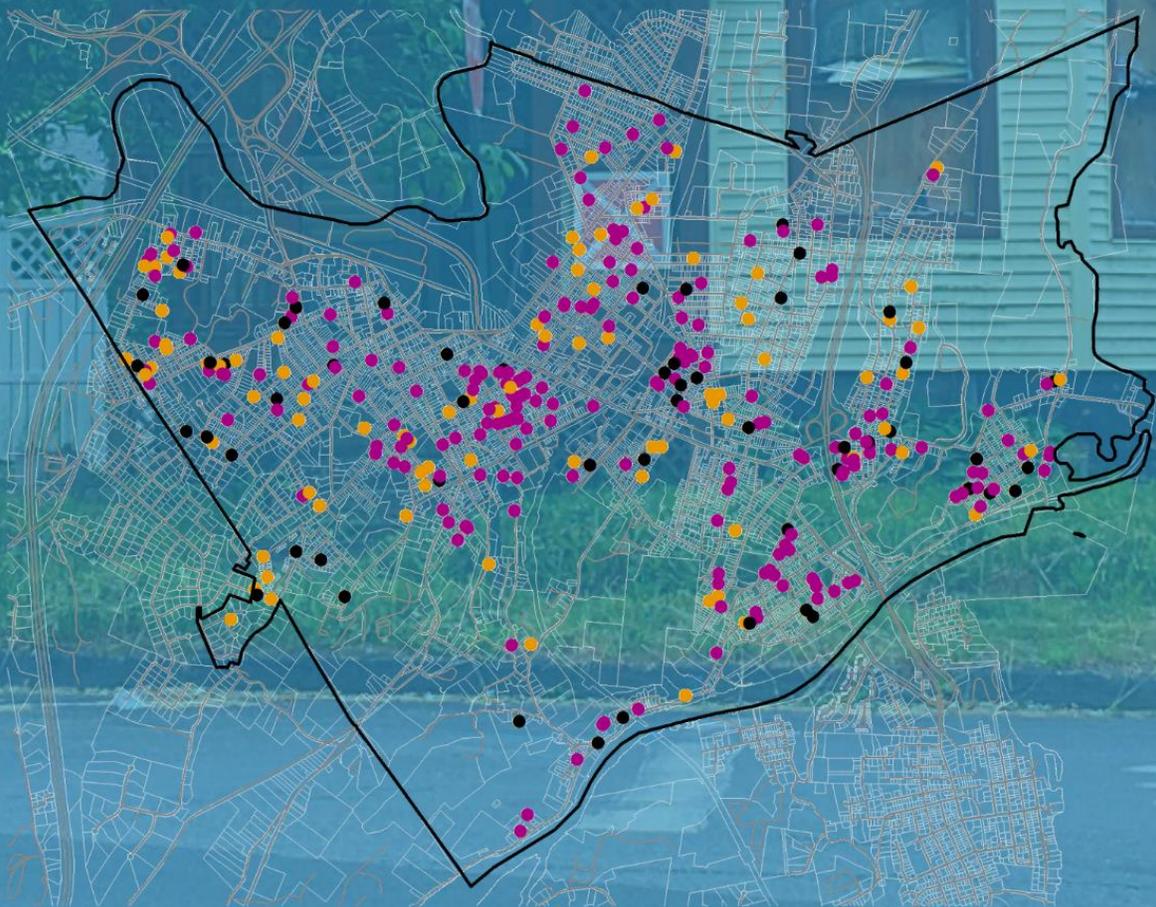


A PLAN FOR REDEVELOPMENT:

The City of Kingston's
Vacant and Abandoned Properties



PREPARED BY:

HUDSON VALLEY PATTERN *for* PROGRESS

CONTENTS

Executive Summary.....	3
Why Conduct a Vacant Property Study?.....	6
Study Methodology.....	8
Demographic Overview.....	9
Housing Overview	10
Distribution of Renters and Owners by Kingston Census Tract	11
Change in Rent 2010 to 2018 by Kingston Census Tract (Inflation adjusted).....	11
Distribution of Housing Stock Built Prior to 1940 by Kingston Census Tract.....	13
Distribution of Poverty by Kingston Census Tract	13
Household Income	14
Portraits of Housing Need.....	19
Housing Cost Burden.....	21
Residential Sales Trends.....	22
Who is moving in?.....	24
Realtor Interviews.....	28
Kingston Housing Takeaways.....	29
Vacancy and Building Conditions Survey	30
Survey Methodology.....	30
Survey Results	31
8 Recommendations	34
Recommendation #1.....	35
Create a Vacant Property Task Force to proactively prevent foreclosure, promote investment and repurposing of vacant properties, and secure resources	35
Recommendation #2.....	37
Understand, evaluate, and streamline the transfer of vacant properties with a formal in rem process that serves the goals of the City of Kingston and the Kingston City Land Bank	37
Recommendation #3.....	39
Offer the City Council options for incentivizing the reuse of vacant properties for first-time homebuyers	39
Recommendation #4.....	43
Enhance and Support Strategic Code Enforcement with the Addition of Staff for the Department of Building Safety and Zoning Enforcement.....	43

Recommendation #5..... 45
 Create strong anti-blight mechanisms to reduce the negative impacts of vacant properties 45
Recommendation #6..... 47
 Encourage the creation of Accessory Dwelling Units (ADUs) 47
Recommendation #7..... 49
 Take actions to move forward with the citywide zoning update and implement a new zoning code that
 incorporates form-based zoning aspects..... 49
Recommendation #8..... 52
 Proactively prevent foreclosure and financial hardship for homeowners 52
RESOURCES 53
 Neighborhood Market Considerations 54
 Housing Development and Assistance Resources 55
APPENDIX..... 56

EXECUTIVE SUMMARY

Even prior to the COVID-19 pandemic, Kingston faced a substantial housing challenge. Nearly half of the City's residents are burdened by housing costs that exceed 30% of household income with renters disproportionately so; 31% of owners and 57% of renters are cost burdened. The hardships brought on by the pandemic will certainly exacerbate the housing and affordability challenge of the City. Now is the time for local action to blunt these systemic issues and plan for a sustainable future of the City.

Vacant and abandoned properties are a symptom of the housing affordability challenges faced by some property owners. Owners who experience economic circumstances that make housing costs insurmountable may abandon property. Neglected vacant properties fall into disrepair and negatively affect neighboring property values and community health and wellbeing. Ironically, vacant and abandoned properties also offer a possible housing solution in a market where supply and rising prices are an issue.

For these reasons, addressing the issue of vacant properties is a crucial part of meeting the housing needs of Kingston City residents.

Understanding the cause of an issue is a key to formulating a pathway for solutions. There are many reasons a property may be vacant but usually vacancy occurs because of one of the following:

- A rental property is temporarily vacant.
- Mortgage delinquency has led to foreclosure of the property. The lender now owns the property and the market will not bear the costs of the debt on the property.
- The owner desires to fix up the property but the costs of repair are not recoverable.
- The owner is deceased, has moved away, or for other reasons, cannot be located.
- The owner is a "speculator" and does not intend to maintain or improve the property, or pay taxes but is waiting to sell it in order to gain a profit.
- The municipality holds the property title.

The best strategy for managing vacant properties depends on the owner status, the tax status, the condition of the property, the housing market and the total aggregate supply of local housing. The Kingston City Land Bank (KCLB) presents an expedited mechanism to facilitate placing delinquent properties back on the City's tax roll. Through a selective process, the Land Bank can incentivize primary residency, disincentivize speculation and promote affordable homeownership. Yet, while the Land Bank is a tremendous asset for the management of vacant properties, the problem of vacant properties goes beyond the resources of this entity alone and involves a coordinated effort of other City departments and non-government entities.

In order to reduce the amount of current vacant housing stock, minimize the occurrence of vacant properties in the future, and utilize vacant properties to create benefits for the community, this report asks the City at large to consider the following recommendations:

1. ***Create a Vacant Property Task Force to proactively prevent foreclosure, promote investment and repurposing of vacant properties, and secure resources*** - Vacant properties are a problem that requires collaborative actions across City departments including the City Assessor, the tax collector, Corporation Council, the Department of Housing Initiatives, and the Department of Building Safety & Zoning Enforcement. The KCLB, non-profits, lenders, and realtors are also all important players when it comes to vacant properties. The creation of a Vacant Property Task Force would make vacant properties a priority, increase capacity, and provide the opportunity for the various relevant City departments along with other interested groups to have regularly scheduled opportunities for communication and coordination of efforts. Working together, this cross-departmental Task Force would consider the recommendations made in this report, channel existing assets and resources, and develop new solutions. The Department for Housing Initiatives should be charged with heading the task force and coordinating the various efforts.
2. ***Understand, evaluate, and streamline the transfer of vacant properties with a formal in rem process that serves the goals of the City of Kingston and the Kingston City Land Bank*** - Through the in rem process, municipalities are able to transfer ownership of vacant properties as the first step toward reinvestment and reuse of these properties. The in rem process also mandates formal communication between the property owner and the City and initiates the timeline for the repayment of tax arrears. The timeline of the in rem process can impact the likelihood of foreclosure, how long a property remains vacant and as a result the physical conditions of the property as well as the debt on the property, how quickly vacant properties can be put back into the market, and timelines for development and investment in the City. For these reasons, it is imperative that the City's in rem process is efficient, clearly articulated and communicated to the public through a transparent and straightforward process.
3. ***Offer the City Council options for incentivizing the reuse of vacant properties for first-time homebuyers*** - Through the adoption of various incentives and other local laws, the City can incentivize the reuse of vacant properties, increase affordability to homebuyers, mitigate barriers to entry, and assist in the long-term retention of homeowners.
4. ***Enhance and Support Strategic Code Enforcement with the Addition of Staff for the Department of Building Safety and Zoning Enforcement*** - With additional staff, Kingston's Department of Building Safety and Zoning Enforcement would have the needed capacity to take proactive and strategic actions toward code enforcement and the management of vacant properties.
5. ***Create strong anti-blight mechanisms to reduce the negative impacts of vacant properties*** - Neglected vacant and abandoned properties have many harmful effects on the community and municipality. When a City lacks the capacity to address this issue, troublesome properties can remain vacant for years. A data-driven system will increase efficiency of code enforcement and result in a targeted response. In order to mitigate the issue of problematic vacant properties, the City of Kingston should design and adopt a code violation system that prioritizes the remediation of blighted buildings while recognizing some lower income homeowners may need assistance with repairs.

6. ***Encourage the creation of Accessory Dwelling Units (ADUs)*** - The process of rehabilitating a vacant building for occupancy provides a good opportunity for the creation of ADUs. ADUs can provide an affordable housing option for local residents and are especially attractive for seniors wishing to age in place and small households of 1-2 people. ADUs also support long-term home retention by providing additional income for the homeowner. In order to encourage ADUs the City should make changes to the zoning code to allow ADUs, and provide resources and instruction for those interested in creating an ADU.
7. ***Take actions to move forward with the citywide zoning update, and implement a new zoning code that utilizes Form-Based zoning*** - Form-Based Code streamlines the development process, reduces the barrier to redevelopment and provides more flexibility for the re-use of vacant and abandoned properties. The City of Kingston adopted the new Kingston 2025 Comprehensive Plan in 2016 after a long and rigorous planning process that involved data analysis, an evaluation of land use trends and issues, and an assessment of public needs and community resources. In order to realize the goals set forth in the updated comprehensive plan, a zoning update is the logical next step. The City of Kingston should follow through with actions to complete a citywide zoning code update and replace the existing land use regulations.
8. ***Proactively prevent foreclosure and financial hardship for homeowners*** - The foreclosure of a home can have significant negative effects on both the property owner and the community where the property is located. The City should collaborate with community-based organizations to provide foreclosure prevention initiatives as a means for supporting the economic and social well-being of a community. This is especially true as the COVID-19 pandemic continues to cause significant financial and housing instability. The City should dedicate staff and resources to the creation of a Foreclosure Prevention Program.

Vacant and abandoned properties are a challenge in terms of preventing abandonment in the first place, maintaining properties while they are vacant, and creating opportunities for rehabilitation and reuse. In order to address the short- and long-term challenges related to vacant properties, the City of Kingston must create opportunity for cross-departmental collaboration and proactive action. The City should commit to this multi-pronged approach that involves the use of incentives, rezoning, providing resources and education to those at risk of foreclosure, data enhanced code-enforcement, and an adjusted and formalized in rem process.

WHY CONDUCT A VACANT PROPERTY STUDY?

The first step in developing such a process is to inventory the vacant properties within the city. While this inventory is only a snapshot in time, it is important to understanding the magnitude of the issue and to create an accurate list of vacant properties. This study includes a windshield survey of all vacant properties and an analysis of the conditions of these properties.

The City of Kingston faces significant housing challenges. Across the economic spectrum, there is a shortage of affordable housing options for current and future residents. Forty five percent of Kingston's residents--including both renters and owners--are housing cost burdened: paying more than 30% of gross household income for housing expenses. The household purchasing power of Kingston residents has decreased since 2010 by 9% while housing price costs have increased by 26% in the same time. Renters are disproportionately impacted and on average have a significantly lower household income. This gap continues to widen.

While market forces, short-term rentals, and wages that do not align with the high cost of living all contribute to the unaffordability of housing, the major contributing factor is simply an insufficient supply of housing. High building costs, uncertain processes, and prohibitive zoning all constrain the development of new housing. Long-term solutions to the housing challenge must address these issues.

Currently there are nearly 200 vacant properties that could potentially add to the housing options within the city. With a mixture of single-family and two-to four-unit properties, collectively the vacant properties could provide housing opportunities for approximately 250 households within the City of Kingston.

Addressing the issue of vacant properties is not only important to house families. If left vacant, properties can have significant external costs to the community. Vacant and abandoned properties can have a negative impact on the nearest neighboring properties, the larger community, municipal budgets, and on the investment and economic opportunities of a city.

These external costs within the immediate neighborhood include the following:

- Reduction in neighborhood property values
- Discourages investment within the neighborhood
- Invites criminal and illicit activities
- Contributes to an unpleasant and sometimes unsafe experience for pedestrians, including children
- Results in littering of garbage and other debris at the site

The larger community may experience some of the following costs from abandoned or vacant properties:

- Substantial public expense for services such as fire, police, waste management, building and code enforcement, and legal costs and maintenance/beautification costs
- Negative impacts on commercial property values
- Loss of School and City tax revenue
- Stifled investment and economic development

As vacant and abandoned properties have high costs for communities, strategically reinvesting in them can catalyze positive changes in their immediate vicinity as well as the greater community. Some of the important reasons to direct resources towards the reuse of vacant or abandoned properties include:

- Create new housing, retail, and commercial opportunities
- Improve the quality of life for existing residents
- Revitalize neighborhoods
- Reduce the demand on expensive public resources like fire and police
- Secure existing neighborhood assets
- Increase the density and walkability of urban centers
- Spur further private and public investment in urban centers
- Increase municipal tax income
- Offer an alternative to greenfield development which can have high environmental, resource and infrastructure costs

While the argument for rehabilitating vacant properties is clear, the costs of acquiring and renovating such properties so they are ready for occupation can be high. It is in the interest of communities with a high number of abandoned properties to secure reinvestment and reuse of the properties. However, limited resources with which to tackle this challenge means local leadership must be strategic about which properties to focus on and what type of resources to allocate to the issue of abandoned properties. Low-cost interventions can spur many benefits, policy changes can lead to systemic improvements, and large-scale investments have the potential to affect systemic positive outcomes.

The City must be intentional about these outcomes it hopes to get from the rehabilitation and reoccupation of vacant properties, and then create a process for these properties to re-enter the market. The City of Kingston must have a clear process for acquiring vacant properties, and selling them to the Land Bank, which must then effect an expeditious process for returning these assets to the tax rolls.

Using the inventory of vacant buildings as a baseline, the second part of this study is a list of recommendations that includes strategies and tools, stakeholders, and resources for the City to access. The final recommendation in this study is to implement a program to prevent vacancies from occurring in the first place.

STUDY METHODOLOGY

The recommendations made in this study are the culmination of months of data collection and analysis, research, and interviews.

Hudson Valley Pattern for Progress (Pattern) began this study in with a kickoff meeting with Mayor Steve Noble, City staff and Alderman Reynolds Scott Childress.

Pattern has met with City of Kingston elected officials and staff on several additional occasions to identify focus areas for the study, determine goals for the City regarding the issue of vacant and abandoned properties, to gain needed background on how the City currently manages vacant and abandoned properties in order to share early findings and to receive feedback.

Specifically:

- Pattern toured Kingston neighborhoods in preparation for the vacant building inventory
- Pattern presented an outline of the study to the Kingston Common Council Housing Committee including Aldermen Reynolds Scott Childress, Michele Hirsch, and Donald Tallerman with Land Bank Executive Director and Director of Housing Initiatives Michael Gilliard present
- Weekly meetings with Michael Gilliard and Housing Initiatives staff

For research purposes related to this study, Pattern conducted the following interviews:

- **Karen Black, CEO of May 8 Consulting**
Topics: Code enforcement, management of vacant and abandoned properties, in rem processes, the value of a vacant property task force, foreclosure prevention, and the option of bundling vacant properties for development
- **Kathy Germain, Vice President of Housing Services RUPCO**
Topics: RUPCOs foreclosure prevention programs, homeownership programs, housing resources
- **Madeline Fletcher, Director of Distressed Asset Preservation for NYS Homes and Community Renewal, and the Former Executive Director of the Newburgh Community Land Bank**
Topics: Strategies for Land Bank funding, sales, and homeownership programs
- **David Kohl, Economic Development Specialist, City of Newburgh**
Topics: The City of Newburgh's in rem process, the Newburgh Community Land Bank, sale of City-owned properties through a competitive bidding process

For demographic data, the study uses Census 2010 Decennial and 2018 American Community Survey data, and Housing Urban Development (HUD) Median Family Income Documentation System data.

For housing data, the study uses HUD Comprehensive Housing Affordability Strategy (CHAS) data from 2007-2011 and 2012-2016 as well as current New York ORPS sales trend data. This is the most current data set of this type as of the date of this report.

As major component of this study, Pattern conducted a Vacant Building Inventory. The inventory of vacant buildings, while only a snapshot in time, is essential to understanding the scale of the issue, for recognizing geographic patterns, if any, and the overall exterior condition of vacant buildings in Kingston. The methodology of this inventory is detailed later in the report.

DEMOGRAPHIC OVERVIEW

Like many communities throughout the Hudson Valley, population growth in the City of Kingston has been relatively stagnant over the past two decades. From 2000 to 2010, Kingston’s population grew by 437, then, decreased by 683 from 2010 to 2018. Kingston’s population in 2018 (23,210) is 1% smaller than the City’s population in 2000 (23,456).

With a median age of 38, Kingston has a younger population than Ulster County (median age 43). Nearly 30% of Kingston’s total population is under the age of 25 and approximately 15% of the City’s population is 65 or older. Almost 20% of Ulster County’s population is aged 65 or older.

The median annual income for a worker living in Kingston is just \$28,668. This is lower than the median annual income in Ulster County (\$32,829) and New York State (\$37,701). Kingston’s low median income translates into a high individual poverty rate, which is calculated for individuals 16 and over who are not living in college dormitories or institutional group quarters. Kingston’s individual poverty rate is 15%, slightly higher than Ulster County (13%) and New York State (13%).

Approximately 63% of Kingston’s population is identified as White, 15% is Black, and 15% is Hispanic or Latino. Kingston has a considerably more diverse population than Ulster County, which is nearly 80% White. Mirroring many other Hudson Valley cities, Kingston’s Hispanic and Latino population has grown significantly in recent years. In 2000, Hispanic and Latino residents made up only 6% of Kingston’s total population. That number has more than doubled to 15% in 2018.

Kingston Demographic Snapshot	
Total Population	23,210
Median Age	38
Median Individual Income	\$28,668
Unemployment Rate	8%
Individual Poverty Rate	15%
<i>Race and Ethnicity as a % of total population</i>	
White	63%
Black	15%
Hispanic or Latino	15%
Other	7%

Source: U.S. Census Bureau - 2018 American Community Survey

HOUSING OVERVIEW

Founded in 1652, Kingston has a relatively old housing stock overall. Of the City's 10,592 housing units (all unit types), approximately 8,339 were built before 1970, meaning they are over 50 years old. Furthermore, over half of the housing units (5,000) in Kingston are over 80 years old and were built before 1939. Older housing stock generally has more maintenance issues and less energy efficiency than newer housing, increasing operational costs for homeowners.

Kingston's occupied housing stock is split about equally between renter occupied households (53%) and owner occupied households (47%). This is significantly different from Ulster County. The county's occupied housing stock is approximately 30% renter occupied and 70% owner occupied.

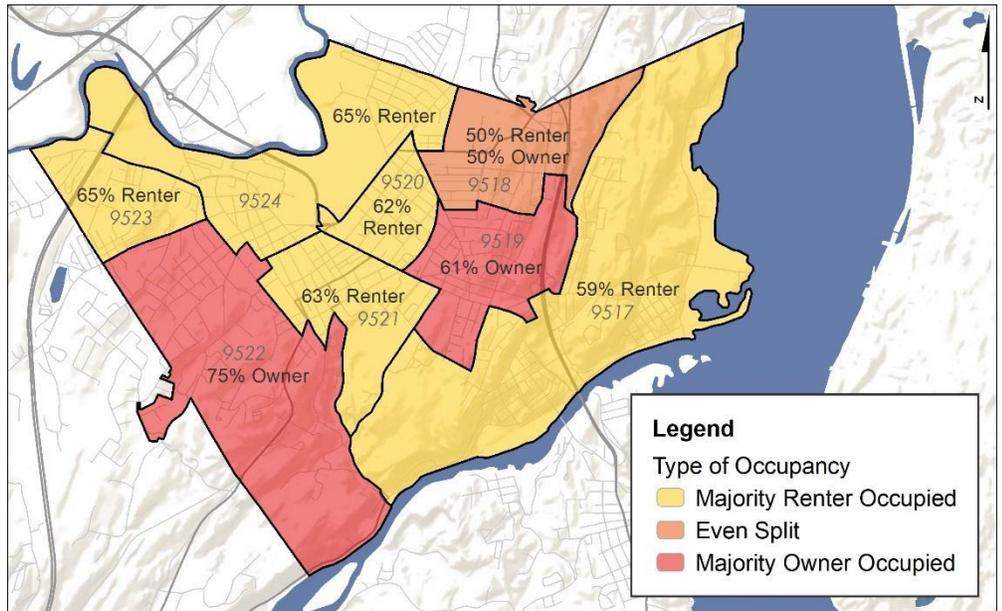
The median household income in Kingston is \$48,186. This is lower than the median household income of Ulster County (\$63,348) and New York State (\$65,323).

Kingston Housing Snapshot	
Total Housing Units	10,592
Occupied Housing Units	9,361
Housing Units Built before 1970	79%
Renter Occupied Households	53%
Owner Occupied Households	47%
Median Household Income	\$48,186
Median Renter Household Income	\$32,866
Median Owner Household Income	\$74,881
Median Gross Rent	\$1,054
Median Home Value	\$169,800

Source: U.S. Census Bureau -
2018 American Community Survey

Distribution of Renters and Owners by Kingston Census Tract

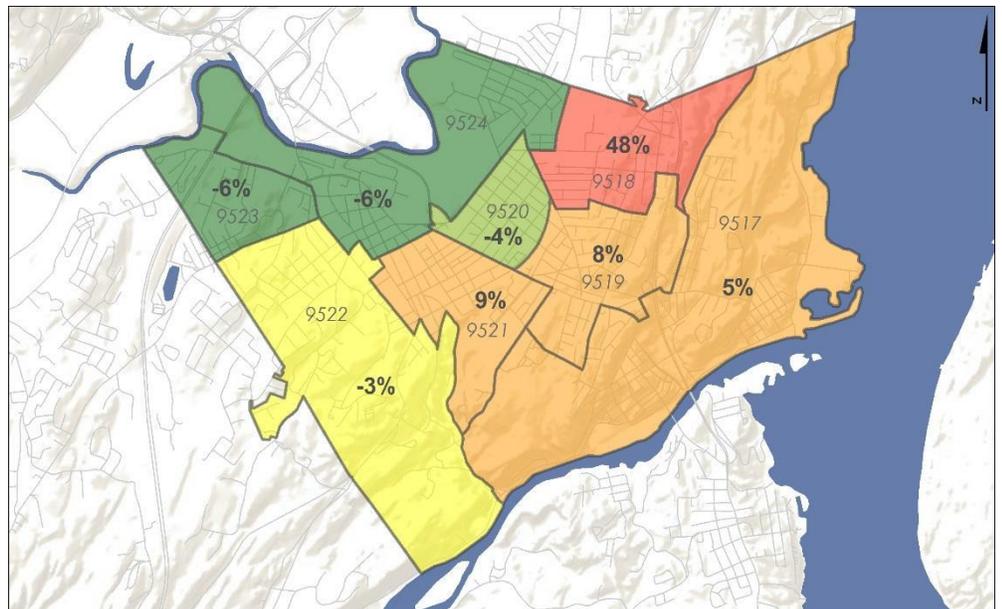
The adjacent map shows the eight census tracts in the City of Kingston labeled by whether they contain a majority of renter-occupied households or owner-occupied households. Census tract 9522, located in the southwest corner of the City, has the highest share of households that are owner-occupied (75%).



