



Chapter 4

HOUSING OPPORTUNITIES

This chapter, guided by the [State Housing Plan](#) and the [Rhode Island Five Year Strategic Housing Plan](#), provides a framework for developing the policies and implementation strategies to meet the requirements of the State while preserving and enhancing Westerly’s quality of life. This chapter provides an analysis of housing trends, and along with the other chapters of the Comprehensive Plan, helps to inform and define strategies to:

- Promote a diversity of housing types and affordability,
- Protect history and heritage of neighborhoods,
- Prevent displacement of residents that sometimes follows gentrification,
- Promote sound water protection and watershed management,
- Support the best use, maintenance, and improvement of the housing stock,
- Identify locations for new housing units, and
- Promote sensible neighborhood development and growth management.

The availability, variety, and affordability of housing is a major factor in the livability and prosperity of a community. The diversity of the housing stock in terms of the mix of unit types as well as ownership and rental opportunities are important factors that can help to identify problems and opportunities in the local housing market. These existing housing characteristics serve as a basis for recommendations to guide housing in the community over the next 20 years.

The inventory and analysis included in this section is primarily based on data from the 2010 US Census and 2013-17 American Community Survey (ACS) 5-year estimates, with supplemental information from other local, State, and federal government agencies, private institutions, and non-profit organizations.

Table 4-1 Housing Overview

Facility	2000	2010	2017
Total housing units	11,292	12,320	12,695
Occupied housing units	9,402	9,666	9,796
Owner-occupied	63.8%	65.4%	62.4%
Renter-occupied	36.2%	34.6%	37.6%
Single-family residences	7,607	7,434	6,508
Median assessed value	\$149,900	\$312,400	\$285,300

Sources: 2000 US Census, 2010 US Census, 2006-10 ACS five-year estimates, and 2013-17 ACS five-year estimates

Section 4.1 – Demographics

The Town of Westerly had a year-round population of ~~22,626~~~~22,787~~ in 2017~~0~~, which represented a ~~1.48%~~~~0.8%~~ decrease from 2000. ~~In the previous decade, from 1990 to 2000, the population grew by 6.3%. While population trends over this period are slightly negative, the overall population base can be considered stable.~~ Among major demographic categories, the most notable changes since the turn of the century appears to have been in age distribution.

Table 4-2 Demographic Overview, 2000-2017~~0~~

Population	2000		2010		2017	
	Number	Percent	Number	Percent	Number	Percent
Total	22,966	100%	22,787	100%	22,626	100%
Sex						
Female	11,889	51.8%	11,874	52.1%	12,295	54.3%
Male	11,077	48.2%	10,913	47.9%	10,331	45.7%
Age						
Ages 17 years old and under	5,406	23.5%	4,787	21.0%	4,128	18.2%
Ages 18-34 years old	4,543	19.8%	3,936	17.3%	4,639	20.5%
Ages 35-44 years old	3,883	16.9%	2,881	12.6%	2,356	10.4%
Ages 45-54 years old	3,043	13.3%	3,777	16.6%	3,053	13.5%
Ages 55 years old and over	6,091	26.5%	7,406	32.5%	8,450	37.4%
Race						
American Indian and Alaska Native	130	0.6%	158	0.7%	197	0.9%
Asian	457	2%	567	2.5%	635	2.8%
Black or African American	164	0.7%	222	1%	222	1%
Native Hawaiian and Other Pacific Islander	0	0%	3	0%	0	0%
White	21,857	95.2%	21,171	92.9%	21,112	93.3%
Some Other Race	77	0.3%	204	0.9%	210	0.9%
Two or more races	281	1.2%	462	2%	250	1.1%
Ethnicity						
Hispanic or Latino (any race)	270	1.2%	651	2.9%	518	2.3%

Sources: 2000 US Census, 2010 US Census, and 2013-17 ACS five-year estimates

Subsection 4.1.1 – Population Size and Age Characteristics

The Town of Westerly had an estimated year-round population of 22,626 in 2017 ~~reflecting that reflected a~~ a ~~1.485%~~ decrease in population ~~over the 17 year period starting in from~~ 2000, and a ~~0.7% reduction loss over the~~ ~~7 year period~~ from 2010. This contrasted with State and county trends ~~where population over the same period increased at rates of .75% and 2.14%, respectively, however, as shown in~~ Table 4-3 below ~~shows population trends for these geographies.:~~

Table 4-3 Populations, 2000-2017

Geography	1990	2000	2010	2017
Town of Westerly	21,605	22,966	22,787	22,626
Washington County	110,006	123,546	120,554	126,190
State of Rhode Island	1,003,464	1,048,319	1,052,567	1,056,138

Sources: ~~1990 US Census~~, 2000 US Census, 2010 US Census, and 2013-17 ACS five-year estimates

According to ~~population projections prepared by the Rhode Island Statewide Planning Program~~ in 2013, Westerly's population is expected to increase ~~to~~ 23,518 in 2035 before dropping slightly to 23,466 in 2040. The projected 2040 population would therefore represent an overall ~~3%~~ increase ~~of 3.7%~~ from 2017~~0~~. Similarly, population

growth State-wide would be 1.327%. Washington County, however, is expected to experience continued residential development that results in a 20.812.7% increase in overall population.

Table 4-4 Population Projections, 2015-2040

Geography	2015	2020	2025	2030	2035	2040
Town of Westerly	22,775 22,626	22,876	23,186	23,417	23,518	23,466
Washington County	129,190 129,604	132,639	137,074	140,719	143,643	145,660
State of Rhode Island	1,056,138 1,062,327	1,049,177	1,061,796	1,070,677	1,073,799	1,070,104

Source: [Rhode Island Population Projections 2010-2040, 2013, 2013-17 ACS five-year estimates](#)

As noted in Table 4-2 above, the aging of the population of the town is a has been the most significant factor in the demographic change occurring locally and has occurred simultaneously with rising housing costs. As can be calculated from Table 4-5 below, the population of those 65 years old and over grew by over 300+ people from 2000 to 2010 and, according to 2013-17 ACS estimates, in 2017 older populations made up about one-fifth 21.0% of the total population of the town. According to a June 2016 report on aging, the State projects its The percentage of the State's population for those aged 65 years and older for the same period is 16.1%. to increase from 15.8% in 2014 to 23.1% in 2030.

According to a June 2016 report on aging prepared by the state, by 2040 there will be a 100% increase in persons ages 74 to 84 and a 72% increase in persons age 85 and over. For the range of ages between 65 and 85+, this cohort could increase by as much as 73% by 2040. As Westerly's local older population as a percentage of the total population is older higher than the State's, State's, 21.0% vs 16.1%, it can be projected with is reasonably certainty that over more than one one quarter-third of town residents will be in this age group by 2040. This growth can be contributed to several factors including greater life expectancy, the growing trend of aging-in-place, decreasing family sizes, and the loss of young people in the community. With respect to this last factor, the population under 20 years old almost made up about one-fifth of the population according the 2013-17 ACS estimates, but experienced a decrease of almost 700 1241 people between 2000 and 2017, continuing a consistent downward trend representing a 21% loss in this population over the 17 year period.

Table 4-5 Age Composition of the Total Population, 2000-2017

Age Group	2000		2010		2017	
	Number	Percent	Number	Percent	Number	Percent
0-19 years old	5,902	25.7%	5,206	22.8%	4,661	20.6%
20-34 years old	4,047	17.6%	3,517	15.4%	4,106	18.1%
35-44 years old	3,883	16.9%	2,881	12.6%	2,356	10.4%
45-54 years old	3,043	13.3%	3,777	16.6%	3,053	13.5%
55-64 years old	2,176	9.5%	3,165	13.9%	3,706	16.4%
65-74 years old	1,802	7.8%	2,035	8.9%	2,505	11.1%
75-84 years old	1,504	6.5%	1,401	6.1%	1,332	5.9%
85+ years old	609	2.7%	805	3.5%	907	4%
Total	22,966		22,787		22,626	

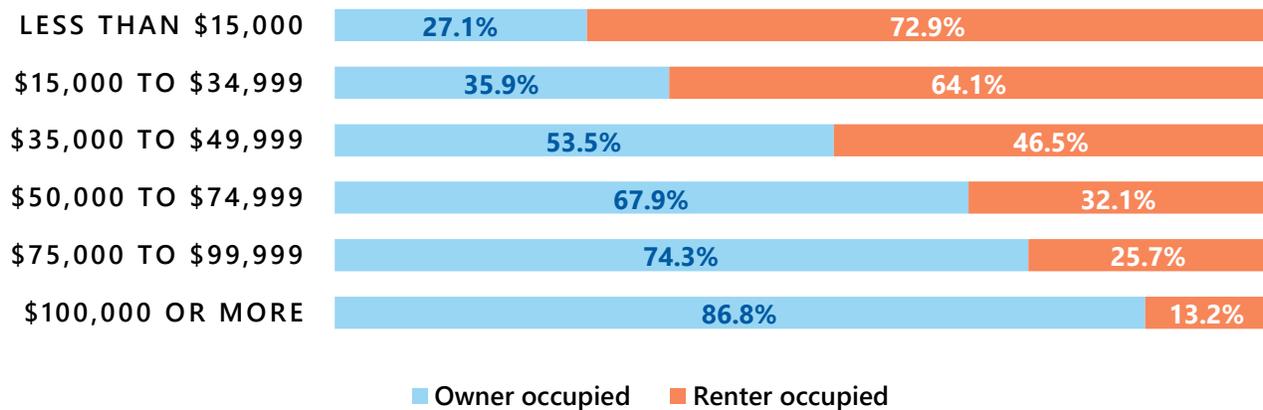
Sources: 2000 US Census, 2010 US Census, and 2013-17 ACS five-year estimates

Subsection 4.1.2 – Income Characteristics

Based on 2013-17 ACS estimates, Westerly's median household income (MHI) within the past 12 months was \$63,507 compared to Washington County's MHI of \$77,862. The elevated number of elderly persons living on fixed incomes contributes to Westerly's lower median household income. Figure 4-1 below indicates that households with higher incomes generally own their home, are disproportionately homeowners and those with lower incomes are primarily renters. Many of Westerly's lower-income homeowners are elderly with limited incomes and,

according to ~~2013-16 ACS estimates~~~~the 2010 US Census~~, ~~60.4~~~~19.1~~% of all Westerly residents aged 65 years and over rented rather than owned the home they lived in.

Figure 4-1 Owner- and Renter-Occupied Households by Income Group, 2017



Source: 2013-17 ACS five-year estimates

From the 2000 US Census to the 2010 US Census, the average household size fell slightly from 2.4 to 2.3 persons, primarily due to an increase in one and two-person households. The number of non-family households (households which may have only one individual or two-or-more individuals who are not related) has grown from 3,272 (34.8%) in 2000 to 3,589 (37.1%) in 2010 to 3,577 in 2017 (36.5%) while single-parent families increased from 23% in 2000 to 25.9% in 2010 down to 24.6% in 2017.

Section 4.2 – Housing Availability

Between 2000 and 2010, the number of total housing units in Westerly increased by 9.1% to 12,320 housing units. This was slightly below Washington County’s 9.5% increase. Of the Town’s total, 78.5% were occupied and 65.4% of all occupied housing units were owner-occupied. Between 2000 and 2010, the number of owner-occupied units in the Town increased by 5.5%. In the same period, vacancy rates in Westerly for homeowners increased from 1.2% to 2.4%. State-wide, the homeowner vacancy rate increased from 1% in 2000 to 2% within the same 2000-in 2010 and has held generally stable according to 2017 ACS estimates (1.7%), period.

Subsection 4.2.1 – Year-round Occupied Housing

In 2017~~0~~, the Town had ~~2,654~~~~2,899~~ vacant housing units of which ~~1,890~~~~2,047~~ (70~~1.62~~%) were seasonal. These seasonal housing units alone made-up ~~165.13~~% of the total ~~12,695~~~~320~~ housing units within the Town. It is important to note that most of these units are characterized by the US Census Bureau as vacant because they are only occupied by owners for specific time periods, (such as summer), and/or for specific events, (such as weekends and holidays), only. Vacant in the traditional sense of a year-round absence of any occupants regardless of season or occasion ~~represented approximately 6.2% of totaled 852~~ housing units within the Town. ~~Comparable communities in Washington County, such as Charlestown and Narragansett, also had significantly higher percentages of seasonal housing units than the State as a whole during this same time period (20170).~~

Using Westerly’s 2017~~0~~ average household size of 2.~~283~~ people and assuming all 2017~~0~~ seasonal housing units are occupied, Westerly can be estimated to experience a seasonal population increase of ~~4,667~~~~4,404~~ people each summer. Based on the 2017~~3~~ population projections mentioned above, this results in an estimated seasonal high population of 27,~~543~~~~280~~ people in 2020. It is likely that this number is greater however, due to the likelihood that visiting families are a larger size and if considering short-term rental units at hotels and other places of accommodation. If using the average household size of neighboring Connecticut (~~2.55~~), a popular origin for

seasonal residents, and adding accommodations to the year-round and seasonal housing units, the seasonal high population would be approaching 30,000.

