordable housing.

Affordable unit set-aside requirements: The percentage of affordable units in the development which must be reserved and either sold or rented at an affordable price. Requirements can also designate what kind of affordable housing is to be created (i.e., elderly, family, low income, moderate income etc.). Westford, Massachusetts mandates set-asides of 5% for low income, 5% for moderate income, and 5% for median-income families.

Target populations: The definition of who is eligible to purchase the affordable units is tied in to what kind of units are mandated to be built. The ordinances typically target between 60 and 120% median incomes. Point systems have been developed to decide candidates for affordable units. Points are awarded based on criteria such as income level, years as resident in town, years as renter, years of community service.

Cost offsets/developer incentives: The mechanism through which developers are compensated for losses that result in the sale or rental of units below market rates.

> *Density bonuses*, for instance, allow developers to build more units per acre. Other cost offsets include impact fee waivers, flexible design requirements and expedited permit processing.

Pricing Criteria: Establishes a limit on the price of units. Included in this is whether or not subsidy monies are sought to decrease the overall costs.

Affordability control periods: Mechanisms to maintain the affordability of units developed through inclusionary zoning programs over time.

Alternatives to on-site units: In-lieu of payments/Off-site development: Some inclusionary zoning ordinances allow a developer alternatives to building affordable units on-site.
In some communities, a developer can build affordable units elsewhere in the community, or pay into a fund used to build affordable units in-lieu. The drawback to this alternative is that affordable housing may not be integrated into the market-rate subdivisions and may become concentrated in one area.

Building Standards: Mandates to what degree affordable units must be architecturally consistent with the market-rate units and when alternative construction such as duplexes, smaller building footprints, relaxed design guidelines are allowed.

Phase-in Rate: Requires that affordable units be phased in during construction process at a set rate (i.e., for every 5 units of market-rate housing built, there shall be one affordable unit).

Responsible Entity: Determines who will choose purchasers, ensure affordability of units etc. Typically, a local housing authority or affordable housing trust fund performs these tasks.

<table>
<tr><th colspan="10">Table 28
One of Two Recommended Inclusionary Zoning Models for Hopkinton</th></tr>
<tr><th>Threshold Number of Units</th><th>Cost Offsets</th><th>Affordable Unit Set-Aside Requirement</th><th>Entity Responsible for Affordable Units</th><th>Pricing Criteria</th><th>Affordability Control Period</th><th>In-Lieu-Of-Payment and Off-Site Development</th><th>Building Standards</th><th>Phase-In Rate</th><th>Target Population</th></tr>
<tr>
<td>5 units</td>
<td>Density bonus

20% on original number of lots</td>
<td>20% of units (calculated before the density bonus)

Rounded to nearest whole number

For example: Where zoning allows 6 homes one must be affordable.
A one home density bonus is added. Seven homes will be built in total

Where zoning allows 50 houses 10 must be affordable. 60 units will be built in total

This has been called the 1 for 1 rule

<table>
<tr><th colspan="2">Required Affordable Units</th></tr>
<tr><th>Subdivision</th><th>Units</th></tr>
<tr><td>5 - 7</td><td>1</td></tr>
<tr><td>8 – 12</td><td>2</td></tr>
<tr><td>13 – 17</td><td>3</td></tr>
<tr><td>18 – 22</td><td>4</td></tr>
<tr><td>23 - 27</td><td>5</td></tr>
<tr><td>Et cetera.</td><td></td></tr>
</table>
</td>
<td>Affordable Housing Foundation

The Affordable Housing Foundation would have the right of first refusal to purchase all affordable units</td>
<td>Affordable units capped at $120,000 -- the amount that is the maximum level of affordability for those earning median family incomes (using HUD guidelines)</td>
<td>Permanent affordability by deed-restriction or covenant on all affordable units

The Affordable Housing Foundation would have the right of first refusal to purchase all affordable units. However, units not purchased must still be guaranteed affordable</td>
<td>In-Lieu-Of-Payment not allowed

Off-site development not allowed</td>
<td>Architectural variations allowed

For example: duplexes are allowed

A 10 unit traditional subdivision may then be composed of 10 single-family homes, and one duplex - fulfilling the 20% requirement, for a total of 11 units

Lessened building standards not allowed. Buildings must be architecturally similar even if they are different kinds of units

Affordable units should also be dispersed throughout the site and not concentrated</td>
<td>One affordable unit must be built per every five built

All units count under the building cap</td>
<td>Households with 60 to 80% of median income

Affordable Housing Foundation chooses candidates for market-rate homes and recipients for homes purchased by the foundation

Affordable Housing Foundation uses a merit-based point system based on need, residency and community service.</td>
</tr>
</table>

Table 29 Demonstrating Possible Variations on the Mandatory Inclusionary Zoning Ordinance									
Threshold Number of Units	Cost Offsets	Affordable Unit Set-Aside Requirement	Entity Responsible for Affordable Units	Pricing Criteria	Affordability Control Period	In-Lieu-Of-Payment and Off-Site Development	Building Standards	Phase-In Rate	Target Population
None All house construction requires the creation of affordable housing. A contribution to the Affordable Housing Foundation is required for projects that are less than 5 units.	Density Bonus 20% on original number of lots	10% of units (calculated before the density bonus) Rounded to nearest whole number For example: Build 6 homes one must be affordable. A one home density bonus is added Build 10 homes 1 must be affordable. A two home density bonus is added	Affordable Housing Foundation The Affordable Housing Foundation would also help to secure state and federal subsidy monies The Affordable Housing Foundation would have the right of first refusal to purchase all affordable units	Affordable units capped at $120,000 -- the amount that is the maximum level of affordability for those earning median family incomes (using HUD guidelines)	30 year affordability by deed restriction The Affordable Housing Foundation would have the right of first refusal to purchase all affordable units. However, units not purchased would be guaranteed affordable	In-Lieu-Of-Payment allowed in cases where hardship is demonstrated Off-site development allowed	Architecturally consistent For example: if single-family detached units are the units built affordable units must be single-family detached homes Consistent building standards. The same materials must be used on affordable units	None Affordable units do not count under building cap Other units in subdivision count under building cap	Households with 60 to 80% of median income and 80 to 120% of median income Affordable Housing Foundation chooses recipients No merit-based point system

An Inclusionary Zoning Ordinance model (from Table 28):

- A developer plans a 10-unit single-family home development (consistent with zoning, buildable land area etc.) with 2,500 square foot units costing $300,000 per unit.

- The developer is subject to the Mandatory Inclusionary Zoning Ordinance and is given a 20% density bonus for affordable housing, raising the unit total to 12 units. The "one for one rule" can be said to be in effect.

- 20% of the 10 units (2 units) must be affordable to households at 80%Hopkinton's median income (given typical financing) and therefore priced no higher than $120,000.

- These 2 units could either be present in the form of one 2,500 square foot duplex that is architecturally similar to single-family units in the development, or two smaller single-family homes located on smaller lots. In larger subdivisions a combination of both types of units would be allowed.

- In the case of duplexes each 1,250 square foot affordable unit would be priced at no more than $120,000. This price is affordable for households earning 80% the median household income. Discussions with builders have revealed that this is a viable target price. Should the units be used as rentals the rent can not exceed $1,043 (affordable to households making 80% the median household income).

- In the case of duplexes being built the duplex would need to be phased in at the set rate of 1 affordable unit for every 5 units, therefore, realistically, the duplex would have to be the fifth unit built. In the case of single-family homes the affordable units would need to at least be the fifth and tenth units built.

- 11 structures (12 units) would be built: 10 market-rate structures (10 units), 1 affordable structure (2 units). Or in situations where duplexes would not be built: 10 market-rate single-family units and 2 affordable single-family units would be built.

  Developers should be encouraged to create rental housing in the form of duplexes. Research into this topic revealed that rental units can be a long-term financial boon to developers – while providing units especially suited to Hopkinton's young people who wish to remain in town.

- The developer would be responsible for securing a permanent deed restriction or covenant to keep the homes affordable. The developer would give the right of first refusal to the Hopkinton Affordable Housing Foundation for the affordable homes. The Hopkinton Affordable Housing Foundation would select eligible buyers from a list for both the affordable units the foundation had purchased and the ones they had not.

- HOME funds and CDBG monies from Rhode Island Housing or funds from the Hopkinton Affordable Housing Foundation would be used to lower the price of the units. The units, if lowered, would be affordable to households earning 60 to 80% of the median income. Only the units targeting households below 80% median income will count toward meeting the Fair Share 10%.

  Unfortunately, the subsidy money cannot be counted and cannot be promised to developers. It has been reported in the media that according to Rhode Island Housing and Mortgage Financing Corporation (RIHMFC) competition for HOME dollars is fierce – RIHMFC routinely receives more than four dollars in requests for every dollar it has to award.

