

## 5.3 Housing

### 5.3.1 Introduction

This element of the Comprehensive Plan is vital in mapping out the future of the town because it analyzes existing housing needs and forecasted future needs in an attempt to develop programs for the preservation, improvement and development of housing for all citizens. The housing element presents policies and implementation techniques to provide a balance of housing choices for all income levels and for all age groups. This portion of the Comprehensive Plan describes and analyzes the existing housing stock, identifies the housing needs of the existing population, establishes goals and policies that will upgrade deteriorating and substandard housing, while simultaneously provide new housing opportunities for all residents of the community. On November 7, 2005 the Town amended this Comprehensive Plan to include the Exeter Affordable Housing Plan in Appendix C.

### 5.3.2 Housing Trends

#### 5.3.2a National

The Housing Act of 1949 set forth a principal goal, "a decent home and suitable living environment for all Americans." For many citizens of this country this goal has become a reality. Substantial progress has been made in the improvement of housing conditions. The rate of homeownership stands at record rates as the American home continues to represent the single largest element of personal wealth to most families.

In recent decades there has been a substantial growing in the number of households that are being negatively affected by this growth and "prosperity." High housing costs have limited home ownership opportunities for our younger households, particularly our first time homebuyers. A dwindling supply of low-cost housing has also severely constrained lower income families seeking affordable home ownership or rental opportunities. For many years existing housing stock met the needs of these households due to its general availability to all families, a strong commitment from the federal government to housing, tax advantages for housing producers and the "trickle down" of housing units to younger families. This was particularly true of older housing units that for the average young family presented first time owner or renter opportunities. Gradual withdrawal by the federal government from the production and support of housing initiatives has further compounded this problem.

Between 1976 and 1982 the federal government produced more than 1,000,000 subsidized units. Since then, less than 45,000 units have been produced annually. Sharp increases in single parent and other "non-traditional" households have created additional households in need of affordable housing. It is the sum of these factors that

have led to the creation of a new generation of people “in need.” They are our younger middle class families.

### 5.3.2b Regional

In New England, during the 1970's, the yearly appreciation of real estate values outpaced inflation. The economic resurgence of the Northeast resulted in a dramatic increase in employment and subsequently put pressure on the regional housing market. In 1987 a Boston area family needed to generate over \$22,000 in cash for a down payment and closing costs and have an annual income of \$65,000 to qualify for a mortgage. It is easy to see why such housing costs placed tremendous pressure on the regional housing market, including Rhode Island, which has become an attractive place to live for many families commuting to the Boston market.

The New England region became the most expensive area to live in the United States by 1987. In 1988, the average home price in the region was \$103,154, a 100% increase (in 1988 dollars) from 1967. Increases in home prices were not the only result of this inflationary market, as rents escalated dramatically. Gross monthly rents were over \$420 last year (1989) up from \$408 in 1986. These increases were the result of higher demand for all forms of housing in the region.

### 5.3.2c State & Town

Rhode Island was not left out of the housing and economic boom of the 1980's. Between 1985 and 1987 housing prices almost doubled while per capita income outpaced growth in the rest of the U.S. Forty-five thousand new housing permits were issued as condominiums and single-family homes shot up across the State. In Exeter the average home sales price increased from \$65,062 in 1984 to \$174,337 in 1988, a 151% increase. Prices reached their peak in 1988 and early 1989. Home sales in Rhode Island peaked in 1986 (6,726) and have declined ever since to a low of 6,236 in 1988 according to the Rhode Island Association of Realtors. The RIAR records also indicated that there were 2,855 active listings in 1985. That number jumped to 9,000 in 1989. The market that drove production and housing price escalation has left a large stock of units that simply are not affordable for the average Rhode Island family, particularly the first time homebuyer.

Over the same time period the Average Rhode Islander's income rose to \$36,700 according to the Rhode Island Housing Mortgage Finance Corporation (RIMFC). At this level a family could not afford the average home priced at \$125,412. Another phenomenon affecting the housing market, particularly the rental market was an influx of 30,000 new households to Rhode Island (according to RIHMFC) between 1980 and 1985 placing additional pressure on an already tight rental market driving up area rents 200% in six years.

