



The Trends in Sag Harbor and Affordable Housing Issues.

The 2000 Census Data indicates that the reported year-round population was 2,313 individuals within the 1.72 square miles of the Sag Harbor Village.

The age distribution in the 2000 Census was reported as follows: 15 yrs. or younger - 14.0%; 16 - 24 yrs. - 7.8%; 25-44 yrs. - 25.4%; 45 - 64 yrs. - 28.6%; and 65 yrs and older - 24.2%. More than one-half of the Village (52.8%) is older than 44 years. Sag Harbor had a median household income of \$52,275. Updated population projections, provided by the U.S. Beacon, indicate that in 2005, the population for Sag Harbor was approximately 2,368 persons, representing only a slight increase of 2.38% from 2000, with an estimated 1,942 housing units (from the 2000 Census). (Note that the study by the Suffolk County Planning Department reported that in 1971, the population of Sag Harbor was reported to be 2,350 persons, demonstrating relative stability in the population over a longer, 36 year period).

Along with other east end communities, Sag Harbor has witnessed a steady rise in real estate values over the past few years, although this trend seems to have only caught up in Sag Harbor in recent years. In a report entitled “Real Estate Market in the Five Eastern Towns of Long Island”, prepared by Suffolk Research Services, Inc., April 2006, yearly median prices of residential real estate were evaluated over a 15 year period. For the Town of Southampton, the six-year period of 1999 to 2005 witnessed an increase in the median value of a residence from \$265,000 to \$737,000, or a 178% increase in value. East Hampton experienced slightly greater increases over the same six-year period, from \$288,000 to \$849,000, or a 195% increase in value.

Local individuals and families are finding it increasingly difficult to find housing at a price that can be afforded based upon the wages earned locally. At numerous meetings, individuals from the community have asked the Board of Trustees to introduce mechanisms that would improve the affordable housing opportunities in the Village.

This increase in value and the turnover of real estate has the potential to change the face of the community, from what was once a working-class, local community to one which contains to a large measure wealthy, retired individuals and families or those who use the community as a second home.



While controlling real estate values is beyond the capability of local government, the changes in the conditions in the Village of Sag Harbor puts ever-increasing

pressure to manage the Village resources in a manner so as to attempt to not to increase the pressure on the local year-round residential population. The ability to sustain a balanced community relies on a number of factors - including maintaining diversity in the people who live in the community, as well as the ability to provide locally and conveniently the goods and services that are necessary.

The current Zoning Code of the Village of Sag Harbor has included a “floating zone” designation, the Moderate Income Residence (MIR) District. This district, established in 1984, was supposed to encourage on a voluntary basis the submission of applications for re-zoning, which would increase residential densities for moderate income development projects. The intent, as stated in the Code, is as follows:

“The Village Board of Trustees finds that there is a need for moderate income residences in the Village of Sag Harbor, particularly, although not exclusively, for young and senior citizen households. The Board establishes the MIR Moderate Income Residence District to encourage the provision of bona fide residential developments structured to assure affordable housing for such moderate income households, both at the time of initial occupancy and through the reasonably anticipated lifetime of such housing. To achieve this goal, the district permits increased density of dwelling units, requiring smaller lot area per dwelling unit, a lesser minimum habitable floor area and the potential for a mixed use occupancy with certain public or semipublic uses, among other things. Recognizing the impact of the projected residential density in this district, it shall be located on sites served by both public water and sewerage systems. The Village Board of Trustees shall amend the Zoning Map to establish an MIR Moderate Income Residence District only when it determines that a proposed development will conform to the affordability criteria stated herein as well as with all other provisions of this chapter.”

For the past twenty-three years, this provision has been in the Zoning Code, but has never been utilized for any moderate income housing projects.

Recognizing increase in the cost of homes and the need to initiate/promote affordable housing within the community, in 2007 the Sag Harbor Village Board of Trustees initiated two specific actions:

< Prepared a Local Residential Housing Plan (dated December 7, 2007).

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- < Established the Sag Harbor Community Housing Trust, Inc., a New York State not-for-profit 501(c)(3) corporation.

The Local Residential Housing Plan (LRHP) states that:

*“Housing is without question one of the most critical issues on the East End. For people born and raised here who do not already own a home, no problem is more severe than the lack of affordable housing or what could be more accurately defined as **“local residential housing”** at a price they can afford. Housing prices are now out of reach for most people whose income is earned from East End sources. The problem can also be felt by local businesses and municipal emergency services that require staffing from the local communities. The Village acknowledges the need to provide local residential housing while also taking into account the limitations of a small village government also encompassed by two townships.”*

The LRHP made five specific recommendations, which affect both residential and non-residential properties:

1. Because this issue is regional, and not confined to specific jurisdictional boundaries, the LRHP recommended establishing an inter-municipal agreement with the Towns of East Hampton and Southampton to help fund and staff a local residential housing program.
2. Recognizing that there are a number of existing accessory apartments, the LRHP recommended the legalization and promotion of accessory apartments within residential neighborhoods.
3. The LRHP recommends the utilization of second story space within the Village Business District for accessory apartments, and restricting against the conversion of existing apartments to non-residential uses (offices, for example).
4. The LRHP recommends restricting the conversion of existing multi-family residences to single family residences, and consider whether it is possible to provide tax incentives for construction of new units.
5. The LRHP recommends establishing inclusionary zoning provisions,

allowing municipalities to “partner” with developers to provide public benefits in the form of affordable housing that was not previously possible. Such efforts could include subdivisions, multi-family residential development, single family residential development, commercial development projects and the creation of a Sag Harbor Community Housing Trust.

The Sag Harbor Board of Trustees informally supported the creation of the Sag Harbor Community Housing Trust (SHCHT), the formation of which was initiated by the Mayor of the Village, Gregory Ferraris. The “mission statement” for the Sag Harbor Community Housing Trust states:

“The Trust is organized exclusively for the charitable purpose of creating a community trust to therefore acquire land, own, construct, rehabilitate, lease, manage maintain, develop and operate affordable housing, to provide homeowners or prospective purchasers of homes with financial assistance and guidance regarding the purchase, financing, maintenance, construction of their homes; to promote the development, construction, rehabilitation, management, maintenance and operation of affordable, quality workforce housing that meet the needs of the Sag Harbor Community.”

It is anticipated that the SHCHT would operate by an independent Board of Trustees or Board of Directors. The Board of Directors would be responsible for setting policies and procedures regarding the day to day operations of the Corporation as well as complete oversight responsibility of safeguarding of corporate assets and the recording and reporting of all financial transactions. It is envisioned that the Board would include members of the Sag Harbor Community with experience that would facilitate the mission purpose of the Corporation. These members would have experience as attorneys, bankers, realtors, planners, developers or building tradesman, and advocates of local housing. In addition to the Board of Directors, Municipal Officials from the four municipalities that lie within the District could serve as liaisons to the Board.