

welcome



transform your environment

ACTIONS TO ADDRESS AFFORDABLE AND ATTAINABLE HOUSING NEEDS IN NEW SHOREHAM

Enforceable Policy and Other Supporting Actions

Agenda

- Existing Needs Analysis
- Cost Context
- Enforceable Policy Actions
- Programmatic Actions

Where Are in the Project

Funded:

- by the Municipal Technical Assistance grant program through RIHousing

Goal:

- Enhance and update the town's regulatory requirements and allowances to increase the production of affordable housing that is context sensitive and in keeping with the town's character

Approach:

- Assess existing regulatory framework, research best practices and examples from other similar locations, and provide a menu of options to refine to a select few for implementation and/or recommended next steps



EXISTING NEEDS ANALYSIS

2022 Survey:

- 47 Respondents
- Participation rate: 10% Overall
 - **Homeowners:** 2% (6/358)
 - **Renters:** 41% (41/101)
- Context: 459 occupied housing units, with 78% owner-occupied (~358 households) and 22% renter-occupied (~101 households, 2020 Census)

2022 Survey Summary:

Seasonal Relocation: About 40% of respondents must move out in the summer, causing major disruptions in work, school, and stability.

High-Cost Burden: Some residents spend over 60% of their income on housing, leaving limited resources for other essentials.

Limited Affordable Rentals: About 28% of survey takers share housing due to the lack of affordable rental options.

Employer-Dependent Housing: About 21% live in employer-provided housing, making their housing directly tied to job security.

2022 Survey Summary:

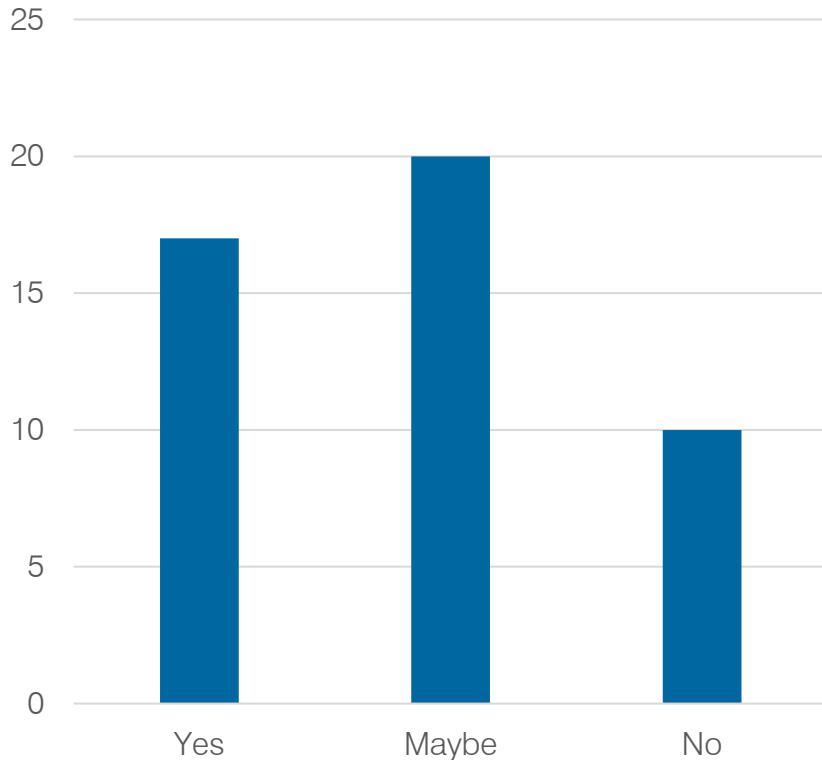
Seasonal Employment Challenges: Seasonal work leads to inconsistent income, making year-round rental housing at market rates unattainable for many.

High Homeownership Barriers: While 50% would prefer homeownership, high prices keep many in the rental market; 14 (51%) surveyed indicated they can only afford homes under \$300,000.

Accessibility Needs: Some residents require accessible housing, but affordable, suitable options are scarce.