Source: U.S. Census Bureau - 2018 American Community Survey

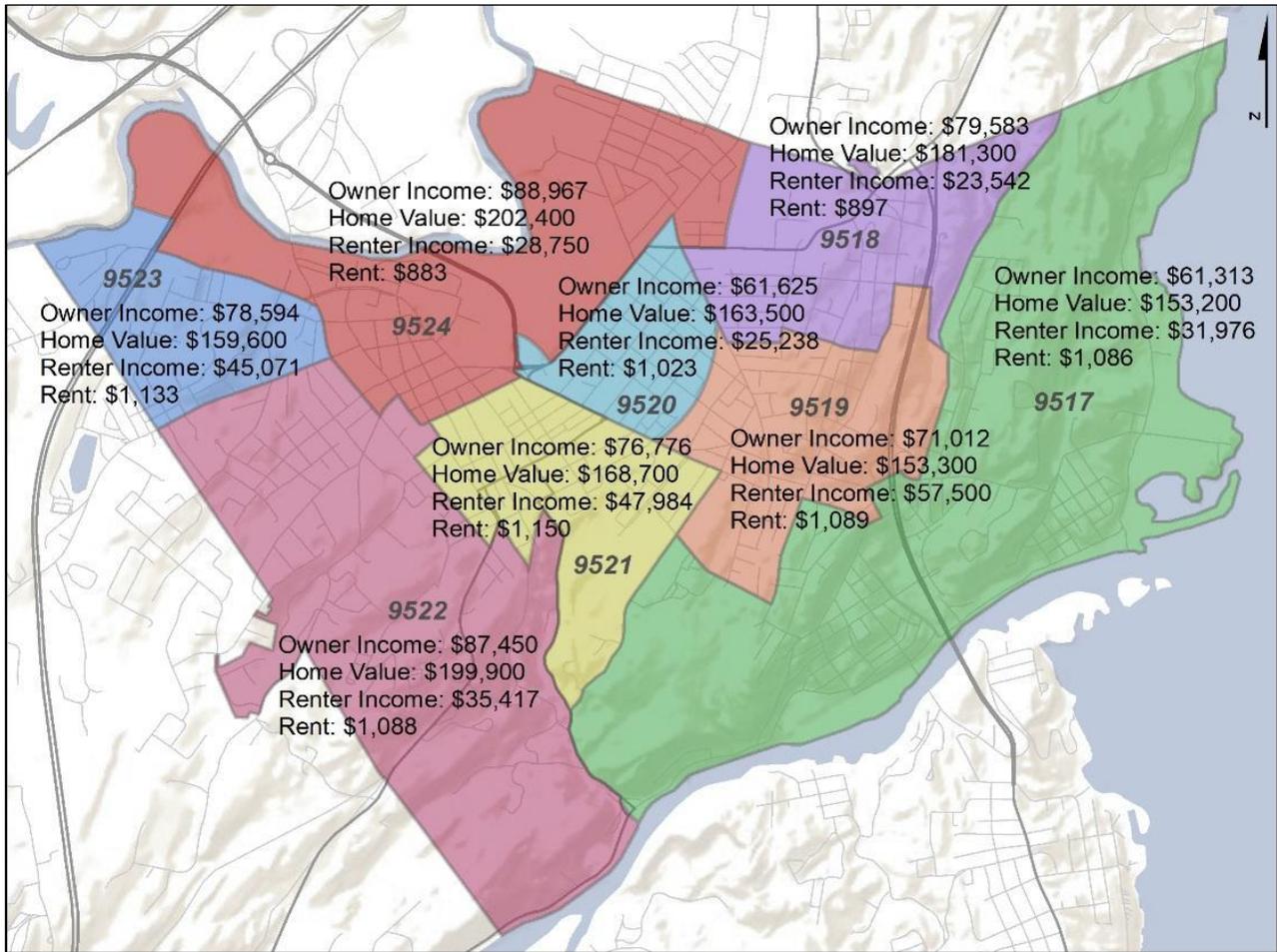
Change in Rent 2010 to 2018 by Kingston Census Tract (Inflation adjusted)

Since 2010, inflation adjusted rent has increased in the eastern tracts and decreased in the western tracts. Tract 9518 has seen the greatest rent increase in the eight-year period of 48%, which is nearly 10 times the pricing swing of many other tracts in the City. Four tracts in the western part of the city, 9522, 9523, 9524, and 9520 have all seen a decrease in rent when adjusted for inflation.



Source: U.S. Census Bureau – 2010 and 2018 American Community Survey

Median Income, Rent and Home Value by Kingston Census Tract



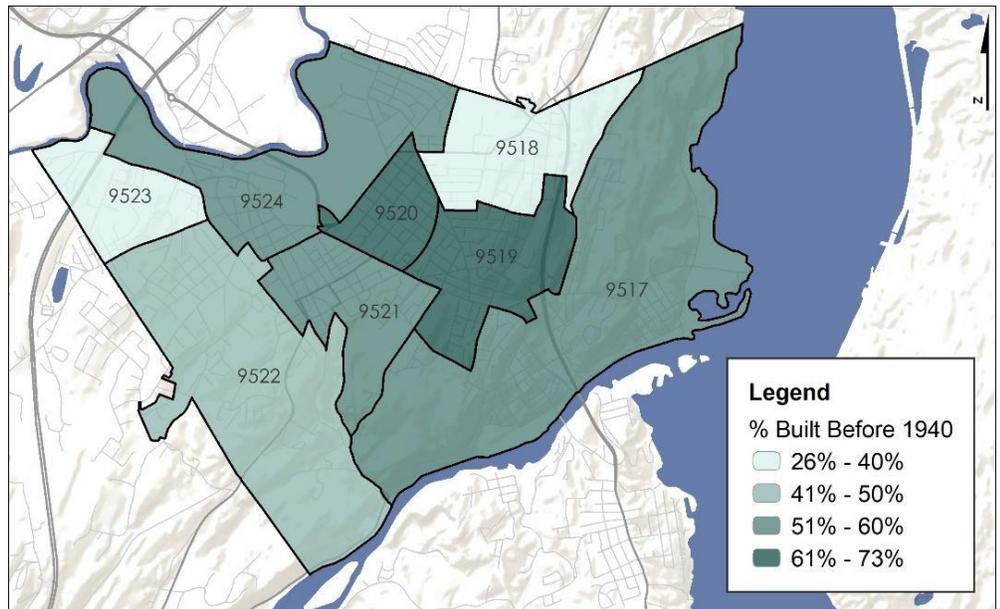
Source: U.S. Census Bureau - 2018 American Community Survey

In every tract, there is a significant difference between owner and renter income. The difference is most pronounced in tracts 9524 and 9518 where owner income is more than 200% greater than renter income. Home values are highest in tract 9524 at \$202,400 and lowest in the waterfront tract of 9517 at \$153,200.

Distribution of Housing Stock Built Prior to 1940 by Kingston Census Tract

Much of Kingston's housing stock was built before 1940. The inner Census tracts of 9520 and 9519 have the largest share of housing built before 1940 at 61% to 73%.

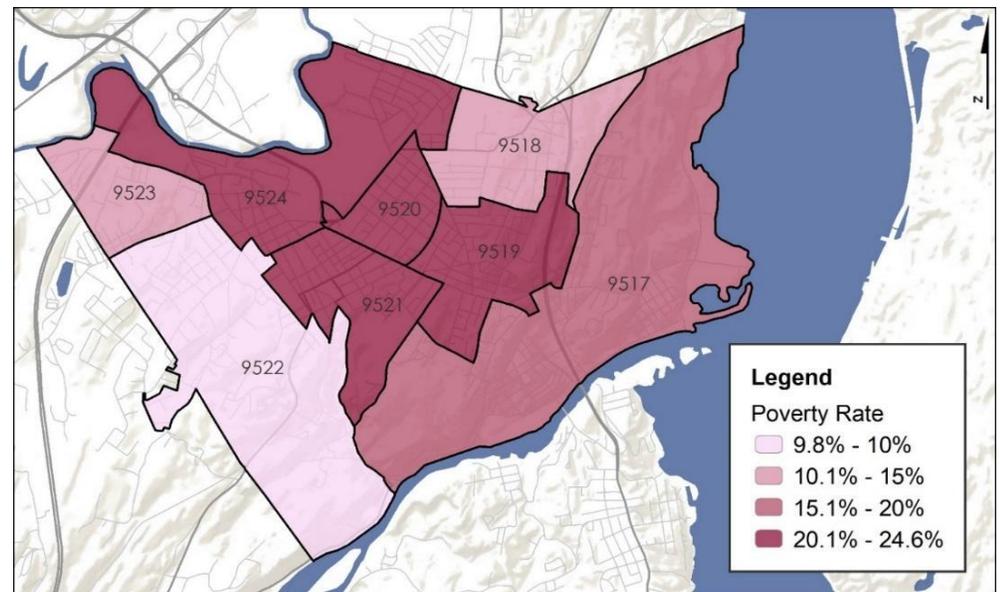
Older homes are more likely to have higher energy, repair and maintenance, costs than newer homes.



Source: U.S. Census Bureau - 2018 American Community Survey

Distribution of Poverty by Kingston Census Tract

The poverty rate varies significantly by neighborhood. To determine the poverty rate, the U.S. Census uses income thresholds that vary by family size. In 2018, the income threshold for a family of four was \$25,100. Households with total income less than this amount are considered in poverty. In the more inner Census tracts the rate is between 20.1% and 24.6%. In Census Tract 9522 the poverty rate is about half that of the higher areas at around 10%.



Source: U.S. Census Bureau - 2018 American Community Survey

HOUSEHOLD INCOME

Like many communities in the Hudson Valley, owner-occupied households in Kingston generally have a higher household income than renter-occupied households. The median income of owner-occupied households (\$74,881) is 127% higher than the median income of renter-occupied households (\$32,866).

The table below shows that this income gap is unfortunately getting wider. In 2010, owner-occupied households in Kingston had a median income 115% higher than renter occupied households.

This table also shows that while household income appears to have increased for both renters and owners, after adjusting for inflation, household purchasing power actually decreased from 2010 to 2018. Adjusting 2010 household income into 2018 dollars reveals that renter household income decreased by 9% and owner household income decreased by 3%.

Median Household Income of Renter and Owner Occupied Households

	2010 Household Income	2010 Inflation Adjusted Household Income	2018 Household Income	2010 - 2018 Change in Household Income	2010 - 2018 Percent Change in Household Income
Renter Households	\$31,415	\$35,935	\$32,866	-\$3,069	-9%
Owner Households	\$67,690	\$77,430	\$74,881	-\$2,549	-3%
All Households	\$46,098	\$52,731	\$48,186	-\$4,545	-9%

Source: U.S. Census Bureau - 2010 Decennial Census; 2018 American Community Survey

Every year, The U.S. Department of Housing and Urban Development (HUD), in partnership with the U.S. Census Bureau, publishes the housing cost burden dataset known as “CHAS” (Comprehensive Housing Affordability Strategy). CHAS data includes information about household income and housing affordability. To understand localized housing affordability better, CHAS income data is expressed as a percentage of Household Area Median Family Income (HAMFI). This approach allows for a more accurate representation of local housing affordability. In 2016, the most current data available as of this report, the HAMFI in Ulster County was \$75,900. The table below shows the calculated value of household incomes at 80%, 50%, and 30% of HAMFI in Ulster County.

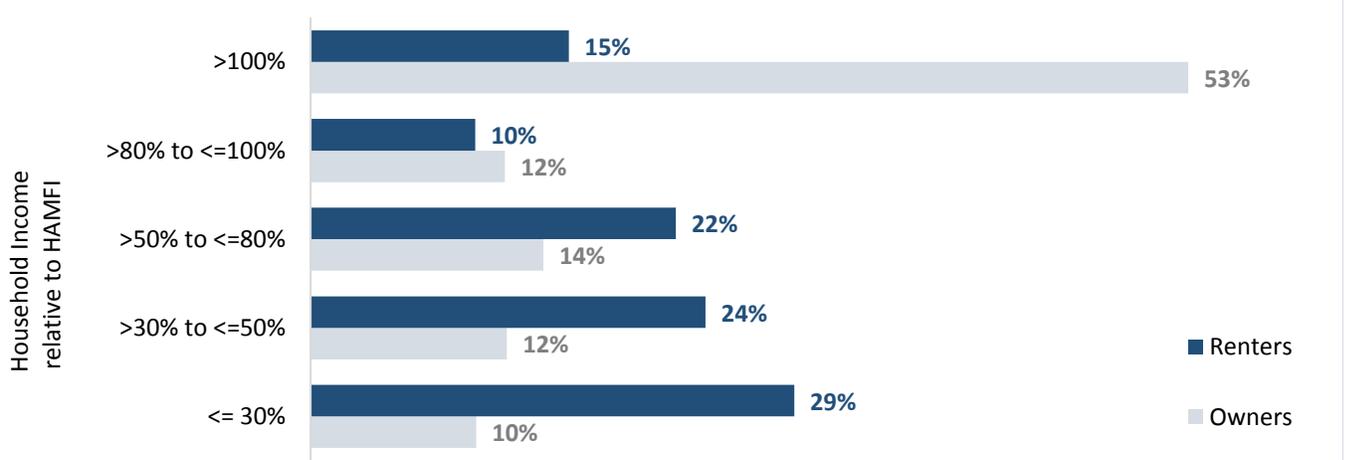
Ulster County 2016 Household Area Median Family Income (HAMFI)

	100%	80%	50%	30%
2016 Household Area Median Family Income (HAMFI)	\$75,900	\$60,720	\$37,950	\$22,770

Source: HUD – Median Family Income Documentation System

The chart below shows the distribution of renter and owner occupied households by household income. The household income ranges are expressed as a percentage of HAMFI. The chart reveals that over half of owner occupied households have an income higher than the HAMFI, while only 15% of renters are in that range. Furthermore, more than half of renter occupied households have an income lower than 50% of HAMFI. ***In summary, the majority of owner households have an income higher than the median household income, while the majority of renter households have an income less than half of the median household income.***

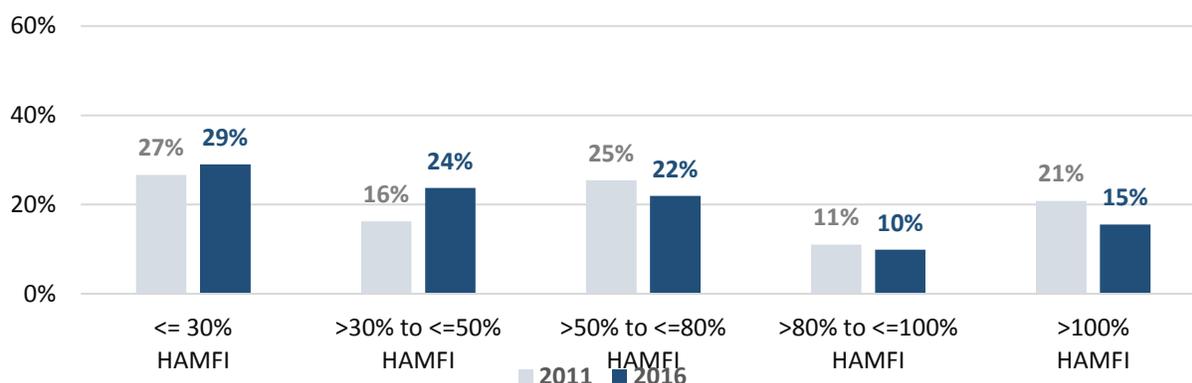
Distribution of Renter and Owner Occupied Households by Household Income Range



Source: HUD – CHAS 2012-2016

An examination of prior years of CHAS data allows for an analysis of trends in household income trends over time. The chart below shows that from 2011 to 2016, the share of renter households in the bottom two income categories increased, while the share of renter households in the top three income categories decreased. Over this same period, the total number of renter occupied households remained relatively constant. This indicates that the trends shown in the chart are likely primarily caused by a decrease in renter household income. Regardless of the cause, the number of renter households with low incomes is increasing. In 2011, 43% of renter households earned less than or equal to 50% of HAMFI, and that increased to 53% in 2016.

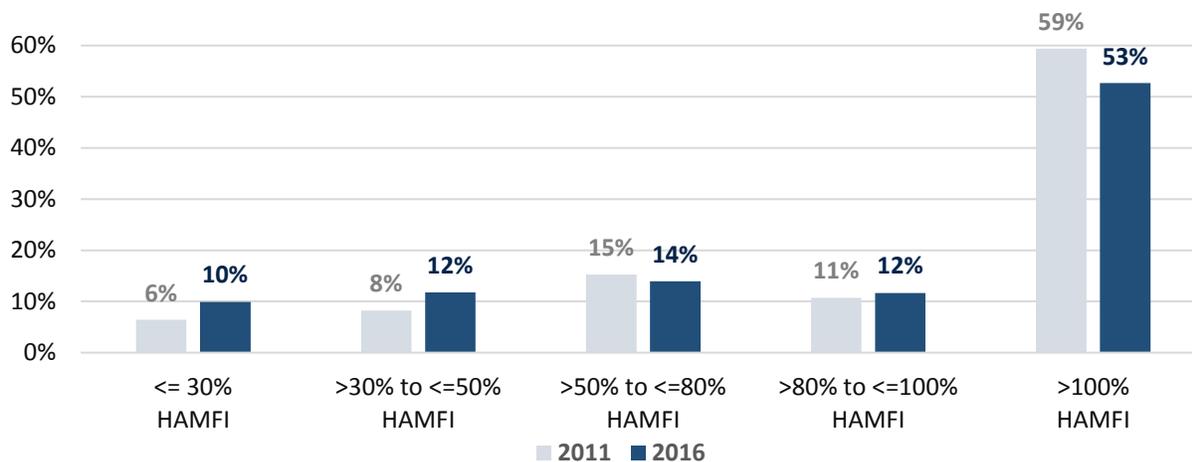
Distribution of Kingston Renter Occupied Household Income (2011 vs. 2016)



Source: HUD - CHAS 2007-2011; CHAS 2012-2016

Similar to renter households, owner-occupied households also saw an increase in the share of households in the bottom two income ranges from 2011 to 2016. However, over this time the total number of owner occupied households decreased by 9%, most of which is accounted for by a decrease in owner occupied households from the top income range (>100% HAMFI). This indicates that a couple hundred owner occupied households in the top income category moved out of Kingston.

Distribution of Kingston Owner Occupied Household Income (2011 vs. 2016)



Source: HUD - CHAS 2007-2011; CHAS 2012-2016

Employment and Wages in the City of Kingston

	Number of Residents Employed in Industry	% of Employed Residents	Average Industry Wage in Ulster County
Agriculture, forestry, fishing and hunting	34	0.3%	\$32,700
Mining, quarrying, and oil and gas extraction	15	0.1%	\$54,794
Construction	715	6.1%	\$55,555
Manufacturing	570	4.9%	\$50,121
Wholesale trade	165	1.4%	\$57,515
Retail trade	1,397	11.9%	\$30,475
Transportation and warehousing	436	3.7%	\$35,814
Utilities	76	0.6%	\$54,794
Information	200	1.7%	\$41,162
Finance and insurance	745	6.3%	\$65,787
Real estate and rental and leasing	199	1.7%	\$45,918
Professional, scientific, and technical services	580	4.9%	\$60,839
Management of companies and enterprises	0	0.0%	\$73,155
Administrative and support and waste management services	300	2.6%	\$40,750
Educational services	1,274	10.9%	\$34,658
Health care and social assistance	2,464	21.0%	\$43,258
Arts, entertainment, and recreation	224	1.9%	\$29,313
Accommodation and food services	1,041	8.9%	\$22,288
Other services, except public administration	657	5.6%	\$27,290
Public administration	641	5.5%	\$60,291
Total - All Industries	11,733	100%	\$44,020

Source: NYS Department of Labor & 2018 American Community Survey (US Census Bureau)

Housing Need Scenarios for the City of Kingston

	Family of 1 1 income AMI \$58,600	Family of 2 1 income AMI \$67,600	Family of 3 1 income AMI \$75,400	Family of 4 2 incomes AMI \$83,700	Family of 5 2 incomes AMI \$90,400
Industry/Job title	Accommodation and Food Services	Construction	Finance and Insurance	<ul style="list-style-type: none"> ▪ Education ▪ Health care 	<ul style="list-style-type: none"> ▪ Retail ▪ Health care
Percentage of Employed Population in Community	8.90%	6.10%	6.3%	<ul style="list-style-type: none"> ▪ 10.9% ▪ 21.0% 	<ul style="list-style-type: none"> ▪ 11.9% ▪ 21.0%
Annual Average Wage	\$22,288	\$55,555	\$65,787	<ul style="list-style-type: none"> ▪ \$34,658 ▪ \$43,258 	<ul style="list-style-type: none"> ▪ \$30,475 ▪ \$43,258
% County AMI Adjusted for Family Size	38.0%	82.2%	87.3%	93.1%	81.6%
Rent/Mortgage Payment Should Not Exceed	\$557	\$1,389	\$1,645	\$1,948	\$1,843
Can Afford a Home Valued up to	\$45,000	\$155,000	\$187,000	\$225,000	\$212,000
Median Sales Price	\$259,000	\$259,000	\$259,000	\$259,000	\$259,000
Gap (What's Affordable – Median Sale Price)	-\$214,000	-\$104,000	-\$72,000	-\$34,000	-\$47,000
Number of Homes for Sale on MLS at Affordable Price	0 / 95	6 / 95	15 / 95	32 / 95	29 / 95

* Based on NYS ORPS; ** Based on Ulster MLS search August 10, 2020

Scenarios are based on the following underwriting: 30-year fixed-rate mortgage at 3.25% interest and a 5% down payment. The tax rate is based on the Ulster County Real Property Data Report, which does not include Special Districts. The School Tax is based on the primary district in the City. The underwriting makes the assumption that as a household, size increases from one person to five persons; the other recurring monthly debts that are used in the back-end ratio increase.

Existing market conditions for the City of Kingston show a median price of \$259,000 with homes on the market for an average of 62 days. As of the time of this report, here are 95 single-family homes for sale with a low price of \$79,500 and a high price of \$1,500,000.

Assuming a 4-person household with \$825 in other recurring monthly debt, such as car loans, personal loans, student debt, and other unsecured loans, would need to earn \$90,000 a year in order to purchase the median priced home in the community. This represents 107% of the Area Median Income for Ulster County. The median income in Kingston is \$48,186. Given the mortgage assumptions above, this household can afford a mortgage of \$105,000. There is currently two single-family home out of 95 active listings below \$105,000.

