



THE CITY OF POUGHKEEPSIE NEW YORK

PUBLIC HEARING

Monday, March 1, 2021 5:30 p.m.

City Hall

The Public Hearing was conducted using videoconferencing, as permitted by the NYS Open Meetings Law.

Welcome to the scheduled meeting of the Public Hearing in the City of Poughkeepsie. The date is March 1, 2021 and the time is 5:30 pm.

Effective immediately and based upon notices and health advisories issued by Federal, State, and Local officials related to the Coronavirus, the City of Poughkeepsie Common Council will not hold in-person meetings. Until further notice, all future City Council meetings (including public hearings) will be held via videoconferencing, as permitted by the NYS Open Meetings Law.

Due to public health and safety concerns, the public will not be permitted to attend at the remote locations where the City Council members will be situated. The public, however, will be able to fully observe the video conference meeting by using the registration link that was posted with our meeting notice and the meeting will be available for viewing at a later date and available on our website.

THIS HEARING IS FOR THE FOLLOWING PROPOSED LOCAL LAW:

**LOCAL LAW No. 1 of 2021
THE POUGHKEEPSIE EMERGENCY TENANT HOUSING, AND INCLUSIONARY
CONSTRUCTION STRATEGY ACT OF 2020
(Poughkeepsie ETHICS Act) (LL 21-01)**

SPONSORED BY COUNCILMEMBER MENIST:

WHEREAS, the COVID-19 pandemic has caused immense damage to the local Poughkeepsie economy, and has led to the loss of income for thousands of Poughkeepsie residents; and

WHEREAS, prior to the COVID-19 pandemic, the housing market in the City of Poughkeepsie was already experiencing an extremely low vacancy rate as of the most recent housing study conducted by Dutchess County in 2016, causing upward pressure on rent prices; and

WHEREAS, the Governor of the State of New York issued Executive Order Number 202, declaring a State disaster emergency for the entire State of New York;

NOW, THEREFORE,

BE IT RESOLVED,

- (1) all applicants requesting site plan approval with the City of Poughkeepsie Planning board and who wish to newly construct or significantly rehabilitate multifamily residential development in excess of 5 units, anywhere within the city of Poughkeepsie, shall comply with the following requirements:
 - a. A minimum of 10% of units shall be designated affordable housing, defined as 60% Area Median Income, based on current Dutchess County statistics with adjustment for family size and shall be updated to the most recent statistics at the time of the applicant's submission to the Planning Board.
 - b. The 10% minimum shall constitute no less than 1 unit per development in excess of 5 units.
 - c. The cost of these affordable housing units shall be calculated as to not exceed 30% of a household's income and will be verified by the City of Poughkeepsie on an annual basis.
 - d. The definition for "significantly rehabilitated" shall mean any rehabilitation of a multifamily residential unit building in which the rehabilitation will result in an increased market value in excess of 50%.
 - e. a. The City shall be authorized to implement such policy and procedures necessary to carry out the intent of this Local Law, but which are not inconsistent with this Local Law.
- (2) This local law shall take effect January 1, 2021 and be applicable to any application for the construction or significant rehabilitation of residential units submitted to the City on or after its effective date.
- (3) This article will remain in effect for three years and will sunset on December 31, 2023.

SECONDED BY COUNCILMEMBER _____.

Councilmember-At-Large Salem called the meeting to order at 5:35 p.m.

PUBLIC COMMENT: Five (5) minutes per person public comment.