The 1990 U.S. Census figures indicate that Rhode Island experienced an increase in population of 23 percent from 1980. Exeter experienced significant growth from 1960–1990, a period in which saw the Town's population increase by 3,163 people, a 94% increase. This growth outpaced both Washington County and the State of Rhode Island by a large margin.

### 5.3.3 Development Trends

Building trends support population projections and suggest that the numbers may be conservative in terms of overall growth. Washington County communities collectively authorized construction of 10,000 units between 1980 and 1989, according to the Rhode Island Department of Economic Development. This figure was second only to Providence County. The South County (Washington County) area of the State has become an extremely attractive place to live for Rhode Island natives and new arrivals to the State. Improvements to the highway system have brought Washington County closer to the employment centers of the metropolitan areas.

Between 1980 and 1990 a total of 469 housing were built in the Town of Exeter. This total, which represents all single family and two-family development, indicates that the total housing stock for the town increased by 33.74%, from a 1980 total of 1,390 units to 1,854 units by the end of 1989. The strongest period of development occurred from 1984 through 1988 when 298, or 64%, of the units were built. Exeter's growth can be compared with other nearby Washington County and rural communities.

### 5.3.4 Existing Housing Stock

While one might look at recent development trends in Exeter and identify it based only the new subdivision homes being constructed, in actuality Exeter is a Town with diverse housing types, styles and affordability levels. Besides the newer more expensive homes that have asking prices ranging from \$230,000 to over \$300,000, there are also homes for sale ranging from \$125,000 to under \$100,000. The average home price for homes sold in Exeter in early 1990 was \$140,000. To total number of housing units is 1,919.

There are several public and private community residences in the community:

Name	Type	Capacity	Funding Agency
Eckerd Family Youth Alternatives	Wilderness Program	65 co-ed	DCYF
William Reynolds	Group Home	6	MHRH
Hallville Road	Group Home	6	MHRH
15 Veteran's Place	Group Home	6	MHRH
136 Lantern Place	Group Home	6	MHRH
Marathon House	-		

### 5.3.5 Residential Subdivision Development

The majority of the new development in Town takes the form of residential subdivisions. There were nineteen residential subdivisions developed in the late 1970's and 1980's. Subdivision activity was concentrated in the northern and southeastern parts of town. All development occurred east of the New London Turnpike. Considerable activity took place north of Rt. 102 (Ten Rod Road) where seven subdivisions, representing approximately 102 lots were developed between Fisherville Brook and the New London Turnpike.

Another type of housing present in the community is mobile homes. Mobile homes and modular homes provide housing for adults and families who rent sites or purchase homes under condo agreements, from the landowners at a more affordable rate. Beyond the units available at mobile home parks there are a number of freestanding units throughout the Town. In total mobile homes account for 247 units or 12.9% of the Town's housing stock according to the 1990 Census.

In 1990, rental units made up a relatively small percentage of all housing opportunities in town. The dominating apartment complex in town, Yawgoo Valley Apartments, located on Yawgoo Valley Road provides 56 one-bedroom rental units.

### 5.3.6 Housing Need Analysis

#### 5.3.6a Income Profile

Income affects quality of life. Earning power dictates whether a person can own a home or are required to rent, afford public or private schools. The 1990 Census data indicates that the majority of households in Exeter earn slightly above median income. While the community continues to be characterized by persons and families of moderate incomes, there are those whose incomes exceed the average as well as those whose incomes fall well below the averages for this area

Smaller families (2-4 person households) represented the majority of the lower income households in Exeter. This group accounted for 282 households or 69% of all lower income households in Town in 1990. The Single-person households were the second largest group of low-income households at 27%, with larger families representing the smallest low income.

#### 5.3.6b Housing Need

Housing need is a term used to identify households requiring rental assistance. Determination of household considered "needy" generally spend over 30% of their

gross income for rent or general housing costs. Smaller families made up the bulk of the housing need. Single parent households now dominate this group as this household classification has increased in dramatic fashion over the last ten years.

