STATE OF RHODE ISLAND

WASHINGTON, SC.

SUPERIOR COURT

(FILED: February 11, 2025)

THE TOWN OF NARRAGANSETT : and TOWN OF NARRAGANSETT :

PLANNING BOARD :

Appellant, :

:

v. : C.A. No. WC-2024-0007

:

THE STATE HOUSING APPEALS :

BOARD; KELLEY MORRIS :

SALVATORE, BRENDA CLEMENT,

JAMES GRUNDY, ROBERT

NAJARIAN, and MARY MEAGHER : named in their official capacities as : Members of the STATE HOUSING :

APPEALS BOARD; and OLD BOSTON:

NECK ROAD, LLC :

Appellees.

DECISION

LANPHEAR, J. Before this Court is the Town of Narragansett (Town) and Town of Narragansett Planning Board's (Planning Board) appeal of the State Housing Appeals Board's (SHAB) December 28, 2023 decision reversing a decision of the Planning Board. Jurisdiction is pursuant to G.L. 1956 § 45-53-5. For the reasons set forth herein, the Town's appeal is denied, and this Court affirms SHAB's decision.

I

Facts and Travel

On November 1, 2022, Old Boston Neck Road, LLC (OBNR) filed a master plan application for a proposed multi-family residential project with the Planning Board. (Certified R. 2.) According to the application, OBNR proposed "to build ten (10) duplex housing dwellings (20)

units total) with 25% of the units being set aside for low- or moderate-income families." *Id.* The application also stated that it was "being submitted in accordance with the RI Low- and Moderate-Income Housing Act, RIGL 45-53-1, et seq." *Id.*

After two hearings on the application in April 2023, the Planning Board voted unanimously to deny the application citing environmental, traffic and water issues and issued a written decision (Planning Board Decision) on May 11, 2023. In its Decision, the Planning Board found that the application did not comply with the Town's Comprehensive Plan because "the effect of 5 low-moderate income (LMI) units would be diluted by the 15 market rate units on the plan." (Certified R. 1 at 3.) The Planning Board reasoned that "a lower total number of units with the same or a greater number of LMI units would more significantly address local needs." *Id.* at 4. The Planning Board also found that issues related to the water table, wetland areas, and traffic were not sufficiently addressed. *Id.* at 3-4.

In May 2023, OBNR appealed the Planning Board Decision to SHAB. SHAB held two hearings on the appeal and unanimously voted to grant OBNR's appeal and vacate the Planning Board's Decision. SHAB issued its written decision on December 28, 2023 granting master plan approval of the application and held that the Planning Board erred in denying OBNR's application because OBNR presented a sufficient master plan for phase one in the required three successive phases of review. SHAB reasoned that the proposed development was consistent with the Town's Comprehensive Plan and its affordable housing component and the application "satisfactorily address[ed] any issues where inconsistency might be inferred." (Compl. Ex. B at 16.) SHAB also concluded that the Planning Board held OBNR to "standards of proof more appropriately addressed during the preliminary plan phase of review." *Id.* at 15.

On January 4, 2024, the Town and the Planning Board filed an action with the Superior Court appealing SHAB's decision.

II

Standards of Review

A

SHAB Standard of Review

If an applicant's comprehensive permit application is denied, "the applicant has the right to appeal to the state housing appeals board . . . for a review of the application." Section 45-53-5(b). The General Assembly established the following standard of review which SHAB was required to apply:

"In hearing the appeal, [SHAB] shall determine whether: (i) In the case of the denial of an application, the decision of the local review board was consistent with an approved affordable housing plan, or if the town does not have an approved affordable housing plan, was reasonable and consistent with local needs[.]" Section 45-53-6(b).

SHAB also was guided by the following list of nonexclusive factors:

- "(1) The consistency of the decision to deny or condition the permit with the approved affordable housing plan and/or approved comprehensive plan;
- "(2) The extent to which the community meets or plans to meet housing needs, as defined in an affordable housing plan, including, but not limited to, the ten percent (10%) goal for existing low- and moderate-income housing units as a proportion of year-round housing;

¹ SHAB was abolished effective January 1, 2024. *See* P.L. 2023, ch. 310-313; G.L. 1956 §§ 45-53-5.1 and 45-53-5. However, because OBNR submitted its application to SHAB and SHAB issued a decision prior to December 2023, it is reviewable by this Court. *See East Bay Community Development Corp. v. Zoning Board of Review of Town of Barrington*, 901 A.2d 1136, 1144 (R.I. 2006) (explaining that the appropriate standard for an appeal is "the law in effect at the time when the applicant . . . submitted its application for a permit to the zoning board[,]" absent a "clear expression of retroactive application"). Except where noted, the Court will apply the standards and procedures which are applicable to this action.

