

Housing Plan - DRAFT

Existing Conditions

Population, Rate of Home-ownership, and Housing Costs

The Town of East Hampton has a year-round population of 19,719, according to the 2000 federal census. Excluding the incorporated Villages of East Hampton and Sag Harbor, the Town's population is 17,437. It has been estimated that the Town accommodates an additional population of 64,178 during the summer months, again excluding the incorporated villages. With the seasonal population comes a seasonal demand for employees necessary to service the resort economy.

The total number of housing units in 2000 in East Hampton was 19,640, including the incorporated Village of East Hampton and the portion of Sag Harbor that lies within the Town. This represents an increase of 2,572 units, or 15 percent, between 1990 and 2000. When excluding the areas of the incorporated Villages, the increase is slightly more pronounced, with an increase of 16.7 percent. By comparison, Suffolk County added 41,006 new housing units from 1990 to 2000, representing an increase of only 8.5 percent.

Housing Units 1990 –2000

The total number of occupied housing units Town-wide in 2000 was 8,101, representing an increase of 1,219 since 1990, when there were 6,882 occupied housing units. The number of vacant housing units identified as for seasonal use grew from 8,886 in 1990 to 10,693 in 2000.

According to the 2000 Census, of all occupied housing units in the Town, 76.1 percent were owner-occupied and 23.9 percent were renter-occupied. This represents a slight shift in the homeownership versus rental rate since 1990, when 21 percent of housing units were renter-occupied and 79% were owner-occupied. The change since 1970 is more dramatic, when 18.6 percent of year-round housing units were renter occupied and 81.4 percent were owner occupied.

East Hampton Town

Area	# Housing Units in 1990	# Housing Units in 2000	Additional housing units 1990-2000	% change
East Hampton Town (entire)	17,068	19,640	2,572	15%
East Hampton Town (excluding villages)	14,602	17,047	2,445	16.7%
Sag Harbor Village (part)	782	848	66	8.4%
East Hampton Village	1,684	1,745	61	3.6%
Amagansett	1,504 (1)	1,664	160	10.6%
East Hampton North	1,889	2,251	362	19.2%
Montauk	3,996	4815	819	20.5%
Napeague	803 (1)	624	-179 (4)	(22.3%)
Northwest Harbor	2,310	3,008	698	30.2%
Springs	3,459	3,878	419	12.1%
Wainscott	631 (1)	764	133	21.1%
Remainder of Town (2)	10 (3)	43	NA	NA

Source: U.S. Census 1990 and 2000

Notes:

1. In 1990 Amagansett, Napeague and Wainscott were not census-designated places; census tract and block group data from the 1990 census was used to determine 1990 housing units in these areas.
2. "Remainder of Town" is a category used to indicate areas of the Town not included in a census designated place (CDP). In 2000, there were two areas of Town not covered by a CDP: Gardiner's Island, and a small area between Gardiner Cove Road and Soak Hides Road at the base of Three Mile Harbor that was part of the Northwest Harbor CDP in 1990. In 2000, only 2 housing units were counted on Gardiner's Island, indicating that the 41 housing units in the "Remainder of Town" category represents growth in the area defined as Northwest Harbor in 1990.
3. The 1990 figure for "Remainder of Town" was derived by subtracting the housing units in all other defined areas from the Town-wide total. It is noted that in 1990, 3 housing units were counted on Gardiner's Island.
4. The apparent loss of 179 housing units in Napeague may be due to the identification of units counted as housing units in 1990 as motel units in 2000. The 2000 census indicates that there were 197 less housing units in the category of structures containing 10 or more units than in 1990.

According to the 2000 Census, the median value of occupied housing units Town-wide was \$293,300. Of the unincorporated areas of Town, Amagansett had the highest median value, at \$489,600 and Springs had the lowest median value at \$230,300. It is noted that the median value determined in the Census is based on the respondent's estimate of how much the property would sell for if it were for sale, is not based on actual sales or professional

appraisals, and does not take into account the price of seasonal homes (since these are not usually occupied at the time of the census). Notwithstanding the likely possibility that the 2000 median value was low due to homeowners undervaluing their homes, this figure represents a 32 percent increase since 1990, when the median value of occupied housing units in East Hampton was \$222,200. Based on the Census, East Hampton had the highest median value for occupied housing units of all Suffolk County Towns in 2000, and the increase in value from 1990 to 2000 also represented the greatest increase of all Suffolk County Towns. The median asking price for vacant, for-sale housing units Town-wide, according to the 2000 Census, was \$432,400 in 2000, significantly higher than the median value of housing units occupied year round. More recent data indicates a significant increase in median values since 2000. According to the Suffolk Research Service, Inc., the median sales price for homes in 2003 in East Hampton Town was \$590,000, which, in the first 2 months of 2004 has risen to \$630,000.

The median gross rent for renter-occupied units in East Hampton Town was \$1,061 in 2000 according to the census. The median gross rent in Suffolk County in 2000 was \$945.

Gross rent is defined in the census as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels. Due to the timing of the census, some winter rental rates, which can be significantly lower than year-round rental rates, would be factored into the median gross rent. Summer rentals, which are significantly higher than year-round or winter rates, would not be reflected in the median gross rent.