Subsection 4.2.2 – Housing Types

Of all existing housing units counted within a structure in 2017, ~~3,522 (29.5%)~~ 3,948 (31.1%) of Westerly's households resided within multi-family structures. ~~This was a higher proportion than any other community in Washington County.~~ Of these units, ~~3,202 (81.1%)~~ 2,977 (84.5%) were located within structures containing between 2 to 9 units. ~~Between 2010 and 2017 multi-family unit count accelerated at a rate of 12.10% over the period, the number of single-family units for the same period increased by 3.61%.~~ Single-family structures ~~however continue to be~~ the dominant residential type, ~~however, and made making up more than 70.68.3%~~ of Westerly's housing ~~units~~ down slightly from 2010 when 70.10% of residential units were single family. ~~Development and construction trends over the past 10 years have favored the over whelming majority of development and construction activity was for~~ detached single-family homes. Further to this point, the local construction market is fueled in part by demand for seasonally occupied second homes which is a driver for single family home construction.

Table 4-6 Housing by Structure Type, 2000-2017

Structure Type	2000		2010		2017	
	Units	Percent	Units	Percent	Units	Percent
1 unit, detached	7,269	64.4%	8,134	68.1%	8,171	64.4%
1 unit, attached	338	3.0%	235	2.0%	500	3.9%
2 units	1,698	15.0%	1,611	13.5%	1,604	12.6%
3 or 4 units	1,045	9.3%	994	8.3%	1,195	9.4%
5 to 9 units	357	3.2%	372	3.1%	403	3.2%
10 to 19 units	144	1.3%	151	1.3%	198	1.6%
20 to 49 units	45	0.4%	30	0.3%	160	1.3%
50 or more units	380	3.4%	364	3.0%	388	3.1%
Mobile home	16	0.1%	54	0.5%	76	0.6%
Boat, RV, van, etc.	0	0%	0	0%	0	0%
Total	11,292	100%	11,945	100%	12,695	100%

Sources: 2000 US Census, 2006-10 ACS five-year estimates, and 2013-17 ACS five-year estimates

The Town has issued 520510 permits for new housing construction between January ~~2010~~ 2009 and December ~~2019~~ 18. Of these, all but 2628 permits have been for single-family homes.

Table 4-7 Residential Building Permits by Structure Type, 201009-20198

Building Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Single-Family	51	57	48	73	56	43	46	32	42	<u>34</u>	<u>494482</u>
Two-Family	1	2	1	1	1	0	0	0	2	<u>1</u>	<u>89</u>
Multi-Family	1	3	1	5	1	4	2	0	1	<u>1</u>	<u>1819</u>
Total	53	62	50	79	58	47	48	32	45	36	520510

Sources: Town of Westerly, 2019

Section 4.3 – Rental Housing

In the Town of Westerly, the phrase “meeting local housing needs” means a long-standing commitment to the preservation of its traditional rental housing stock. In reviewing Table 4-8 below, the number of year-round, renter-occupied housing units in the Town ~~has trended upwards by 3% been consistent at approximately 3,475 units~~ from 2000 to 2017, representing ~~about 3537.6%~~ of their overall year-round housing stock.

Table 4-8 Renter-Occupied Housing Units, 2000-2017

Structure Type	2000		2010		2017	
	Units	Percent	Units	Percent	Units	Percent
Total Occupied Units	9,402	100%	9,666	100%	9,796	100%
Renter-occupied Units	3,403	36.2%	3,344	34.6%	3,680	37.6%

Sources: 2000 US Census, 2010 US Census, and 2013-17 ACS five-year estimates

For purposes of the foregoing discussion regarding meeting the threshold income requirements needed for consideration to occupy LMI housing, it's important to understand the distribution of family sizes prevalent in the community. In 2017, Single-person households are the predominate household category at 44.2% while two-person households make up the next highest percent among all house hold sizes at 29.2%.

Table 4-# Renter-occupied Household Size, 2000-2017

Renter-Occupied Household Size	1999		2010		2017	
	Number	Percent	Number	Percent	Number	Percent
1 person	1,451	42.6%	1,422	46.8%	1,628	44.2%
2 person	976	28.6%	833	27.4%	1,075	29.2%
3 person	473	13.9%	298	9.8%	473	12.9%
4-person	304	8.9%	381	12.5%	305	8.3%
5 person	39	1.1%	59	1.9%	183	5%
6 peson	38	1.1%	0	0%	16	0.4%
7 person or more	27	0.8%	47	1.5%	0	0%
Total	3,408		3,040		3,680	

Sources: 2006-10 and 2013-17 ACS five-year estimates

Westerly's average household size is 2.28 people this, when taken in consideration with the above mentioned factors, support not only evaluating HAMFI qualification four person households, two person-households need to be evaluated as well. Tables 4 -# and 4 -# below provide this data for consideration.

Income level statistics for renter-occupied units are available from the 2000 US Census, the 2006-10 ACS estimates, and the 2013-2017 American Community Survey (ACS) 5-year estimates. They are presented in Tables 4-9(a) and 4-9(b) below.

Data in Table 4-9(a) indicate 81.4% of rental households are at or below 80% of the FY 2017 HUD Area Median Family Income (HAMFI) for the **four-person family** traditionally used for analysis purposes. In comparing the closest-fitting income level, not less than 184 households in Westerly were low-income in 1999 increasing to 284 households in the 2017, an increase of 34.8% over the period, which demonstrates raising need for affordable housing in the community.

Table 4-9(a) Renter-Occupied Four-Person Household by HAMFI Value, 1999-2017¹

HAMFI Category	1999		2010		2017	
	Income Level	Percent of HAMFI	Income Level	Percent of HAMFI	Income Level	Percent of HAMFI
HAMFI	\$52,900	100%	\$78,400	100%	\$80,300	100%
Extremely Low HAMFI	\$16,050	30%	\$23,500	30%	\$24,600	30.6%
Very Low HAMFI	\$26,750	50%	\$39,200	50%	\$40,150	50%
Low HAMFI	\$42,800	80%	\$62,700	80%	\$64,250	80%
	Number of HH'	Percent of Total HH's	Number of HH'	Percent of Total HH's	Number of HH'	Percent of Total HH's

Renter-occupied Households	<u>3,403</u>	<u>100%</u>	<u>3,040</u>	<u>100%</u>	<u>3,680</u>	<u>100%</u>
Four-Person Households	<u>304</u>	<u>8.9%</u>	<u>381</u>	<u>12.5%</u>	<u>305</u>	<u>8.3%</u>
Extremely Low HAMFI	<u>75</u>	<u>24.7%</u>	<u>103</u>	<u>27.0%</u>	<u>119</u>	<u>38.9%</u>
Very Low HAMFI	<u>133</u>	<u>43.7%</u>	<u>197</u>	<u>51.7%</u>	<u>158</u>	<u>51.9%</u>
Low HAMFI	<u>184</u>	<u>60.5%</u>	<u>264</u>	<u>69.2%</u>	<u>248</u>	<u>81.4%</u>

Sources: 1999, 2010, and 2017 HUD Income Limits, 2000 US Census, 2006-10 ACS five-year estimates, and 2013-17 ACS five-year estimates

¹ Italicized text indicates minimums based upon the closest fitting income group to each HAMFI value.

Data in Table 4-9(b) indicate 65.5% of rental households are at or below 80% of the FY 2017 HUD Area Median Family Income (HAMFI) for the **two-person family** which is the most closely representative sample household size in the community. In comparing the closest-fitting income level, not less than 427 households in Westerly were low-income in 1999 increasing 704 households in 2017, a 64.9% increase over the period. This dramatically rising trend accentuates the need for this type of affordable housing in the community.

Table 4-9(b) Renter-Occupied Two-Person Household by HAMFI Value, 1999-2017¹

HAMFI Categories	1999		2010		2017	
	Income Level	Percent of HAMFI	Income Level	Percent of HAMFI	Income Level	Percent of HAMFI
HAMFI	<u>\$42,800</u>	<u>100%</u>	<u>\$62,800</u>	<u>100%</u>	<u>\$64,300</u>	<u>100%</u>
Extremely Low HAMFI	<u>\$12,850</u>	<u>30%</u>	<u>\$18,800</u>	<u>30%</u>	<u>\$19,300</u>	<u>30.6%</u>
Very Low HAMFI	<u>\$21,400</u>	<u>50%</u>	<u>\$31,400</u>	<u>50%</u>	<u>\$32,150</u>	<u>50%</u>
Low HAMFI	<u>\$34,250</u>	<u>80%</u>	<u>\$50,200</u>	<u>80%</u>	<u>\$51,400</u>	<u>80%</u>
	Number of HH's	Percent of Total HH's	Number of HH's	Percent of Total HH's	Number of HH's	Percent of Total HH's
Renter-occupied Households	<u>3,403</u>	<u>100%</u>	<u>3,040</u>	<u>100%</u>	<u>3,680</u>	<u>100%</u>
Two-Person Households	<u>976</u>	<u>28.6%</u>	<u>833</u>	<u>27.4%</u>	<u>1,075</u>	<u>29.2%</u>
Extremely Low HAMFI	<u>128</u>	<u>13.1%</u>	<u>144</u>	<u>17.3%</u>	<u>293</u>	<u>27.3%</u>
Very Low HAMFI	<u>339</u>	<u>34.7%</u>	<u>295</u>	<u>35.4%</u>	<u>558</u>	<u>51.9%</u>
Low HAMFI	<u>427</u>	<u>43.7%</u>	<u>576</u>	<u>69.2%</u>	<u>704</u>	<u>65.5%</u>

Sources: 1999, 2010, and 2017 HUD Income Limits, 2000 US Census, 2006-10 ACS five-year estimates, and 2013-17 ACS five-year estimates

¹ Italicized text indicates minimums based upon the closest fitting income group to each HAMFI value.

² HAMFIs of two-person families used as closest fit for most recent average renter-occupied household size (2.05 persons)

The Town of Westerly has developed or participated in several programs and initiatives to ensure the continued preservation of its robust rental housing stock:

- **Community Development Block Grant (CDBG)**
The Town has had a 25-year history of housing rehabilitation financed by CDBG funds in designated neighborhood revitalization target areas such as Bradford and the North End. In 2017, nine residential structures received funding for rehabilitation work through a CDBG set-aside program.
- **Westerly Revolving Fund (WRF)**
In response to objectives outlined within the 2010 Comprehensive Plan, the Town's 2012 CDBG application requested and received approval to establish a Town Housing Rehabilitation Revolving Loan Fund. As a result, in 2013 the community based non-profit corporation known as the WRF was established as a separate fund for housing rehabilitation for Westerly's historic multi-family neighborhoods. Most the Town's rental housing is located in the older neighborhoods which surround the downtown and historic mills along the Pawcatuck River. The WRF provides advocacy, lending and technical assistance to property owners looking to

renovate existing structures when they are not able to secure adequate funding from traditional sources. The WRF will help to address the significant need for housing rehabilitation now and in the future, the LMI status of households, and the difficulties faced by property owners when trying to obtain conventional rehabilitation loans. The Town program will offer rehabilitation loans, with repayment options suitable to LMI properties while making individual considerations of circumstances. The new program will aim to help with emergency repairs and upgrades of multi-family housing to keep properties financially viable and to preserve the Town's rental housing stock.

- **North End Neighborhood Revitalization Plan**

The North End Neighborhood Revitalization Plan, while nearing two decades old, was designed on key planning concepts which included recommendations for a range of affordable housing options, comprehensive code enforcement, improved neighborhood amenities and the integration of a broad array of social services to support the needs of North End residents. Through a series of neighborhood revitalization plans, the Town of Westerly intends to apply these same concepts to other areas of Town.

Section 4.4 – Housing Conditions

The quality, function, safety, and general state of housing units has significant impact on the well-being of residents, as well as on the livability, desirability, beauty, character, uniqueness and economic development of the community. Neglect, deterioration, demolition, architectural deterioration, and an aging housing stock are all issues related to housing conditions. The Town of Westerly encourages improvements in the quality of housing conditions through neighborhood plans and with the involvement of housing industry partners. ~~With the recent economic recession having taken its toll on~~ the quality of the region's housing stock, has declined over time, it now is time to focus attention on the upgrading and improvement of pre-1970 housing. Houses in decline due to the age of their electrical and plumbing systems are significantly more likely to be converted to non-residential uses, become vacant or permanently lost from the inventory of housing options.

The quality, safety and general state of housing units has significant impact on the well-being of residents and on the livability and desirability of a community. Neglect, deterioration, abandonment and foreclosures are all represent issues related to housing conditions. Housing conditions can be addressed by neighborhood involvement and the further development and implementation of neighborhood plans.

With the local economy and housing markets gradually recovering ~~from the last economic downturns since 2015,~~ investment in the Town's existing housing inventory is ~~encouraged~~ encouraged. The Town of Westerly's is ~~is~~ focused on rehabilitation programs supported by a future revolving loan fund, modernizing the eligibility and processing of municipal tax exemptions, and adopting a property tax credit process for owners undertaking the substantial rehabilitation of blighted properties that would be restricted to affordable housing initiatives. These efforts are ~~is~~ well placed to be an integral part of a neighborhood revitalization and improvement effort. Even still, However, the Town of Westerly needs more tools to effectively address housing quality and to get ahead of such issues as aging plumbing and electrical systems, flood and wind damage and demolition due to neglect.