- "(3) The consideration of the health and safety of existing residents;
- "(4) The consideration of environmental protection; and
- "(5) The extent to which the community applies local zoning ordinances and review procedures evenly on subsidized and unsubsidized housing applications alike." Section 45-53-6(c).

B

Superior Court Standard of Review

Decisions by SHAB could be appealed to the Superior Court. See § 45-53-5. The Superior Court's review "is analogous to that applied . . . in considering appeals from local zoning boards of review[.]" Curran v. Church Community Housing Corp., 672 A.2d 453, 454 (R.I. 1996). Further, the Superior Court "employs a deferential standard [to SHAB] when reviewing a SHAB decision[.]" Town of Burrillville v. Pascoag Apartment Associates, LLC, 950 A.2d 435, 443 (R.I. 2008) (internal quotation omitted). The Superior Court may not substitute its judgment for that of SHAB as to the weight of the evidence relating to questions of fact. See § 45-53-5(e).

The Superior Court may remand the case for further proceedings or reverse or modify the decision if substantial rights of the appellant have been prejudiced because of findings or conclusions made by SHAB that are:

- "(1) In violation of constitutional, statutory, or ordinance provisions;
- "(2) In excess of the authority granted to the state housing appeal board by statute or ordinance;
- "(3) Made upon unlawful procedure;
- "(4) Affected by other error of law;
- "(5) Clearly erroneous in view of the reliable, probative, and substantial evidence of the whole record; or
- "(6) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion." *Id*.

In reviewing a decision of SHAB, which decided the case on appeal, this Court sits as a secondary appeal. Issues of fact and credibility of witnesses are determined by the Planning Board, and the

local board's findings are given deference. Most of the reasons for appeal asserted by the Town focus on the procedure of SHAB. The Court will, therefore, review SHAB's procedures and legal findings, which are considered *de novo*.

Ш

Analysis

OBNR submitted its comprehensive permit application for master plan approval pursuant to § 45-53-4, the Low- and Moderate- Income Housing Act. (Certified R. 17.) Under § 45-53-4(a)(1)(vii)(B), comprehensive permits involving major land developments "shall include" "those items included in the checklist for the master plan in the local regulations promulgated pursuant to [G.L. 1956] § 45-23-40," the Development Review Act.

Under the Development Review Act, a master plan is "[a]n overall plan for a proposed project site outlining general, rather than detailed, development intentions. It describes the basic parameters of a major development proposal, rather than giving full engineering details." Section 45-23-32(23) (2022 Cumulative Supp., eff. Jan 1, 2014). An applicant for a major land development must submit a master plan and is required to submit several materials for review by the local board, including but not limited to the following:

"[I]nformation on the natural and built features of the surrounding neighborhood, existing natural and man-made conditions of the development site, including topographic features, the freshwater wetland and coastal zone boundaries, the floodplains, as well as the proposed design concept, proposed public improvements and dedications, tentative construction phasing; and potential neighborhood impacts." Section 45-23-40(a)(2) (2022 Cumulative Supp., eff. to Dec. 31, 2023).²

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² The statute has since been repealed. Section 45–23–40 (repealed by P.L. 2023, ch. 308, § 3 and P.L. 2023, ch. 309, § 3, eff. January 1, 2024).

Both § 45-23-40(a)(2) (2022 Cumulative Supp., eff. to Dec. 31, 2023) and § 45-23-32(23) require the planning board to simply identify potential issues rather than resolve those issues at the master plan stage. A master plan is an overall conceptual plan rather than a full and detailed plan. An applicant submits a master plan to a board for the purpose of approving an initial concept so the applicant can continue to move toward a preliminary and final plan.

