

Memorandum

To: Diane Williamson, Town of Bristol, Rhode Island

From: Jeff Davis, Senior Planner

Date: May 7, 2024

Re: Housing Action Items: Analysis and Recommendations

This memorandum includes an analysis of the existing 28 actions in the Housing Chapter of the Town of Bristol's Comprehensive Plan. This includes both the Town Planner's update on the status of each action and Horsley Witten Group's (HW) recommendations for keeping, amending or eliminating them. This is followed by some other potential actions to include in the updated plan, derived from interviews and meetings with key stakeholders in Town as well as HW's professional suggestions.

One universal suggestion is to change all references to affordable housing in the chapter and in these actions. Throughout this chapter, the term "LMI Housing" or "Low-Moderate Income Housing" should be used to refer to subsidized housing units that count toward the Town's low or moderate income housing goals. The term "affordable housing" should refer to any home that is generally affordable to the occupant, whether market rate, subsidized, owner-occupied, or renter-occupied.

Analysis of Existing Actions

<u>H-1</u> – Create standards for multi-family housing units that are created for affordable housing through the special use permit process.

Status Update from Town Staff: Not Done.

HW Suggestion: Per discussion with staff, special use permits are generally not required for LMI housing. The concern is more about having design standards for multi-family homes built in largely single-family contexts. HW suggests eliminating this action and combining it with H-24.

<u>H-2</u>- Adopt a public advertising campaign to educate residents on the need for the creation of affordable housing units.

Status Update from Town Staff: Not done specifically by Bristol but Statewide attention given.

Bristol, RI Housing Actions May 7, 2024 Page 2 of 15

HW Suggestion: Many of the stakeholders interviewed suggested that there are a lot of misconceptions about LMI housing in the community. However, a general public education campaign may be beyond the capacity of Town staff. Many stakeholders suggested that public education is most needed when a specific housing development is proposed, as opposed to a general campaign to build awareness of the importance of LMI and affordable housing. Further, it is clear that the Town's Administration and Boards are not necessarily supportive of **all** LMI housing proposals.

Perhaps a more targeted strategy would be to develop standard talking points about the needs for LMI housing, and a template for key information to share with the public about the benefits of specific housing development proposals (what income levels they would serve, what types of professions that would represent, etc.), building support by generating a greater understanding of these benefits while reducing misinformation and dispelling negative stereotypes. The Town could use these templates to educate the public about housing development proposals it is supportive of. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

The Affordable Housing Committee (see more on this below), if reinstated, and Town staff can partner with and adapt the resources of neighboring towns, the state, and local and national non-profit organizations to develop materials that address the housing needs of Rhode Island generally and specific to Bristol. Use every opportunity to feature these materials on the Town's website, on boards or flyers at public buildings such as Town Hall, libraries, community centers, etc., on public access television, and at community events.

<u>H-3</u> - Build an affordable housing trust fund so that foreclosed units or units for sale may be purchased to create affordable housing rather than building new or to help with down payment assistance for first time homebuyers. This fund could also receive revenue from the inclusionary zoning ordinance "fee in lieu of" provision.

Status Update from Town Staff: Not done. We had no Fee -in -Lieu received from any inclusionary zoning projects. The Town rescinded the Inclusionary Zoning with the recent state law that required significant density bonuses. We have the one fee from Bristol Yarn Mill expected to be received in 2024-2025. This was from a prior zoning change that was renegotiated by the Town. The original zone change was prior to the Town's inclusionary zoning ordinance so it was negotiated at that time as well and gave the developer options for on site, off site or fee in lieu with a minimum of 10% affordable. When the zoning was amended the Town re-negotiated for 20% with 10 units in the mill, 3 across the street, and the rest fee in lieu. There had been two other previous developments that would have paid a fee in lieu "Belvedere" which was denied by the

Bristol, RI Housing Actions May 7, 2024 Page 3 of 15

Zoning Board and "Longfield" which opted to provide off-site affordable units and came back to the Board for a modification of the original permit.

HW Suggestion: Part of this effort will include options for most efficiently utilizing the feesin-lieu from the Bristol Yarn Mill development. Those suggestions will be submitted to the Town in a separate document.

