

LOCAL LAW No. _____ OF 2022
ESTABLISHING CHAPTER 155 OF THE PEEKSKILL CITY CODE ENTITLED
“AFFORDABLE AND WORKFORCE HOUSING”, AMENDING ARTICLE IV OF
SECTION 510 OF THE CITY CODE ENTITLED “SUBDIVISION OF LAND”,
“GENERAL REQUIREMENT AND DESIGN STANDARDS”, AND AMENDING
SECTION 575-56F OF THE PEEKSKILL ZONING CODE ENTITLED “SITE PLAN
ELEMENTS”, AND TO RECEIVE PUBLIC COMMENT ON PROPOSED
AFFORDABLE HOUSING PROGRAM POLICIES AND PROCEDURES

Be it enacted by the Common Council of the City of Peekskill as follows:

Section 1. Chapter 155 of the Code of The City of Peekskill to be entitled “Affordable and Workforce Housing” is hereby adopted which shall read as follows:

Chapter 155 Affordable and Workforce Housing

§ 155-1 Definitions.

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

AREA MEDIAN INCOME (AMI)

Median Income for the County of Westchester as published annually by the U.S. Department of Housing and Urban Development and adjusted by household size.

AFFORDABLE HOUSING FUND

A fund held and maintained by the City of Peekskill that shall be used for property improvement assistance for existing residential and mixed residential/commercial properties in Peekskill, for program administrative costs, and for other actions taken for the furtherance of improving and increasing affordable housing for low and moderate income households city-wide.

AFFORDABLE HOUSING UNIT

A rental dwelling unit that is priced to be affordable to qualified household whose income is not less than 40% of AMI and not greater than 60% of AMI and for which the annual housing cost of the unit, defined as rent plus any tenant-paid utilities or fees, for the approved household does not exceed 30% of the qualified household’s income.

WORKFORCE HOUSING UNIT

- A. A rental dwelling unit that is priced to be affordable to a qualified household whose income is not less than 61% of AMI and not greater than 80% of AMI and for which the annual housing cost of the unit, defined as rent plus any tenant-paid utilities or fees, does not exceed 30% of the household’s income.
- B. A for-sale dwelling unit that is priced to be affordable to a qualified household whose income is not less than 61% of AMI and not greater than 80% of the AMI and for which the annual housing cost of a unit, including common charges, principal, interest, real estate taxes, insurance and amenities charges if any, does not exceed 33% of the qualified household’s income.

SUBSTANTIAL RENOVATION

As defined in the NYS Building Code, when the work (renovation) area exceeds 50% of the building area.

§155-2 Required Affordable and Workforce Housing Units.

- A. Within all residential or mixed-use developments of 10 or more dwelling units created by subdivision or site development plan approval, including new construction, conversion of non-residential structures to residential use, or substantial renovation of vacant structures, no less than 5% of the total number of dwelling units in rental housing must be created as affordable housing units and no less than 5% of the total number of dwelling units must be created as workforce housing units, and no less than 10% of the total number of dwelling units in for-sale housing must be created as workforce housing units, rounded to the nearest whole number. When the computed number of units contains .5, then the number of required units will be rounded up to

the next whole number. When the computation for a rental development results in an odd number of required units, the odd unit will be an Affordable Unit.

- B. The Council will adopt criteria setting forth the parameters that the Council will use to consider a request for a payment of a fee-in-lieu of providing Affordable and Workforce Housing Units. Once these criteria are adopted, a developer may request to make a payment of a fee-in-lieu of providing on-site Affordable and Workforce Housing Units. Such authorization for a fee-in-lieu will be subject to the discretion of the Common Council. The per-unit fee, regardless of unit size, shall be 1.5 times the AMI for a household of four for the year in which the project is approved.

§155-2 Maximum Rent and Sales Price.

The maximum monthly rent and the maximum sales price for an affordable housing unit and a workforce housing unit shall be established in accordance with the City of Peekskill Policies and Procedures for Affordable and Workforce Housing.

§155-3 Eligibility.

