



*Advocate.
Educate.
Act.*

Sustainable Saratoga
PO Box 454
Saratoga Springs, NY 12866


www.sustainablesaratoga.org

August 5, 2016

Honorable Joanne Yepsen, Mayor
City of Saratoga Springs
City Hall
474 Broadway
Saratoga Springs, NY 12866

Dear Mayor Yepsen:

RE: SPA-HOUSING ORDINANCE

We are pleased to submit to the City Council the attached zoning amendment that would create “The Saratoga Places for All (SPA) Housing Ordinance”.

We request that at the August 16, 2016 City Council meeting, you vote to determine that this zoning amendment has “merit for review” and that it be forward to the City and County Planning Boards for the required advisory opinions.

This is new ordinance is based on the draft ordinance developed in 2006 by the City’s Inclusionary Zoning Ordinance Development (IZOD) Committee headed by Monte Franke. This Committee held 30 meetings over 14 months to develop this ordinance. Working off of ordinances from similar sized communities, the Committee uniquely tailored that ordinance to Saratoga Springs. However, in 2007, that ordinance did not make it to the Council table for a vote.

We believe now is the time for the City Council to reconsider this ordinance. It will result in a program that will guarantee more diverse housing opportunities for Saratogians – especially for middle income households. In the last 10 years, housing costs have increased and remain out of reach for many Saratogians. For years there has been much talk of the need for affordable housing – and this ordinance can be part of the effort to make Saratoga Springs more livable for all income groups.

The ordinance would require developers of housing developments of 10 or more units to set aside up to 20% of the units as affordable in sale or rental to households of modest income. Developers are given up to a 20% density bonus, or right to build more units on the same site, to offset the cost of providing these affordable units. This ordinance takes advantage of market forces and development capacity to produce affordable units that are integrated into housing throughout the community. There are no State or Federal subsidies or actions in this program. There are manageable administrative costs to the City.

Sustainable Saratoga is interested in bringing this ordinance back to City Council because we think it is a good housing program for Saratoga Springs. This ordinance would add an important missing element in our community's overall housing effort. It deserves to have community discussion and consideration.

Our website www.sustainablesaratoga.org contains more information about this ordinance and the housing needs of the community. We will be transmitting this information to you under separate cover.

Sincerely,

Harold J. Moran

Harry Moran
Chair

Attachments

cc: Commissioner John Franck
Commissioner Michele Madigan
Commissioner Chris Mathiesen
Commissioner Anthony Scirocco



CITY OF SARATOGA SPRINGS

OFFICE OF THE MAYOR

City Hall - 474 Broadway
Saratoga Springs, New York 12866-2296
Tel: 518-587-3550 fax: 518-587-1688
<http://www.saratoga-springs.org>

[FOR OFFICE USE]

(Application #)

(Date received)

PETITION FOR: ZONING AMENDMENT

(Rev: 1/2016)

1. Name of Petitioner: Sustainable Saratoga

2. Type of Amendment (Map or Text):

Map Amendment:

Site Location: _____ Tax Parcel #: _____

Current Zoning: _____ Proposed Zoning: _____

Reason for amendment: _____

Text Amendment:

Section to be amended: Article 4.4

Proposed wording of text amendment (attach additional sheets if necessary):

See attached text

Reason for amendment: _____

To achieve more diverse and affordable housing within the city

3. Professional Representing Applicant (if any):

Name: _____ Phone: _____

Address: _____ Email: _____

Identify primary contact person: Applicant Owner Agent

4. Does any City officer, employee or family member thereof have a financial interest (as defined by General Municipal Law Section 809) in this application? YES NO . IF YES, a statement disclosing the name, residence, nature and extent of this interest must be filed with this application.

Please check the following to affirm information is included with submission.

Environmental Assessment Form - All petitions must include a completed SEQR Short or Long Form. SEQR forms can be completed at <http://www.dec.ny.gov/permits/6191.html>.

Petition Fee: \$700.00 plus \$100/acre Total \$ Request waiver due to Public Benefit
A check for the total amount payable to: "Commissioner of Finance" must accompany this petition.

Submit **10 copies, and one electronic copy (PDF)** of complete petition and all attachments.

Location map (Map Amendment): Submit (4) large scale 24" x 36", and (10) 11"x17" copies.

All completed petitions are to be submitted to **the Office of the Mayor for consideration.**

I, the undersigned owner or purchaser under contract for the property, hereby request zoning amendment approval by the City Council for the above petition. I agree to meet all requirements under Section 240-10.0 of the Zoning Ordinance for the City of Saratoga Springs.

Furthermore, I hereby authorize members of the City Council, Planning Board and designated City staff to enter the property associated with this petition for purposes of conducting any necessary site inspections relating to this petition.

Applicant Signature: Harold J. Moran Date: August 5, 2016
Name: Harry Moran, Chair Phone: [REDACTED]
Address: PO Box 454 E-mail: [REDACTED]
Saratoga Springs, NY 12866

If applicant is not currently the owner, the owner must sign.

Owner Signature: _____ Date: _____
Print Name: _____

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information			
Name of Action or Project: Saratoga Places for All (SPA) Housing Zoning Amendment			
Project Location (describe, and attach a location map): City of Saratoga Springs - Citywide			
Brief Description of Proposed Action: This is a zoning amendment to be adopted by the Saratoga Springs City Council that requires developers of housing developments of 10 or more units to set aside up to 20% of the units as affordable in sale or rental to households of modest income. Developers are given up to a 20% density bonus, or right to build more units, to offset the cost of providing these affordable units. There are no State or Federal subsidies or actions in this program, but there are administrative costs to the City.			
Name of Applicant or Sponsor: Sustainable Saratoga		Telephone: [REDACTED]	
		E-Mail: [REDACTED]	
Address: PO Box 454			
City/PO: Saratoga Springs		State: NY	Zip Code: 12866
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.		NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval:		NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>
3.a. Total acreage of the site of the proposed action? _____ acres			
b. Total acreage to be physically disturbed? _____ acres			
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? _____ acres			
4. Check all land uses that occur on, adjoining and near the proposed action. <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ <input type="checkbox"/> Parkland			

<p>18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size: _____ _____ _____</p>	<p>NO</p> <p><input type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____ _____</p>	<p>NO</p> <p><input type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____ _____</p>	<p>NO</p> <p><input type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor name: <u>Harry Moran, Sustainable Saratoga Chair</u> Date: <u>August 5, 2016</u></p> <p>Signature: <u>Harold J. Moran</u></p>		

Proposed SPA Housing Zoning Ordinance (August 2016)

This proposed zoning amendment is nearly identical to the Inclusionary Zoning Ordinance amendment proposed in 2006

Proposed Amendments to the Zoning Ordinance of the City of Saratoga Springs

ARTICLE 4.4 – INCLUSIONARY ZONING

240-4.4.1 LEGISLATIVE FINDINGS

- A. The City Council of the City of Saratoga Springs finds that:
- (1) Over the last decade, rising housing prices and rents have made it increasingly difficult for long-term City residents and workers to afford to live in the City, and may ultimately displace long-term residents who contribute so much to the City. Lack of access to decent affordable housing has a direct negative impact upon the health, safety and welfare of the residents of the City.
 - (2) Economic diversity is essential to the health of Saratoga Springs. A sound local economy requires a stable workforce at all wage levels. City businesses and employers are finding it more difficult to attract and retain employees, especially lower wage workers that have to live further from the City and endure longer commutes to work. This has the potential to harm the economic vitality of the City.
 - (3) Developers are in a unique position to produce needed units for working households at a reduced cost, provided the City grants them the ability to provide additional units over and above those currently permitted by zoning. Inclusionary zoning is a market-based response that achieves affordable housing by reducing or eliminating land cost through increased density.
 - (4) Inclusionary zoning can be enacted without discouraging development or negatively affecting community character. Inclusionary zoning approaches have been used successfully in communities nationwide to provide worker housing. Inclusionary housing policies can ensure an equitable distribution of affordable housing opportunities throughout all neighborhoods and zones of the City without excessive burden to any single site or area.
- B. The City has reviewed inclusionary zoning ordinances and inclusionary housing studies from around the country and adapted provisions that are appropriate to the needs and opportunities that exist in this City, has consulted with the development community and other stakeholders, and has designed an approach that is sensitive to the interests and concerns of this community.

240-4.4.2 PURPOSE

Now, therefore, the City Council of the City of Saratoga Springs, in accordance with the powers and authority vested in it by General City Law section 20 (24), 20 (25), and 81-d, hereby enacts this article in the best interests of the people of Saratoga Springs. The purposes of this article are to:

- (1) Utilize market forces to produce homebuyer and rental housing units that are affordable to working households in the City through reasonable density bonuses and affordable unit pricing without undue financial burden.
- (2) Encourage the development of housing affordable to a broad range of households with varying income levels, and mitigate the market forces excluding housing that meets the needs of all economic groups within the City.
- (3) Promote the City's goal of increasing the workforce housing stock in a uniform and predictable manner and in proportion to the overall increase in new housing units.
- (4) Ensure the availability of workforce housing throughout the community and equitably share the responsibility for workforce housing across all neighborhoods.
- (5) Mitigate environmental and other impacts that accompany new residential development by reducing traffic, transit and related air quality impacts, promoting a housing balance and reducing the demands placed on transportation infrastructure in the region.
- (6) Prevent overcrowding and deterioration of the limited supply of workforce housing and, thereby, promote public health, safety and general welfare.
- (7) Provide for efficient administration in the approval, implementation and monitoring of projects.

240-4.4.3 DEFINITIONS

As used in this article, the following terms shall have the following meanings:

AFFORDABLE RENT: Monthly rent that does not exceed one-twelfth of thirty-five percent (35%) of the maximum annual income for a household earning fifty percent (50%) of City Median Income (Low Income) or eighty percent (80%) of City Median Income (Moderate Income).

AFFORDABLE OWNERSHIP COST: A sales price that results in a monthly housing cost (including mortgage, insurance, property taxes and home association costs, if any) that does not exceed one-twelfth of thirty-five percent (35%) of the maximum annual income for a household earning eighty percent (80%) of City Median Income (Moderate Income) or one hundred percent (100%) of City Median Income (Middle Income).

CITY MEDIAN INCOME: The median household income as established by HUD for the Albany-Schenectady-Troy Metropolitan Statistical Area, adjusted by the City Office of Planning and Economic Development for the percentage difference between the City Median Income and the MSA Median Income based on the decennial Census, or other method established by the Office of Planning and Economic Development for determining the Median Income of the City on an annual basis.

CITY: The City of Saratoga Springs.

COVERED PROJECT: Any project or projects that meet(s) the criteria of article 240-IIA.4A "Covered Projects."

DEVELOPER: Any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities with an identity of at least 10% proprietary interest, which seeks City approvals for all or part of a Covered Project or Projects.

HIGH COST PROJECT: A residential development in which the addition of the Inclusionary Units will result in higher incremental construction costs directly allocable to the Inclusionary Units. These additional costs may include, but are not limited to, addition of stories, extension of elevators, additional structural support, additional garaged parking spaces, upgraded exterior materials including masonry and stone veneer, required handicapped accessibility modifications, the substantial rehabilitation of unique historic structures or features, or unusual changes or additional requirements imposed by regulatory authorities.

HOUSEHOLD: One person living alone or two or more persons sharing residency whose income is considered for housing payments.

HUD: The U.S. Department of Housing and Urban Development.

INCLUSIONARY HOUSING PLAN: A plan submitted by a Developer to provide compliance with this article.

INCLUSIONARY HOUSING AGREEMENT: A written agreement between a Developer and the City, as provided herein, to be recorded and that would run with the land.