Interest in Deed-Restricted Housing: Approximately 79% are interested in deed-restricted affordable homeownership to ensure stability and protection from rising property costs.

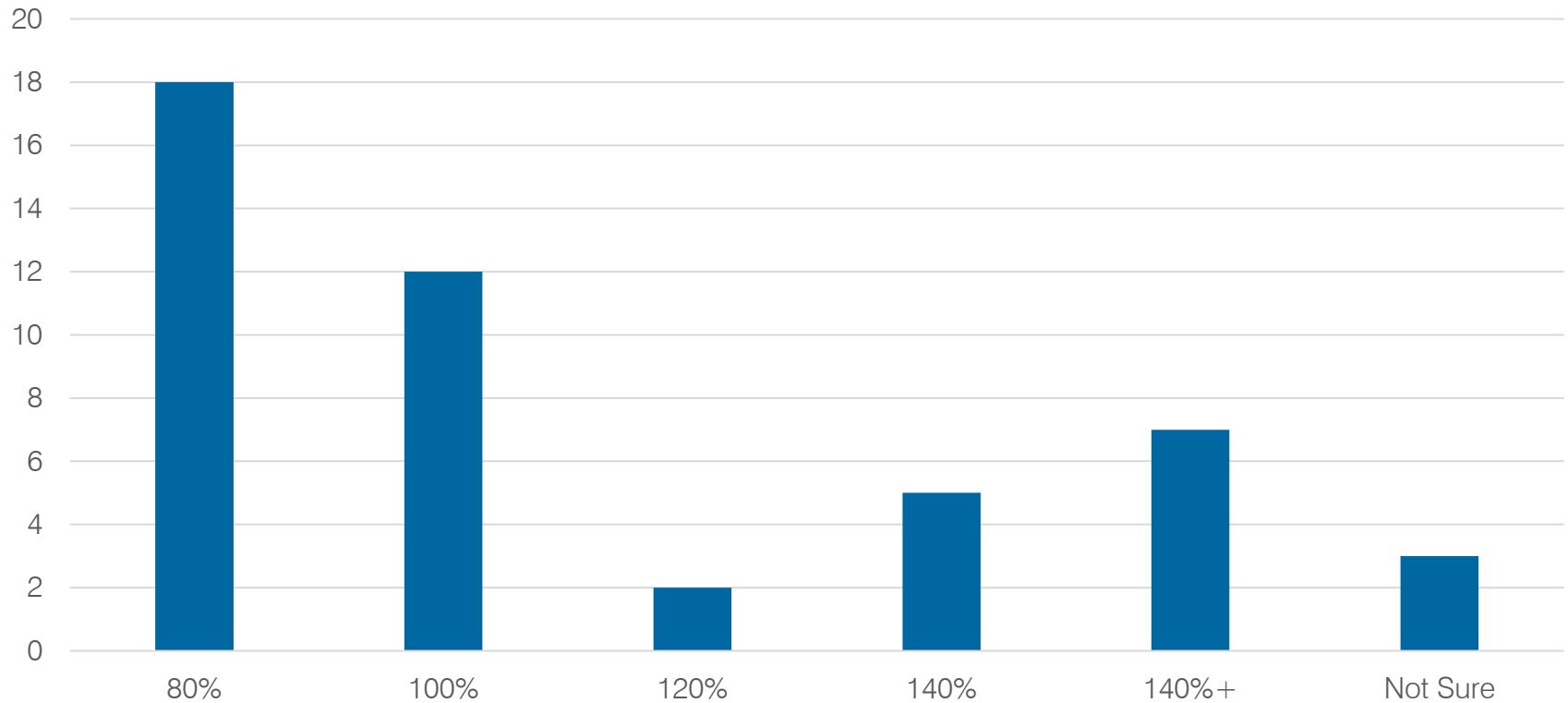
2022 Survey: Deed Restricted Homeownership