While that funding is expected to be a "one-and-done" for the Town, HW suggests that Bristol consider maintaining an Affordable Housing Trust Fund (AHTF) beyond this. A well-funded AHTF can give the Town more options to invest in LMI housing at the scale, location, type, and income level that works best locally. HW agrees that the State's Inclusionary Zoning law's requirements for fees-in-lieu are unattractive for most municipalities. The Town will probably not pursue future fees-in-lieu, even if it reinstates its Inclusionary Zoning Ordinance. However, there are many other ways to capitalize an AHTF, including impact fees, assessments, grants, state or federal funding programs, private donations, land acquisitions, and other sources of funding for LMI housing including a portion of the Town's annual operating budget.

In the longer term, if the Town feels it is in a fiscally sound position to do so, the Town may consider bonding against the AHTF to leverage even more funding. If more fully funded and leveraged, the AHTF could be a primary source of support for deed restricting existing homes as LMI, providing gap funding for LMI housing development, partnering with nonprofit housing agencies, or even incenting targeted conversions of existing buildings to housing (such as the Oliver School).

The Town can also proactively solicit tax-deductible charitable contributions to the AHTF, including real property, personal property, or money.

<u>H-4</u> Work with RWU to encourage more on-campus student housing. As off-campus housing becomes surplus, the Town should consider creating opportunities for affordable housing. The Town and RWU should create an agreement offering the Town the right of first refusal for these units (Almeida Apartments)

Status Update from Town Staff: RWU does have a plan to build more on-campus housing and they are aware of the Town's interest in Almeida Apartments when they go off-line.

HW Suggestion: HW suggests this strategy remain. This would also be a great use of AHTF funds.

<u>H-5</u> - Re-institute the Affordable Housing Committee to help identify affordable housing opportunities, advocate for / educate about affordable housing needs, and explore more creative ways to achieve affordable housing goals. Include representative from the local housing organizations on the Committee.

Status Update from Town Staff: The original appointed Committee provided recommendations to the Town Council and disbanded. We'll have to look at what other Towns accomplish with their Affordable Housing Committees since the original Committee didn't see a need to keep meeting.

HW Suggestion: HW suggests keeping this action. Affordable Housing Committees (AHCs) play many roles in other communities. While Town staff may not have the capacity to produce content for a public education campaign on affordable housing, this is something an AHC could do. An AHC could also serve in an advisory capacity to help manage the funds of an AHTF. An AHTF could meet even just quarterly with a charge of helping Town staff implement the various actions in this plan or be on call to assist Town staff in negotiating LMI units from private developers.

<u>H-6</u> - Develop a Section 8 Home ownership program in conjunction with a Family Self Sufficiency Program with the Bristol Housing Authority.

Status Update from Town Staff: According to Candy Panza at the Bristol Housing Authority, this is a program the BHA used to have. Residents would go through classes and save up money for a downpayment on a home or a car, but only one person actually made it through the program. Larger housing authorities often hire someone to run these programs. BHA doesn't have the money or the staff capacity to run a program like this.

HW Suggestion: East Bay CDC might be able to run a program like this, which are often run by CDC's, if the Town is interested. However, in the current market, market-rate homeownership is largely out of reach for the average renter, let alone a renter using Section 8 vouchers. It may not be worthwhile keeping this action.

<u>H-7</u> - Develop a program with the Bristol Housing Authority to recruit more landlords to participate in the Section 8 Housing Choice Voucher program. There are currently more recipients than apartments available.

Status Update from Town Staff: Candy Panza noted that this continues to be an issue and she would be excited to be more proactive in reaching out to local landlords.

HW Suggestion: HW suggests keeping this action.

<u>H-8</u> - Develop program and promote the East Bay Community Development Corporation, as the only East Bay Agency recognized as a monitoring agent for the privately owned affordable housing units, to ensure that housing units with long term deed restrictions are not lost over time.

Status Update from Town Staff: This has been done informally. Whenever we have an applicant for affordable housing we meet with the East Bay CDC as the monitoring

agent. Community Housing Land Trust (Melina Lodge) is the monitoring agent for the home ownership affordable units that had been monitored by RI Housing.