INCLUSIONARY UNIT: A dwelling unit that must be offered at Affordable Rent or available at an Affordable Ownership Cost to Income Eligible Households, and is regulated with regard to selling price or rent level, marketing and initial occupancy, and continued requirements pertaining to resale or rents and occupancy for the minimum compliance period, as provided herein.

INCOME ELIGIBLE HOUSEHOLD: For an Inclusionary Unit for rent, a Household earning less than fifty percent (50%) of City Median Income (Low Income) or eighty percent (80%) of City Median Income (Moderate Income), as provided in article 240-IIA.6. For an Inclusionary Unit for sale, a Household earning less than eighty percent (80%) of City Median Income (Moderate Income) or one hundred percent (100%) of City Median Income (Middle Income), as provided in article 240-IIA.6.

MARKET UNIT: A dwelling unit in a Covered Project that is not an Inclusionary Unit.
SEQR: New York State Environmental Quality Review.

SUBSTANTIAL REHABILITATION: A cost of rehabilitation that exceeds 50% of the market value of the building based on the quotient of the structure's current assessed value as indicated in the City's Assessment Records divided by the city's Equalization Rate.

240-4.4.4 COVERED PROJECTS AND EXEMPT PROJECTS

A. Covered Projects

Except as otherwise provided herein, this article shall apply to all building permit requests pertaining to the following projects:

- (1) Any project of ten (10) or more new additional residential dwelling units that are produced through construction, substantial rehabilitation of existing structures, or adaptive reuse or conversion of a nonresidential use to a residential use.
- (2) Multiple developments or projects by a Developer occurring on contiguous parcels or in substantial proximity to one another shall be considered in toto and shall be Covered Projects.
- (3) Any project of less than 10 new residential units that, at the sole discretion of the Planning Board, may be permitted for voluntary inclusion as a Covered Project under this Article of the Zoning Ordinance. If approved, all requirements for Covered Projects shall apply.

B. Exempt Projects

This article shall not apply to all building permit requests pertaining to the following projects:

- (1) Mobile homes.
- (2) Any project that is developed by an educational institution for the exclusive residential use and occupancy by that institution's students.
- (3) Any project that produces affordable units equal to, or in excess of, the requirements contained in this article.
- (4) Any project for which building permit applications were properly filed before the date of enactment of this Article.
- (5) Any project for which a final Planning Board decision of approval (final PUD site plan, final site plan, or final subdivision approval) was issued before the date of enactment of this Article.

C. Temporary Suspension of Inclusionary Requirements for Covered Projects

In the event that the City's Office of Planning and Economic Development determines that the Waiting List is inadequate to support the development of additional Inclusionary Units, the Planning Board may suspend the Inclusionary Unit requirements for a specific Covered Project. In that event, no Density Bonus under 240-4.4.5 is provided.

240-4.4.5 DENSITY BONUS

To assist developers in meeting the requirements of this article, all Covered Projects shall be entitled to a density increase of no more than 20% of the number of units that the Covered Project is allowed under existing zoning or a lesser base number of units as originally proposed by the developer, as permitted subsequent to SEQR analysis or as may be established by the Planning Board. When determination of the number of units for a density bonus results in a fractional unit, any fraction of .5 or over shall be one additional unit, and any fraction below .5 will be rounded down. Notwithstanding the above, no provisions herein shall be construed as limiting the discretion of the Planning Board to conduct reviews of Covered Projects and to issue any decisions within the scope of its statutory authority.

240-4.4.6 REQUIREMENTS OF INCLUSIONARY UNITS

All Covered Projects shall meet the requirements for Inclusionary Units as specified in this section. The percentage of Inclusionary Units shall be calculated with a base number, or as may be established by the Planning Board, that does not include the bonus units added to the Covered Project.

A. Inclusionary Units – Rental

For Covered Projects where units are offered for rent, the number of Inclusionary Units shall be designated as follows. When determining the number of Inclusionary Units, any fraction of .5 or over shall be one additional unit, while any fraction below .5 will be rounded down.

If Inclusionary Unit rent is affordable to:	Required number of Inclusionary Units as a percentage of the Market Units
Low Income Households (up to 50% of area median)	10%
Moderate Income Households (50% - 80% of area median)	20%

- (1) Affordable Rents. Maximum Affordable Rents for Inclusionary Units will be calculated as follows: one-twelfth of thirty-five percent (35%) of the maximum annual income for a household at the applicable income limit – either fifty percent (50%) of City Median Income (Low Income) or eighty percent (80%) of City Median Income (Moderate Income).
- (2) In calculating the Affordable Rent of Inclusionary Units, the applicable income shall be based on the following relationship between unit size and Household size:

Unit Size	Household (HH) Size for Applicable Income
Efficiency units	1 person HH
One-bedroom units	1.5 person HH
Two-bedroom units	3 person HH
Three-bedroom units	4.5 person HH
Four-bedroom units	6 person HH

- (3) The calculations of the initial rents for the Inclusionary Units shall be made by the City Office of Planning and Economic Development and shall be contained within the Inclusionary Housing Agreement for the Covered Project. The Office of Planning and Economic Development may revise these prices in the event of documented exceptional circumstances.
- (4) In the event that a Covered Project receives additional subsidies from any public source to assist the Inclusionary Units, the value of such subsidies shall be used to reduce the rents and/or income limits for the Income Eligible Households to be served by the Units, as determined by the City Office of Planning and Economic Development.

B. Inclusionary Units – For Sale

For Covered Projects where units are offered for sale via the conveyance of a deed or share for individual units, Inclusionary Units shall be designated in accordance with the following table. When determining the number of Inclusionary Units, any fraction of .5 or above shall be one additional unit, while any fraction below .5 will be rounded down.

If Inclusionary Unit sale is affordable to:	Required number of Inclusionary Units as a percentage of the Market Units
Moderate Income Households (up to 80% of area median)	15%
Middle Income Households (80% - 100% of area median)	20%

- (1) Sales Price. Sales prices will be based on calculation of the Affordable Ownership Cost, which means a sales price that results in a monthly housing cost (including mortgage principal and interest, insurance, property taxes and home association costs, if any) that does not exceed one-twelfth of thirty-five percent (35%) of the maximum annual income for the applicable income limit – eighty percent (80%) of City Median Income (Moderate Income) or one hundred percent (100%) of City Median Income (Middle Income).
- (2) With respect to Inclusionary Units offered for sale, the Affordable Ownership Cost will be calculated on the basis of:
 - (a) A down payment of no more than five percent (5%) of the purchase price; and
 - (b) An available fixed-rate thirty-year mortgage, using Fannie Mae's current interest rate, for the balance of the purchase price. (If the Developer can guarantee the availability of a fixed-rate thirty-year mortgage at a lower rate from the State of New York Mortgage Agency or other public agency for all of the Inclusionary Units in the Covered Project, a lower interest rate as provided by that agency may be used in calculating Affordable Ownership Cost.)
- (3) The calculations of the initial sales prices for the Inclusionary Units shall be made by the City Office of Planning and Economic Development and shall be contained within the Inclusionary Housing Agreement for the Covered Project. The Office of Planning and Economic Development may revise these prices prior to initial occupancy in the event of documented exceptional circumstances.
- (4) In the event that a Covered Project receives additional subsidies from any source to assist the Inclusionary Units, the value of such subsidies shall be used to reduce the sales prices and/or income limits for the Income Eligible Households to be served by the Units, as determined by the City Office of Planning and Economic Development.

- (5) In the event that an individual buyer is able to provide a higher down payment or obtain a higher mortgage loan based on fixed-rate financing at a lower rate than provided in paragraph (2)(b) above, the additional Buyer Funds may be used by the buyer to purchase additional improvements to the Inclusionary Unit. Upon approval of the Office of Planning and Economic Development, said additional improvements can be added to the base price for purposes of determining resale under Article 240-4.4.9B.

C. General Requirements for Covered Projects – Rental and For Sale Units

- (1) **Distribution**
In order to assure an adequate distribution of Inclusionary Units by household size, the bedroom mix of Inclusionary Units in any Covered Project shall reflect the same ratio as the bedroom mix of the Market Units of the Project, unless waived by the Planning Board for good cause or requested by the Office of Planning and Economic Development based on the waiting list.
- (2) **Phasing**
Inclusionary Units shall be made available for occupancy on approximately the same schedule as, or sooner than, a Covered Project's market units, except that certificates of occupancy for the last ten percent (10%) of the Market Units shall be withheld until certificates of occupancy have been issued for all of the Inclusionary Units. A schedule setting forth the phasing of the total number of units in a Covered Project, along with a schedule setting forth the phasing of the required Inclusionary Units, shall be established prior to the issuance of a building permit for any Covered Project.
- (3) **Comparability**
Inclusionary Units may differ from the Market-Rate Units in a Covered Project with regard to interior amenities and gross floor area provided that:
 - (a) These differences, excluding differences related to unit size differentials, are not apparent in the general exterior appearance of the project's units and there is compliance with all exterior site requirements of the City.
 - (b) These differences do not include the reduction of insulation, windows, heating systems, and other improvements related to the energy efficiency of the Inclusionary Units.
 - (c) The gross floor area of the Inclusionary Units is not less than the following minimum requirements, unless waived by the Planning Board for good cause: one bedroom – 700 square feet, plus 150 square feet for each additional bedroom.

D. Inclusionary Housing Agreement

All Covered Projects are required to have an Inclusionary Housing Agreement approved as part of the final PUD site plan, final site plan or final subdivision approval by the Planning Board.

E. Restrictive Covenants

All Inclusionary Units produced shall have restrictive covenants, recorded and filed to run with the land, to ensure compliance with the occupancy, sale, rent and other requirements of this article, and provide for legal remedies for the City to enforce this article. These restrictive covenants shall be contained in the Inclusionary Housing Agreement approved by the City Planning Board.

240-4.4.7 RELIEF

The section identifies methods of relief from existing regulation to accommodate the requirements of this Article.

- A. In order to accommodate the additional residential units required by this Article, the Planning Board may grant relief from the requirements set forth in the table below to the extent necessary so that the additional units are appropriately incorporated into the overall site plan. In doing so, the Planning Board must find that the resulting development is consistent with the general area and does not negatively impact the character of the surrounding neighborhoods. The intent is to provide a sufficient degree of specificity in site design and layout without unduly restricting creative and diverse solutions.

Zoning District	Requirements that may be relieved
T-6 Urban Core	Height: standard maximum height may be exceeded up to one story. The additional story shall contain no more than the number of additional units granted by the density bonus and these units shall be set back at least 10 feet from the facades of the story below
T-4 Urban Neighborhood T-5 Neighborhood Center	Height: as defined for the T-6 Urban Core district Build-to line, side and rear setbacks Parking requirements
Single-family Residential Districts (RR, SR-1, SR-2, UR-1, UR-2)	Minimum lot size, mean width, maximum lot coverage Minimum yard dimensions Minimum floor area: units shall be a minimum of 700 square feet for 1 bedroom plus 150 square feet for each additional bedroom Number of principal buildings & residences: to permit carriage house/accessory apartments and duplexes, and only to the extent to accommodate the additional units

Single- and two-family Residential Districts (UR-3, UR-4, UR-4A, UR-7, NCD-1,2,3)	Minimum lot size, mean width, maximum lot coverage, minimum permeability Minimum yard dimensions Minimum floor area: units shall be a minimum of 700 square feet for a 1 bedroom plus 150 square feet for each additional bedroom Number of principal buildings & residences – to permit carriage house/accessory apartments and duplexes, and only to the extent to accommodate the additional units
Multi-family Residential Districts (UR-5)	Minimum lot size, mean width, maximum lot coverage, minimum permeability Minimum yard dimensions Minimum floor area – units shall be a minimum of 700 square feet for 1 bedroom plus 150 square feet for each additional bedroom

- B. **Reduction in Inclusionary Units**
 In the event the Planning Board cannot approve a full density bonus, as prescribed in Section 240-4.4.5 “Density Bonus”, the number of required Inclusionary Units shall be reduced in proportion to the ratio of proposed Inclusionary Units to the proposed density bonus (i.e., if the developer has proposed that all density bonus units be Inclusionary Units, then 100% (20%/20%) of the reduction shall be Inclusionary Units; if the developer has proposed the 15% Inclusionary Unit option, then 75% (15%/20%) of the reduction shall be Inclusionary Units; if the developer has proposed the 10% Inclusionary Unit option, then 50% of the reduction in units shall be Inclusionary Units.)