PORTRAITS OF HOUSING NEED

Family of One



Accommodation and food services:
\$22,288

Makes up **8.9%** of employed population in the City of Kingston

38.0% of AMI

Rent should not exceed
\$557/month

Can afford a home valued up to
\$45,000

Family of Two



Construction:
\$55,555

Makes up **6.10%** of employed population in the City of Kingston

82.2% of AMI

Rent should not exceed
\$1,389/month

Can afford a home valued up to
\$155,000

Family of Three



Finance and Insurance:
\$65,787

Makes up **6.3%** of employed population in the City of Kingston

87.3% of AMI

Rent should not exceed
\$1,645/month

Can afford a home valued up to
\$187,000

Family of Four



Education: **\$34,658**
Health care: **\$43,258**

Makes up **10.9%** and **21.0%** of employed population in the City of Kingston

93.1% of AMI

Rent should not exceed
\$1,948/month

Can afford a home valued up to
\$225,000

Family of Five



Retail: **\$30,475**
Health care: **\$43,258**

Makes up **11.9%** and **21.0%** of employed population in the City of Kingston

81.6% of AMI

Rent should not exceed
\$1,843/month

Can afford a home valued up to
\$212,000

The residential market in the City of Kingston has gone through dramatic changes since the beginning of 2020. Clearly, the COVID-19 pandemic has caused major disruptions in the real estate market throughout the state, region, county and in the City of Kingston. The following data shows the drastic differences in the market when comparing June 1 through early August of 2019 to the same period in 2020. This period was selected for two reasons. First, it represents a very active time of the year in the real estate industry. Second, it reflects the changes in the manner in which real estate industry was operating during the shutdown and as NYS was re-opening. Here are the results:

June 1, 2019 to early August 2019

An analysis of the Multiple Listing Service data shows there were 49 sales in the City of Kingston with the median sold price of \$185,395. Homes were sold at 96% of the list price and the average Days On Market was 58. Of the 49 sales, 19 were all cash, which represents about 39% of the sales. Seven of the 49 sales, or 14%, were over 100% of the list price.

June 1, 2020 to early August 2020

The data shows there were only 29 sales in the City of Kingston, which is a 59% decline from the same period last year. The median sold price was \$265,000, which represents an increase of almost \$80,000, or 43%. The percentage of the listing price remained at 96% and the average Days On Market was 80, which was a jump of 22 days, or 38%. Of the 29 sales, 14 were all cash, representing 48% of the sales, which was a 10% increase from 2019. Seven of the 29 sales, or 24%, were over 100% of the list price, again, a 10% jump since 2019.

Overall, the residential real estate market has been greatly influenced due to the pandemic. With historic low interest rates and a tighter inventory, the market is likely to see continued upward pressure on price. This must be taken into account in the affordability analysis when designing programs for homeownership.

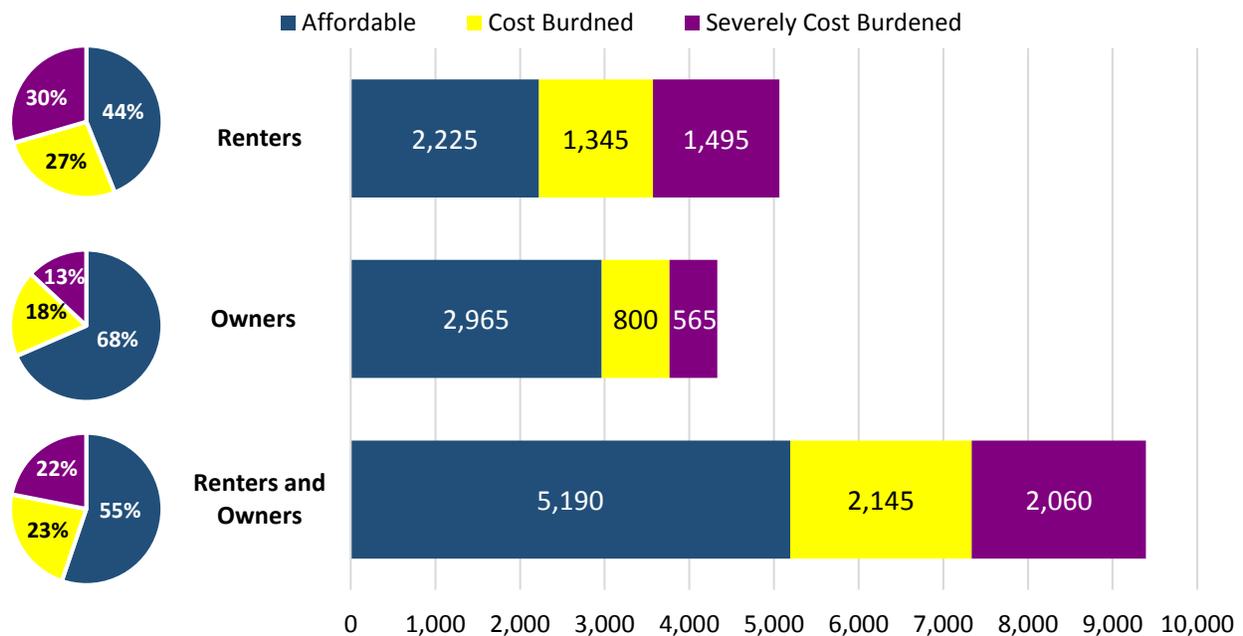
HOUSING COST BURDEN

In addition to providing information on income, CHAS data also tracks housing cost burden expressed as the percentage of household income spent on housing costs. For renters, housing costs are defined as the cost of rent and utilities. For homeowners, housing costs are defined as the cost of mortgage payments, utilities, association fees, insurance, and real estate taxes. For the purposes of this report, CHAS data is used to define housing cost burden the following manner:

Housing Cost Burden	Definition (Percentage of Household Income Spent on Housing Costs)
Affordable	Less than or equal to 30%
Cost Burdened:	Greater than 30% but less than or equal to 50%
Severely Cost Burdened:	Greater than 50%

The charts below depict the number and percentage of households by housing cost burden. The charts reveal that less than half (44%) of renter households have affordable housing costs, while more than half (68%) of owner households have affordable housing costs. Additionally, a significant percentage of renter households (30%) are severely cost burdened. Overall, nearly half (45%) of all households in Kingston are either cost burdened or severely cost burdened.

Household Affordability for Kingston Renters and Owners (2016)



Source: HUD - CHAS 2012-2016

Ulster County Area Media Income by Family Size

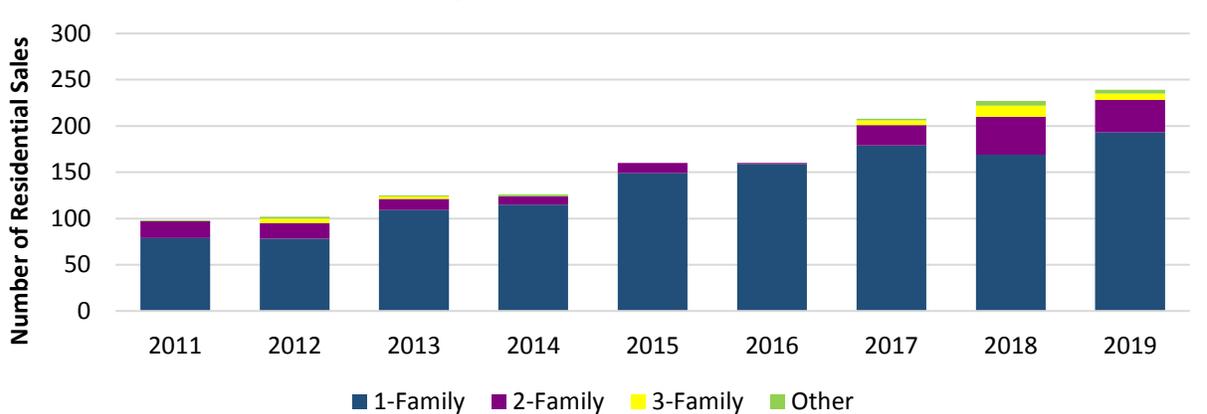
% AMI	1-person	2-person	3-person	4-person	5-person	6-person
30%	\$17,600	\$20,100	\$22,600	\$26,200	\$30,680	\$35,160
50%	\$29,300	\$33,500	\$37,700	\$41,850	\$45,200	\$48,550
60%	\$35,160	\$40,200	\$45,240	\$50,220	\$54,240	\$58,260
80%	\$46,900	\$53,600	\$60,300	\$66,950	\$72,350	\$77,700
100%	\$58,600	\$67,000	\$75,400	\$83,700	\$90,400	\$97,100

Source: Department of Housing and Urban Development (HUD)

RESIDENTIAL SALES TRENDS

Since 2011, the number of residential sales in the City of Kingston has been trending upward. The table and chart below show that as the number of residential sales grew, the distribution of housing types remained relatively constant; single-family homes consistently accounted for about 75% to 80% of all residential sales, 2-family homes accounted for about 15%, and 3-family home accounted for about 3%. The “Other” category includes atypical residential buildings such as multi-purpose buildings and residences with incidental commercial uses.

City of Kingston Residential Sales by Type



		2011	2012	2013	2014	2015	2016	2017	2018	2019
#	1-Family	79	78	109	115	149	159	179	169	193
	2-Family	18	17	12	9	11	1	22	41	35
	3-Family		5	3				5	12	7
	Other	1	2	1	2	0	0	2	5	4
	Total	98	102	125	126	160	160	208	227	239
%	1-Family	81%	76%	87%	91%	93%	99%	86%	74%	81%
	2-Family	18%	17%	10%	7%	7%	1%	11%	18%	15%
	3-Family	0%	5%	2%	0%	0%	0%	2%	5%	3%
	Other	1%	2%	1%	2%	0%	0%	1%	2%	2%

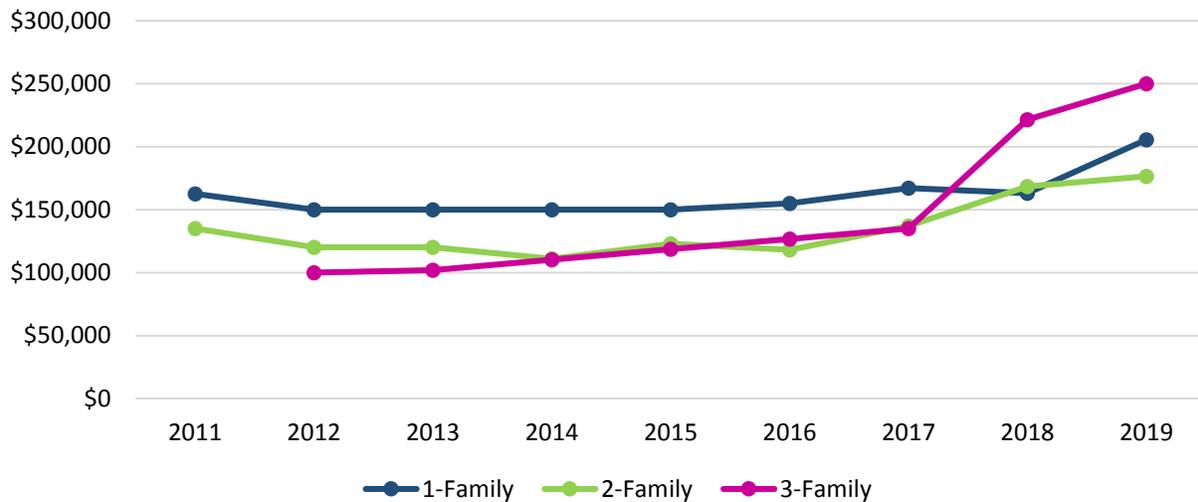
Source: NYS ORPS

Sales Price Trends

Between 2011 and 2016, the median sale price of a single-family home in Kingston remained relatively constant around \$150,000. In 2017 and 2018, it rose to about \$165,000, and in 2019, it jumped to over \$200,000 (Office of Real Property Tax). The median sale price of 2-family homes experienced a similar trend of a relatively consistent price, followed by an increasing price starting in 2016.

The median price of 3-family home increased significantly from \$135,000 in 2017 to \$221,500 in 2018. It should be noted that there are very few 3-family home sales, which can cause a greater degree of price fluctuation. In fact, there were no 3-family home sales recorded for the years of 2011, 2014, 2015, and 2016. However, in 2018, the year that saw the greatest jump in median sale price, there was also a significant increase in the number of 3-family home sales, increasing from five sales in 2017 to 12 in 2018.

**Median Sale Price of Homes Purchased in Kingston
1-Family and 2-Family 3-Family Homes**



Source: NYS ORPS

Who is moving in?

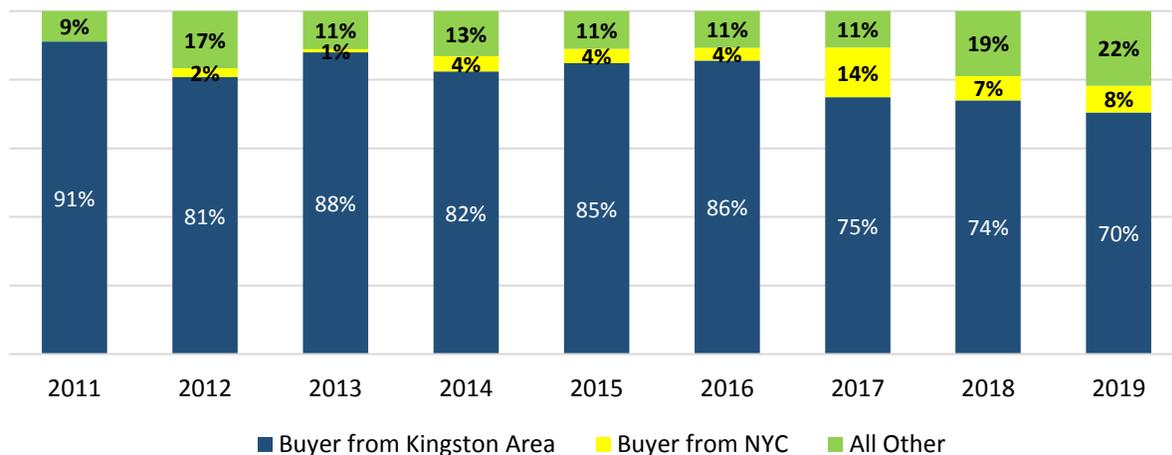
Between 2011 and 2019, local buyers from the Kingston area zip code (12401) account for the vast majority (80%) of single-family home sales in Kingston. The Kingston area zip code covers the entirety of the City of Kingston, the Town of Kingston, most of the Town of Ulster, and parts of the Towns of Marbletown, Rosendale, Esopus, and Woodstock. Since 2011, the total number of single-family home sales to a buyer from the Kingston area has been increasing, nearly doubling between 2011 and in 2019.

However, there has also been an uptick in the number of single-family home sales to buyers outside of the Kingston area since 2011. This has resulted in a decrease in the *share* of single-family home sales to local buyers. The table and chart below shows an increase in single-family home purchases to buyers from other areas in Ulster County, New York City, and other places throughout New York State. The share of single-family home purchases to buyers from within the Kingston area zip code dropped from 91% in 2011, to 70% in 2019. The share of buyers from NYC over the past 3 years is nearly double this amount from the prior 6 years.

Number of Single-Family Home Sales in Kingston by Location of Buyer

	2011	2012	2013	2014	2015	2016	2017	2018	2019	9-year total
Kingston Area Zip Code (12401)	72	63	95	94	123	136	134	125	136	978
Ulster County (Outside 12401)	4	10	3	9	7	10	9	12	18	82
New York City	-	2	1	5	6	6	26	12	15	73
New York State Remainder	2	3	7	1	5	4	7	14	9	52
Outside New York State	1	-	3	6	8	3	3	6	15	45

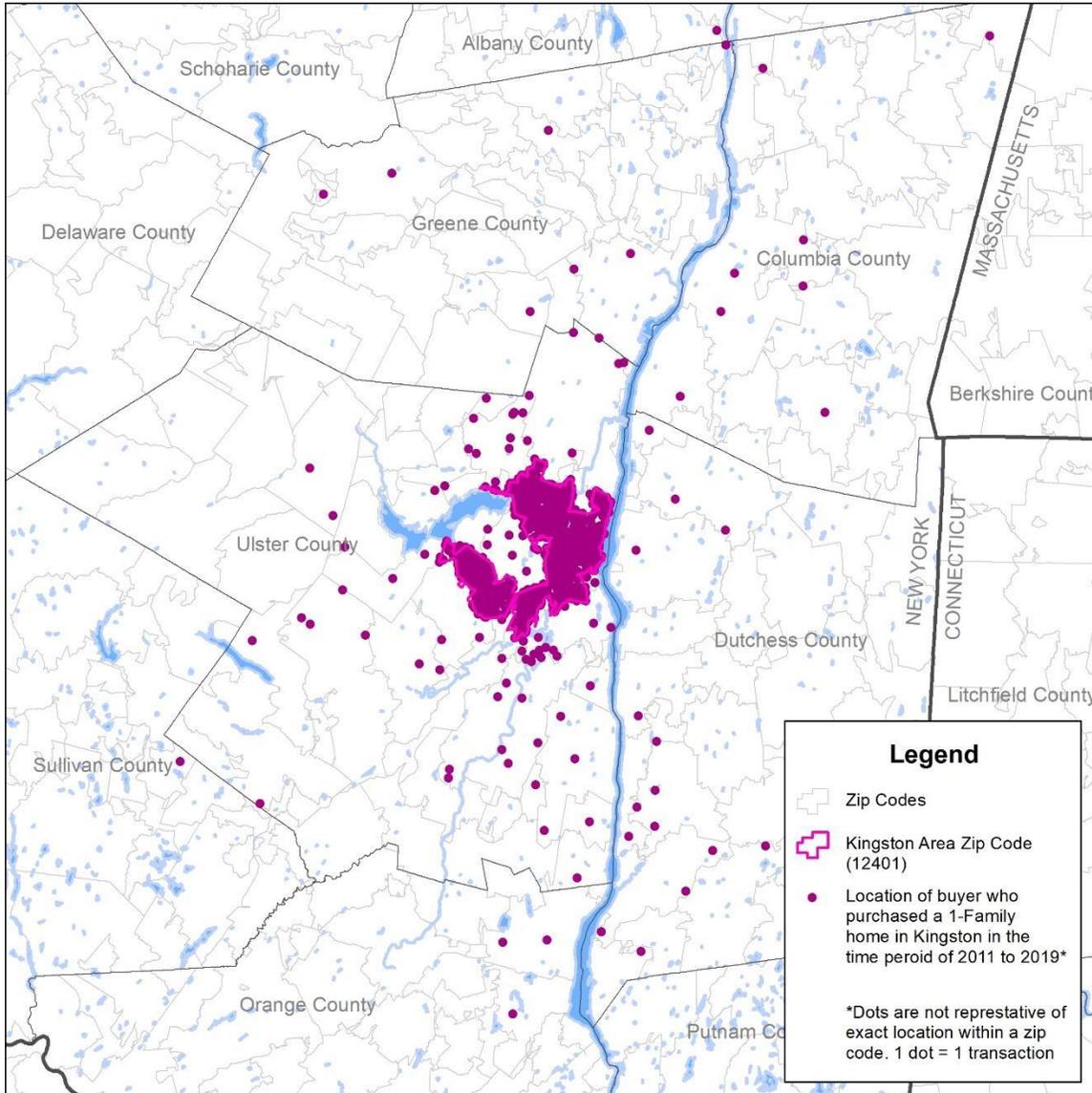
Number of Single-Family Home Sales in Kingston by Location of Buyer



Source: NYS ORPS

The map below illustrates the geographical distribution by zip code of buyers who purchased a single-family home in Kingston between the years of 2011-2019. This map does not show the location of every buyer, but it encompasses the vast majority. Most buyers were from within the 12401 zip code.

Location of Buyers Who Purchased a Single-Family Home in Kingston (2011-2019)



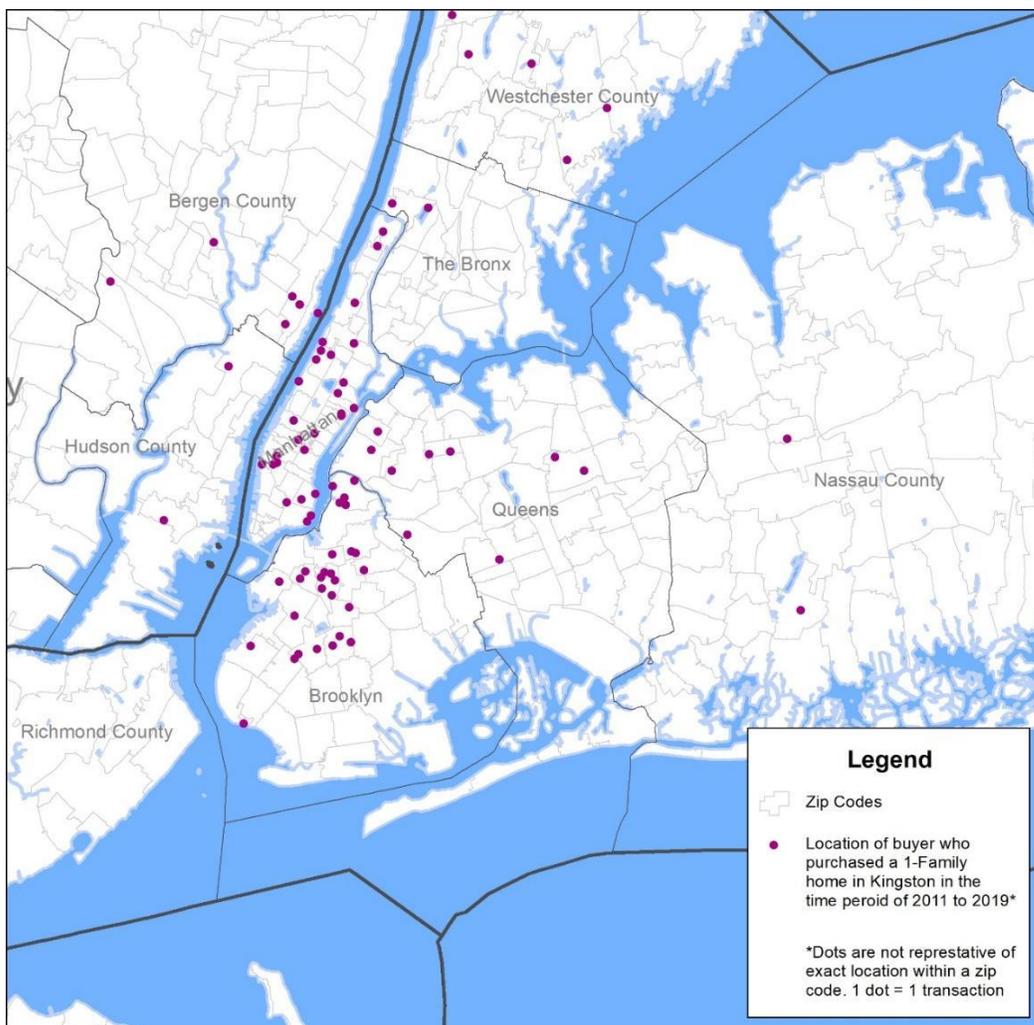
Pattern for Progress, 2020

New York City Connection

Outside of the Kingston area, the only other significant geographical cluster of buyers purchasing single-family homes in Kingston is in the New York City area. Like the map on the previous page, the map below shows the location of buyers, by zip code, who purchased a single-family home in Kingston between the years of 2011-2019. The data indicates there has recently been a significant increase over the past 3 years in the number of buyers from NYC purchasing single-family homes in Kingston.

This trend may be occurring for a number of reasons. New York City's disproportionately high population density relative to the rest of the region is likely a partial explanation. A City with so many people can be expected to generate more homebuyers compared to other locations simply due to the sheer number of people living there. This trend also aligns with anecdotal evidence that there is increasing interest in the Kingston real estate market from New York City Buyers. The effects of the COVID-19 pandemic are expected to reflect a continuation if not exacerbation of this trend.