Older homeowners should have the ability to retrofit their homes to accommodate their future needs and ageing in ~~in~~ place as opposed to relocating. Households can increase their investment with environmentally sustainable improvements and property owners can reduce their insurance costs by utilizing new reconstruction techniques certified by the Insurance Institute of Business and Home Safety (IBHS).

Subsection 4.4.1 – Age of Housing

In 2000, Westerly had a housing stock that was relatively newer than the State but older than that of Washington County and most other comparable communities. The median year for homes built in the Town was 1965, compared to 1958 in the State and 1971 within Washington County. ~~According to 2013-17 ACS estimates, 12.4% of total housing units to date were constructed after in or after January 2000.~~

There has been varying interest in the development of new multi-family units, particularly for seniors. Existing multi-family units are composed disproportionately of Westerly's older housing stock. As previously mentioned, 16.1% of all housing units were for seasonal use according to the 2017 ACS. This is reflective of the Town's continuing status as a shoreline resort community. A review of available town data for Residential Housing Types by Year and Structure Type indicate the overwhelming majority of two-family and multi-family structures were built prior to 1940 with 55.8% and 86.3% falling into these categories respectively. There was a resurgence of sorts during the 1980's where two-family structures were being built; 210 structures were brought onto the tax rolls during this decade representing 22.8% of all the two-family housing stock in the town.

Table 4 - # Residential Housing Types by Year and Structure Type

Time Period	Single-Family			Two-Family			Multi-Family			Total	
	#	% Single-Family	% of Total	#	% Two-Family	% of Total	#	% Multi-Family	% of Total	#	%
2010 or later	<u>482</u>	<u>5.7%</u>	<u>5.0%</u>	<u>9</u>	<u>1.0%</u>	<u>0.1%</u>	<u>19</u>	<u>6.4%</u>	<u>0.2%</u>	<u>510</u>	<u>5.3%</u>
2000-2009	<u>891</u>	<u>10.6%</u>	<u>9.2%</u>	<u>10</u>	<u>1.1%</u>	<u>0.1%</u>	<u>1</u>	<u>0.3%</u>	<u>0.0%</u>	<u>902</u>	<u>9.3%</u>
1990-1999	<u>949</u>	<u>11.3%</u>	<u>9.8%</u>	<u>36</u>	<u>3.9%</u>	<u>0.4%</u>	<u>1</u>	<u>0.3%</u>	<u>0.0%</u>	<u>986</u>	<u>10.2%</u>
1980-1989	<u>1,228</u>	<u>14.6%</u>	<u>12.7%</u>	<u>210</u>	<u>22.8%</u>	<u>2.2%</u>	<u>3</u>	<u>1.0%</u>	<u>0.0%</u>	<u>1,441</u>	<u>14.9%</u>
1970-1979	<u>1,095</u>	<u>13.0%</u>	<u>11.3%</u>	<u>36</u>	<u>3.9%</u>	<u>0.4%</u>	<u>2</u>	<u>0.7%</u>	<u>0.0%</u>	<u>1,133</u>	<u>11.7%</u>
1960-1969	<u>1,038</u>	<u>12.3%</u>	<u>10.8%</u>	<u>28</u>	<u>3.0%</u>	<u>0.3%</u>	<u>2</u>	<u>0.7%</u>	<u>0.0%</u>	<u>1,068</u>	<u>11.1%</u>
1950-1959	<u>1,019</u>	<u>12.1%</u>	<u>10.6%</u>	<u>47</u>	<u>5.1%</u>	<u>0.5%</u>	<u>7</u>	<u>2.3%</u>	<u>0.1%</u>	<u>1,073</u>	<u>11.1%</u>
1940-1949	<u>405</u>	<u>4.8%</u>	<u>4.2%</u>	<u>31</u>	<u>3.4%</u>	<u>0.3%</u>	<u>6</u>	<u>2.0%</u>	<u>0.1%</u>	<u>442</u>	<u>4.6%</u>
1939 or earlier	<u>1,325</u>	<u>15.7%</u>	<u>13.7%</u>	<u>513</u>	<u>55.8%</u>	<u>5.3%</u>	<u>258</u>	<u>86.3%</u>	<u>2.7%</u>	<u>2,096</u>	<u>21.7%</u>
Total	<u>8,432</u>	<u>100.0%</u>	<u>87.4%</u>	<u>920</u>	<u>100.0%</u>	<u>9.5%</u>	<u>299</u>	<u>100.0%</u>	<u>3.1%</u>	<u>9,651</u>	<u>100.0%</u>

Sources: Town of Westerly 2020

Subsection 4.5.2 – Quality of Housing

During the decades of a thriving construction market for new single-family homes and the subsequent decline in construction through the recent economic recession, there has been no measurable increase in home improvement spending. ~~These events H~~having taken ~~#stheir~~ toll on the quality of the region's housing ~~stock, stock~~. As previously stated, it's important for the Town to focus attention on upgrading and improving its existing housing stock with emphasis being placed on the condition of blighted properties and those that pre-date 1970 homes. ~~The Town of Westerly's focus on a rehabilitation program supported by a revolving fund is well placed as an integral part of neighborhood revitalization efforts to help achieve this objective.~~

Rhode Island Affiliates of Habitat for Humanity are active in both new construction, ~~and the~~ substantial rehabilitation of existing properties and Habitat for Humanity ReStores, located in Charlestown, which provides discounted used and surplus furniture and building materials. Other organizations including Rebuilding Together, Inc., Veterans Affairs Regional Loan Center and USDA Rural Development Office assist local low-income, elderly and disabled homeowners.

Initiatives the town has taken along with those provided for herein, will allow Tthe Town of Westerly ~~needs to~~ more ~~tools to~~ effectively address housing quality and help homeowners address issues such as aging plumbing and electrical systems, flood and wind damage, and the threat of demolition due to neglect.

Subsection 4.5.3 – Property Maintenance Code Enforcement

The State Housing Maintenance and Occupancy Code establishes minimum standards governing utilities and facilities and other physical conditions essential to make dwellings safe, sanitary, and fit for human habitation. Enforcement of these conditions and proper maintenance of housing as a public health and safety matter is delegated to local government. In the Town of Westerly, the Property Maintenance Code Official within the Department of Development Services is the applicable enforcement officer. In order to ensure that no violations exist, routine inspections of suspect and blighted properties are often made while new construction or renovation work is in progress. For existing structures, the Property Maintenance Code Official enforces State Codes designed to safeguard buildings and their contents from hazards. Most property maintenance code violations involve sanitation due to accumulations of rubbish or garbage. In 2019⁸, the Town ~~has had~~ 433272 cases regarding property maintenance code violations at residential properties. ~~A majority~~ Most of these cases (67.6%) occurred at homes owned by a Westerly resident ~~(as determined by the owner's ZIP Code).~~

The Certificate of Apartment Occupancy (CAO) is one tool that can be utilized for the code enforcement of non-owner-occupied residential units, as used in the State of Connecticut. The main purpose of the CAO is to provide renters with the same protections as homebuyers by allowing for an inspection process that is municipally-sanctioned and which prohibits the renting of units which are found to be sub-standard. The CAO process requires that owners of rental units register each unit with the municipality, usually through the building or housing code office. As each unit is vacated, subsequent rental cannot occur until the unit is inspected and determined to be code compliant, safe and sanitary, which allows for identification and correction of any housing code violations. The CAO is issued upon confirmation of compliance and the unit may then be rented, which ensures that the tenant is getting a unit that conforms to all state and local housing code requirements. Registration and inspection of each unit are subject to a fee to help offset the administrative cost to the municipality. However, the Town of Westerly may need to seek legislative authority to enact a local ordinance and enforce a strategy such as this.

Section 4.6 – Housing Affordability

~~Elevated~~ ~~Escalating~~ housing prices and rental rates ~~reflect~~ ~~have an impact on~~ the desirability of Westerly as an attractive community for both year-round and seasonal residents. ~~These prices however, ; however, these prices do~~ have a direct impact on housing affordability. Affordable housing needs also stem from residents who pay more than 30% of their income for housing costs which causes a significant financial burden. Of the total ~~number of~~ households in Westerly, ~~not less than~~ 4,564 ~~or~~ 46.6% (46.6%) had household incomes less than 80% HAMFI according to 2013-17 ACS estimates. This represents ~~ed~~ a number greater than the State's minimum 10% threshold for subsidized housing and an indicator of a greater ~~demand~~ ~~need~~ for affordable housing, whether by subsidy, ~~and~~ ~~deed~~ ~~restriction~~, or by design. ~~Identifying opportunities to~~ ~~as well as~~ ~~further~~ integrated housing ~~into existing within~~ buildings and neighborhoods ~~would also help to meet these needs.~~

There are many factors limiting affordable housing availability in Rhode Island, most if not all of which, are pertinent within the Town of Westerly as well. The Town has been experiencing the following influences on this sector of the housing market:

- Limited land available and ~~suitable~~ ~~suitability~~ for development
- High land and construction costs
- High sale prices
- Low vacancy rates
- Deterioration of older housing stock
- Elimination of year-round housing stock by conversion to seasonal or second homes
- Elimination of funding through federal and state housing programs

Subsection 4.6.1 – Housing Costs

Through the early part of the previous decade (2000-2006), high and rising property values reflected the desirability of Westerly as an attractive community for both year-round and seasonal residents. Prior to the housing and credit market crashes around 2008, the housing market was characterized by vibrant construction activity in both new homes and renovations. ~~These factors~~, as well as, strong ~~value~~ appreciation of assessed homes

values which, combined with rising property taxes and energy costs, has significantly impacted affordable housing availability.

With the economic downturn beginning in 2007, construction activity immediately began to fall in 2008 and has been focused almost entirely on single-family units since. According to the Statewide Multiple Listing Service (MLS) data provided by Rhode Island Living, single-family and multi-family median sale prices have also not yet recovered to pre-recession values despite a more recent upward trend. According to the [2019 HousingWorksRI Fact Book](#), the household income needed to affordably own the median-single family home price in Westerly was \$92,445. ~~In comparison to the \$82,326 median household income identified by The 2013-17 ACS estimated income for owner households in Westerly is \$82,326, indicating a gap of this yielded a difference of \$10,119 in annual income exists, which further demonstrates the difficulty of reasonably affording a home in the town.~~

High and rising rent continues to be an issue impacting both the Town and the State. The 2019 HousingWorksRI Fact Book found the average monthly rent for a two-bedroom apartment in Westerly was \$1,463 per month. This cost was \$309 greater than the [Westerly-Hopkinton-New Shoreham, RI HUD Metro Area's Fair Market Rent \(FMR\)](#) of \$1,154 for FY2020. Assuming no more than 30% of annual income was spent on rent alone (excluding related expenses), a renter household would need an annual income of \$58,520 to afford the average two-bedroom apartment's rent. The 2013-17 ACS's median household income estimate for renter households, though, was \$32,083. This meant an income gap of \$26,437 existed for a renter household to affordably lease their home.

Subsection 4.6.2 – Home Values

An analysis of housing in Westerly from the standpoint of its market value, as determined by the Westerly Tax Assessor's Office through revaluations in 2003, 2006, 2009, 2012, 2015, and 2018 shows the volatility of property values in Westerly over the last decade. Table 4-11 below summarizes the 2003, 2006, and 2009 revaluations for single-family homes in Westerly categorized by fire district. Over these six years, the value among the range of single-family homes located in Westerly increased from a Town-wide average of \$248,050 in 2003 to \$311,150 in 2009, a 25.4% increase. At a sub-municipal level, total valuation of single-family homes ranged from an 18% increase in Shelter Harbor Fire District to a 34.5% increase in Bradford Fire District. Single-family homes in two other fire districts, Watch Hill and Weekapaug, had average assessed values in excess of \$1.5 million. These outlying values were due to their districts' characteristics as coastal villages with high numbers of second homes and seasonal populations. In the 2006 revaluation, which represented the peak assessed value within this time period, there was a difference in assessed value of more than \$1.6 million between the fire districts with the lowest (Bradford Fire District) and highest (Weekapaug Fire District) median values.

Table 4-11 Median Values of Single-Family Homes, 2003-2009

Fire District	2003		2006		2009	
	Homes	Median Value	Homes	Median Value	Homes	Median Value
Bradford	425	\$173,000	434	\$244,300	440	\$232,750
Dunn's Corners	1,670	\$266,450	1,723	\$365,900	1,743	\$340,500
Misquamicut	536	\$352,500	558	\$499,800	565	\$465,400
Shelter Harbor	151	\$556,800	155	\$713,200	160	\$657,050
Watch Hill	208	\$1,249,100	210	\$1,727,300	217	\$1,670,300
Weekapaug	112	\$1,331,000	118	\$1,908,800	126	\$1,700,500
Westerly	3,816	\$220,600	3,899	\$301,800	3,931	\$275,400
Town-wide	6,918	\$248,050	7,097	\$336,700	7,182	\$311,150

Source: Town of Westerly, 2019

The 2009 revaluation provided a major source of evidence that the general economic downturn beginning in 2008 had taken effect locally. For example, 57% of houses sold in 2008 were sold for less than their assessed value and, 83% of houses sold for less than their assessed value in the first half of 2009.