- C. **High Cost Project**
 In the event a Developer can establish by clear and convincing financial data to the Planning Board that the Covered Project constitutes a High Cost Project, the Planning Board, in consultation with the City Office of Planning and Economic Development, may permit the Developer to offer the required Inclusionary Units to households at up to 20% above the applicable income limits and prices in 240-4.4.6.

- D. **Relief from this Ordinance**
 If the developer requests full relief from this Article to eliminate the provision of all Inclusionary Units, relief shall be sought from the Zoning Board of Appeals through a variance.

240-4.4.8 SALE/LEASING OF INCLUSIONARY UNITS

Any Developer of a Covered Project shall adhere to the following provisions and to the provisions of the Inclusionary Housing Agreement with respect to the initial offering of Inclusionary Units for sale or rent.

- A. **Ineligible Households.** No Inclusionary Units may be rented or sold to any person who will not reside in that unit year-round, or to any person who is

claimed as a dependent on another person's federal or state tax return.

- B. Occupant Qualification. Occupancy of Inclusionary Units shall be by households qualified by the City.
- C. Notice of Availability. The Developer shall notify the City Office of Planning and Economic Development of the prospective availability of any Inclusionary Units at least 180 days before such Units shall be available for lease or sale in a Covered Project.
- D. Waiting List. Upon such notice, the Office of Planning and Economic Development shall provide to the Developer a list of qualified Income Eligible Households based upon the City's waiting list for Inclusionary Unit housing. Referrals will be made by the City based on priority to Income Eligible Households who are, at the time that the units are offered for sale or lease, residing or working, first, in the City and, second, in the County of Saratoga. The Developer will consider applicants in the order specified in the list, to rent or sell the Inclusionary Units, and may take into account any standard and lawful screening of applicants uniformly applied to all applicants for Inclusionary and market units. The developer shall comply with all fair housing laws. Referrals from the list will respect any conditions of occupancy, including elderly and/or handicapped occupancy, legally imposed by public financing.
- E. Release from Inclusionary Unit Restrictions. If, after the initial 180 days following the Notice of Availability, a developer is still unable to secure a qualified, Income Eligible Household for an Inclusionary Unit from the City's Waiting List, the City Office of Planning and Economic Development shall approve the release of the Inclusionary Unit restrictions and that unit may be sold or leased as a Market Unit. The excess proceeds of this sale, over and above the approved Inclusionary Unit sale price plus legitimate and reasonable carrying and sales costs of the developer, shall be repaid to the City and used to support the purposes of this Inclusionary Zoning Article.
- F. Reasonable Accommodations and Modifications. The City will operate the program and maintain the waiting lists in compliance with the Americans With Disabilities Act to ensure access to persons with disabilities.
 - (1) For homebuyer units, the City will notify the developer of referral of a household that includes a person with disabilities. The developer shall make reasonable accommodations in working with that household, and install reasonable modifications as required by the household to occupy the unit. Said reasonable modifications shall be at the expense of the household, and the sales price of the Inclusionary Unit may be adjusted to reflect the reasonable modifications.
 - (2) For rental units, when the City determines that the likely applicants for Inclusionary Units will include households with disabilities, the City will designate handicapped accessible units in the development to be reserved as Inclusionary Units as part of the Inclusionary Housing

Agreement. The developer will make reasonable accommodations to provide housing to the household containing persons with disabilities.

240-4.4.9 CONTINUED AFFORDABILITY REQUIREMENTS

A. Rental Projects

All rental Covered Projects shall comply with the following provisions, which shall be contained in an Inclusionary Housing Agreement to ensure continued affordability of Inclusionary Units.

- (1) **Minimum Affordability Period.** All Inclusionary Units shall remain affordable for a period of no less than thirty (30) years commencing from the date of initial occupancy of the units.
- (2) **Rent Increases.** Increases in the annual rent for Inclusionary Units during the minimum affordability period shall be limited to the percentage increase in the Consumer Price Index for the Albany-Schenectady-Troy Metropolitan Statistical Area. Increases above this percentage require the approval in advance and in writing from the City Office of Planning and Economic Development, which shall approve increases based on documented hardship or other exceptional conditions.
- (3) **Rental Report.** Owners of rental Inclusionary Units shall provide such information annually to the City, as determined by the City Office of Planning and Economic Development and the Inclusionary Housing Agreement, to ensure compliance with continuing occupancy and rent restrictions.
- (4) **Maintenance of Units.** Owners shall comply with all local codes and standards with respect to Inclusionary Units, and provide maintenance services to the Inclusionary Units in the same manner provided all units in the Project.
- (5) **Lease and Sublet Restrictions.** During the affordability period, the owner or occupant may not sublet an Inclusionary Unit to a Household other than an Income Eligible Household, or at a rent in excess of the Affordable Rent.
- (6) **Sale of Project.** If the Covered Project is sold during the Minimum Affordability Period, the use restrictions shall run with the land, and the new buyer will meet all restrictions of the Inclusionary Housing Agreement for the remainder of the period. The City shall charge the seller a fee to cover the costs of approving and recording the transfer.

B. Homebuyer Projects

All homebuyer Inclusionary Units shall comply with resale restrictions, which shall be contained in an Inclusionary Housing Agreement with the Developer and legally recorded with each sale. Transfer to an original co-owner does not

constitute a resale for this purpose, but the transfer is subject to all restrictions of the original covenants, and any subsequent resale is subject to these provisions.

- (1) Shared Interest in Proceeds of Sale. At the time of the initial sale of the Inclusionary Unit, the City will determine the Buyer's Interest and the City's Interest based upon current Market Value determined by appraisal as if the property was unrestricted. The Buyer's Interest will be the percentage that the Buyer's Funds, including down payment and mortgage(s), constitute of the current full market value at time of initial sale. Buyer's Funds can include additional improvements as defined in Article 240-4.4.6B(5), but do not include any mortgages, subsidies or buy downs provided by the City or other public sources.

The City's Interest will be the remainder interest; that is, the Subsidy Amount (Market Value minus Buyer's Funds) divided by the Market Value at time of initial sale.

- (2) Resale Price. The resale price shall be the Buyer's Interest multiplied by the current Market Value as an unrestricted unit at time of resale. The Office of Planning and Economic Development shall determine the market value of the unit by appraisal, the cost of which is to be borne by the seller.
- (3) Notice of Intent to Sell. At any time the original Buyer wishes to offer an Inclusionary Unit for resale, the Buyer (now the Seller) must notify the City Office of Planning and Economic Development. The City (or its designee) shall provide one or more eligible buyers from the list of eligible buyers within thirty (30) days from notification. If the City declines or fails to provide an eligible buyer after 120 days from the notice to sell, the City Office of Planning and Economic Development may release the Inclusionary Unit restrictions on this unit, and the unit may be sold as an unrestricted unit, with the City recapturing its portion of the gross proceeds based on the City's Interest in Article 240-4.49B(1) above.
- (4) Transaction Fee. The City shall charge a fee to cover the costs of resale charged to the seller out of net proceeds.

240-4.4.10 ADMINISTRATION

- A. Inclusionary Housing Plan
The developer will submit a proposed Inclusionary Housing Plan to the City Office of Planning and Economic Development in advance of Planning Board review. The Office will review the proposed plan for consistency with this Article, and provide comments to the developer and to the Planning Board.
- B. Inclusionary Housing Agreement
All Covered Projects are required to have an Inclusionary Housing Agreement approved as part of the final PUD site plan, site plan or subdivision approval by

the Planning Board. The City Office of Planning and Economic Development will prepare the Inclusionary Housing Agreement. Notwithstanding any other provision of this article, no special use permit, site plan, change of use, subdivision approval, building permit or occupancy permit shall be granted for any dwelling unit in a Covered Project unless an Inclusionary Housing Agreement has been approved by the Planning Board.

C. Expedited Processing and Waiver of Fees

- (1) Expedited Approvals and Permit Review. Structures that provide the required Inclusionary Units shall receive priority for building permit review and development approvals, and multiple IZ units with identical plans will receive single plan review.
- (2) Waiver of Fees. All municipal fees associated with the development and construction of new residential units shall be waived only as they apply to the required Inclusionary Units.

D. Oversight and Enforcement

The City Office of Planning and Economic Development will monitor Covered Projects during implementation, review occupancy reports submitted by developers, and approve the transfer or re-occupancy of Inclusionary Units.

- (1) Post-Approval Administrative Actions. In the event of unforeseen and unavoidable changes in costs, the Office of Planning and Economic Development shall have the authority to adjust pricing and eligible income levels, but changes in the number of Inclusionary Units in the Inclusionary Housing Agreement will require Planning Board approval.
- (2) Certificate of Occupancy. No final certificate of occupancy shall be issued for a Covered Project unless all Inclusionary Units within the Covered Project are eligible for a certificate of occupancy, except that, with respect to Covered Projects to be constructed in phases, certificates of occupancy may be issued on a phased basis consistent with the provisions of this Article.
- (3) Enforcement. Violations of this article shall be punishable as provided by Article 240-9.2. In addition, any certificates of occupancy for Market Units in a Covered Project found to be in violation of this article may be revoked upon a finding of substantial non-compliance hereunder.

E. Annual Report and Evaluation

The City Office of Planning and Economic Development shall monitor activity under this article and shall provide an annual report on activities and costs to the City Council. In addition, the Council shall cause this Article to be evaluated every three years, or in conjunction with the Comprehensive Plan review. In accordance with the City Charter, the Mayor shall have the authority to appoint a committee that includes representation of the inclusionary zoning program administrative staff, the Planning Board, the development industry and affordable

housing experts to monitor the initial implementation of the ordinance and make recommendations.

EXEMPTION OF FEES FOR INCLUSIONARY UNITS:

In the annual resolution of the City Council, there shall be no application fees for the inclusionary units in a site plan or subdivision application, There shall be no cash-in-lieu of recreation land fee for the inclusionary units.

Sustainable Saratoga

A proposal for Saratoga Springs

The Saratoga Places for All (SPA) Housing Ordinance

A Program to Obtain More Diverse Middle-Income Housing

Sustainable Saratoga believes it is time for the City of Saratoga Springs to enact legislation that will guarantee more diverse housing opportunities – especially for middle income households. The increasing cost of land and housing has been squeezing lower and middle income residents out of the city. A diversity of housing types is needed to accommodate a diverse population and thereby secure a key element in the long-term sustainability of the community.

More than 20 local agencies are providing housing opportunities for low income households and special needs populations. But not as much is being done for the middle income groups – the workforce of the community. Over the years the City has promoted zoning incentives to encourage builders to voluntarily create a more diverse housing stock. But because developers have chosen not to participate, the effort has been largely unsuccessful. Meanwhile, home purchase prices and rental costs are higher than ever. According to the US Census 2009-2013 American Community Survey report, the median cost to buy a home in the city was \$297,900, while the median gross rent (including utilities) was \$953.