For comprehensive permit applications:

"[T]he applicant must submit those items included in the checklist for a preliminary plan for a major land development or major subdivision project in the local regulations promulgated pursuant to § 45-23-41, with the exception of evidence of state or federal permits. All required state and federal permits must be obtained prior to the final plan approval or the issuance of a building permit[.]" Section 45-53-4(a)(1)(vii)(B).

This Court must review the record based on the law in effect at the time OBNR submitted its application to the Planning Board, *see East Bay Community Development Corp. v. Zoning Board of Review of Town of Barrington*, 901 A.2d 1136, 1144 (R.I. 2006); however, the ultimate issues in the present action are whether OBNR satisfied requirements at the time its master plan application was submitted to the Town and whether OBNR can proceed to the next stages of its potential development.

Therefore, though the Court will consider this as an appeal from SHAB, the Court considers this a second level of appeal from the Planning Board's Decision, and, therefore, the record to be reviewed, for factfinding and credibility, is that of the Town. Thus, the Court will first review the Planning Board's Decision and whether its rejection of OBNR's application was appropriate. Then, the Court will review the Town's arguments regarding SHAB's findings.

A

Whether Planning Board's Decision Was Proper

1

Whether Application Was Incomplete

The Town argues that OBNR's application was incomplete when the Planning Board reviewed the application, and, in support of this argument, the Town prepared a report on March 20, 2023, prior to the application being heard by the Planning Board, stating that the application was incomplete for review at the master plan level and the Planning Board hearing should be "HELD OPEN" until all issues are addressed. (Certified R. 33 at 15.)

The statute in effect mandated that a planning official had twenty-five days to determine whether an application was "complete" or "incomplete." Section 45-23-40(b) (2022 Cumulative Supp., eff. to Dec. 31, 2023).³ If a planning official failed to make this determination within the allotted time period, an application would automatically be deemed "complete," unless it is lacking necessary information. Section 45-23-36(b) (2022 Cumulative Supp., eff. to Dec. 31, 2023).

Even though the Town's planning official never found the application to be complete, Certified R. 6, a hearing was scheduled. The applicant was not harmed and was even given the benefit of the doubt. Therefore, even if the Town had qualms about the application moving forward in the process, the Planning Board chose not to follow this advice and, instead, acted on the application. Accordingly, any issues with the application's completeness would have been considered moot, and this Court finds that the application was complete for purposes of being considered by the Planning Board.

³ The statute has since been repealed. Section 45–23–40 (repealed by P.L. 2023, ch. 308, § 3 and P.L. 2023, ch. 309, § 3, eff. January 1, 2024).

Whether Planning Board Properly Denied the Application

In denying the application, the Planning Board relied on facts gleaned from the March 20, 2023 and April 26, 2023 Town staff reports to conclude that the application did not meet the necessary standards of (1) "Required Finding #1, #3, #5 under [§] 45-23-60[,]" (2) "Required Finding #6 and #7 under Section III A of the Narragansett Subdivision and Land Development Regulations, 1995 and as amended[,]" and (3) "Required Findings #1, #2 & #3 under [§] 45-53." (Compl. Ex. A at 3.)

Specifically, the Planning Board found that the application failed to comply with proper standards, including that the density exceeded that of the surrounding area in regard to water and sewer service, the "watertable and wetland areas delineations [were] not sufficiently addressed," traffic study standards were not reliable, a water easement and legal issues surrounding it were not properly addressed, low-income units were not identified, and the application did not include a scale or style description of the units. *Id.* at 3-4. Further, the Planning Board was troubled with the idea that the project's low-income units would somehow be diluted by the market rate units. *Id.*

An applicant has a right to be heard (as do objecting neighbors) at the hearing on the master plan within the statutory time limit. Regardless of how intricate or sparse the proposal for the master plan may be, the burdens the applicant must meet are set forth in § 45-23-60. These requirements are broadly worded, as the master plan is conceptual, not specific.⁴

⁴ Under the revised statutes, a master plan is no longer required as part of the approval process for a major land development project. Section 45-53-4(d). While a master plan was required based on law in effect when OBNR submitted its application, the current statutory scheme deleted separate master plan approval for comprehensive applications.