Location of NYC-Area Buyers Who Purchased a Single-Family Home in Kingston (2011-2019)



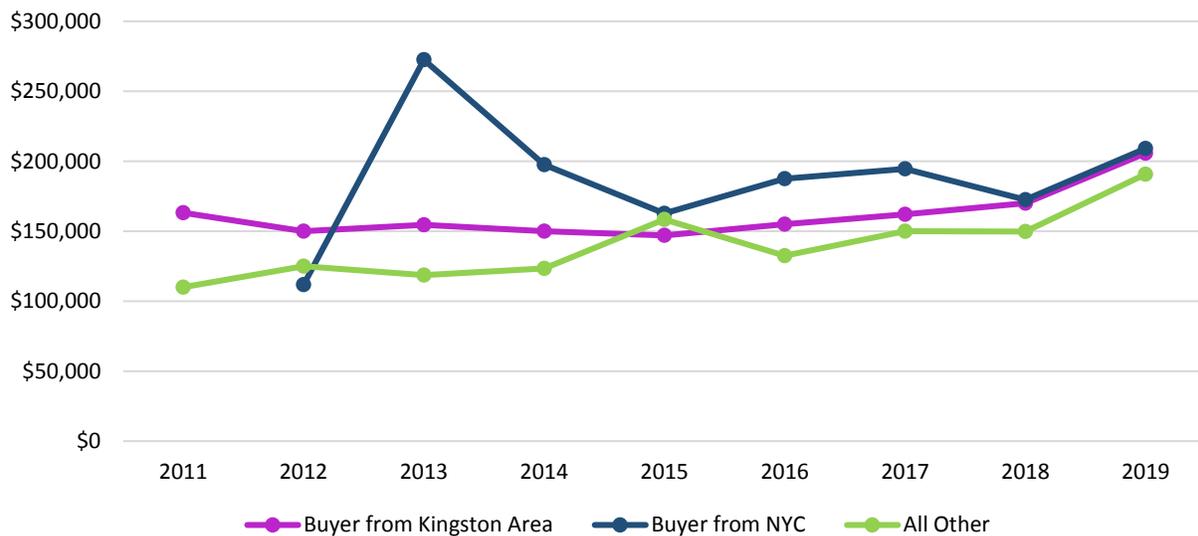
Pattern for Progress, 2020

The chart below shows the median sale price of single-family homes for buyers from the Kingston area zip code, New York City, and all other locations. The chart shows a general trend of New York City buying slightly more expensive homes than buyers from Kingston. However, in 2018 and 2019 the median sale price between local buyers and New York City buyers was virtually identical.

It should also be noted that the data for buyers from New York City is more erratic due to the smaller number of total sales. In 2013 there was only one single-family home sale recorded in Kingston with a buyer from New York City. The home was sold for \$272,500, resulting in the extreme jump in median sales price seen in the chart. As the number of sales to New York City buyers increased over time, the median sale price became less prone to fluctuations.

There is anecdotal evidence that buyers from New York City are purchasing property in Kingston at higher price points than non-NYC residents. There is concern that this is inflating the real estate market and pricing out local residences. The chart below does not provide definitive evidence that this is occurring or not occurring. It does suggest that buyers from the Kingston area are purchasing single-family homes at a price point similar to buyers from New York City and other places outside of the Kingston area.

**Median Sale Price of Single Family Homes Purchased in Kingston
By Location of Buyer**



Source: NYS ORPS

Realtor Interviews

Pattern spoke with several realtors working in the Kingston area to understand better the current conditions of the housing market, especially in the recent months of the COVID-19 pandemic. The market was described as “hot” and “very busy” and dominated by sales to buyers from New York City. John Murphy of Murphy Realty said that the pandemic has heated up the market but that it was busy before the pandemic with the first three months of 2020 being the busiest sales months on record. He anticipates that this year will surpass last year in terms of sales.

Many of the buyers are young professionals who are priced out of Brooklyn and Manhattan but who have high enough incomes that they can afford to buy in Kingston. Many of the sales are cash sales and potential purchasers relying on first-time homebuyer programs cannot compete with cash buyers and conventional loans.

The area in Kingston that is within walking distance of the Stockade District is most desirable but there is nowhere in the City that is not seeing a lot of sale action. A realtor from Keller William Hudson Valley North said that buyers seem to want to buy anything that comes on the market and that the type of unit does not matter.

The Keller Williams realtor said that concerning vacant buildings that there would be interest from investors but also local buyers who are unable to otherwise purchase within the City. Murphy said if vacant buildings were available they would be very desirable and there would be a lot of interest in such buildings as there are a lot of investors looking for a good deal.

KINGSTON HOUSING TAKEAWAYS

Household purchasing power is decreasing

- Median household income decreased by 9% from \$52,731 in 2010 (inflation adjusted) to \$48,186 in 2018

Renter households earn less than owner households

- The median household income of owner households (\$74,881) is 2.3 times higher than the median income of renter households (\$32,866)
- 53% of owner households have an income higher than the median household income, while 53% of renter households have an income lower than just 50% of the median household income

The income gap between renters and owners is growing

- From 2010 to 2016, inflation adjusted median household income decreased by 3% for owner households and 9% for renter households
- In 2010, owner households earned a median income 115% higher than renter households. In 2018, owner households earned a median income 128% higher than renter households

Many Kingston residents have significant housing cost burden

- 2,060 households (22%) are severely cost burdened, meaning they pay more than 50% of their income towards housing costs
- 2,145 households (23%) are cost burdened, meaning they pay more than 30% but less than 50% of their income towards housing costs

Housing Cost Burden is worse for renters than owners

- 30% of renter households are severely cost burdened, while only 13% of owner households are severely cost burdened
- 73% of households that are severely cost burdened are renters
- 68% of owners have affordable housing costs (less than 30% of household income), while only 44% of renter households have affordable housing costs

Residential sale trends

- According to realtors working in Kingston, the housing market was busy before the pandemic and even more so now
- When comparing June 1 through early August of 2019 to the same period in 2020 the median sold price was 43% in 2020
- The average Days On Market was 38% shorter in the 2020 period
- 48% of the sales in the 2020 period were cash, a 10% increase from 2019
- There has been an increase in single-family home purchases by buyers from outside Kingston

VACANCY AND BUILDING CONDITIONS SURVEY

Pattern staff completed a building conditions survey of 1-4 unit residential properties in Kingston suspected to be vacant. The purpose of the survey was to confirm the occupancy status and collect information about the exterior condition of each property.

The interior condition of properties is not included in this survey. However, this exterior survey is a useful first step for identifying target blocks or streets with a cluster of vacant properties where addressing a group of vacant properties could have a significant positive impact on an entire neighborhood.

Survey Methodology

Properties were included in the survey if they met at least one of the following criteria:

- Municipal water supply was shut off to the property
- The property was designated as unsafe to enter by the fire department
- New York Department of Financial Services (DFS) Statewide Vacant and Abandoned Property Electronic Registry

Using these criteria, a list of 382 properties was generated by the City of Kingston and provided to Pattern. Using a data collection application, a survey was created with a list of metrics to collect about each property on the list. The survey was conducted by driving to each property and collecting information through visual examination of the exterior of the property. The survey was completed over five different days in May and June of 2020.

For each property, the following information was collected:

- A picture of the property
- Occupancy Status (Occupied OR Vacant OR Unknown)
- If Vacant or Unknown, the following information was collected:
 - Presence of a vacancy notice (Y/N)
 - Presence of boarded windows (Y/N)
 - Presence of broken windows, not boarded (Y/N)
 - Presence of broken door (Y/N)
 - Presence of damaged roof (Y/N)
 - Presence of structural collapse (Y/N)
 - Obvious easy access to the interior of the building (Y/N)
 - Presence of damaged siding or brickwork (Y/N)
 - Presence of damaged steps and/or porch (Y/N)
 - Presence of significant plant overgrowth (Y/N)
 - Presence of vandalism (Y/N)
 - Presence of significant trash or junk on the property (Y/N)

Survey Results

Properties Removed from Survey

Of the 382 properties, 42 were removed from the survey. Properties were removed from the survey for the following reasons:

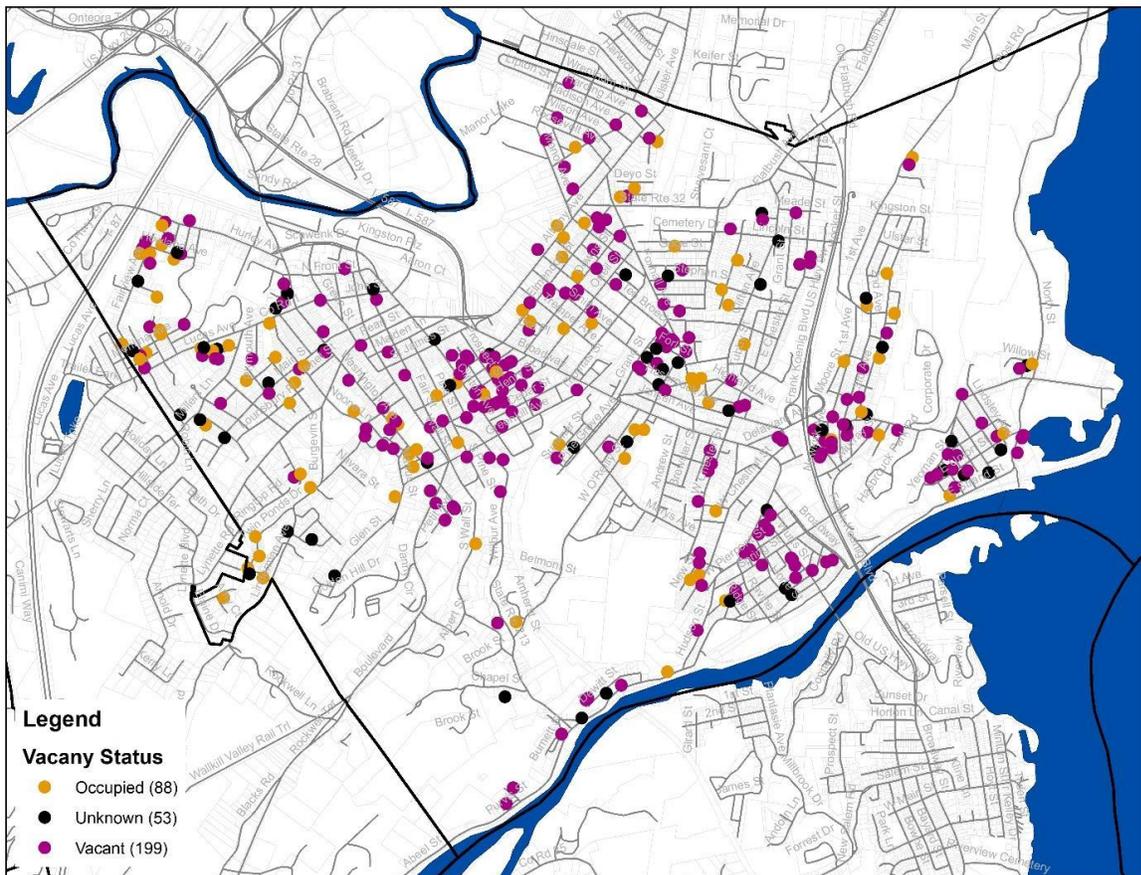
- The property could not be found due to an incorrect or missing house number
- The property was part of an apartment or condominium complex
- The property was located on the second floor of a building with a 1st-floor commercial use

Occupancy Status

Occupancy Status	Count
Occupied	88
Unknown	53
Vacant	199

With 42 properties removed, there were 340 properties remaining. Of those, 88 were occupied, 199 were vacant, and 53 were unknown.

Location of Surveyed Properties by Occupancy Status



2020 Kingston Vacant Property Survey, Pattern for Progress

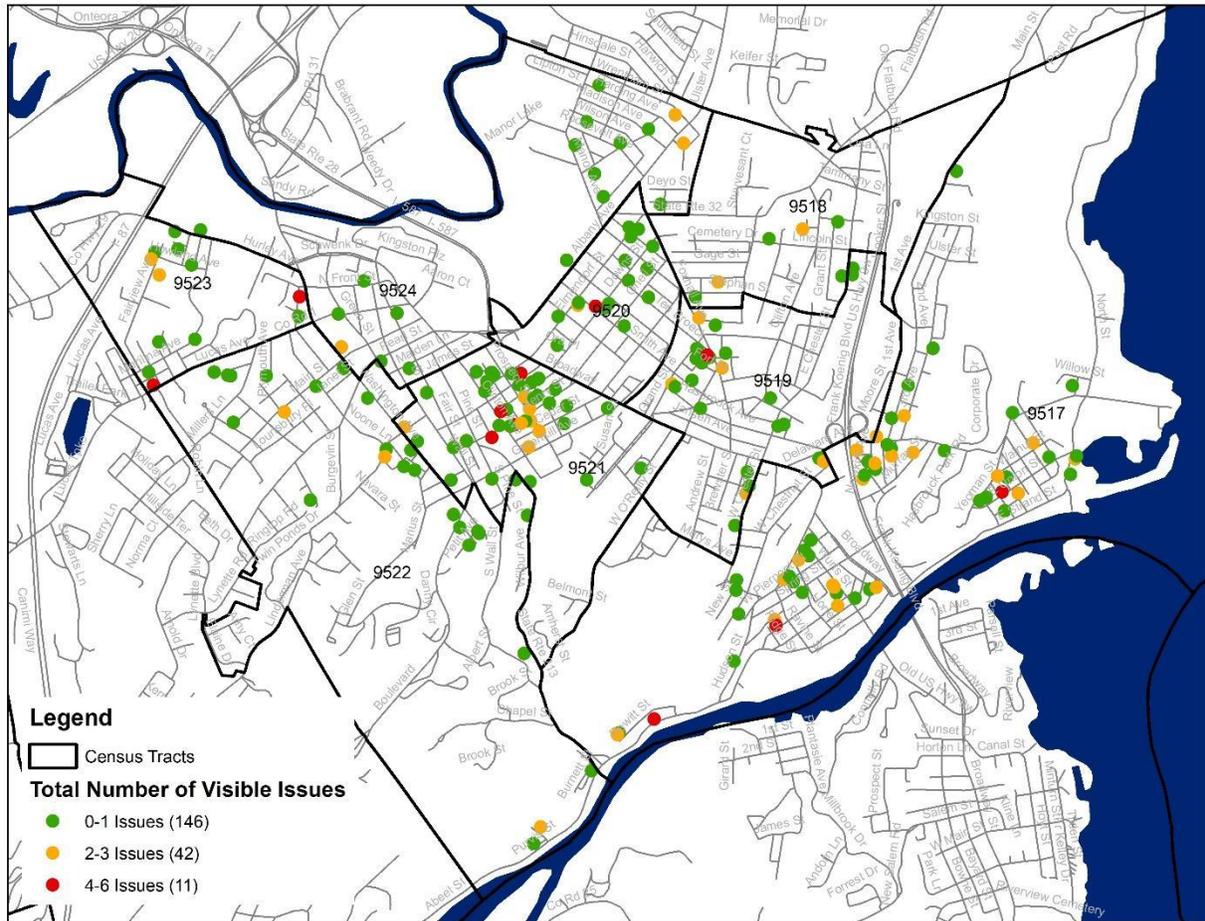
Summary Metrics

The table below summarizes the total number of each metric collected for properties with an occupancy status of vacant or unknown. Some properties had more than one of the metrics collected. 61 of the 199 vacant properties had a vacancy notice posted on somewhere visible on the building. Plant overgrowth was the most common issue observed (59), followed by damaged siding / brickwork (49), and damaged steps / porch (44). There was only one instance of vandalism observed, and zero instances of a broken door or easy access to the building.

	Vacant	Unknown	Total
Vacancy notice	61	0	61
Boarded windows	21	0	21
Broken windows, not boarded	7	0	7
Broken door	0	0	0
Damaged roof	14	0	14
Structural collapse	2	0	2
Easy access to building	0	0	0
Damaged siding / brickwork	49	6	55
Damaged steps / porch	44	4	48
Significant plant overgrowth	59	2	61
Vandalism	1	0	1
Trash or Junk	5	1	6

Many of the vacant properties had none or very few of the visible issues collected in the survey. The highest number of issues found on a single property was six. The map below shows the vacant surveyed properties grouped by 0-1 visible issues, 2-3 visible issues, and 4-9 visible issues. These groupings give an overall sense of property condition.

Location of Vacant Properties by Occupancy Status



2020 Kingston Vacant Property Occupancy Status, Pattern for Progress

Discussion of Survey Results

The City of Kingston has 8,431 residential properties with 1-4 units according to U.S. Census 2018 ACS data. This survey confirmed the vacancy of 199 of these properties, or about 2.4%.

One of the most significant findings of the survey is that the majority of vacant buildings appear to be in generally good condition in Kingston. It is important to note that the condition of the interior of these buildings is unknown and out of the scope of this survey. However, it is an encouraging sign that many vacancy buildings have an exterior in good condition and are not sources of visible neighborhood blight.

The vacant properties are relatively evenly distributed throughout Kingston. However, there is one significant cluster located in census tract 9521 just south of Broadway. There are 60 vacant properties in this census tract including four properties with 4-6 visible issues, and seven properties with 2-3 visible issues. As of 2018, this census tract had the second highest individual poverty rate (23%) in the City of Kingston, and the second highest unemployment rate (9.9%).

8 RECOMMENDATIONS

Addressing the Issue of Vacant and Abandoned Properties for the City of Kingston

Approximately 2.4% of Kingston's 1-4 family residential properties are vacant according to the Vacancy and Building Conditions Survey. In order to address these properties and future vacant properties, and to leverage vacant properties to greater benefit the needs of the community, Pattern recommends the City enact the following:

1. Create a Vacant Property Task Force to proactively prevent foreclosure, promote investment and repurposing of vacant properties, and secure resources
2. Understand, evaluate, and streamline the transfer of vacant properties with a formal in rem process that serves the goals of the City of Kingston and the Kingston City Land Bank
3. Offer the City Council options for incentivizing the reuse of vacant properties for first-time homebuyers
4. Enhance and support strategic code enforcement with the addition of staff for the department of building safety and zoning enforcement
5. Create strong anti-blight mechanisms to reduce the negative impacts of vacant properties
6. Encourage the creation of Accessory Dwelling Units (ADUs)
7. Take actions to move forward with the citywide zoning update and implement a new zoning code that incorporates form-based zoning aspects
8. Proactively prevent foreclosure and financial hardship for homeowners

RECOMMENDATION #1

CREATE A VACANT PROPERTY TASK FORCE TO PROACTIVELY PREVENT FORECLOSURE, PROMOTE INVESTMENT AND REPURPOSING OF VACANT PROPERTIES, AND SECURE RESOURCES

The issue of vacant and abandoned properties is a challenge that requires directed and sustained effort. The formation of a Vacant Property Task Force would bring together representatives from diverse points of view to focus on issue, coordinate efforts, implement and facilitate the recommendations in this report, and increase the capacity of the City of Kingston to manage the issue in the long term.

"One of the most effective tactics has been to create task forces to prioritize vacants and tackle their issues. Interdepartmental task forces resolve the challenge of siloed departments within local governments, as task force members have a venue and a motivation to share information across the silos. Regional task forces that include city and county representatives, nonprofits and other interested parties help resolve issues across jurisdictional lines that can otherwise be hard to cross. For example, the Rochester Vacant Property Coordinator staffs the countywide Monroe County Vacant and Abandoned Property Task Force, which has effectively overhauled outmoded countywide practices to address vacants. In Amsterdam, the City is working with neighboring municipalities to share information about problem owners who move between jurisdictions, which helps them keep tax-auctioned properties out of the hands of bad actors."

- LISC Housing Study

By bringing together representatives from many aspects of the community-wide problem, the task force is a way to create opportunities for communication that might not otherwise occur, channel existing assets and develop new resources.



Action Steps:

1. The Department of Housing Initiatives will establish and head a task force that includes the KCLB, Department of Building Safety & Zoning Enforcement, City Council Housing Sub-Committee, real estate developers, community leaders, local business owners, realtors, and lenders.
2. Establish and adopt a mission statement, operational strategic plan and a set of foundational values for the task force.
3. Create three subcommittees each focused on one of the following: Prevention; Identification and Maintenance; Rehabilitation. Working with partner organizations, each subcommittee sets annual goals and action steps.
4. Convene and facilitate a regular meeting among community stakeholders.
5. Select a single point of contact/chair to create agendas and facilitate the meetings.
6. Track and monitor vacant properties. Examine existing inventory of vacant properties for redevelopment and identify properties for the City and the Land Bank to attempt to acquire.
7. Articulate the existing processes of acquiring vacant properties. Make information regarding the process available to the public through the City website.
8. Map neighborhood market conditions to help the Department of Building Safety and Zoning focus enforcement and resources.

9. Work with the Department of Building Safety and Zoning to identify properties with the highest level of violations and collect data on ownership, resources of the Owner, and conditions of the property to decide on response strategy.
10. Work with lenders and local business owners to increase the numbers of donated and low-cost properties to the Land Bank.

Responsible entities: Department of Housing Initiatives, KCLB, Department of Building Safety & Zoning Enforcement, Assessor’s Office, City of Kingston Common Council, Corporation Counsel, Mayor’s Office

Example:

- Monroe County, NY Vacant and Abandoned Property Task Force – Formed in 2016, the Monroe County Abandoned Property Task Force is made up of community members who are collectively working to “(Increase) the vibrancy of our community by lessening the burden of vacant and abandoned properties in our community.” The mission of the group is to, “coordinate and implement strategies to reduce vacant and abandoned properties, enabling our community to thrive.”

The Task Force has several key areas of focus and for each there is a subcommittee: Prevention, Identification and Maintenance, and Rehabilitation. Each subcommittee works with various partners toward the recommendations put forth in the Task Forces’ reports. Since 2016, the Task Force has produced two reports, and provided resources for foreclosure prevention, rehabilitation and obtaining a vacant home. The Task Force also hosts an annual home fair with organizations focused on foreclosure prevention, home repair, homebuyer programs, and landlord/tenant education.

Monroe County, NY: https://eae7c949-3d54-4056-ba9d-c073df1a99f.filesusr.com/ugd/0624f8_0905e5378c214de4b4d95bcde3986a02.pdf

Resources:

The following list of possible resources provides technical assistance in financial underwriting and community revitalization.

- Community Preservation Corporation (CPC)
- Community Capital of NY (CC NY)
- Leviticus Fund
- State of New York Mortgage Agency (SONYMA) <http://www.nyshcr.org/SONYMA/>
- NeighborWorks America – Local Housing Organizations (RUPCO, PathStone, Hudson River Housing); Training Institutes
- State of New York Mortgage Agency (“SONYMA”) Neighborhood Revitalization Program (“NRP”) a state program that is available in selected communities to assist qualified homebuyers to purchase and renovate vacant houses.

RECOMMENDATION #2

UNDERSTAND, EVALUATE, AND STREAMLINE THE TRANSFER OF VACANT PROPERTIES WITH A FORMAL IN REM PROCESS THAT SERVES THE GOALS OF THE CITY OF KINGSTON AND THE KINGSTON CITY LAND BANK

The generation and articulation of a formalized in rem process will support the City's efforts to mitigate the challenge of vacant properties as well as support the long-term retention of homeowners.

The City of Kingston's current in rem process begins at the beginning of the fourth year of tax arrears. At this point, the Kingston Corporation Counsel's office sends a letter to the property owner offering entry into a two-year repayment plan. Generally, municipalities begin the process after two years of tax arrears. The timeline can be even shorter for vacant and abandoned properties that are on a list or registry from the date of tax delinquency. The extended timeline of four years can result in significant tax debt that the owner is unable to pay back. A quicker timeline would serve to prevent foreclosure by putting the owner on a repayment plan before amassing unpayable debt, and would expedite the movement of unoccupied properties back into the market. Additionally, a formalized in rem process will give confidence to investors by providing a clear timeline for investment projects.



Action Steps:

1. The Department of Housing Initiatives works for the Corporation Council's office to lead the effort along with local court officials, lenders, housing advocates, and other vested interest groups to generate and articulate an in rem process that offers benefits to all parties involved and meets the goals of the City
2. Formalize the in rem process for the transfer of properties to the KCLB and the City of Kingston
3. Through the in rem process, grant the KCLB the right of first refusal and the option to act as the foreclosing agency in order to relieve the municipal burden of serving in this role, especially in the case of a large number of properties
4. Publish the formalized in rem process as a flow chart on the City website
5. Ensure open communications between the Department of Housing Initiatives, Fire Department, and Department of Building Safety & Zoning Enforcement
6. Maintain an updated list of vacant properties that includes tax delinquency status. Current tax status is an important data point for knowing which properties are in the pipeline and may soon be in rem

Resource:

- May 8 Consulting, <http://www.may8consulting.com/about> EMAIL: info@may8consulting.com
- David Kohl, Economic Development Specialist City of Newburgh PHONE: (845)-569-7387
- Center for Community Progress

Responsible entity(s): KCLB, Department of Building Safety & Zoning Enforcement, Department of Housing Initiatives, City Assessor, lenders, non-for-profit affordable housing developers

Examples:

The City of Newburgh initiates the foreclosure of properties 21 months from the lien date. The Newburgh Land Bank selects properties from the annual in rem list. The purchase price is calculated using a percentage of assessed value and then the properties go before the common council for a resolution to transfer ownership to the Land Bank.