Median Income, Poverty Level and Cost-Burdened

While the Census-generated median value of occupied housing units in East Hampton was \$293,300 in 2000 (which, as discussed above, is significantly lower than the \$630,000 which is the current median based on actual sales), and median monthly owner costs for mortgaged property was \$1,670, the median household income in East Hampton was only \$52,201. Comparatively, the median value of occupied housing units in all of Suffolk County was \$185,200 in 2000 and the median monthly owner costs for mortgaged property was \$1,663, while the median household income in the County was \$65,288. Median family income in

East Hampton (which does not include single-person households) was \$60,743 in 2000, as compared to the County-wide median family income of \$72,112. The extreme disparity between the median income and the median house price in East Hampton reveals the significant obstacle to home ownership for many East Hampton residents.

The 2000 census identified the median household income in the various areas of Town, showing the Northwest Harbor CDP as the area with the highest median household income, at \$61,808. Montauk CDP had the lowest median household income, at \$42,329 (see Table – in Demographics Section of Comprehensive Plan). The Census also identified the percentage of families living below the poverty level, which was 6.7% Town-wide. East Hampton North CDP had the highest percentage of families living below poverty at 10.3 percent. The next highest was Napeague at a rate of 9.7 percent, followed by Montauk at 8.3 percent.

According to the Comprehensive Housing Affordability Strategy (CHAS) data, which is provided by the United States Department of Housing and Urban Development (HUD), more than half (54.5 percent) of all East Hampton renter households are cost-burdened or have other housing problems (i.e., living in substandard conditions). Cost burdened is defined as paying more than 30 percent of income for housing costs. For family households of five or more, the percentage of renter households in East Hampton that are cost-burdened or have other housing problems is 79.8 percent (see CHAS data sheets in Appendix B of “Housing Report for the Town of East Hampton”). Comparatively, in Suffolk County less than half (46.5 percent) of all renter households and 64 percent of large family renter households are cost burdened or have other housing problems. The percentage of all owner households in Town that are cost burdened or have other housing problems was 35.6 percent.

The CHAS data indicates that while renters are afflicted with more housing problems overall, the cost burden on owner households is more severe than on renter households. In the lowest income category (households making less than or equal to 30 percent of the median family income) 80.3 percent of owners were cost burdened as compared to 51.3 percent of renters. Among the other low and moderate income household categories, the

percentage of owners and renters who are cost burdened is more closely aligned, with slightly more owners than renters cost burdened.

In comparison, sample data from the 2000 Census indicates that 47 percent of renter-occupied housing units in all income categories have a gross rent that is 30 percent or more than the household's income, and 35.8 percent of owner-occupied units have monthly owner costs that are 30 percent or more than the household's income. It is noted that these figures include households that are paying 30 percent of income on housing costs, whereas the CHAS data identifies the cost burdened as those households paying greater than 30 percent. Since households receiving Section 8 rental subsidies pay 30 percent of their income towards rent, those households are represented in the census figures noted above. However, these figures exemplify the comparative numbers of renters and owners that are living on the edge of the cost-burden definition. According to the census, almost a quarter (24.1 percent) of all renter-occupied households Town-wide spent 50 percent or more of their household income on rent in 2000. 16.13 percent of owner households Town-wide spent over 50 percent of household income on housing costs.

The CHAS data also indicates, predictably, that the percentage of households that are cost-burdened or have other housing problems increases as the household income decreases. Of renters in East Hampton Town with household incomes less than 30 percent of the median family income, about two-thirds (74.5 percent) had housing problems, and more than half (51.3 percent) were cost burdened. For renters that had household incomes greater than 80 percent of the median family income, only 30.3 percent had housing problems, and 19.4 percent were cost burdened.

Substandard conditions

The East Hampton Town Code Enforcement Office has received over 230 complaints regarding substandard housing conditions since 1999. Springs had the highest number of complaints of all the hamlets, with over 100 confirmed housing violations. Violations included overcrowding, electrical hazards, failure to provide heat, illegal basement living

quarters, and lack of emergency access. Motels, some in a deteriorated state, have been converted to year round residences.

The 2000 census provides sample data regarding housing conditions. In 2000, 40 occupied housing units (0.5 percent of all occupied housing units) lacked complete plumbing facilities, 49 occupied housing units lacked complete kitchen facilities, and 135 units lacked telephone service. Of the 40 units lacking complete plumbing facilities, 32 were renter-occupied; of the 49 units lacking complete kitchen facilities, 37 were renter-occupied; and of the 135 units lacking telephone service, 102 were renter-occupied. The CHAS data also indicates that renter-occupied housing units have more inadequate facilities than owner-occupied units.

Seasonal Labor Housing Needs

Because of the seasonal nature of the economy, especially in Montauk, there is a high demand for seasonal employees. The labor force is needed mostly in the summer months when the Town is at its highest occupancy. The lack of adequate affordable rentals to house the labor force is exacerbated by the demand for rentals by those seeking to summer in the Town. There are no reliable numbers regarding the amount of seasonal worker housing required. The best source of information regarding numbers of seasonal workers are the businesses that employ them.