The affordable housing units and workforce housing units created under the provisions of this article shall be sold or rented and re-sold and re-rented, during the required period of affordability, to only qualifying income-eligible households. The City shall give preference to income-eligible residents who have resided within the City of Peekskill for the immediately preceding 5 years. Qualified households with incomes no less than 40% of AMI and no greater than 60% of AMI shall be eligible for the affordable housing rental units and households with incomes no less than 61% of AMI and no greater than 80% of AMI shall be eligible for the workforce housing rental units. Qualified households with incomes no less than 61% of AMI and no greater than 80% of AMI will be eligible for workforce for sale units. Such income-eligible households will be solicited in accordance with the City Policies and Procedures for Affordable and Workforce Housing. The City may designate a qualified not-for-profit organization to market the affordable and workforce housing units and to screen and select the applicants for the affordable and workforce housing units in accordance with the City's Policies and Procedures.

§155-4 Time Period of Affordability.

Units designated as affordable and workforce housing units must remain affordable for a minimum of 50 years from the date of the original lease-up for rental properties and from the date of original sale for for-purchase units unless sold in accordance with § 155-9.

§155-5 Property Restriction.

A property containing any affordable or workforce housing units must be restricted by using a declaration of restrictive covenant, in recordable form acceptable to the Corporation Counsel, that shall ensure that the affordable and workforce housing units shall remain subject to affordability requirements for the minimum fifty year period of affordability. Among other provisions, the covenant shall require that the unit be the primary residence of the resident household selected to occupy the unit. Upon approval, such declaration shall be recorded against the property containing the affordable and workforce housing units prior to the issuance of a certificate of occupancy for any dwelling unit on the property.

§155-6 Unit Integration.

- A. Within single family developments, all units shall be comparable in appearance, siting and exterior design to the other single family homes in the development and shall be distributed in the same proportion and location as all other units in the development, according to bedroom count.
- B. Within multifamily developments, the affordable and workforce units shall be physically integrated into the design of the development and shall be distributed in the same proportion and location as all other units in the development, according to bedroom count.
- C. The exterior appearance of the affordable and workforce housing units shall not distinguish them as a class from the unrestricted units.
- D. Affordable and workforce units will not have separate entrances from the market rate units in multi-family buildings.

§155-7 Administrative and Monitoring Agency.

The City may designate a qualified not-for-profit organization to handle the marketing, income and other eligibility requirements and monitoring applicable to the affordable and workforce housing units. The costs of such administration and monitoring shall be borne by the developer/owner in accordance with a fee schedule approved by the City.

§155-8 Lease Renewal Requirements.

- A. Occupants of affordable or workforce housing units shall be income-certified every two years.
- B. A person renting an affordable or workforce housing unit shall enter into a lease for a term of not greater than two years. As long as the renter remains eligible and has complied with the terms of the lease, the renter shall be offered renewal leases for a term no greater than two years.
- C. If a renter's annual gross income should subsequently exceed the maximum then allowable, as defined in this article, then the renter shall pay 30% of household income with the amount above the applicable affordable or workforce rent to be deposited into an Affordable Housing Fund managed by the City.

§155-9 Resale.

- A. In the case of for sale workforce housing units, the title to said property shall be restricted so that, in the event of any resale by the homebuyer or any successor, the resale price shall not exceed the then-maximum sales price for said unit for a 10 year period commencing at the date of the original sale, as determined as follows:
 - (1) The purchase price paid for the unit by the selling owner, increased by the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers in the New York-Northern New Jersey Area as published by the United States Bureau of Labor Statistics (the "index") on any date between (a) the month that is two months earlier than the month in which the selling owner acquired the unit and (b) the month that is two months earlier than the month in which the seller contracts to sell the unit. If the Bureau stops publishing this index and fails to designate a substitute index, the City will designate a substitute index; and
 - (2) The cost of major capital improvements made by the seller of the unit while said seller owned the unit, as evidenced by paid receipts depreciated on a straight-line basis over a fifteen year period from the date of completion; provided, however, that approval of the administrative and monitoring agency identified in §155-7 shall be required before the cost of any major capital improvement is included in the resale price.
- B. In the case of for sale workforce housing units sold after 10 years from the original sale, the selling owner may sell the property at market value on the condition that 50% of the appreciated value be shared with the City and deposited into the Affordable Housing Fund.

