

TOWN OF NORTH CASTLE

The Town has not adopted the model affordable housing zoning ordinance. Although the Town does provide some mandates and incentives for middle-income housing, the definition of *middle-income housing* does not conform to the model ordinance. Furthermore, the mandates and incentives apply to very limited areas, which are almost entirely built out, with a total capacity for only three additional housing units. Multifamily housing and mixed-use developments are permitted as-of-right in parts of the Town, and opportunities for new development do exist, though not in sufficient quantity to meet the County benchmark. Since 2000 the Town of North Castle has completed fewer than 50 affordable housing units, although its obligation under the unadopted 2005 County plan was more than 700 units. Under current conditions, the Town has the capacity to produce 82 additional multifamily units, without demolition and redevelopment. Even if all of the units were affordable, the total would represent only 12 percent of the Town's outstanding benchmark obligation of 666 FAH units. Additional actions will be needed for the Town to make meaningful progress towards meeting its affordable housing obligation under the Settlement. These might include, in some combination, adopting the County's model affordable housing ordinance, changing the definition of *middle-income housing* to conform with the definition of *affordable housing* in the model ordinance, increasing the areas in which mandates and incentives for middle-income housing apply, mapping additional areas for multifamily housing, permitting accessory housing units as-of-right, and providing opportunities for additional types of low-density development (such as cottage-style housing or quadraplexes).

Model Zoning and County Benchmark

- The Town has not adopted the model affordable housing zoning ordinance.
- The unadopted Affordable Housing Allocation Plan produced in 2005 by the County's planning department called for 712 affordable housing units in North Castle, of which 46 units have been built in the interim, leaving a balance of 666 units.

Zoning Ordinance

- Multifamily housing is permitted as-of-right in eight of the Town's 30 zoning districts.
- Two-family dwellings are permitted as-of-right in only one zoning district.
- Mixed-use development (i.e., residences above stores) is permitted in six zoning districts.
- In four zoning districts, one accessory unit is permitted for residential purposes, and additional units may be allowed by special permit. Accessory apartments are allowed by special permit in eight other zoning districts.
- Mandates are provided for middle-income units in two zoning districts (R-MF-SS and R-MF-SCH), and density incentives are provided for middle-income units in two other districts (R-MF and R-MF-A). All four districts allow multifamily housing as-of-right. *Middle-income units* are defined as those in which rent (excluding utilities) does not exceed 1.8 percent of the maximum aggregate family income for a middle-income family. A "middle-income family" is a family whose aggregate

income does not exceed a multiple of the median annual salaries of full-time Town employees depending on family size. Preference for middle-income units is given to North Castle residents and municipal employees.

Restrictive Practices

- In the R-MF district, the maximum density is restricted to one density unit per 25,000 square feet of net lot area. In the R-MF-A district, the maximum density is restricted to one density unit per 14,000 square feet. One density unit is equal to one single-family home, three efficiency units, or some combination of units and bedrooms in between.
- In the R-MF-SCH district, each senior citizen unit shall contain not less than one nor more than two bedrooms, and occupancy is limited to two persons in two-bedroom units and one person in one-bedroom units.

Incentives and Mandates

- The maximum density in the R-MF district may be increased by up to 45 percent if more than 40 percent of the increase is built as middle-income units.
- In the R-MF-A district, the permitted density may be increased by not more than 40 percent if the applicant constructs at least 20 percent of the increase as middle-income dwelling units.
- The R-MF district includes requirements for the integration of middle-income units, design standards that provide privacy equal to market-rate units, and design amenities attractive to senior occupants. Resale restrictions ensure that the units will remain middle-income.
- At least 15 percent of permitted FAR in the R-MF-SCH district must be set aside for middle-income units for seniors.
- At least 35 percent of units in a single structure in the R-MF-SS district must be set aside for middle-income units.

Zoning Map, Development Pattern and Development Potential

- Nine areas are mapped within districts that allow multifamily housing as-of-right, including 2 percent of the Town's land area.
- These areas contain 12 identified development sites, averaging half an acre in size, which could accommodate a total of 82 housing units.
- None of the development sites are in districts that mandate middle-income housing. Only three of the housing units could be built in a district that provides incentives for middle-income housing.
- The average value of a condo unit in North Castle (\$275,000) is lower than the average cost of development of a condo unit in the County (\$375,000), an adverse spread that reduces the likelihood of new multifamily housing development, particularly on small sites where economies of scale are not possible, and greatly reduces the likelihood that affordable multifamily units would be built without subsidies.
- Only 0.02 percent of the total land area is occupied by multifamily housing. An additional 0.47 percent is occupied by two- and three-family housing.