Affordable Housing Need

The need for affordable housing is exemplified by the above statistics, which indicate a cost-burdened population of both renters and homeowners. Census data regarding the median price of homes reveal that home-ownership for those who make the median income is an unlikely prospect. Census 2000 sample data indicates that about 900 renter-occupied households are cost-burdened, and CHAS data provides an indication of other housing problems relating to substandard conditions. Additionally, it is estimated that 400 people who work in East Hampton rent elsewhere (2,100 people work in East Hampton but don't live in Town, of which 20% are likely to be renters according to Suffolk County averages.)

This indicates that 1,300 people, renters who live or work in East Hampton, need affordable housing in East Hampton.

The need for affordable housing is also exemplified by the number of people on the Town-maintained waiting lists for affordable housing developments and rental programs.

There are currently 271 households on the home ownership waiting list who live or work in the Town of East Hampton. As of October 27, 2003 a total of 270 people are on the waiting list for Section 8 Rental Assistance applications, of which 110 are residents of the Town of East Hampton, 148 are non-residents, and 12 are Sag Harbor residents.

The Housing Authority of the town of East Hampton, which manages the Accabonac and Avallone apartments has, as of July 18, 2003, a total of 752 applicants on the Accabonac waiting list, 228 of which are Town residents.

The Windmill I Senior Housing facility, as of October 27, 2003 had 50 names on the waiting list and an additional 61 inquiries; and as of November 6, 2003, Whalebone Village had 308 names on its waiting list, 184 of whom are currently Town residents.

Affordable Housing Programs

East Hampton Town has a full time department created in 1990, the Office of Housing and Community Development (OHCD) with seven staff members devoted to the provision of affordable housing. The OHCD oversees programs involving the sale of affordable units or lots, as well as the operation of rental assistance and community development programs.

There is also a Housing Authority created by the State Legislature in 1983. The board members are appointed by the East Hampton Town Board. The Housing Authority develops and manages affordable rental housing. The Housing Authority employs a full time executive director and two other staff members.

Chapter 160 of the East Hampton Town Code establishes a “Community Housing Opportunity Fund.” A fifteen-member Advisory Board provides advice to the Town Board regarding expenditures from this fund. As per Chapter 160, the fund may be used for the provision of no-interest or low-interest loans to eligible residents of the town for the purchase of a first home; the actual production of community housing for sale to eligible residents of the Town, which may be done in conjunction with a private/public partnership; the actual production and maintenance of rental housing for rent to eligible residents of the Town; the rehabilitation of existing buildings and structures for use as community housing for sale or rental to eligible residents; and the provision of housing counseling services by not-for-profit corporations. Chapter 160 also provides for the adoption of a Town housing implementation plan for the provision of community housing opportunities by the Fund.

The Town of East Hampton has undertaken a number of home-ownership projects since the 1980s.

In 1980, Olympic Heights was developed through the sale of fourteen half-acre lots at reduced prices to eligible buyers. The buyers were required to build their own houses, with the Town retaining a 78% interest in the value of the land. There is no right of first purchase.

In 1984, Camp Hero Estates was developed in Montauk through the acquisition by the Town of 27 houses from the federal government. The houses were rehabilitated and sold to eligible buyers for \$41,500 with the Town retaining the right of recapture. After 30 years from the date of sale, the owners will own them free of restriction or recapture. People who refinanced and paid off their HUD subsidies are permitted to rent their properties.

In 1986, Whalebone Woods was created by the Town using its urban renewal powers. A 78-lot affordable subdivision was created on properties within old-filed maps. The Town built 32 single-family affordable houses and rehabilitated two existing houses. The houses were sold to qualified buyers. The price of the houses was reduced by the New York State Affordable Housing Corporation (AHC) subsidies of \$15,000 per house. The remaining 44 lots were sold to eligible buyers who then had to build their own homes. All lots have been

sold. The Town retains a right of first purchase and a recapture interest equal to 60% of the value of the land. In the past, the Town has been able to keep the homes in the affordable housing program. However, recently the recapture amount has been returned to the Town when the house is sold because values have increased to a point where they cannot be kept affordable.

In 1989 Whalebone Woods North was created, consisting of 32 three-bedroom traditional style single-family houses built on half-acre lots, ranging from \$47,600 to \$73,700. Eligible low and moderate-income families were chosen by lottery. The sales price of each house was reduced by \$25,000 AHC grants. The Town also retains the right of first purchase and 60% of the value of the land has to be returned to the Town when sold.

In 1991, the Town sold five lots to eligible moderate-income families through a lottery, and each family built their own home. Similar to Whalebone Woods, the Town retains right of first purchase and 35 percent of the value of the land is returned to the Town when the house is sold.

In 1996, the Town sold five new homes in Accabonac Woods to low- and moderate-income families. The houses ranged in price from \$69,884 to \$88,984. The purchase price was reduced by HOME subsidies from HUD through Suffolk County in the amount of \$34,000. The Town retains the right of first purchase. Fifty percent of the land value is returned to the Town when the house is sold.

In 1999 the Town sold five new homes to low- and moderate-income families in the Maidstone Homes development. The houses ranged in price from \$86,000 to \$98,000. The Town retains the right to first purchase. Fifty percent of the land value is returned to the Town when the house is sold. The house prices were reduced through HOME grants of \$25,000 per house and AHC grants of \$20,000 per house.

To date a total of 166 single-family homes have been made available to residents who were low to moderate-income households. The bulk of the housing is in the East Hampton

school district. Camp Hero is in Montauk and three of the Maidstone Homes are in Springs. None have been built in Amagansett or Wainscott.