79%

**Interested in Deed Restricted
Homeownership**

2022 Survey: Income Levels



Income Level Terminology

Term	Extremely Low	Very Low	Low	Moderate	Middle	Attainable “Upper Middle”
AMI Level	30%	50%	80%	100%	120%	140%
Max. Income- 2-person household 	\$28,300	\$47,150	\$56,580	\$75,400	\$113,160	
Max. Income- 4-person household 	\$35,350	\$58,900	\$70,680	\$117,800	\$141,360	
Deed Restricted Units	All units qualify for LMI counts			Ownership units count for LMI Counts	Units do not count for LMI counts	
Market Rate Units				May be able to create units with rents / sale prices these income households can afford		

Income Level Terminology

Term	Extremely Low	Very Low	Low	Moderate	Middle	Attainable “Upper Middle”
AMI Level	30%	50%	80%	100%	120%	140%
Max Income-2-person household	\$28,300	\$47,150	\$56,580	\$75,400	\$113,160	
Max Income-4-person household	\$35,350	\$58,900	\$70,680	\$117,800	\$141,360	

Deed Restricted Units	All units qualify for LMI counts	Ownership units count for LMI Counts	Units do not count for LMI counts
Market Rate Units		May be able to create units with rents / sale prices these income households can afford	



COST CONTEXT

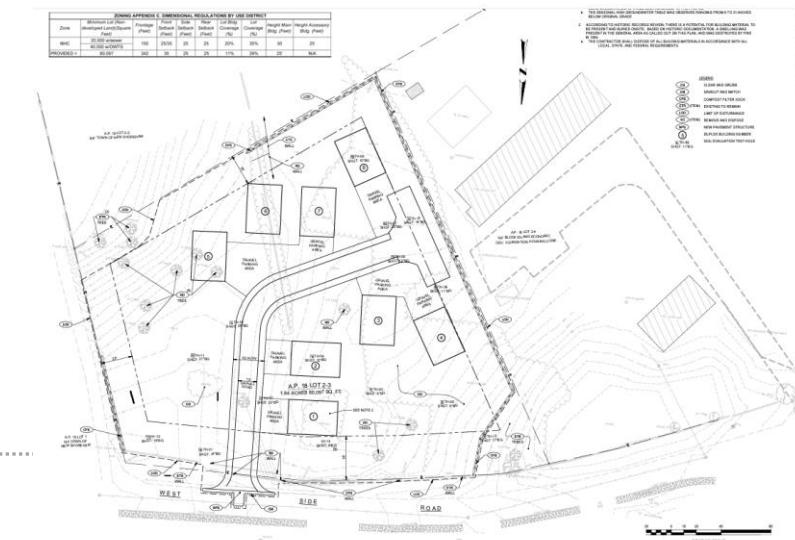
Affordability Context

- Median Income: \$66,652
- Median Rent: N/A
- Affordable Home Price at Median Income: \$190-220K
- Affordable Rent at Median Income: \$1,700
- Median Home Price: \$1,650,000
- Income Needed to Afford Median Priced Home: \$493,572
- Number of Households Below 80% AMI: 205 (2021 CHAS)

Sources: RI Housing Factbook 2024, HUD
2021 CHAS, Weston & Sampson.

Housing Cost Example

- Housing Board O'Brien Development December 2023 Bids for 16 Units:



	Total Hard Costs	Estimated Total with Soft Costs (25% of Total)	Per Unit TDC
Bid 1	7,710,634	10,280,845	642,553
Bid 2	7,580,538	10,107,384	631,712

Bid information from 2023 Block Island Times article. Soft costs estimated at 25% of construction costs, per industry standard. Does not include acquisition cost.