The US Department of Housing and Urban Development (HUD) defines “affordable housing” as “housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities.” According to the US Census’s 2009-2013 American Community Survey, in Saratoga Springs 3,738 households, comprising 33.04 percent of the total, spent more than 30 percent of their income on housing costs. The total included 24.19 percent of all homeowners, or 1,556 households, and 44.71 percent of all renters, or 2,182 households.

Sustainable Saratoga proposes that the City Council adopt an inclusionary zoning ordinance as an effective means of addressing the need to provide housing that is affordable, especially for middle-income residents. We are recommending essentially the same ordinance that was prepared in 2006 after a year-long study. The ordinance has been tailored specifically to the city’s needs, reflecting our housing and development history.

The SPA Housing Ordinance – Saratoga’s Inclusionary Zoning Ordinance

Inclusionary zoning (IZ) is a type of municipal ordinance that requires new housing projects to include a prescribed proportion of units that are affordable by people with lower to middle incomes. The developer is usually rewarded with a density bonus to compensate for providing the affordable housing. The objective of IZ is to promote income-integrated communities by ensuring that new housing projects, whether involving new construction or renovation, will contain housing for individuals and families having a mix of income levels. This type of

ordinance is called inclusionary zoning because it is the opposite of exclusionary zoning—the practice of excluding low-cost housing from a municipality through the zoning code.

Communities with Similar Ordinances

There are over 400 communities in 17 states that have some kind of inclusionary zoning housing ordinance. They range in population from 15,000 to 8,000,000. IZ ordinances work best in affluent resort communities and those with growing populations. Each community's ordinance is different. There is substantial variation in density bonuses, required percentage of affordable units, eligibility of occupants, and how long affordable units must remain affordable.

The 2006 Draft IZ Ordinance for Saratoga Springs

In 2005 the Saratoga Springs City Council formed an Inclusionary Zoning Ordinance Development (IZOD) committee to develop a draft ordinance to require workforce housing in new development projects throughout the community. The committee worked for more than a year, held 30 meetings and sought input from citizens and interest groups. After numerous public hearings and revisions, a final draft ordinance was presented to the City Council in April 2006. However, the ordinance was never brought to the Council table for a vote. Those who opposed the ordinance were concerned that:

- The estimated annual cost of \$46,500 to administer and monitor the program would be too low.
- The small geographic areas of the city where the ordinance would apply would put city developers at a disadvantage in marketing their units. It was argued that the IZ should be county-wide.
- The transect zoning districts (T-4, T-5, T-6) did not have a definable base density that was dependable and predictable.
- Developers could achieve the same affordable housing goals voluntarily.

Recent Housing Trends

Unlike many other parts of the country, the 2008 economic downturn caused only a brief pause in residential construction in Saratoga Springs. Housing prices dipped only slightly, then continued their steady climb. Since the downturn, several large multi-family residential projects have been built, adding more than 850 residential units within the city limits. Had the proposed IZ ordinance been adopted in 2006, between 75 and 150 affordable units would have been built in the succeeding 9 years.

Other Housing Diversity Programs Don't Work as Well as an IZ Ordinance

Over the past few years, Sustainable Saratoga has evaluated existing affordable housing programs as well as other approaches to housing affordability in Saratoga Springs.

- The various programs operated by the Saratoga Springs Housing Authority, the City of Saratoga Springs and some non-profit entities have been successful in meeting some of the needs of low income households.

- The voluntary affordable housing incentives offered in Articles 4.1 (Density Bonus for Affordable Senior Housing), and 4.3 (Density Bonus for Public Recreation or Affordable Housing) of the City's zoning ordinance have not resulted in the addition of affordable housing units.
- The Saratoga Workforce Housing Trust Fund was established by the City Council in 2004, with the goal of acquiring public and private funding for affordable housing projects. However, funding has been limited.
- A community housing land trust is a nonprofit, community-based organization whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land. While these organizations have been successful in many parts of the country, the capital required to create and operate one in the high-priced real estate market of Saratoga Springs is very difficult to obtain.
- Employer-funded housing programs would be hard to initiate and operate in a small community such as ours.
- Density bonuses for on-site employee housing are likely to be controversial.
- In 2014 Sustainable Saratoga developed and presented to the City an incentive program for voluntary carriage house conversions, with the goal of providing more workforce housing. Such a program could supplement the proposed IZ ordinance. However, as a volunteer program, it is likely to add relatively few affordable housing units.

Advantages and Disadvantages of an IZ Ordinance

Advantages:

- Because it is mandatory, it is more effective in creating affordable housing than programs involving incentives for voluntary action by developers.
- It is a housing program with minimal costs to City government. The City does not pay to construct and manage housing, but only has administrative costs to manage and monitor the program.
- The program is designed so that the developer's costs, including the lower sale or rental prices for IZ units, are largely offset by the density bonuses.
- It has the potential to provide the most new middle-income housing at the lowest cost to taxpayers.
- It promotes a desirable mix of housing types, including middle-income housing, in new residential developments throughout the city, and avoids segregating housing by income level.
- It provides for housing diversity within the parameters of existing zoning regulations.

Disadvantages:

- It increases the involvement of city government in the housing market.
- It allows for an increase in density over what is permitted by the zoning ordinance.
- It might make it more difficult for developers to rent or sell market-rate units to households concerned about the proximity of middle-income housing.

Sustainable Saratoga believes the advantages of the IZ ordinance far outweigh the disadvantages.

How Would the SPA Housing Ordinance Work?

Sustainable Saratoga is recommending that essentially the same IZ ordinance drafted in 2006 be re-introduced, with a new name. The extensive research done in 2006 is still valid, and the need for such an ordinance is greater than ever. It is estimated that the adoption of the ordinance would result in the construction of 20 to 30 new units of affordable housing each year, depending on the number and size of residential development projects approved.

The proposed ordinance should not be viewed as a complete solution to the city's affordable housing needs. It is a long-term program that would be effective in adding more affordable housing units as the city grows over time, without requiring substantial government funding.

Key Provisions of the SPA Housing Ordinance

- Required number of affordable units:
 - Developments with 10 or more units would either dedicate 20 percent of the units for moderate income households or 10 percent of the units for low income households. This provision would apply to units both for rent and for sale, with some variations.
 - Rental units would remain affordable for 30 years. Units offered for sale would remain affordable in perpetuity.
 - Candidates for occupancy of the affordable units would be screened and monitored by the City and selected by lottery.
- Density Bonus:
 - In exchange for providing the required proportion of affordable units, the developer could increase the density of a development project by up to 20 percent. The Planning Board could relax certain development standards during the approval process.
- Developers would commit to the affordability requirements by entering into an "inclusionary housing agreement" with the City.
- A developer would be exempted from the requirements of the IZ ordinance for unusual conditions.
- The City would create a special committee to monitor the program and make any recommendations for changing the ordinance.

For more information contact: Sustainable Saratoga

Email: info@sustainablesaratoga.org

Or visit our website: www.sustainablesaratoga.org

Sustainable Saratoga is a not-for-profit organization that promotes sustainable practices and advocates for smart growth land use principles and procedures. Find out about our principles for smart land use in Saratoga here: <http://www.sustainablesaratoga.org/work/hup/>

Proposed SPA Housing Zoning Ordinance (August 2016)

(The following is “track change” record of how the current proposed ordinance amendment differs from the proposed 2006 draft ordinance)

Proposed Amendments to the Zoning Ordinance of the City of Saratoga Springs

ARTICLE ~~4.4~~**HA** – INCLUSIONARY ZONING

240-~~4.4~~**HA.1** LEGISLATIVE FINDINGS

A. The City Council of the City of Saratoga Springs finds that:

- (1) Over the last decade, rising housing prices and rents have made it increasingly difficult for long-term City residents and workers to afford to live in the City, and may ultimately displace long-term residents who contribute so much to the City. Lack of access to decent affordable housing has a direct negative impact upon the health, safety and welfare of the residents of the City.
- (2) Economic diversity is essential to the health of Saratoga Springs. A sound local economy requires a stable workforce at all wage levels. City businesses and employers are finding it more difficult to attract and retain employees, especially lower wage workers that have to live further from the City and endure longer commutes to work. This has the potential to harm the economic vitality of the City.
- (3) Developers are in a unique position to produce needed units for working households at a reduced cost, provided the City grants them the ability to provide additional units over and above those currently permitted by zoning. Inclusionary zoning is a market-based response that achieves affordable housing by reducing or eliminating land cost through increased density.
- (4) Inclusionary zoning can be enacted without discouraging development or negatively affecting community character. Inclusionary zoning approaches have been used successfully in communities nationwide to provide worker housing. Inclusionary housing policies can ensure an equitable distribution of affordable housing opportunities throughout all neighborhoods and zones of the City without excessive burden to any single site or area.

B. The City has reviewed inclusionary zoning ordinances and inclusionary housing studies from around the country and adapted provisions that are appropriate to the needs and opportunities that exist in this City, has consulted with the development community and other stakeholders, and has designed an approach

that is sensitive to the interests and concerns of this community.

240-4.4IIA.2 PURPOSE

Now, therefore, the City Council of the City of Saratoga Springs, in accordance with the powers and authority vested in it by General City Law section 20 (24), 20 (25), and 81-d, hereby enacts this article in the best interests of the people of Saratoga Springs. The purposes of this article are to:

- (1) Utilize market forces to produce homebuyer and rental housing units that are affordable to working households in the City through reasonable density bonuses and affordable unit pricing without undue financial burden.
- (2) Encourage the development of housing affordable to a broad range of households with varying income levels, and mitigate the market forces excluding housing that meets the needs of all economic groups within the City.
- (3) Promote the City's goal of increasing the workforce housing stock in a uniform and predictable manner and in proportion to the overall increase in new housing units.
- (4) Ensure the availability of workforce housing throughout the community and equitably share the responsibility for workforce housing across all neighborhoods.
- (5) Mitigate environmental and other impacts that accompany new residential development by reducing traffic, transit and related air quality impacts, promoting a housing balance and reducing the demands placed on transportation infrastructure in the region.
- (6) Prevent overcrowding and deterioration of the limited supply of workforce housing and, thereby, promote public health, safety and general welfare.
- (7) Provide for efficient administration in the approval, implementation and monitoring of projects.

240-4.4IIA.3 DEFINITIONS

As used in this article, the following terms shall have the following meanings:

AFFORDABLE RENT: Monthly rent that does not exceed one-twelfth of thirty-five percent (35%) of the maximum annual income for a household earning fifty percent (50%) of City Median Income (Low Income) or eighty percent (80%) of City Median Income (Moderate Income).

AFFORDABLE OWNERSHIP COST: A sales price that results in a monthly housing cost (including mortgage, insurance, property taxes and home association costs, if any) that

does not exceed one-twelfth of thirty-five percent (35%) of the maximum annual income for a household earning eighty percent (80%) of City Median Income (Moderate Income) or one hundred percent (100%) of City Median Income (Middle Income).

CITY MEDIAN INCOME: The median household income as established by HUD for the Albany-Schenectady-Troy Metropolitan Statistical Area, adjusted by the City Office of Planning and Economic Development for the percentage difference between the City Median Income and the MSA Median Income based on the decennial Census, or other method established by the Office of Planning and Economic Development for determining the Median Income of the City on an annual basis.

CITY: The City of Saratoga Springs.

COVERED PROJECT: Any project or projects that meet(s) the criteria of article 240-IIA.4A "Covered Projects."

DEVELOPER: Any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities with an identity of at least 10% proprietary interest, which seeks City approvals for all or part of a Covered Project or Projects.