Currently, a subdivision, known as Green Hollow, is proposed that would create 20 to 25 half-acre lots in East Hampton. Residents will be chosen through a prescreening and lottery process. In addition, the Town is securing approvals to develop 10 scattered lots throughout the Town.

In addition to home ownership housing programs, the town is authorized to issue 189 HUD Section 8 Housing Choice Vouchers to eligible low-income families. Current lease-up in Town is at approximately 150 residents. All of the Windmill II and some of the residents of Whalebone, Accabonac and Avallone receive Section 8 subsidies from the Town.

Under this program, eligible families must locate their own rental units, which must then pass HUD inspection guidelines. To qualify, a family's income cannot exceed the HUD's very low-income guidelines. HUD defines very low income families as those with incomes less than or equal to 50 percent of the median family incomes. (HUD factors in other data in addition to the federal census when estimating median family income). A family pays approximately 30% of their income for rent. The balance of the rent is paid directly to the landlord from HUD funds as long as the rent remains at or below payment standards.

The Town has also facilitated the development of several affordable rental housing developments in Town.

Windmill Village Apartments, built in 1987, consists of 40 studios and 1-bedroom rental units for low-income senior citizens and handicapped persons. Eligible residents pay only 30 percent of their income for rent. The complex is owned and managed by the Windmill Housing Development Fund Co., Inc. A mortgage subsidy is provided by HUD.

Whalebone Village Apartments, built in 1989, are owned and managed by the Whalebone Housing Development Fund Co., Inc. and consists of 45 units comprising 1,2, and 3-bedroom apartments for eligible low-income families. Families pay approximately 30% of

their income for rent. The mortgage subsidy is provided by the United States Department of Agriculture and some units receive Section 8 subsidies from the State of New York.

Avallone Apartments, built in 1992, consist of 17 rental units in Montauk. The project is owned and managed by the East Hampton Housing Authority. Funds for the project were provided by the New York State Housing Trust Fund.

Accabonac Apartments, built in 1999 consist of 50 rental units in East Hampton. The East Hampton Housing Authority manages the project for the Seymour Schutz Limited Partnership. The bonds are guaranteed by the Town and tax credit financing was received from New York State. Section 8 vouchers were obtained through the Community Development Corporation of Long Island.

Windmill II Apartments, built in 2002, consist of 47 rental units for senior citizens 55 and older. Five of the units were designated for the mobility impaired. All residents are participants of the Town's Section 8 Rental Assistance Program. The complex is owned and managed by the Windmill Housing Development Fund Co., Inc. Bond financing is provided by the Suffolk County Industrial Development Agency, and Federal Tax Credits financing is through the State of New York.

Plans are currently being developed by the Town OHCD and the Housing Authority to create 26 affordable apartments adjacent to the Town's Senior Center and the Windmill II Senior Facility.

Town Code Provisions

The Town of East Hampton Code provides guidelines for affordable housing that includes the identification of an Affordable Housing Overlay District , and requirements for affordable housing units.

The purpose of the Affordable Housing Overlay District is to identify areas in the Town that are most appropriate for the creation of affordable housing, while assuring that the

development is compatible with its surroundings and the character of the Town. Lots within the Affordable Housing Overlay District are developed with affordable housing through a Special Permit process. Among the special permit provisions are a minimum site size of 125,000 square feet (170,000 square feet for multiple residences), a maximum unit count of 60, and a maximum permitted density of eight units per acre for apartments and one unit per 20,000 square feet for single family residences or lots. All units or lots created are to be for the use of moderate income families. The applicant/owner of the affordable housing development is required to execute legal agreements that ensure, among other things, that the price of lots, residences or apartments sold and resold or the rentals charged for the units fall within previously agreed-upon minimum and maximum guidelines, that leases provide for year-round rentals, and that the development continues to house residents of the income class for which it was originally developed.

Another means of affordable housing provided for in the Code by means of a special permit is apartments over stores, and apartments in single family residences. All such units are required to be for the use of and available to moderate-income families.

For apartments over stores, written approval from the Town Fire Prevention Inspector is required, and certain locations (such as over filling stations) that pose safety or health hazards are prohibited. In addition, only the second story of the building shall be occupied by apartments, and a maximum of three is permitted per building. The habitable floor area of the apartment is required to have a minimum of 450 square feet and a maximum of 1,000 square feet. A separate access distinct from the store entrance must be provided for the tenants. Every apartment is required to have at least one on-site parking space. As a condition of approval of such apartments is the requirement that legal agreements be executed that will insure that the apartments are not sold to any party except as part of the sale of the entire building, that the rental charged remains within the previously agreed upon minimum and maximum guidelines, and that the apartment be available for year round rental. In addition, the apartment must continue to be used by residents of the income class for which it was originally created.

Apartments created in single-family residences have the same dimensional requirements as apartments in stores, but also must have no more than two bedrooms. Such apartments require the same executed legal agreements as those over stores, and require approval by the Town Fire Prevention inspector. In addition, the house in which the apartment is proposed must have a valid certificate of occupancy as of December 31, 1984 and shall be owner-occupied. Use of the apartment is tied to the continued owner-occupancy of the house. The house in which the apartment is located must have at least 1,600 square feet of livable floor area above the ground. The provisions also require that no more than one apartment shall be created in a single-family house, and at the time that the apartment is rented, there shall be no rental of guest rooms within the residence. On site parking is to be provided for the family occupying the apartment for no more than two cars.