Master plan approval is a conceptual approval. Preliminary plan approval is more detailed and focuses on particular aspects of the plan. At the master plan stage, a planning board may approve a master plan while conditioning any subsequent approval on the applicant addressing specific concerns about the development noted by the planning board at the master plan stage. If the concerns stated in the planning board's master plan decision are not addressed to the satisfaction of the planning board, the planning board may deny the preliminary plan or final plan, or condition approval on compliances with the conditions that address the planning board's concerns, or any other conditions that the planning board may appropriately require at the later stage.

A planning board may be concerned that if it fails to note potential deficiencies at the master plan stage, it may lose the opportunity to do so later. However, applicants are not required to flesh out all the details upfront. Conditioning future approvals resolves this issue. It behooves both the planning board and the applicant to identify some concerns upfront. An airing of the conditions at the early stage affords an applicant with the opportunity to address the issues of importance to the planning board and to rectify deficiencies. Hopefully, this will assist in moving the project forward in the right direction. Of course, the planning board may also deny or condition preliminary plan approvals or final plan approvals on concerns which it discovers later in the process.

Here, the Planning Board's flat rejection of the master plan was inappropriate. Rejection of a proposed development where 25 percent of the new units will be affordable raises particular concern. Narragansett has historically been below the state mandate. The addition of a development with 25 percent of the units as affordable only moves Narragansett toward its goal.

The Planning Board's suggestion that 25 percent is not enough is contradictory and appears to be a pretext to exclude affordable housing in the area.

Therefore, the Planning Board erred in its Decision to reject OBNR's master plan application.

B

Town's Arguments

The Town asserts that SHAB (1) violated its own Rules of Procedure by acting on an incomplete application, (2) failed to properly review the application on appeal as needed by Section 2.8 of its Standards of Review because it did not consider all standards, and (3) violated the Open Meetings Act, G.L. 1956 §§ 42-46-6 through 42-6-8. (Town Reasons for Appeal 1-2.) Additionally, the Town avers that statutory changes negate both the Planning Board and SHAB decisions, and OBNR should submit a new preliminary plan application with the new density formulas once OBNR receives the necessary required approvals and permits.

1

Completeness of the Application

The Town claims it was improper for SHAB to act on the application because it was incomplete whereas OBNR did not obtain a certificate of completeness pursuant to 480 RICR 2.5(A)-(2)(i) of SHAB rules due to a purported title defect. The Town faults SHAB for not hearing the appeal within twenty days, as required by 480 RICR 2.6(B) and, at the hearing, not determining whether the appeal was properly brought pursuant to 480 RICR 2.6-C(1).

This Court finds that SHAB did not make any findings based upon unlawful procedure. In SHAB's decision, SHAB stated that it declined to address issues around the completeness of OBNR's master plan application because the Planning Board heard and considered the

application. Again, under § 45-23-40(b),⁵ if a planning official failed to make a determination of completeness within the allotted time period, an application would automatically be deemed "complete," unless it is lacking necessary information. Section 45-23-36(b) (2022 Cumulative Supp., eff. to Dec. 31, 2023). Even though the Town's planning official never found the application to be complete, Certified R. 6, a hearing was scheduled, and the Planning Board acted on the application. Therefore, SHAB did not make any findings based upon unlawful procedure in regard to the application's completeness.

2

Review Pursuant to 480 RICR 2.8

The Town alleges (1) the Planning Board made its decision on environmental, health, and safety considerations, (2) those considerations may be considered at the master plan stage, and (3) SHAB's holding that those considerations were inappropriate for the master plan review were arbitrary and capricious. OBNR contends the Planning Board's Decision to deny the master plan was not supported by legally competent evidence because the Planning Board's Decision was not consistent with local housing needs.

Our Supreme Court has held that SHAB can declare that a particular ordinance or regulation is not consistent with local needs. *Town of Coventry Zoning Board of Review v. Omni Development Corp.*, 814 A.2d 889, 899–900 (R.I. 2003). "SHAB's first order of business is to examine the zoning and land use regulations and ordinances upon which the zoning board's decision rests and the community's comprehensive plan to determine whether the regulations are consistent with local needs." *Id.* at 900. "If the regulation is found to be consistent with local

⁵ The statute has since been repealed. Section 45–23–40 (repealed by P.L. 2023, ch. 308, § 3 and P.L. 2023, ch. 309, § 3, eff. January 1, 2024).

needs, the inquiry is ended and a decision based upon that regulation may not be 'vacated, modified or removed by [SHAB] notwithstanding that the decision or conditions and requirements have the effect of denying or making the applicant's proposal infeasible." *Id.* (quoting § 45-53-6(c)).