§155-10 Applicability.

This Article shall apply to applications for subdivisions, building permits, and site plan approvals submitted subsequent to the effective date of this Article.

Section 2. Article IV of Section 510 of the Code of The City of Peekskill entitled "Subdivision of Land", "General Requirement and Design Standards" is hereby amended to add the following:

Section 510-19.1:

All subdivisions containing ten or more building lots shall indicate the number, location, square footage and number of bedrooms of all dwellings to be constructed pursuant to the affordable provisions outlined in Chapter 155 of the City Code.

Section 3. Section 575-56F(1)(d) of the Code of the City of Peekskill entitled "Site Plan Approval is hereby amended to add the following:

[13.1] For structures containing ten or more dwelling units, the number, location, square footage and number of bedrooms of all dwellings to be constructed pursuant to the affordable provisions outlined in Chapter 155 of the City Code.

Section 4. This local law shall take effect on the date on which this local law is filed with the Secretary of State.

Underline denotes addition

CITY OF PEEKSKILL AFFORDABLE HOUSING PROGRAM POLICIES & PROCEDURES

The City of Peekskill (“City”) finds that having housing that is affordable to a range of income groups is necessary in order to ensure the continued social and economic diversity of its population which is one of its defining characteristics. The City finds that market rents and sale prices are unaffordable to low and moderate income households, and that there is a shortage of affordable housing due to the high cost of existing housing, land and construction in the region. In the interest of increasing affordable housing, the City has established a policy requiring that Affordable and Workforce Housing Units be a component of all residential and mixed-use developments of 10 or more dwelling units created by subdivision or site development plan approval or building permits, including new construction, conversion of non-residential structures to residential use, or substantial renovation of vacant structures. The City requires that no less than 5% of the total number of dwelling units in rental housing be created as Affordable Housing Units and no less than 5% of the total number of dwelling units in rental housing be created as Workforce Housing Units, and no less than 10% of the total number of dwelling units in for-sale housing be created as Workforce Housing Units.

Definitions

- A. Administrative & Monitoring Agency (“Administrative Agent”): The City or a qualified not-for-profit organization contracted by the City of Peekskill to administer the Affordable and Workforce Housing Program with oversight retained by the Director of Planning.
- B. Affordable Housing Fund: A fund held and maintained by the City of Peekskill which shall be used for property improvement assistance for existing low to moderate income residential properties in Peekskill, program administration costs, and other actions taken for the furtherance of improving and increasing housing for low and moderate income households city-wide and program administration costs.
- C. Affordable Housing Unit – A rental dwelling unit that is priced to be affordable to qualified household whose income is not less than 40% of AMI and not greater than 60% of AMI and for which the annual housing cost of the unit, defined as rent plus any tenant-paid utilities or fees, for the approved household does not exceed 30% of the qualified household’s income.
- D. Area Median Income (AMI): Median income for the County of Westchester as published annually by the U.S. Department of Housing and Urban Development and adjusted by household size.
- E. Household: All related and/or unrelated persons living together in a unit as a single housekeeping unit, sharing housing expenses and unit amenities.
- F. Household Income: The total income from all sources of all persons in the household over eighteen (18) years of age and not registered full time at an accredited college, university or trade school.
- G. Market Rate Unit: Any housing not restricted to low and moderate income households that may rent or sell at any price.
- H. Market Value: The price that a unit brings in an open and competitive market supported by an appraisal.
- I. Substantial Renovation: As defined in the NYS Building Code, when the work (renovation) area exceeds 50% of the building area.
- J. Utility Allowance Schedule: The annual schedule as published by the County of Westchester.
- K. Workforce Housing Unit:
 - 1. A rental dwelling unit that is priced to be affordable to a qualified household whose income is not less than 40% of AMI and not greater than 60% of AMI and for which the annual housing cost of the unit, defined as rent plus any tenant-paid utilities or fees, for the approved household does not exceed 30% of the qualified household’s income.
 - 2. A for-sale dwelling unit that is priced to be affordable to a qualified household whose income is not less than 61% of AMI and not greater than 80% of the AMI and for which the annual housing cost of a unit, including common charges, principal, interest, real estate taxes, insurance and amenities charges if any, does not exceed 33% of the qualified household’s income.