- Once the Hopkinton Affordable Housing Foundation secured some kind of federal or state financing for this project this subdivision would raise Hopkinton's Fair Share 10% compliance level from 4.88% for 3,112 homes to 4.90% for 3,123 homes (using 2000 Census Data for merely illustrative purposes).

Other considerations:

- Both Mandatory Inclusionary Zoning Ordinance alternatives represent beginning ordinances that can be adjusted. It is likely that Hopkinton could equitably raise the affordable-set aside requirement to 30%. To begin at 20% would be politically palatable as well serving as a pilot program expected to be improved in the future.
- The pricing criteria for determining maximum resale price should change regularly (annually, every decade, or at some point in between or at the time of a deed-restricted home's sale) based upon changes in the median household income.
- Alternative 2 allows developers proposing a development of less than 5 housing units to be required to pay a price, say $10 per $1000 of building permit value, to the Affordable Housing Foundation.
- Interestingly, Susanne Mark, Director of Fannie Mae's Rhode Island Partnership Office is an announced proponent of a state level Inclusionary Zoning Law that would require 20% of suburban subdivisions to be set aside for low and moderate income persons.

➢ **Create an Affordable Housing Foundation.**

This suggestion was recommended by the Comprehensive Plan but never implemented. Hopkinton currently has a volunteer Housing Board which is inactive. An Affordable Housing Foundation could be formed with the same members but would be specifically responsible for the implementation of this plan and then continuing the task of creating affordable housing well beyond the parameters of this plan. The Foundation would report to the town annually with updates on its work to insure that affordable housing remains a priority.

As the town increases its number of subsidized units through Inclusionary Zoning and other programs one of the prime duties of the foundation will be the administration of those units and the monitoring of Hopkinton's progress toward increasing its Fair Share 10%. Ideally, the foundation would keep a list of candidates for the affordable housing based on a merit-based point system that would include criteria such as years of residency in the town, years of public service (police, clerical, etc.).

Among the foundation's many tasks would be: 1) establishing short- and long-term housing goals for the town that include those in this plan, and creating an action plan to meet them, 2) supporting and expanding the role of non-profit organizations in developing permanent affordable housing, 3) conducting a Housing Opportunities Study to identify underutilized parcels that are zoned either residential or non-residential and are suitable for high density housing or mixed uses, 4) developing a site inventory of potentially suitable sites for adaptive reuse such as mills and vacant buildings, 5) considering the feasibility of tax abatement plans to create affordable units within existing homes, 6) advocating the creation of affordable housing for the elderly and special needs groups, 7) researching the expansion of town sewer and water services, 8) overseeing the rewriting of the Housing Element already begun by the planning department to include affordability, 9) working with the Town Building Inspector to make sure that housing in town is safe and sanitary, 10) conducting informative programs to raise awareness and clear up misconceptions about affordable housing, 11) keeping the town apprised of changes in the Low and Moderate Income Housing Act, 12) educating themselves and the town concerning housing issues in the state by attending conferences and seminars such as those offered by Grow Smart Rhode Island, 13) and researching municipal strategies in other states with Fair Share laws.

Once created the Foundation should consider the creation of an Affordable Housing Land Trust (also suggested in the Comprehensive Plan). Similar to an Open Space Preservation

Land Trust an Affordable Housing Land Trust acquires vacant land, and then either develops the land itself or joins with another non-profit housing organization to build affordable housing. The Trust maintains ownership and control of the land on which the housing is developed to insure its long-term availability at below market cost. The town's support could include donating town owned land, financial support for acquisitions and property tax exemptions.

- **Establish an Affordable Housing Trust Fund which would be administered by the Affordable Housing Foundation.**

An Affordable Housing Trust Fund would act as the treasury for the Affordable Housing Foundation. Funding would come from the town (CDBG funds, sale of municipal owned property, higher building impact fees, town capital budget appropriations, the fees created by the Mandatory Inclusionary Zoning Ordinance's in-lieu payments), contributions from private or public sources, loans, and federal and state housing funds. The money can in turn be used for building or rehabilitation, subsidizing low and moderate-income families' mortgages and helping finance construction of new housing.

Properties received by the town through tax liens could be donated to affordable housing developers who would rehabilitate them into affordable housing.

- **Use local discretionary funds for affordable housing programs.**

Nontraditional uses of CDBG funds could be used as a potential funding source for affordable housing. Possible program examples include: rental deposit funds, financial assistance for first time buyers, housing rehabilitation programs and a funding pool for land acquisition for the purpose of residential land banking.

The town should look for opportunities in which to create long-term, 30-year affordability restrictions (at least) wherever state or federal funds such as CDBG monies are spent on housing programs in order to increase the town's Fair Share 10%.

23.9% of Hopkinton's housing stock was built before 1939 and subsequently many of those homes are in need of renovations and rehabilitations. Some of those owners may not be able to secure funding through traditional lenders. Properties that can qualify for subsidies and then sold as affordable housing, or homes in which an owner may be willing to allow a deed-restriction; thus ensuring permanent affordability (especially in cases like trailers where the home is guaranteed to be affordable because of market forces alone for 30 years) should be identified.

- **Contract a private non-profit housing organization to provide local housing referral, assistance and coordination.**

This general recommendation was made in the Comprehensive Plan and remains valid.

Specifically the town should consider the creation of a housing authority. A housing authority functions as a landlord for properties built and maintained with subsidy monies. The most practical way to create a Hopkinton Housing Authority would be to create one as an extension of an existing nearby authority. Westerly, South Kingstown and Narragansett all have housing authorities. A quick, informal survey found that the director in South Kingstown in particular would be eager to make a presentation to the town of Hopkinton. Two housing authority directors have indicated that they easily have the office capacity to manage another authority or sub-authority.

South County Habitat for Humanity of South Kingstown, RI currently manages a home on Lawton Foster Road in town. Early in 2003 over $35,000 in HOME program funds were awarded to South County Habitat for the construction of a single family affordable home for a low income family in Richmond. Habitat will couple those funds with other HUD HOME program funds through the Building Better Communities segment of HUD's Neighborhood Opportunities Program.

Private non-profit housing organizations often look to be courted by municipalities in order to insure expeditious approval of applications and building permits. The promise of a further commitment of funds from a municipality also attracts housing organizations, especially in financially difficult times.

- **Increase density bonuses for affordable units**

Hopkinton already allows up to a 10% bonus on the final value of units if applicants are willing to create affordable housing (Appendix I). That density bonus could be increased to 20%. This option is used in Massachusetts to provide applicants an alternative to going over the heads of local planning officials and using Comprehensive Permits. It should also be added to an amended ordinance that the measure of affordability be the affordability guidelines set in this plan and that all density bonus units must receive a subsidy to count toward Hopkinton's Fair Share 10%.

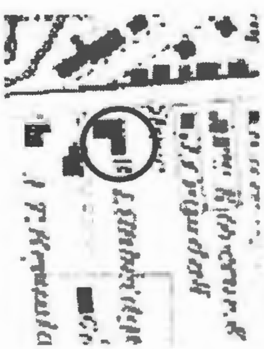
- **Consider the Historic Restoration Strategy for village infill.**

The Historic Restoration Housing Strategy was used in Ipswich, Massachusetts. Historic Restoration Housing creates infill by rebuilding structures within villages that were once torn down. Planners examine historic maps and locate building footprints. Property owners are then contacted by the planning department and given the opportunity to apply for a Historic Restoration Housing Special Use Permit to subdivide their property and sell their land to whoever would be willing to replace the former structure in approximately the same place with approximately similar architecture.

The advantage to this approach is 1) it produces infill while not requiring area-wide rezoning which may lead to an excess of infill and 2) once built, the structures fit within the urban fabric of the village. Disadvantages are to be found in environmental concerns and neighborhood opposition. The environmental carrying capacity of the mill villages of Hope Valley, Ashaway and Bradford would need to be seriously considered.

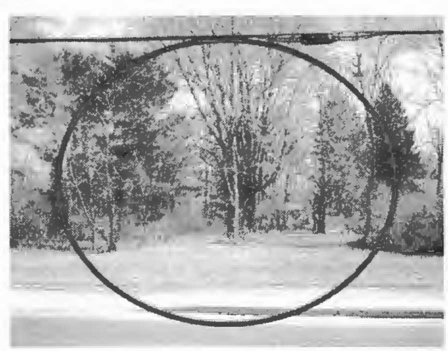
Hopkinton should stipulate that the Historic Restoration Strategy Special Use Permit is conditional on the owner working with the town's Affordable Housing Foundation to secure the subsidy necessary to have the unit count toward Hopkinton's Fair Share 10%. Maps from 1834, 1870 and 1895 have already been digitized for this project.

One example is provided here:



The Beers 1870 Map of Hope Valley depicts the home of L. Lillibridge, since torn down.