The Great Recession's protracted effects in Westerly were (and in some cases still are) evident in the overall decrease in average total property values as recorded within the 2012, 2015, and 2018 revaluations in Table 4-12 below. In 2012, the median value had fallen by 15.3% from the 2006 revaluation to \$285,100. The most recent revaluation, in 2018, was the first since 2006 to show median assessed value increased Town-wide and in all fire districts from the preceding full revaluation year.

Table 4-12 Median Values of Single-Family Homes, 2012-2018

Fire District	2012		2015		2018	
	Homes	Median Value	Homes	Median Value	Homes	Median Value
Bradford	475	\$209,800	495	\$204,900	497	\$231,000
Dunn's Corners	1,758	\$313,000	1,774	\$305,300	1,803	\$339,500
Misquamicut	584	\$432,950	583	\$421,900	586	\$481,600
Shelter Harbor	162	\$597,300	164	\$585,900	164	\$655,650
Watch Hill	222	\$1,597,300	222	\$1,632,200	222	\$1,767,650
Weekapaug	131	\$1,623,800	133	\$1,452,700	133	\$1,795,800
Westerly	4,014	\$251,100	4,063	\$242,500	4,105	\$272,400
Town-wide	7,346	\$285,100	7,434	\$275,600	7,510	\$309,600

Source: Town of Westerly, 2019

Table 4-13 summarizes changes in median single-family values over four time periods, all ending in 2018. In the decade passing from January 2009 to December 2018, the median value of a single-family home in Westerly was ultimately stagnant, decreasing by less than one percent. Values of single-family homes trended upwards through the six year period from 2012 to 2018 with the data suggesting that home values were appreciating more rapidly during the last three years of that period. Even with the increased rate of home value appreciation during this period, the average home value in 2018 was still lower than the values in 2006. The rapid rate of home value appreciation heading into the later part of 2018 however, is a leading indicator that pressure on housing affordability will continue to increase.

Table 4-13 Percent Changes in Median Values of Single-Family Homes, 2006-2018

Fire District	2006-2018	2009-2018	2012-2018	2015-2018
Bradford	-5.4%	-0.8%	10.1%	12.7%
Dunn's Corners	-7.2%	-0.3%	8.5%	11.2%
Misquamicut	-3.6%	3.5%	11.2%	14.2%
Shelter Harbor	-8.1%	-0.2%	9.8%	11.9%
Watch Hill	2.3%	5.8%	10.7%	8.3%
Weekapaug	-5.9%	5.6%	10.6%	23.6%
Westerly	-9.7%	-1.1%	8.5%	12.3%
Town-wide	-8.1%	-0.5%	8.6%	12.3%

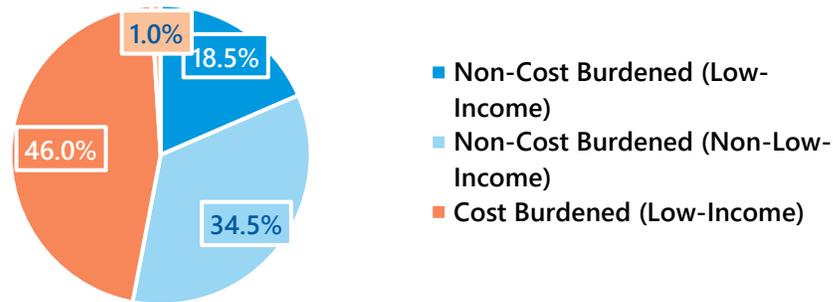
Source: Town of Westerly, 2019

Subsection 4.6.3 – Cost Burden and Unmet Affordability Needs

Affordable housing needs are determined from demographic data available from a variety of sources which include the US Census Bureau and the Comprehensive Housing Affordability Strategy (CHAS) database, among other sources (it should be noted that, while CHAS data is a product of the US Census Bureau in partnership with HUD and there are no known suitable alternatives for providing this housing data, its estimates can often be subject to higher margins of error at the local government level). The unmet need for affordable housing can be calculated based on the current number of LMI units and the demand for LMI units based on the data available. In addition to LMI production goals (to be discussed later which are based on current housing stock) the specific needs of the low and moderate-income populations are also evaluated based on the availability and distribution

of the affordable housing types that should be targeted. Figure 4-2 illustrates the extent to which housing cost burdens are felt by renter-occupied households in Westerly.

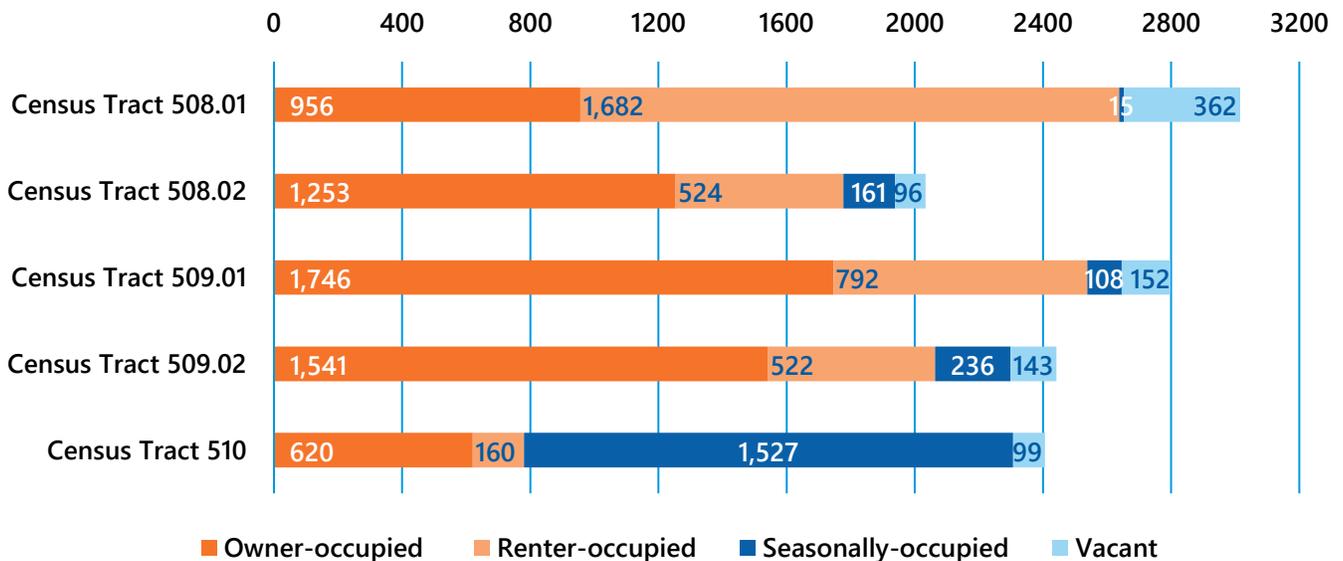
Figure 4-2 Housing Cost Burden for Renter-occupied Households by Income, 2016



Source: 2012-16 CHAS Data Query Tool

Among the four categories shown, a plurality (46%) of Westerly’s renter households earn 80% HAMFI and spend more than 30% of their income on housing costs (CHAS Data Query Tool, 2008-12). Further, almost half (47%) were cost burdened because of their monthly rent. As previously noted, the average two-bedroom apartment in Westerly cost \$1,463 per month to rent, requiring an income \$26,437 greater than the median income of local renter households. While there are many factors causing this that are present across the State and region, a unique and likely additional consideration is the comparatively stronger market demand for vacation homes in town. This is visualized in Figure 4-3 below, which presents the Town based on its five Census Tracts. Census Tract 510 encompasses the coastal portion of the Town, from Avondale to Shelter Harbor, that is south of Route 1A.

Figure 4-3 Housing Unit Occupancy by Census Tract, 2017



Source: 2013-17 ACS five-year estimates

Seasonal rentals potentially contribute to a diminished year-round stock of affordable homes by disrupting potential long-term rentals. This occurs in cases where a landlord imposes a nine-month restriction for their unit(s) to be vacated and rented at higher cost in the summer, when demand is increased.

Rental housing is most concentrated in Census Tract 508.01, incorporating Downtown Westerly and its surrounding area, and decreases further west (to Census Tract 509.02) and south (to Census Tract 510). Overall there are positive correlations between the percentage of renter-occupied housing units and several characteristics common in urbanized areas, such as greater racial diversity and a larger young adult (18 to 34 years) population. The 2010 US Census data and ACS 2013-2017 estimates also support this conclusion which is experienced in Westerly as well. Regardless of prevalence however, Figure 4-4 below shows a majority of renter households in all Census Tracts experience cost burden. The range falls from just over half (53.8%), in Census Tract 509.02, to nearly three-quarters (72.2%) in Census Tract 508.01.

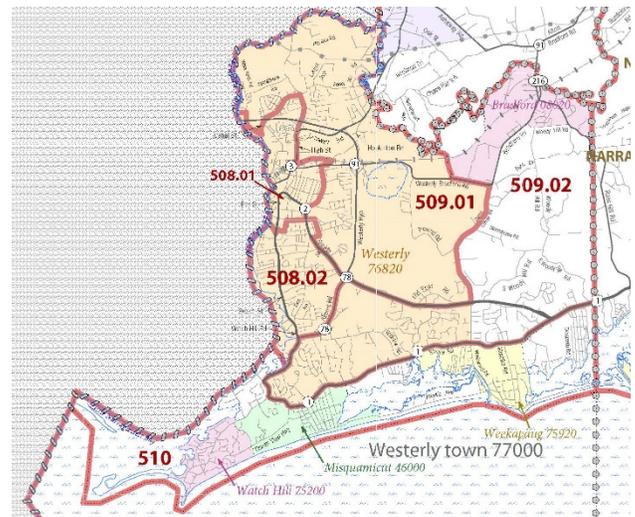
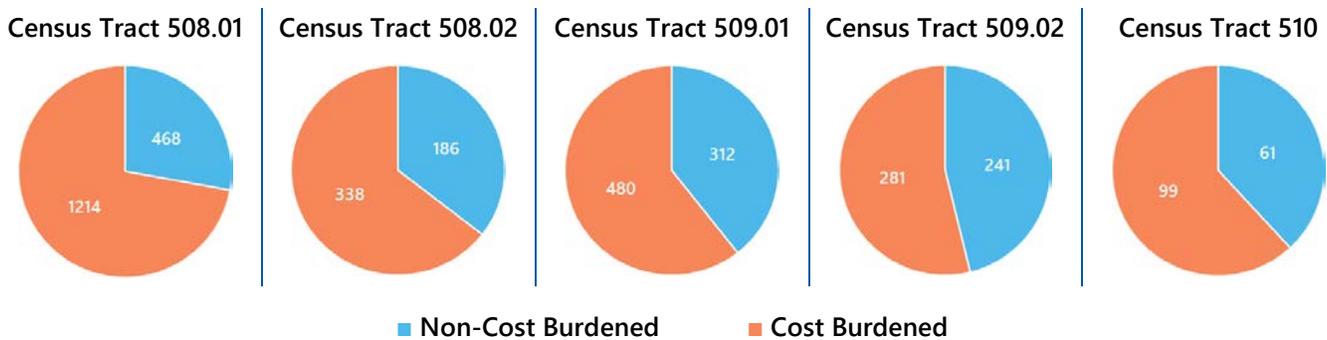


Figure 4-4 Cost Burdened Renter-Occupied Households by Census Tract, 2017

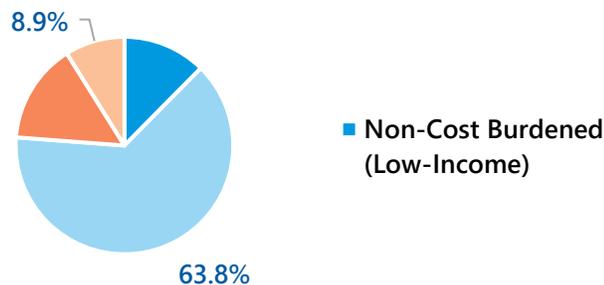


Source: 2013-17 ACS five-year estimates

The 2019 HousingWorksRI Fact Book identified that an owner household required an income of over \$92,000 to afford the median price of a single-family home in Westerly, \$328,250. Just four years previously, the 2015 Fact Book identified that an owner household required nearly \$10,000 less (\$80,252). This was a substantial increase that outpaced inflation. Sales of existing multi-family housing units have been fairly stable within the same period of time -while the median sales price has comparatively grown without interruption, from \$284,500 to \$328,250.

In contrast to renter households, Figure 4-5 below illustrates that cost burdens experienced by owner households in Westerly were far less common. Just under 15% of all owner households were those that earned less than 80% HAMFI and paid more than 30% of their incomes towards housing costs. More than three-quarters did not experience cost burden.