HIGH COST PROJECT: A residential development in which the addition of the Inclusionary Units will result in higher incremental construction costs directly allocable to the Inclusionary Units. These additional costs may include, but are not limited to, addition of stories, extension of elevators, additional structural support, additional garaged parking spaces, upgraded exterior materials including masonry and stone veneer, required handicapped accessibility modifications, the substantial rehabilitation of unique historic structures or features, or unusual changes or additional requirements imposed by regulatory authorities.

HOUSEHOLD: One person living alone or two or more persons sharing residency whose income is considered for housing payments.

HUD: The U.S. Department of Housing and Urban Development.

INCLUSIONARY HOUSING PLAN: A plan submitted by a Developer to provide compliance with this article.

INCLUSIONARY HOUSING AGREEMENT: A written agreement between a Developer and the City, as provided herein, to be recorded and that would run with the land.

INCLUSIONARY UNIT: A dwelling unit that must be offered at Affordable Rent or available at an Affordable Ownership Cost to Income Eligible Households, and is regulated with regard to selling price or rent level, marketing and initial occupancy, and continued requirements pertaining to resale or rents and occupancy for the minimum compliance period, as provided herein.

INCOME ELIGIBLE HOUSEHOLD: For an Inclusionary Unit for rent, a Household earning less than fifty percent (50%) of City Median Income (Low Income) or eighty percent (80%) of City Median Income (Moderate Income), as provided in article 240-IIA.6. For

an Inclusionary Unit for sale, a Household earning less than eighty percent (80%) of City Median Income (Moderate Income) or one hundred percent (100%) of City Median Income (Middle Income), as provided in article 240-IIA.6.

MARKET UNIT: A dwelling unit in a Covered Project that is not an Inclusionary Unit.
SEQR: New York State Environmental Quality Review.

SUBSTANTIAL REHABILITATION: A cost of rehabilitation that exceeds 50% of the market value of the building based on the quotient of the structure's current assessed value as indicated in the City's Assessment Records divided by the city's Equalization Rate.

240-4.4IIA.4 COVERED PROJECTS AND EXEMPT PROJECTS

A. Covered Projects

Except as otherwise provided herein, this article shall apply to all building permit requests pertaining to the following projects:

- (1) Any project of ten (10) or more new additional residential dwelling units that are produced through construction, substantial rehabilitation of existing structures, or adaptive reuse or conversion of a nonresidential use to a residential use.
- (2) Multiple developments or projects by a Developer occurring on contiguous parcels or in substantial proximity to one another shall be considered in toto and shall be Covered Projects.
- (3) Any project of less than 10 new residential units that, at the sole discretion of the Planning Board, may be permitted for voluntary inclusion as a Covered Project under this Article of the Zoning Ordinance. If approved, all requirements for Covered Projects shall apply.

B. Exempt Projects

This article shall not apply to all building permit requests pertaining to the following projects:

- (1) Mobile homes.
- (2) Any project that is developed by an educational institution for the exclusive residential use and occupancy by that institution's students.
- (3) Any project that produces affordable units equal to, or in excess of, the requirements contained in this article.
- (4) Any project for which building permit applications were properly filed before the date of enactment of this Article.
- (5) Any project for which a final Planning Board decision of approval (final PUD site plan, final site plan, or final subdivision approval) was issued

before the date of enactment of this Article.

C. Temporary Suspension of Inclusionary Requirements for Covered Projects

In the event that the City's Office of Planning and Economic Development determines that the Waiting List is inadequate to support the development of additional Inclusionary Units, the Planning Board may suspend the Inclusionary Unit requirements for a specific Covered Project. In that event, no Density Bonus under 240-4.4HA.5 is provided.

240-4.4HA.5 DENSITY BONUS

To assist developers in meeting the requirements of this article, all Covered Projects shall be entitled to a density increase of no more than 20% of the number of units that the Covered Project is allowed under existing zoning or a lesser base number of units as originally proposed by the developer, as permitted subsequent to SEQR analysis or as may be established by the Planning Board. When determination of the number of units for a density bonus results in a fractional unit, any fraction of .5 or over shall be one additional unit, and any fraction below .5 will be rounded down. Notwithstanding the above, no provisions herein shall be construed as limiting the discretion of the Planning Board to conduct reviews of Covered Projects and to issue any decisions within the scope of its statutory authority.

240-4.4HA.6 REQUIREMENTS OF INCLUSIONARY UNITS

All Covered Projects shall meet the requirements for Inclusionary Units as specified in this section. The percentage of Inclusionary Units shall be calculated with a base number, or as may be established by the Planning Board, that does not include the bonus units added to the Covered Project.

A. Inclusionary Units – Rental

For Covered Projects where units are offered for rent, the number of Inclusionary Units shall be designated as follows. When determining the number of Inclusionary Units, any fraction of .5 or over shall be one additional unit, while any fraction below .5 will be rounded down.

If Inclusionary Unit rent is affordable to:	Required number of Inclusionary Units as a percentage of the Market Units
Low Income Households (up to 50% of area median)	10%
Moderate Income Households (50% - 80% of area median)	20%

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- (1) Affordable Rents. Maximum Affordable Rents for Inclusionary Units will be calculated as follows: one-twelfth of thirty-five percent (35%) of the maximum annual income for a household at the applicable income limit – either fifty percent (50%) of City Median Income (Low Income) or eighty percent (80%) of City Median Income (Moderate Income).
- (2) In calculating the Affordable Rent of Inclusionary Units, the applicable income shall be based on the following relationship between unit size and Household size:

Unit Size	Household (HH) Size for Applicable Income
Efficiency units	1 person HH
One-bedroom units	1.5 person HH
Two-bedroom units	3 person HH
Three-bedroom units	4.5 person HH
Four-bedroom units	6 person HH

- (3) The calculations of the initial rents for the Inclusionary Units shall be made by the City Office of Planning and Economic Development and shall be contained within the Inclusionary Housing Agreement for the Covered Project. The Office of Planning and Economic Development may revise these prices in the event of documented exceptional circumstances.
- (4) In the event that a Covered Project receives additional subsidies from any public source to assist the Inclusionary Units, the value of such subsidies shall be used to reduce the rents and/or income limits for the Income Eligible Households to be served by the Units, as determined by the City Office of Planning and Economic Development.

B. Inclusionary Units – For Sale

For Covered Projects where units are offered for sale via the conveyance of a

deed or share for individual units, Inclusionary Units shall be designated in accordance with the following table. When determining the number of Inclusionary Units, any fraction of .5 or above shall be one additional unit, while any fraction below .5 will be rounded down.

If Inclusionary Unit sale is affordable to:	Required number of Inclusionary Units as a percentage of the Market Units
Moderate Income Households (up to 80% of area median)	15%
Middle Income Households (80% - 100% of area median)	20%

- (1) Sales Price. Sales prices will be based on calculation of the Affordable Ownership Cost, which means a sales price that results in a monthly housing cost (including mortgage principal and interest, insurance, property taxes and home association costs, if any) that does not exceed one-twelfth of thirty-five percent (35%) of the maximum annual income for the applicable income limit – eighty percent (80%) of City Median Income (Moderate Income) or one hundred percent (100%) of City Median Income (Middle Income).
- (2) With respect to Inclusionary Units offered for sale, the Affordable Ownership Cost will be calculated on the basis of:
 - (a) A down payment of no more than five percent (5%) of the purchase price; and
 - (b) An available fixed-rate thirty-year mortgage, using Fannie Mae's current interest rate, for the balance of the purchase price. (If the Developer can guarantee the availability of a fixed-rate thirty-year mortgage at a lower rate from the State of New York Mortgage Agency or other public agency for all of the Inclusionary Units in the Covered Project, a lower interest rate as provided by that agency may be used in calculating Affordable Ownership Cost.)
- (3) The calculations of the initial sales prices for the Inclusionary Units shall be made by the City Office of Planning and Economic Development and shall be contained within the Inclusionary Housing Agreement for the Covered Project. The Office of Planning and Economic Development may revise these prices prior to initial occupancy in the event of documented exceptional circumstances.

- (4) In the event that a Covered Project receives additional subsidies from any source to assist the Inclusionary Units, the value of such subsidies shall be used to reduce the sales prices and/or income limits for the Income Eligible Households to be served by the Units, as determined by the City Office of Planning and Economic Development.
- (5) In the event that an individual buyer is able to provide a higher down payment or obtain a higher mortgage loan based on fixed-rate financing at a lower rate than provided in paragraph (2)(b) above, the additional Buyer Funds may be used by the buyer to purchase additional improvements to the Inclusionary Unit. Upon approval of the Office of Planning and Economic Development, said additional improvements can be added to the base price for purposes of determining resale under Article 240-~~4.4~~4A.9B.

C. General Requirements for Covered Projects – Rental and For Sale Units

- (1) **Distribution**
In order to assure an adequate distribution of Inclusionary Units by household size, the bedroom mix of Inclusionary Units in any Covered Project shall reflect the same ratio as the bedroom mix of the Market Units of the Project, unless waived by the Planning Board for good cause or requested by the Office of Planning and Economic Development based on the waiting list.
- (2) **Phasing**
Inclusionary Units shall be made available for occupancy on approximately the same schedule as, or sooner than, a Covered Project's market units, except that certificates of occupancy for the last ten percent (10%) of the Market Units shall be withheld until certificates of occupancy have been issued for all of the Inclusionary Units. A schedule setting forth the phasing of the total number of units in a Covered Project, along with a schedule setting forth the phasing of the required Inclusionary Units, shall be established prior to the issuance of a building permit for any Covered Project.
- (3) **Comparability**
Inclusionary Units may differ from the Market-Rate Units in a Covered Project with regard to interior amenities and gross floor area provided that:
 - (a) These differences, excluding differences related to unit size differentials, are not apparent in the general exterior appearance of the project's units and there is compliance with all exterior site requirements of the City.
 - (b) These differences do not include the reduction of insulation, windows, heating systems, and other improvements related to the energy efficiency of the Inclusionary Units.

- (c) The gross floor area of the Inclusionary Units is not less than the following minimum requirements, unless waived by the Planning Board for good cause: one bedroom – 700 square feet, plus 150 square feet for each additional bedroom.

D. Inclusionary Housing Agreement

All Covered Projects are required to have an Inclusionary Housing Agreement approved as part of the final PUD site plan, final site plan or final subdivision approval by the Planning Board.

E. Restrictive Covenants

All Inclusionary Units produced shall have restrictive covenants, recorded and filed to run with the land, to ensure compliance with the occupancy, sale, rent and other requirements of this article, and provide for legal remedies for the City to enforce this article. These restrictive covenants shall be contained in the Inclusionary Housing Agreement approved by the City Planning Board.

240-4.4HA.7 RELIEF

The section identifies methods of relief from existing regulation to accommodate the requirements of this Article.

- A. In order to accommodate the additional residential units required by this Article, the Planning Board may grant relief from the requirements set forth in the table below to the extent necessary so that the additional units are appropriately incorporated into the overall site plan. In doing so, the Planning Board must find that the resulting development is consistent with the general area and does not negatively impact the character of the surrounding neighborhoods. The intent is to provide a sufficient degree of specificity in site design and layout without unduly restricting creative and diverse solutions.