An orthophoto from Rhode Island GIS confirms that the home no longer stands.



The home could be rebuilt on its former site, 1018 Main Street.

- **Create Residential Incentive Zone Overlays or adopt a policy of Conditional Rezoning**

The intent of the Residential Incentive Zone is to establish a specialized zone that will, through incentives and consideration of a specific housing proposal in conjunction with a proposed zone change, facilitate construction of affordable housing.

Multi-family zones and R10, 10,000 sq. feet zones, are the most commonly created using this process.

In practical terms the town would create an overlay zone, the designation R-6 has been used throughout the country for this purpose, where, provided a developer would build affordable housing, the underlying existing zoning would be changed. Or the town could keep the zoning as it currently exists and rezone on a project-by-project basis much the same way as a PUD process works. Both techniques are forms of "conditional rezoning."

In the past this technique was labeled "contract rezoning" because municipalities drew up contracts with particular entities which spelled out as many conditions and restrictions for the particular project as made sense. The contract would also make that entity financially responsible for any of the legal costs incurred by the town because of the project. This financial qualification was put in place because the legality of contract rezoning was often tried in the courts. Contract rezoning gives a municipality a great deal of discretion, and because the courts defend the rule by law versus rule by individuals, and discretionary decisions were found to be capricious, arbitrary and selective, contract rezoning has been on occasion ruled against.

However, like most municipalities Hopkinton already makes use of Planned Unit Developments (PUDs), and Special Permits. With the advent of the planned unit development concept and its acceptance by courts, the rejection of negotiation between municipal governments and developers became a less likely result in case of challenge. Also any neighborhood opponent to conditional rezoning should be informed that if conditional rezoning is not allowed developers now have the recourse of the Comprehensive Permit. With conditional rezoning the town has room to bargain, with a Comprehensive Permit densities can be unlimited. Of course this plan assumes the town will be free of Comprehensive Permits upon adoption of this plan.

Fair Share 10% units can be included in developments at a rate of, for instance, 10%, (instead of the 20% mandated by a Comprehensive Permit) to make this route more attractive to developers than the Comprehensive Permit route. Conditional rezoning can also make use of price controls written into the ordinance.

In a residential incentive overlay zone standards are reduced including: Minimum Lot Size, Minimum Lot Width/ Depth, Setbacks and Maximum Height. A standard R-6 zone cuts in half Minimum Lot Size, Minimum Lot Width/ Depth and Setbacks.

Is this spot zoning? The legal opinions solicited by the Planning Department say no. Spot zoning occurs when a small area of land or section in an existing neighborhood is singled out and placed in a different zone from that of neighboring property.

In some areas of the country the courts have found spot zoning illegal on the ground that it is incompatible with the existing land use-zoning plan or in an overall zoning scheme for the community. However, in Hopkinton there are many areas currently zoned RFR – 80 for medium-sized lots next to areas where the preexisting land use is village-style and houses are on an acre or less. It is in those areas that an R-6 overlay designation would be appropriate and in keeping with the surrounding neighborhoods.

This plan also demonstrates an overriding public need for affordable housing in the area that it is doubtful a court would rule against.

- **Create a Linkage Ordinance**

  In linkage programs cash contributions are made to the community to serve some public purpose (i.e., habitat restoration in Florida, open space preservation throughout the country) as a means of recognizing the impacts of large-scale projects. If the zoning regulation that enforces linkages can demonstrate and document the cost link between a development fee and a public purpose then a payment can be charged. The funds collected can be used by the town to develop housing. Typically housing is not developed on the site of the development to which it is linked.

  Anywhere where a residential zone is being converted to another zone is an opportunity to apply a linkage fee to offset the loss of possible housing – especially in the case of Hopkinton's rezoning near Exits 1 and 2.

5.2 Protect the Current Affordable Housing Stock

- **Enact a Demolition Delay Ordinance.**

  A Demolition Delay Ordinance imposes a waiting period before a permit can be granted to demolish a residential structure. The waiting period creates an incentive for reuse and gives interested parties an opportunity to acquire reusable residential structures. If after the delay period has expired no use can be found for the building or if it is deemed beyond saving then the Building Inspector can sign the demolition permit and the demolition can proceed. There are many success stories in Massachusetts and on Block Island where a better solution was found to demolition.

- **Create more Local Historic Districts, or, where such a district would face resident opposition, create Neighborhood Conservation Districts.**

  Expand the town's historic districts and create new districts in order to preserve older housing which often serves as affordable housing. Such a commission already exists in Hopkinton although its jurisdiction is small for a town with such a large stock of historic structures.

  In a local historic district, any proposed changes to exterior architectural features visible from a public way are reviewed by a locally appointed Historic District Commission. For instance, if a building addition was proposed in a local historic district, the property owner would submit an application to the Historic District Commission. The Historic District Commission would hold a public hearing and make a determination on whether the new addition was appropriate. If the addition was appropriate, the Historic District Commission would issue a certificate, allowing the work to progress. Many Historic District Commissions have prepared Historic District Design Guidelines that clarify how proposed projects should respect the existing historic character. Hopkinton's has not.

  Local Historic Districts offer the strongest form of protection for the preservation of historic structures. Local historic districts in Rhode Island be credited with saving thousands of historic communities from inappropriate alteration and demolition.

  Eight historic homes on Main Street Hope Valley alone face demolition due to the fact they sit within a Commercial Zone according to the plan *Protection and Enhancement: A Design Plan for Hope Valley, Rhode Island.*

  A Neighborhood Conservation District is an effective method for maintaining the scale and character of established, older neighborhoods. The review requirements of a Neighborhood Conservation District are more flexible than for a Local Historic District. For instance, review authority in a Neighborhood Conservation District could be limited to major construction projects or demolition. Other minor changes such as small additions, vinyl siding or window replacement could be reviewed but in an advisory capacity. Neighborhood Conservation Districts can be administered by a Historical Commission, Planning Board, Historic District Commission or a special Neighborhood Conservation District. It is preferable to include some residents of the district on the Commission.

Areas that would be good Conservation Districts include all of Hopkinton's many small villages.

5.3 Gain Support for Affordable Housing

- **Make public an affordability commitment policy.**

Hopkinton can make it clear that affordability is one of several substantial community benefits that will be weighed in all discretionary actions, including rezoning, Planned Unit Developments and special permits.

The town could also work with developers to develop strategies to integrate mixed-income units into market-rate developments.

This plan does not go so far as to recommend that all PUDs involve the inclusion of affordable housing but that option should be considered.

- **Encourage local banks to participate in affordable housing programs within the community.**

Though described in the Comprehensive Plan such an initiative has never been carried out. In meeting their community obligations under the Community Reinvestment Act of 1977 local banks frequently take on partnership roles with communities. The Washington Trust Company is one candidate of many. As an active supporter of community programs in Washington County the bank is a resource underutilized by communities such as Hopkinton which do not have a local branch in town.

5.4 Manage the Sustainable Creation of Affordable Housing

In the same way that the Comprehensive Plan attempts to balance community goals which are often at odds this housing plan advocates creating affordable housing while simultaneously protecting Hopkinton's quality of life and rural character. If a push to increase affordability housing in Hopkinton is to be sustained over time, in good spirit and perhaps, politically it is necessary that the effects of new residences on both taxes and aesthetics be mitigated. To the degree that the town of Hopkinton is able to protect and enhance its identity and its livability while adding to its housing stock the town can be said to be pursuing a sensible, sustainable, affordable housing agenda.

- **Amend Comprehensive Permit Ordinance to place all homes built using Comprehensive Permit under the building cap.**

Currently some communities such as Cumberland subject all units built using a Comprehensive Permit to the town's residential building permit cap. The suggested Mandatory Inclusionary Zoning Ordinance must be made more palatable to the development community. Expect political opposition from the development community to a Mandatory Inclusionary Zoning Ordinance for as long as the Comprehensive Permit process allows the financial boon of unlimited density and an unregulated phase-in rate. Under the town's Mandatory Inclusionary Zoning Ordinance affordable units will not count under the building cap; thus, the creation of affordable units will be seen as a greater financial incentive.

Also, the building cap in Hopkinton exists to phase-in residential structures at a rate that is fiscally prudent. Phased Growth Controls such as the building cap are based on the town's ability to provide services to the new development such as water, public safety, schools and transportation. Phased Growth can also be helpful for the construction industry as a whole because it helps to reduce new construction fluctuations based on the present state of the economy.

The unimpeded residential construction created by Comprehensive Permits may raise the property taxes of seniors whose main housing expense is no longer the mortgage they have since paid off but instead the town's property taxes (Tables 18 and 19).