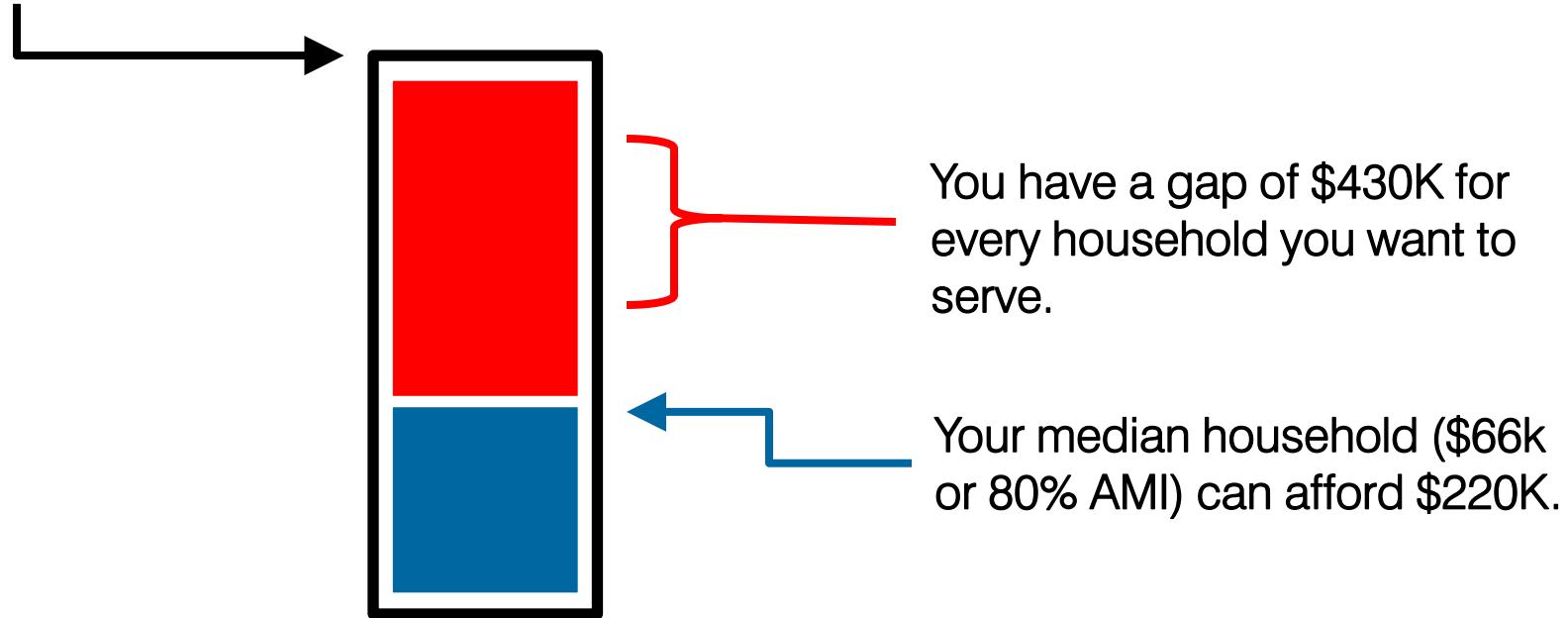
RI Housing Overall Total Development Cost Limits by Building Type

Cluster Subdivision (<8 units per building)	\$448,000
Garden Style Apartments	\$442,000

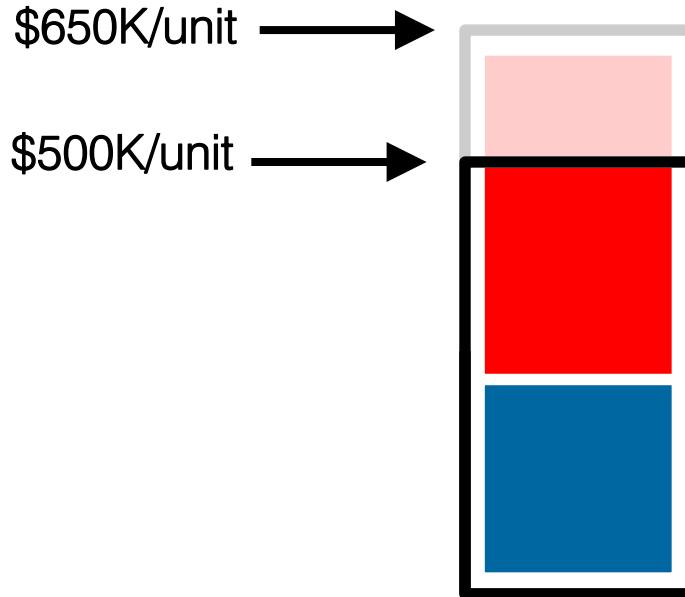
Source: RI Housing Developer Handbook 2025 , Section 9

Affordability Gap

At \$650K/unit
development costs



Affordability Gap



How to reduce the gap?