Figure 4-5 Housing Cost Burden for Owner-occupied Households by Income, 2016

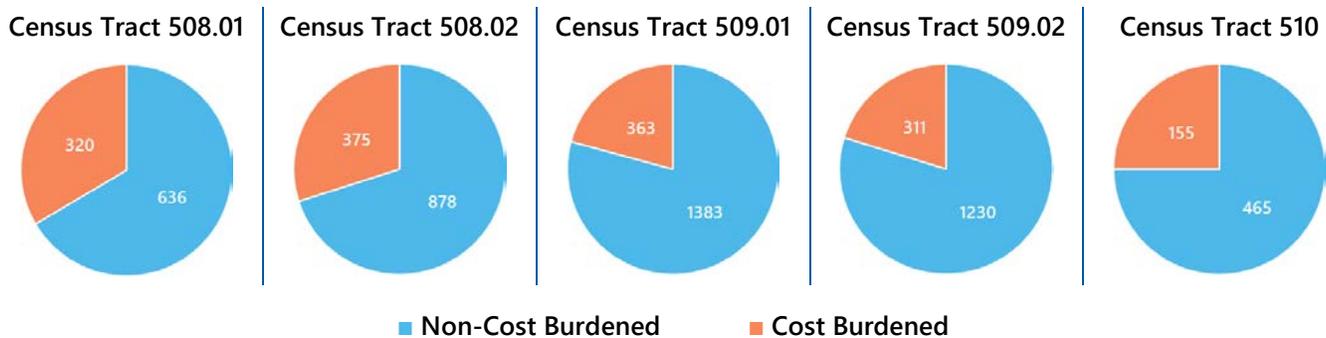


Source: 2012-16 CHAS Data Query Tool

The prevalence of owner-occupancy, like renter-occupancy, was also shown in Figure 4-3. While Census Tract 508.01 is predominantly rental units and Census Tract 510 is mostly made up of seasonal homes, the remaining Census Tracts are largely owned and occupied year-round. The comparably high portions of owner-occupied dwellings in these tracts may be influenced by the time period in which their general development occurred (mid-to late-twentieth century).

Figure 4-6 below presents another inverse of what is experienced by renters. There are no Census Tracts which have a majority of cost burdened owner-occupied households. Beyond this, the difference between the majority and minority appears to also be greater. The prevalence of cost burden was greatest in Census Tract 508.01, at 33.5%, and was least in Census Tract 509.02, at 20.2%.

Figure 4-6 Cost Burdened Owner-Occupied Households by Census Tract, 2017



Source: 2013-17 ACS five-year estimates

Subsection 4.6.4 – Residents with Disabilities

Disability is defined by federal law as “a physical or mental impairment that substantially limits one or more major life activities,” which may include “walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.” In a summary of the National Health Interview Survey taken in 2018, the National Center for Health Statistics identified 16.3% of adult Americans experienced some level of difficulty in their physical functioning, measured by their ability to walk a quarter mile. Based on this information, actual housing needs of persons with physical disabilities can likely be considered significantly greater than the number of people dependent on a mobility device, such as a wheelchair or cane.

The estimates provided by the 2013-17 ACS indicated that, locally, the population having one or more disability totaled 2,821. This made up just over 12% of the Town’s total population. Disabilities, ranging from most to least prevalent, included ambulatory difficulty (1,355), hearing difficulty (859), independent living difficulty (851), cognitive difficulty (833), self-care difficulty (419), and vision difficulty (320). Persons aged 65 years old and over made up 62.5% of the disabled population, indicating that disabilities are a notable concern with aging.

The ACS provided economic data for the population with a disability status only at a national, state and county level. It is nonetheless reasonable, based on earnings and employment estimates which were available, to conclude persons with disabilities experience the same level of need, if not greater, for affordable housing as persons with no disabilities in Westerly. In recent years, non-profit organizations including Westerly Area Rest and Meals, Inc. (WARM) and Operation Stand Down RI (OSDRI) have worked to address this. In these two cases, an additional 16 housing units restricted specifically to households with a person experiencing a disability, were added to Westerly’s housing supply between 2013 and 2015.

Subsection 4.6.5 – Residents Experiencing Homelessness

The National Health Care for the Homeless Council notes there is no one legal definition for homelessness. In specifically discussing housing needs in Westerly however, this plan recognizes a portion of the HUD definition as being reflective of the most common forms of homelessness in the Town. This include individuals “who [lack] a

fixed, regular and adequate nighttime residence” and individuals and families “living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing).”

The National Coalition for the Homeless and the Rhode Island Coalition for the Homeless (RICH) both identify a lack of affordable housing as a primary contributor to homelessness. In its 2019 State of Homelessness Report, RICH counted 4,390 individuals State-wide who were experiencing homelessness in either a shelter or transitional housing. It also reported that 26 of the State’s 2,083 identified callers seeking shelter were from Westerly. This represented only 1.2%, but made up the second highest number, almost a quarter (23.2%) of identified callers in Washington County.

As noted in an earlier section, WARM provided housing specifically for several households with disabilities. This was done as part of its greater mission for serving those in need. The WARM Center, located on Spruce Street in Westerly since 1990, provides one of the three emergency shelters in Washington County. It often operates near or at full capacity (approximately 80 individuals) but is also aware of additional people experiencing homelessness outside the WARM shelter. To further assist individuals experiencing homelessness and/or a housing crisis, the WARM Shelter offers 19 beds (13 for males and 6 for females) and five rooms of long-term transitional housing through its WARM-Up program with 13 families additionally being served by the Harvest Homes program. WARM also offers supportive housing in its Section 811 project completed in 2014 which include six one-bedroom apartments located on Spruce Street and two two-bedroom units provided on Pierce Street.

Section 4.7 – Affordable Low-and Moderate-Income Housing

The Rhode Island Comprehensive Housing Production and Rehabilitation Act of 2004 (General Laws 45-128-8.1) and the Rhode Island Low- and Moderate-Income Housing Act (General Laws 45-53) are the origin of the 10% requirement. Each municipality must have at least 10% of its year-round housing stock be “affordable” with the further provision that the units be at least partially subsidized by the federal, State, or local government and subject to other restrictions to assure they will remain affordable for a minimum of 30 years. The LMI Act also provides a process for the review and approval of eligible LMI housing developments known as a ‘comprehensive permit’.

As of 2019, 12 communities have met the comprehensive permit process. Six communities currently have more than 10% LMI housing, as defined by the Act, while another six communities are “exempt” under an alternative calculation for municipalities having at least 5,000 occupied rental units where those units comprise 25% or more of all housing units and have at least 15% of their rental units affordable to LMI persons.

As of this Plan’s adoption, 5.22% (542 units) of Westerly’s year-round housing supply was subsidized and deed-restricted affordable for LMI households and the composition of its housing tenure did not meet the exemption. Table 4-14 below provides a full listing of the Town’s LMI housing.

Table 4-14 LMI Housing Inventory, 2019

Population Served	Development	Tenure	Location	Total Units
Elderly	Babcock Village	Rental	Cross Street	150
	Chestnut Court	Rental	Chestnut Street	50
	Merchant’s Village	Rental	Clark Street	99
	Park View	Rental	Park Avenue	60
Elderly Subtotal	All	All	All	359
Family	Arlington Street	Rental	Arlington Street	2
	Covington Court	Ownership	Covington Court	5
	Fairview Drive	Rental	Fairview Drive	2
	Gardner Street	Rental	Gardner Street	1
	Grove Avenue	Rental	Grove Avenue	3
	Joseph Street	Rental	Joseph Street	2
	Kent Avenue	Ownership	Kent Avenue	1
	Knight Street	Ownership	Knight Street	1

	Knight Street	Rental	Knight Street	3
	Lewis Lane	Rental	Lewis Lane	4
	Lilac Street	Ownership	Lilac Drive	1
	Lilac Street	Rental	Lilac Drive	1
	Merchant's Village	Rental	Clark Street	16
	Pierce Street	Ownership	Pierce Street	2
	Pierce Street	Ownership	Pierce Street	1
	Pierce Street	Rental	Pierce Street	1
	Pierce Street Habitat	Ownership	Pierce Street	2
	Pierce Street North End	Ownership	Pierce Street	2
	Pierce Street North End	Rental	Pierce Street	2
	Pond Street	Ownership	Pond Street	1
	Pond Street	Rental	Pond Street	1
	Roma I	Rental	Byron Drive	22
	State Street	Rental	State Street	2
	Summer Street	Rental	Summer Street	2
	Sunrise Drive	Rental	Sunrise Drive	2
	Thomas Lane	Ownership	Thomas Lane	1
	Westminster Street	Ownership	Westminster Street	2
	Spinnaker Landing	Ownership	Post Road	9
	North Glen Townhouses	Ownership	Pierce Street	10
	Fieldstone Estates	Ownership	Fieldstone Way	7
Family Subtotal	All	All	All	110
Special Needs	Group Home beds	-	-	42
	Spruce Street	Rental	Spruce Street	5
	Westerly Court	Rental	Beach Street	10
	Spruce Street 2013	Rental	Spruce Street	6
	Pierce Street OSDRI	Rental	Pierce Street	10
Special Needs Subtotal	All	All	All	73
Total	All	All	All	542

Source: RI Housing Tabulation, 2019

Subsection 4.7.1 – LMI Unit Approvals

The Town adopted its Affordable Housing Plan in 2004, shortly after the passage of the Rhode Island Comprehensive Housing Production and Rehabilitation Act. In it, the Town proposed several strategies to develop certified LMI units. With the assistance of an Affordable Housing Committee, the Town adopted several new sections to the Zoning Ordinance to establish the regulatory framework determined necessary to implement the State law locally. These included:

- Affordable Housing (§260-50),
- Inclusionary Zoning (§260-50.2),
- Comprehensive Permits (§260-50.3),
- Municipal Affordable Housing Fund (§260-50.4), and
- Historic Mill Overlay District (§260-57).

To date, 150 LMI units in single- and multi-family structures have been proposed under one or more of these affordable housing amendments with about half (74) ultimately completed and a further 21 in various stages of construction. Unfortunately, despite undergoing some level of review, 55 proposed LMI units were not ultimately completed due various factors (often related to economic feasibility). All affordable housing projects proposed since 2004 are listed in Table 4-15 below:

Table 4-15 LMI Unit Production, January 2004 – October 2019

Development	LMI Units Proposed	LMI Units Completed
66 Pierce Street	2	2
69 Pierce Street	2	2

Westerly Court	10	10
6 Lilac Drive	2	2
48 Pierce Street	2	2
71 Pierce Street	2	2
79 Pierce Street	2	2
6 Lewis Lane	2	2
Napatree Point Condominiums	2	0 (project abandoned)
Spinnaker Landing	10	9
Covington Court	4	4
Fieldstone Estates	13	7
Iroquois Hills	33	0 (project abandoned)
North Glenn	10	10
Westerly Heights	4	0 (project abandoned)
Brown Building (1)	16	0 (project abandoned)
WARM Shelter	6	6
OSDRI	10	10
White Rock Inn	4	4
Merchants Village Expansion	5	0 (in progress)
South Drive	6	0 (in progress)
Brown Building (2)	3	0 (in progress)
Total	150	74

Sources: Town of Westerly Department of Development Services, 2019

Westerly's preceding comprehensive plan, in support of State and local efforts, was very clear about the continued need for affordable housing and not necessarily nor exclusively meeting that demand through new single-family construction. The Town continues to aspire to strategies that preserve its existing housing stock as affordable:

- Developing and implementing a program to focus and coordinate affordable housing initiatives and funding as an integral part of Westerly's efforts in neighborhood revitalization and rehabilitation with priority given to existing housing over new construction.
- Targeting neighborhoods for revitalization efforts through the development of neighborhood plans and linking implementation of these plans with affordable housing strategies.

While certain concepts have remained constant over time, approaches [that are](#) new to this Plan include:

- Supporting the development of a variety of housing types so that residents can continue to live in Town even as their housing needs change,
- Planning all residential projects with the intent of preserving and improving the character of existing neighborhoods and well-integrated with neighborhood or district features,
- Establishing programs to assist LMI owner-occupants of residential properties to repair and maintain their houses so that they can continue to reside in their homes, and
- Continuing a community-based housing rehabilitation program.

These considerations are particularly made with respect to the Town's projected approach to buildout at the end of this Plan's planning horizon. While the buildout analysis is discussed in Chapter 10 of this Part, land remaining available for development is already increasingly scarce and generally subject to environmental constraints to development. Increased housing density in established neighborhoods that are built out is impractical and may adversely affect neighborhood character as well as environmental integrity. Compliance with parking requirements alone will result in increased impervious surfaces and an increase in surface water runoff resulting in the need for investment in improved drainage facilities.

In fulfillment of RIGL and comprehensive planning requirements of the State, an LMI housing production plan is included in this Plan with strategies for attaining the State's 10% threshold. To begin this, Table 4-16 below presents that, at the time of buildout, the Town would face a deficit of 877 affordable LMI housing units.

Table 4-16 Existing and Projected LMI Housing Deficits

Housing Type	Units	Percentage
Total Non-seasonally-occupied, 2010	10,430	100%
State-mandated LMI	1,043	10%
Total LMI, 2019	542	5.2%
LMI Deficit	501	4.8%
Total Non-seasonally-occupied, 2017	10,648	100%
State-mandated LMI	1,065	10%
Total LMI, 2019	542	5.1%
LMI Deficit	523	4.9%
Total Non-seasonally-occupied, Buildout ¹	14,188	100%
State-mandated LMI, Buildout	1,419	10%
Total LMI, 2019	542	3.8%
LMI Deficit	877	6.2%

Sources: 2010 US Census, 2013-17 ACS five-year estimates, and Town of Westerly, 2019

¹ Buildout is discussed in Chapter 10, Existing Land Use and Zoning

The Town endeavors to address factually supported estimates of housing needs based on actual market statistics unique to the Town.