- **Create an Open Space Plan.**

  An Open Space and Recreation Plan is a blueprint for how a community will grow without losing its valued open space and recreational assets. Factors that affect open space are identified and examined during the planning process, and strategies the community may use to protect and enjoy its character, natural resources and open spaces are identified. Among other benefits, open space protection can provide profound economic benefits by helping to avoid the costly mistakes of misusing or overwhelming available resources.

- **In conjunction with an Open Space Plan Create Overlay Zones to protect the community's character.**

  An Overlay Zone is a separate zoning district that is overlaid over the current zoning district. As a result, the regulations of both the underlying zone and the overlay zone must be adhered to. Overlay Zones seek to protect a particular type of resource that is only within the overlay area. Overlay zones are often used for environmentally sensitive areas such as aquifers, farmlands, wetlands and river shorelines. However, there are many other goals that could be met with an overlay zone.

- **Create a Design Review Board.**

  A Design Review Board is an appointed group of individuals that review new construction and additions to buildings. Usually a Design Review Board will review projects within an already built-up area such as a downtown, where building construction and design are vitally important for compatibility with existing resources. The Board will review proposed projects and make their recommendations, in general, to the Planning Board.

  Although Design Review Boards are advisory and do not have specific regulatory power they are an effective method of public process and the comments of an officially designated town board are usually taken seriously. Nevertheless, communities are encouraged to pursue regulatory tools such as Local Historic Districts which are far more effective at preserving community character in historic areas.

- **Enact Slope and Elevation Protection Ordinances and Scenic Viewshed Protection Ordinances to preserve the varied and interesting topography of Hopkinton.**

  The goal of Slope and Elevation Protection Ordinances is to protect ecologically fragile hillsides from new development. Scenic Viewshed Protection Ordinances seek to protect the scenic qualities of hills and rolling terrain by requiring additional design criteria for new construction in these highly visible areas. Similarly designations as a State Scenic Roads can access state level funding for the protection of distinct roadways.

APPENDICES

Appendix A: Population Data and Affordability Definitions

Concerning the exact population data in Figure 1:

Table 30 Hopkinton, Washington County and Rhode Island Population, 1790-2000			
	Hopkinton	Washington County	Rhode Island
1790	2,462	18,757	68,825
1800	2,276	16,849	69,122
1810	1,774	15,684	76,931
1820	1,821	16,642	83,059
1830	1,777	16,606	97,210
1840	1,726	15,393	108,830
1850	2,477	17,692	147,545
1860	2,738	20,035	174,620
1870	2,682	21,210	217,353
1880	2,952	23,698	276,531
1890	2,864	24,969	345,508
1900	2,602	25,550	428,556
1910	2,324	26,256	542,610
1920	2,316	25,970	604,397
1930	2,823	30,363	687,497
1940	3,230	33,341	713,346
1950	3,676	49,274	791,896
1960	4,174	59,540	859,488
1970	5,392	85,706	949,723
1980	6,406	93,317	947,154
1990	6,873	110,006	1,003,464
2000	7,836	123,546	1,048,319

Source: U.S. Bureau of the Census, 2000

Appendix B: Fair Share 10% Chart

Low and Moderate Income Housing by Community

Updated 8/2002

Cities/Towns	Total Units	Total** Low/Mod	% Low/Mod	Family Low/Mod	Low/Mod Family %	Elderly Low/Mod	Low/Mod Elderly %	Public Elderly	Public Family	RIHMFC Family	RIHMFC Elderly	RHS 515	202 811	221 family	221 elderly	236 family	236 elderly	Mod Re Family	Mod. Re Elderly	HOME	Group H. Beds	Other
Barrington	6,199	92	1.48%	33	35.87%	60	65.22%	0	0		60									1	32	
Bristol	8,705	500	5.74%	95	19.00%	405	81.00%	220		9	68		97							50	36	20
Burrillville	5,821	417	7.16%	228	54.68%	189	45.32%	76		198	113										30	
Central Falls	7,270	1,042	14.33%	413	39.64%	629	60.36%	329		70	286		14	193				87		57	6	
Charlestown	4,797	45	0.94%	45	100.00%	0	0.00%													5	40	
Coventry	13,059	478	3.66%	75	15.69%	403	84.31%	196			81									22	53	126
[illegible]	32,068	1,752	[illegible]	384	21.92%	1364	77.85%	592	41	19	700		72			168		14		21	121	4
Cumberland	12,572	719	5.72%	96	13.35%	623	86.65%	176		32	255		61	0	88			9		11	44	43
East Greenwich	5,226	218	4.17%	77	35.32%	141	64.68%		28		141							0		12	37	
East Providence	21,309	2,297	10.78%	820	35.70%	1477	64.30%	400	50	83	948		117	250	0	342				2	93	12
Exeter	2,196	37	1.68%	37	100.00%	0	0.00%													2	35	
Foster	1,578	36	2.28%	6	16.67%	30	83.33%					30									6	
Glocester	3,786	72	1.90%	10	13.89%	62	86.11%					62									10	
Hopkinton	3,112	152	4.88%	15	9.87%	137	90.13%				23		114							1	14	
Jamestown	2,769	103	3.72%	36	34.95%	67	65.05%	35		20		20	12							4	12	
Johnston	11,574	887	7.66%	190	21.42%	697	78.58%	150	42	2	474		73			62				7	77	
Lincoln	8,508	581	6.83%	215	37.01%	366	62.99%	246	6	59	120					102					48	
Little Compton	2,103	1	0.05%	1	100.00%	0	0.00%													1	0	
Middletown	6,345	629	9.91%	400	63.59%	229	36.41%			12	50		65			302				18	68	114
Narragansett	9,159	332	3.62%	222	66.87%	110	33.13%	2	10	24	104	4		130		32				10	16	
Newport	13,226	2,224	16.82%	1,540	69.24%	684	30.76%	250	836		87		116	201	115	315		77		47	64	116
New Shoreham	1,606	27	1.68%	4	14.81%	23	85.19%					16								4	0	7
North Kingstown	10,743	849	7.90%	448	52.77%	401	47.23%			122	209		10	54	70	156				68	48	112
North P[illegible]	14,867	1,214	8.17%	220	18.12%	994	81.88%	131	14		642		30	180			96				26	95
North Smithfield	4,070	327	8.03%	52	15.90%	275	84.10%			0	60	155									52	60
[illegible]	31,819	2,584	[illegible]	1243	48.10%	1341	51.90%	629	456	154	562		150			486				30	117	
Portsmouth	7,386	175	2.37%	41	23.43%	134	76.57%	40		0	94									16	25	
Providence	67,915	9,394	13.83%	3770	40.13%	4621	49.19%	1129	1511	1214	2217		673	596	50	95	647			9	299	954
Richmond	2,620	53	2.02%	53	100.00%	0	0.00%													10	43	
Scituate	3,904	41	1.05%	17	41.46%	24	58.54%					24									17	
Smithfield	7,396	322	4.35%	78	24.22%	244	75.78%	50		4	194										74	
South Kingstown	11,291	594	5.26%	221	37.21%	373	62.79%	18	52	59	114	32	100							36	74	109
Tiverton	6,474	216	3.34%	96	44.44%	120	55.56%	45		50		24	51							5	41	
Warren	4,977	209	4.20%	56	26.79%	153	73.21%	153										16		9	31	
[illegible]	37,085	1,800	[illegible]	139	7.72%	1661	92.28%	483	36	7	1020		53					7		5	84	105
Westerly	11,292	517	4.58%	137	26.50%	380	73.50%	110	14	52	248	22								18	53	
West Greenwich	1,809	20	1.11%	20	100.00%	0	0.00%														20	
[illegible]	13,186	994	[illegible]	347	34.91%	647	65.09%	250		303	249		136			6	12			3	35	
Woonsocket	18,757	3,267	17.42%	1895	58.00%	1372	42.00%	666	625	392	379		92	92		605	147	37		30	114	88
STATE	438,579	35,217	8.03%	13,775	39.11%	20,436	58.03%	6,376	3,721	2,885	9,498	389	2,036	1,696	323	2,671	902	247	0	514	1,995	1,965

RIHMFC units include Rhode Island Housing funded Tax Credit and Section 8 units as well as the RIH administered State Rental Assistance Program; RHS 515 are units funded through the Rural Housing Service; 202 and 811 are HUD funding programs for the elder

Shaded communities are exempt from the Streamlined Zoning Act. Towns shaded in black have affordable housing units in excess of 10% of all units; towns shaded in gray are exempt through the alternate calculation, which states a town has at least 5,000 o