Your median household (\$66k or 80% AMI) can afford \$220K home price.

DEVELOPMENT COST BREAKDOWN

- Hard Costs
 - Land Acquisition
 - Site Preparation
 - Construction (materials, labor, infrastructure)
 - Landscaping
- Soft Costs
 - Professional Fees (architects, engineers, consultants)
 - Permits/Regulations
 - Legal & Insurance
 - Marketing & Development Fees
- Financing Costs
 - Loan Interest
 - Lender Fees
 - Holding Costs
- Contingencies

HOW TO REDUCE DEVELOPMENT COSTS PER UNIT

- Hard Costs
 - **Land Acquisition**
 - Site Preparation
 - Construction (materials, labor, infrastructure)
 - Landscaping
- Soft Costs
 - Professional Fees (architects, engineers, consultants)
 - Permits/Regulations
 - Legal & Insurance
 - Marketing & Development Fees
- Financing Costs
 - Loan Interest
 - Lender Fees
 - Holding Costs
- Contingencies

▪ Example: How to reduce land cost per unit?

▪ Lots for Sale in New Shoreham average \$1,400,000 per Acre

ENFORCEABLE POLICY ACTIONS

APPLICABILITY

MKT | LMI

✓ ✓

POTENTIAL ZONING UPDATES

APPLICABILITY

MKT | LMI

✓ ✓

INTRODUCING ISLAND CONTEXTUAL MISSING MIDDLE ZONING

Action

Allow for moderately more dense housing types (defined as allowable uses) in more zoning districts in New Shoreham, with performance standards

Precedents

Montpelier, VT, Middlebury, VT, Claremont, NH, Dover, NH, St. Paul, MN, Minneapolis, MN