Subsection 4.7.2 – Meeting Local Housing Needs

The Town of Westerly believes it exceeds the overall contribution of affordable housing anticipated under the Act through its robust stock of sustained year-round rental housing. The Town also recognizes that State approval of its plan is dependent upon its compliance with the mandate for a 10% LMI production plan. While the Town provides a 10% LMI plan in this chapter, it is also advancing its local cause for housing needs by pursuing a statutory alternative to the 10% requirement.

During the 2016 session of the Rhode Island General Assembly, the Town pursued legislative changes that would provide Westerly an exception to the Low and Moderate Income Housing Act as an urban community that is meeting affordable housing needs through its continued commitment to the provision of rental units for residents who earn less than or equal to 80% HAMFI. House bill No. 8014A and Senate bill No. 2876A was proposed to change the threshold requirement for low or moderate-income rental units in a community to 12% where there are at least three thousand (3,000) rental units occupied year-round. This proposed legislation did not garner support of the House of Representatives or the Senate and was postponed indefinitely in April 2016.

The US Census Bureau and HUD work together to make available data that tracks the extent of housing problems and housing needs in communities, particularly for low income households using CHAS data. CHAS data for Westerly are provided in the table at the end of this chapter.

Unfortunately, these estimates must be used with caution as most of the estimates have a margin of error greater than 25% as shown in the attached CHAS



table in red. These tables include almost all of the data provided by the CHAS and, in many cases, the margin of error (MoE) is several times the estimate, as shown. Rhode Island Statewide Planning says of these estimates: “An estimate with a margin of error greater than 25% of the estimate should be used only if there are no suitable alternatives, and with the understanding that its accuracy may be less than desired.” The Town of Westerly will be

seeking a more suitable alternative to the estimate of housing need provided by the CHAS most probably in the form of direct surveys to its residents. However, in the meantime, the discussion of housing need will proceed based on the information provided to the Town.

According to CHAS data ~~and using the 2008-2012 ACS/2013-17 ACS data~~, Westerly had ~~1,034,104 renter-~~households at or below 80% of the HAMFI. ~~with a severe housing cost burden (more than 50% of income spent on housing costs).~~ ~~In The most densely populated renter-occupied areas of town, Census Tracts 509.02 and 508.01, 53.8% and 72.2% of renter-households respectively, experience cost burden (in excess of 30% of income) trying to maintain a household. Of these, 44.4% (459) were renters and 55.6% (575) were homeowners. Conversely, is far less common for an owner-occupied household in Westerly experienced costs burdens. Of this cohort 15% of owner-occupied households experienced cost burden.~~ This data indicates that there is a near-term demand for more affordable rental housing, whether meeting the mandated definition or otherwise. The most consistent finding in Westerly's CHAS, 2013-17 ACS data is that nearly one-third of households pay too large a percentage of their gross monthly income towards housing.

In terms of proportionality, as shown in Table 4-17 below, the CHAS indicates Westerly's current foremost need is for single units targeted towards the family population with another third for residents in the category with special needs (such as single-bedroom elderly, living assistance, handicapped and communal living). The existing housing supply is providing much of the needed housing for seniors.

Subsection 4.7.3 – Projected Affordable Housing Production

An effective housing production plan for Westerly will ensure that the different types of residents with cost-burdened households are each provided a fair and representative proportion of affordable housing units to be constructed through the 2020s and 2030s. It is the underserved segment of Westerly's current households which must be targeted, including both family and other non-family households. Table 4-18 shows the number of units intended to serve each household type which should be constructed each five-year period between 2020 and 2040 in order to achieve a fair, thoughtful and appropriate demographic balance. Units approved since the implementation of the Affordable Housing Plan of 2004 but not yet constructed is the starting point in 2020.

Table 4-17 Affordable Housing Production Projections by Household Type, 2020-2040

Population	2020	2025	2030	2035	2040	Supply needed
Elderly	30	10	10	10	7	67
Families	20	65	65	65	46	261
Special Needs*	5	40	50	50	26	171
Total	55	115	125	125	79	499

Sources: Town of Westerly; CHAS

In the 2010 Comprehensive Plan, the first action item towards the town's goal of maintaining a broad range of housing options states "Review housing and demographic data regularly to determine whether stated goals are being met and revise as necessary to achieve goals." Data collection work has been completed to give the town a clear picture of the current affordable housing makeup in the town.

This data has provided a significant opportunity to respond to the Town Council's suggestion that a legislative exemption to the 10% requirement of the Low- and Moderate-Income Housing Act be pursued. This data analysis will also assist the Planning Board in their recommendations to the Town on the implementation of this Plan. This data will be used as the basis for discussions and recommendations on planning issues such as residential density and services and facilities for Westerly's neighborhoods and planning areas.

Subsection 4.7.4 – Housing Opportunities through Affordable Rental Units

The Town of Westerly is meeting housing needs through its substantial contribution to the rental market. The Town of Westerly has developed several programs and initiatives to ensure the preservation of its robust rental housing stock. Actions in the 2010 Plan included:

"Action 5.5: Develop and implement a program to focus and coordinate affordable housing initiatives and funding as an integral part of Westerly's efforts in neighborhood revitalization and rehabilitation with priority given to existing housing over new construction, and;

Action 5.16: Target neighborhoods for revitalization efforts through the development of neighborhood plans and link implementation with other affordable housing strategies."

The number of year-round renter-occupied housing units in the Town of Westerly has been consistent from 2000 to 2017 at approximately 3,400 units ~~and an on~~ average ~~of 35.4%~~ 33% of ~~its~~ the entire year-round housing stock. In 2000, approximately 2,060 renter households in Westerly were reported to be at or below 80% HAMFI. That number increased in 2017 to ~~2,174~~ 2,412 renter households.

Since 2000, renter households at or below 80% HAMFI have made up 60 to ~~64~~ 66% of total renter-occupied units. Approximately 20% more of the available rental units are occupied by residents with incomes between 80% HAMFI and 120% HAMFI. Of the ~~3,404~~ 3,680 renter occupied units in Westerly ~~only 498 or 13.5%~~ 13% are LMI-qualified, allowing the local regulatory environment to provide more than ~~2,900~~ 3,183 rental units without subsidy or income restrictions. As mentioned above, 2,412 households in town have incomes that are at or below 80% HAMFI. Assuming each unit contains a household, this number in and of itself exceeds, by more than 226%, the state mandated LMI requirement for 2017 of 1,065 total units. While recognizing that cost burden on householder's also needs to be considered, an initiative to survey residents to determine cost burden in excess of 30% of household income is a part of this plan.

This Plan embraces several strategies for the rehabilitation and production of units for renter households at or below 80% HAMFI. These are intended to ensure that low and moderate-income households continue to be 60 to ~~64~~ 66% of total renter-occupied units. Data by census tract demonstrates that Westerly exceeds the overall contribution of affordable housing anticipated under the Act through its robust stock of sustained year-round rental housing. However, housing conditions remain a problem.

The Town of Westerly is approaching build-out; the remaining land available for development is scarce and generally has environmental constraints to its development. Redevelopment within established neighborhoods will be required to continue to serve the community's housing needs.

Subsection 4.7.4 –Strategic Production Plan for LMI Qualified Units

Strategy 1: Inclusionary Affordable Housing

This strategy relies on private sector development and affects single-family subdivisions, multi-family residential developments, and mixed-use projects. This market-based tool for producing affordable housing without using tax dollars has produced thousands of housing units across the United States. Its purpose is to integrate affordable housing in developments throughout communities by requiring developers to set aside a certain percentage of housing units which are affordable to residents with incomes up to 80% of the area's median income.

Westerly's approach is to use mandatory inclusionary zoning when for-profit developers propose market-rate housing in residential zoning districts. Mandatory inclusionary zoning also applies when for-profit, market-rate housing is proposed for mixed-use development located in commercial or professional zoning districts, or when adaptive re-use of a historic mill contains market-rate housing. In all cases, the Town's incentive-based approach will offer for-profit developers a density bonus for market rate units for a required percentage of 30-year (minimum) deed-restricted units for low and moderate-income households earning 80% or less of median income. This strategy also applies to non-profit entities whose residential development projects contain market rate units.

Strategy 1.1 Inclusionary Zoning

To provide more affordable homeownership opportunities, the Town adopted an Inclusionary Zoning ordinance requiring all new developments with five or more residential units in any zoning district to set aside 20% of the total units in the development as LMI restricted (Section 260-50.2). A density bonus equal to the percentage of qualified LMI units in the development is then also provided.

Density bonuses of any type are disallowed in developments which do not provide the requisite minimum number of qualifying LMI units under RIGL §45-53-3, which stipulates a minimum 30-year commitment by the developer, enforced by deed restriction, that the units be sold or rented to low or moderate-income households and monitored by a certified agency.

For cases in which it may not be feasible to develop the affordable units on site, Section 260-50.4 as adopted allows the developer the option of paying a fee-in-lieu, which is deposited in the Town's Municipal Affordable Housing Fund. Following a change in State law on the administration of the funds from the fee-in-lieu, the Town of Westerly must revisit this option. Other options include providing the LMI Units elsewhere. This is at the sole discretion of the Planning Board.

Moving forward in this Plan, inclusionary zoning is still considered a productive strategy. The Town's inclusionary zoning provisions should be reviewed and revised to produce the type of housing for which there is the strongest need (such as family rental units and single-occupant households). The Planning Board should revisit the inclusionary zoning ordinance to evaluate the density bonuses offered and their impact on neighborhoods and environmentally sensitive sites.

There are approximately 2,105 undeveloped buildable acres in the RR-60, LDR-40, MDR-30, and HDR-15 zoning districts. To account for land required for other strategies, it is assumed that ~~50~~60% of the undeveloped buildable land is developed under the current zoning requirements and inclusionary zoning ordinance. This strategy, based on these assumptions, **may provide up to 243-268 LMI units.**

Strategy 1.2 Comprehensive Permit Ordinance

The Town passed a Comprehensive Permit Ordinance (Section 260-50.3, Amended 9-24-2007 by Chapter 1616) in compliance with the State mandated "fast track" review and approval process developments that include affordable housing units. Local approvals are given to qualified projects contingent on State approvals and a substantial density bonus is provided. Yet the "fast track" became the "slow lane" when the General Assembly shortened the review period for other major land development and projects and subdivisions in 2017.

Per the Low- and Moderate- Income Housing Act (RIGL §45-53-4), comprehensive permits are only available for proposals in which at least 25% of the housing to be developed is deed-restricted for occupancy by low- or moderate-income households. The Act also requires that all low- and moderate-income housing units proposed are integrated throughout the development. As a state mandated housing production strategy, a comprehensive permit application must produce qualified LMI units. There is no off-site or fee-in-lieu option. A so called "municipal subsidy program" need only include dimensional relief for the project to qualify as LMI. In Westerly, very rarely is an increase in density requested because of the limited carrying capacity of most undeveloped parcels.

Examples of developments which have been approved through this process include:

- Westerly Courts, Beach Street – 10 units, all LMI (South County Mental Health)
- North Glen, Pierce Street – 10 units, all LMI (RI Housing and Washington County Community Development Corporation [WCCDC])
- Spinnaker Landing, 222 Post Road – 42 units, 10 LMI
- Pleasant Street Courts, Covington Court – 17 units, 4 LMI
- WARM Shelter, 54-56 Spruce Street – 6 units, all LMI
- Fieldstone Subdivision, Fieldstone Way – 52 units, 13 LMI
- Iroquois Hill, Iroquois Avenue – 86 units, 33 LMI (abandoned during appeal process)

In the 2010 Comprehensive Plan, the Town identified the need to review the Comprehensive Permit ordinance. As with the inclusionary zoning ordinance, the Town was concerned with its limited application except on marginal properties in need of dimensional relief or engineering compromises. Adverse impacts pertaining to impervious lot coverages, design, and disturbance of the natural environment are also concerning.

An alternative to the current regulations would be to incorporate more appropriate guidelines to ensure quality development with minimal impacts on the community. The approval of projects before they have been reviewed by state or federal agencies, particularly considering the development on environmentally sensitive land, continues to remain a concern. The Town does not consider this a desirable planning approach, particularly in the Pawcatuck River and Salt Pond Region Special Area Management Plan (SAMP) areas along the coastline which the Rhode Island Coastal Resources Management Council (RICRMC) has determined is already “built beyond carrying capacity”. Areas within the RR-60 zoning district surrounding Newton Marsh, Chapman Pond and Aguntaug Swamp (all of which is protected land in an aquifer and is predominantly freshwater wetlands) also is of concern from these types of development.