Column Definitions for the Low & Moderate Income Housing Act Chart

Column Heading	Subsidy	Description
Total Units	n/a	The total number of housing units in a community as reported in the latest available decennial census by the U.S. Census Bureau.
Total Low/Mod	n/a	The total number of identified housing units in a community meeting the definition of "low &moderate-income housing" as defined by the LMI Housing Act of 1991.
% Low/Mod	n/a	Total Low/Mod divided by Total Units
Family Low/Mod	n/a	The sum of all columns labeled as "family." This also includes units in the column labeled "HOME" and "Group H. Beds."
Low/Mod Family %	n/a	Family Low/Mod divided by Total Low/Mod
Elderly Low/Mod	n/a	The sum of all columns labeled as "elderly." This also includes units in the column labeled "RHS 515," "202/811" and "Other."
Low/Mod Elderly %	n/a	Elderly Low/Mod divided by Total Low/Mod
Public Elderly	Low-rent units	Public housing units assisted under the 1937 Housing Act as amended and designated for elderly occupancy.
Public Family	Low-rent units	Public housing units assisted under the 1937 Housing Act as amended, not designated for elderly occupancy.
RIHMFC Family	LIHTC, Section 8 project-based units and state RAP units	Family units constructed or renovated using RIHMFC-administered Low Income Housing Tax Credits; section 8 project-based subsidies; and/or state Rental Assistance Program funds (program is now funded by RIHMFC each year.)
RIHMFC Elderly	LIHTC, Section 8 project-based units and state RAP units	Elderly units constructed or renovated using RIHMFC-administered Low Income Housing Tax Credits; section 8 project-based subsidies; and/or state Rental Assistance Program funds (program is now funded by RIHMFC each year.)

Definitions of Subsidy Type for Classifying Low & Moderate Income Housing

Column Heading	Subsidy	Description
RHS 515	US Dept. of Agriculture, Rural Housing Service, section 515	Rural Rental Housing Loans are direct, competitive mortgage loans made to provide affordable multifamily rental housing for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities. This is primarily a direct housing mortgage program; only rural areas are eligible. There are four variations of the Section 515 loan program: Cooperative Housing, Downtown Renewal Areas, Congregate Housing or Group Homes for Persons with Disabilities, and the Rural Housing Demonstration Program.
202/811	HUD Section 202 & Section 811 subsidies	The Section 202 program provides capital advances (no-interest loans that are forgiven as long as affordability requirements are met for 40 years) and Project Rental Assistance Contracts (PRACs) for the construction or substantial rehabilitation & operation of residential projects & related facilities for the elderly. Housing may include appropriate support services for persons who are frail or at risk of being institutionalized. The Section 811 program provides capital advances (same terms as above) to finance the construction or rehabilitation of supportive housing for persons with disabilities, including the purchase of buildings that need little or no rehabilitation for use as group homes. Section 811 also provides project rental assistance to cover the difference between the HUD-approved operating cost per unit and 30 percent of a resident's adjusted income. The Section 811 program can be used to develop three general types of housing: group homes, independent living facilities, and cooperative/condominium projects. The program does not provide funding for supportive services.

Definitions of Subsidy Type for Classifying Low & Moderate Income Housing

Column Heading	Subsidy	Description
221 family	Section 221(d)(3) and (d)(4)	Section 221(d)(3) and 221(d)(4) is FHA mortgage insurance for HUD-approved lenders. Mortgage loans are used for the new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, elderly, and the handicapped. Single Room Occupancy (SRO) projects may also be insured under this section. Section 221(d)(3) is used by nonprofit sponsors and Section 221(d)(4) is used by profit-motivated sponsors.
221 elderly	Section 221(d)(3) and (d)(4)	Same as above. Projects may be designed specifically for the elderly or handicapped.
236 family	Section 236	Under Section 236 of the National Housing Act, HUD provides a monthly Interest Reduction Payment (IRP) subsidy to reduce the effective mortgage interest rate paid by the project to 1%. HUD has promulgated guidance to permit the continuation of IRP subsidy when the project secures new financing.
236 elderly	Section 236	Same as above. Projects may be designed specifically for the elderly or handicapped.
Mod Rehab Family	HUD Mod Rehab program	The Mod Rehab program is administered locally by PHAs, and provides project-based rental assistance for low-income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and a Public Housing Agency (PHA). Eligible families are placed on the PHA's housing choice voucher or separate Mod Rehab waiting list. When vacancies occur in Mod Rehab projects, the PHA refers eligible families for participation in the Mod Rehab program from its waiting list to owner. Owners select families for occupancy of a particular unit after screening each family.

Mod Rehab Elderly	HUD Mod Rehab program	Same as above. Projects may be designed specifically for the elderly or handicapped.

Definitions of Subsidy Type for Classifying Low & Moderate Income Housing Cont.

HOME	HUD Housing Investment Partnerships Program (HOME)	HUD formula grants to States and localities used-often in partnership with local nonprofit groups-to build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. Participating jurisdictions (PJs) may use HOME funds to provide home purchase or rehabilitation financing to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. PJs may use HOME funds to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their Consolidated Plan and justified under local market conditions. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.
Group Home Beds	varies	These units are generally group living facilities designed for special needs populations, such as the mentally or developmentally handicapped or children's services. Supportive services are usually linked to the housing.
Other	varies	These are low and moderate income housing units not classified elsewhere, consisting of a variety of rental and homeownership units. They are typically developed by small non-profit housing developers and/or as cooperative housing held by community land trusts.

Appendix C: Low Moderate Income Housing Act

Citing the Low Moderate Income Housing Act in its entirety:

TITLE 45
Towns and cities
CHAPTER 45-53
Low and Moderate Income Housing
SECTION 45-53-1

§ 45-53-1 Short title. – This chapter shall be known as the "Rhode Island Low and Moderate Income Housing Act".

§ 45-53-2 Legislative findings and intent. – The general assembly finds and declares that there exists an acute shortage of affordable, accessible, safe, and sanitary housing for its citizens of low and moderate income, both individuals and families; that it is imperative that action is taken immediately to assure the availability of affordable, accessible, safe, and sanitary housing for these persons; that it is necessary that each city and town provide opportunities for the establishment of low and moderate income housing; and that the provisions of this chapter are necessary to assure the health, safety, and welfare of all citizens of this state, and that each citizen enjoys the right to affordable, accessible, safe, and sanitary housing. It is further declared to be the purpose of this chapter to provide for housing opportunities for low and moderate income individuals and families in each city and town of the state and that an equal consideration shall be on retrofitting existing dwellings and assimilating low and moderate income housing into existing developments and neighborhoods.

§ 45-53-3 Definitions. – The following words, wherever used in this chapter, unless a different meaning clearly appears from the context, have the following meanings:

(1) "Comprehensive plan" means a comprehensive plan adopted and approved by a city or town pursuant to chapters 22.2 and 22.3 of this title.

(2) "Consistent with local needs" means local zoning or land use ordinances, requirements, and regulations are considered consistent with local needs if they are reasonable in view of the state need for low and moderate income housing, considered with the number of low income persons in the city or town affected and the need to protect the health and safety of the occupants of the proposed housing or of the residence of the city or town, to promote better site and building design in relation to the surroundings, or to preserve open spaces, and if the local zoning or land use ordinances, requirements, and regulations are applied as equally as possible to both subsidized and unsubsidized housing. Local zoning and land use ordinances, requirements, or regulations are consistent with local needs when imposed by a city or town council after comprehensive hearing in a city or town where:

(i) Low or moderate income housing exists which is: (A) in the case of an urban city or town which has at least 5,000 occupied rental units and the units, as reported in the latest decennial census of the city or town, comprise twenty-five percent (25%) or more of the housing units, is in excess of fifteen percent (15%) of the total occupied rental units; or (B) in the case of all other cities or towns, is in excess of ten percent (10%) of the housing units reported in the census.

(ii) The city or town has promulgated zoning or land use ordinances, requirements, and regulations to implement a comprehensive plan which has been adopted and approved pursuant to chapters 22.2 and 22.3 of this title, and the housing element of the comprehensive plan provides for low and moderate income housing in excess of either ten percent (10%) of the housing units or fifteen percent (15%) of the occupied rental housing units as provided in subdivision (2) (i).

(3) "Infeasible" means any condition brought about by any single factor or combination of factors, as a result of limitations imposed on the development by conditions attached to the zoning approval, to the extent that it makes it impossible for a public agency, nonprofit organization, or limited equity housing cooperative to proceed in building or operating low or moderate income housing without financial loss, within the limitations set by the subsidizing agency of government, on the size or character of the development, on the amount or nature of the subsidy, or on the tenants, rentals, and income permissible, and without substantially

changing the rent levels and unit sizes proposed by the public agency, nonprofit organization, or limited equity housing cooperative.

(4) "Local board" means any town or city zoning board of review, planning board or commission, platting board of review, or building inspector; or the officer or board having supervision of the construction of buildings or the power of enforcing municipal building, subdivision, or zoning laws; or the city council or town council.