HW Suggestion: As this has been done informally, HW suggests amending this action to formalize the process. The Town should develop memorandums of understanding with East Bay CDC and the Housing Network of RI formalizing their roles as monitoring agents for the Town. In addition, any monitoring agreement must also require tracking when deed restrictions are set to expire, alerting Town staff and the AHC to start working with property owners well in advance to find financing or other mechanisms to extend deed restrictions.

<u>H-9</u> - Partner with the East Bay Chamber of Commerce in promoting and raising awareness to the economic benefits of affordable housing. The lack of workforce housing is a critical issue in the business community.

Status Update from Town Staff: More could be done here.

HW Suggestion: HW suggests keeping this action but combining it with H-2. Local businesses have a big role in making the connection between affordable/accessible housing and the ability of businesses to find and keep employees.

<u>H-10</u> - Utilize the services of the Roger Williams University Community Partnerships Center to develop creative ways to provide affordable housing such as: a) exploring new design and material advances in housing construction, b) researching innovative funding mechanisms and land use techniques for providing affordable housing, and c) studying the amount of substandard housing and prioritizing areas of the low/moderate census tracts for rehabilitation efforts.

Status Update from Town Staff: This is ongoing as opportunities present themselves with the CPC. The CPC reaches out for project ideas but hasn't been as active as in past years.

HW Suggestion: HW suggests keeping this action. The CPC is a great resource, even if its activity flows and ebbs from year to year. This is another relationship the AHC could help maintain in partnership with staff, coming up with helpful project ideas in advance of semester deadlines.

<u>H-11</u> - Continue and expand the Town's CDBG home repair and home maintenance grant and loan programs.

Status Update from Town Staff: This is ongoing with a very active CDBG Home Repair Program.

Bristol, RI Housing Actions May 7, 2024 Page 6 of 15

HW Suggestion: HW suggests keeping this action. According to staff, the program is working well and helps a lot of people.

One issue brought up by interviewees was the expense related to complying with historic standards. This can be a major barrier for LMI and affordable housing in and around downtown. If CBDG funds are limited in how much historic district compliance they can cover, perhaps the Town can explore other funds to set aside to help incomeeligible homeowners and developers of LMI housing cover expenses related to historic district compliance?

<u>H-12</u> – Consider the best use or reuse of town-owned property to include housing and/or a portion from the sale to be applied to a housing trust or first-time homebuyer program. The exception to this would be the former school buildings on the Town Common which cannot be used for housing and cannot be sold.

Status Update from Town Staff: The former Oliver School was recently sold and is proposed for 11 residential units with 3 to be affordable. Also proposed to have one accessible unit.

HW Suggestion: HW suggests keeping this action. While Town staff have suggested that there are limited opportunities to build housing on Town-owned land, it is very important to maintain a running list of Town owned properties and annually evaluate which uses would best serve the community (whether for civic use, recreation, conservation, or private development, including housing). Town-owned properties give the Town the most leverage to partner with developers to get the types of housing most needed for the income levels that most need it. And as noted in this action, even if few properties are suitable for the construction of housing, a portion of the sale or lease of other Town-owned properties can help finance the AHTF.

<u>H-13</u> - Work with State Representatives and State Senators to broaden the definition of "affordable housing" beyond government subsidized housing and include modestly priced and locally affordable units within the community.

Status Update from Town Staff: Ongoing with Statewide initiatives but not successful. Bristol has some landlords that have had long term rentals with rents sometimes less than what they could charge as documented "affordable" units. However, these landlords don't want to commit to the 30-year deed restriction and so we can't count them towards our 10%.

HW Suggestion: The Town may certainly keep this action and continue advocating for changes to state law.

<u>H-14</u> - Survey and identify individual properties and neighborhoods, like the Highlands, that should have value for historic preservation. The survey is to be town wide and

focused on architectural or historic significance. Work with those interested property owners to have the properties nominated for National Register of Historic Places designation.

Status Update from Town Staff: Some preliminary work has been done but need to do more.

HW Suggestion: Move this action to the Natural, Historical & Cultural Resources chapter.

<u>H15</u> – Explore and consider adopting form based vs. use based zoning regulations to maintain characteristics of existing neighborhoods.

Status Update from Town Staff: This has not been done but could be done in conjunction with H-1 for the multi-family standards.

