Draft: 4/13/17

DRAFT LOCAL LAW NO. ____ OF 2016

CITY COUNCIL
CITY OF BEACON

PROPOSED LOCAL LAW AMENDING
CHAPTER 223 OF THE CODE OF THE CITY OF BEACON

A LOCAL LAW to amend Chapter 223 concerning Affordable Workforce Housing.

A LOCAL LAW to amend Chapter 223 of the Code of the City of Beacon concerning Affordable Workforce Housing.

BE IT ENACTED by the City Council of the City of Beacon as follows:

Section 1. Chapter 223, Section 63 of the Code of the City of Beacon entitled "Definitions" is hereby amended to revise the following definitions:

BELOW-MARKET-RATE (BMR) UNIT

A new or rehabilitated housing unit which is restricted as to sale or rent to remain affordable to a BMR Unit Eligible Household, as defined below~~., by generally not exceeding 30% of the maximum aggregate gross income of the household for the actual size of the household that will occupy such unit. Said housing~~ BMR rental unit must be the primary residence of the household and shall not be sublet without the consent of the City Council or its designee. BMR For-Sale units must be the primary residence of the household at the time of sale and shall at no time be sublet without the consent of the City Council or its designee.

BMR UNIT ELIGIBLE HOUSEHOLD

Rental Units: A household whose aggregate gross annual income, including the total of all current annual income of members residing in the household from any source whatsoever at the time of application (excluding the earnings of working household members of 21 years of age or younger who are full-time students), does not exceed ~~100~~ 90% of the Dutchess County area median annual income for ~~its~~ the actual size of the household ~~size~~ [based on the United States Census and as updated by the Department of Housing and Urban

Development (HUD)], and which household can afford the maximum rent specified in § 223-41.10F(1). ~~or sales price specified in § 223-41.10E of this chapter~~

For-Sale Units: A household whose aggregate gross annual income, including the total of all current annual income of members residing in the household from any source whatsoever at the time of application (excluding the earnings of working household members of 21 years of age or younger who are full-time students), does not exceed 100% of the Dutchess County area median annual income for the actual size of the household [based on the United States Census and as updated by the Department of Housing and Urban Development (HUD)], and which household can afford the maximum sales price as specified in § 223-41.10F(2). In addition, the net assets of the household at the time prior to purchase may not exceed 75% of the purchase price of the unit, except where such households rely, due to age or disability, on the assets in lieu of income. Evidence of disability shall be the receipt of Social Security Disability Insurance (SSDI) payments. In addition, the net assets of the household at the time prior to purchase ~~or lease~~ may not exceed 75% of the purchase price of the unit, except where such households rely, due to age or disability, on the assets in lieu of income. Evidence of disability shall be the receipt of Social Security Disability Insurance (SSDI) payments.

~~For example, for the year 2010, limitations are as follows:~~

~~**Persons in Household**~~	~~**1**~~	~~**2**~~	~~**3**~~	~~**4**~~	~~**5**~~	~~**6**~~
~~Maximum eligible income (100% of median)~~	~~$58,400~~	~~$66,800~~	~~$75,100~~	~~$83,400~~	~~$90,100~~	~~$96,800~~
~~Maximum housing cost (30% of gross income)~~						
~~Annually~~	~~$17,520~~	~~$20,040~~	~~$22,530~~	~~$25,020~~	~~$26,030~~	~~$29,040~~
~~Monthly~~	~~$1,460~~	~~$1,670~~	~~$1,878~~	~~$2,085~~	~~$2,253~~	~~$2,420~~

~~Eligible unit types~~	~~Studio or 1 BDR~~	~~1 BDR or 2 BDR~~	~~2 BDR or 3 BDR~~	~~2 BDR, 3 BDR or 4 BDR~~	~~3 BDR or 4 BDR~~	~~3 BDR or 4 BDR~~

All projects approved by the Planning Board prior to the effective date of this law, may continue to set a monthly rent, including utilities for BMR units, not to exceed 30% of 100% of the Dutchess County area median annual income. A BMR unit eligible household for projects approved by the Planning Board prior to the effective date of this law includes households whose aggregate gross annual income, including the total of all current annual income of members residing in the household from any source whatsoever at the time of application (excluding the earnings of working household members of 21 years of age or younger who are full-time students), does not exceed 100% of the Dutchess County area median annual income for its household size [based on the United States Census and as updated by the Department of Housing and Urban Development (HUD)].