(5) "Low or moderate income housing" means any housing subsidized by the federal or state government under any program to assist the construction or rehabilitation of low or moderate income housing, as defined in the applicable federal or state statute, whether built or operated by any public agency or any nonprofit organization, or by any limited equity housing cooperative or any private developer.

§ 45-53-4 Procedure for approval of construction of low or moderate-income housing. – Any public agency, nonprofit organization, or limited equity housing cooperative proposing to build low or moderate income housing may submit to the zoning board of review, established under § 45-24-56, a single application for a comprehensive permit to build that housing in lieu of separate applications to the applicable local boards. In the case of a private developer, this procedure is only available for low or moderate-income housing proposals which remain as low or moderate income housing for a period of not less than thirty (30) years from initial occupancy. The zoning board of review shall immediately notify each local board, as applicable, of the filing of the application, by sending a copy to the local boards and to other parties entitled to notice of hearings on applications under the zoning ordinance and shall, within thirty (30) days of the receipt of the application, hold a public hearing on the application. The chair of the state housing appeals board shall, by regulation, provide for review by planning boards in cases of applications involving land development projects or subdivisions. The zoning board of review has the same power to issue permits or approvals that any local board or official who would otherwise act with respect to the application, including, but not limited to, the power to attach to the permit or approval, conditions, and requirements with respect to height, site plan, size, or shape, or building materials, as are consistent with the terms of this section. In reviewing the comprehensive permit request, the zoning board may deny the request for any of the following reasons: if the proposal is inconsistent with local needs, including, but not limited to, the needs identified in an approved comprehensive plan, and local zoning ordinances and procedures promulgated in conformance with the comprehensive plan; if the proposal is not in conformance with the comprehensive plan; **if the community has met or has plans to meet the standard of ten percent (10%) of the units** or, in the case of an urban town or city, fifteen percent (15%) of the occupied rental housing units as defined in § 45-53-3(2)(i) being low and moderate income housing; or if concerns for the environment and the health and safety of current residents have not been adequately addressed. The zoning board shall render a decision, based upon a majority vote of the board, within forty (40) days after the termination of the public hearing and, if favorable to the applicant, shall immediately issue a decision approving the application. If the hearing is not convened or a decision is not rendered within the time allowed, unless the time has been extended by mutual agreement between the zoning board and the applicant, the application is deemed to have been allowed and the approval shall issue immediately. Any person aggrieved by the issuance of an approval may appeal to the Supreme Court.

§ 45-53-5 Appeals to state housing appeals board – Judicial review. – Whenever an application filed under the provisions of § 45-53-4 is denied, or is granted with conditions and requirements that make the building or operation of the housing infeasible, the applicant has the right to appeal to the state housing appeals board established by § 45-53-7, for a review of the application. The appeal shall be taken within twenty (20) days after the date of the notice of the decision by the zoning board of review by filing with the appeals board a statement of the prior proceedings and the reasons upon which the appeal is based. The appeals board shall immediately notify the zoning board of review of the filing of the petition for review and the latter shall, within ten (10) days of the receipt of the notice, transmit a copy of its decision and the reasons for that decision to the appeals board. The appeal shall be heard by the appeals board within twenty (20) days after the receipt of the applicant's statement. A stenographic record of the proceedings shall be kept and the appeals board shall render a written decision and order, based upon a majority vote, stating its findings of fact, and its conclusions and the reasons for those conclusions, within thirty

(30) days after the termination of the hearing, unless the time has been extended by mutual agreement between the appeals board and the applicant. The decision and order may be appealed in the Supreme Court.

§ 45-53-6 Power of state housing appeals board. – (a) In hearing the appeal, the state housing appeals board shall determine whether, in the case of the denial of an application, the decision of the zoning board of review was reasonable and consistent with local needs and, in the case of an approval of an application with conditions and requirements imposed, whether those conditions and requirements make the construction or operation of the housing infeasible and whether they are consistent with local needs.

(b) The standards for reviewing the appeal include, but are not limited to:

(1) The consistency of the decision to deny or condition the permit with the approved comprehensive plan;

(2) The extent to which the community meets or plans to meet the ten percent (10%) standard for existing low and moderate income housing units;

(3) The consideration of the health and safety of existing residents;

(4) The consideration of environmental protection; and

(5) The extent to which the community applies local zoning ordinances and special exception procedures evenly on subsidized and unsubsidized housing applications alike.

(c) If the appeals board finds, in the case of a denial, that the decision of the zoning board of review was unreasonable and not consistent with local needs, it shall vacate the decision and issue a decision and order approving the application. If the appeals board finds, in the case of an approval with conditions and requirements imposed, that the decision of the zoning board of review makes the building or operation of the housing infeasible, and is not consistent with local needs, it shall issue a decision and order, modifying or removing any condition or requirement so as to make the proposal no longer infeasible, and approving the application; provided, that the appeals board shall not issue any decision and order that would permit the building or operation of the housing in accordance with standards less safe than the applicable building and site plan requirements of the federal department of housing and urban development or the Rhode Island housing and mortgage finance corporation, whichever agency is financially assisting the housing. Decisions or conditions and requirements imposed by a zoning board of review that are consistent with local needs shall not be vacated, modified, or removed by the appeals board notwithstanding that the decision or conditions and requirements have the effect of denying or making the applicant's proposal infeasible.

(d) The appeals board or the applicant has the power to enforce the orders of the appeals board by an action brought in the Supreme Court. The zoning board of review shall carry out the decision and order of the appeals board within thirty (30) days of its entry and, upon failure to do so, the decision and order of the appeals board is, for all purposes, deemed to be the action of the zoning board of review, unless the applicant consents to a different decision or order by the zoning board of review. The decision and order of the appeals board is binding on the city or town, which shall immediately issue any and all necessary permits and approvals to allow the construction and operation of the housing as approved by the appeals board.

§ 45-53-7 Housing appeals board. [Effective until January 7, 2003.]. – (a) There shall be within the state a housing appeals board consisting of nine (9) members:

Housing Appeals Board

Represent: Appointed by:

1 district court judge (chair) Chief of district court

1 local zoning board member Speaker of the house

1 local planning board member Majority leader of senate

2 city and town council members Speaker of the house

(plus an alternate) – representing Majority leader of senate

municipalities of various sizes (Governor)

1 affordable housing developer Governor

1 affordable housing advocate Governor

1 director of statewide planning or designee Self-appointed

1 director of Rhode Island housing or designee Self-appointed

(b) All appointments are for two (2) year terms; provided, that the initial terms of members appointed by the speaker of the house and majority leader are for a period of one year. A member shall receive no compensation for his or her services, but shall be reimbursed by the state for all reasonable expenses actually and necessarily incurred in the performance of his or her official duties. The board shall hear all petitions for review filed under § 45-53-5, and shall conduct all hearings in accordance with the rules and regulations established by the chair. Rhode Island housing shall provide space, and clerical and other assistance, as the board may require.

§ 45-53-8 Severability. – If any provision of this chapter or of any rule, regulation, or determination made under this chapter, or its application to any person, agency, or circumstances, is held invalid by a court of competent jurisdiction, the remainder of the chapter, rule, regulation, or determination, and the application of the provision to other persons, agencies, or circumstances, shall not be affected thereby. The invalidity of any section or sections, or part of any section or sections, of this chapter shall not affect the validity of the remainder of the chapter.

Appendix D: Questions Concerning the Low Moderate Income Housing Act

The following is from the pamphlet from Rhode Island Housing, "*Frequently Asked Questions about The Rhode Island Low and Moderate Income Housing Act R.I.GL. 45-53, February 2003*":

"What is the purpose of the Low and Moderate Income Housing Act?

The Rhode Island Low and Moderate Income Housing Act (the Act) was passed in 1991 [and amended in 2002] to help address the shortage of affordable housing statewide by 1) reducing barriers created by local approval processes, local zoning, and other restrictions, and 2) encouraging cities and towns to plan for the development of affordable housing in their communities. Its goal is to encourage the production of affordable housing in all communities throughout the state. The act enables local Zoning Boards of Review to approve affordable rental and homeownership developments under flexible rules and expedited timeframes if at least 20% of the units are subsidized and have long-term affordability restrictions. The act allows a developer, under certain circumstances, to appeal the decision of the Zoning Board of Review to the State Housing Appeals Board.

What is considered affordable housing under the Act?

The Act defines affordable housing as low and moderate-income housing subsidized by the federal or state government under certain programs to assist the construction or rehabilitation of low and moderate-income housing. The income of the residents of the affordable units is determined by each subsidy program, and can be as high as 80% of median family income (currently $43,600 is 80% of median income in Rhode Island). The long-term affordability of a development either is defined by the funding source or, in the case of a for-profit developer, must last for at least 30 years.

How does a development qualify under the Act?