1. Brian Robinson - I do know that council member Brannen and corporation counsel Ackerman had been working on a more comprehensive long term solution and I think it's important to acknowledge this is a stopgap. And especially with the pandemic going on and the economic fallout we have, affordable housing is incredibly important. I do want to talk about long term solutions. And I know it's easy, as always, to armchair quarterback from my living room here. But it when tax revenue has dried up, as it has recommending an appropriation for a study for a longer term solution is is difficult. But I really think stopgap legislation needs to be put in place and that that should be pursued. And one thing I'd like to talk about with that is and this is again, it's a very easy thing to say, whereas it is exceedingly difficult, if not impossible, to pull it off. We know there's always going to be organizations, parties that will game the system. And in the long term solutions that work for this city, I think preventative measures and vigilance need to be looked at creatively dealt

with to make sure those bad actors aren't able to game this system and it doesn't end up working against a long term solution., again not the stopgap working against small business owners, new entrepreneurs, particularly employees and people of color, so I think it's necessary to get something in place. For the meantime, but I would also encourage the common council to continue to work toward a longer solution, a longer term solution that works for everybody in the community and make sure that the people, the landlords, the businesses that are always trying to do right by their tenants aren't going to be penalized in the long term with a bigger, longer lasting solution.

2. **Laura Forman** - I guess I'm more confused because one of the things I remember reading about this plan is that the building owners, property managers were allowed to put up 2 or at least 10 percent of the available apartments as affordable rents and how they're defining affordable rents. I don't know. I hope it's based on the city of Poughkeepsie incomes and not the total county, but I'm thinking if there are 50 apartments in the building, 10 percent would give you, like, five apartments available, which seems to be ridiculous. Something's got to be done that's a bit more specific to the size of the building. I don't know if that's possible, but I'd like to think that that will be worked at.

3. **Lindsay Duvall** - My name is Lindsay Duvall. I use she/her pronouns and I'm here to provide comments on behalf of Hudson River Housing.

Hudson River Housing is a Poughkeepsie based nonprofit organization that provides a continuum of services that improves lives and communities through housing, with compassion and development, with vision.

Hudson River housing supports tools including policies like the Poughkeepsie Ethics Act that preserve housing affordability. Our home is the foundation from which we all thrive and can achieve our full potential, yet most residents in the city in Poughkeepsie were struggling to maintain this foundation even before the onset of the covid-19 pandemic, according to a 2019 profile of Poughkeepsie written by Hudson Valley Patterns for Progress, two thirds of all housing units in Poughkeepsie are renter occupied.

The median rents rose over twenty five percent between 2000 and 2018.

Fifty eight percent of Poughkeepsie renters are cost burdened, meaning they spend more than 30 percent of their income on housing costs. And 38% of renters are severely cost burdened, paying more than 50% of their income toward housing. In addition, in 2020, the Poughkeepsie, Newburgh, Middletown, HUD Metro Fair Market Rent Area was ranked the fourth most expensive in New York, with an average two bedroom apartment rented at \$1397.00.

Unfortunately, the covid-19 pandemic has magnified the urgency of quality, stable and affordable housing for all residents in the city. We hear daily from residents who are struggling to pay their rent or find an affordable place to live. We are witnessing an influx of more affluent residents from other parts of the region, which is putting extreme pressure on the entire housing market and pushing city rents beyond what residents can afford. Here are a few quotes from city residents who have shared that their housing has been impacted by covid-19 quote, "It's hard when I have to decide between lights, food and rent." "My husband and I lost our jobs due to covid-19, we both receive unemployment at the moment,

but it hasn't been enough.” “In March, 2020, the landlord increased rent 10 percent. I've been unable to work due to covid since that time.”

Housing affordability is an urgent concern for city of Poughkeepsie residents.

Inclusionary zoning policies like the Poughkeepsie Ethics Act have helped preserve housing affordability in other municipalities, including here in Dutchess County.

They are one of many tools cities can use to ensure that all residents can afford to live and stay in Poughkeepsie. Hudson River housing is encouraged that the council members are discussing and considering this policy, we hope the city will continue to explore and prioritize other tools and policies to stabilize the housing market and preserve affordability in the long term. We remain available as a resource to discuss these tools with any council member or member of the public.

