

The Hummel Report

Barrington has the reputation as one of Rhode Island's most affluent towns: a waterfront community, chock full of wealthy people who live in upscale homes.

And while that is true for some parts of this 15-square-mile community, there's another side to the story. Longtime resident Gary Morse has friends living in Barrington who are struggling to make ends meet.

"There is the illusion that everybody in Barrington is wealthy when, in fact, one-third of the entire town could qualify for affordable housing and one-third of the houses in Barrington actually fall into the affordable guidelines," he said.

Morse, who has been critical of the council's handling of affordable housing projects over the past decade, says the issue is not wealthy people trying to keep others out; rather equity for those who live in what could be considered affordable housing, but don't get tax breaks and other benefits given to projects like these. "Some of the people who are living in those developments are actually making more money than the people who have to do the subsidizing," he said.

Using an intricate formula set by the state, Morse calculates that one-third of all of the houses in Barrington would qualify as affordable housing under the state's definition from laws passed in the 1990s and amended in 2004. For a family of four, the affordable house price would be about \$315,000 or less.

The law mandates that 10 percent of a community's housing stock be affordable, but doesn't allow for the houses Morse figured in because in order to qualify by the state's definition, they have to be subsidized in some way by the municipality and have at least a 30-year deed restriction on resale or rental. That means Barrington officially has only 160 affordable units in town.

So while a modest, affordable house in town could be paying nearly \$4,000 a year in taxes and is subject to the town's periodic revaluation, a house in one of Barrington's affordable housing developments, as defined by the state, has assessments that are locked in for 30 years. The only increase comes as the tax rate increases, but the assessments don't.

Town Council President June Speakman was elected a decade ago as the town's first affordable housing development, Sweet Briar, was in its infancy. Speakman says she doubts the town can achieve the state mandate of 10 percent affordable housing.

"I think it's a noble goal and one that we've been moving toward diligently, and the state has acknowledged that, but it's very hard in this community to get to 10 percent given that it's built out and the property values are high. You really need a significant intervention into the market to make it happen and that's hard to do," she said.

Sweet Briar was the town's first major development and it was controversial from the start, with many residents concerned it would strain schools and town services. Local officials fought a losing battle against it all the way to the state Supreme Court. And in 2008, 47 rental units went up for low and moderate income residents. Morse said as construction was nearly complete, the East Bay Community Development Corporation (EBCDC), which developed the project, came to the town for help.

"The management group for Sweet Briar, the EBCDC, came to the town council and said, 'Look, we've put in this project, but we can't make it work without property tax subsidies paid for by the local residents,'" he said.

So the council at the time voted to give developers a significant tax break. Speakman voted for the tax break in late 2008, based on a legal opinion that Morse says was a stretch of the law.

Hummel: "In reality, doesn't that really put the council in a tough position? It's holding the council hostage, is it not? Because what if you had turned them down on that?"

Speakman: "Yeah, well, I didn't see it as being held hostage. I saw it as helping us move toward our goal of getting that project completed."

What many don't know is that after 30 years, the deed restriction goes away and the units can be sold or rented by the owners at market value after receiving decades of tax breaks. The affordable housing issue is likely to dominate much of the council's time after the election as several projects are in various stages of planning and development, including the most recent off Sowams Road called Palmer Pointe.

Morse says the law needs to change. So we asked Speakman whether she had thought about going to the state to ask for relief.

“My understanding of the General Assembly’s view of this legislation is that the suburban communities need to share in the housing of people of modest incomes,” Speakman said. “That the urban areas have done their share, many at 30 or 40 percent of housing rented or owned by people of low or moderate incomes, and the suburban communities need to share in that. So the state would be less friendly, I think, toward helping more because the urban communities believe they helped enough in housing these populations.”

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