

MEMORANDUM

TO: City of Beacon City Council

FROM: Keane & Beane

RE: Affordable Workforce Housing

DATE: April 3, 2017

The revisions set forth below incorporate recommendations discussed by the City Council and by City staff and consultants including the City of Beacon Planning Board and Hudson River Housing.

Recommendations:

1. § 223-41.10.A: Below-market-rate units shall have exterior finishes comparable to the market-rate units within the development. This revision restores the original language of the City Code to the proposed Local Law and removes the requirement that BMR units have the same quality exterior finishes as compared to the market-rate units within the overall development.
2. The Planning Board recommends leaving the bonus density in the proposed local law as a developer incentive. *See* § 223-41.10.M.
3. The definition of Below-Market-Rate (BMR) Unit in § 223-63 was revised to remove confusing language and address the difference between BMR rental units and for-sale units.
4. The definition of BMR Unit Eligible Household was revised to create different eligibility criteria for rental units and for-sale units. A household is eligible to **rent** a BMR unit if the household aggregate gross annual income does not exceed 90% of the Dutchess County area median annual income. A household is eligible to **buy** a BMR unit if the household aggregate gross annual income does not exceed 100% of the Dutchess County area median annual income. Mary Linge, Director of Real Estate Development for Hudson River Housing, recommends removing the table in § 223-63, under the definition of BMR Unit Eligible Household because some may find the table confusing and misleading. This information is also available online at <https://www.huduser.gov/portal/datasets/il/il2016/2016summary.odn>.

5. As a means to encourage more development of BMR units, a majority of the Planning Board was in favor of the proposed decrease from 20 units to 10 units as the threshold for the number of apartments or attached dwellings that will trigger a requirement to provide at least 10% of such units as below market rate units as defined in the Zoning Code.
6. 223-41.10.J(3) was revised to provide that tenants who again become income eligible for a BMR unit during the one-year “holdover” period are eligible for a renewal of their lease term.
7. In § 41.10.B(1)(a) The minimum gross floor requirement of a BMR studio unit was reduced from 400 square feet to back to 350 square feet.
8. In § 223-41.10.F(1) the maximum rent shall not exceed 30% of the figure that represents 70% of the Dutchess County’s current area median income. Mary Linge recommends adding additional language that states that rent shall be calculated as follows: Studios units will be calculated based on 1-person, one-bedroom units will be calculated based on 1.5 persons, two-bedroom units will be calculated based on 3 persons, and three-bedroom units will be calculated based on 4 persons. This language is not included in the draft local law at this time. This language establishes a base rate so rent does not fluctuate. If the City adopts this language, it is also recommended that the table in table in § 223-41.10(C) be removed because it contradicts the rent calculation provisions.
9. A priority for rental units shall be established for all eligible households whose aggregate gross annual income is between 70% and 75% of the Dutchess County area median annual income. *See* 223-41.10G(1).
10. In § 223-41.10F(2) the maximum sales price for a BMR unit shall not exceed 30% of the figure that represents 80% of the Dutchess current area median income.
11. A priority for all for-sale units shall be established for all eligible household whose aggregate gross annual income is between 80% and 85% of the Dutchess County area median annual income. *See* 223-41.10G(2).
12. In § 223-41.09, the 1,000 foot radius and separate building option was removed. Developers must provide BMR units mixed throughout the same building.