4. **Jeff Kosmacher**- I live at 51 Fountain Place and I use he/him pronouns. And I just want to briefly say that the Ethics Act is important to me as a city resident, because I feel like much of the pressure on rents in the city is being driven by investors in the city of Poughkeepsie real estate, who in large part don't have a great deal of interest in the larger welfare of the city. And I think it's completely appropriate that we create measures like the Ethics Act to enable development to occur in the city that does serve our local economy, but also serves the broader interests of our community. And I think lacking something like the Ethics Act, we are left with being at the discretion of real estate developers and investors. And to the extent that we are witnessing more of these folks taking interest in Poughkeepsie real estate who are coming from outside of our city, let alone outside of our region, I think it's all the more crucial that we have the city government take an active hand in sorting out the needs of affordability alongside of the needs of bringing new development and new economic investment in the city of Poughkeepsie.

5. Laurie Sandow – S. Grand Ave:

Laurie Sandow comments at CC public hearing, March 1, 2021 — “Poughkeepsie Emergency Tenant Housing and Inclusionary Construction Strategy (ETHICS) Act of 2020” — Pg. 1 of 3

Tonight’s public hearing has allegedly been convened to discuss the “Poughkeepsie Emergency Tenant Housing and Inclusionary Construction Strategy (ETHICS) Act of 2020”. In reality, this proposed law is lipstick on the pig of the Council’s exclusionary zoning. More than anything, tonight’s public hearing proves that if you don’t begin with transparency, you won’t end with transparency; and if you don’t abide by good government and introduce good policy, you won’t end with good government, nor with good policy.

In a typical display of contempt for the public at this hearing, the Common Council has not even bothered to update the text and content of the documentation they posted to the public, which document still refers to dates that are already past in the years 2020 and 2021.

But as a far greater demonstration of contempt, this so-called ETHICS Act is introduced by the very councilmember who—prior to running for office—repeatedly supported and endorsed creation of the City’s exclusionary Innovation District, one of the most gentrifying and exclusive rezoning carve-outs to take place in the City of Poughkeepsie during the last three years.

I’m sure that Evan Menist will be forever grateful for the technical malfunctions on the night of the Innovation District Council meeting and public hearing where he made his endorsements. Those malfunctions have deprived the public of a permanent webcast archive of his statements. If only those comments were preserved on tape, the public would have a birds-eye view into tonight’s proposal as a meaningless, cover-your-rear-end piece of legislation, rather than a resolution bearing even passing resemblance to anything that might be described as ethical.

Perhaps Councilmember Menist, City Planner Natalie Quinn, or any other councilmember will recite all the multi-family developments already underway in the City of Poughkeepsie, on which this piece of legislation, if passed, will have absolutely no bearing. — I doubt it.

Perhaps Menist or Quinn or any other councilmember will list all possible other multi-family developments currently on the drawing table, but not yet in the pipeline, on which this legislation might possibly have an effect. — Again, I doubt it.

Perhaps Menist or Quinn or any other councilmember will disclose all the loopholes that will render this legislation nothing beyond virtue signaling, entirely meaningless and ineffective. I doubt it. Why would they, when this proposed legislation is being used to shine reputations and pad resumsés, as opposed to actually serving and protecting City residents.

Though a waste of time in the big picture, it’s also worthwhile to review extracts from comments I made at the Innovation District public hearing of February 11, 2019.

Way back then, I said:

“I am here today, as I am at most of the City’s public comment periods. And I am wondering why I’m here, since it has become increasingly clear that public hearings and public comments in this City are staged for little purpose other than window dressing,...

“Regarding tonight’s vote on the Innovation District, I am unalterably opposed to the Ordinance as written—that is, if I actually knew what was written, because the final language of the Ordinance was not posted to the City’s website or the Special Meeting notice. Once again, as is the City’s habit, the public is deprived of the opportunity to comment knowledgeably because necessary documents have been withheld from them....

“While [the Ordinance discussed and approved by this Council in early 2019] pretended to represent ‘best practices,’ it created a District that did not include ANY guarantees for affordable commercial space, for affordable housing, for continuing open space, for community space, or for parkland. In fact, it codified the exact opposite....”