Utilizing the 1990 Census data it can be assumed that there are a minimum of 85 families in Exeter in need of housing assistance (Welfare/AFDC clients) and approximately 35–65 more families who would benefit from a rent subsidies. The need falls mostly in the smaller family category and particularly the single parent household. Meeting this need is a challenge for all communities as Federal and State resources shrink and the need for assistance continues. Exeter’s housing needs analysis has been updated and expanded in the Exeter Affordable Housing Plan in Appendix C.

#### 5.3.6c Rental Assistance

Rental assistance is provided to Town residents through two federal programs funded by the Federal Department of Housing and Urban Development, the Section 8 Program and the Housing Voucher Program. The Section 8 Program requires landlords to enter into a contract with the federal government and agree not to charge tenants more than the federal Fair Market Rents (FMR's) established for the area. The tenant pays a maximum of 30% of their income for rent and the balance between that figure and the FMR is paid to the landlord by the federal government. To be eligible for the Section 8 or Voucher Program, household income must be considered very low income by federal standards.

Housing Vouchers are direct subsidies paid to eligible households who can use these subsidies as payments towards the rental unit of their choice. At present there are 9 Certificates and 1 Voucher in place in Exeter.

#### 5.3.6d Federal Income Limits

When determining assistance program eligibility, the federal government breaks income down into two categories termed “Very Low” and “Lower” Income Households. Very low-income households are described as those with incomes are at or below 50% of the median income of the area. In this case "area" means the Primary Metropolitan State Statistical Area (PMSA). Low-income individuals are those with incomes at or below 80% of the area median. The income limits are set by the federal government and adjusted on a yearly basis. A very low-income criterion establishes the maximum income allowed for participation in the Section 8 and Housing Voucher Programs. The Lower Income limit establishes eligibility for federal Community Development Block Grant (CDBG) programs.

#### 5.3.7 Homeownership and Rehabilitation Assistance

5.3.7a Rhode Island Housing /Ownership Assistance

The Rhode Island Housing Mortgage Finance Corporation (RIHMFC) is one of the primary agencies in the state providing assistance to local families buying a home. The agency provides reduced rate mortgage assistance to eligible families. The program has been in existence since 1977. In the later half of the 1980's, participation in this program diminished as homes became generally unaffordable, even at reduced interest rates and with limited down payment requirements.

Over the years many families have utilized this program in Exeter. Since 1978, over 203 homes have been purchased via RIHMFC funding. Of that total approximately 100 were new homes with existing properties. The maximum purchase prices allowed under this program are as follows:

Existing One Family Home	\$113,978
Two- Family	\$128,339
Three-Family	\$155,352
Four-Family	\$180,655
New Build Home and Condo	\$130,266

Interest rates are variable depending on family income. The maximum income allowed is \$42,200.

5.3.7b Farmers Home Administration (FMHA)

The Farmers Home Administration provides low interest financing for eligible individuals or families to purchase homes in the Exeter area. At present the mortgage limit is \$105,000. Loans can be made up to 100% of the value of the property. Normally the maximum repayment term is 33 years and the interest rate fluctuates with the market. Over the past three years a total of seven mortgages have been approved.

5.3.7c Housing Rehabilitation

There are currently three programs providing rehabilitation assistance to Exeter residents managed by South County Community Action (SCCA), a non-profit family assistance organization based in Peace Dale, Rhode Island.

CDBG funding is used to maintain Exeter's Small Cities Community Development Block Grant Home Repair Program, providing grants for home improvements. Income eligible families can apply directly to SCCA for up to \$12,500 in funding. Awards are based upon need and the income of the household applying. Families are awarded grant monies based upon their relative income as a percentage of the Median Income for the Area (PMSA). The percentage of grant monies available is based on the percentage of the median income of the family, as shown below. Private financing or

possibly a loan through Rhode Island Housing’s Home Repair Loan Program can obtain funding for the balance of the project cost, which will be discussed next.

<u>Percentage of Median</u>	<u>% Grant of Total Cost</u>
50% (very low income)	100%
60%	75%
70%	50%
80%	25%

As income increases to 80% of median, the amount of the grant decreases, reflecting the owner’s ability to assume larger shares of the project cost.