As defined by the Code, an affordable rental unit is one in which the monthly rent (including heat and hot water) does not exceed 110 percent of the Fair Market Rent for Existing Housing for the Nassau-Suffolk area, as established annually by the U.S. Department of Housing and Urban Development (HUD). The rent of the affordable unit may be adjusted thereafter in accordance with the “Annual Adjustment Factor” published annually by HUD. The sales price of an affordable multiple residence dwelling unit must not exceed 250 percent of the maximum annual aggregate family income for a moderate-income family, nor 300 percent of this income figure for single-family residences. The Town Code defines moderate income as 80 percent of the median income in Nassau and Suffolk Counties.

The Town Code also establishes minimum bedroom count for affordable units based on family size. For example, an affordable unit can consist of an efficiency apartment for a one-person household, while a family of 6 requires a 3-bedroom unit.

In addition to establishing requirements for housing units, the code also specifies requirements for the sale of unimproved affordable house lots. To date this has never been used.

Proposed Affordable Housing Implementation Techniques

1. Seasonal Employees Housing Overlay District-

Existing conditions and problem: Montauk has the largest number of motel rooms of any community in Suffolk County. Some of the older, less desirable motels have been purchased by restaurant and resort business owners to house their seasonal employees. Many of these motels, built at a density of 40 units per acre or more with little or no sewage treatment are in need of extensive repair. Given their condition and the intended change of use from motel to seasonal housing, some owners have asked the town if they could tear down these structures and build new seasonal housing from scratch. But the existing densities of these facilities far exceed current Suffolk County Health Department and municipal zoning regulations. In Montauk, using standard septic systems, Suffolk County Health Department regulations allow a maximum of 6 units per acre where public water is available. Where the units have kitchenettes, have more than 400 sq. ft., or there is no public water available, the maximum density permitted is even lower.

Municipal zoning has classified most of these facilities as Resort Zone, which allows for 12 units/acre for motel units and 6 units per acre for the larger, more luxurious resort units. The combined affect of the Town and County Health Department regulations has been to prevent motel owners from making desirable renovations and conversions from substandard facilities to suitable seasonal housing.

Simply changing the municipal zoning code to allow motels to completely rebuild at their current densities will raise problems with parking shortages, sewage waste, drinking water supplies and overcrowding in general. Further, this provision could encourage investors to buy up dilapidated motels in order to create new expensive motel units rather than employee housing and add to the existing shortage of decent affordable housing.

Proposal to allow conversion of existing motels to provide for seasonal housing:

Revise regulations to allow motels in certain locations, delineated by an overlay district to rebuild at their existing density provided that all units are for seasonal housing or all units which exceed that allowable by Resort zoning are for seasonal housing. The seasonal housing must be closed for a portion of the year, must have common bathroom facilities, common cooking facilities, and small bedrooms. If we assume that seasonal employees do not own cars or have fewer cars than motel users, the conversion from motel to dormitory should not increase parking needs. The design of the units will help target these units for seasonal employees rather than for expensive tourist units. Site plan approval will be required but the parking requirements are to be left to the discretion of the Planning Board on a case-by-case basis. The seasonal requirement will help address the overcrowding and infrastructure impacts. In order to assure that the units remain available for seasonal employees, a covenant and restriction will have to be filed with the Town and attached to the deed to the property. This provision is designed to assure that the property remains affordable and seasonal in perpetuity and to assure that a purchaser of the property in the future will have notice of these requirement that the units remain for seasonal employees.

The Suffolk County Health Department has five grandfathering provisions which allow motels that exceed current Health Department standards to be rebuilt at their existing, nonconforming density. First, the operation of the motel must not have ceased or been abandoned for a period of 2 years or more. Second, the motel must not exceed the number of units on record with the Division of Public Health as of 1984. Third, the use must remain the same. Fourth, the rebuilt motel must actually install a system to meet current septic flow standards. Fifth, the lot must be served by public water.

To illustrate how the provisions of the overlay district would work, let's use the example of a 19 unit motel with an accessory office, in downtown Montauk, on a 25,000 sq. ft. lot, having an average room size of 325 sq. ft.

The sanitary design flow for this facility is based on 100 gallons per day per unit or 1,900 gallons per day. To meet current Health Department standards, this facility would need to

install a septic tank which holds two days storage capacity, or 3,800 gallons plus a leaching field to accommodate 1,900 gallons per day. To accommodate this waste, two ten foot diameter by four foot liquid depth septic tanks and two 10 foot diameter by 20 foot effective depth leaching rings would be required.

A larger septic system capacity may be needed if there are some kitchenettes installed for the seasonal housing. On the other hand, if the rebuilt facility is classified as a dormitory/rooming house, the septic system design flow can be reduced from 100 to 75 gpd per unit. However, the facility will need approval from the Suffolk County Health Department Board of Review if there is a change of use. For the purposes of calculating the number of dormitory beds allowed each motel room shall be presumed to house two adults. Therefore a twenty-unit motel would be entitled to forty dormitory beds.