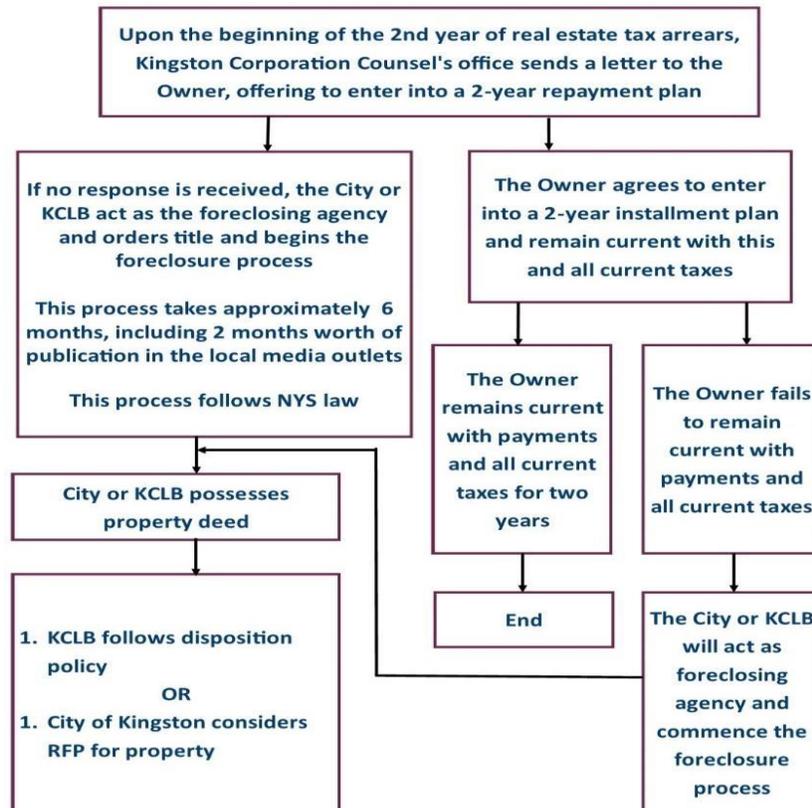
Habitat for Humanity, which is active in the City of Newburgh also selects properties from the in rem list and follows a similar process.

The City of Newburgh assumes ownership of the remaining properties and directs these to one of two programs:

- Direct sale by City under a competitive bid
- Broker sells properties on the open market

The following flowchart represents a revised in rem process for the City of Kingston. The timeline for when the process begins has been shortened from “upon the 4th year of real estate tax arrears” to “upon the 2nd year of real estate tax arrears”. The reduced timeline is intended to minimize the tax debt of the property owner by putting the owner on a repayment plan earlier, prevent severe deterioration of the building condition over a long period, and to move unoccupied properties more quickly back into the market.

City of Kingston and KCLB In Rem Foreclosure Flowchart



RECOMMENDATION #3

OFFER THE CITY COUNCIL OPTIONS FOR INCENTIVIZING THE REUSE OF VACANT PROPERTIES FOR FIRST-TIME HOMEBUYERS

Through the adoption of New York State Real Property Law tax exemptions and other local laws, the City can incentivize the reuse of vacant properties, increase affordability to homebuyers, mitigate barriers to entry, and assist in the long-term retention of homeowners.

Action Steps:

1. Conduct a thorough review of 5/50 law (NYS Article 16 S.1611) as it relates to properties in the City of Kingston. The New York Land Bank Act includes the “5/50 tax recapture” provision which allows for land banks to enter into an agreement with a local taxing jurisdiction which stipulates that the land bank receives 50 percent of the property taxes generated by that parcel over the next 5 years after the sale. The review should include a fiscal examination of tax implications as a revenue source to the city.
2. If the review concludes that the adoption of the 5/50 law will have positive outcomes for the City, adopt the “5/50 law”.
3. Examine New York State Real Property Tax Laws, which offer a number of tax exemption options. Consider revising to establish a well-balanced local policy that is fair to both the City and property owner.
4. Consider opting into and utilizing the following New York State Real Property Tax Law exemptions to encourage property redevelopment and revitalization including:

Capital Improvements to a One - or Two-Family Residential Property RPTL Section 421-f

- Partial exemptions from real property tax of the increase in assessed value attributed to capital improvements
- Limitations and specific eligibility is based upon calculations made by the local assessor once the local districts adopt the law. The 421-f exemption has a statutory limit up to \$80,000 in increased market value, which represents a barrier for the redevelopment of abandoned and vacant properties that require substantial rehabilitation
- The exemption phases-in over an eight-year period. Unless limited by local law or resolution, the value of an improvement qualifying for exemption should receive the following exemption percentages:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Exemption	100%	87.5%	75%	62.5%	50%	37.5%	25%	12.5%

<https://www.tax.ny.gov/forms/orpts/exemption.htm>

Capital Improvements to Multiple Dwelling Buildings (RP-421-k) - Conversion of Multiple Dwelling Buildings to Owner-Occupied 1- and 2-Family Residences

- Eight-year exemption of the increase (the portion attributable to the conversion, not for ordinary maintenance or repairs) in the assessed value when a former multiple dwelling is converted to a one- or two-family residence
- A single-family rental unit qualifies if it is converted to an owner-occupied unit. A property that was previously owner-occupied can be converted into either a one- or two-family residence
- More than 50% of the square footage (after the new improvements) must be at least five years old
- The exemption phases-in over an eight-year period. Unless limited by local law or resolution, the value of an improvement qualifying for exemption should receive the following exemption percentages:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Exemption	100%	87.5%	75%	62.5%	50%	37.5%	25%	12.5%

- The exemption is limited to a \$100,000 increase in market value.
<https://www.tax.ny.gov/forms/orpts/exemption.htm>

First-Time Homebuyers of Newly Constructed Homes (RP-457)

Ulster County offers this exemption for county taxes. The City of Kingston and the Kingston City School District have not adopted this law.

- Five-year exemption of the portion of the property taxes for newly constructed 1- and 2-family owner-occupied homes that have not been previously occupied
- A first-time homebuyer is defined as any person who has not owned – or whose spouse has not owned – a primary residence during the previous three years, and who does not own a vacation home or investment home
- Eligibility for the exemption also depends on the homebuyer’s income and the purchase prices of the home. The household income may not exceed the income limits established by the State of New York Mortgage Agency (SONYMA) and in effect on the contract date for the purchase and sale of the property for its low interest mortgage program in its non-target, one and two person household category for the county where the property is located. The purchase price of the home is similarly limited, with two exceptions:
 - A. Municipalities opting into the program may increase the purchase price limit by up to 25%, and
 - B. Where the purchase price exceeds the applicable limit by 15% or less, the exemption may be granted as if the purchase price equaled the applicable limit (but otherwise no exemption may be granted)
- The exemption phases-in over a five-year period and there may be income and purchase price limits. The exemption follows the following schedule:

	Year 1	Year 2	Year 3	Year 4	Year 5
Exemption	50%	40%	30%	20%	10%

https://www.tax.ny.gov/pdf/current_forms/orpts/rp457ins.pdf

Residential-Commercial Urban Exemption Program (RP-485-a) - Conversion of a Non-Residential Property into a Mix of Residential and Commercial Uses

The City of Kingston has adopted this local option. The Kingston City School district and Ulster County have not adopted this law.

- A twelve-year tax exemption given for the increase in assessed value (the portion attributable to the conversion, not for ordinary maintenance and repairs) from a solely nonresidential use to a mix of residential and commercial uses
- For the first eight years of the exemption, 100% of the increase (attributable to the conversion) in assessment is exempt from City tax. Thereafter, the exemption decreases by 20% a year (80% in year 9, 60% in year 10, 40% in year 11 and 20% in year 12). This exemption is transferrable to a new owner:

	Years 1-8	Year 9	Year 10	Year 11	Year 12
Exemption	100%	80%	60%	40%	20%

https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt2/sec4_06/sec485_a.htm

Construction, Alteration or Improvement of Commercial Property (RP-485-b)

This exemption is automatic and jurisdictions can amend with a local option. Not all districts have changed the basic state exemption.

- A ten-year tax exemption given for the increase in assessed value (the portion attributable to the construction, alteration or improvement of a commercial property but not for ordinary maintenance and repairs)
- In the first year, 50% of the increase (attributable to the construction, alteration, etc.) in the assessment is exempt from city, county and school taxes. The exemption phases-in over a nine-year period. This exemption is transferable to a new owner

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Exemption	50%	45%	40%	35%	30%	25%	20%	15%	10%

https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt2/sec4_06/sec485_b.htm

Living quarters for parent or grandparent (RP-469)

The City of Kingston, Kingston City School District or Ulster County have not adopted the local option.

- If allowed by local option, residential property that is constructed, reconstructed as an auxiliary dwelling unit for a parent or grandparent 62 years of age, or older is exempt from taxation. Such improvements are exempt, for general municipal and school district taxes, and special ad valorem levies, but are liable for special assessments
- Property must be principal place of residence for owner
- Exemption for 100% of increase in assessed value attributable to the construction (not to exceed 20% of total assessed value, or 20% of median property sale price) while living quarters are occupied by 62+ parent or grandparent

Historic building rehabilitation tax exemption for contributing properties (RP-444a)

- Historic property that is altered or rehabilitated in accordance with local historic preservation laws is exempt from taxation to the extent of any increase in value attributable to the alteration or rehabilitation
- Such improvements are exempt from special ad valorem levies as well as from general municipal and school taxes, but are liable for special assessments
- 100% of the increase in assessed value attributable to the construction work is totally exempt during the first 5 years, declining by 20% per year for next 5 years

There is an option to pass a resolution providing the exemption applies to the school taxes.

5. Encourage property owners to utilize the **New York State Historic Homeowner Tax Credit Program** in order to receive 20% of qualified rehabilitation costs of owner-occupied historic houses, up to a credit value of \$50,000 for buildings that meet the following requirements:
 1. Listed in the State of National Register of Historic Places, or listed in a historic district
 2. Located in a qualified census tract or in a City with a population under one million with at least 15% poverty threshold
 3. The project must meet the spending threshold of this program by spending at least \$5,000 in qualifying expenses

Resources:

- City of Newburgh
- New York State Office of Real Property Tax Service (Assessor's Manual)

Responsible entities: Assessor's Office, City of Kingston Common Council, Corporation Counsel, Mayor's Office, Department of Housing Initiatives

Examples:

- City of Newburgh
The City of Newburgh has adopted Section 421-f of the Real Property Tax Law. Under the City of Newburgh program to sell city-owned properties, the City Assessor assists buyers in identifying possible tax reductions and phase-ins. The assessor will also help evaluate possible tax benefits available to first-time homebuyers and those rehabilitating historic buildings.

RECOMMENDATION #4

ENHANCE AND SUPPORT STRATEGIC CODE ENFORCEMENT WITH THE ADDITION OF STAFF FOR THE DEPARTMENT OF BUILDING SAFETY AND ZONING ENFORCEMENT

Code enforcement is a powerful tool for the reduction of neighborhood blight and the preservation of the character of a community. However, code enforcement can be a source of turmoil when regulations are too heavy handed. In many cases, low-income property owners do not have the financial means to get a building up to code. In other cases, a property owner may be physically unable to perform building maintenance, resulting in a code violation. In both situations, fining the property owner does nothing to remedy the situation, and potentially makes a resolution to the situation even more difficult by increasing their financial burden. It is very difficult for a municipality to distinguish between these types of property owners that need help, and property owners that are simply bad actors who have the ability to keep their property in line with the code, but choose not to.

An overall strategy for improved code enforcement is to invest resources into strategic code enforcement initiatives designed to promote code compliance. With additional staff, Kingston's Department of Building Safety and Zoning Enforcement would have the needed capacity to take proactive and strategic actions toward code enforcement and the management of vacant properties. Examples of these types of approaches include:

- Strategic information gathering to identify owners with multiple properties and owners who are "bad actors" with a track record of multiple code violations
- Methodical and consistent tracking of code enforcement violations to identify what is working, what is not working, and inform potential policy changes
- Educational programming that provides homeowners with information about their basic responsibilities under the code, why compliance with the code benefits them individually and the community at large, and resources for individuals who need help getting their building into compliance
- Increased regular communication between police, government departments, and community stakeholders. Deliberate communication such as this can help identify emerging code enforcement problems before they get out of hand
- Ensure that regulations are clear and consistent
- When there is a violation, provide a clear and specific actions that the property owner must take to remedy the issue



Action Steps:

1. Secure funding for and hire additional staff to increase the capacity of the Department of Building Safety and Zoning Enforcement.
2. Ensure that existing Kingston vacant building registration list ([Kingston municipal code chapter 179](#)) is up-to-date.
3. Ensure that and rental property registration list ([Kingston Municipal code chapter 332](#)) is up-to-date.
4. Ensure that there are adequate staff resources allocated to keeping both the vacant property registration list up-to-date.
5. Track and analyze code enforcement violation over time to identify areas or property owners with a significant number of violations.
6. Establish a quarterly communication (meeting, video conference, or phone call) with representatives from the Department of Building Safety & Zoning Enforcement, Kingston Fire Department, The Mayor's office, the Kingston Police Department, and the Director of Housing Initiatives.

Resource:

- New York State Department of State (Division of Code Enforcement and Administration)
- May 8 Consulting
- Center for Community Progress
- Enhanced code enforcement fee structure is self-financing

Responsible entity(s): Kingston Department of Building Safety & Zoning Enforcement, Kingston Office of the Mayor, Kingston Director of Housing Initiatives, Kingston Police Department, Kingston Fire Department, Kingston Director of Community and Economic Development

Additional Resources and Examples:

- [Using Market Driven Decision-Making for Strategic Code Enforcement](#)
This presentation provides an overview of strategic code enforcement and specific recommendations for code enforcement of rental properties and owner-occupied properties

RECOMMENDATION #5

CREATE STRONG ANTI-BLIGHT MECHANISMS TO REDUCE THE NEGATIVE IMPACTS OF VACANT PROPERTIES

Vacant and abandoned properties that fall to disrepair discourage investment in the neighborhood, detract from beauty and safety and contribute to neighborhood decline. In many cases, properties that are in the worst condition are owned by a speculator from outside the community or are held by a mortgagee or servicing agent that is dis-incentivized to maintain the property because of weak market conditions.

Municipalities and community members bear the burden of this situation and with minimal capacity to address the issue, and properties can remain vacant for years. In order to mitigate the issue of problematic vacant properties, the City should design and adopt a code violation system that prioritizes the remediation of blighted buildings while recognizing some lower income homeowners may need assistance with repairs.



Action Steps for properties with “serious code violations”:

The following action steps are specific to vacant properties that have serious property or building maintenance code violations. It is vital that the Department of Housing Initiatives facilitates collaborative efforts between Department of Building Safety & Zoning Enforcement, the Fire Department, and the Water Department in the identification of vacant structures. The Department of Building Safety & Zoning Enforcement working with the Department of Housing Initiatives should determine a threshold for the number of code violations that must occur before a property is included in the list of properties with “serious code violations”.

1. Using the New York Department of Financial Services (DFS) Statewide Vacant and Abandoned Property Electronic Registry along with a list of properties from the Vacant Building Registration maintain a current inventory of vacant properties, track code violations by type, number, and fines owed and paid.
2. Enforce the Vacant Building Registration.
3. Increase the cost of code violations by transferring them to the tax bill. Success of this type of program depends on a detailed and standardized process for documentation of maintenance work, and for billing property owners the cost.
4. After a set period (1 year), the City assesses the fee for maintenance of properties and bills owners. Success of this type of program depends on a detailed and standardized process for documentation of maintenance work, and for billing property owners the cost.
5. Deny permits to property owners with delinquent taxes, municipal claims or serious code violations.
6. Attach municipal liens against other real property and personal assets of a delinquent homeowner.
7. Focus the efforts of the Task Force (see Recommendation #1) on neighborhoods where there are clusters of properties with “serious code violations”.

Responsible entity(s): Department of Housing Initiatives, KCLB, Department of Building Safety & Zoning Enforcement, Vacant Property Task Force (see recommendation #1), City Assessor



Action Steps: Community driven anti-blight

The process of moving a vacant property to new ownership and reuse can be slow. In the meantime, the property can continue to have negative impacts on the community. The following are “small” interventions to mitigate these impacts, improve neighborhood quality of life, and even bring attention to the potential of the property.

1. Create a subcommittee within the Vacant Property Task Force charged with establishing community partnerships focused on anti-blight actions (see Recommendation # 1). Engage residents and other stakeholders and provide variety of entry points, identify key stakeholders, and involve youth.
2. Follow the practice of Crime Prevention Through Environmental Design (CPTED) and “creative placemaking” and employ strategies like the following:
 - Install street lighting
 - Replace graffiti with murals
 - Transform vacant lots into side yards for adjoining homeowners, community gardens or other community assets
 - Improve visual aspect of blighted properties with brightly colored murals, artistically painted boards on windows, or new plantings
3. Host Neighborhood Community Improvement events where volunteers from local organizations participate in an annual event to clean up debris and junk, make basic maintenance repairs on abandoned buildings.

Responsible entity(s): Vacant Property Task Force (see recommendation #1), Community organizations

Resources:

- http://lifairhousing.org/wp-content/uploads/2016/02/Restoring-Neighborhoods-NYS2016-Zombie-PropertyForeclosure-Prevention-Act-7-13-16-K.Keefe_.pdf
- Homeowners throughout New York State who are behind on their mortgage or other charges can get free help in their community by calling the Homeowner Protection Program (HOPP) hotline at (855) **HOME**-456 – connects homeowners to free foreclosure prevention assistance
- New York State Department of State (Division of Code Enforcement and Administration)
- May 8 Consulting
- Center for Community Progress, www.communityprogress.net/download-creative-placemaking-on-vacant-properties-pages-545.php
- Enhanced code enforcement fee structure is self-financing
- <https://www.lisc.org/our-resources/resource/addressing-problem-properties-and-their-impacts>

Example of a community driven anti-blight action:

- Monroe Vacant and Abandoned Property Task Force SONYMA Neighborhood Spruce Up. With over \$24,000 in donations and sponsorship, over 130 volunteers from community organizations completed yard and property maintenance to improved neighborhood quality and safety

RECOMMENDATION #6

ENCOURAGE THE CREATION OF ACCESSORY DWELLING UNITS (ADUS)

An accessory dwelling unit (ADU) is a self-contained apartment that is either attached to a principal dwelling or is a separate detached structure on the same property. ADU's have many benefits including:

- Providing additional affordable housing
- Utilization of existing infrastructure
- In some cases, providing rental income to the homeowner
- Creating more housing units while maintaining the character of a neighborhood
- Allowing residents of a community to age in place
- Creating flexible living situations that can accommodate people looking to downsize or someone who is dependent on a family member living in the principle structure

Vacant residential buildings represent a good opportunity for the creation of ADUs. The process of rehabilitating a vacant building for occupancy provides an opening for reconfiguring the layout and use of space within the building or on the property. Furthermore, depending on the situation, accessory dwelling units can generate rental income for a homeowner, which can improve financial stability, lower the barrier to entry for a low-income homebuyer, and improve the ability of the new occupant to pay a mortgage and cover other costs of homeownership.

Currently, "Accessory Apartments" are not permitted anywhere in the City of Kingston without a special permit from the Planning Board. The zoning code includes a handful of restrictions for accessory apartments including minimum square footage, minimum parking requirements, and exterior appearance. Accessory apartments must be located within an existing principle building, and the building must be built prior to 1982. Accessory apartments are permitted with a special permit in the following zoning districts:

- RRR: One Family Residence
- R1: One Family Residence
- RR: One Family Residence
- RT: One Family Residence
- O2: Limited Office
- RLC: Residential, Limited Commercial

There are several actions that the City of Kingston can take to encourage the creation of ADU's in general, and during the rehabilitation of vacant properties. Many of these actions directly relate to the City's zoning code. However, Kingston officials have indicated that a citywide zoning code update may soon be undertaken (see recommendation #7). To avoid confusion and ensure efficient use of time and resources, it is recommended that any new ADU regulations be built into the new zoning code rather than updating the existing code.

Aside from regulatory changes, educational campaigns are an effective tool for encouraging the development of ADUs. Educational campaigns can raise overall awareness of ADU's, show the benefits of ADU's, alleviate concerns about the potential impact of ADU's, and provide resources and instruction for those interested in creating an ADU.



Action Steps:

1. When a property is acquired by the Kingston Land Bank within one of the zoning districts that permits accessory apartments, explore the feasibility of adding an accessory apartment during the rehabilitation process.
2. In recognition of the delays to a citywide rezoning, update the City's zoning code to include a new ordinance specific to Accessory Dwelling Units. Recommendations for this ordinance include:
 - a. Create a stand-alone ADU ordinance within the zoning code instead of locating it within the permitted uses of specific zoning districts
 - b. In zoning districts where ADUs are desirable, allow them to be permitted as of right instead of by special permit
 - c. Remove parking requirements or ensure that parking requirements are not overly burdensome
 - d. Remove any requirement that limits ADU creation based on the age of the building
 - e. Do not allow ADUs to be used for short-term rentals
 - f. Provide a pre-approved template for construction of units
 - g. Provide an incentive (such as waiving relevant application fees) for the creation of an ADU in vacant buildings undergoing rehabilitation
3. Create an educational campaign about ADUs that raises awareness of ADUs, outlines the benefits of ADUs, and provides informational resources for those who are interested in creating an ADU. For the greatest impact, launch the educational campaign in partnership with a new ADU ordinance.

Responsible entity(s): Kingston Department of Building Safety & Zoning Enforcement, Kingston Department of Planning, Kingston Planning Board, Kingston Office of the Mayor, Kingston Director of Housing Initiatives, Kingston Common Council Housing Committee

Additional Resources and Examples:

- [Accessory Dwelling Units: Model State Act and Local Ordinance](#)

This document provides a wealth of information about the benefits of ADUs, best practices, and how to implement an ADU ordinance. Under each component of the model ordinance, there are helpful editorial comments explain the reasoning behind each component
- [Jumpstarting the Market for Accessory Dwelling Units: Lessons learned from Portland, Seattle, and Vancouver](#)

This report details how three cities implemented ADU policy. It provides useful insight into barriers to ADU development, financing options, and a timeline of policy decisions made by these cities, and what the outcomes were

RECOMMENDATION #7

TAKE ACTIONS TO MOVE FORWARD WITH THE CITYWIDE ZONING UPDATE AND IMPLEMENT A NEW ZONING CODE THAT INCORPORATES FORM-BASED ZONING ASPECTS

In 2016, the City of Kingston adopted the new Kingston 2025 Comprehensive Plan. The comprehensive plan is the product of a planning process that involves analysis of data, land use trends and issues, and assessment of public needs and community resources. New York State law requires that City zoning laws correspond to the comprehensive plan and a zoning update is the logical follow-up to Kingston’s revised Comprehensive Plan. The City of Kingston should follow through with actions to complete a citywide zoning code update and replace the existing land use regulations. The zoning update will result in a comprehensive form-based zoning code for the entire city. A form-based code is:

“A land development regulation that fosters predictable built results and a high-quality public realm by using physical form (rather than separation of uses) as the organizing principle for the code. A form-based code is a regulation, not a mere guideline, adopted into city, town, or county law. A form-based code offers a powerful alternative to conventional zoning regulation.”

-Form-Based Codes Institute at Smart Growth America

In general, citywide form-based code offers many benefits for the City including:

- Clear and simplified development application and process guidelines that encourage economic investment and development
- Creates flexible opportunities for the re-use of existing buildings
- Benefits small businesses which, under a form-based code, have more location options
- Mixed use, higher density development corridors
- Creates pedestrian friendly and walkable streets – form-based code specifies how the private and public sphere interact and gives design guidelines for public space including sidewalk width, tree plantings, and other factors. Form-based code also leads to walkability because it promotes mixed-use development that allows people to live, work and shop within the same neighborhood.
- Building and development designs that meet community goals and aspirations
- Promotes affordable housing through the allowance of ADUs and other flexible forms of housing

Because form-based code streamlines the development process, updating the zoning code makes the City more attractive for investment and development. This is significant for the outcome of vacant and abandoned properties as well as underutilized commercial and mixed-use buildings, which under the new zoning code could be up-zoned and brought more quickly through the re-development process. Additionally, under form-based code zoning, there is more flexibility for the re-use of vacant and abandoned properties.