HW Suggestion: Form-based code generally works best where there is a large area primed for significant mixed-use development or redevelopment. I imagine Bristol DOES want to control uses in much of its neighborhoods. An example of where form-based code might work well would be the Metacom corridor or perhaps the Wood Street corridor, where you want to allow a mix of uses in a walkable, moderately scaled way. Within existing neighborhoods or even downtown, design standards would be a better tool to "maintain characteristics" than form-based code.

<u>H16</u> – Continue to update existing streets that lack sidewalks and determine feasibility of providing such and requiring new sidewalks with specific reference to Ferry Road and Metacom Avenue.

Status Update from Town Staff: This is ongoing with developments and with the Town and RIDOT. RIDOT is currently working on sidewalks on the west side of Hope Street and Ferry Road as well.

HW Suggestion: Is this currently done piecemeal as resources and opportunities arise or does the Town have a sidewalk prioritization plan? If there isn't one already, HW would suggest adopting a sidewalk prioritization plan to identify the street sections on which new sidewalks would provide the greatest benefit to the community.

<u>H17</u> – Cul-de-sacs should be discouraged where practicable and local transportation connections to commercial uses along Metacom and Hope Street are encouraged.

Status Update from Town Staff: This is ongoing with Planning Board as part of subdivision reviews.

HW Suggestion: HW suggests keeping this action, though it may be better under the Circulation/Transportation chapter.

<u>H18</u> – Adopt a night sky ordinance to address the impacts of exterior lighting on neighborhood residential properties.

Status Update from Town Staff: We prohibit lights from impacting neighbors with shielding, location, and intensity, but not as a comprehensive "night sky ordinance."

HW Suggestion: Is this still desired? If so, it is generally a good practice to shield light not just from neighbors but from aiming up into the sky. HW would suggest keeping this action.

<u>H-19</u> - Continue to participate in the Community Rating System of the National Flood Insurance Program and amend as applicable to raise the Town's credit for increased discounts on Flood Insurance Policies. Work with the State of Rhode Island Emergency Management Agency (RIEMA) and the State Building Official's Office to change the State Building Code to allow more credits to the Town under the CRS Program.

Status Update from Town Staff: Yes, we are doing this and are now a Class 7.

HW Suggestion: HW suggests keeping this action.

 $\underline{\text{H-}20}$ - To provide incentive for property owners to create a deed restricted affordable rental unit, the Town will continue to limit the property taxes on the deed restricted unit to 8% of the gross income received from the unit.

Status Update from Town Staff: We are still doing this. This is ongoing.

HW Suggestion: According to Town staff, many property owners who are eligible for this tax incentive do not take advantage of it. On the one hand, this saves the Town money. On the other hand, it means a lot of people are not aware of the tax benefit and therefore it is not serving as the incentive it is meant to. HW suggests amending this action to have Town staff proactively reach out to eligible property owners each year to remind them to take advantage of this tax incentive. Advertising of this tax incentive should also be a part of the public education campaign described in H-2.

<u>H-21</u>- Continue to identify locations for Affordable Housing Development. Bristol does not want to create large affordable housing developments for specific income groups. The Town prefers smaller in-fill developments scattered throughout the Town, so that affordable housing is not clustered in one neighborhood. Affordable housing should be integrated with market rate housing. Affordable housing should be designed so as to blend with surrounding market-rate housing in terms of architectural style. In addition to in-fill development and potential rehabilitations of units in the low-mod census tract, the Town has identified the sites listed on the Affordable Housing Location Summary Chart as appropriate locations for affordable housing development as adaptive reuse, rehabilitation, or new construction.

Status Update from Town Staff: We need to update this list. A lot of the sites are no longer available.

HW Suggestion: First off, much of the text of this action is a policy statement rather than an action. HW suggests weaving these policy statements into the narrative of the plan rather than in this action. These policy statements have implications on other actions such as how your Inclusionary Zoning ordinance is shaped, how design guidelines are applied, etc. This action should focus on the list of identified properties.