Downtown Montauk, as well as other locations in town, has a very limited depth to groundwater and leaching rings must maintain a minimum 2 foot separation between the bottom of the ring and groundwater plus a one foot separation between the top of the ring and the ground surface. If the conditions are such that there is only a five foot separation to groundwater, 20 two foot deep leaching rings would be required. To provide the minimum 8 foot separation between leaching rings and the 10 foot property boundary separation, an area approximately 8,000 sq. ft., or one third of the entire site area would be required just for leaching. Additional area would be needed to accommodate the septic tank. To meet these minimum health department standards, it is unlikely that small lots with pre-existing motels will be able to rebuild at 40 units per acre. However, densities which exceed current standards can be rebuilt provided all the necessary health department requirements are met on site.

2. Apartments over stores-

Existing conditions and problems- There seems to be general agreement that affordable apartments over stores can be good for hamlet centers by allowing additional, but not overwhelming, development. There are a number of apartments over stores which pre date

zoning. Many existing stores throughout the town are only one story high, possibly due to the greatly reduced commercial value on the second floor combined with the large expense for the installation of required elevators.

The existing zoning code allows for apartments over stores in the business districts (Limited Business Overlay District, Neighborhood Business and Central Business) provided the units are available for moderate income families and certain other conditions are met (Sect. 255-5-50). While several new building projects have taken advantage of these regulations and have been constructed with apartments over stores, few existing buildings have been renovated to add a second story addition. The barriers seem to be the ability to meet the Suffolk County Department of Health Services requirements and the town parking requirements.

Some existing buildings just meet or already exceed Suffolk County Health Department standards for on-site treatment of sewage. Without advanced sewerage treatment, these buildings cannot meet the additional sewerage requirements needed to construct apartments on the second story. The Suffolk County Health Department will allow these sites to construct second story apartments provided they conform to the transfer the development rights standards promulgated by the Health Department. However, this has not provided enough of an incentive to build second story affordable apartments, probably due to the costs associated with purchasing development rights in East Hampton.

Proposal to facilitate the construction of apartments over stores:

East Hampton has an aggressive open space acquisition program, which successfully protects environmentally sensitive land. To facilitate the construction of second story affordable apartments, the Town should allow the development rights from the environmentally sensitive land it purchases to be transferred to applicants for apartments over stores for the purpose of meeting the Suffolk County Health Department standards.

The Town will provide these development rights to an applicant in exchange for the applicant agreeing to provide affordable housing in perpetuity.

Another problem identified with constructing apartments over stores is the town zoning requirement that one parking stall be provided for each apartment. While this is a reasonable provision for new construction, sites with existing one story retail buildings often do not have the land area needed to meet this requirement. Yet, existing on-site parking may be adequate to meet the parking need for the apartment. To solve this problem it is recommended that the schedule of off-street parking (Sec. 255-11-45) be amended to grant the Planning Board discretion in deciding the parking requirement for apartments over existing stores.

It is recommended that the zoning code be clarified to correspond to the existing Planning Board policy regarding apartments over stores. Accordingly, apartments over stores should be explicitly classified as an accessory use to the main business rather than a separate use. The requirement that only the second story of a commercial building can be occupied by an apartment should remain but the limit of 3 apartments per building should be deleted.

Provisions of Suffolk County Health Department TDR program

The TDR program allows the population density equivalents (300 or 600 gpd per acre) to be doubled provided certain additional standards are met. In order for the density to be transferred from one parcel to another, the sending parcels must be permanently sterilized by a legal covenant and must remain as open space. Actively farmed land is not considered open space. Ownership of the sending parcel is flexible. It is acceptable for the sterilized parcel to be donated to the Town, a bona fide non-profit land trust such as The Nature Conservancy or the Peconic Land Trust, or a private landowner. Whatever the ownership, the Health Department wants to prevent the future potential problem whereby the ultimate owner of the sending parcel defaults on payment of property taxes, leaving the county the option to sell the land for back taxes, even though the development rights have been extinguished.

A covenant must also be filed for the receiving parcel, acknowledging the transfer of development rights.

To compute density, the Health Department accepts either a yield map or a mathematical calculation. The yield map actually depicts roadways, solutions to drainage, avoidance of unbuildable areas etc. The mathematical calculation assumes 25% of every parcel will be needed for these unbuildable areas and adjusts the yield accordingly.

In downtown areas such as Amagansett and Montauk where existing buildings occupy most of the site, an overall plan using an area greater than the individual lots can be incorporated into an acceptable TDR plan. In Amagansett, for example, a plan can be developed incorporating the municipal parking lot, formerly part of the individual lot areas, and even adjacent farmland to calculate the overall maximum sewage flow. This issue could be addressed in a future hamlet study.

With all TDR's the on-site septic system must be upgraded to accommodate the additional development. In other words, if a site containing a store is allowed to double its density to create apartments on the second floor using a TDR plan, the site with the store must upgrade its septic system to accommodate the sewage flow from the apartments. Where possible and consistent with good planning practices, the Town will allow the use of road rights of way and alley ways in order to accommodate sewerage structures where necessary.

Town acquisitions using CPF and other funds could be used for TDR's. To advance this technique and facilitate the TDR process, the Town Attorney's Office will work with the County Attorney's Office to develop a protocol.