Action Steps:

1. Resume the motion to hire the Zoning Task Force Recommended Consultant.

Example:

The City of Newburgh adopted a hybrid zoning code with traditional zoning and “Form-Based Districts”. The form-based code applies to parts of the City for which more urban and walkable neighborhoods is desirable. The updated code simplifies the approval process and offers clear development guidelines, supporting the goals of waterfront revitalization and economic growth. The City has districts zoned with a unique form-based code: the Broadway Corridor, the Downtown Neighborhood, the Waterfront Gateway, and the Planned Waterfront District. For each district, there are purpose and intent, and district standards that specify lot standards, building placement, building height, and building and site enhancement standards. Simple and easy to understand graphics represent the standards.

Newburgh’s form-based code allows for a greater number of uses within the districts, which reduces the number of variances a development must apply for and the time for development.



96 Broadway during redevelopment



96 Broadway after redevelopment under form-based code

The re-development of 96 Broadway into a mixed-use building is a case study of the benefits of FBC. Within the Broadway Corridor, the developer wanted to turn a vacant four story building into a first floor restaurant with residential units on the upper floors. Under the old zoning residential was not allowed, mixed use was not allowed and for a 50-seat restaurant the building would need 17 parking spaces. Under the new form-based code, mixed use is allowed by right, a restaurant is allowed by right, and there are no parking requirements.



East Parmenter Street, an area in the Downtown Neighborhood of Newburgh is an example of how the new form-based code created a streamline process for new desirable development. Under the old zoning code the development of residential buildings for mixed use with live/work spaces would have required 126 area variances, mixed use was not allowed, and side yards and set asides were required. Under the new form based code the same mixed-use development is allowed by right, live/work spaces are allowed by right, and no variances are required.

RECOMMENDATION #8

PROACTIVELY PREVENT FORECLOSURE AND FINANCIAL HARDSHIP FOR HOMEOWNERS

The foreclosure of a home can have significant negative effects on both the property owner and the community where the property is located. Aside from the obvious downside of being evicted from your home, property owners that are foreclosed on walk away with damaged credit, and a significantly reduced ability to acquire a new home loan in the near future. For the community at large, a foreclosure could potentially result in a building sitting vacant for an extended period, becoming a nuisance for the neighborhood.

For the above reasons, anti-displacement initiatives can be impactful tools for supporting the economic and social well-being of a community. This is especially true as the COVID-19 pandemic continues to cause significant financial and housing instability.



Action Steps:

1. Dedicate staff and resources to the creation of an Anti-Displacement Program including foreclosure prevention in the City of Kingston.
2. Explore the opportunity of partnering with local resources to provide foreclosure prevention counseling.
3. Launch an educational campaign about foreclosure prevention services available to Kingston residents.
4. Fund the initiatives in this program through:
 - a. Vacant building fees collected via the existing vacant building registry
 - b. Apply for [Community Development Block Grant \(CDBG\)](#) funds
 - c. Apply for [HOME](#) funds

Responsible entity(s): Kingston Office of the Mayor, Kingston Director of Community and Economic Development, Kingston Common Council Housing Committee

Additional Resources and Examples:

- Philadelphia’s Foreclosure Diversion Program
This program creates an alternative to litigation for property owners in Philadelphia who are facing foreclosure. When a mortgage goes into foreclosure, the program requires that the property owner be scheduled for a conciliation conference before proceeding any further. At the conciliation conference the property owner, an assigned housing counselor, and the lender attempt to create a plan for resolution without continuing the foreclosure program
- Homeowners throughout New York State who are behind on their mortgage or other charges can get free help in their community by calling the Homeowner Protection Program (HOPP) hotline at (855) **HOME**-456– connects homeowners to free foreclosure prevention assistance
- NeighborWorks America – Local Housing Organizations (RUPCO, PathStone, Hudson River Housing); Training Institute

RESOURCES

NEIGHBORHOOD MARKET CONSIDERATIONS

A community as large as the City of Kingston has many unique neighborhoods, each with its own needs and conditions. The following classification of neighborhoods is useful when deciding whether a vacant property reuse activity is appropriate and serves the needs of the community.

- **Conservation areas** – An area where the housing market is strong and little or no public investment is needed. The private market will effectively address abandoned properties
- **Stabilization areas** – In areas where the housing market functions relatively well but shows some market instability and decline. The area is at risk for further decline without some interventions. Minimal public investment may be necessary to stabilize the market.
- **Revitalization areas** – An area that is somewhat distressed and where the housing market could use assistance and incentives.
- **Reinvestment areas** – An area where there has been significant decline, widespread vacancy, and there is little market demand.

Neighborhood Market Condition Classification

ACTIVITY	Conservation Area	Stabilization Area	Revitalization Area	Reinvestment Area
Rehabilitation				
Enhanced Code Enforcement				
Demolition				
Receivership				
Land Banking				
“Green” Reuse after Demolition				
Scattered Infill Development				
Large Scale Infill Development				
PREVENTION ACTIVITIES				
Home Improvement Assistance Programs				
Down Payment/Homeownership Programs				
Implement Good Samaritan Law				
Neighborhood Clean ups				

-  Activity Should Not Occur in the Area
-  Activity Should Only Occur in Target Approach
-  Activity Should Occur in the Area

HOUSING DEVELOPMENT AND ASSISTANCE RESOURCES

There are numerous state and federal resources made available for housing in the form of grants, low interest financing and tax credits. A vast majority of these funds are made available to municipalities, Non-Profit agencies and private developers, who in turn may provide resources to eligible households, individuals or business and property owners. The state housing resources may be secured through competitive applications made by local municipalities, Non-Profit housing agencies and private developers. The state resources are primarily made available through the New York State Office of Homes and Community Renewal (HCR) <http://www.nyshcr.org/> through a Unified Funding Application round and the Consolidated Funding Application process. Federal resources are typically made available through specific program announcements for funding and may be found through www.grants.gov.

NEW YORK STATE OFFICE OF HOMES AND COMMUNITY RENEWAL (HCR)

New York State Homes and Community Renewal (HCR) preserves housing affordability and works with many private, public and nonprofit sector partners to create inclusive, safe, “green,” and resilient places to live in New York State. HCR programs provide financing to create and preserve multifamily housing; administer programs to improve housing conditions, ensure accessibility, and save energy; provide bonding authority and other resources to facilitate local public improvements and job creation; and help thousands of low- and moderate-income New Yorkers purchase a home. HCR provides funding of services for low to middle-income households and for special needs populations including veterans, seniors, homeless families, individuals with HIV/AIDS, and at-risk youth.

HCR is comprised of five agencies:

- Division of Homes and Community Renewal (DHCR)
- Housing Trust Fund Corporation (HTFC)
- Housing Finance Agency (HFA)
- State of New York Mortgage Agency (SONYMA)
- Affordable Housing Corporation (AHC)

Division of Housing and Community Renewal (DHCR)

Community Development Block Grant (Consolidated Funding Application)

The Community Development Block Grant (CDBG) Program is a federally funded program authorized by Title I of the Housing and Community Development Act of 1974. The CDBG Program is administered by the Office of Community Renewal (OCR) under the direction of the Housing Trust Fund Corporation (HTFC). NYS CDBG funds provide small communities and counties in New York State with a great opportunity to undertake activities that focus on community development needs such as creating or expanding job opportunities, providing safe affordable housing, and/or addressing local public infrastructure and public facilities issues. The primary statutory objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income. The state must ensure that no less than 70% of its CDBG funds are used for activities that benefit low- and moderate-income persons. A low-and-moderate income person is defined as being a member of a

household whose income is less than 80% of the area median income for the household size. A principal benefit to low- and moderate-income persons requires at least 51% of the project beneficiaries to qualify as low- and moderate-income.

Eligible Activities / Program Benefit Requirements

NYS CDBG applicants must address and resolve a specific community or economic development need within one of the following areas: (1) Public Infrastructure (2) Public Facilities (3) Microenterprise (4) Community Planning. Funding for municipalities and not-for-profits

New York Main Street Program (Consolidated Funding Application)

The New York Main Street (NYMS) Program was created by the Housing Trust Fund Corporation (HTFC) in 2004 to provide resources to assist New York's communities with Main Street and downtown revitalization efforts. NYMS provides resources to invest in projects that provide economic development and housing opportunities in downtown, mixed-use commercial districts. A primary goal of the program is to stimulate reinvestment and leverage additional funds to establish and sustain downtown and neighborhood revitalization efforts. There are four programs within the NYMS, which include

Eligible Types of Applicants:

Eligible applicants for NYMS Program applications are Units of Local Government or organizations incorporated under the NYS Not-for-Profit Corporation Law that have been providing relevant service to the community for at least one year prior to application.

Eligible Target Area:

All NYMS activities must be located in an eligible target area. Applicants must clearly identify how the target area meets each of the three components of the statutory definition of an eligible target area.

Traditional NYMS Target Area Building Renovation Projects

Applicants may request between \$50,000 and \$500,000 for Target Area Building Renovation Activities. Requests must not exceed an amount that can be reasonably expended in the identified target area, within a 24-month term. Requests generally should not exceed the amount of documented property owner need in the target area.

- **Building Renovation:** Matching grants available for renovation of mixed-use buildings. Recipients of NYMS funds may award matching grants of up to \$50,000 per building, not to exceed 75% of the total project cost in a designated target area. Renovation projects that provide direct assistance to residential units may be awarded an additional \$25,000 per residential unit, up to a per-building maximum of \$100,000, not to exceed 75% of the total project cost.
- **Streetscape Enhancement:** Applicants may request up to \$15,000 in grant funds for streetscape enhancement activities, such as: planting trees, installing street furniture and trashcans, or other activities to enhance the NYMS target area.

- Streetscape enhancement grant funds will be awarded only for activity ancillary to a traditional NYMS building renovation project and cannot be applied for on its own. NYMS Downtown Anchor or Downtown Stabilization applicants may not request Streetscape funds.
- Streetscape enhancement activities must be reviewed for eligibility and approved by HTFC prior to commencement of construction or installation. Streetscape activities must be completed within the proposed building renovation target area.

Administrative and soft costs are also eligible expenses covered by these grants. Each of these line items has specific requirements that may be found on the HCR website

NYMS Downtown Anchor Project:

Applicants may request between \$100,000 and \$500,000 for a standalone, single site, “shovel ready” renovation project. The NYMS Downtown Anchor Project funds may not exceed 75% of the Total Project Cost. NYMS Downtown Anchor Project funds are intended to help establish or expand cultural, residential or business anchors that are key to local downtown revitalization efforts through substantial interior and/or exterior building renovations.

Applicants for NYMS Downtown Anchor Project funds must:

- Document a compelling need for substantial public investment;
- Document project readiness, as evidenced by funding commitments, developer site control, pre-development planning completed, and local approvals secured;
- Provide cost estimates to substantiate the request amount;
- Identify source(s) of available construction financing and matching funds;
- Demonstrate the importance of the project for the neighborhood, community and region;
- Provide a Business Plan and Market Analysis to demonstrate project viability.

Technical Assistance:

- Grants are available to assist projects that will directly improve a community’s capacity or readiness to administer a future New York Main Street building renovation program.

NYS HCR Unified Funding Application

New York State Homes and Community Renewal (HCR) announces the availability of the following program on an annual basis, which typically includes:

- Low-Income Housing Trust Fund Program (HTF)
- New York State HOME Program (NYS HOME)
- Community Investment Fund Program (CIF)
- Supportive Housing Opportunity Program (SHOP)
- Homes for Working Families Program (HWF)
- Public Housing Preservation Program (PHP)
- Multifamily Preservation Program (MPP)
- Middle Income Housing Program (MIHP) 0- see details below

A Request for Proposals (RFP) for Unified Funding (UF) site-specific multi-family project applications (Capital Applications) seeking funding under these programs is typically announced in mid to late summer. Capital Applications will be submitted using the Community Development Online (CDOL) Application System, located on HCR's website at: <http://www.nyshcr.org/Apps/CDOnline/>

MIDDLE INCOME HOUSING PROGRAM (MIHP)

MIHP provides financing assistance for acquisition, capital costs and related soft costs associated with the new construction of or the adaptive reuse of non-residential property to affordable middle income housing units as part of HCR's ongoing efforts to create greater income diversity in affordable housing while also providing affordable housing options for middle income New Yorkers in certain high cost rental markets, or as part of a concerted neighborhood-specific revitalization effort.

MIHP offers gap financing to developments which include units that will be occupied by households earning above 60% of AMI, up to 130% of AMI. MIHP must be requested in combination with 9% LIHC and must meet the standard LIHC set-aside requirements; that is, 20% of the units affordable to households with incomes at 50% or less of AMI or 40% of the units affordable to households with incomes at 60% or less of AMI. It is expected that projects with higher rent levels serving higher income households will be able to leverage conventional debt and therefore request less subsidy per unit.

NYS FINANCING AND FUNDING RESOURCES FOR DEVELOPERS

Low Income Housing Tax Credit Program (LIHC) – Federal

The LIHC program provides a dollar-for-dollar reduction in federal income tax liability for project owners who develop rental housing that serves low-income households. (Low-income is defined as households with incomes up to 60% of area median income.) The amount of LIHC available to project owners is directly related to the number of low-income housing units that they provide. Applicants eligible to receive allocations of LIHC include individuals, corporations, limited liability corporations and limited partnerships - with the latter two being the most widely used ownership entities. Economic and scoring incentives are provided to encourage the participation of Not-for-profit corporations in LIHC projects. <https://hcr.ny.gov/low-income-housing-credit-program-lihc>

State Low-Income Housing Credit Program (SLIHC) – New York State

The NYS Low Income Housing Tax Credit Program (SLIHC) is modeled after the federal LIHC program. The SLIHC must serve households whose incomes are at or below 90 percent of the area median income (vs. the 60 percent standard of the federal program). <https://hcr.ny.gov/new-york-state-low-income-housing-tax-credit-program-slihc>

Housing Trust Fund (HTF) Program

The New York State Housing Trust Fund (HTF) provides funding to eligible applicants to construct low-income housing, to rehabilitate vacant, distressed or underutilized residential property (or portions of a property) or to convert vacant or underutilized non-residential property to residential use for occupancy by low-income homesteaders, tenants, tenant-cooperators or condominium owners.

<http://www.nyshcr.org/Programs/HousingTrustFund/>

NYS Historic Properties Tax Credits (Commercial and Homeowner Programs)

Individual property owners who plan to rehabilitate an historic property can apply for a 20% income tax credit - 20% of Qualified Rehabilitation Expenditures (QRE) - on both state and federal income taxes. All rehabilitation work must meet federal preservation standards. For the homeowner tax credit, the residence must be an owner-occupied. Applicants must receive approval from the NYS Historic Preservation Office (SHPO) before work commences.

<https://parks.ny.gov/shpo/tax-credit-programs/>
https://www.tax.ny.gov/pit/credits/historic_rehab_credit.htm

ADDITIONAL FINANCING RESOURCES FOR MULTIFAMILY DEVELOPERS

New York State Housing Finance Agency (HFA) All Affordable Program

HFA offers financing for both new construction of multifamily rental housing and funds for the preservation and rehabilitation of existing affordable multi-family rental housing. Tax-exempt, taxable and 501(c)(3) bond proceeds may be used to finance these developments. <https://hcr.ny.gov/housing-finance-agency>

New Development - To qualify for financing for new construction under the All Affordable Housing Program, all units must be affordable to households earning no more than 60% of the Area Median Income (AMI), adjusted for family size, in the county where the development will be located.

Preservation - Projects that were initially financed through federal and/or state affordable housing programs, as well as those not currently part of an affordable housing program, are eligible for the All Affordable Housing Program. To qualify, a majority of the units in a project must be affordable to households earning no more than 60% of the AMI for the county where the development is located. For tax-exempt bond financed projects, rehabilitation costs must not be less than 20% of the bond amount (if enhanced by SONYMA's Mortgage Insurance Fund). Other credit enhancers require varied percentages of rehabilitation.

Subsidy Loans - Developers who obtain new construction and preservation mortgages from HFA are also eligible for HFA's Second Mortgage "Subsidy Loans." These loans provide subordinate, low interest rate subsidy loans to projects that are receiving HFA financing and which require subsidy to maximize the number of affordable units and to reach lower income or special needs populations.

New York State Energy Research and Development Authority (NYSERDA)

Low-Rise Residential New Construction (PON 2309)

NYSERDA Low-rise Residential New Construction Program incorporates the New York ENERGY STAR® Certified Homes Program as well as NYSERDA's offer of eligibility for certain gut rehabilitation projects to participate and receive the alternative New York Energy Smart designation. These Programs are designed and intended to encourage the construction of single-family homes and low-rise residential dwelling units, which operate energy more efficiently, are more durable, more comfortable, and provide a healthier environment for their occupants than would otherwise be achieved. Technical assistance and financial incentives are offered to builders and developers, as well as to Residential Energy Services Network (RESNET) Home Energy Rating System (HERS) Providers and their Home Energy Raters to encourage the adoption of progressive building practices.

<https://www.nyserd.ny.gov/All%20Programs/Programs/Low%20Rise%20Residential>

ALTERNATIVE HOUSING FINANCIERS

Community Preservation Corporation (CPC)

CPC is a Non-Profit, affordable housing and community revitalization finance company with offices throughout New York State. The Hudson Valley office, located in Ossining, serves Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties. CPC offers construction financing, Freddie Mac conventional financing, supportive housing financing and other customizable loan programs. CPC has financed more than 196,000 affordable housing units. With \$11 billion in public and private investments, its work has helped revitalize countless neighborhoods and provided quality housing for low-income families, senior citizens, and individuals with disabilities.

CPC has been working in the Hudson Valley since the late 1980s and has provided financing for hundreds of affordable housing units. The approach is not to just provide funding; CPC provides technical assistance in the community revitalization process and leverages many other local and statewide resources. CPC has a variety of loan products in its arsenal with attractive rates and terms.

<http://communityp.com/>

Community Capital of NY (CC NY)

Community Capital New York (CC NY) is a nonprofit alternative lender that serves Dutchess, Orange, Putnam, Westchester, Rockland, Sullivan, and Ulster counties in New York State. Community Capital works collaboratively with communities to provide flexible, innovative financing and technical assistance to help them reach their community development goals particularly with regard to affordable housing and small-business development. Community Capital - a certified Community Development Financial Institution (CDFI) – offers financial, technical and education resources to affordable housing and economic development initiatives. CC NY provides financing that is not typically available from conventional lending institutions. For example, they can help with pre-development loans, feasibility loans and bridge loans. They can also – on a case-by-case basis – work with developers to meet special funding needs.

44 Executive Blvd
Elmsford, NY 10523
Tel: 914.747.8020

<https://communitycapitalny.org/>

Leviticus Fund

The Leviticus Fund supports transformative solutions that serve low-income and vulnerable people by combining flexible capital from social-impact investors and contributors with knowledge-sharing to create sustainable and affordable communities. The Leviticus Fund is a community development loan fund that spans the states of New York, New Jersey and Connecticut. This geographic landscape is certainly broad, yet the challenges for affordable, special needs and emergency housing, early education centers for children of low-income families, community health centers and other community facilities that improve communities and the lives of low-income residents cut across the region.

Leviticus recognizes that creating opportunities in these communities often makes a critical difference. That is why Leviticus partners with nonprofit organizations that are strong advocates for their communities. Their funds cover pre-development, acquisition, construction, mini-permanent and bridge loans, as well as working capital loans. For early education, Leviticus lends to both nonprofits and proprietary childcare centers whose enrollment includes at least 50 percent of low-income families.

220 White Plains Road, Suite 125

Tarrytown, NY 10591

Tel. 914.909.4381

https://www.leviticusfund.org/borrow_overview.htm

FINANCING PROGRAMS FOR HOMEOWNERSHIP

State of New York Mortgage Agency (SONYMA) <http://www.nyshcr.org/SONYMA/>

SONYMA provides a variety of low-interest mortgages primarily for first-time homebuyers. The agency also offers a popular down payment assistance program. Some of the programs are briefly outlined below. Others can be found on their website. Participating SONYMA lenders in the Mid-Hudson area: <http://www.nyshcr.org/Topics/Home/Buyers/ParticipatingLenders/>

SONYMA “Remodel New York”

The Remodel New York Program provides competitive interest rate financing to qualified first-time homebuyers for the purchase and renovation of 1- and 2-family homes in need of improvements or repairs. The renovation cost must be, at minimum, the lower of \$5,000 or 5% of the property's appraised value (after the proposed repairs are made) and, at maximum, 40% of the property's appraised value after the proposed repairs are made. Down payment assistance of \$3,000 or 3% of the home purchase price (not to exceed \$15,000) is available. Eligible renovation includes repair or replacement of plumbing, electrical and heating systems, structural repairs, new kitchens, bathrooms, windows, etc.

See <http://www.nyshcr.org/Topics/Home/Buyers/SONYMA/RemodelNewYorkProgram.htm> for a list of eligible renovations. Under Remodel New York, applicants do not have to be first-time homebuyers in federally designated targets areas. Income and purchase price limits apply.

SONYMA’s Achieving the Dream Program

The Achieving the Dream Program is geared towards low-income first-time homebuyers. The 30-year loan offers “lower” interest rates which can be used to finance one and two-family properties. Additionally, down-payment assistance can be provided up to \$15,000. A borrower must contribute 1 percent to the down payment costs.

<http://www.nyshcr.org/Topics/Home/Buyers/SONYMA/AchievingtheDreamProgram.htm>

SONYMA’s Down Payment Assistance Loan (DPAL)

[http://www.nyshcr.org/Topics/Home/Buyers/SONYMA/DownPaymentAssistanceLoan\(DPAL\).htm](http://www.nyshcr.org/Topics/Home/Buyers/SONYMA/DownPaymentAssistanceLoan(DPAL).htm)

SONYMA offers homebuyers down payment assistance in conjunction with SONYMA financing. Down Payment Assistance Loan (DPAL) allows SONYMA borrowers to secure down payment assistance through a second mortgage that can be used in combination with any currently available SONYMA program. DPALs have no interest rate and no monthly payments and will be forgiven after ten (10) years as long as the borrower keeps the SONYMA financing in place, and continues to own or occupy his or her home. The SONYMA DPAL can now be used to pay all or a portion of a one-time mortgage insurance premium, if applicable, thus significantly reducing your monthly mortgage payment.

Federal Housing Administration (FHA) 203(k) Insured Mortgage

The FHA 203(k) insured mortgage allows homebuyers to finance the purchase and rehabilitation of a property. Purchasers can borrow up to 110% of the “after-improved value” of the appraisal and also have a low down payment – as little as 3.5%. Owner-occupancy is required. The extent of the rehabilitation covered by Section 203(k) insurance may range from relatively minor (though it must exceed \$5,000 in cost) to virtual reconstruction. A home that will be razed or has been demolished as part of rehabilitation is eligible, for example, provided that the existing foundation system remains in place. Section 203(k) insured loans can finance the rehabilitation of the residential portion of a property that also has non-residential uses; they can also cover the conversion of a property of any size to a one- to four-unit structure. https://www.hud.gov/program_offices/housing/sfh/203k/203k--df

Federal Housing Administration (FHA) Limited 203 (k) Insured Mortgage

The FHA 203 (k) Limited or “Streamlined” insured mortgage is an effective alternative to the 203 (k) Rehab loans when mainly cosmetic repairs are all that is required. Under the Streamlined program, a maximum of \$35,000 can be financed to improve or upgrade a home. No “structural repairs” are allowed. Borrowers are not required to hire engineers or architects under this program. A 203(k) consultant is also not required. Owner-occupancy is required.

https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/203k/203k--df

Fannie Mae HomeStyle Renovation (HSR) Mortgage

HSR mortgage allows purchasers to include renovations, repairs, or improvements totaling up to 50 percent of the as-completed appraised value of the property. Any type of renovation or repair is eligible as long as it is permanently affixed to the property and adds value. Eligible borrowers include individual homebuyers, investors, nonprofit organizations, and local government agencies. The loan applies to one-to four-family principal residences, as well as to one-unit second homes or one-unit investor properties. Borrowers must engage a contractor to perform the renovation work. HSR mortgages are available through most conventional mortgage lenders. www.fanniemae.com/

HUD Good Neighbor Next Door program

This is a program for law enforcement officers, teachers (pre-K through 12th grade), firefighters and emergency medical technicians with houses available for 50% of the list price. The homebuyer needs to commit to living in the home for 36 months as your main residence.

https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot

LOCAL AGENCY RESOURCE

To begin the process, there are two housing agencies that provide homebuyer assistance counseling, RUPCO and PathStone. Each of these agencies may have additional grant assistance programs such as First Home Club (matching savings for down payment and closing cost assistance), Section 8 to Homeownership and housing rehabilitation grants for existing homeowners.