In initial conversations with Town staff and the Planning Board, there seemed to be consensus that having a list of preferred sites is still a useful thing. By identifying sites, the Town is indicating it would be open to "friendly" Comp Permits, hopefully encouraging non-profit and for-profit developers to pursue opportunities at these sites. If the Town feels strongly that certain sites should be on this list, an additional step would be to rezone these sites to make the housing types desired allowed by right, or at least allowed by Special Use Permit with very clear standards for approval (note: per state law amendments in 2023, all Special Use Permits must have clear and objective approval standards).

<u>H-22</u> - Continue to require affordable units as a condition for zoning relief, and changes of zone that include residential uses.

Status Update from Town Staff: This is ongoing specifically with the Zoning Board; however, the Board doesn't always agree with staff's recommendations to require affordable units.

HW Suggestion: Per Town staff's update, this action isn't accurate. Affordable units are not currently required in these instances but are negotiated with each applicant. This action can be kept but should be modified. It can say "Continue to negotiate..." or, if the Town wants to make this more enforceable, it can say "Adopt a consistent policy for requiring LMI housing units as a condition for..."

$\underline{\text{H-}23}$ - Create an information packet to provide to for-profit developers to help promote the creation of affordable housing.

Status Update from Town Staff: This is not yet done.

HW Suggestion: This is something Planning staff or even an intern might be able to pull together. State agencies, such as Rhode Island Housing and the Rhode Island Department of Housing, already have a lot of information the Town can use and adapt. There are also examples from other communities across the state and in Massachusetts that can serve as templates or guides. Information could include income limits, prices for LMI units/rentals, contact information for the monitoring agency, a draft deed covenant, identified preferred areas for LMI housing development, references to

Bristol, RI Housing Actions May 7, 2024 Page 10 of 15

Bristol's zoning ordinance and historic preservation standards, etc. Such guidelines can provide consistent input to developers and help demystify LMI housing development.

<u>H-24</u> - Create design standards for in-fill development to help them blend into the character of the existing neighborhood.

Status Update from Town Staff: Not yet done. This would be important for multifamily infill but not sure as important for single-family infill.

HW Suggestion: HW agrees that design standards are generally more palatable for multi-family than single-family (though there are a lot of ugly single-family homes that get built . . .). This action should probably be more specific, and state that design standards should be adopted for multi-household dwellings in the R-6 when located adjacent to existing residential structures. Infill design standards for residential districts are probably a higher priority than for commercial and mixed-use districts, but general design standards could certainly be considered for development in any zone.

<u>H-25</u> - Help seniors age in place and provide programs that engage them in socialization outside of the home as well.

Status Update from Town Staff: Ongoing

HW Suggestion: The "socialization outside the home" piece of this action is probably better suited for the Services and Facilities chapter. Beyond this, what specific resources can the Town provide to help seniors age in place? Certainly the home repair/maintenance grants are a good resource as are the senior tax abatements the Town provides. Other supports that the Senior Services office may provide, such as transportation, lunches, etc., should probably be covered under Services and Facilities.

 $\underline{\text{H-}26}$ - Work with service providers to create affordable child care, based on income, to help people return to the workforce.

Status Update from Town Staff: To be done.

HW Suggestion: Move this to the Services & Facilities chapter.

<u>H-27</u> - The Town will work with local homeless agencies such as the Rhode Island Veterans Home, East Bay Coalition for the Homeless, Riverwood MHS and/or East Bay Community Action Program to track homeless individuals or families who may have resided within the Town.

Status Update from Town Staff: This is ongoing.

HW Suggestion: This action should be kept, but to what end? What will the Town do with that information? This could be expanded a bit to say that the Town's Human Services

Bristol, RI Housing Actions May 7, 2024 Page 11 of 15

Director will continue to reach out to these individuals and families and try to connect them with support services.

<u>H-28</u> - The Town should work with the State of Rhode Island to redefine and/or amend the current State Law on affordable housing. For example, the Bristol Housing Authority manages the Section 8 Voucher program; however, the Town cannot count these vouchers toward our 10% goal.

Status Update from Town Staff: State Laws are currently being amended regarding housing.

HW Suggestion: This action should be combined with H-13.

Other Potential Actions

The potential actions below, derived from interviews and meetings with key stakeholders in Town as well as HW's professional suggestions, represent a starting point for discussion and are not at all exhaustive.