INTRODUCING ISLAND CONTEXTUAL MISSING MIDDLE ZONING



Figure 6-1. From Left: ADU, Duplex, Cottage, Micro-Units, Manor House



Figure 6-2. From Left: Stacked-Flat, Townhouse, Walk-Up



“Missing Middle” Housing Types
Aligned with New Shoreham
Community Character

Source: Union Studio, Case Study: Housing on Cape Cod, Missing Middle

INTRODUCING ISLAND CONTEXTUAL MISSING MIDDLE ZONING

MISSING MIDDLE TYPES



Source: Union Studio, Case Study: Housing on Cape Cod, Missing Middle, Zillow

HOMES IN NEW SHOREHAM



\$960,000

2 bds | 1 ba | 864 sqft - Sold

1299 Ocean Ave, Block Island, RI 02807

PHILLIPS REAL ESTATE



\$1.20M

3 bds | 2 ba | 1,050 sqft - Sold

334 High St, Block Island, RI 02807

SHILLIAN ROTHFERY'S INT'L. REALTY



\$4,445,000

0 Pilot Hill Rd, Block Island, RI 02807

Est.: \$27,380/mo 



4 beds | \$6,950,000

1596 W Side Rd, Block Island, RI 02807

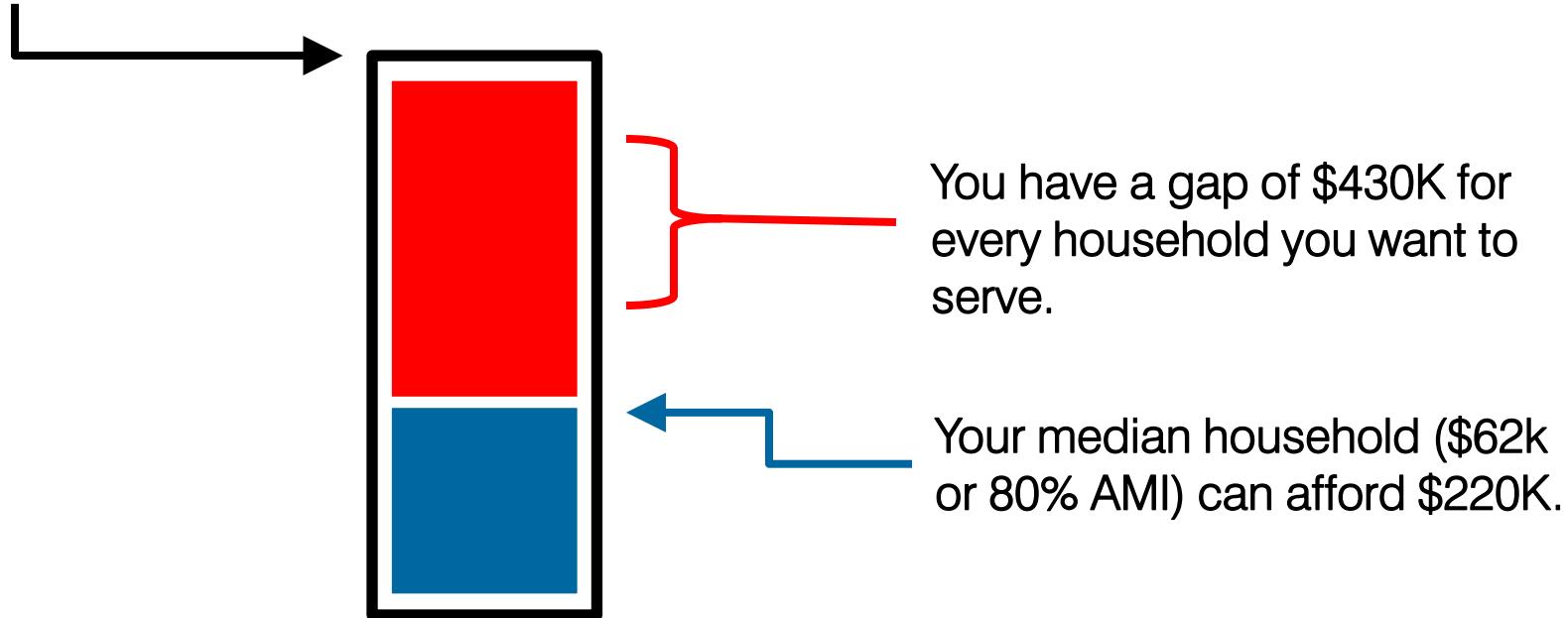
Est.: \$42,140/mo 

Source: New Shoreham homes for sale, Zillow, September 2024

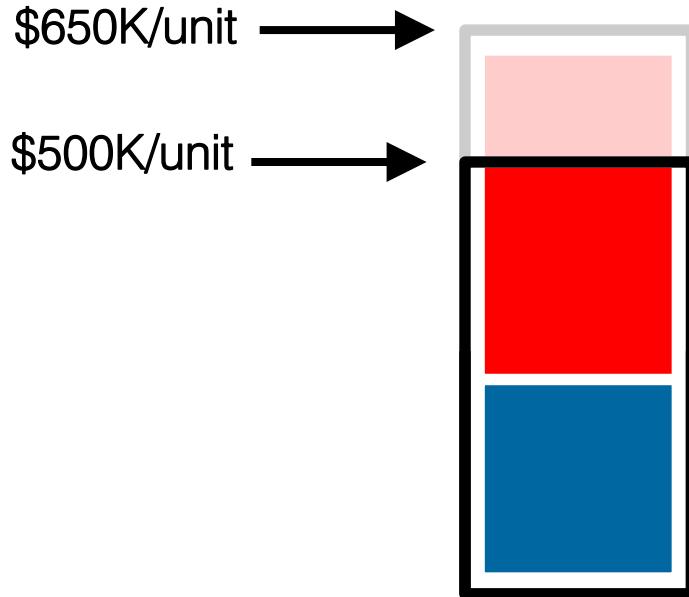
5 beds

Affordability Gap for O'Brien Type Development

At \$650K/unit
development costs



Affordability Gap



How to reduce the gap?