The Town of Exeter requires that a lien be placed against the property of homeowners who receive such grants. The Rhode Island Housing and Mortgage Finance Corporation has designated SCCA the administrator of its Home Repair Program in Exeter. Loans of up to \$15,000 are available for rehabilitation purposes to lower income families. The Term is 15 years maximum with a rate of 5.9% or 8.9% depending on one's income and the current financial situation. Five point nine percent (5.9%) financing is available to families whose income does not exceed the moderate-income limits set by the federal government. Eight point nine percent (8.9%) financing is available to all households regardless of family size up to an annual family income of \$43,125. SCCA tries to use all three programs in conjunction with each other whenever possible to provide the maximum amount of grant money possible. Housing monies are regularly used with CDBG grants to cover the cost of these projects.

### 5.3.8 Housing Affordability Analysis

Housing Affordability has become a critical issue in Rhode Island since the mid-1980's when housing and rental prices soared. During this time it was not unusual to see home prices double and rental levels do almost the same. Incomes rose as well, but did not keep pace with housing price gains. Exeter had the 12th highest home price in 1988, but price alone does not determine affordability. An examination of the median income of the Town must be made with a relationship drawn to the average cost to purchase a single family house, trailer, or the rent charged for an apartment. For additional information, see the Exeter Affordable Housing Plan in Appendix C.

#### 5.3.8a Single Family Home Affordability

In 1986, the median income for the Providence Metropolitan Statistical Area (PMSA) was \$31,200. With an average home price of \$86,390 it required an income of \$35,048 at 5% down to afford the average home. What is apparent is the widening gap between income required to purchase a home, and the median income of families. While programs are available through Rhode Island Housing and Mortgage to lessen the

down payment requirement to 5%, the average income available to support a mortgage payment does not change. The level of "affordability" drops when a smaller down payment is applied.

Within the Town of Exeter there are numerous mobile homes located on individual lots throughout Town. The sale of these properties provides affordability opportunities that the purchase of single-family homes cannot approach. When an analysis is made of the income required to purchase such a property, it becomes apparent that these properties are clearly affordable to a majority of the residents in Exeter and elsewhere. This evaluation is based on affordability only and does not suggest the support of additional mobile homes in Town but merely points out that these properties are significantly less expensive than single-family homes.

### 5.3.9 Implementation

#### 5.3.9a Findings

1. The population of Exeter grew 37% from 1970 to 1980. It has grown an additional 23% since 1980.
2. The Town's housing stock grew by 38% between 1980 and 1990.
3. While the average home prices in Exeter hit a high of \$163,500 in 1988, there were houses for sale at less than \$125,000 and numerous properties sold for under \$100,000.
4. The most affordable housing has been mobile homes, which have sold for \$60 - 80,000 on private property.
5. Mobile homes represent over 10% of the Town's housing stock. These units are located throughout the Town.
6. There are limited rental opportunities in Exeter. Of those that exist, the advertised cost is fairly affordable. Rents for efficiencies and studios are between \$400 and \$450, while one-bedroom units at the Yawgoo Apartments were renting for \$435/month plus utilities.
7. Since 1978, over 203 houses have been purchased in Exeter utilizing the RIHMFC first time homebuyer program.
8. The average priced home in Exeter has not been affordable to the average Exeter resident. At 5% down, an income of \$66,366 was required to pay for a house costing \$163,000. Mobile homes on the other hand were more affordable with an average price of \$63,250 in 1988 and 1989, requiring an income of \$23,252 with a 20% down payment and \$26,808 with a 5% down payment.

#### 5.3.9b Issues

1. Relate housing development to the environment and character of Exeter.

2. Present large lot subdivision development may not be the only way to preserve the Town's environmentally sensitive areas. Other zoning techniques, such as conservation development, could be considered to allow a diversity of approaches to environmental protection, as well as to provide a range of housing types in the community.
3. The need to provide balanced housing choices for all present and future Exeter residents.
4. Mobile homes provide affordable housing alternatives, but there is a concern associated with this form of housing and a general objection towards the future development of more units.
5. Investigate alternatives to provide affordable housing that would best relate to Exeter's rural landscape and character.