Affordable and Workforce Housing Requirements:

A. Affordable and Workforce Housing Obligation:

1. Within all residential or mixed-use developments of 10 or more dwelling units created by building permit, subdivision or site development plan approval, including new construction, conversion of non-residential structures to residential use, or substantial renovation of vacant structures, no less than 5% of the total number of dwelling units in rental housing must be created as Affordable Housing Units and no less than 5% of the total number of dwelling units in rental housing must be created as Workforce Housing Units, or no less than 10% of the total number of dwelling units in for-sale housing must be created as Workforce Housing Units, rounded to the nearest whole number. When the computed number of units contains .5, then the number of required units will be rounded up to the next whole number. When the computation for a rental development results in an odd number of required units, the odd unit will be an Affordable Unit. For example, if the required number of rental units is 11, six will be Affordable Units and five will be Workforce Units.
2. The Council will adopt criteria setting forth the parameters that the Council will use to consider a request for a payment of a fee-in-lieu of providing Affordable and Workforce Housing Units. Once these criteria are adopted, a developer may request to make a payment of a fee-in-lieu of providing Affordable and Workforce Housing Units. Such approval is subject to the discretion of the Common Council. The per unit fee, regardless of unit size, shall be 1.0 times the AMI for a household of four for the year in which the project is approved. The fee which is due prior to the issuance of a Certificate of Occupancy will be deposited into the Affordable Housing Fund.

Type	% of Affordable Units	% of Workforce Units	AMI Range for Pricing*	AMI Range for Eligibility
Rental	5%	5%	40%-60%/61%-80%	40%-60%/61%-80%
For Sale	-	10%	61%-80%	61%-80%

*The specific percentage will depend upon the qualified household who will occupy a unit.

3. Term of Affordability: The dedicated Affordable and Workforce Housing Rental Units must remain affordable for a minimum of 50 years from the date of the original lease-up. Workforce For-Sale units must remain affordable for a minimum of 10 years from the date of the original sale. The first selling owner after 10 years from the original sale may sell the property at market value on the condition that 50% of the appreciated value of the property be shared with the City and deposited into the Affordable Housing Fund.
4. Dwelling Unit Size, Quality and Allocation by Size: Affordable and Workforce Housing Units must be provided onsite unless waived by Common Council and allocated by unit size (bedroom count) in the same proportion as the Market Rate Units. The Affordable and Workforce Housing Units shall be of comparable square footage to the Market Rate Units. They must be maintained and updated on the same schedule and in the same manner as Market Rate Units. All occupants of the Affordable and Workforce Housing Units shall have access to the same amenities as the occupants in the Market Rate Units.
5. Determining the Rents and Sale Prices of the Affordable and Workforce Housing Units:
 1. Affordable Rental Units: The maximum initial rent is set at a rent affordable to a qualified Household whose Income is not less than 40% of AMI and not greater than 60% of AMI and for which the annual housing cost of the Unit, defined as rent plus any tenant-paid utilities as provided for in the Utility Allowance Schedule or fees, including but not limited to parking, rental insurance and amenity fees, does not exceed 30% of the qualified Household's income.
 2. Workforce Rental Units: The maximum initial rent is set at a rent affordable to a qualified Household whose Income is not less than 61% of AMI and not greater than 80% of AMI and for which the annual housing cost of the Unit, defined as rent plus

any tenant-paid utilities as provided for in the Utility Allowance Schedule, or fees, including but not limited to parking, rental insurance and amenity fees, does not exceed 30% of the qualified household's income.

3. **Workforce For Sale Units:** The maximum initial sale price is set at a sale price affordable to a qualified Household whose Income is not less than 61% of AMI and not greater than 80% of AMI and for which the annual housing cost of the Unit, including principal, interest, real estate taxes, private mortgage insurance, homeowners' insurance, common charges, parking and amenity fees does not exceed 33% of the qualified household's income. In determining the maximum initial sale price, a 5% down payment, a 30 year fixed rate mortgage and an interest rate that is 1% above the conventional loan rate for such a mortgage will be applied in determining maximum initial sale prices.