RUPCO

301 Fair Street
Kingston, NY
845-331-9860
kgermain@rupco.org

Offers: Financial Counseling, Financial Literacy, Foreclosure Counseling, Homebuyer Counseling, Homebuyer Workshop, Rehab/Repair, Rental Counseling, Reverse Mortgage/HECM, Reverse Mortgage/HECM Default, Tax/Water Liens

PathStone

36 Chambers Street C-1
Newburgh, NY 12550
845-569-0770 ext. 112
eclifford@pathstone.org

Offers: Budget Counseling, Credit Counseling, Debt Counseling, Financial Literacy, Home Maintenance, Homebuyer Counseling, Homebuyer Workshop, Landlord Training, Rental Counseling

UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)

Housing for Individuals

USDA provides homeownership opportunities to rural Americans, and home renovation and repair programs. USDA also provides financing to elderly, disabled, or low-income rural residents in multi-unit housing complexes to ensure that they are able to make rent payments.

- [Single Family Housing Direct Home Loans](#)
- [Single Family Housing Guaranteed Loan Program](#)
- [Multi-Family Housing Rental Assistance](#)

Housing Development Opportunities

USDA works with public and nonprofit organizations to provide housing developers with loans and grants to construct and renovate rural multi-family housing complexes. Eligible organizations include local and state governments, nonprofit groups, associations, nonprofit private corporations and cooperatives, and Native American groups.

- [Single Family Housing Repair Loans and Grants](#)
- [Mutual Self-Help Housing Technical Assistance Grants](#)
- [Multi-Family Housing Direct Loans](#)
- [Farm Labor Housing Direct Loans and Grants](#)
- [Housing Preservation Grants](#)
- [Rural Housing Site Loans](#)

NEW YORK STATE TAX POLICY AND INCENTIVES

Real Property Tax Exemptions/Tax Credits

The following tax exemption and credit programs may be available in certain communities. The New York State Real Property Tax Laws (RPTL) are often tied to specific types of municipalities (cities, towns, villages) and to communities with a specific total population. These state programs should be investigated along with individual municipal tax offerings.

Construction, Alteration or Improvement of Commercial Property (RP-485-b)

A 10-year tax exemption given for the increase in assessed value (the portion attributable to the construction, alteration or improvement of a commercial property but not for ordinary maintenance and repairs). In the first year, 50% of the increase (attributable to the construction, alteration, etc.) in the assessment is exempt from city, county and school taxes. The exemption continues for an additional nine years with the amount of the exemption declining by 5% each year (i.e., 45% in year 2, 40% in year 3, etc.). This exemption is transferable to a new owner.

https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt2/sec4_06/sec485_b.htm

Residential-Commercial Urban Exemption Program (RP-485-a) - Conversion of a Non-Residential Property into a Mix of Residential and Commercial Uses

A 12-year tax exemption given for the increase in assessed value (the portion attributable to the conversion, not for ordinary maintenance and repairs) from a solely nonresidential use to a mix of residential and commercial uses. For the first eight years of the exemption, 100% of the increase (attributable to the conversion) in assessment is exempt from City tax. Thereafter, the exemption decreases by 20% a year (80% in year 9, 60% in year 10, 40% in year 11 and 20% in year 12). This exemption is transferrable to a new owner.

https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt2/sec4_06/sec485_a.htm

First-Time Homebuyers of Newly Constructed Homes (RP-457)

Section 457 of the Real Property Tax Law authorizes a partial exemption from real property taxation for “newly constructed homes” purchased by “first-time homebuyers.” Counties, cities, towns, and villages may hold public hearings and then adopt local laws granting the exemption. A five-year exemption of the portion of the property taxes for newly constructed 1- and 2-family owner-occupied homes that have not been previously occupied. A first-time homebuyer is defined as any person who has not owned – or whose spouse has not owned – a primary residence during the previous three years, and who does not own a vacation home or investment home. The exemption begins at 50% of the City tax the first year, 40% in year 2, 30% in year 3, 20% in year 4 and 10% in the final year. Eligibility also has income and purchase price limits.

https://www.tax.ny.gov/pdf/current_forms/orpts/rp457ins.pdf

Alternative Veterans’ Exemption (RP-458-a)

This exemption is for the owner-occupied, primary residence of a veteran (also unmarried surviving spouse or Gold Star Parent) who served during a period of war. 15% of the total assessed value (capped at a maximum of \$12,000 in assessed value for the City and school tax; \$21,000 maximum for the county) is exempt from city, county and school taxes. An additional 10% exemption of the total assessed value (limited to \$8,000 in assessed value for the City and school tax; \$14,000 for the county tax) is available for veterans who served in a combat zone.

https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt1/sec4_01/p9_guide.htm

https://www.tax.ny.gov/research/property/assess/manuals/vol4/pt1/sec4_01/sec458.htm

Basic STAR/Enhanced STAR (RP-425)

Tax exemption for owner-occupants who earn less than \$500,000 per year. It is only for primary residences – including single-family homes, condominiums, owner-occupied 2 & 3 family homes, apartment buildings & mixed-use buildings. The Enhanced STAR is available to owners 65 years of age and older and whose income is \$86,000 (2017 income limit) or less. The tax savings amount and income limits change from year to year. New STAR applicants receive a credit in the form of a check directly from New

York State instead of receiving a school property tax exemption. New Basic and Enhanced STAR applicants must register with the New York State Tax Department to receive a STAR check. <https://www.tax.ny.gov/forms/orpts/star.htm>

Capital Improvements to Multiple Dwelling Buildings (RP-421-k) - Conversion of Multiple Dwelling Buildings to Owner-Occupied 1- and 2-Family Residences

An 8-year exemption of the increase (the portion attributable to the conversion, not for ordinary maintenance or repairs) in the assessed value when a former multiple dwelling is converted to a one- or two-family residence. A property not previously owner-occupied can only qualify if it is converted to a one-family residence. A property that was previously owner-occupied can be converted into either a one- or two-family residence. More than 50% of the square footage (after the new improvements) must be at least five years old. 100% of the increase in assessed value (attributable to the conversion) is exempt from City taxes in the first year; 87.5% in year 2; 75% in year 3; 62.5% in year 4; 50% in year 5; 37.5% in year 6; 25% in year 7; and 12.5% in year 8 – the final year. The exemption is limited to a \$100,000 increase in market value.

<https://www.tax.ny.gov/forms/orpts/exemption.htm>

Capital Improvements to a One- or Two-Family Residential Property (RP-421-f)

An 8-year exemption of the increase (the portion attributable to the new capital improvements, not for ordinary maintenance or repairs) in the assessed value when a one- or two-family dwelling undergoes significant reconstruction, alterations or improvements. More than 50% of the square footage (after the reconstruction, alterations or improvements) must be at least five years old. 100% of the increase in assessed value (attributable to the new improvements) is exempt from City taxes in the first year; 87.5% in year 2; 75% in year 3; 62.5% in year 4; 50% in year 5; 37.5% in year 6; 25% in year 7; and 12.5% in year 8 – the final year. The exemption is limited to an \$80,000 increase in market value.

<https://www.tax.ny.gov/forms/orpts/exemption.htm>

ADDITIONAL RESOURCES AND WEBSITES

In addition to the specific websites listed above, the following websites represents a multitude of valuable resources covering community planning, housing and Main Street Revitalization.

<u>Name</u>	<u>Link</u>
Enterprise Foundation	www.enterprisefoundation.org
Community Development Society	www.comm-dev.org
National Congress for Community and Economic Development	www.nacced.org
Alliance for Nonprofit Management	www.allianceonline.org
NeighborWorks	www.nw.org
NYS Office of Homes and Community Renewal	www.nyshcr.org
Neighborhood Funders Group	www.nfg.org
Planetizen	www.planetizen.com
Community Planning	www.communityplanning.net
New Urbanism	www.newurbanism.org
Local Initiatives Support Corporation	www.lisc.org or www.ruralisc.org
Housing Action Council	www.housingactioncouncil.org
FannieMae	www.fanniemae.com/
US Department of HUD	www.hud.gov
Freddie Mac	www.freddiemac.com
USDA	www.rurdev.usda.gov/ny
Local Government Commission	www.lgc.org
Affordable Housing Design Advisor	www.designadvisor.org
Fair Housing Accessibility First	www.fairhousingfirst.org
National Trust for Historic Preservation	www.mainstreet.org

APPENDIX

CITY OF KINGSTON
HOUSING FORUM SERIES
SUMMARY

The following is a summary of six housing forums with the Kingston Common Council that took place between the dates February 28th and May 29th, 2019. Each forum had a different focus with representatives from different interests: housing advocates, tenants, homeowners, developers, and landlords. Through testimonials different perspectives on the issue of affordable housing were heard, many issues were raised, and numerous policy suggestions were made.

Some of the reoccurring concerns include:

- Building code enforcement is failing to ensure tenants have safe and decent housing.
- Tenants are not fairly represented in the court system.
- Rents and housing costs are going up above what people in Kingston can afford.
- The need for affordable housing is increasing for all income levels.
- Taxes are an issue and this burden is passed from the landlord to renters.
- Short-term rentals exacerbate the affordable housing shortage.
- Tenants who rely on the voucher programs face discrimination.
- Landlords are disincentivized to invest in their properties.
- If the city want to see more affordable housing, it must mandate and incentivize this type of development.

Each forum is summarized in detail below.

Housing Hearing Open Forum 2-28-19

Hyperlink: [Housing Hearing Open Forum 2-28-19](#)

“This is the first in a series of public hearings to gather information on housing conditions, housing needs and both positive and negative experiences regarding housing and homeownership in Kingston. This information will be used to inform Mayor Noble's community development and housing agenda and the Kingston Common Council's policy development.”

Presentation by Valarie Monastra, VHB, a consulting firm helping to develop Kingston's Consolidated Plan, Annual Action Plan and Fair Housing Plan:

- Soliciting feedback on Fair Housing – In order to receive HUD funds, HUD requires that a grantee (City of Kingston) identify impediments to fair housing choice, take appropriate actions to overcome effects of impediments, and maintain records of analysis and actions taken (identify, act, record).
- What is an impediment to fair housing choice? – Any public or private sector action that “inhibits an individual's ability to choose where to live *because of that individual's protected class status*”
- Historical housing discrimination and segregation: redlining, blockbusting, predatory lending, steering, gentrification/disinvestment, discriminatory zoning/building codes
- Affordable housing is also a fair housing issue – if it prevents integration or causes segregation of communities into certain areas

As part of the consolidated process, the City of Kingston must conduct an analysis of impediments to fair housing every five years. The process includes an analysis of the following:

- Zoning/Land use
- Demographic patterns
- Mortgage disclosure act data
- Non-profit data
- Public input

In 2012, the consolidated process identified the following impediments:

1. Lack of Independent Process to Determining Impediments and Administer a Fair Housing Plan
2. Dissemination of Fair Housing Laws, Policies and Local Challenges – lack of knowledge among general public, housing developers and housing providers about housing discrimination
3. Tracking and Interpreting Housing Trends – recommended the city have a process of identifying fair housing issues
4. Onerous State Regulatory and Approval Process (SEQR) - development process is expensive, increasing the cost of housing
5. Imbalance Between Cost and Value – rent and property prices dropped but building and rehabilitation costs remain high, making it difficult to maintain, improve or build new housing
6. Shortage of Funding to Modernize Public Housing Units

Monastra invited the audience to speak on the following: do these impediments still apply, should any be added or removed?

Open comments (summarized into general topics of concern):

- Displacement and gentrification are an issue.
- There needs to be a distinction between turnover and displacement, in which tenants have no choice.
- Neglectful landlords are an issue for some tenants.
- Local and state policy does not offer full protection for tenants.
- Unsafe and unsanitary housing conditions
- Lack of affordable housing for working people
- Feelings of racial segregation due to housing options
- Desire for rent control policy in Kingston
- Displacement means a reduction in school enrollment
- Displacement means people lose their community and access to their neighborhood institutions like church.
- Desire for new local policies:
 - Strict rules about returning security deposits (New Paltz legislation is an example)
 - Stricter enforcement codes for maintenance and repairs on rentals
- Federal funding would help with the motel/housing situation if it is available.
- Inequality in housing
- Housing is a human right
- Renters are not fairly represented at public meetings and in the public process.
- Proposal for statewide rent control - Kingston can opt into the Emergency Tenant Protection Act (ETPA)
- There should be another tenant protective law for people who do not live in large complexes.
- The Community Land Trust will help with the affordable housing problem.
- Kingston may have one of the highest rates of evictions. In 2018, it was around 3% which may be the highest in the state.
- Tenants need protection against eviction if they make complaints.
- The Department of Social Services (DSS) would not offer services to a person because of her income and family size.
- Rents and move-in costs (1-3 months rent and security deposit) are too high for many people.
- Access to public transportation is an important component of housing policy.
- Given the rent increase in the last decade, what will happen to rent prices in the next decade?
- Landlords who wish to make improvements to their properties need better information about the assistance for which they are eligible.
- Kevin O'Connor Chief Executive Officer for RUPCO informs public about housing choice voucher program and the waitlist opening on March 1st
- Need improved code enforcement: there are inefficiencies in the code enforcement system
- Black mold is not a code violation even though it can make a home uninhabitable.
- There is a housing shortage.
- Developers do not know what to build and more information about income levels would drive developers to build housing at appropriate for existing income levels.

Housing Hearing Open Forum 3-6-19

HOMEOWNERS

Hyperlinks: [Housing Hearing Homeowners 3-6-19](#)

[Housing Hearing Homeowners 3-6-19](#)

“This is the second in a series of public hearings to gather information on housing conditions, housing needs and both positive and negative experiences regarding housing and homeownership in Kingston. This information will be used to inform Mayor Noble's community development and housing agenda and the Kingston Common Council's policy development.”

A series of invited speakers shared their perspective on the housing situation in the City of Kingston:

1. **Marlan Barry and Haley Downs: Homeowners who bought a house in Kingston three years ago**

On Kingston housing issues:

- They experienced rising prices in Brooklyn and could not sustain themselves there. They now see a similar process happening in Kingston.
- Displacement is an issue for people in Kingston, especially renters
- Many people have unsafe and insecure housing.
- The creation of minimum wage jobs alone will not help people facing housing insecurity.
- Gentrification can mean uneven economic prosperity.
- How do we achieve social justice along with economic development?
- Commercial real estate taxes are too high and discourage companies coming to Kingston that might offer better paying jobs.
- Property taxes are high.

Suggestions for city:

- Slow gentrification by inviting non-profits and community organization to be engaged with the process, create a partnership with the Common Council and housing activists and organizers.
- Vacant shops (especially Uptown) seem to be a problem. Landlords are sitting on properties for tax incentives. There must be laws that prevent long-term vacancies.
- Engage the public in the conversation on housing with these type of forums. The TMI project is a good example of how to communicate about housing issues, the organization is engaged in telling stories from community all the time.

2. **Michelle Weiss: Homeowner Impacted by a short-term rentals in her neighborhood**

Complaints:

- Constant strangers in neighborhood
- Loud noise at night an issue for people who have to work early in the morning
- Drug and alcohol use
- Property damage

Questions for the city:

- Are there laws on short-term rentals?
- Look at other communities for model legislation on short-term rentals.

3. Alex Panagiotopoulos: Homeowner on that challenge for renters

Benefit of being a homeowner:

- Rising property value
- Sense of ownership and community engagement
- Housing security, can enjoy Kingston's economic advancements

Concerns:

- Renters do not get to enjoy the same benefits as homeowners, when property values go up so does their rent.
- Based on the number of reported evictions and the number of housing units, Kingston has one of the highest eviction rates of any municipality in the state.
- High eviction levels reflect the normalization of an idea that pushing low-income people out will help the city with its criminal problem.
- Rent gap is high: What tenants are paying is low compared to what landlords think they can get. This puts pressure on tenants. Landlords see the opportunity to raise rents to a level that is not supported by the average wage in Kingston.

Solutions and suggestions for the city:

- The construction of new affordable housing will not alone solve the problem for people currently facing displacement, these projects take a long time and the problem is urgent.
- Tenants need rights
- Rent control
- Good cause eviction law – right to renew lease at minimal cost, no retaliation from landlords for reporting issues with a building, and representation in landlord/tenant court
- If the city would pay for tenants to have representation in court, they may save money of other services.

4. Meghan Weiss-Rowe: Homeowner who benefited from local first-time homebuyer programs

Utilized both the RUPCO first-time homebuyer program along with a HOME grant. Through the RUPCO program, she attended a class and participated in a savings program to put \$180/month away to use as a down payment. With the combined programs, she was able to pay for necessary repairs including new energy efficient windows, lead abatement, etc.

Suggestions to city:

- Advertise first-time homeowner programs to tenants. City programs are lot to navigate, so help people with these programs.
- Welcome wagon for people who move into the community with information on services, etc.

5. **Brian Cafferty: Housing Relator serves on Zoning Board of Appeals**

Perspective on Kingston housing issues:

- In Uptown, the majority of sales are going to only three buyers.
- Gentrification is an issue.
- There is a problem with the displacement of businesses: hobby shop, pawnshop, and clock shop, for example.
- Newly vacant storefronts remain vacant because rent prices are too high.
- Data shows that the number of home sales has dropped but the selling price has gone up. There is a significant drop in number of homes under \$200: 23.6% in one year. This means the inventory homes affordable to people who work in Kingston and Ulster County is low.
- A high demand and low supply of housings means the cost of homes goes up and so does rent.

Suggestions to the city:

- Increase homeownership opportunities
- Work with local lenders and put together a high risk lending pool. Local lenders benefit from lending to people in the community. Help people who otherwise cannot qualify for a loan.
- Economic development so that people have jobs that afford them the cost of rent.

Open comments (summarized into general topics of concern):

- There is a need for a program through which tenants who pay rent on time are able to use this toward the purchase of a home or to improve credit (Rent to own program).
- Landlords also lose out from the eviction process. The process can cost a landlord up to six months in rent revenue.
- Question: is RUPCO's Lace Mill housing replicable? Offers good alternative to owning own home
- Kevin O'Connor from RUPCO answers that they are trying to do similar projects elsewhere in the Hudson Valley. The Lace Mill offers preference for artists.
- There is a CDBG application for attorneys to provide service to tenants facing eviction in court.
- There is information for both landlords and tenants at the NYS Attorney General's website. According to this website, landlord retaliatory actions are illegal but the tenant has to defend themselves against these actions, which is what the attorney is for.
- First-time homebuyer programs should track sellers – why are they leaving? If community money is used then priority should be given to existing community members.
- Pooled loan program – Kingston could follow the model in Newburgh under which businesses in certain neighborhoods have access to a pool of loans.
- The owners of empty storefronts should be fined and the amount of this fine should increase over time. As is, landlords are incentivized to keep buildings vacant because they can use the passive loss to offset gains elsewhere.

Housing Hearing Open Forum 3-11-19

TENANTS

Hyperlinks: [Housing Hearing Tenants Part 1 3-11-19](#)

[Housing Hearing Tenants Part 2 3-11-19](#)

“This is the third in a series of public hearings to gather information on housing conditions, housing needs and both positive and negative experiences regarding housing and homeownership in Kingston. This information will be used to inform Mayor Noble's community development and housing agenda and the Kingston Common Council's policy development.”

1. Jolanda Knox: Tenant and lifelong Kingston resident who has faced housing insecurity

Comments:

- Had a very negative experience with the Department of Social Services (DSS)
- Was placed in temporary housing far away from public transportation and her family
- While living in a Kingston hotel she felt she was disrespected by the hotel owners for her reliance on DSS support.
- The hotel room only had a microwave and so she was unable to cook for herself. She attributes health problems to this.
- She also experienced sewage back up in her bathtub.

2. Juanita Valezquez-Amador : Tenant/founder of the Kingston’s Tenant Union

Comments:

- Buildings are given certificate of occupancy despite having code violations that make them unsafe for habitation.
- Code enforcement is failing to protect tenants.
- Landlords discriminate and do not rent to people for many reasons including: sexual status and source of rent income, among other reasons.
- Working people who are essential to the functions of the city are being displaced.
- There is a known landlord who owns many properties who will not rent to people that rely on social services.
- The State of Oregon passed a statewide rent control - this can be a model.
- As an economic development policy, the city could hire more local people for contracts.

3. Tyler : Community activist with Citizen Action

Comments:

- There is a lack of affordable housing in Kingston. For example, there are no 2-bedroom apartments for \$800 in Kingston.
- Tenant court is a difficult process for tenants to navigate and so tenants often will not go through process even when they are in the right.

- Under the housing choice voucher program, income is calculated as if it is constant week to week, but for some people this is not the case.
- Rather than fixing known problems in a building, landlords may have their own building condemned in order to get tenants out.
- Landlords are not obligated to rent to you and discriminate against people with subsidies. This results in a concentration of poverty in certain neighborhoods.
- Some counties have a source of income discrimination law. Under this law there is an increase in voucher usage and a drop in homelessness, according to studies.
- For tenants that are able to get representation in housing court, eviction rates drop around 30%.
- There was a time when there was affordable housing in Kingston.

4. Callie Jayne: Tenant and Executive Director of Rise Up Kingston

Comments:

- Has never felt housing stability
- She has poor credit and this hurts her ability to secure housing.
- Housing instability has hurt her daughter who has had to switch schools multiple times.
- It has been her experience that landlords can act above the law.
- In first Kingston apartment moved into a 3-bedroom only to find out it was not legally a 3-bedroom and so her children had to share a bedroom.
- Had leak in her ceiling from her neighbor's toilet and was given no assistance from the property manager
- While now in a good apartment, she does not have a lease so still lacks housing security.
- Knows of a person who had a high utility bill from Central Hudson and requested a line check but the landlord prevented this from happening.
- A person can go from being a renter to being homeless very quickly. Without legal assistance, tenants do not have a lot of help.
- Credit checks are expensive and tenants often never hear back even after paying fee.
- There are various reasons landlords do not want to accept housing choice vouchers: beliefs that people who require this assistance are less than other people, reimbursed delays for Section 8, not wanting to evict people who lose their voucher
- Tenants who are on Section 8 will not complain about housing problems because they do not want to get evicted and lose their voucher.

Suggestions/Comments to the City:

- Stricter standards and better tracking for rental inspections
- Make it illegal for landlords to discriminate against people who need social safety nets.
- Housing as a human right
- Budgets reflect our priorities
- Consider building more housing and consider an alternative way to put up housing without people making money off of it.

Justin Orashan: Tenant with Rise Up Kingston

Comments:

- Lives in a house share in order to make it affordable
- Has seen a great level of interest in rooms in housing share, a sign of the need for decent affordable housing
- Has anxiety about rising house prices and eventually not being able to afford housing
- Gentrification is not a force that naturally happens and gentrification is displacement.
- Concerned that people, especially those in positions of power, are disconnected from the reality of displacement
- A growing group of people who are not from Kingston who see it as an investment opportunity.
- Housing needs to be addressed at each income level. The homeowner path not feasible for most renters.
- Homeownership affords people many advantages including more power within the community, increased engagement, and a public perception of being a full member of the community.