#### 5.3.9c Goal

Determine current and future housing needs in order to provide balanced housing that blends with the rural and agricultural character that responds to the community's available services and needs.

#### 5.3.9d Policies

1. Update the Development Plan Review and Subdivision Regulations in accordance with the State Zoning Enabling Act. This will require all development proposals made to the Town to be reviewed for consistency with specific standards and are to have input from all relevant commissions, organizations, and individuals, such as the Planning Board, Fire Companies, Conservation Commission, and Highway Supervisor.
2. Actively promote the maintenance of existing housing stock through the rehabilitation programs available at SCCA and the FMHA and other grants.
3. Consider zoning alternatives to expand affordable housing stock including, but not limited to: allowing accessory apartments by Special Use Permit, consider zoning for the provision of permanent affordable units, allow duplex development as a Special Use Permit, and consider Planned Development Zoning and Conservation Subdivision Design planning techniques that would allow a mix of uses. For additional information, see the Exeter Affordable Housing Plan in Appendix C.
4. Encourage developers to address the town requirement for a balance of housing when presenting a plan to the Planning Board.
5. Consider creating a Housing Land Trust or Housing Board to promote the expansion of affordable housing and open space opportunities in Exeter. Continue to work with state agencies to inventory, analyze and improve existing housing stock. Pursue the development of creative housing programs through applicable agencies to upgrade and/or replace substandard housing.

6. Gain recognition for mobile homes as an affordable housing alternative and work to provide rehabilitation assistance where required.
7. Support efforts by South County Community Action to access more Housing Vouchers, particularly for families.

#### 5.3.9e Implementation - Future Housing Program

While it is difficult to strike a balance between the Town's goals and objectives; this plan seeks to provide the basis for developing a variety of housing types for all present and future residents of the Town of Exeter.

##### 5.3.9e.1 Future Housing Development

While large lot development is thought to provide protection to the environment, it can in fact detract from it. Large lot zoning forces developers to utilize sensitive natural areas as part of their density calculations, in turn detracting from the rural environment of the town by taking on the appearance of suburban subdivisions. A return to "village districts," that were so much a part of Exeter's rural environment in the late 1880's, would be a method to combat this residential, land gobbling sprawl and decrease the price of houses.

It has become apparent that mobile homes represent a substantial portion of the town's older housing stock, which according to the 1990 Census now stands a 12.9% (247) of all housing units. According to the Exeter Planning Board, the actual figure has increased to 375 and represents 20% of the Town's housing stock. It is also apparent that mobile homes represent a serious problem with respect to the maintenance of minimum property standards. These older structures are difficult to rehabilitate according to South County Community Action who interact with owners wishing to improve their units through their housing rehabilitation programs. There is a need to more closely regulate the development of more units in the town, while providing a long-term solution to affordability for these residents.

#### *Planned Historic Town or Village Center Districts*

The intent of this provision is to permit the development of Planned Districts in the town that meet criteria as outlined in the Land Use Element. A mix of commercial, service and residential uses would be allowed, with the density of development dependant on the availability of services to an area and the environmental constraints that exist. A village district might be much different in appearance in western Exeter than one in eastern Exeter, depending on the constraints. Because of the density more affordable housing could be produced. Primarily, couples and small families would utilize housing within a village center.

The town should also encourage the development of village center development geared toward elderly housing. It would be an asset to the Town if assisted living facilities and/or town houses were situated close to services reserved for elderly and handicapped residents.

All developments of this type would be subject to Development Plan Review by the Planning Board, the Conservation Commission and other appropriate town boards, commissions and service providers.

*Administrative Responsibility: Town Council, Planning Board, Conservation Commission, Highway Supervisor, and Public Safety Officials.*

### **Expanded Housing Rehabilitation Activities**

The town's Minimum Housing officer and Building officials should actively work with the South County Community Action program and the Farmers Home Administration (FMHA) and other applicable agencies, to expand housing rehabilitation in the Town of Exeter for lower income tenants or homeowners. All activities should be focused toward the creation of a revolving loan program to help fund this activity into the future. The expansion of this activity could be the responsibility of a Housing Board, which is further defined in the Affordable Housing section of this plan.