3. Apartments in Residences-

Apartments within residences have been allowed by special permit and site plan approval from the Planning Board for approximately 20 years. Although few people have applied for these permits, there are existing apartments within homes that are providing housing in East Hampton. Many of these units do not meet current health, safety and welfare requirements.

Eliminating review and permits now required for the construction of apartments within residences could create hazardous new conditions. Further, without town controls, the provision of apartments within residences could allow for the doubling of East Hampton's density without providing for affordable housing.

Changes to the existing legislation coupled with aggressive code enforcement could help to legalize existing apartments within residences, ensure that they are safe and encourage the construction of new affordable apartments.

All of the existing requirements pertaining to safety, health hazards, habitable floor area, access, affordability, and parking should be retained. All provisions of the New York State Uniform Fire Prevention Code, Building Code and Suffolk County Sanitary Code must be met. The residence in which the apartment is proposed shall have a valid certificate of occupancy and shall be the primary residence of the owner. Only the owner of the residence can apply for the permit. All apartments created must be for year round use for people who live or work in East Hampton. The apartment must be attached to or part of the primary dwelling unit and any new clearing or construction for the apartment must meet all clearing, coverage and primary structure setback requirements. No more than one apartment will be permitted in any single-family house. During the period in which the apartment is being occupied, the rental of guest rooms within the primary residence will not be allowed. A survey depicting two parking stalls for the primary residence and 2 parking stalls for the apartment must be submitted for review to determine that the parking does not harm a natural feature. The owner of the residence must file a private covenant, enforceable by the town, to assure the apartment remains affordable and meets the conditions outlined above. No variances from these conditions will be allowed.

However, the requirement for obtaining site plan and special permit approval from the Planning Board should be replaced with the requirement for obtaining a permit from the Division of Public Safety. Input from the Building Inspector, Housing Office, Health Department and Planning Department should be obtained before a permit is granted, but no public hearing or Planning Board review would be required. The regulation which restricts apartments within residences to homes built before the year 1984 should be changed to the

year 2004 to allow more of the existing housing stock to be eligible, while assuring that the residence is owner occupied. However, this provision should be periodically revisited to allow owner occupied homes built after 2004 to be eligible for an apartment within the residence. The restriction which limits the expansion of a residence to 200 square feet to accommodate an apartment should also be eliminated but all clearing, coverage and setback regulations should still apply. The Office of Housing and Community Development will be granted permission to conduct regular inspections to determine the conditions of the permit are being met.

Without limits, this technique could potentially allow for East Hampton's year round housing units and population to double, which could rapidly overwhelm the ability of East Hampton's schools, infrastructure and services to meet the needs of the community. To prevent these potential impacts, the construction of apartments within residences should be allowed without Planning Board approval, in accordance with an overall town growth management plan. The school districts should be consulted in the preparation of the growth management plan.

In a case where an owner wishes to create an apartment in an existing structure but lacks the resources necessary to make the changes necessary to meet code, the Town could provide financial assistance in the form of deferred loans to make it possible for the apartment to be created. Funds for this could come from Community Development block grant allocations.

4. Town purchase of Existing Homes-

By far, the single largest land use in East Hampton is single-family homes. The problem isn't so much that there are not enough homes, but that the housing stock is not affordable for even moderate-income families. By developing a program to make some of the existing housing stock affordable for East Hampton residents and employees, the town would be tapping into one of the largest resources currently available. While East Hampton citizens have overwhelmingly supported the protection of open space and the reduction of potential build-out, some have argued that these programs have resulted in exclusionary practices. By

making a program of affordable homeownership for the existing housing stock in all zoning districts, in all parts of town, the program would have a beneficial, inclusionary impact, while not increasing build-out or harming the environment.

Proposal to facilitate home ownership by moderate income families using existing housing stock:

Augment the ability for moderate income families to purchase existing houses in East Hampton Town with a municipal equity sharing program to purchase an equity interest in the property. Here's how it would work:

- Homebuyers would be pre-screened to determine eligibility by the Town Housing Office;
- Homebuyer then looks to buy a house on the open market;
- Once a suitable house has been found, the sales price must be verified as fair market value by a third party appraisal and both the sales price and appraised value cannot exceed 80 percent of the mean value of homes as recently sold in the Town of East Hampton as determined by the Town or a lesser amount determined by the Town;
- The purchase price to the homebuyer will be no more than three times the purchaser's income with the town purchasing an equity interest in the property in perpetuity to make up the difference between actual sales price and the ability of the homebuyer to pay, thus effectively reducing the effective purchase price.
- In the event of resale of the house, the town's equity interest will help to keep the house permanently within the affordable housing inventory because the Town will not seek repayment of its interest but rather will assign it to a qualified purchaser.

The potential funding source for this program could be the one half percent addition proposed transfer tax to the Community Preservation Fund tax, a yearly budget allocation, private donations, other Federal, State County or municipal funds or a municipal bond. The Town could use the approach most cost-efficiently repurchasing homes built in prior affordable housing programs such Whalebone Woods where the Town has a right of first purchase.

5. Equity Interest in New Residential Construction-

Similar to the program described above, the town could develop a program to purchase an equity interest in new residential construction. Since the price of vacant land and new residential construction has soared, this program may not be as cost effective as the one sited above. However, this program could target the homebuilder who already owns the land or has found a reasonably priced property. The builder would receive fair value, yet have an opportunity to provide housing for the year round population.