Open comments (summarized into general topics of concern):

- Concern about the new digital electronic utility meters. Comment is that these meters can be hacked, used by spies, and they emit strong electric magnetic radiation
- Housing insecurity
- Kingston has apartments with uninhabitable conditions.
- Since 2008, rental need has increased 25% nationwide, and no less in this city. Rents are not remotely affordable for the wages in Kingston.
- Renters pay taxes. Landlords figure taxes into rent costs, so renters make up the majority of tax payers in the city.
- Rent prices have gone way up but the quality of units has not improved.
- People are paying more for the same apartments that are much more expensive now than they were.
- No one knows the number of homes in the city.
- NY state law requires that landlords allow shared meter checks. There is legal recourse if a meter check is denied.
- There are already statutes that require landlords to maintain buildings at certain levels, however code violations are not enforced.
- A tenant is allowed to request a copy of their credit check.
- The landlord has obligations as well as the tenant. Landlords are faced with high taxes and this is reflected in the rent prices.
- Regarding eviction: it is against the law for a landlord to touch a tenants belongings without a court order, a landlord cannot evict someone in three days.
- The judge favors the tenant because the tenant is often not informed on the laws.
- It takes three months to get someone out of an apartment.
- Rents should not be raised above 1% or 2% annually.
- Concern that the local city government doesn't have the resources to fight against developers
- It is unfair to single out city officials. DSS and the county should be brought in to hear the problems.

Common Council Housing Hearing – Landlords 4-8-19

LANDLORDS

Hyperlink: [Common Council Housing Hearing - Landlords 4-8-19](#)

Daniel Baker City Assessor: Shares housing data for the City of Kingston

The following are the approximate numbers of housing units in the City of Kingston:

- 8,700 Parcels – mixture of housing and commercial properties that do and do not have housing units
- 7,000 Homestead parcels: includes 5,150 single-family homes and 120 2- family, 170 3-family homes, multi-family homes
- 1,700 Non-homestead parcels: (units inside apartment complexes and mixed-use buildings): 3,850 of these 3,321 are units inside apartment complexes (411 class), 535 are combined with other commercial activities, occupied and vacant)
- 11,500 housing units in the city today
- U.S. Census lists around 9,400 housing units

Affordable Housing: Under the 581-A real property tax law, there are special assessments for affordable housing, defined as “property that is used for residential purposes where residences are subject to an agreement with the municipality, state, the federal government and/or an instrument thereof, the agreement restricts occupancy to tenants who qualify in accordance with an income test.”

- Typically the rent in an affordable unit cannot exceed 30% of the household income.
- 1,100 units of affordable (including agencies and private). Does not include all Section 8 units
- 29% of all apartment complexes are “affordable”.
- 22% of housing units (2-family, 3-family, and apartment buildings) are affordable.
- 10% of all residential units in the City of Kingston are under the definition of 581A affordable housing.
- Other agencies and non-profits are currently trying to quantify the number of Section-8 units in the city.
- In the last several years the mix of residential units built has been about 50/50 affordable and market rate housing.
- As far as the assessor knows of, there is not mandate on the amount of affordable housing. Developers base their units on zoning and development code.
- Most new development projects have all affordable units or none, due to financing structures.
- The City has done a good job partnering with developers to keep balance since these projects are not mixed otherwise.
- Great demand for housing across the spectrum
- The city is in process of completing its 5-year consolidated housing plan so this information will be available publicly when the consultant is finished.

Joanne Steel Landlord: 3- family homeowner

Comments:

- “Landlords need to remember that they owe the building, but their tenants have their home there.”
- Supports licensing of people who work on homes, but exams needs to be more rigorous
- “I rent my apartments below rent because I think the rents are too damn high”
- Minimum wage does not support housing costs and this is why tenants struggle to pay rent.
- Problem with inappropriate recycling from tenants - City needs to do more on educating tenants on recycling and landlords need to be involved

Andi Turko-Levin: Realtor and Landlord: single family home

Comments:

- Based on median income, rent should be around \$900.
- Bought property as investment property
- Supportive of landlord registration
- Taxes are high, mostly school taxes
- Maintenance and upkeep costs, doesn't take home much
- Had to raised rent by \$25 this last year
- Airbnb is taking rental units out of the equation
- Seniors are having a difficult time finding places
- Influx of a lot of new residents with disposable incomes – temps landlords to raise rents
- Concerned about future restrictions on what I can be allowed to rent, if the city only allows her to rent as affordable
- Supports building inspections

Heather Stein: Landlord Single-family home

Comments:

- Had negative experience with tenants
- Had to spend \$15 thousand to repair damage from tenant
- Now has to charge higher rent to recoup lost money
- Maintenance, taxes and other costs are high
- Breaking even
- It is important for landlords to take care of property in hopes of getting a tenant who will also take care of property.
- With second tenant looked at work history and found a former home owner who knew how to take care of a property
- Landlords with a full mortgage have a more difficult time making month to month.

Joshua Sussen-Soechting: Landlord 2-family and 4-family home

Comments:

- At the end of the day this is a business.
- Has had to pay for the replacement of lead piping for water despite programs to cover this cost. The program was stalled and he needed to move forward in order to protect tenants from hazard.
- Garbage is a source of frustration. The switch to single stream and back again is costly for property owners who must purchase new bins. Bin sizes are the same regardless of the number of units. The landlord has to pay a fine for overfill and this is reflected in the rent.
- Pays \$12,000 in taxes
- There are no services for landlords.
- Landlords above a certain income limit are excluded from city programs like the façade rehabilitation program.
- Expenses get passed on to tenant.
- The property that he maintains and even lives in does not break even.
- The property that “looks like I am a slumlord” does better.
- If the city would make funding available despite his income he would assume the risk and be the creditor on the project. He would make capital improvements.
- Upset by government waste of money

Sean Griffin: Landlord 4-family

Comments:

- “I have never had an apartment that I would not live in”
- Is not happy when the City of Kingston intervenes
- Is selective about who he rents to and has never had a problem
- Has led renters to first-time homebuyer program
- Does not take Section 8 so that he can provide the best housing that he can

Anthony Tampone: Landlord numerous properties in Uptown

Comments:

- Would like to invest more in the community but the increase in sale prices makes this difficult
- Has had positive experience with tenants
- The homestead/non-homestead tax is an issue. Buildings with four or more units and those with mixed use are not eligible for the homestead status. While the city is trying to promote more density, the tax structure goes against this.

- Kingston school district extends beyond the city boundary, but the homestead limitations only apply inside the city, as a result landlords in the city have an unfair burden toward school tax.
- There is a failure to enforce building permits for construction and renovation projects.
- Foreclosure homes which sold low are not automatically reassessed yet the other homes in the neighborhood see their assessed values rise due to the high sales.
- The issuance of a building permit is supposed to trigger the reassessment of a building. If they were better enforced then more homes would be assessed at their true value.
- As a landlord, sees the inside of many buildings and contests to the unsafe conditions of many buildings in the city
- Concerned that if the city turns all undeveloped land into parks the city will lose out on important revenues

Suggestions to the City:

- Require that building permits are posted in the window and enforce this law.
- Change homestead/non-homestead rules.

Open comments (summarized into general topics concern):

- There is a NYS law that allows utility providers to recoup loss from prior tenants.
- Taxes are too high and getting worse.
- Landlords cannot get tenants to put out their own garbage.
- The city is not run efficiently: the City should outsource the garbage, why doesn't the City have a volunteer fire department to save costs?
- Licensed contractors in the city are very expensive.
- Landlord who rents to low-income families and does not have a problem. Does thorough background checks
- Happy with first-time homebuyer program
- Kathy Malone, Executive Director of the Kingston Housing Authority: The need for affordable housing is beyond the supply. Short-term rentals are impacting the supply of housing. There are not enough services for people with mental illness and the Housing Authority is pressured to manage related issues despite not having the training, staffing, or funding. HUD and HCR funding are limited.

Common Council Housing Hearing 4-29-19

DEVELOPERS

Hyperlink: [Housing Hearing Developers 4-29-19 \(Part 1\)](#)

[Housing Hearing Developers 4-29-19 Part 2](#)

Kevin O'Connor, Chief Executive Officer, RUPCO

The following is a summary of points made during a presentation to the Kingston Common Council as well as answers to questions from the Council following the presentation

RUPCO

- Non-for-profit affordable housing developer
- RUPCO example development: Energy Square - Mixed income/mixed-use development. Currently under development will create 57 apartments: 9 units or 15% that can earn up to 90% of AMI. 18 units at 60%, 20 units at 50%, 2 units at 30% of AMI, 7 units for young people 18-25 homeless or at risk provided by state rental subsidy
- RUPCO has different business lines including homeownership, managing housing, community development, rental assistance and the development of affordable housing. The organization is based in Kingston but is developing projects throughout the region.

Affordable housing

- Affordable housing is defined as housing for which all housing costs (mortgage, taxes, utilities, etc.) are no more than 30% of income.
- Developing housing is expensive and the development and operation of affordable housing is possible with subsidy. Most subsidy is through appropriated dollars – LITC federal money is awarded on a per capita basis exclusively for housing.
- Affordable housing development is risky throughout the process from acquiring property, with entitlements, facing neighborhood opposition, markup and lease, approvals, operation, etc.
- In New York, affordable housing sometimes involves preservation and revitalization, and needs to be supportive, healthy and accessible, and should be energy efficient.
- Affordable housing serves different income levels and communities: seniors, artists, special needs, homeless, etc.
- According to a study New York State Association for Affordable Housing (NYSFAH) the development of affordable housing has economic benefits including the creation of construction and permanent jobs, as well as economic spending during construction and ongoing.

- The state is considering rent control and stabilization. When the vacancy rate drops below 5%, counties can opt into rent control (several counties in state under law). Vacancy has been below 5% in Ulster County since 2002.

Housing discrimination historical and present

- Housing discrimination is achieved through certain zoning practices, separate public housing, mortgages, housing development, deed restrictions, community association grievance
- Responsible entities include all levels of government and various agencies within, realtors, appraisers, assessors, insurers, bonders, churches, synagogues, non-profits, regulatory agencies, police unions, etc.

Tools that municipalities have to encourage fair and affordable housing:

- Prepare comprehensive plans, consolidated plans, zoning ordinances, and special ordinances
- Train and educate volunteers who serve on the planning board
- Donate land, streamline permitting process, allow accessory dwelling units, eliminate off street parking, wave fees, density bonuses, allow high density, multi density zoning, inclusionary zoning with incentives

The State Environmental Quality Review

- Is necessary but not without issues
- Can slow unpopular projects or move too quickly for other projects
- Adds costs to development process
- Could be improved upon if carried out at the county level or if scientists were involved in review process as opposed to volunteers
- Process would benefit from strict timelines.
- The RUPCO project, Woodstock Commons, an affordable housing project was slowed down by a 5-year review process.
- Generic Environmental Impact Statement (GEIS) speeds up the process by looking at environmental impacts (parking, sewer, traffic, water, etc.) for an area of a community.

Housing in Kingston

- U.S. Census data ACS, 2016: 10,400 housing units in Kingston, 41% owner occupied, 48% rented, 10% vacant
- 2,500 affordable subsidized housing units in Ulster County
- Kingston has 996 affordable subsidized housing units, 39% of those in the county. False claim that Kingston has 55% of the county's affordable housing

- 1,148 affordable senior housing units in Ulster County
- 236 in Kingston, 21% of county amount

Housing Need in Kingston

- Three-County Housing Needs Assessment 2006-2020 identified a need for 1,005 affordable rental housing units (100 have been built) and 365 housing units in Kingston by 2020. Meeting the recommended numbers Kingston would have 28% of county's affordable rental housing and 12% of the affordable owner occupied housing.
- Using the Asset Limited, income Constrained, Employed (ALICE) metric, 59% of Kingston's residents are struggling to get by

Taxes and affordable housing

- PILOTS - State funding for affordable housing is competitive. PILOTS can serve as a local match, which makes projects more competitive. PILOTS are also a way for municipalities to support affordable housing which otherwise would not be possible due to high capital and operating expenses that are difficult to cover with affordable rents. RUPCO is one of the largest taxpayers in Kingston even with PILOTS. The PILOTS that support RUPCO projects are codified from NYS housing development fund.
- Under the Real Property Tax law 581-A, housing that is regulated by state or local government must be assessed using the income approach. Because affordable rentals provide lower incomes for properties, the assessed value is often less than the development costs. Consequently, the tax differential between a PILOT and 581-A assessed value is not substantial.

Housing choice

- There is a need in Ulster County and the City of Kingston for starter homes, homes for couples wishing to downsize and people of all incomes. With low vacancy rates (below 5% in Ulster County), there is limited choices for downsizing.
- There are proposals for more senior housing.

Market Rate housing

- There is little overlap between market rate housing in Kingston. In NYC, a mandatory set aside of 20% affordable units for any new development results in mixed income buildings.
- To encourage private developers to build affordable housing, offer density buses, subsidies, or other assistance. Due to the high cost of land and building it is difficult to build affordable housing without subsidy.

Public perceptions of affordable housing

- For historical reasons affordable housing has a negative connotation.

- People involved in the development and management of affordable housing could do a better job of talking about it.
- Successful projects serve as evidence for the public that affordable housing can be a positive for the community. Examples: the Woodstock Commons in Woodstock, and the Lace Mill in Kingston
- Affordable housing is no longer just an issue for very low-income people historically marginalized from the political process. As the need for affordable housing becomes an issue for middle-income people, there is more political will for the provision of affordable housing.
- Affordable housing is on a spectrum and at the lower end where residents may also rely on supportive services, there is also greater public opposition to such projects. There are people living in our community today without supportive services. Kathy Malone, Executive Director of the Kingston Housing Authority at the last meeting talked about having public housing without any services.

Other aspects of affordable housing

- Affordable housing should be well designed architecturally and in terms of the level of services. It is important that our community to provide supportive housing age 55+ who have special need on a campus with real services.
- When Kingston Hospital did a study on who is using a hospital or over using a hospital – those with respiratory illness and those with behavioral health problems. Mostly seniors, people living in hotels, boarding homes, shelters. One gentleman in the study visited the emergency room 65 times in one year.

Common Council Housing Hearing 5-29-19

POLICY ADVOCATES

Hyperlink: [Common Council Housing Hearing – Policy Advocates 5-29-19 \(Part 1\)](#)

[Common Council Housing Hearing – Policy Advocates 5-29-19 \(Part2\)](#)

Testimonies from the following:

- Justin Haines, Supervising Attorney, Legal Services Hudson Valley
- Joe Czajka , Senior Vice President for Research, Director of Center for Housing Solutions and Community Initiatives at Hudson Valley Pattern for Progress
- Guy Kempe, Vice President of Community Development RUPCO
- Shane DeVita, RUPCO

Justin Haines: Legal Services Hudson Valley offers free high quality council for civil matters for low-income individuals who cannot afford an attorney

State of evictions in MHV and the impact of impending bills in the NYS legislature

Emergency Tenant Protection Act (ETPA) Expansion, Senate Bill S5040, Assembly 7046 - affords tenants basic protections including against large rent increases, and it allows tenancies to remain in families, providing tenants affordability and security. However, the extension of ETPA only would offer protection to renters who live in units with 6 or more units. 3,500 renters in Kingston units would have no protection under ETPA (Note: Statewide option to opt-in as of June 2019).

Good Cause Eviction Bill – S2892, A05030 – applies to all NYS tenants regardless of the number of units in the complex with the exception of those living in owner occupied buildings with four units or less. The bill would grant the right to renewal of lease and add protections against rent increases above a 1.5 % of the consumer price index. Landlords would be required to obtain an order from a judge certifying that an eviction is for good cause (the end of a lease is not a good cause). The bill offers protections to tenants who assert the need for repairs without retaliatory actions or eviction (Note: Since been amended, has not yet passed).

Tenants in the Hudson Valley

- All housing indicators: rent costs, vacancy, eviction, and rent burden rates point to deepening housing crisis.
- According to the Ulster County Annual Affordability Survey, the average rents for the county have risen by 53% since 2004, outpacing increases in wages.
- Vacancy rate is 3.16%, 5% is considered a healthy percent.
- 55% Ulster County residents are rent burdened, and 30% are severely rent burdened.

- The scarcity of affordable housing has caused the number of evictions to go up. From 2013-2019 it rose by 57%.
- The waiting list for public housing is full. Local motels are full of people now needing housing.
- Homelessness is on the rise in Kingston: in January 2016 there were 320 homeless people and in 2018 there were 444.

Challenges for tenants

- At Legal Aid, attorneys assume eviction is inevitable and try to minimize the damaging impact on tenants.
- Even when tenants win eviction case, because the tenant is month to month they still have little security.
- Tenants are screened and if they have experienced eviction or have poor credit, their housing choice is limited further.
- Many landlords will not rent to tenants reliant on assistance.
- Courts are not set up for tenants. For example, tenants cannot raise a warranty of habitability claim and instead must withhold their rent, which invites a non-payment action against them.
- There are two types of eviction cases: non-payment where the landlord seeks payment for owed fees or rent, and holdover where the goal is to end tenancy. In a non-payment case, tenants are given 3 days. In a holdover case, they are given 30 days. Landlords utilize the short timeline of a non-payment case when in fact they want to remove the tenant.
- Tenants with a housing choice voucher face unique pressures. Many landlords will not accept vouchers, the rent must be paid within the payment standards of the program, and an apartment must be in good condition in order to pass requirements under program – all within a short time frame allowed by the Section 8 program.
- DSS and other charities do not want to offer support unless there is a lease as otherwise the housing situation may not work out. With the Good Cause Eviction Bill, tenants have a right to renewal and so are able to remain in their apartment after payment.
- Judges are predisposed to favor landlords over tenants. The laws are organized toward the benefit of the landlords and many landlords are judges.

How the City of Kingston and/or the county can reduce the pressures on tenants in the court system

- Could make a requirement that judges have to be attorneys
- Require language accommodations for non-English speakers in the courts
- Stock 'order to show cause' forms

- Tenants lack representation in tenant court. If there were more housing attorneys for the county tenants would be better represented.

Joe Czajka, Hudson Valley Pattern for Progress

General affordable housing terms:

- Affordable housing - A household pays no more than 30% of gross income for rent or homeownership. Affordable housing is not about certain groups of people, it is just a simple term about what one can afford to pay for housing without being burdened by to the cost.
- Cost burdened – housing costs are more than 30% of a household’s gross income. Housing costs for owners include payment for principal, interest and taxes.
- Severely cost burdened – housing costs are more than 50% of a household’s income
- There are other necessary living expenses that become difficult to manage when a household is cost burdened: food, transportation, clothes, medication, etc.
- Calculations are based on the Area Median Income (AMI) at the county level. In Ulster County in 2019, the AMI was \$83,300.

Comprehensive Housing Assessment Affordability Data (CHAS) for Kingston. These numbers are produced by HUD using the most current U.S. Census ACS data. (HUD Data lags behind about 1 year)

- 1,690 of rental households at all income levels are severely cost burdened. A third of renters pay more than 50% of income to rent.
- 680 owner occupied households, or 16% pay more than 50% of income to housing costs
- At 80% of AMI, 41.5% of renters and 45.2% of owners are severely cost burdened. Over 71% of all renters and owners at 80% AMI are cost burdened.
- At 50% AMI, 54.4% of renters and 60% of owners are severely cost burdened.

Guy Kempe, Vice President of Development at RUPCO

- RUPCO provides affordable housing but cannot meet the need in the Hudson Valley. For every housing unit RUPCO creates, there is someone who does not qualify because they earn too little or too much.
- Historically, there was a reliance on the private multi-unit housing market to meet the needs of households at 60% AMI or above. Due to rising rents and housing costs, the market no longer meets the needs of renters until they are at about 80% AMI. The number of households that are cost burdened has grown and continues to grow.
- RUPCO is working to understand rising rents and housing costs. With data sets from the mayor’s office, RUPCO has identified new opportunities for new housing development on properties that are vacant or currently unserved by water and sewer.

- Gentrification – the displacement or actions by market to displace people who are typically low or moderate income by more affluent residents who typically arrive from somewhere else who are whiter, better paid, better educated. The landlords raise the rent, and that means a certain part of your community gets displaced because they can no longer afford the rent. They may go out of businesses. Has real implications for communities, typically communities of color. When gentrification is compared to urban renewal, it is a similar process but different from gentrification because with urban renewal it is government demolition that results in the same kind of displacement. Government displaces, but does not know how to harness the market forces that are making it unaffordable for communities. Through either process, displacement is just as real.

Shane DiVita

Demonstrates mapping tool to identify areas in the City of Kingston with the greatest affordable housing issues.

Map shows single family and 2-3 family housing sales by ward. We created multiple projections for all nine wards.

Wards 4 and 5 in Midtown Kingston are the target of urban revitalization plans and are showing the consequence of these plans towards people with lower incomes. Housing costs drastically increasing in Ward 4 from Jan 2018-February 2019 due to property values that were very low but are appreciating quickly.

In Ward 5, in 2-3 family units, there is a rise in cost of housing. There are a few wards with slight decreases but most are seeing a rise. The people purchasing homes have to pay more and so charge more.

By mapping ward by ward, the response can be targeted to where the needs are highest in terms of affordability

GENERAL CONVERSATION with Council and presenters

- Housing is part of an economic ecosystem. No single intervention will resolve all housing issues. Community Land Trusts are an important strategy to preserve affordability although they do not offer the same benefits of full homeownership.
- Investing in the human capital is as important as the physical capital.
- Increase the power of purchasing and likelihood of going into homeownership. Nationally typical homeownership rates have decreased from around 70% of households to 63%.
- Tools to mitigate displacement: Community Land Bank, CDBG dollars for housing rehabilitation, local tax policy where you have phase-in of taxes, mandatory set asides (aka inclusionary zoning) of 10%, 15%, or 20% dedicated for affordable housing
- A set-aside policy needs to be based on data and analysis, need, and willingness for all sides to come to the table to create something that is impactful for the entire community.

- Kingston does require inclusionary development in certain districts. The City Comprehensive Plan calls upon the city to extend this throughout the city and not limit it to zoning districts. Do not provide an option for developers to buy their way out of providing affordable housing units. In other communities where this has happened the community ends up with a pile of money and no housing.
- Using the cost burdened metric, there is a need for over 16,000 units of affordable housing. Inclusionary zoning is just a single tool.
- If payment in lieu is an option in the set aside policy, the amount need to be significant enough and given to a local Non-Profit that will develop affordable housing.
- A set aside policy that has a flexible ratio of units depending on the area of the city could encourage the development of more units in areas with high opportunity.
- Market housing does not serve the low and moderate income Kingstonians because it is not profitable to do so. This is why it is important to provide a requirement and/or incentives for developers to build affordable housing.
- The city can phase in the property tax for first-time homebuyers in order to encourage homeownership. Rehabilitation on older homes should also be incentivized with tax policy.
- Generally, 68% of a property tax bill is school tax. The school board should be present in this conversation.
- The city already uses a “shovel ready” tool to expedite commercial development. This same tool should be applied to housing.

Open comments (summarized into general topics of concern):

- Neighborhoods that have seen rising prices have also seen property improvements.
- Most of the housing stock is old and needs a lot of improvement. If a landlord makes improvements, they should not be restrained in their ability to recoup their investment and the city should not disincentive development.
- The creation of opportunity zones in each ward that offer ten-year tax breaks would incentivize developers to build affordable housing throughout the city.
- Restraining market – rent stabilization can actually exacerbate rent shortage. The City of Ossining adopted rent stabilization and then after a few years reversed this policy.
- The city needs to differentiate between large and small landlords.
- Legislation that assists landlords can be beneficial.
- Do not pit education against housing. A decline in attendance does not necessarily mean there will be a drop in the expenses associated with education. In order to have a good society, our education system has to keep pace.
- Short-term rentals are contributing to housing crisis. Any housing legislation needs to include regulations on short-term rentals.

- Some of the issues that are facing us are facing the whole region and country, there are other issues that are particular to Kingston including that the courts here are more biased toward landlords than other parts of the state and that the City's building and safety inspection process is failing.
- Cooperative business structure – this is a model that may be a possible solution
- Investors who participate the opportunity zone program are not required to disclose this. If there are any public money or permits asked of the city, the city should find out if the applicant is involved in an opportunity fund. If so, the investor could be a beneficiary of huge reduction in capital gains on their projects.
- The government should be involved in public-private partnerships, opportunity zone can also be for businesses, cooperative businesses. Ben Carson is going to fast track tax credits including LIHTC for opportunity zone investors. It is the Council's responsibility to monitor who is using this program.
- (Kempe on Opportunity zones) 1. They are not a permanent investment in a community. Investors are repaid and the interest payable in exchange for the long-term investment is very high. When the opportunity zone ends, projects may see high levels of debt and disinvestment in the community 2. The opportunity zone program does not have performance metrics around job creation, alleviating poverty, creating pathways to wealth, etc. Look to Kingston's Equitable Development Program for how investment can meet community goals and for metrics to determine the value of a project.