*Administrative Responsibilities: Building Inspector, Minimum Housing Officer, Town Council, and Housing Board*

### **Conversion of Mobile Homes/Trailers**

Mobile homes on individual lots represent a significant portion of the housing stock in the Town of Exeter. The 1990 Census indicates that 12.9% of all homes are mobile homes. The Census further points out that most of these units are occupied by owners (88%), and local records reflect as many as 375 of these units to date. These structures present a difficult problem for the town because many of the units are in poor condition, according to the representatives of South County Community Action staff who have visited many units in the town as part of their housing rehabilitation work.

It is recommended that the town pursue the development of a program that would fund, using the equity or value of the land on which these properties are located, the construction of new housing units at these sites to replace these mobile homes with units of standard construction. Funding for such a program could be pursued through RIHMFC, FMHA, the Small Cities Community Development Block Grant Program and other sources identified by the Housing

Board. The existing mobile homes could serve as temporary shelters for these families while construction took place.

*Administrative Responsibility: Housing Board, Town Council, and Legislation.*

### **Development of Housing Board**

It is recommended that the town consider the creation of a Housing Board to further identify housing needs in the town and to coordinate housing programs and outreach activities. The board would investigate the resources available to promote affordable housing for low- to moderate-income families, disabled and elderly audiences in the area through the various agencies and programs that exist and to develop a program for housing improvement and development. The members of this board would also be responsible for the implementation of the various recommendations included in this element relative to affordable housing.

*Administrative Responsibility: Town Council, Planning Board, interested members from nonprofit and governmental agencies.*

### **Housing Land Trust**

It is recommended that the town support efforts of the Action Community Land Trust (ACLT). The Trust is being utilized to ensure the long-term affordable housing for low- to moderate-income families, disabled and elderly audiences through rental and home ownership options. In retaining ownership of properties, the ACLT would ensure their long-term affordability. As a non-profit, ACLT is eligible for funding from a number of sources, including the federal Department of HUD, RI Housing, and the Farmers Home Administration. Additional funding may also be available from local Foundations as well. The town could consider using its town-owned properties and the Reynolds Trust Fund as potential resources if it participated.

*Administrative Responsibility: Town Council, South County Community Action, Housing Board, and Action Community Land Trust.*

### **Accessory Apartments**

To increase the supply of rental housing in the community, particularly for the elderly and disabled, it is recommended that the town allow the construction of accessory apartments on conforming lots by Special Use permit, subject to restrictions relative to on-site disposal requirements, size of the unit, number of

bedrooms, etc. Typically such units are restricted to a size of 600 Square Feet or less.

*Administrative Responsibility: Planning Board, Zoning Board, and Town Council*

**Expand Section 8 Housing Voucher/Certificate Program**

Whenever possible the Town, through the Town Council, should support the efforts of the South County Community Action agency to access additional units under these programs for the low and moderate-income families in the community. Such support includes assistance with rental surveys that are required to petition the federal government for rent increases where they are required to meet existing market conditions.

*Administrative Responsibility: Town Council*

**Conservation Subdivision Design**

It is recommended that the Town consider amending its Land Development and Subdivision Regulations and its Zoning Ordinance to adopt provisions for conservation subdivision design. As part of these amendments, the Town will encourage a mix of dwelling unit types and price ranges in new residential developments. The Town will make provisions for granting density bonuses to encourage developers to provide needed housing types.

Purpose: Conservation subdivision design can provide a mixture of dwelling unit types, including single family, two-family and multifamily dwellings according to an overall plan of development that utilizes relatively smaller lots but respects the density requirements of the underlying zoning district. The use of density bonuses can encourage housing that is needed in the town and as identified in this Plan, but which would not normally be constructed in most new subdivisions. For example, as an alternative to single family homes on separate lots, the use of density bonuses may encourage private development of affordable housing, apartments, duplexes or small one and two-bedroom condominiums.

*Administrative Responsibility: Town Council, Planning Board*