Section 2. Chapter 223, Article IVB of the Code of the City of Beacon entitled "Affordable Workforce Housing" is hereby amended as follows:

§ 223-41.8 **Findings.**

The City Council of the City of Beacon acknowledges the high cost of housing compared to average earnings in the City and County, and this trend has grown more noticeable as land and housing values have increased in recent years. Maintaining and ensuring a balanced mix of housing types and sizes that are affordable to a range of incomes is essential to ensuring the long-term health of the community. Such balanced housing stock enables a variety of residents to live and work in the City, maintain family ties, and participate in community services, such as emergency services. Balanced housing is also essential to attracting and maintaining an adequate workforce, a healthy business environment, and a balanced tax base that supports local services and the quality of life. I~~t is therefore important for the City to maintain a mix of housing choices and to require the creation of new or rehabilitated below-market-rate (BMR) units in future renovation and development~~. The primary purpose of this Article is to allow the City to maintain an appropriate mix of housing choices by creating a required number of quality new or rehabilitated below-market-rate (BMR) units in future renovation and development. The goal is not to offer a limited number of high-end units for a few qualified households, but to provide as many quality affordable and workforce housing units as possible, integrated throughout the City.

§ 223-41.9 **Provision of BMR units; ~~payment in lieu thereof~~.**

To achieve the purposes above, the approval authority shall require that 10% of all projects containing 10 ~~20~~ or more apartment dwellings and/or attached dwellings (townhouses) as defined in §223-63 of this chapter, shall be comprised of below-market-rate units as defined and regulated in this article. Any fraction at or above 0.5 shall be rounded up to the nearest whole number, and any fraction below 0.5 shall be rounded down. ~~Notwithstanding the requirement immediately above, the City Council, at its discretion, may allow the applicant to make a payment to the City in lieu of the provision of some or all of the required BMR units, in an amount determined by the City Council to be the value of the waived BMR units; said payment shall be made into a trust fund dedicated to the provision of affordable-workforce housing in the City.~~ Subject to the Planning Board's approval, Developer shall provide BMR units mixed throughout the same building(s). Units designated as BMR units must remain affordable for a minimum of 50 years from date of initial certificate of occupancy for rental properties and from date of original sale for owner-occupied units.

§ 223-41.10 **Below-market-rate units.**

A. Finishes, amenities, size, distribution and mix. BMR units shall have exterior finishes comparable to the market-rate units within the development. Interior finishes and amenities for the BMR units shall be comparable to the market-rate units within the development, subject to approval by the Planning Board. ~~BMR shall be reasonably distributed throughout the project and t~~ The timing of the construction of the BMR units shall be in conjunction with the construction of the market rate units in the project. Further, the BMR units shall be provided in a mix of unit types in the same proportion as all other units in the development unless a different proportion is approved by the Planning Board as being better related to the housing needs, current or projected, of the City of Beacon.

B. Minimum gross floor area.

(1) The size of the BMR multifamily units may be smaller than the market rate units, but notwithstanding other provisions of this chapter, the minimum gross floor area per dwelling unit shall not be less than the following:

(a) Studio/efficiency unit: 350 square feet.
(b) One-bedroom unit: 600 square feet.
(c) Two-bedroom unit: 800 square feet.
(d) Three-bedroom unit: 1,000 square feet.
(e) Four-bedroom unit: 1,200 square feet

(2) An Applicant may seek approval from the Planning Board to construct units smaller than the minimum gross floor area set forth above, only if the Applicant constructs more units than it is required to construct pursuant to this Chapter.