In determining the maximum rents, the following assumptions will be made: one person occupancy for a studio; 1.5 persons for a one bedroom; 2.5 persons for a two bedroom; and 3.5 persons for a three bedroom. These assumptions determine maximum rents, not the maximum occupancy level in the Unit.

In determining the maximum sale prices, the following assumptions will be made: one person occupancy for a one bedroom; 2 persons for a two bedroom; and 3 persons for a three bedroom. These assumptions determine maximum sale prices, not the maximum occupancy level in the Unit.

The rental rates and sale prices of the Affordable and Workforce Housing Units are subject to the approval of the Administrative Agent.

6. **Initial Income Eligibility:**

1. **Affordable Rental Units:** Qualified Households with incomes not less than 40% of AMI and not greater than 60% of AMI .
2. **Workforce Rental Units:** Qualified Households with incomes not less than 61% of AMI and not greater than 80% of AMI.
3. **Workforce For Sale Units:** Qualified Households with incomes not less than 61% of AMI and not greater than 80% of AMI.
7. **Determining Household Income:** Household Income is determined in accordance with Chapter 5 of HUD Occupancy Handbook 4350.3 REV-1.

8. **Marketing and Qualification:**

1. The marketing and qualification of applicants for the Affordable and Workforce Housing Units shall be handled by the designated Administrative Agent and shall be in compliance with applicable Federal, State and Local Fair Housing Laws. Developers shall be responsible for the marketing and qualification expenses of the Administrative Agent in accordance with a fee schedule approved by the City.
2. Marketing shall begin at least 60 days prior to initial occupancy. Applications can be obtained from the Administrative Agent or downloaded from the City's website.
3. Local Preference. Affordable and workforce units created shall be allocate in the following order of priority:
 - a. Eligible City of Peekskill residents who have resided within the City of Peekskill for the immediately preceding 5 years;
 - b. Other eligible individuals.
4. All applicants must submit a completed application and the following income documentation for each person 18 years and older who will reside in the housing:
 - a. Most recent Federal Income Tax Return

- b. Documentation of unearned income, e.g., child support, alimony, SSI, SSD, investment income, dividends, etc. There is no asset limitation for participation; however income earned from assets are added to income. Retirement and dedicated education savings accounts will not be counted toward assets.
- c. Copy of three (3) most recent bank statements for all accounts
- d. Copy of paycheck stubs covering one month prior to application submission
- e. Copy of Pension Award statement, if any
- f. Copy of Social Security Statement, if any
- g. Enrollment verification from an accredited school for any full-time student over age 18

An application will not be accepted until all of the above-listed documents have been submitted or alternative documentation acceptable to the Administrative Agent. The Administrative Agent reserves the right to request additional information to verify/confirm any information required above.

5. There will be a 30 day marketing period. The Administrative Agent will maintain two waiting lists, one for applicants who meet the community preference and one for other applicants. At the end of the 30 day marketing period, the Administrative Agent will qualify applicants who meet the community preference on a first come, first serve basis. If there are insufficient qualified applicants, the Administrative Agent will then begin to qualify from the other list on a first come, first serve basis until the units are filled. When vacancies occur, those on the community preference list will be considered first by date of application. Applications submitted will be date and time-stamped by the Administrative Agent.
6. The Administrative Agent will examine each application in the order received to determine program eligibility, household size and unit size qualification and whether they meet the screening criteria. Applicants with rental subsidies may qualify provided the combination of income and subsidy is sufficient to cover the monthly rent.
7. The Administrative Agent will notify each applicant of their eligibility and whether they meet the screening criteria. Those determined ineligible will be notified that they are ineligible and the reason for such determination and be provided an opportunity to appeal. Those determined eligible will be notified for a specified unit size and referred to the developer/manager for lease-up or sale.
8. The Administrative Agent will refer qualified households to the developer/managers of the Affordable and Workforce Housing Units who may conduct further screening of referred households. Offerings to eligible applicants shall be based on the same criteria as applied to applicants for Market Rate Units. If the developer/manager rejects a referred applicant, the developer/manager must advise the Administrative Agent of the reason for the rejection and provide an opportunity for a second review.
9. Developers with Federal, State and/or County of Westchester funding may follow the marketing and qualification requirements of these agencies.
10. The Administrative Agent shall maintain a waiting list of applicants. Those on the waiting list will be contacted annually to determine if they wish to remain on the list.