Your median household (\$62k or 80% AMI) can afford \$220K home price.

HOUSING TYPES & PER UNIT COSTS

Housing Type	Number of Units on 2 Acres		Land Acquisition Cost Per Unit	
	Lower Density	Higher Density	Lower Density	Higher Density
Cottage	4	8	\$ 350,000	\$ 175,000
Duplex	8	22	\$ 175,000	\$ 63,636
Townhouse	10	24	\$ 140,000	\$ 58,333
Stacked Flat	16	30	\$ 87,500	\$ 46,667
Manor House	10	24	\$ 140,000	\$ 58,333
Walkups	10	50	\$ 140,000	\$ 28,000

Action

Revise limit on expansion to just existing structure, limit to only one- or two-bedroom units, requirement to include elderly units

Precedents

Action

Explore allowing for the smaller subdivision of existing lots, provided that there is affordability restriction recorded

Precedents

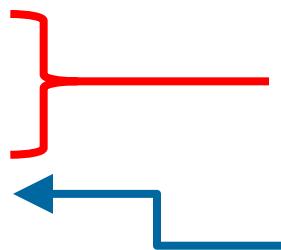
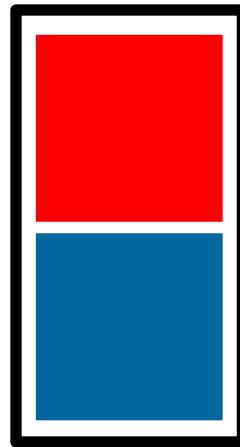
Rough ADU Cost Estimate

- **HRC in Provincetown, MA estimated in January 2023 it cost \$360,000 to build an ADU**
- Adjusting the \$360,000 base cost for 10% construction cost inflation:
 - $360,000 \times 1.10 = 396,000$
- New Shoreham typically has higher construction costs due to its remote location and logistical challenges in transporting materials and labor. Factoring in a regional premium of 10%–15% is reasonable.
 - $396,000 \times 1.10 = \$435,600$ to build an ADU

Affordability Gap for ADU

If a homeowner finances the full cost of building the ADU with a HELOC or cash-out refinance at 7% interest over 20 years, they would face annual payments of approximately \$41,000 (around \$3,400/month).

At \$440K/ADU not including the cost of land



A homeowner would need to finance \$225,000 with funds other than rental income.

The median household can afford rent of up to \$1,700 per month. This income could support a 20-year HELOC/cash out refinance of ~\$215,000.

ALLOWING CONDOIZATION OF (MARKET OR AFFORDABLE) ADUS

Action

Allow for the condoization of existing or newly created ADUs

Precedents

San Jose, CA

MKT | LMI





PROGRAMMATIC ACTIONS

Housing Needs, Costs & Stakeholder Analysis

- Elements of Housing Production Plan, could be conducted in coordination or would add value separately:
 - Evaluate current housing needs in New Shoreham (update 2022 survey)
 - Develop deeper understanding of costs and tipping points for affordable and market production, subsidies used for projects
 - Gather housing knowledge from small group interviews with individuals familiar with New Shoreham's housing needs including housing advocacy groups, social service providers, members of the business community, realtors and residents
 - Clarify high impact changes from housing professionals Focus groups with Town staff, nonprofit and for-profit developers, regional housing partners and members from town bodies
 - Evaluate existing LMI stock to identify properties at risk / causes of lost LMI units (10 fewer LMI units in 2022 than 2019)

Increase Capacity of Housing Organizations

- Capacity to undertake longer term affordable strategies will likely depend on ability of backbone organization / community members to drive strategies forward (W&S needs clarity on this)
- Potential Strategies might include:
 - Creation of community land trust or introduction of alternative tenure structures to existing organizations to remove cost of land from permanently affordable housing
 - Creation of ADU support program at housing nonprofit
 - Increase collaboration between conservation & affordable housing organizations