Not one bit of affordable housing was codified in the Innovation District ordinance. Not one bit of affordable housing was protected or retained. Not open space, nor community space, nor parkland.

And as we see now, those Council goose eggs have come home to roost—for example, at Luckey Platt, purchased by Baxter in partnership with certain anonymous investors—among them individuals associated with MASS Design.

The property owners on Main Street, in this so-called Innovation District are largely absentee landlords. They are the very ones who’ve kept downtown blighted and their properties vacant for the past many years. A change in the area’s name won’t change the stripes of these owners, nor will it cause them to straighten up and fly right. In fact, it will do the opposite, delivering benefits in exchange for the harm they’ve been doing.

The councilmembers who voted in favor of the Innovation District Ordinance were willing partners in that. And no amount of smoke-and-mirrors, falsely-flagged, falsely-named “ETHICS” Act legislation will ever change that or repair and remedy the damage caused.

6. **Doug Nobiletti** - I am a property owner on Main Street and have a private residence here in the city, Poughkeepsie as well. And, you know, it's tough to follow that criticism that scathing criticism, Laurie.

I own 328 and 330 Main Street -328 since 2001, 330 since 2009 and purchased during the

depths of the financial crisis. And we have an affordable unit in there.

Our lender, Community Preservation Corp., didn't want us to go too heavy because it does create an imbalance in the books. And that's one of the issues we do rent at market rate, or actually, I might correct that to below market rate. Our market rate standard is somewhat lower than the standard that most other units are at. And we have one affordable unit which is subject to all the rules and regulations that the state imposes.

Unfortunately, none of this can be rectified when our insurance goes up. My real estate tax is triple and our utilities climb nonstop. The reason that people own properties is because they operate like a business, want to do some public service, but also if that's your chosen line of business, you have every right to have a return on the investment.

And when you have multiple millions of dollars out there investing in real estate in the city and there's little to no return and the return weatherizing gets smaller, it's harder and harder to justify. Now, I assume that a lot of the new development that's coming in is using tax credits. I was unable to. I was at that period when the Empire Zone was cancelled by Governor Paterson. I lost all my tax credits and my governor nearly put me into bankruptcy. It took me almost a year to be able to refinance because KeyBank pulled the plug. It wasn't easy. And I have given over 330 Main Street as 330 gallery, for the past three and a half years, free of charge to Dave Henningsen to run as a community oriented space. In addition, it's been available for community pop ups. It has been used by what was formerly Mill Street Loft that has been used by Barrett Art Center. We've had several pop up gallery exhibits, but one, notably by Marist College and the Dutchess County Arts Council was planning to take the space until that unfortunate day when Officer Rene Knapp had her throat slashed on the corner of Academy and Main. We're trying to bring the city up, not down. And as difficult as it is to accept, you have to have some aspect of an upscale economy in order to provide proper jobs, high paying jobs, which are better than what you're going to find working in a dollar store, sweeping the floor and stocking shelves.

There is there is a balance that has to be met. And I know that that word gentrification gets used quite frequently. But I have to say that it's often misunderstood. When you're trying to improve a community, there are other mechanisms at work besides just putting in a Starbucks and putting it at the store, at the other extreme dollar stores are vicious.

They are predatory. Take a good look. Listen to the NPR report on dollar stores on Planet Money. They'll tell you how they operate. They basically rape a community, putting out the small mom and pop grocery stores. They serve no produce, no quality food. They contribute to the food desert because they primarily provide fast foods and off the shelf goods. No, no fresh nurturing vegetables. So it's a very complex scenario of what it takes to make a thriving community. But I have to say this - I know that there are a lot of units that are in the affordable bracket. I, I have I know others that have. And it's not all hunky dory glory. We have people coming in that do buy properties that might be from outside the area. However, a lot of that has to do with the prior administrations lack of having a land bank and their decisions to just flip properties into the hands of anybody who's willing to take them. And you end up not crafting and creating a community.

You end up with a hodgepodge of non invested non community members as well.