To qualify under the act, a development must::

Show evidence that the development is eligible for a state or federal subsidy;
Have at least the minimum number of units reserved for low and moderate income housing as defined by the program providing the subsidy or 20% of the total number of units, whichever is greater;
Guarantee that the units will remain affordable for at least 30 years, if developed by a for-profit entity; and
Apply to the local Zoning Board of Review foe a comprehensive permit for waivers from specified zoning or subdivision requirements.

How does the comprehensive permitting process differ from a routine request for zoning relief or the development of a subdivision?

The developer submits a single comprehensive permit application to the Zoning Board of Review (ZBR). The ZBR is empowered to grant all local approvals necessary for the project after consulting with other relevant boards, such as the planning board and the conservation commission. The ZBR also is authorized to apply more flexible standards in place of the strict local zoning ordinance requirements.
The ZBR must open the public hearing thirty (30) days after the receipt of a completed comprehensive permit application. The local hearing and review process is more streamlined under the Act, but still allows for several hearing sessions where the municipality's concerns are explored an addressed.
The ZBR must issue a decision forty (40) days after the close of the public hearing. The ZBR may: (a) approve the application as submitted; (2) approve the development with conditions or changes; or (3) deny the application altogether. The ZBR may issue conditional zoning approvals if one or more state or federal agency's approvals are pending.

How does a community exercise control over the proposed development of the Act?

The ZBR and other town officials will often work with the developer to modify the project. Furthermore, the ZBR may include conditions and requirements on any aspect of the project with respect to height, site plan, size, shape, and building materials, provided that these conditions do not make the development economically infeasible. Also the developer must specify in the comprehensive permit application the zoning requirements and/or subdivision regulations the developer wants waived or modified.

The implementation strategies in the municipality's comprehensive plan, especially the housing and land use elements, are key to the municipality's decision on a comprehensive permit application. Municipalities that have planned for the development of affordable housing in their comprehensive plans and zoning ordinances and can demonstrate their commitment to carrying out those plans need not fear losing control of the development in their communities since the State Housing Appeals Board must take the comprehensive plans into their account in an appeal. It is also in the best interests of the community to create a comprehensive permit application so that the ZBR and other relevant boards receive the information they need to make an expedited decision. The regulations of the SHAB give guidance on what should and could be included in the comprehensive permit application.

Under what conditions can an appeal be filed with the State Housing Appeals Board?

If the ZBR rejects the affordable housing development, or approves it with conditions that the public agency, nonprofit organization or limited equity housing cooperative can demonstrate make the construction or operation of the development infeasible, the decision of the ZBR can be appealed to the State Housing Appeals Board (SHAB). The developer must file an appeal with the SHAB with within twenty (20) days after the date of the notice of the decision of the ZBR.

How does the percentage of subsidized housing within a community impact a developer's right to appeal the decision of the ZBR?

The right of appeal is not available in communities where the number of subsidized units is in excess of 10% of the total number of housing units <u>or</u> in the case of an urban city or town with at least 5,000 occupied rental units, those rental units must compromise twenty-five percent (25%) or more of the total housing units and more that 15% of the rental units must be subsidized. Rhode Island Housing is charged with annually updating the calculation of subsidized housing. As of August 2002 the following communities were exempt from an appeal to the SHAB: Central Falls, Cranston, East Providence, Newport, North Providence, Pawtucket, Providence, Warwick, West Warwick, and Woonsocket. The calculation of subsidized housing does not include Section 8 Vouchers, military housing, and mortgages and mortgage insurance when there is no construction or rehabilitation under a state or federal program.

Who sits on the State Housing Appeals Board?

The State Housing Appeals Board represents diverse interests and expertise – municipalities, the affordable housing development and advocacy community, and professional planners. By statute, the ten member SHAB is chaired by a District Court Judge. The other members are appointed by the Governor, President of the Senate, Speaker of the House, or represent a public agency. There are two city/town council members, one zoning board member, one planning board member, an affordable housing developer, an affordable housing advocate, a representative from Statewide Planning and one from Rhode Island Housing. The tenth SHAB member is a city/town council member serving as a municipal alternate. By statue, Rhode Island Housing is charged with providing staff support to the Board.

How does an appeal to the SHAB proceed?

A developer must file an appeal with the SHAB within twenty (20) days after the date of the notice of the decision of the ZBR The SHAB then must open a hearing within twenty (20) days of the receipt of the developer's' statement describing the ZBR proceedings, the reason for the appeal, and a completed application as required in the regulations of the SHAB. The SHAB then decides if the denial was reasonable and consistent with local needs. The SHAB must make its decision within thirty (30) days after the close of the hearing. Abutters may petition the SHAB to formally intervene. After the SHAB notifies the ZBR of its decision and order, the ZBR has thirty days (30) days to carry them out. A decision of the SHAB may be appealed to the Rhode Island Supreme Court.

How many units of affordable housing have been created because of the Act?

Since 1992, the SHAB has heard thirteen appeals. As a result of the Board's actions, 266 units of rental housing and 20 limited equity cooperative units were developed.

How does someone get more information about the State Housing Appeals Board?

Rhode Island Housing is charged by statute to staff the SHAB. For additional information about the Low and Moderate Income Housing Act or to request a copy of the law, the regulations. or decisions, please contact Judy Jones, State Housing Appeals Board, 44 Washington Street, Providence, RI 02903, (401) 457- 1140, or jjones@rihousing.com.

Appendix E: State Housing Appeals Board Rulings

Table 29 State Housing Appeals Board Rulings				
Town	Appellant	Unit Type	Date of Decision	Zoning Board Decision
North Smithfield	Union Village Development Association	80 rental units for families	3/10/92	Appeal not properly before Board
Cranston	Russell and Harry DePetrillo	24 single family homes	8/12/92	Upheld
Johnston	United Cerebral Palsy of Rhode Island	11 rental units for persons with disabilities	9/14/94	Overturned, appealed and upheld
North Smithfield	Union Village Development Association	80 rental units, elderly and disabled	9/26/97	Overturned, appealed remanded and settled
West Warwick	Hickory Hills Ltd. Partners	40 rental units for families	NA	Appeal withdrawn
South Kingstown	Property Advisory Group	12 rental units for families	10/13/99	Overturned
Tiverton	Valley Affordable Housing	52 rental units for elderly	2/22/00	Overturned
Lincoln	Lonsdale Village Revitalization Ltd. Partnership	27 rental units	6/26/00	Overturned
E. Greenwich	Housing Authority of East Greenwich	64 single family/ 14 subsidized	8/31/00	Appellant determined ineligible, appealed
Johnston	Housing Authority Corporation	52 units for elderly	11/14/00	Overturned
Coventry	Omni Development Corporation	43 single family/ 20 subsidized	12/21/01	Overturned, appealed, remanded to SHAB
Coventry	Coventry Housing Association	32 rental units for families	6/20/02	Overturned

Appendix F: Building Permits in Hopkinton

Concerning the specific numbers used in figures 6 and 7:

Table 30 Building Permits Issued in Rhode Island and Hopkinton 1981 to 2002*		
Year	Rhode Island	Hopkinton
1981	2691	17
1982	2265	14
1983	3334	13
1984	3942	84
1985	5195	38
1986	7102	67
1987	6995	88
1988	5928	50
1989	3469	67
1990	2791	45
1991	2377	27
1992	2592	44
1993	2578	49
1994	2539	38
1995	2331	20
1996	2471	30
1997	2672	27
1998	2642	46
1999	3414	52
2000	2596	33
2001	2407	43
2002	2804	32
Total	75,135	924
Average	3,267	40

Source: Building Official's Office, Hopkinton Town Hall

Appendix G: Mortgage Calculator

Information pertaining to the Fannie Mae Mortgage Calculator:

For purposes of calculating the True Cost Rate of a loan, we based our calculations on the following assumptions or information:

1. The value of the property will not change over the period the borrower anticipates holding the loan. In other words, we do not consider possible appreciation or depreciation of the property.

2. If the loan is a conventional (non-FHA) loan the estimated monthly mortgage insurance premium, if applicable (for loans with a down payment of less than 20%), is based on averages of premium schedules filed by prominent mortgage insurers (which relate to loans with original principal balances of $300,700 or less and which may change from time to time) and assumes standard mortgage insurance industry coverage. Loans with original principal balances of more than $300,700 may be subject to a different premium schedule. The filed mortgage insurance premiums relied upon cover most, but not all, states. The estimated monthly mortgage insurance premium, if applicable, takes into account the loan balance, the size of the borrower's down payment, and the loan product chosen. We also assume that the mortgage insurance premium is no longer applicable once the amortized loan-to-value ratio is less than or equal to 78%.

   While conventional (non-FHA) loan borrowers have multiple payment options for paying their mortgage insurance premiums (for example, an annual lump sum, a lump sum payable in full at closing, or monthly payments), we assume that a borrower's estimated mortgage insurance premiums, if applicable, would be paid on a monthly basis, along with payments of principal and interest.