Create a Community Land Trust

Action

Organize and incorporate new nonprofit, or evaluate capacity of Housing to create community land trust; which could introduce:

- Affordable homeownership utilizing ground lease
- Steward affordable homeownership programs
- Community controlled affordable housing organization

Precedents

Church Community Housing, Island Housing Trust, MA, Island Housing Trust, ME, OPAL CLT, WA, San Juan Home Trust, WA,

Recent developments: Cape Cod Commission exploration of regional CLT and land bank, growth of CLTs in Greater Boston Community Land Trust Network

Create ADU Support Program

Action

Fund and align enforceable policy with ADU technical and/or financial assistance program:

- Provide coaching/technical assistance
- Fund preapproved design (Save owners 3-5K architect cost)
- Provide loans

Precedents

HAC ADU Assistance Program, ADU Resource Center of CDP & Homeless Prevention Council

ADU Support Programs

Program	Entity	Grants or Loans	Description	Source
Housing Assistance Corporation (HAC)	Nonprofit	Yes	Provides technical support on zoning, design, and permitting. Offers financial assistance or support for securing funding.	<ul style="list-style-type: none"> HAC ADU Program New Assistance for Homeowners to Build ADUs - Housing Assistance (haconcapecod.org)
Wellfleet ADU Program	Town	No (Fee Reductions)	<ul style="list-style-type: none"> Offers no interest, forgivable loans of \$10,000 for ADUs that are rented affordably for five years 	Wellfleet ADU Program
Accessory Apartment Program of West Tisbury	Town, Nonprofit, Affordable Housing Trust partnership		<ul style="list-style-type: none"> Has Accessory Dwelling Unit website with a process guide, rental guidelines and sample construction budgets and construction contracts Also has multiple free cottage and apartment plans 	Accessory Apartment Program of Martha's Vineyard (aapwt.org)
Community Development Partnership (CDP)	Nonprofit	Yes (Explores Funding Options)	Provides technical assistance with design, permitting, and construction. Helps homeowners explore funding options.	CDP ADU Program
Home Modification Loan Program	State quasi-public agency	Loan	HMLP provides 0% interest deferred payment loans to homeowners and landlords so they can modify or adapt their homes for a person(s), of any age, with a professionally documented limitation(s) or disability. This includes ADU projects that would allow for a family member(s) or a caregiver to live with the homeowner.	ADU Center Incentives (lowercapehousing.org) Home Modification Loan Program - CEDAC

Collaborate with Conservation Land Trust for Affordable Housing

Action

Have affordable housing & conservation organizations adopt policies of geographic non-competition, cooperative acquisitions & aligned public education

Precedents

Land & Homes Program of Island Housing Trust, Martha's Vineyard, Martha's Vineyard Land Bank affordable housing policies, Athens Land Trust

Collaborate with Conservation Land Trust for Affordable Housing

Action

Have affordable housing & conservation organizations adopt policies of geographic non-competition, cooperative acquisitions & aligned public education

Precedents

Land & Homes Program of Island Housing Trust, Martha's Vineyard, Martha's Vineyard Land Bank affordable housing policies, Athens Land Trust

Tax Exemptions for Year-Round Rentals

Action

Explore providing tax incentive to owners who offer year-round rental of their homes (potentially just to income eligible residents)

Precedents

MA Seasonal Communities Designations establishes a local option property tax exemption for the development of year-round rental units (rented at or below 150% FMR)

Other Actions from Comp Plan

- Identify additional sources of funding for Affordable Housing Trust
- Identify town and private properties as sites for affordable development
- Monitor deed restrictions
- Monitor ADUs and establish tax abatement program for ADUs
- Evaluate demands for senior and special needs housing
- Acquire and hold land for future affordable housing needs
- Evaluate current tax assessment policies and explore homestead tax exemption
- Investigate housing subsidy program for workers (current and retired) fulfilling necessary government functions



transform your environment

thank you

westonandsampson.com