And I just want to stand up for those of us who are community members who do give to this city and are in business to make a profit, to be able to pay our bills and put food on our tables as well.

7. **Michael DiCordova** – 2406 New Hackensack Rd. I am the owner of the up to date building and I'm looking forward to presenting an exciting new proposal for the renovation of that building. And the council signed off to endorse me for a state grant to two months ago, for which I'm very appreciative and want to thank you. I'm very concerned about downtown, I'm going to be making an incredible investment of my family's resources in this building. Other speakers have suggested that landlords are just getting rich "beyond the dreams of avarice", whatever the word is, building property in downtown. And I don't believe that that is the case. It's certainly not going to be the case for me. Even with a \$500,000 grant from New York State, our development requires probably 1.3 million in cash. And so I'm worried about downtown because of the optics of what's going on, what's being built there, and the other speaker has suggested perhaps that Eric Baxter, it's a slam dunk home run. I don't think it could be anything further from the truth. And I think the scary aspect is if his project doesn't succeed, I think there are a lot of pressures on why his project may not get full. That would bode poorly for all of us. There's going to be terrific parking pressure. And as I mentioned to a few members of the council, there is no amenity retail in downtown. There is very few reasons for people to want to live downtown. There's no coffee shop except for Dunkin Donuts. There's no dry cleaner.

There aren't supportive services, and we need people with money in their pockets, not rich people who don't work for a living. And there's a lovely brewery in Cannon and there's a coffee shop there, quite small. There's a lovely pizzeria, we have to grow these things and if you don't have a multitude of them, you won't attract people. I'm very, very worried about the Wallace campus. Why do I mention them, I mention this because I'm in the unenviable position of trying to attract retailers to the first floor of my building, as every landlord is. And right now, there are none who will come to Poughkeepsie. And it's a struggle. Where are my clients going to park? What is that over there? I don't even want to mention what's on the ground over there that they're pointing out. It is terrible. And so, what I find interesting about the prior speaker was that she blamed the innovation district for, I don't know, Eric Baxter buying the lucky plat building. In my view, the innovation district is responsible for the Wallace campus that eliminated the requirement for parking and it incentivized high rents for low and moderate income. And what did you get? Well, I don't know what the council expected to get, but you got was a proposal to tear down three buildings. And combined with the Hudson River housing, can county project eliminate 140 really important parking spaces.

So we've added with a proposal for the Wallace building 220 apartments. Ken Carney. Seventy five more parking and lucky lot more parking at 316 Main Street, which is 80 units. More parking for my building. Retailers aren't going to come with respect to the affordability component. I, I respectfully oppose this with all genuine sincerity. I don't know why one would force a mandate on a developer when every development.

on Main Street and in the corridor has used affordability provided by New York State, every one. Sullivan, Academy Street, Baxter, Baxter Bertman of Health, Baxter 316 is going to use them. Certainly Ken Carney used low income housing tax credits, because the whole thing is low income housing, Wallace plans to do the same thing and I, too, have used an affordability component because contrary to what the prior speaker spoke of, you have to use them.

Otherwise you will make no money whatsoever. And so the optics of this for me are we are forcing low income and that will, in my view, reinforce a perception that Poughkeepsie is all about providing housing for institutional rehabilitative people in Wallace, the supportive housing program is.

It's very severe in the type of people that would be living there, who need a lot of supportive services, and in my view, that type of development will drive down the entire building to that level, at least common denominator.

And it will do the same thing for the neighborhood. But I don't know why legislation would be created for something that's already working. And in my view, inclusionary zoning works for neighborhoods where the market has been established. Inclusionary zoning will harm it quickly. And as a consequence, I think we need to establish the market and then bring in an inclusionary component.

At 6:05 PM the Public Hearing was adjourned.

Dated: March 8, 2021

I hereby certify that this true and correct copy of the Minutes of the Common Council Public Hearing held on March 1, 2021.

Respectfully submitted,

Donna M. DeLuca
Acting City Chamberlain