Narragansett has an approved affordable housing plan. SHAB must determine whether the municipality's decision is consistent with its affordable housing plan. Section 45-53-6(b); *Omni Development Corp.*, 814 A.2d at 901. Subsection (c) of § 45-53-6 outlines five factors to consider in determining whether the denials are consistent:

- "(1) The consistency of the decision . . . with the approved affordable housing plan . . .;
- "(2) The extent to which the community meets or plans to meet housing needs . . .;
- "(3) The consideration of the health and safety of existing residents;
- "(4) The consideration of environmental protection; and
- "(5) The extent to which the [Town] applies local zoning ordinances and review procedures evenly on subsidized and unsubsidized housing applications alike." Section 45-53-6(c).

SHAB correctly found that OBNR's application was consistent with the Town's affordable housing plan, so the Town's denial of the master plan was inconsistent with the affordable housing plan. The Town approved its Comprehensive Plan in 2016 with a goal to develop low- and moderate-income housing to meet the 10 percent state mandate. For the first two factors, SHAB found, based on the testimony and report of OBNR's planning and zoning expert, that the Town had not made substantial progress on the 10 percent goal and OBNR's project is consistent with the Town Comprehensive Plan.

In considering the third and fourth factors of § 45-53-6(c), SHAB found expert engineer Prive's testimony persuasive to establish OBNR would adequately provide for stormwater, septic needs, and all other environmental treatments as the development progressed. There is no

allegation that the fifth factor was not properly met. There was substantial evidence on the record to support SHAB's decision.

A master plan application does not require a detailed plan, so OBNR adequately provided information for the various requirements at its conceptual stage. Further, SHAB specifically reviewed key areas of density, septic and stormwater concerns, water service concerns, and identification and specification of LMI Units. SHAB found that OBNR adequately addressed site mitigation measures and infrastructure for the master plan stage in order to address environmental, water, and septic issues with any density increase. For septic and stormwater concerns, SHAB found that the Planning Board's requirements for detailed date and engineering analysis was improper for the master plan stage. For water service concerns, SHAB found that OBNR presented sufficient evidence of water service options based on Michael DeLuca's testimony and staff report. Lastly, SHAB found that OBNR's evidence and testimony was sufficient for the master plan stage to establish that 25 percent of the units would be designated affordable. Therefore, SHAB properly evaluated the Town's concerns in finding OBNR presented sufficient evidence for the master plan stage.

Accordingly, the Town's substantial rights have not been prejudiced by SHAB's decision. There was substantial evidence on the record to support SHAB's decision, and SHAB's decision was neither arbitrary nor capricious.

3

Open Meetings Act

The Town argues that SHAB violated the Open Meetings Act by failing to prepare, docket for approval, or approve minutes for three meetings as required by § 42-46-7 and approving the December 28, 2023 decision without docketing or holding an open meeting to

approve it in violation of § 42-46-6. OBNR responds that such allegations have no bearing on this appeal and that such matters are currently being reviewed by the Office of the Attorney General, as is the appropriate forum pursuant to § 42-46-8.

The Open Meetings Act provides explicit remedies in § 42-46-3. Voiding a governmental action is not an enumerated remedy. Complaints are filed with the Attorney General, who may initiate a court action. Here, the alleged violation was for a failure to approve minutes, not for its review of the appeal or deciding the appeal. The Court declines to make findings or award relief for the alleged violation at this point and declines to factor in the alleged violation to its review of this appeal.

4

Statutory Changes

The Town argues that changes in § 45-53-4 as of January 1, 2024 negate both the Planning Board and the SHAB decisions, and OBNR should submit a new preliminary plan application with the new density formulas once OBNR receives the necessary required approvals and permits. OBNR suggests the 2023 legislative amendments do not contemplate that the SHAB appeal decisions or local decisions would become null and void after January 1, 2024.

The General Assembly made two major legislative changes in 2023 impacting the present action. First, the General Assembly eliminated SHAB as of January 1, 2024, empowering this Court to consider appeals of the local boards directly. Section 45-53-5.1 (replacing § 45-53-5).

