53 Putnam Street: A Call to Action

Affordable housing is a perennial issue in Saratoga Springs. City government has long recognized that the local real estate market does not permit Saratoga's workforce to reside within the City. It has repeatedly affirmed a commitment to remedying this situation, which threatens Saratoga's prosperity as well as placing unfair burdens on the working people who keep the City running. Despite this, effective housing remedies have been stymied by a bureaucracy that elevates boutique aesthetics over fairness and economic logic. This report offers a review of the workforce housing issue in Saratoga Springs, including the obstacles that have blocked progress thus far. It outlines the advantages of the homeownership model of workforce housing development exemplified by the 53 Putnam Street project. Finally, it explains why the City government must not abdicate responsibility for implementing this project in the face of barriers imposed by an unelected planning authority.

The Need

Saratoga's 2021 "Analysis of Impediments to Fair Housing" revealed the concerning scale of the City's housing affordability problem. One major finding was that the population of workers in several essential Saratoga industries had declined precipitously between 2000 and 2019. The employee groups who declined the most were those in community and social services, personal care and service, and production. This was especially concerning because the 2011 Analysis of Impediments had shown a substantial *increase* in the share of the City's population working in service professions. The clear conclusion is that a decline in affordability has pushed workers in these fields out of the City.

The exodus of workers in service and labor professions is not simply a moral problem. In April of 2022, Todd Shimkus, president of the Saratoga County Chamber of Commerce declared in the pages of Saratoga Today that "[the] Labor Shortage Remains the Biggest Challenge to the Local Economy." While the Saratoga unemployment rate was low, he asserted, employers struggled to fill positions, meaning there is an undersupply of labor in the City. As of March 2023, the unemployment rate in Saratoga Springs was only .1% higher than it was in April 2023 (2.7% vs. 2.6%). In May of 2023 the City held a "reverse job fair" in which employers sought to recruit workers from the populations served by local social service providers. The fair was a response to "an historic labor shortage impacting employers across Saratoga County," according to Todd Shimkus. As a tourist City, Saratoga is especially dependent on the precise kind of workers whose share of the population has declined so sharply. Retail, hotels, bars, and restaurants are major drivers of the economy. If the trend of unaffordability is not addressed, the current workforce crisis will only deepen, threatening serious damage to the local economy.

Current efforts to address the problem are insufficient. That the existing affordable housing is not adequate for the workforce Saratoga needs is well established. The above trend in labor undersupply has worsened in spite of the existence of several affordable housing complexes in the City. Additionally, as will be discussed further below, there are unique advantages offered by the ownership-oriented model proposed for 53 Putnam. Only one provider of affordable housing in Saratoga Springs follows this model, and it is out of reach to the population most affected by the affordability crisis. This is the Jefferson Street Workforce Housing development. These houses (only 11 in number) are priced so as to set monthly housing costs at 1/12th of 35% of 80% or 100% of Area Median Income. This somewhat confusing formula works out to a monthly cost higher than the median monthly housing cost in the US ($1,101). A Jefferson Street House could have a monthly cost of either $1,733 a month or $2,166 a month for a single person based on an AMI of $74,250. This places them beyond what a Saratoga wage worker in the service economy can afford. The Liberty Workforce Housing apartment complex currently being considered would go some way toward addressing the affordability problem, but it cannot confer the unique benefits of homeownership that the 53 Putnam project can offer. There is an active and acute need for the solution this project offers.

The Project

The 53 Putnam Street project offers a uniquely beneficial approach to the housing shortage. While most affordable housing takes the form of rental properties, the Putnam Street project affords low-income homeseekers the opportunity to own their own homes. When completed, the building will contain 15 to 20 units for purchase at a total monthly cost of around $1,500 including property taxes. Homeownership confers documented advantages at the family and community levels. Homeownership enhances residents' stake in their communities, making them more likely to be involved in local politics and voluntary associations. Residents are more likely to from the kinds of stable communities that reduce crime. Most importantly, homeownership can help low-income people break generational cycles of poverty. Paying down a mortgage on a home builds equity that can be handed down and used to secure credit. Homeownership is the bedrock of social mobility. This workforce housing project will foster independence and advancement for the households that take advantage of it.

The Barriers

Some of the most significant barriers to affordable housing development in Saratoga Springs have to do with limitations placed on development. To give an example, in 2010, affordable housing developer The Anderson Group sued the City over a zoning change that blocked the development of around 75 affordable housing units. The zoning change followed a Comprehensive Plan that sought to maintain Saratoga as a "city in the country," surrounded by a bucolic swath of undeveloped land. The Anderson group alleged that the City and the Planning Board, which is given the power to make decisions about land use and construction in Saratoga Springs, created a "disparate impact" by blocking the project. That is, by preventing the construction of affordable housing, the City was disproportionately harming black homeseekers and families with children. A local jury ruled in favor of the Anderson Group and the judgement was upheld by a Federal Appeals court, with the City liable for $100,000 in damages.

The commitment to preserving the City's aesthetics can thus conflict with the need for affordable housing. In the case of the Anderson Group project, the preservation of rustic ambience was placed above the development of affordable housing, which was found to constitute de facto discrimination against black homeseekers and homeseekers with children. Another potential barrier is the large area of the City included within historic districts. Most of the City's core falls inside one of these districts. Construction projects in historic districts are subject to the approval of the Design Review Commission, a body, like the Planning Board, that is appointed rather than elected and has the power to block projects that conflict with its vision. Construction and renovation in the historic districts must comply with myriad restrictions relating to design and materials, which can drive up costs prohibitively. Commentators have noted that historic districts, similar to zoning restrictions, tend to exclude lower-income and less privileged groups from their ambit. It is easy to see how this could be the case; it is hard to remedy critical housing undersupply when the construction of new housing is laden with expensive conditions. Situated as it is within the Broadway historic district, the 53 Putnam Street project faces these barriers.

Call to Action

Supporting the 53 Putnam Street project is the right thing for the City to do both morally and economically. The vibrant, culturally rich town that is Saratoga Springs should not be the exclusive preserve of privileged few. People of diverse backgrounds deserve access to the wonderful things Saratoga has to offer, and their presence will contribute valuably to the City's life. It is also the case that the City has a worsening labor problem that cannot be sustained in the long term. If the City does not welcome more workers, the detriment to the local economy will not be offset by the maintenance of beautiful green spaces and historic balconies and cornices. A Saratoga without workers will be a Saratoga without successful businesses. The City Council needs to start thinking about how to make the trade-offs necessary to secure Saratoga's future in a balanced, responsible manner. We all want Saratoga to retain its character and beauty. But the City Council must consider all the stakeholders involved in the question of preservation. Aesthetics cannot be placed above the human right to housing or the City's long-term prosperity. We believe that the Council can and must negotiate with the appointed planners to ensure that the goal of preservation is reasonably balanced with this wider set of interests. Anything less would be an abdication of their responsibility as the people's representatives.

Finally, the Council should consider the history of the 53 Putnam property. This was a severely polluted eyesore that sat at the heart of the City for 30 years. First Fairfield Associates and its Putnam Resources partnership with Saratoga Springs resident Jason Letts undertook the clean-up of the site and readied it for development. Now it is possible for this once unsightly and toxic site to become a site of opportunity and hope for working people. There is no reasonable argument whereby the City's character was better served by the presence of a lot filled with poisonous wreckage than by a modern complex of affordable homes. The building of the 53 Putnam project is an all-around win for Saratoga. It is a win for environmental health, for equality, and for business. The City Council has every reason to see it through.