Zoning District	Requirements that may be relieved
T-6 Urban Core	Height: standard maximum height may be exceeded up to one story. The additional story shall contain no more than the number of additional units granted by the density bonus and these units shall be set back at least 10 feet from the facades of the story below
T-4 Urban Neighborhood T-5 Neighborhood Center	Height: as defined for the T-6 Urban Core district Build-to line, side and rear setbacks Parking requirements
Single-family Residential Districts (RR-4, SR-1, SR-2, UR-1,	Minimum lot size, mean width, maximum lot coverage Minimum yard dimensions Minimum floor area: units shall be a minimum of 700

UR-2)	square feet for 1 bedroom plus 150 square feet for each additional bedroom Number of principal buildings & residences: to permit carriage house/accessory apartments and duplexes, and only to the extent to accommodate the additional units
Single- and two-family Residential Districts (UR-3, UR-4, UR-4A, UR-7, NCD-1,2,3)	Minimum lot size, mean width, maximum lot coverage, minimum permeability Minimum yard dimensions Minimum floor area: units shall be a minimum of 700 square feet for a 1 bedroom plus 150 square feet for each additional bedroom Number of principal buildings & residences – to permit carriage house/accessory apartments and duplexes, and only to the extent to accommodate the additional units
Multi-family Residential Districts (UR-5)	Minimum lot size, mean width, maximum lot coverage, minimum permeability Minimum yard dimensions Minimum floor area – units shall be a minimum of 700 square feet for 1 bedroom plus 150 square feet for each additional bedroom

B. Reduction in Inclusionary Units

In the event the Planning Board cannot approve a full density bonus, as prescribed in Section 240-4.4HA.5 “Density Bonus”, the number of required Inclusionary Units shall be reduced in proportion to the ratio of proposed Inclusionary Units to the proposed density bonus (i.e., if the developer has proposed that all density bonus units be Inclusionary Units, then 100% (20%/20%) of the reduction shall be Inclusionary Units; if the developer has proposed the 15% Inclusionary Unit option, then 75% (15%/20%) of the reduction shall be Inclusionary Units; if the developer has proposed the 10% Inclusionary Unit option, then 50% of the reduction in units shall be Inclusionary Units.)

C. High Cost Project

In the event a Developer can establish by clear and convincing financial data to the Planning Board that the Covered Project constitutes a High Cost Project, the Planning Board, in consultation with the City Office of Planning and Economic Development, may permit the Developer to offer the required Inclusionary Units to households at up to 20% above the applicable income limits and prices in 240-4.4HA.6.

D. Relief from this Ordinance

If the developer requests full relief from this Article to eliminate the provision of all Inclusionary Units, relief shall be sought from the Zoning Board of Appeals through a ~~use~~ variance.

240-4.4HA.8 SALE/LEASING OF INCLUSIONARY UNITS

Any Developer of a Covered Project shall adhere to the following provisions and to the

provisions of the Inclusionary Housing Agreement with respect to the initial offering of Inclusionary Units for sale or rent.

- A. Ineligible Households. No Inclusionary Units may be rented or sold to any person who will not reside in that unit year-round, or to any person who is claimed as a dependent on another person's federal or state tax return.
- B. Occupant Qualification. Occupancy of Inclusionary Units shall be by households qualified by the City.
- C. Notice of Availability. The Developer shall notify the City Office of Planning and Economic Development of the prospective availability of any Inclusionary Units at least 180 days before such Units shall be available for lease or sale in a Covered Project.
- D. Waiting List. Upon such notice, the Office of Planning and Economic Development shall provide to the Developer a list of qualified Income Eligible Households based upon the City's waiting list for Inclusionary Unit housing. Referrals will be made by the City based on priority to Income Eligible Households who are, at the time that the units are offered for sale or lease, residing or working, first, in the City and, second, in the County of Saratoga. The Developer will consider applicants in the order specified in the list, to rent or sell the Inclusionary Units, and may take into account any standard and lawful screening of applicants uniformly applied to all applicants for Inclusionary and market units. The developer shall comply with all fair housing laws. Referrals from the list will respect any conditions of occupancy, including elderly and/or handicapped occupancy, legally imposed by public financing.
- E. Release from Inclusionary Unit Restrictions. If, after the initial 180 days following the Notice of Availability, a developer is still unable to secure a qualified, Income Eligible Household for an Inclusionary Unit from the City's Waiting List, the City Office of Planning and Economic Development shall approve the release of the Inclusionary Unit restrictions and that unit may be sold or leased as a Market Unit. The excess proceeds of this sale, over and above the approved Inclusionary Unit sale price plus legitimate and reasonable carrying and sales costs of the developer, shall be repaid to the City and used to support the purposes of this Inclusionary Zoning Article.
- F. Reasonable Accommodations and Modifications. The City will operate the program and maintain the waiting lists in compliance with the Americans With Disabilities Act to ensure access to persons with disabilities.
 - (1) For homebuyer units, the City will notify the developer of referral of a household that includes a person with disabilities. The developer shall make reasonable accommodations in working with that household, and install reasonable modifications as required by the household to occupy the unit. Said reasonable modifications shall be at the expense of the household, and the sales price of the Inclusionary Unit may be adjusted to reflect the reasonable modifications.

- (2) For rental units, when the City determines that the likely applicants for Inclusionary Units will include households with disabilities, the City will designate handicapped accessible units in the development to be reserved as Inclusionary Units as part of the Inclusionary Housing Agreement. The developer will make reasonable accommodations to provide housing to the household containing persons with disabilities.

240-4.4IIA.9 CONTINUED AFFORDABILITY REQUIREMENTS

A. Rental Projects

All rental Covered Projects shall comply with the following provisions, which shall be contained in an Inclusionary Housing Agreement to ensure continued affordability of Inclusionary Units.

- (1) **Minimum Affordability Period.** All Inclusionary Units shall remain affordable for a period of no less than thirty (30) years commencing from the date of initial occupancy of the units.
- (2) **Rent Increases.** Increases in the annual rent for Inclusionary Units during the minimum affordability period shall be limited to the percentage increase in the Consumer Price Index for the Albany-Schenectady-Troy Metropolitan Statistical Area. Increases above this percentage require the approval in advance and in writing from the City Office of Planning and Economic Development, which shall approve increases based on documented hardship or other exceptional conditions.
- (3) **Rental Report.** Owners of rental Inclusionary Units shall provide such information annually to the City, as determined by the City Office of Planning and Economic Development and the Inclusionary Housing Agreement, to ensure compliance with continuing occupancy and rent restrictions.
- (4) **Maintenance of Units.** Owners shall comply with all local codes and standards with respect to Inclusionary Units, and provide maintenance services to the Inclusionary Units in the same manner provided all units in the Project.
- (5) **Lease and Sublet Restrictions.** During the affordability period, the owner or occupant may not sublet an Inclusionary Unit to a Household other than an Income Eligible Household, or at a rent in excess of the Affordable Rent.
- (6) **Sale of Project.** If the Covered Project is sold during the Minimum Affordability Period, the use restrictions shall run with the land, and the new buyer will meet all restrictions of the Inclusionary Housing Agreement for the remainder of the period. The City shall charge the seller a fee to cover the costs of approving and recording the transfer.

B. Homebuyer Projects

All homebuyer Inclusionary Units shall comply with resale restrictions, which shall be contained in an Inclusionary Housing Agreement with the Developer and legally recorded with each sale. Transfer to an original co-owner does not constitute a resale for this purpose, but the transfer is subject to all restrictions of the original covenants, and any subsequent resale is subject to these provisions.

- (1) Shared Interest in Proceeds of Sale. At the time of the initial sale of the Inclusionary Unit, the City will determine the Buyer's Interest and the City's Interest based upon current Market Value determined by appraisal as if the property was unrestricted. The Buyer's Interest will be the percentage that the Buyer's Funds, including down payment and mortgage(s), constitute of the current full market value at time of initial sale. Buyer's Funds can include additional improvements as defined in Article 240-4.4HA.6B(5), but do not include any mortgages, subsidies or buy downs provided by the City or other public sources.

The City's Interest will be the remainder interest; that is, the Subsidy Amount (Market Value minus Buyer's Funds) divided by the Market Value at time of initial sale.

- (2) Resale Price. The resale price shall be the Buyer's Interest multiplied by the current Market Value as an unrestricted unit at time of resale. The Office of Planning and Economic Development shall determine the market value of the unit by appraisal, the cost of which is to be borne by the seller.
- (3) Notice of Intent to Sell. At any time the original Buyer wishes to offer an Inclusionary Unit for resale, the Buyer (now the Seller) must notify the City Office of Planning and Economic Development. The City (or its designee) shall provide one or more eligible buyers from the list of eligible buyers within thirty (30) days from notification. If the City declines or fails to provide an eligible buyer after 120 days from the notice to sell, the City Office of Planning and Economic Development may release the Inclusionary Unit restrictions on this unit, and the unit may be sold as an unrestricted unit, with the City recapturing its portion of the gross proceeds based on the City's Interest in Article 240-4.4HA.9B(1) above.
- (4) Transaction Fee. The City shall charge a fee to cover the costs of resale charged to the seller out of net proceeds.

240-4.4HA.10 ADMINISTRATION

A. Inclusionary Housing Plan

The developer will submit a proposed Inclusionary Housing Plan to the City Office of Planning and Economic Development in advance of Planning Board review. The Office will review the proposed plan for consistency with this Article,

and provide comments to the developer and to the Planning Board.

B. Inclusionary Housing Agreement

All Covered Projects are required to have an Inclusionary Housing Agreement approved as part of the final PUD site plan, site plan or subdivision approval by the Planning Board. The City Office of Planning and Economic Development will prepare the Inclusionary Housing Agreement. Notwithstanding any other provision of this article, no special use permit, site plan, change of use, subdivision approval, building permit or occupancy permit shall be granted for any dwelling unit in a Covered Project unless an Inclusionary Housing Agreement has been approved by the Planning Board.

C. Expedited Processing and Waiver of Fees

(1) Expedited Approvals and Permit Review. Structures that provide the required Inclusionary Units shall receive priority for building permit review and development approvals, and multiple IZ units with identical plans will receive single plan review.

(2) Waiver of Fees. All municipal fees associated with the development and construction of new residential units shall be waived only as they apply to the required Inclusionary Units.

D. Oversight and Enforcement

The City Office of Planning and Economic Development will monitor Covered Projects during implementation, review occupancy reports submitted by developers, and approve the transfer or re-occupancy of Inclusionary Units.

(1) Post-Approval Administrative Actions. In the event of unforeseen and unavoidable changes in costs, the Office of Planning and Economic Development shall have the authority to adjust pricing and eligible income levels, but changes in the number of Inclusionary Units in the Inclusionary Housing Agreement will require Planning Board approval.

(2) Certificate of Occupancy. No final certificate of occupancy shall be issued for a Covered Project unless all Inclusionary Units within the Covered Project are eligible for a certificate of occupancy, except that, with respect to Covered Projects to be constructed in phases, certificates of occupancy may be issued on a phased basis consistent with the provisions of this Article.

(3) Enforcement. Violations of this article shall be punishable as provided by Article 240-9.213. In addition, any certificates of occupancy for Market Units in a Covered Project found to be in violation of this article may be revoked upon a finding of substantial non-compliance hereunder.

E. Annual Report and Evaluation

The City Office of Planning and Economic Development shall monitor activity under this article and shall provide an annual report on activities and costs to the

City Council. In addition, the Council shall cause this Article to be evaluated every three years, or in conjunction with the Comprehensive Plan review. In accordance with the City Charter, the Mayor shall have the authority to appoint a committee that includes representation of the inclusionary zoning program administrative staff, the Planning Board, the development industry and affordable housing experts to monitor the initial implementation of the ordinance and make recommendations.

EXEMPTION OF FEES FOR INCLUSIONARY UNITS:

In the annual resolution of the City Council, there shall be no application fees for the inclusionary units in a site plan or subdivision application, There shall be no cash-in-lieu of recreation land fee for the inclusionary units.