Accessory Dwelling Units

The state is expected to pass an updated Accessory Dwelling Unit (ADU) law this year. In many respects, that will drive what the Town must do. However, the Town can always be more lenient in its ADU policies than the state, if they so desire. HW will keep an eye on the legislation that is passed this year and will work with the Town to see if they want to meet the minimum requirements of the law or if it would be beneficial to go beyond them.

Short Term Rentals

At a minimum, require a more robust local registration process for short term rentals so that the Town can track their locations and better understand their impacts. Be sure short term rental permits are tracked separately from year-round, longer-term rentals.

Based on analysis of registration data over time, consider putting restrictions or limitations on short term rentals, as state law allows, in order to maintain a greater supply of year-round rental housing.

The Town is exploring options for taxing year-round rental homes at a lower rate than homes that are rented on a short-term basis in order to incent more properties to be rented year round.

Inclusionary Zoning

As noted above, the Town rescinded its Inclusionary Zoning ordinance in response to last year's update to the state's Inclusionary Zoning law. The state is expected to make revisions to the law again this year that will hopefully make IZ more palatable for communities again. HW strongly recommends that Bristol adopt IZ again if at all feasible. For a largely built out community like Bristol, IZ will never produce a lot of LMI units, but it should help the Town from falling further behind on its 10% LMI housing goal.

Community Housing Land Trust

The AHTF described above can also be used as seed money for a "community housing land trust" (CHLT). There are several local and national models for CHLTs that Bristol could emulate. In fact, the Housing Network of Rhode Island has managed a CHLT open to all Rhode Island municipalities since 2005. In brief, a CHLT owns the land on which LMI housing is built. The homes can either be rented or sold. If sold, the CHLT continues to own the land while the homeowner owns just the improvement while paying a land lease to the CHLT, thereby making the home more affordable. On top of funding, the Town could jump start a local CHLT through the disposition of Town-owned land.

Allow More Diverse Housing Types in More Areas

Currently, multi-family housing is allowed by right in the R-6, LB, D, W, and MMU zoning districts (on upper floors only in the MMU). This is very positive compared with many communities in Rhode Island where multi-family housing isn't allowed anywhere by right. Two-family dwellings are allowed by right in these zones as well (with the exception of the MMU) and also in the R-8 and R-10. In addition, they are allowed by right in the R-15 and R-20 if one of the units is LMI deed restricted affordable, however no one has taken advantage of this to date.

The Town could consider expanding where alternatives to traditional single-family homes are allowed, including . . .

- Allowing up to four-family dwellings in the R-8 and R-10 districts.
- Allowing two-family dwellings by right in the R-15 within a ½ mile walking radius of any commercial or mixed-use zoning.
- Explore zoning options for allowing clusters of small-scale cottages or "tiny homes" on single parcels. Cottage clusters could be an alternative to multifamily development more in line with Bristol's traditional development patterns.

Expanding Opportunities for Senior and Accessible Housing

Bristol has a large and growing part of its population that is elderly or disabled and needs "accessible housing" – which means housing designed to accommodate people in wheelchairs or with other physical disabilities, including wider doors and hallways, accessible appliances and bathrooms, single-level floor-plans, elevators or other lifts in multi-story buildings, etc. Others may have friends or relatives who are elderly or disabled and need first floor spaces that are "visitable" – which means there is at least one wheelchair-accessible entrance and bathroom in the home, and wheelchair-accessible hallways. The Town can consider requiring universal design for all or a portion of all new multi-family housing and/or housing specifically designed for seniors.

Not everyone wants to or is able to age in place. Bristol needs more options for seniors and others with mobility issues to downsize from their larger single-family homes, whether LMI or market rate affordable. Expansion of the existing Bristol Housing Authority facility seems infeasible, due to surrounding wetlands and floodplains, and sites for new independent living and assisted living facilities (whether affordable or market rate) are difficult to find. This is a need for seniors at all income levels. Providing more options seniors would have the added benefit of freeing up single-family homes for use by larger households, including families with children. There are no easy solutions for this and the Town will need to think creatively about potential sites.

Expand Resources to Rehabilitate and Deed Restrict Existing Housing.