3. FHA loans may be subject to an up-front mortgage insurance premium (MIP) and/or an annual MIP payment. If an up-front MIP is applicable, we assume that it is 1.5% of the original loan amount. In addition to the up-front MIP, FHA borrowers may have to pay an annual MIP of either 0.25% or 0.5% of the average annual loan balance, depending upon the loan term and the original loan-to-value ratio. We also take into account the FHA MIP cancellation policy for applicable loans. If no up-front MIP is required, we assume that an annual MIP of 0.5% is payable for the life of the loan.

4. We assume the purchase or refinance involves a single-family home which will be the borrower's primary residence, and not an investment property or second home which may be subject to additional charges.

5. ARM Index Value: We assume an ARM index (see #8 below) of 4.5%. The borrower can revise this data field to reflect the borrower's actual ARM Index Value, and the True Cost Rate will be based on the borrower's data.

6. ARM Margin: We assume an ARM Margin (see #8 below) of 2%. The borrower can revise this data field to reflect the borrower's actual ARM Margin, and the True Cost Rate will be based on the borrower's data.

7. Adjustable Rate Mortgages (ARMs) are characterized by an interest rate that adjusts over the term of the loan. The adjustment, which occurs on a designated adjustment date, is computed by adding an ARM Margin to an ARM Index Value that is typically related to a nationally published index, like the one-year Treasury index. We assume that the nationally published index does not change over the term of the ARM loan, which is not likely to occur. The borrower's interest rate at any given adjustment date is a function

of the ARM Margin, the ARM Index Value and the stated adjustment rules (Periodic Rate Cap, Lifetime Rate Cap and adjustment frequency).

8. Monthly payments on all mortgage products considered (except balloon loans) are assumed to be set so that the loan is "fully amortizing," i.e., the monthly payments are set so that if identical monthly payments were made over the life of the loan (and for ARMs, the interest rate did not change) the loan would be completely paid off.

9. Years Until Move/Refinance: We assume that most borrowers will hold a loan for a period of 7 years before they move or refinance their home loan. Borrowers can revise this data field to reflect the anticipated years until they move or refinance, and the True Cost Rate will be based on the borrower's data.

10. Tax Bracket: We assume a federal marginal tax rate of 15%. The borrower can revise this data field to reflect the borrower's actual federal marginal tax rate, and the True Cost Rate will be based on the borrower's data. The True Cost Rate only considers the federal marginal tax rate, not state, local, or other taxes unless the borrower overrides the rate to include those taxes. In addition, the True Cost Rate does not adjust for changes in marginal rates that may occur depending on the borrower's actual circumstances.

11. ARM Years from First to Second Adjustment: We assume a period of one year between the first and second interest rate adjustments for an ARM product; this data field cannot be adjusted for FHA loans. For conventional (non-FHA) loans, the borrower can choose a loan type of "other ARM" and then enter in the appropriate data field, the actual number of ARM years from First to Second Adjustment; the True Cost Rate will then be based on the borrower's data.

12. Periodic Rate Cap. Most ARM products have an interest rate cap applicable to a specific rate adjustment period or periods within the overall term of the ARM loan, such that the interest rate cannot adjust beyond that cap rate during that period. For conventional loans, we assume that any periodic cap will not exceed a two-percentage point adjustment in interest rate for the True Cost Rate calculation; the borrower can revise this data field to reflect the actual Periodic Rate Cap, and the True Cost Rate will be based on the borrower's data. For FHA loans, we assume that any periodic cap will be one percentage point adjustment in interest rate for the True Cost Rate calculation; this data field cannot be adjusted.

13. Lifetime Rate Cap: Most ARM products have an interest rate cap applicable to the entire term of the ARM loan, such that the interest rate cannot increase beyond that lifetime rate cap over the entire term of the loan. For conventional loans we assume that the interest rate cannot increase six percentage points beyond the initial rate over the life of the loan; the borrower can revise this data field to reflect the actual Lifetime Rate Cap, and the True Cost Rate will be based on the borrower's data. For FHA loans we assume that the interest rate cannot increase five percentage points beyond the initial rate over the life of the loan; this data field cannot be adjusted.

14. Number of Years to Balloon Date: We assume 7 years as the typical term following origination and before a balloon payment comes due under a balloon loan. The borrower can revise this data field to reflect the actual Number of Years to Balloon Date, and the True Cost Rate will be based on the borrower's data.

15. True Cost Rate After Tax: Interest you pay on your mortgage may be tax deductible if you itemize your taxes; consult your tax advisor for more information. Nothing contained in this tool shall be deemed to be the rendering of tax advice.

Appendix H: Inclusionary Zoning Around the Country (Two handbooks on Inclusionary Zoning were also created with this report)

Table 31
Sample Mandatory Inclusionary Housing Programs Throughout the Country

Municipality and Date Inclusionary Housing Program was Enacted	Number of Units Created Since Enacted	Threshold Number of Units	Affordable Unit Requirement	Control Period	In-Lieu-of-Payment and Off-Site Development	Density Bonus	Other Developer Incentives
Montgomery County, Maryland 1974	More than 10,000	50 units	12.5 to 15% of all units. Local housing authority and qualified non-profit organizations may purchase 33% of affordable units.	For-sale units: 10 years Rental units: 20 years	In-lieu payments not permitted. Off-site allowed in contiguous planning area with approvals	Up to 22%	Waiver of water/sewer development charge and development impact fees
Fairfax County Virginia 1991	Over 1,500	50 units Fee charged on smaller units	12.5% in single-family developments 6.5% in multi-family developments	For-sale units: 15 years Rental units: 20	Not permitted	20% for single-family 10% for multi-family	None
Ipswich, Massachusetts 2001 (More than 100 out of 351 municipalities in Massachusetts use inclusionary zoning)	--	All developments Smaller Subdivisions must pay into housing fund	10% Affordable	--	Both	Up to 100% Where there is 2 acre zoning, development is allowed at 1 acre densities	--
Boston, Massachusetts 2000	--	10 units	10% of on-site units	Maximum allowable by law	In-lieu payments permitted	None	Tax break for developer
Longmont, Colorado 1995	Over 200	All developments	10%	For sale units: no control period Rental units: 5 years	In-lieu payment permitted Off-site construction decided on a case-by-case basis	Yes	Relaxed regulatory requirements on parking, setbacks, landscaping etc.
Boulder, Colorado 1999	--	All developments	20% for-sale and rental developments	Permanent affordability by deed restriction	Half of for-sale units may be built off-site.	None	Waiver of development excise taxes
Davis, California 1990 (More than 50 municipalities in California use inclusionary zoning)	Over 1,500	5 units	25% for-sale developments 25% rental developments	Permanent affordability for rental units, none in for-sale units	In-lieu payment permitted for developments under 30 units or with demonstration of "unique hardship"	25%	None
Irvine, California 1978	More than 3,500	All developments	Voluntary goal of 15% of all units	20 to 30 years by case	In-lieu and off-site allowed	25%	None
Santa Fe, New Mexico 1998	--	All developments targeted to over 120% of area median income (sale price over $240,000)	11% in developments with homes priced $240,000 to $400,000 16% in developments with homes priced over $400,000	30 years for all units 30 year period starts over with each new tenant	Not permitted except in cases of economic hardship	16% in developments targeting under 80% of area income (sale price $150,000)	Waiver of building fees

Appendix I: Density Bonuses

From the Hopkinton Code of Ordinances:

Section 18-186-1A:

"The planning board may grant a density bonus of up to ten (10) percent of the final value of U (# of permitted units) if the applicant is willing to legally bind the specified lot(s) as permanent affordable housing units as established by the market index from the U.S. Department of H.U.D., and specified as deed restriction on future transfers of the properties, or other methods acceptable to the town."

Density Bonus Defined: Developers who commit to allotting a certain percentage of units at below market rates may be allowed to reduce lot sizes or increase the number of houses on a lot, thereby reducing land cost per unit. Density bonuses may be used in conjunction with a open space development or planned unit development where the community desires to preserve open space and have lower municipal costs (street, water, sewer). Municipalities can also offer density bonuses, such as nature trails. conservation easements, additional public transportation stops, or public access to waterways.

Appendix J: An Updateable Worksheet Tracking Affordable Housing Initiatives in Hopkinton

Started/ Completed	A Worksheet Listing Additional Actions Taken By Hopkinton Toward Creating Affordable Housing
6/1/03	Amended Housing Element of Comprehensive Plan

Page 2 of An Updateable Worksheet Tracking Affordable Housing Initiatives in Hopkinton

Started/ Completed	A Worksheet Listing Additional Actions Taken By Hopkinton Toward Creating Affordable Housing

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