~~3.1. Proposed Amendment Creating Article 240-13.6G Exemption for Inclusionary Units~~

To add a new subsection "G" to read as follows:

~~"Article 240-13.6G Exemption for Inclusionary Units~~

~~The above mentioned fees shall not apply to any inclusionary zoning units or units which shall have received all required approvals under Article IIA of the Zoning Ordinance entitled, "Inclusionary Zoning"."~~

~~3.2. Proposed Amendment to Subdivision Regulations, Appendix A~~

To add the following to Appendix A:

~~"Fees established in this appendix shall not apply to any inclusionary zoning units or units which shall have received all required approvals under Article IIA of the Zoning Ordinance entitled, "Inclusionary Zoning"."~~

~~3.3. Proposed Amendment to City Code Chapter 231, Section 231-48, "Application for Service; Connection Fees"~~

To add a new subsection "D" to read as follows:

~~"D. Fees established in this section shall not apply to any inclusionary zoning units or units which shall have received all required approvals under Article IIA of the Zoning Ordinance entitled, "Inclusionary Zoning"."~~

Questions & Answers: **Proposed “Saratoga Places for All” (SPA) Housing Ordinance** (August 2016)

(The following “Questions & Answers” are from the City’s 2006 Inclusionary Zoning Ordinance, updated by Sustainable Saratoga to reflect data relevant to the current SPA-Housing Ordinance proposal.)

Why is Sustainable Saratoga supporting this proposal?

- Sustainable Saratoga advocates for sustainable smart growth policies. One such policy is that the City should have adequate, diverse housing.

What is the SPA-Housing ordinance?

- SPA-Housing is an inclusionary zoning (IZ) ordinance that requires developers of larger housing (sale or rental) developments to include some affordable units to households of modest income. Developers are given a modest density bonus, or the right to build more units, to offset the costs of producing these units. The proposed ordinance for Saratoga Springs requires developments of 10 or more new units to dedicate 10 to 20 percent (depending on target income level) of the new units to be affordable in exchange for a 20 percent density bonus. Over 500 other communities in the country have enacted similar ordinances.

What does the SPA-Housing Ordinance require?

- Developments with 10 or more new RENTAL units must set aside either:
 - 20% of units for households earning under \$65,000 (less than 80% of Area Median Income – AMI, based on a 4-person household) or
 - 10% of units for households earning under \$41,000 (less than 50% of AMI, based on a 4-person household)
- Developments with 10 or more new FOR SALE units must set aside either:
 - 20% of units for households earning under \$82,000 (less than 100% of AMI, 4 persons) or
 - 15% of units for households earning under \$65,000 (less than 80% of AMI, 4 persons)
- Density bonus - In exchange for providing the Inclusionary Units, the developer may increase the total number of units in the project by up to 20%.
- As necessary and appropriate to accommodate the Inclusionary Units, the Planning Board can relax certain regulations, depending on the zoning district.
- Developers will enter into an “Inclusionary Housing Agreement” with the City to assure that the conditions of inclusionary zoning are met.

Are there any exceptions?

- The Ordinance would apply citywide to new construction, substantial rehab or conversions, except for:
 - Exclusively non-residential development
 - Developments with fewer than 10 new units (unless developer requests & City approves)
- The Planning Board can waive part or all of the Inclusionary Zoning (IZ) requirements if it determines the additional units cannot be accommodated on site without detrimental impact.
- Developers may request “relief” from IZ through the Zoning Board of Appeals.

How will the Inclusionary Units be priced?

- Maximum rents and sales prices will be determined annually based on income levels. The Ordinance provides formulas for determining what the rents or sale prices for the affordable units will be.
- For certain "high cost" construction, the developer may seek Planning Board approval to set the price to target a slightly higher income level (up to 20% higher).

How will the Inclusionary Units differ from the market-rate units?

- In order to make the units affordable, inclusionary units may be smaller in size and contain less expensive interior finishes and amenities than the market rate units.
- Exterior finishes must be comparable to the market-rate units.

How long will the Inclusionary Units remain affordable?

- Rental units must remain affordable for at least 30 years.
- For sale units will remain affordable in perpetuity, with unit owners receiving net proceeds of the sale in proportion to their original investment.
- Affordability requirements are maintained through restrictive covenants & deed restrictions.

Who will be eligible for an Inclusionary Unit?

- The City Office of Planning and Economic Development will create and maintain a waiting list of eligible candidates based on income limits (adjusted annually).
- Priority is given first to households that reside or work in the City, second priority to households that reside or work in Saratoga County.
- Developers of Inclusionary Units will use this list to rent or sell the units.
- Seasonal or part-time residents will not be eligible.
- Subletting an inclusionary unit to a non-income-eligible party is prohibited; on turnover, new occupants will be selected from the City waiting list.

How will the program be monitored to make certain it works in Saratoga Springs?

- The Mayor is authorized to appoint a committee of experts to monitor the initial implementation of the Ordinance and to make recommendations for changes.
- The Planning Board can waive the requirements for individual projects where it is determined the IZ units cannot be provided without detrimental impact.
- If the City's waiting list is exhausted, the Planning Board can suspend the requirements for projects, or release individual units to market sale (with the excess proceeds being used to support this Ordinance).
- An annual report will be provided to the Council. An evaluation is scheduled every 3 years, which is the minimum time necessary to allow initial projects to be completed and units occupied.
- The City Council has the authority to amend this or any other portion of the City's Zoning Ordinance as needed.

How many affordable units will this produce?

- Based on recent years, 15 to 30 units could be produced each year, although this could be higher or lower depending on the market and the types of projects approved. Under current market conditions, these units are likely to be mostly rental units, although over time the Ordinance may also result in the creation of owner-occupied units.

Where will these units be produced?

- Consistent with the IZ principle of “fair share”, IZ units will be produced throughout the City, in proportion to the zoning density that applies to that particular neighborhood or site. The SPA Housing program is consistent with the relative housing densities proposed in the City’s Comprehensive Plan.
- The number of IZ units that any one area receives will be determined by the amount of new housing development in that area.

Who will these units be for?

- It is envisioned that these units will serve local residents – elderly residents who can no longer keep up with the tax and maintenance burden of single family ownership, young people who grew up here and are returning to raise their families in Saratoga, and people who have jobs in the City or County and want to live closer to work. The Ordinance gives priority to households of modest income that live or work in Saratoga Springs. Based on current incomes, IZ units would serve a two-person household earning \$32,800 - \$52,500 for rental housing, and up to about \$65,600 for homeownership. For a four-person household, IZ units would serve households in the \$41,000 - \$65,000 range for rental units, and up to \$82,000 for homebuyer units. These income ranges are adjusted annually.

How will IZ be administered and what are the costs?

- The ordinance is designed to minimize the administrative impact on our small city government. The Office of Planning and Economic Development (OPED) will administer the ordinance. While some staff time is required, these are functions already performed by OPED in other city housing programs, so the added workload is incremental, not new. Based on recent development activity, OPED and the 2006 Committee concluded that the administrative functions constitute about ½ person, or about \$55,000 in the first year and about \$45,600 in subsequent years (in 2006 dollars). The City is currently reviewing these estimates.

Why do we need to do this? Is there an affordable housing crisis in Saratoga Springs?

- The US Department of Housing and Urban Development (HUD) says that housing is not affordable if the occupants of the unit are paying more than 30% of their income for housing costs (rent, mortgage, utilities, insurance, etc.).
- 25% of all homeowners in Saratoga Springs spend more than 30% of their income on housing costs. This represents 1,596 households.
- 44% of all renters in Saratoga Springs spend more than 30% of their income on housing costs. This represents 2,154 households.
- 33% of all households in Saratoga Springs spend more than 30% of their income on housing costs. This represents 3,750 households.

Why is housing so expensive in Saratoga Springs?

- The reasons are many, but essentially there is very strong demand and a limited supply. The many positive qualities of Saratoga Springs have made it a very desirable place to live for people moving to and working in the Capital District. Saratoga’s appeal as a tourist and resort area is causing more and more of its housing stock to be claimed for vacation homes and second homes. Real estate investors are drawn to Saratoga Springs as an attractive

community to invest in high-end projects. As a result of this rising demand, land costs and building costs have increased to widen the gap between housing prices and area incomes.

Isn't this a short-term problem? Won't the housing market settle down and become more affordable in the future?

- Housing markets are cyclical and do not remain static. No one can predict the future of our local housing market, or whether prices will go up or down. This ordinance is designed as a long-term strategy to gradually add units in proportion to how the community grows. If the market slows and becomes more affordable, fewer market and IZ units will be produced.

If I'm already a homeowner in Saratoga Springs, why is affordable housing my problem?

- Although you may be secure in your home, we believe that the affordable housing may still impact you as a consumer, as an employer and as a family. If working middle class people cannot find housing that is affordable, the community as a whole suffers. Workers vital to the stability and health of the community—both professional and blue-collar workers—will not be available to provide the services needed by our citizens. Businesses will not locate or expand here if they are unable to recruit a local workforce, and this can threaten our local economy. On a more personal level, you may find that it will be harder to keep your family living close by – your children may have to move away to raise families, or your parents may not be able to afford to live close by as they age and need your support.

Isn't it reasonable to expect some people to commute from less expensive outlying areas?

- Employers indicate that this housing market affects recruitment, turnover and absenteeism. Workers who can't live close to their workplace are more likely to change their workplace location in order to shorten their commutes. Also, workers with long commutes are more likely to miss work, reducing the ability of local businesses to provide quality services. With uncertainty in fuel prices, workers have even more incentive to find employment close to their homes. And ultimately, housing choices should exist for working families and the elderly.

What are the impacts of the SPA-Housing Ordinance?

- There are over 500 IZ ordinances in effect nationwide, with different provisions and different levels of success. This proposed ordinance for Saratoga Springs drew on that range of experiences to develop a modest approach that is appropriate to Saratoga Springs and that will not negatively affect the special character of our community. Some of the key concerns about potential negative impacts of the IZ ordinances are discussed below.

Will the SPA-Housing Ordinance discourage development in Saratoga?

- It should not. In some IZ communities where the IZ requirement has become a severe burden to the developer, this has been the case. However, this ordinance has been carefully designed based on financial analyses so that these additional IZ units can be provided by the developer at a price that covers the developer's costs of construction and overhead. IZ requirements apply only when units can be added to the overall development plan, so there will not be a reduction in what the developer could produce without IZ. Therefore, while developers take on some additional near-term burden in building the IZ units, there is no long-term burden or financial cost to the developer. As long as there is market demand for the production of additional housing units in Saratoga, developers should be able to continue to produce units.

Will IZ units alter the character and appearance of the entire development or the neighborhood?

- It should not. The IZ units must be the same type as the market units -- for-sale units within for-sale projects or rental units within rental projects. The IZ units will be required to blend in with the market rate units in terms of exterior design, finishes and aesthetics. Only certain development requirements listed in the ordinance, such as setbacks, are waived, and only to the extent needed to incorporate the affordable units. Where the units cannot be constructed without detrimental impact on the development and the community, the requirements can be reduced or waived by the Planning Board.

Will IZ units have an impact on traffic and other environmental issues of concern?

- All developments covered by this ordinance are put through an environmental analysis following the State Environmental Quality Review (SEQR) process. The IZ units will be part of that, and changes to the design and other mitigation will be considered as part of that process prior to Planning Board approval. In addition, the proposed ordinance itself must receive SEQR review prior to enactment.

Will the SPA-Housing Ordinance threaten Saratoga Springs' greenbelt or rural areas?

- IZ applies within the City's existing zoning to all areas of the City. Therefore, inclusionary zoning will apply in the less densely zoned areas of the city, but in concentrations which reflect the lower density of those rural zones.

Will IZ units be produced disproportionately in certain neighborhoods?