9. Occupancy – Affordable and Workforce Housing Units must be the primary residence of the Household as approved by the Administrative Agent. Any change to Household composition must be reported to the Administrative Agent and approved by the Administrative Agent subject to applicable laws. Affordable and Workforce Housing Units may not be sublet.

Qualified applicants will be eligible for a unit size based on the number of persons in the Household, as follows:

Household Size	Studio	One Bedroom	Two Bedroom	Three Bedroom
1	X	X		
2	X	X	X	
3		X	X	X
4			X	X
5 or more				X

10. Timing of Construction – The Affordable and Workforce Units shall be constructed and issued certificates of occupancy concurrently with, or prior to, the Market Rate Units in the development. If a project has phased construction, Affordable Units shall be provided on a pro rata basis.

11. Declaration of Restrictive Covenant – Properties containing any Affordable or Workforce Housing Units must be restricted with a Restrictive Covenant, in recordable form acceptable to the Corporation Counsel, that shall ensure that the Affordable and Workforce Housing Units comply with the ordinance and these policies and procedures. A draft Declaration of Restrictive Covenant shall be provided to the developer by the Administrative Agent. Should the Developer or Owner fail to comply with the requirements, the City has the right pursuant to the Declaration to compel the inclusion of Affordable and Workforce Housing Units and to compel the 50 year Period of Affordability for rental units, the 10 year period of affordability for for-sale units, and compliance with other requirements as set forth in the Affordable Housing Ordinance and these policies and procedures.

The Administrative Agent will monitor the primary occupancy requirement for the Affordable and Workforce Housing Units through annual affidavits from tenants and Unit Owners and through mailings which required that undeliverable mail be returned to the Administrative Agent.

12. Lease Renewals

1. Recertification of eligibility for Affordable Housing and Workforce Housing Units shall occur every two years. At least 60 days prior to the recertification date, the Administrative Agent will notify the tenant to complete a recertification form and submit all required documentation in order to determine continued income eligibility.
2. Rents will be adjusted annually. Rents shall increase by the percentage increase, if any, in the AMI to be adjusted by the applicable Utility Allowance Schedule.
3. If a renter's income should subsequently exceed the maximum income then allowable, the renter shall pay 30% of household income with the amount above the applicable Affordable or Workforce Rent to be deposited into the Affordable Housing Fund.

13. Resale

1. In the case of for sale Workforce Housing Units, the sale of said property shall be restricted for 10 years from the initial sale of the Workforce Unit so that, in the event of any resale by the homebuyer or any successor, the resale price shall not exceed the then-maximum sales price for said unit determined as follows:
 - (a) The owner of a Workforce For Sale Unit shall notify the Administrative Agent of his/her intent to sell. The Administrative Agent shall provide the maximum resale price based on the formula set-forth below in (b) and (c).
 - (b) The purchase price paid for the unit by the selling owner, increased by the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers in the New York-Northern New Jersey Area as published by the United States Bureau of Labor Statistics (the "Index") on any date between (a) the month that is two months earlier than the month in which the selling owner acquired the unit and (b) the month that is two months earlier than the month in which the seller contracts to sell the unit. If the Bureau stops publishing this index and fails to designate a substitute index, the City will designate a substitute index; and
 - (c) The cost of major capital improvements made by the seller of the unit while said seller owned the unit, as evidenced by paid receipts depreciated on a straight-line basis over a fifteen year period from the date of completion; provided, however, that approval of the Administrative Agent shall be required before the cost of any major capital improvement is included in the resale price.

- (d) The Administrative Agent shall maintain a list of people interested in the Workforce For Sale Units. This list will be reviewed annually to determine continued interest. When For Sale units are available, the Administrative Agent will notify those on the list and accept applications on a first come, first serve basis.
- (e) In the case of Workforce For Sale Units sold after 10 years from the original sale, the first selling owner after 10 years from the original sale may sell the property at market value on the condition that 50% of the appreciated value of the property be shared with the City and deposited into the Affordable Housing Fund.