Master Plan

- The most recent comprehensive plan was completed in 1996. The plan encourages mixed-use development to provide affordable housing options for small households, and also supports the continued permitting of accessory apartments. The plan does suggest exchanging the right to build detached housing in the R-MF district for an increase in middle-income units.

Implications

- Since 2000 the Town of North Castle has completed fewer than 50 affordable housing units, although its obligation under the unadopted 2005 County plan was more than 700 units.
- Under current conditions, the Town has the capacity to produce 82 additional multifamily units, without demolition and redevelopment. Even if all of the units were affordable, the total would represent only 12 percent of the Town's outstanding benchmark obligation of 666 FAH units. The number represents a much smaller percentage of the number of units that would be required should development proceed along the lines of a mixed-income housing format (e.g., more than 6,000 units under a 90 percent market-rate / 10 percent affordable format, which represents the minimum affordable housing component under the County's model zoning ordinance).
- Although the Town does provide some mandates and incentives for middle-income housing, the definition of *middle-income housing* does not conform to the model ordinance, so not all middle-income units would necessarily qualify as FAH units.
- The mandates and incentives for middle-income housing apply only to a select number of zoning districts, covering less than 2 percent of the Town, and those districts are almost fully built out. There are no available development sites in any district that mandates middle-income housing, and only one site that can accommodate just three housing units is located within a district that provides incentives for middle-income housing.
- All but three of the 82 multifamily units that can be built on available development sites are thus within districts that provide no mandates or incentives for any type of affordable housing, let alone those that would necessarily qualify as FAH units.
- The average value of a condo unit in North Castle (\$275,000) is lower than the average cost of development of a condo unit in the County (\$375,000), an adverse spread that reduces the likelihood of new multifamily housing development, particularly on small sites where economies of scale are not possible, and greatly reduces the likelihood that affordable multifamily units would be built without subsidies.
- Additional actions will be needed for the Town to make meaningful progress towards meeting its affordable housing obligation under the Settlement. These might include, in some combination, adopting the County's model affordable housing ordinance, changing the definition of *middle-income housing* to conform with the definition of *affordable housing* in the model ordinance, increasing the areas in which mandates and incentives for middle-income housing apply, mapping additional areas for multifamily housing, permitting accessory housing

units as-of-right, and providing opportunities for additional types of low-density development (such as cottage-style housing or quadraplexes).

- Even with additional Town actions, FAH housing will remain problematic without assistance from the County, in the form of financial subsidies and marketing assistance (such as the maintenance of a Countywide registry of FAH units).

NORTH CASTLE FACT SHEET

a. Total acreage of the Town	16,763 acres	100%
b. Total acreage in zoning districts where multifamily housing is permitted as-of-right	312.4 acres	1.9%
c. Undeveloped area in these zoning districts	10.7 acres	0.1%
d. Undeveloped area not subject to wetlands, floodplain and steep slopes	7.8 acres	0.1%
CB	1.16 acres	
PLI	5.88 acres	
R-MF-A	0.79 acres	
e. Order of magnitude area available for development*	6.3 acres	0.04%
CB	0.93 acres	
PLI	4.70 acres	
R-MF-A	0.63 acres	
f. Number of sites available for development	12 sites	
g. Average size of sites	0.5 acres	
h. Theoretical number of multifamily units that can be developed as-of-right	82 units	
CB	11 units	
PLI	68 units	
R-MF-A	3 units	
i. Average selling price for multifamily (condo) units	\$275,000**	
j. Order of magnitude value for land, per condo unit	\$ 55,000	
k. Order of magnitude total cost of development, per condo unit	\$375,000	
l. Percent minority population (1.8% Black, 4.1% Hispanic)	6%	
m. Percent minority population in the zoning districts permitting multifamily housing as-of-right and containing available development sites		
CB	4.7% Black, 7% Hispanic	12%
PLI	0% Black, 1.9% Hispanic	2%
R-MF-A	0% Black, 3.9% Hispanic	4%
n. Number of units needed to meet the 2000-2015 Allocation Plan benchmark	666 units	
2015 Allocation	712 units	
Number of units created since 2000	46 units	

* After applying a factor of 80 percent to account for irregular site configuration, setbacks, building form restrictions, and the like.

** Regional value employed where data was not provided for the municipality, employing the County's definition of North, Central and South for what is meant as region. Weighted averages were calculated using available data for each region.