- The ordinance is developed on the core principle of fair share. IZ requirements apply to all neighborhoods and areas of the City, in direct proportion to the existing zoning requirements in that area. It is likely that the city's core area and perhaps certain neighborhoods might see more development in the future than others, so these areas might see more IZ units than other areas. However, IZ units can be produced only on the development site and not shifted to other neighborhoods.

Does this change the local review process and the roles of the Planning Board, Design Review, or Zoning Board of Appeals?

- No. All existing review processes remain in place, and all authorities of the various review boards are preserved. The boards will be required to consider the IZ requirements as one of the overall requirements of the City, but not to the exclusion of other community concerns and requirements. The Planning Board will take the lead in incorporating the IZ requirements into the overall development approval. The Planning Board is authorized to grant relief from IZ requirements, and the developer still retains the right to appeal for full relief to the Zoning Board of Appeals.

Will Saratoga's taxpayers carry the burden of producing and subsidizing these units?

- There are no direct City subsidies contemplated or required for these units. However, there are administrative costs that have been estimated in 2006 at \$46,500 per year. The City is currently reviewing these estimates. The owners of IZ units will pay property taxes comparable to other modest housing in the community.

Will SPA Housing Ordinance end up drawing households to Saratoga that will become a burden to the community?

- The first priority is for households who live or work in Saratoga Springs. The second priority is for households who live and work in Saratoga County. Households who occupy these units must be self-sufficient because there are no subsidies provided. The ordinance has a “circuit breaker” so that the Planning Board can suspend the requirements if the City has no qualified applicants on its waiting list when developments are approved, and the income restrictions can be waived for units when there are no qualified buyers.

Is the draft ordinance applying a model from Montgomery County, Maryland, or other communities that are larger, more urban, or fundamentally different than Saratoga?

- No. The 2006 Committee was advised by the Innovative Housing Institute, nationwide experts on IZ, and the key IHI consultant formerly worked in Montgomery County and shared the Montgomery County experience. However, this ordinance was not based on Montgomery County or any other community. It was drafted from scratch, drawing on the experience of a range of communities, and modified based on substantial community input. The end result is a totally unique ordinance that is unlike any other community’s ordinance and tailored to the market and conditions in Saratoga Springs.

Why was a threshold of 10 units chosen?

- A 20% bonus only begins to make sense at 10 or more units. Because of the rounding required to get full units, a 20% bonus in smaller projects could have a dramatic and visible impact on density. The 2006 Committee looked at permits drawn in recent years, and has concluded that there would not be a significant increase in inclusionary unit production if the threshold were lowered to five units. The ordinance includes a voluntary provision where smaller projects could propose inclusionary units if it made sense from design and financial standpoints.

Can developers propose to build the IZ units off site?

- No. In cases where it is determined by the Planning Board that units cannot be accommodated on site, the requirement will be waived rather than shifted off site.

Does the City have the option to purchase the affordable units or change their use?

- No. This is not allowed, due to concerns that the intent and use of the units could be changed.

Will these families be able to afford the housing costs, including maintenance, taxes and homeowner association fees?

- The 2006 Committee analyzed the affordability, and created a pricing model that includes all costs, including taxes, insurance and homeowner association fees (if applicable). Taxes are based on assessments reflecting the lower price and value of the IZ units. In certain developments with high homeowner association fees, the pricing may need to be adjusted or subsidies provided to make it affordable. Maintenance and improvement of IZ units will be encouraged and taken into account for resale pricing.

Will the IZ unit buyers be able to enjoy appreciation in their unit value when they sell?

- Yes. Homeowners will be able to sell at a price that enables them to share in market appreciation in direct proportion to their initial investment when they sell. For example, if they were able to buy the unit at 60% of its original fair market value, they will be able to receive 60% of the appreciation at time of resale. The new buyer will continue to be a priority household in the eligible income range.

Why don't we just make inclusionary zoning a voluntary program?

- It is widely accepted that voluntary inclusionary zoning programs have been largely ineffective nationwide. Saratoga Springs has incorporated voluntary incentive-based affordable housing into its zoning standards for a number of years, but this has not resulted in the construction of any affordable units. Also, if voluntary, it is likely that IZ units would not be produced throughout the City and this would result in higher concentrations of IZ units in some neighborhoods rather than others.

Wouldn't it be easier if the City just paid developers to build affordable units?

- It is the removal of land costs from the additional units, achieved through the density bonus, which permits IZ units to be offered at a more affordable price. To achieve similar pricing levels, the City would need to either build on City property, thereby concentrating these units, or provide substantial subsidies to offset the rising cost of available privately held land.

Shouldn't this be a County-wide program?

- The market pressures exist throughout the Saratoga region, but have become most focused in Saratoga Springs. While a County-wide strategy would produce more needed units, Saratoga Springs needs to address this problem whether or not other communities join in. We hope that our leadership on this issue will encourage other communities in the County to consider the benefits of creating their own inclusionary zoning programs.

Will inclusionary zoning solve all of our community's affordable housing needs?

- Inclusionary zoning is not a panacea, but it is an important tool in establishing a range of options to address affordable housing needs in Saratoga Springs. Providing these units through a private market solution allows Saratoga Springs to meet some of the need without large government subsidies and regulation by the state or Federal governments. It is a modest but truly local solution.

What if it doesn't work?

- Several features have been included in the Ordinance to enable it to be modified or suspended if it doesn't work or if there isn't sufficient demand.
 - (1) The Ordinance provides for a committee to monitor the initial implementation and to make recommendations for changes.
 - (2) There is a "circuit breaker" for the Planning Board to suspend the requirements for new developments if there is insufficient demand for the units.
 - (3) There is a provision to allow individual units to be sold at market value if eligible buyers cannot be found.
 - (4) The Ordinance requires an annual report to the Council on the IZ units produced.
 - (5) The Ordinance requires an evaluation of the Ordinance and its impact within three

- years.
- (6) And, of course, the City Council could choose to re-evaluate and change the ordinance at any point if it proves to be unsuccessful, has unintended loopholes or negatively affects the community.

Who drafted the 2006 ordinance?

- In early 2005, Mayor Michael Lenz created the Inclusionary Zoning Ordinance Development (IZOD) Committee to study the City housing issues and develop a new ordinance. The worked for over a year and in April 2006 delivered a new ordinance to the City Council. That committee consisted of Monte Franke (Chair), Sonny Bonacio, Amy Durland, Matt Gabryshak and Vilma Heramia. Eric Schreck and Nancy Ohlin also served in the earlier months on the committee.

Why didn't the City Council adopted the draft ordinance in 2006?

- We can only speculate why the City Council did not adopt the draft ordinance as recommended by the IZOD Committee. There is official record of any public discussion of the Ordinance by the City Council.
- Sustainable Saratoga believes there probably were a number of factors that contributed to the lack of action. These might have included:
 - Desire to see if the ordinance could be adopted on a regional or county-wide level;
 - Suggestions by some developers that more time could allow affordable housing to be built on a voluntary basis;
 - Concern with forecasts of an uncertain housing market;
 - A tight City budget that were projecting employee layoffs.

HOUSING DATA

SARATOGA SPRINGS, NY

Compiled by Sustainable Saratoga (August 2016)

AFFORDABLE HOUSING:

The US Department of Housing and Urban Development (HUD) defines "Affordable Housing as "housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities".

The US Census's 2010-2014 American Community Survey reports:

SARATOGA SPRINGS:

- 24.81% of all homeowners spend more than 30% of their income on housing costs.
 - This represents 1,596 households
- 44.14% of all renters spend more than 30% of their income on housing costs.
 - This represents 2,154 households
- 33.15% of all households spend more than 30% of their income on housing costs.
 - This represents 3,750 households

COUNTY OF SARATOGA:

- 23.60% of all homeowners spend more than 30% of their income on housing costs.
- 42.62% of all renters spend more than 30% of their income on housing costs.

DEMOGRAPHIC:

The US Census 2000:

SARATOGA SPRINGS:

- Total populations: 26,586 (26,186 in 2000)
- Number of persons per household: 2.13 (2.21 in 2000)
- Number of occupied housing units: 11,312 (10,784 in 2000)
 - Number of owner-occupied housing units: 6,431
 - Number of renter-occupied housing units: 4,881

COST OF HOUSING:

The US Census's 2010-2014 American Community Survey reports:

SARATOGA SPRINGS:

- Mean value for owner-occupied units: \$310,200
- Mean monthly gross rent for renter-occupied units: \$988

COUNTY OF SARATOGA:

- Mean value for owner-occupied units: \$230,900
- Mean monthly gross rent for renter-occupied units: \$978

City Data.com reports:

SARATOGA SPRINGS:

- Median gross rent in 2013: \$1,011.
- Mean prices in 2013:
 - *All housing units*: \$337,814;
 - Detached houses: \$327,096
 - In 5-or-more-unit structures: \$938,279
- Median house of condo value:
 - In 2013: \$297,771
 - In 2000: \$128,600

INCOMES:

The US Census's 2010-2013 American Community Survey reports:

SARATOGA SPRINGS:

- Per capita income: \$39,355
- Median household income: \$67,303

COUNTY OF SARATOGA:

- Per capita income: \$35,860
- Median household income: \$70,581

City Data.com reports:

SARATOGA SPRINGS: (zip code area)

- Estimated median household income in 2013: \$67,522

The US Department of Housing and Urban Development:

COUNTY OF SARATOGA: (no separate data available for City of Saratoga Springs)

- 2016 Median Income: \$82,000
- 2016 Median household income by household size: (see table below)

HOUSEHOLD SIZE: (persons)	HOUSEHOLD INCOME (30% of Area Median)	HOUSEHOLD INCOME (50% of Area Median)	HOUSEHOLD INCOME (80% of Area Median)	HOUSEHOLD INCOME (100% of Area Median)	HOUSEHOLD INCOME (110% of Area Median)	HOUSEHOLD INCOME (120% of Area Median)
1	\$17,250	\$ 28,700	\$ 45,950	\$57,400	\$63,150	\$68,900
2	\$19,700	\$32,800	\$52,500	\$65,600	\$72,150	\$78,700
3	\$22,150	\$36,900	\$59,050	\$73,800	\$81,200	\$88,550
4	\$24,600	\$41,000	\$65,000	\$82,000	\$90,200	\$98,400
5	\$28,450	\$44,300	\$70,850	\$88,600	\$97,450	\$106,300
6	\$32,600	\$47,600	\$76,100	\$95,200	\$104,700	\$114,250
7	\$36,750	\$50,850	\$81,350	\$101,700	\$11,850	\$122,050
8	\$40,900	\$54,150	\$86,600	\$108,300	\$119,150	\$123,000

(All numbers rounded to nearest \$50)



*Advocate.
Educate.
Act.*

Sustainable Saratoga
PO Box 454
Saratoga Springs, NY 12866


www.sustainablesaratoga.org

August 5, 2016

Honorable Joanne Yepsen, Mayor
City of Saratoga Springs
City Hall
474 Broadway
Saratoga Springs, NY 12866

Dear Mayor Yepsen:

RE: SPA-HOUSING ORDINANCE

We have submitted to the City Council zoning amendment that would create “The Saratoga Places for All (SPA) Housing Ordinance”. This is a zoning text amendment that is intended to create more diverse housing opportunities citywide –especially for the middle income households.

Due to the public benefit nature of this zoning text amendment we are requesting a waiver of the application fee. We also indicated this request on the application form.

Sincerely,

Harold J. Moran

Harry Moran
Chair

Attachments

cc: Commissioner John Franck
Commissioner Michele Madigan
Commissioner Chris Mathiesen
Commissioner Anthony Scirocco