C. Occupancy standards. The minimum and maximum occupancy of a BMR unit shall be as follows:

Number of Bedrooms	Minimum Number of Persons	Maximum Number of Persons
Studio/ efficiency	1	~~1~~ 2
1	1	~~2~~ 3
2	2	4
3	3	6
4	4	8

D. For townhouse developments containing BMR units, frontage, building size and lot size may be reduced by up to 25% for the BMR units.

E. BMR unit eligible household. Households must meet the criteria established in § **223-63** of this chapter, within the definition of "BMR unit eligible household." Rental households shall be required to requalify with respect to said criteria on an annual basis.

F. Maximum rent and sales price.

(1) Rental Units: The monthly rent including utilities for BMR units shall not exceed 30% of the ~~maximum~~ figure that represents 70% of the Dutchess County's current area median income. ~~maximum aggregate gross monthly income of an eligible household as defined in § **223-63**, under "BMR unit eligible household," for the actual size of the household that will occupy such unit as set forth in Subsection **C** above.~~

(2) For-Sale Units: The maximum gross sales price for a BMR unit shall not exceed ~~the maximum household expense of~~ 30% of the figure that represents 80% of the Dutchess County's current area median income. ~~aggregate gross monthly income of an eligible household as defined in § **223-63** for the actual size of the household that will occupy such unit as set forth in Subsection **C** above, relating to the.~~ This figure will be based on the sum of principal, interest, taxes, and insurance, based on industry-standard mortgage underwriting guidelines for a thirty-year fixed rate mortgage, prevailing interest rates, and a down payment of 5%.

(3) All projects approved by the Planning Board prior to the effective date of this law, may continue to set a monthly rent including utilities for BMR units not to exceed 30% of 100% of the Dutchess County area median annual income for the household size that will occupy such unit as set forth in Subsection C income for its household size [based on the United Stated Census and as updated by the Department of Housing and Urban Development (HUD)].

(4) In the event the Owner of the BMR unit governed by subsection (1) above, demonstrates to the satisfaction of the City Administrator or its designee that after a

good faith effort it is not able to rent a BMR unit pursuant to subsection (1), it may instead comply with subsection (3) above, until the unit is next offered for rent.

G. Categories of priority in descending order of priority.

Households applying for BMR units shall be selected on the basis of the following categories of priority:

(1) Volunteer emergency responders for the City of Beacon who have served at least five years.

(2) City of Beacon municipal employees.

(3) Employees of the Beacon School District

(4) All other residents of the City of Beacon.

~~(5) Employees of the Beacon School District.~~

~~(6)~~ Other persons employed in the City of Beacon.~~The following relatives of residents of the City of Beacon: father, mother, son, daughter, brother, sister, grandparent, grandchild, father-in-law or mother-in-law.~~

~~(7) Other residents of Dutchess County.~~

~~(8) Other persons employed in Dutchess County.~~

(5) All others.

(6) Within each of the above categories, the following special groups shall receive priority in the following order:

a. Priority for rental units shall be established for all eligible households as defined in § 223-63, whose aggregate gross annual income is between 70%-80% of the Dutchess County area median annual income.

b. Priority for all for-sale units shall be established for all eligible households as defined in § 223-63, whose aggregate gross annual income is between 80%-90% of the Dutchess County area median annual income.

~~(a) Households whose head of household or spouse is 62 years of age or older.~~

~~(b) First-time homebuyers.~~

~~(c) Households whose head of household or spouse is 30 years of age or younger.~~

~~(d) Civil servants.~~

H. The deed, certificate of occupancy and/or rental agreement, as appropriate, for each BMR dwelling unit shall contain language, satisfactory to the City Attorney in form and substance, which states that the subject dwelling is a below-market-rate unit as defined in § 223-41.10(F)(1) ~~§ **223-63**~~ of the Code of the City of Beacon, New York, and is subject to all restrictions and limitations as set forth therein.

