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Affordable Housing Standards – City of Kingston Form-Based Code Compliance Standards

Rules & Procedures for the City of Kingston's Affordable Housing Standards

Version 1.0 Published October 2023

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Under <u>Section 405.19 Affordable Housing Standards</u>, the Office of Housing Initiatives monitors compliance with the Affordable/Workforce Housing (hereafter referred to as "Affordable Units") requirements as approved via a Minor or Major Site Plan under the City of Kingston's Form-Based Zoning Code. Property owners that have a certain percentage of Affordable Units included as part of their site plan approval must comply with the following requirements.

These regulations are enacted under the authority given to the Office of Housing Initiatives by the Common Council in Section 405.19 of the City of Kingston Form-Based Code.

Requirements for Affordable Units

- 1. All Affordable Units must be provided on site.
- 2. Affordable Units must be incorporated throughout the project, not clustered or segregated.
- 3. Affordable Units must be indistinguishable from market-rate units in location, design, access, appearance, construction, and quality of materials.
- 4. Affordable Units must remain affordable for as long as the building contains residential units.
- 5. The maximum monthly gross rent for an Affordable Unit will be based on HUD's annual Area Median Income (AMI) levels for the Kingston, New York Metropolitan Area published annually and shall include utilities. Utility allowances will be based on the allowances published for Ulster County by HUD for the Housing Choice Voucher. The income limits and utility allowances will be published annually by the City when HUD provides updated Income Limits on https://engagekingston.com/kingston-forward.
- 6. The Affordability Requirement will be memorialized through a Contract executed between the developer and the City of Kingston and through recorded Restrictive Covenants. In the case of projects that receive funding from a state or federal affordable housing program, the Contract and Restrictive Covenants associated with that funding source may satisfy the requirement for a Contract and Restrictive Covenants for the Affordable Units requirement and may satisfy reporting requirements.
- 7. Prior to executing a lease, the Owner shall obtain documentation of the current income for each prospective tenant that wishes to lease an Affordable Unit. The Owner shall determine the Annualized Gross Income for Affordable Unit tenants based on the information presented and shall have the tenant certify that determination prior to lease execution as part of the Tenant Income Certification (TIC).

Initial Lease-up and Eligible Households

The Owner should prepare a TIC for each tenant in an Affordable Unit documenting the tenant's

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Annualized Gross Income. For further explanation of verification methods, see Chapter 5 of the HUD Handbook 4350.3 titled Determining Income & Calculating Rent; provided online at the following website:

https://www.hud.gov/sites/documents/DOC_35649.PDF

Acceptable sources of documentation for income verification include:

- Current Social Security Benefit Letters
- Pension / Retirement Statements
- Pay Check Stubs (Minimum 6 8 Weeks of Consecutive Stubs)
- Verification of Employment form completed by HR or Payroll
- Child Support Verification
- Bank Statements
- Depository Cards

• Other Assets: Real Estate, Whole Life Insurance Policies, 401K/Retirement Savings, Personal Property Held as an Investment, etc.

Eligible households may make up to or less than the income limits posted annually based on the latest AMI levels for the Kingston, New York MSA. In the event that a tenant has a Housing Choice Voucher or another form of rental assistance approved by the City, the Owner may present written proof of the voucher in lieu of a TIC.

The eligible household must occupy the Affordable Unit as its primary residence.

Ongoing Compliance Requirements and Monitoring

Household income must be recertified annually during the Period of Affordability. Tenants must be given an initial notice of annual certification ninety (90) days prior to the end of the lease term. This notice must clearly state that to continue to qualify for the Affordable Unit, they must complete the annual certification. If the tenant does not complete the certification within thirty (30) days of the initial certification notice, a second notice must be sent. If the tenant does not comply within 30 days of the second notice, a final notice must be sent giving the tenant thirty (30) days' notice that they no longer qualify for the Affordable Unit due to the failure to complete annual certification. If the tenant remains in the unit without completing the certification, the unit can no longer be considered an Affordable Unit.

The Owner shall maintain complete and accurate records pertaining to the TIC for each tenant residing in an Affordable Unit on the Property and shall permit, upon five (5) business days' notice to the Owner, any duly authorized representative of the City to inspect such records.

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Property Owner Annual Certification

Annually, throughout the Period of Affordability, the Owner must certify Contract compliance utilizing the Owner's Certification of Continuing Compliance form.

The Owner's Certification of Continuing Compliance requires the Owner to certify that the Property has met the following requirements for the 12-month period prior to the submission date:

- The Property is meeting the Affordability Requirement.
- At annual recertification, Owner has completed a TIC for each Affordable Unit.
- All Affordable Unit leases shall be for 12-month terms.

• No tenants in Affordable Units were evicted or had their tenancies terminated other than for breach of lease.

The Owner must keep the following records for the Property for each year during the Period of Affordability:

• The total number of residential rental units in the Property (including the number of bedrooms);

• The number and percentage of residential units in the Property that qualify as Affordable Units.

- The number of occupants in each Affordable Unit.
- The rent charged on each Affordable Unit as well as any additional charges.
- Documentation must include tenant ledgers and leases for the Affordable Units

. • The Affordable Unit vacancies in the building and documentation that shows when and to whom each of the next available units was rented.

• Documents to support each income certification including a TIC, application and all supporting documents.

Over-income and next available unit

At each lease renewal, income shall be verified by the Owner and a unit will no longer qualify as an Affordable Unit if the qualifying household income increases twenty percent above the income limits established for the Affordable Unit.

When a unit that was formerly counted as an Affordable Unit is no longer occupied by an income qualifying household, the next available unit must be rented to an income qualifying household.

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Marketing Requirements:

The Housing Affordable Housing Standards have no rules or guidelines about the legally permissible method Owners use to determine the order in which tenants are offered Affordable Unit. Owners are required to abide by the Fair Housing Act and Title VIII of the Civil Rights Act of 1968.

Sale/Property Transfer

Upon sale or other transfer of the Building during the Compliance Period, the provisions of the Affordable Housing program must transfer with the property.

Penalties

Leasing an Affordable Unit to an ineligible household or violating the affordable housing standards in any way may constitute a default of these Administrative Rules and cause the City of Kingston to impose penalties as defined by the City of Kingston's annual fee schedule.

Links

https://engagekingston.com/kingston-forward (to find affordable and workforce housing rents and income levels for the current year, Tenant Income Certification Form, and Owner's Certification of Continuing Program Compliance form)

Questions

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