

Making Spa City affordable

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Saratoga and summer: horses, high rollers and hats.

But it's also a community of rising housing costs, where many of the workers serving the city's hospitality industry can't afford to live.

Nearly half of all renters and nearly a third of all households can't find an affordable abode in Saratoga, where the 2005 median sale price of a single-family home was more than \$200,000. It's a year-round problem and one high on the city's agenda.

Earlier this week, Saratoga Springs held a two-day conference on affordable housing organized by the U.S. Department of Housing and Urban Development and others that drew participants from throughout the Northeast to talk about regulatory barriers that keep prices high. Affordability is a concern at HUD, which last year blamed "outdated, exclusionary and unnecessary regulations" for dragging out housing approvals nationwide, raising developers' costs and thus affecting prices.

In Saratoga, civic, business and faith leaders came together in 2003 to form the Workforce Housing Partnership of Saratoga County, which advocates on behalf of affordable housing. It has labeled the problem a crisis in which more and more employees are shut out of living in the community where they work. That in turn drives up employers' costs, either through pressure on wages or "churn" as workers leave city jobs to be closer to where they can afford to live.

The group projects that in the next few years, local businesses will need more than 1,500 new workers, of whom about 850 will make less than \$21,000 a year. Meanwhile, using the standard that affordability means spending not more than 30 percent of income on housing, the group found that a household earning in that range (\$27,391) could afford only a \$75,000 home -- significantly under the city's 2005 median single-family sale price. (Even a moderate-income household earning \$53,710 can afford only a \$150,000 home, according to the group.)

"Is affordable housing becoming an oxymoron?" Bob Pasciullo, chairman of the partnership, asked the HUD gathering on Tuesday.

that will come only through a basic law of economics: "We either have to see a reduction in demand or an increase in supply," he said, and the latter is the more desirable.

To that end, the city has been working for more than a year on a so-called inclusionary zoning ordinance. Under the proposal, any development of 10 or more units would be required to have an affordable housing component. In exchange, the developer would be allowed to exceed the density permitted by standard zoning to offset the cost of the affordable units.

The IZ, as it is called, would apply to rental as well as owner-occupied units, and would be in effect citywide -- alleviating the concern that concentrated pockets of affordable housing would result.

The units would look like others built by the developer: rental units with rental units, owner-occupied units with owner-occupied units. And facade and interior amenities would be the same: no stamp of "affordable" would be apparent. legislation, which still is being reviewed by the city, could result in 20 to 30 units of new affordable housing each year. Priority for the units would be given to households of modest income that live or work in the city: rental units for two-person households earning \$27,500 to \$44,000 a year and owner-occupied units for two-person households earning \$55,000 annually. (The income ranges, adjusted each year, are higher for larger households.)

Since demand in housing is cyclical, as the market slows, so would the units built under IZ. And when there is no waiting list of qualified renters or buyers, the IZ provisions would be waived.

The Workforce Housing Partnership endorsed the legislation when it first was unveiled in April, the culmination of work by a group of local citizens that included builders, consultants and others. The partnership said it liked the idea of using a market-based approach to the problem that is "revenue neutral" for developers.

And it's one tool -- but certainly not the sole one -- to help alleviate what Pasciullo, the group's chairman, characterized as the Spa City's move toward "an economically gated community."

Business Editor Marlene Kennedy can be reached at 454-5492 or by e-mail at mkennedy@timesunion.com.