6. Inclusionary Zoning-

Currently, a bill which has passed the New York State Assembly and is likely to be adopted, will mandate on a subdivision or site plan of five or more lots that 10% percent of the lots be set aside for the provision of affordable housing (rounding up) and further provides for density bonuses to developers to accomplish this goal. It also allows for under certain circumstances payments into a trust fund in lieu of the provision of affordable housing. Once the final version is adopted, the Town should develop guidelines on how this program will be implemented.

As East Hampton approaches Buildout, the number of subdivisions involving 5 or more lots has already substantially declined. The Town should conduct additional legal research to determine whether payments into a trust fund for affordable housing, or an affordable housing impact fee, could be imposed on all subdivisions regardless of size.

7. Tax Incentives-

There is a myriad of different tax exemption programs the Town can develop to promote new affordable housing and to help keep housing affordable. One program could target

existing homeowners. As home values continue to rise every year, some homeowners may be interested in selling or donating a permanent affordable deed restriction on their home in exchange for property tax relief while they live in their home. Another program could offer reduced property tax options for low and moderate income housing projects, depending on how they are financed.

8. Donations-

Encourage people to donate property, houses and/or money to the “East Hampton Community Housing Opportunity Fund” which will be segregated from regular town funds. In addition, the Town can help facilitate the creation of a community land trust to privately raise money for affordable housing.

9. Expedited Planning Review-

Require all town agencies and departments to give an expedited, priority review to all affordable housing projects.

Existing successful programs to be continued and/or expanded

10. New Affordable Single Family Housing Developments-

Over the past 24 years, the town has developed several successful affordable home ownership programs including: Olympic Heights, Camp Hero Estates, Whalebone Woods, Whalebone Woods North, Accabonac Woods, and Maidstone Homes. The Town Board is currently developing a new program at Green Hollow. The Town should continue to purchase land to develop additional home ownership programs.

It is imperative that the Town develops restrictions to maintain the long-term affordability of new ownership opportunities.

10. New Attached Dwelling Housing Developments-

The Town Housing Authority and several non-profit housing organizations have developed and now manage 199 affordable attached rental units. The town should continue to work with these agencies to develop additional rental properties.

Currently the Town and Housing Authority have a proposal to develop twenty-six units of moderate income rental apartments adjacent to the Town's Senior Citizens Center which should be completed.

New construction whether by the Town or nonprofits could incorporate a variety of prototypes and layouts including multiple apartments in single- family homes, designed to look like a Manor House wherein scattered site three and four family houses are interspersed.

11. Section 8 Rental Assistance-

Currently the Town operates a Section 8 rental assistance program which is funded by the United States Department of Housing and Urban Development. It is recommended that the program participation be maximized to the largest extent practicable consistent with evolving Federal regulations.

12. Room rentals-

For some seasonal and other workers in East Hampton, housing needs can legally be met by renting a single room in a house. The Town Code allows owner occupied houses to rent up to two rooms per house, without any town approvals or conditions (Section 255-11-63).

Although there are a handful of rooms for rent advertised in the local weekly papers, many people in the community are unaware that this is legal housing. This technique has the potential to have additional benefits for senior citizens who own their homes coupled with the single 20-35 age group, looking for starter housing. Alternatively, this technique can help meet the seasonal housing needs.

In the past the Montauk Chamber of Commerce has maintained a registry of these rooms especially targeted to seasonal workers. Other organizations in the other hamlets could also maintain registries like this. It would also be possible for the Town to maintain a list either at its Housing Office or on its website. A public information campaign should be undertaken to inform the public of this permitted use.

13. Tax default and surplus properties-

The Town should continue to aggressively pursue tax defaulted parcels owned by the County and other surplus government property for use as affordable housing or open space on a case by case basis. In the past this has proven to be a source of property for the Town which has been developed for affordable housing.

14. Affordable Housing overlay districts-

Since 1984, an 8 unit per acre Affordable Housing Overlay District (AHO) has allowed non-profit groups, governmental and quasi-governmental agencies to build higher density affordable housing than that which would otherwise have been possible under the underlying zoning. Affordable Housing Overlay districts have been incorporated on the zoning map in accordance with the following location and site characteristics criteria:

- Public water is available to the site.
- The site is reasonably convenient to public transportation.
- The site is not within a flood hazard or erosion area.
- The size and shape of the site is reasonably suited to the proposed development.
- Development of the site is reasonably compatible with the surrounding use.

The AHO eight unit per acre density exceeds the current Suffolk County Health Department regulations without advanced sewerage treatment. In recent years, the Town has obtained approval for 5 unit per acre affordable housing development without on-site sewerage treatment by incorporating density credits from a nearby preserved land parcel. As discussed in the Apartments over Stores subsection, the Town should establish a Transfer of

Development Rights Bank and Program to help meet the Suffolk County Health Department density requirements for acceptable affordable housing sites including those designated in the Affordable Housing Overlay Districts. In order to harmonize the Town's density regulations with those of the Health Department the maximum overall density should be set at five units per acre without sewerage treatment.

The Town should retain the Affordable Housing Overlay zoning designation, should seek to zone additional areas that meet the eligibility criteria accordingly, and should consider allowing additional land to be rezoned AHO upon application of a prospective developer.