I. Resale. In the case of owner-occupied BMR units, the title to said property shall be restricted so that in the event of any resale by the homeowner or any successor, the resale price shall not exceed the maximum sales price for said unit, as determined in Subsection F ~~**E**~~, plus the depreciated value of capital improvements based on their estimated life for up to 5% of the price of the unit. Units designated as BMR units must remain affordable for a minimum of 50 years from date of original sale for owner-occupied units.

J. Lease of a BMR unit.

(1) Individual BMR unit owners may lease their units to BMR eligible unit households, as defined in § 223-63, for a period not exceeding two years, with the consent of the City Administrator or its designee~~Council or its designee, for employment, health or other good reason as determined by the Council. Notwithstanding the sentence above, this time frame may be extended by the Council or its designee for good cause shown~~.

(2) Applicants for rental BMR units, if eligible and if selected for occupancy, may sign a lease for a term of no more than two years. As long as a resident remains eligible and has complied with the terms of the lease, said resident shall be offered renewal leases for a term of no more than two years each. Renewal of a lease shall be subject to the conditions of federal, state or county provisions that may be imposed by the terms of the original development funding agreements for the development or to the provisions of other applicable local law.

(3) If a resident's annual gross income should subsequently exceed the maximum income then allowable, said resident may complete their current lease term and shall be offered a market-rate housing unit in the development at the termination of such lease term. If no such dwelling unit shall be available at said time, the resident may be allowed to sign one additional one-year lease for BMR unit they occupy but shall not be offered a renewal of the lease beyond that expiration of said term. Tenants, who again become eligible for a BMR unit during the one-year term, shall be eligible for a renewal of their lease term.

K. Implementing regulations. The City Council may, by resolution, adopt specific regulations to foster the efficient and equitable implementation of this chapter.

L. Administration. The City Council shall be responsible for administering these regulations and may designate a board, commission or other organization to monitor compliance.

M. Developer Incentives. For every two BMR units provided as part of the overall development, the developer shall have the right to ~~two~~ one additional market rate unit above the maximum number otherwise permitted under applicable provisions of this Chapter. The Planning Board may grant up to 10 additional units. District building height requirements must be maintained, but the Planning Board may modify lot area per unit, setbacks, building coverage, number of units per building, and parking requirements to accommodate the bonus unit or units.

N. Waiver. Upon request of an applicant before the Planning Board, the City Council may modify or waive specific provisions of this Article, if it finds that the proposal meets the primary purpose of Section 223-41.8 and the project will result in more BMR units than is required pursuant to this Chapter.

Section 3. Ratification, Readoption and Confirmation

Except as specifically modified by the amendments contained herein, the Chapter 223 of the City of Beacon is otherwise to remain in full force and effect and is otherwise ratified, readopted and confirmed.

Section 4. Numbering for Codification

It is the intention of the City of Beacon and it is hereby enacted that the provisions of this

Local Law shall be included in the Code of the City of Beacon; that the sections and subsections of this Local Law may be re-numbered or re-lettered by the Codifier to accomplish such intention; that the Codifier shall make no substantive changes to this

Local Law; that the word "Local Law" shall be changed to "Chapter," "Section" or other appropriate word as required for codification; and that any such rearranging of the numbering and editing shall not affect the validity of this Local Law or the provisions of the Code affected thereby.

Section 5. Severability

The provisions of this Local Law are separable and if any provision, clause, sentence, subsection, word or part thereof is held illegal, invalid or unconstitutional, or inapplicable to any person or circumstance, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, words or parts of this Local Law or their petition to other persons or circumstances. It is hereby declared to be the legislative intent that this Local law would have been adopted if such illegal, invalid or unconstitutional provision, clause, sentence, subsection, word or part had not been included therein, and if such person or circumstance to which the Local Law or part hereof is held inapplicable had been specifically exempt there from.

Section 6. Effective Date

This local law shall take effect immediately upon filing with the Office of the Secretary of State.

DRAFT