Rehabilitation of existing units adds to the supply of LMI housing without significantly increasing the total number of units in the Town. Rehabilitation in the Town's developed areas could include any type of existing housing, from single-family homes to apartment buildings, and from owner-occupied to rental. To begin, the AHC and Town Planning staff should create a database of multi-family rental properties and housing that has experienced code violations, sought rehabilitation loans, or has been changed from single to multi-family use. These properties should be evaluated for their potential for acquisition and conversion to LMI housing by nonprofit housing agencies. Low Income Housing Tax Credit program funds could be utilized to support such an effort.

Property tax abatements and exemptions are potential tools to exchange for deed restrictions.

Property tax abatements directly reduce the amount of taxes owed for a specified period and can be offered as an incentive to encourage the rehabilitation of buildings that include a share of affordable units. The Town can explore offering tax abatements to encourage rehabilitation of existing LMI housing developments (to maintain their affordability even longer into the future) or the rehabilitation and deed restriction of

Bristol, RI Housing Actions May 7, 2024 Page 14 of 15

other existing housing. In this scenario, the owner's total tax liability may be reduced by all or a portion of the difference between the pre- and post-renovation tax bills.

Property tax exemptions reduce the property's assessed value or rate of taxation, thereby resulting in a lower tax bill. Exemptions are commonly offered to encourage rental property owners to make upgrades that improve the condition of lower-cost units. The increased value resulting from the upgrades is excluded from property tax calculations for a defined period. To encourage mixed-income developments, the Town can provide a full or partial tax exemption on the portion of the property that will be used for LMI housing.

Currently, the Town has a tax stabilization program for commercial and industrial development. The Town could consider expanding this program to apply to LMI rental housing.

Further, as discussed above, the State of Rhode Island already offers a property tax reduction for LMI housing, with a reduced rate of 8% of gross rental receipts. Property owners with properties identified by the AHC/Town Planning staff, particularly those who own rental property, should be proactively informed of this, along with any local tax exemption, as further encouragement to deed restrict their properties.

It is unlikely that many homeowners will voluntarily choose to deed restrict their homes as LMI in exchange for tax breaks. This is likely to remain a strategy of last resort for homeowners. However, a boost to these resources may well be attractive to owners of rental properties. Financial assistance and tax abatements, if generous enough, could outweigh the inconveniences, real or perceived, of a deed restriction and leasing to income-eligible households. Planning staff can work closely with the Tax Assessor's office to model the likely impact of different approaches. Findings can then guide the development of a tax abatement or exemption policy.

Tax Sale Properties

This is an LMI housing strategy from the current comprehensive plan that is not directly reflected in any of the 28 Housing actions. In conjunction with RI Housing, the Town was to monitor tax sale properties annually and move to acquire for affordable housing development. According to staff, most tax sale properties tend to have environmental constraints that make them more appropriate for conservation than housing development. However, this is still a good strategy to pursue, as it may in time lead to

Bristol, RI Housing Actions May 7, 2024 Page 15 of 15

some opportunities for housing development in partnership with the Bristol Housing Authority, the East Bay CDC, or other non-profit developers.

Conversion of Commercial/Industrial Without Losing Jobs and Tax Base

HW does not have a proposed action for this issue yet, but we want to keep it on the table. For many communities in Rhode Island, conversion of old mill buildings represents a significant chunk of their projected LMI housing units. In Bristol, many of these opportunities have already been had or are under way (like Robin Rug), and the Town is rightly concerned about the loss of jobs and tax base if much more of the remaining commercial and industrial property in town is converted to housing. We will need to discuss if there are remaining commercial and industrial buildings that are likely obsolete for continued commercial and industrial uses and would be appropriate for residential. And which should be preserved for commercial and industrial use. That said, recent state law requires communities to allow conversion of commercial properties to residential – so any efforts in this direction will have to work around that law.

Strengthen Local and Regional Partnerships to Share Ideas and Resources, Learn From Others, and Explore New Ways of Creating LMI Housing

Many of the existing housing actions charge the Town to do things that are difficult for any one town to do on its own. The Town should partner with and use the resources of neighboring towns, the Bristol Housing Authority, and local non-profit organizations such as the East Bay CDC, Housing Network of RI, Housing Works RI, and others to stay on top of local, regional, and national trends and housing solutions that might work well in the context of Bristol. This is another task that might be well-suited for an AHC.