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⁶ SHAB ceased to exist four days after its decision was released, making the ratification of its minutes impracticable. The Court appreciates SHAB's efforts to advance and decide several weighty cases on its docket before its demise—avoiding those cases from being left in jurisdictional limbo.

Second, the General Assembly amended § 45-53-4, which eliminated the master plan stage from the review process for a comprehensive permit for a major land development project. Prior to January 1, 2024, major projects required a master plan review. *See* §§ 45-53-4(a)(1)(vii) and 45-53-4(a)(4)(iv). The new statutory scheme sets a different process for a comprehensive permit. Section 45-53-4(d).

This Court must review the record based on the law in effect at the time OBNR submitted its application to the Planning Board, *see East Bay Community Development Corp.*, 901 A.2d at 1144; however, the ultimate issues in the present action are whether OBNR satisfied requirements at the time its master plan application was submitted to the Town and whether OBNR can proceed to the next stages of its potential development.

Therefore, the Court properly considers this action an appeal from SHAB and reviews based on the law at the time OBNR submitted its application to the Planning Board.

 \mathbf{C}

OBNR Counterclaim

OBNR asserts a counterclaim for attorneys' fees pursuant to the Equal Access to Justice for Small Businesses and Individuals Act, G.L. 1956 chapter 92 of title 42 (EAJA). The Town argues that the Court should dismiss OBNR's counterclaim for substantive and procedural reasons.

The EAJA was enacted to "mitigate the burden placed upon individuals and small businesses by the arbitrary and capricious decisions of administrative agencies made during adjudicatory proceedings." *Taft v. Pare*, 536 A.2d 888, 892 (R.I. 1988); *see* § 42-92-1. Under § 42-92-3(b), a party has a claim for fees and other expenses if they receive an unfavorable decision on the underlying merits at the administrative level, appeal to the appropriate court, and the party is successful in the appeal. *Rollingwood Acres, Inc. v. Rhode Island Department of Environmental*

Management, 212 A.3d 1198, 1205 (R.I. 2019); *see* § 42-92-3(b). "[W]hether a party may recoup litigation expenses hinges on whether the administrative agency was substantially justified in its actions." *Rollingwood Acres, Inc.*, 212 A.3d at 1205; *see* § 42-92-3.

It is well established that the court should confine judicial review only to those cases that present a ripe case or controversy. *Riley v. Narragansett Pension Board*, 275 A.3d 545, 556 (R.I. 2022); *City of Cranston v. Rhode Island Laborers' District Council, Local 1033*, 960 A.2d 529, 533 (R.I. 2008). The Rhode Island Supreme Court has explained that, generally, "a claim is not ripe for adjudication if it rests upon contingent future events that may not occur as anticipated, or indeed may not occur at all." *Riley*, 275 A.3d at 556 (internal quotations omitted). In *Riley*, the Court held that the award of attorneys' fees was not ripe for review because the Court held that the case must be remanded to the pension board for a new hearing and "events may ensue on remand which affect the attorneys' fees issue." *Id.* at 557.

Because the issue of attorneys' fees is not ripe for review at this time, while OBNR is still pursuing its application through the preliminary plan phase of review, OBNR's right to request fees is preserved. Further, the parties should address the EAJA claim separately now that the Court has decided the appeal. OBNR's right to request attorneys' fees and litigation costs under the EAJA is preserved for a separate motion. When making any request for specific expenses it seeks to recover, the appellant will have an opportunity to object. *See* § 42-92-3(a).

IV

Conclusion

For the foregoing reasons, the Town's appeal is denied, and this Court affirms SHAB's decision. OBNR's master plan application is conditionally approved as set forth. Counsel for OBNR may submit the appropriate order for entry.



RHODE ISLAND SUPERIOR COURT

Decision Addendum Sheet

TITLE OF CASE: Town of Narragansett, et al. v. State Housing Appeal

Board, et al.

CASE NO: WC-2024-0007

COURT: Washington County Superior Court

DATE DECISION FILED: February 11, 2025

JUSTICE/MAGISTRATE: Lanphear, J.

ATTORNEYS:

For Plaintiff: Mark A. Davis, Esq.

Stephen H. Marsella, Esq.

For Defendant: Steven M. Richard, Esq.

Patrick J. Dougherty, Esq.