The Town’s zoning ordinance not only adopts the comprehensive permitting process, it also provides for increased density intended to aid in the production of qualified low and moderate-income housing units as previously described. Density bonuses available to developers that apply under this ordinance range from 20% to 66%. However, concerns continue with applications for residential development at these rates. The density increases allowed by ordinance do not take into consideration the location or carrying capacity of a property for development. The relevant issues vary by zoning district and development site characteristics which are briefly discussed below:

- **HDR-6 | ~~20~~66% density bonus**

The HDR-6 zoning district is densely populated with some of its area in the Special Flood Hazard Area (SFHA), where historic settlement patterns used the river in a very different manner than we do today. This zoning district is also within the USB, an area which is serviced by both public water and sewer, logical prerequisites to support additional residential development. The HDR-6 zoning district is predominantly rental and small single-family residential on small lots. In many cases, increased density may require additional parking and/or pavement, setback encroachment, and/or loss of other green space or natural undeveloped areas.

There are approximately 62 total undeveloped buildable acres in the HDR-6 zoning district. This undeveloped, buildable land **may support approximately 298 units** under the current zoning requirements but the capacity for an increase in density through the comprehensive permit process appears limited by the size of the existing lots of record.

- **HDR-10 | ~~66~~0% density bonus**

This district is located within the Salt Pond Region SAMP area which RICRMC has determined to be already “built beyond carrying capacity” and where state regulations require 87,120 square feet per dwelling unit. The 2016 buildout analysis forecasts a maximum of six units that can be developed in this entire district thereby making the comprehensive permit density bonus impractical for this shoreline community. This zoning district is serviced by public water and private septic systems and, with the continued threat of storm surge and sea level rise, additional residential development should be discouraged. There are 0.01 undeveloped buildable acres in the HDR-10 zoning district outside this SAMP which cannot support any further additional residential development.

- **HDR-15 | 50% density bonus**

These zoning districts are not contiguous and located in various areas spread out across the Town, however they are primarily located in areas of existing development with relatively low constraints to development. This district can be found in areas as diverse as East Avenue, neighborhoods along the Pawcatuck River, Springbrook Road (abutting the White Rock Quarry) and Bowling Lane. In these districts, vacant land may likely be impacted by freshwater wetlands and any land suitable for development most likely represents limited lots for in-fill through rear-lot and minor subdivisions. This zoning district is serviced by both public water and sewer and is considered able to support some additional residential development in select areas.

There are approximately 113 total undeveloped buildable acres in the HDR-15 zoning district. To account for land required for other strategies, including inclusionary zoning, it is assumed that 30% of the undeveloped buildable land in this residential zone remains for this strategy. This

undeveloped land may support **approximately 197 units** under the current zoning requirements with the available density bonus.

- **MDR-20 | 33% density bonus**

These zoning districts are scattered across the Town as well and are in areas predominantly serviced by public water and private septic systems. With further study, the Town may be able to identify available sites appropriate for the development of affordable housing in select areas within this zone. Where this zoning occurs in the jurisdiction of a SAMP, further study is needed to determine if this density bonus is practical given RICRMC regulatory requirements in these areas.

There are approximately 248 total undeveloped buildable acres in the MDR-20 zoning district. This undeveloped land may support **approximately 171 units** under the current zoning requirements but the capacity for an increase in density through the comprehensive permit process appears limited by the carrying capacity of the built environment.

- **MDR-30 | 50% density bonus**

These zoning districts are predominantly located within the neighborhoods of Avondale and Weekapaug and along Shore Road. With portions of these districts also within SAMP areas, these districts require further study to determine if a density bonus is practical. With the service of public water, appropriate sites for cluster development may be identified but these units may not be affordable to low and moderate-income residents due to market conditions to foster such development.

There are approximately 733 total undeveloped buildable acres in the MDR-30 zoning district. This undeveloped land may support **approximately 395 units** under the current zoning requirements but the capacity for an increase in density through the comprehensive permit process appears limited by the carrying capacity of the built environment also.

- **LDR-40 | 33% density bonus**

These zoning districts are in areas located on both sides of Route 91 and at McGowan's Corners, as well as in White Rock. Some areas in this zoning district may be serviced by municipal water and other areas will require private wells, however there is no municipal sewer service in this zoning district, therefore new developments will require private septic systems.

There are approximately 345 total undeveloped buildable acres in the LDR-40 zoning district. To account for land required for other strategies, including inclusionary zoning, it is assumed that 30% of the undeveloped buildable land remains in this residential zone for this strategy. The undeveloped land will support **approximately 172 units** under the current zoning requirements and with the 33% density bonus credited to qualified applications.

- **LDR-43 | ~~33~~0% density bonus**

LDR-43 consists entirely of the Watch Hill area, a coastal neighborhood just outside the Pawcatuck River and Salt Pond Region SAMP jurisdictions. This district has been exempted from affordable housing under the ordinance, ~~even though a density bonus has been assigned to the district~~. LMI units in a remote part of town that lacks year-round services is not practical. There are approximately 93 total undeveloped buildable acres in the LDR-43 zoning district.

- **RR-60 | 37% density bonus**

These zoning districts are somewhat scattered and located in the northeast (Bradford), northwest (Springbrook), and southeast (Haversham) parts of town. Some of these districts also include and surround Newton Marsh, Chapman Pond and Aguntaug Swamp, all of which is protected land in an aquifer and is predominantly freshwater wetlands. Increased residential development in an aquifer area and adjacent to ponds create negative impacts on water quality. The Haversham area has historically been farmland maintained by conservation easements. Haversham and those areas along Quonochontaug Pond zoned RR-60 are not appropriate for increased density as they are located in the Salt Pond Region SAMP and characterized as lands built beyond carrying capacity according to RICRMC. In this zone, parcels will need to be evaluated on a case-by-case basis to determine if these areas can accommodate additional densities.

There are approximately 912 total undeveloped buildable acres within the RR-60 zoning district. To account for land required for other strategies, including inclusionary zoning, it is assumed that 30% of the undeveloped buildable land remains in this residential zone for this strategy. Therefore, the undeveloped land will support **approximately 248 units** under the current zoning requirements and with the 37% density bonus accredited to qualified applications.

This strategy, based on the assumptions discussed above, could provide up to **327-362** LMI units over the next 20 years.

Moving forward in this Plan, comprehensive permitting of qualified LMI units is still considered a productive strategy. The Town should apply GIS and other planning tools to collect data and information on the overall potential for future residential development in the Town and identify parcels most suitable for development under comprehensive permits. The Town should realign density bonuses with the prevailing need and encourage family rental units (of 1 to 3 bedrooms) designed in 2- to 4-unit structures. The Town should consider changes to the comprehensive permit process that would facilitate efficient and effective reviews of these types of applications. Sometimes considered “friendly comprehensive permits,” a negotiated or collaborative process can be a vehicle to meeting local housing needs. This more flexible approach can ensure that all low- or moderate-income housing units are consistent in quality of construction and design with market rate units, have appropriate site plan design and reasonably address local impacts.

Strategy 1.3 Mixed Residential & Commercial Use

Westerly’s zoning permits mixed residential and commercial use in some non-residential zoning districts, including Neighborhood Business (NB), Highway Commercial (HC), General Commercial (GC), Professional Office (P-15), and Downtown Commercial (DC-I & DC-II). This type of use is defined as:

“The use of any structure or group of structures on a single lot of record for both residential and commercial purposes... Residential uses shall not be permitted on the first floor and basement.” (Westerly Zoning Ordinance, Section 260-9)

This ordinance, however, has no maximum limit placed on the number of residential units allowed in such developments; rather, the upward limit is determined when the developer runs out of lot area or required parking areas. To remedy this weakness and promote affordable housing, the 2010 Comprehensive Plan recommended several amendments to the zoning regulations, including the establishment of an Affordable Housing Overlay District.

To diversify the tax base and preserve employment opportunities, the 2010 Comprehensive Plan recommended housing should always be considered a secondary or ancillary use in Westerly’s commercial zoning districts. Therefore, a residential component would not be required for any proposed development comprised exclusively of commercial, retail or office uses currently permitted by zoning. It also recommended that the minimum 20% affordable housing component be mandatory if residential units are to be proposed as part of a commercial development (that is, meeting the zoning ordinances definition of mixed residential and commercial use).

Further, it was recommended that a maximum net Floor Area Ratio (FAR) be established for mixed residential and commercial use, such that retail and commercial uses always remain paramount, and not placed in a secondary role to residential uses. Buildings in the Downtown Center zone would be allowed greater residential FARs because historically they have been built to greater heights which is reflection of the traditional characteristics represented within these zones (i.e., 50 feet in DC-I vs. 35 feet in HC).

There are approximately 36 total buildable acres in the Neighborhood Business (NB), Highway Commercial (HC), General Commercial (GC), Professional Office (P-15), and Downtown Commercial (DC-I & DC-II) zoning districts of which 24.6 are undeveloped. This undeveloped land will support approximately 30 units under the current zoning requirements and a residential component 20. Based on these assumptions this strategy may **provide up to 4 LMI units** within mixed use developments on undeveloped acres.

These zoning districts also include approximately 40 acres subject to redevelopment. The redeveloped parcels will support approximately units under the current zoning requirements and with a residential component of 48. Based on these assumptions, this strategy may **provide up to 10 LMI units** in mixed use development on redeveloped parcels.

For strategies that are currently being used to develop affordable LMI-qualified units it is estimated that these rates will continue at near the same level. With the Town's proposed revisions to the Inclusionary and Comprehensive Permit ordinances, projections are slightly lower for these strategies. Similarly, it is anticipated that non-profit and public agencies will continue to invest in the production of LMI qualified housing units in Westerly at a consistent rate.

The remaining strategies are not expected to begin at least until 2025. ~~Mill redevelopment is estimated to create 28 LMI units over the full 20-year timeline. Interest in redevelopment of historic mills is greatly influenced on incentives offered both locally and State-wide, and it is anticipated that these units could be available in five to 10 years. The rate at which these units will be developed will vary but for the purpose of this plan it is assumed that they will be phased in by a developer, one mill project per five-year period.~~ The Downtown Arts District is a demonstration project and would only be applicable to one five-year period (assumed 2012 to 2017). Small elderly housing complexes are proposed but until demand is quantified, it is expected that one project per five-year period will be proposed. Finally, a municipal tax credit program will be drafted in the next five years which could develop two LMI units per year, depending on the incentives offered. The CAO initiative will need local, as well as legislative support, for enactment.

Strategy 2: Affordable Housing by Non-Profit & Public Agencies

Non-profit organizations and public agencies are encouraged to pursue affordable housing as site-specific opportunities present themselves. Since 2004, the comprehensive permit process has been used successfully for the approval of LMI qualified housing by non-profit and public agencies.

Westerly works with this non-profit 501(c)(3) corporation for the purpose of creating affordable housing to meet regional needs. A board of directors with representation from each participating municipality to define programs and activities and identify and secure funding resources. Creation of additional local community development corporations (CDCs) specific to the geographic boundary of Westerly alone is not recommended because the Town is already home to the Westerly Housing Authority and the Greater North End Community Development, Inc.

The Town of Westerly will continue to work with non-profit organizations and public agencies to target housing to local needs of the population and to ensure consistency with the goals of this Plan. Since there are only limited amounts of state or federal financial subsidies available to non-profit and public housing agencies, a collaborative and negotiated process should be explored.

In such a collaboration, the Town will utilize, to the extent possible, either the inclusionary zoning ordinance or the comprehensive permit processes example of density bonus and incentives. In particular, the Town has identified one parcel for such collaboration with Habitat for Humanity which may produce a duplex with **2 LMI units**. It is possible to review and pre-qualify lots of a size appropriate to multi-family development where 100% of the units are to be LMI restricted. This strategy requires additional study before its overall effectiveness can be determined.

Strategy 3: Historic Mill Adaptive Re-Use & Mill Village Revitalization

This comprehensive strategy calls for adaptive re-use of historic mills for mixed-use or residential purposes, designating state-sanctioned growth centers to target infrastructure and redevelopment grant funding, and leveraging private-sector financing through use of historic preservation tax credits should the program become available again in the future.

Strategy 3.1 Historic Mill Overlay District

In 2011, the Town adopted its Historic Mill Overlay District which allows for the redevelopment of existing mills into multi-use structures and encourages renovation and adaptive re-use of historic mills. In addition to promoting affordable housing, these zones can also accommodate commercial, retail or office use where such mixed-use is deemed appropriate. One of the objectives is also to retain their historic architecture

while adapting obsolete or underutilized structures to twenty-first century needs. Since 2011, there has not been much redevelopment.

Westerly has historic mills located in White Rock and Bradford within the Historic Mill Overlay District. Each mill is surrounded by residential dwellings of various densities, some of which were originally constructed to house mill employees. It is fair to say that the historical decline of the Town's manufacturing base has led to a deterioration of these mills and the neighborhoods surrounding them as well.

Strategy 3.2 Locally Designated Growth Center

In *Land Use 2025*, a number of villages around the State were identified as potential "Growth Centers". However, *Land Use 2025* notes, "The 'Centers' depicted are for illustrative purposes and are not intended to designate specific geographic boundaries.", According to a 2002 annual report by the Governor's Growth Planning Council, Growth Centers "...are dynamic and efficient centers for development that have a core of commercial and community services, residential development, and natural and built landmarks and boundaries that provide a sense of place."

In an era of fiscal constraint, the State has targeted much of its infrastructure and redevelopment grant funding towards locally-designated Growth Centers, which in turn, could help Westerly revitalize mill villages and include affordable housing. Low and moderate-income housing development by non-profit organizations and public agencies also rely on state and federal financing which favor development within these locally-designated Growth Centers. This Plan recognizes the need to research Bradford as a potential Growth Center. Through that process the Town of Westerly will determine which of the several redevelopment strategies described would most serve the needs of the Bradford neighborhood and the community at large. However, given the size of the Bradford mill site, and the likelihood that a majority of the property could be used for rental housing, it is likely that up to 400 residential units could be developed on the site by applying a density bonus in this instance, inclusionary zoning applies. Based on these assumptions, this strategy may provide up to 80 LMI units in a mixed use style development on these redeveloped parcels.

Strategy 4: Downtown Arts District Affordable Housing Demonstration Project

In Westerly, the term "struggling artist" is not an exaggeration. Many artists earn little income in the early stages of their career and finding affordable housing is one of the most serious problems they encounter. By developing a demonstration project providing affordable housing specifically geared toward low-income artists, Westerly has an opportunity to use the incentives provided by the General Assembly to attract artists into its Downtown. RIGL §44-18-30(b) allowed Downtown Westerly to be one of the first designated areas in the State to offer tax incentives for artists who live and work in specific districts. This law states:

"The arts and culture are a significant asset for Rhode Island, one that generates revenue through increased tourism and economic activity; creates jobs and economic opportunities; revitalizes communities adding to quality of life and property values; and fosters creativity, innovation, and entrepreneurship."

Two types of tax incentives target artist housing:

- 1) For artists who live and work within a specified district, any sale of work created within the district is exempt from state sales tax; and
- 2) For artists who live and work within a specified district, any income they receive from the sale of work they have created within the district is exempt from state personal income tax.

It is noteworthy that Westerly's Downtown Arts District is contained fully within a historic district which, as noted above, offers additional state and federal tax credits for certified rehabilitation projects. Furthermore, Strategy 5 below outlines a proposed local rehabilitation tax credit which also could be used to assist this endeavor.

In early 2004 a group of artists, arts administrators, and housing professionals met to discuss affordable artist housing, particularly artist living/work exhibition/performance space, resulting in a coalition led by Rhode Island Citizens for the Arts, the Rhode Island State Council on the Arts (RISCA), and the Housing Network of Rhode Island (HNRI). RISCA had made a three-year funding commitment to this effort by awarding \$15,000 annually to the

Housing Network of Rhode Island for the purpose of hiring a consultant to manage this process, including developing an affordable artist housing demonstration project.

The ArtSpace project in Norwich, Connecticut and Hygienic Arts in New London could be models for inspiration and for the Town to approach the State-wide artist's housing coalition in search of opportunities that may exist in downtown Westerly's Arts District, including available properties, grant funding and tax incentives focusing on potential living/work spaces over existing storefronts.

By implementing this strategy, it is estimated the live work arrangements for artists could yield 5 LMI housing units in our downtown district.

Strategy 5: Local Rehabilitation Tax Credits and Revolving Loan Fund

By bundling together two related programs, it is believed the incentive to individual property owners would be substantial enough to result in creation of additional affordable housing units.

Strategy 5.1 Local Rehabilitation Tax Credits

In 2010, it was recommended that Westerly adopt a tax credit for property owners undertaking substantial rehabilitation of existing structures if they are willing to keep rehabilitated or new housing units affordable for at least 30 years for persons earning 80% or less than HAMFI. A recommended minimum threshold is an investment of at least \$20,000 in building code or safety improvements (including lead paint removal) for a resultant property tax credit for 20% of the cost of improvements up to a maximum of \$5,000 to be spread over a period of five years. If used in conjunction with other state or federal tax credits described above or with grants that may be available from RI Housing or the CDBG program, LMI qualifying units might be produced. Since affordable units created through this strategy are contained within existing ~~structures, they~~ structures, they would not require additional infrastructure or zoning changes.

Strategy 5.2 Revolving Fund

In conjunction with a tax credit, the Town considered establishing a revolving fund which would provide short-term, low interest loans for renovations. Upon repayment of the loan, the capital can then be loaned to another project. By targeting this effort in a concentrated area, such as the North End, a revolving fund can have a tangible and highly visible impact on neighborhood revitalization. This is consistent with the overall goal of the Comprehensive Plan to preserve existing historic apartment housing in the Town's traditional neighborhoods.

Many communities seed a revolving rehabilitation loan program with CDBG funds and use it to address a variety of housing improvements including heating systems, lead-based paint, and emergency repairs. The Town could design a program which focuses on low- and moderate-income home owners and tenants for rental properties. To target these neighborhoods, programs can prioritize multi-family and historic buildings and have affordable housing incentives and requirements.

The private Westerly Revolving Fund (WRF) was incorporated in 2013 and was seeded by private donations and seeking to reproduce the success of the Providence Revolving Fund. The rehabilitation of new units with the associated LMI restrictions will provide **2 LMI units** through this program in the next year.

Strategy 6: Neighborhood Revitalization

Westerly's traditional neighborhoods are Bradford, Downtown, North End, White Rock, Wilcox East and State Street. These neighborhoods contain an estimated 2,500 rental apartments which have provided de facto (but not rent-controlled or deed restricted) affordable residences to the Town as well as Washington and New London counties. They are all serviced by public water with five of the neighborhoods serviced by public sewer. Built mostly between 1840 and 1917, these neighborhoods contain a variety of single- and multi-family housing options near commercial and industrial uses. They are also near community facilities and public amenities with infrastructure such as sidewalk networks.

Unfortunately, the well-integrated mix of land uses and housing types may mask some of the problems facing these neighborhoods. It is well accepted that the overall financial strength of Westerly is based on property values within the beach areas. The households in the six traditional, multi-family neighborhoods, however, have lower incomes and require additional social services more often. Westerly Public Schools reported in spring 2017 that

more than half (53%) of the students enrolled at Springbrook Elementary School and more than one-third (38%) of the students enrolled at State Street Elementary School are eligible for free or reduced lunch. Other issues facing these neighborhoods include a large number of absentee landlords, some vacant underused commercial and professional units, and debris-strewn areas, all of which have led to deteriorating and blighted properties.

Neighborhood revitalization is a comprehensive approach that involves more than affordable housing and should include land use, infrastructure, urban design, and community building. Addressing each neighborhood with a Neighborhood Revitalization Plan can guide reinvestment and help to create affordable housing into these neighborhoods through the rehabilitation of existing structures and increase rental units for LMI eligible households.

To begin the revitalization process, the following could be explored:

- Develop incentives to target the development of LMI units in the Town's traditional neighborhoods as rental units.
- Rehabilitate key landmark structures as important stabilizing factors for traditional neighborhoods and important additions to the LMI supply.
- Expand the role of the Westerly Housing Authority to oversee the development, ownership, and management of rehabilitated properties in traditional neighborhoods.
- Pool and coordinate housing funding from all appropriate sources including Comprehensive Permits and Inclusionary Zoning ordinances, CDBG funds, Neighborhood Opportunities Program and Building Better Community funds, and HOME funds.
- Research the legislation and implementation of a registry of non-owner-occupied rental housing units to create a local requirement that, as each unit is vacated, it cannot be rented again until it is inspected and given a CAO. This will ensure such units are code compliant, safe and sanitary.
- Implement changes to the zoning code that allow accessory dwelling units to be located on property where owner-occupied single family and multi-family residential structures currently exist.

Neighborhood revitalization is linked with Strategy 5 to take advantage of the Revolving Loan Fund and other programs that support housing rehabilitation. This Plan's policy to use Neighborhood plans as a tool to revitalization will benefit the Historic Mill Villages.

In May 2003, the Town adopted the North End Revitalization Plan. This plan encourages for-profit affordable housing development since it was expected that at least 80% of the units developed in this area would actually be sold to middle income households who must qualify for conventional mortgages. The expectation was the re-establishment of a property-owning middle-class community in a neighborhood currently dominated mostly by absentee landlords. To date, several goals of the North End Revitalization Plan have been met but the intent to re-establish increased property ownership remains unmet. The absentee landlord situation has meant that housing choice is limited to rental units and a degradation in the conditions of those units.

At the time of the creation of the North End Revitalization Plan it was believed that a similar strategy would also work in the White Rock, Potter Hill, and Bradford sections of town. The concept of small Area Planning needs to be tailored to the characteristics assets and needs of a neighborhood. This can be accomplished only with broad participation in the planning process from people who live and work there.

However, provided this strategy was implemented in conjunction with Strategy 5 above, and applied successfully across the entire renter-occupied housing stock of 3,680 units during the 20 year planning horizon, upwards of 160 additional housing units could be converted from their current non-credited LMI status to state qualified LMI units.

Strategies Summary

Table 4-18 below lists the projected number of affordable units that could be created by the Town's proposed LMI housing strategies for the next twenty (20) years. The total projection of affordable units from these strategies over twenty (20) years is 893[##], units just over short of the 877 required to meet the State's 10% threshold.

Table 4-18 Projected Number of LMI Units Created by Proposed Strategies, 2020-2040

	2025	2030	2035	2040	Total
Strategy 1.1	15	36	92	125	268
Strategy 1.2	36	57	123	146	362
Strategy 1.3	5	9	0	0	14
Strategy 2	2	0	0	0	2
Strategy 3	20	20	20	20	80
Strategy 4	2	1	1	1	5
Strategy 5.1	0	0	0	0	0
Strategy 5.2	0	2	0	0	2
Strategy 6	40	40	40	40	160
Total	120	165	276	332	893

~~In further support of the Other strategies outlined above, the Town sees as viable over the next five-year period, are allowing the rehabilitation of existing and the expansion to existing multi-family buildings and focusing on targeted neighborhoods buildings, applying the density formulas outlined herein, as a mechanism to produce more affordable housing units.~~ These two approaches are related, and it is expected that programs will be developed in the near term. Affordable units created under these approaches will be relatively small at first but will increase as the programs grow. ~~One to two affordable units per year for each of these programs are projected.~~

For strategies that are currently being used to develop affordable LMI-qualified units it is estimated that these rates will continue at near the same level. With the Town's proposed revisions to the Inclusionary and Comprehensive Permit ordinances, projections are ~~considered aggressive, but achievable slightly lower~~ for these strategies. ~~Similarly, it~~ is anticipated that non-profit and public agencies will continue to invest in the production of LMI qualified housing units in Westerly at a consistent rate.

The remaining strategies are not expected to begin at least until 2025. Mill redevelopment is estimated to create ~~28-80~~ LMI units over the full 20-year timeline. Interest in redevelopment of historic mills is greatly influenced on incentives offered both locally and State-wide, and it is anticipated that these units could ~~start to become be~~ available in ~~five year 5 and increasing over the 20 year planning horizon to 10 years~~. The rate at which these units will be developed will vary but for the purpose of this plan it is assumed that they will be phased in by a developer, ~~consistently for one~~ mill projects ~~over per five-year period planning horizon~~. The Downtown Arts District is a demonstration project and would only be applicable to one five-year period. ~~(assumed 2012 to 2017)~~. Small elderly housing complexes are proposed but until demand is quantified, it is expected that one project per five-year period will be proposed. Finally, a municipal tax credit program will be drafted in the next five years which could develop ~~two-2~~ **LMI units per year**, depending on the incentives offered. The CAO initiative will need local, as well as legislative support, for enactment.

The Town of Westerly will continue to participate in state efforts to meet housing needs through the adoption and implementation of a housing production plan for certified LMI housing units.

As part of the 2018 update of this Comprehensive Plan, the Town reviewed and revisited the success of its affordable housing strategies. The following list illustrates the changes made from the 2004 LMI production strategies to those adopted as part of the current LMI production plan:

- The Town's interest in establishing a revolving loan fund has advanced as a result of ongoing discussions with the WRF, a non-profit organization which has been successful in housing rehabilitation activity since its creation in 2013. Community Development Block Grants will be sought as primary seed money for the loan's future establishment.
- Modification of the Zoning Ordinance to allow accessory apartments in commercial zoning districts has been eliminated as a strategy due to the incompatibility of small-scale housing units within the context of large commercial structures. However, a robust allowance of accessory apartments in residential zones is recommended as part of this Plan.
- The establishment of an Affordable Housing Overlay District has been eliminated as a strategy in favor of pursuing affordable housing production incentives on a town-wide basis.

Some strategies proposed in 2004 have yet to be implemented and the Town will continue to move this forward as part of this Comprehensive Plan's LMI production plan. These strategies include:

- While all historic mills in the Town are currently occupied or in a state of significant disrepair, interest in the revitalization of these structures and the mill villages which surround them remain.
- Despite the decreased competitive edge of the local arts community district due to tax incentives for the arts community being expanded state-wide, affordable housing for local artists continues to be in demand.

Since 2004, the availability of federal and state subsidies has severely declined. During the same period, the market's interest in new construction burdened by deed restrictions has also declined. [None-the-less, the Town of Westerly continues to press forward with its efforts to meet the state's LMI housing mandate.](#)

