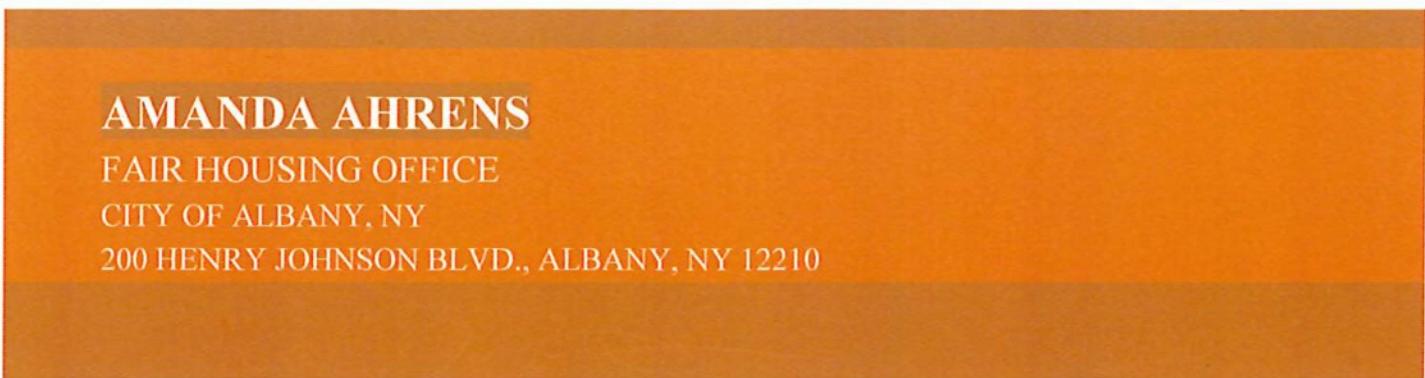


2025 INCLUSIONARY ZONING REPORT

UNIFIED SUSTAINABLE DEVELOPMENT ORDINANCE
(USDO)



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Background Information

On December 1, 2017, the City of Albany Common Council adopted its first Inclusionary Zoning Ordinance, also known as the Affordable Housing Ordinance (AHO), as part of the Unified Sustainable Development Ordinance (USDO). The AHO was later amended on April 3, 2023, increasing the number of units required to be designated as affordable. According to the Common Council, the AHO aims to address two significant issues:

1. The shortage of affordably priced housing units, and
2. The City of Albany's history of redlining by seeking to align local conditions with national averages and best practices.

The original AHO was adopted and amended without clear administrative guidance for implementation or enforcement. Since then, the City's Chief Planning Official has developed procedures to ensure consistent oversight and execution of the inclusionary housing requirements.

Developers proposing projects subject to the ordinance must submit an Affordable Housing Compliance Plan to the Chief Planning Official as part of their development application. This plan outlines how the developer will meet AHO requirements and establishes expectations for compliance.

Submission of the Compliance Plan is required before any development is approved by either the Planning Board or the Chief Planning Official. The plan must specify:

- The number of ownership and/or rental units
- The number and size of affordable units
- Unit floor plans, schematics, and phasing details for the entire project
- The name and address of the entity responsible for development
- Any additional information required by the Chief Planning Official

The City's Fair Housing Officer is responsible for verifying compliance once developments are complete. Compliance letters are sent to developers each March, and developers are required to submit updated information. If a development is found out of compliance, it receives formal notice and may be granted an extension to meet requirements. Continued noncompliance may result in enforcement actions under § 375-507 of the USDO.

Affordable Housing Ordinance Requirements

2017 Inclusionary Zoning Ordinance –

The 2017 AHO required that any new residential or mixed-use development or redevelopment containing 50 or more new dwelling units must designate at least 5% of those units as affordable to households earning no more than 100% of the Area Median Income (AMI), based on HUD affordability standards.

Because development and redevelopment processes can be lengthy and complex, due to construction challenges, financing, and other factors, only seven projects subject to the 2017 AHO have completed construction and begun leasing to Albany residents in the past eight years.

2023 Amended Inclusionary Zoning Ordinance –

The amended 2023 AHO lowered the minimum project size threshold and increased affordability requirements. Under the updated ordinance, any new residential or mixed-use development or redevelopment containing 20 or more new dwelling units must designate a portion of units as affordable to households earning no more than 60% of AMI, according to HUD standards. The required share of affordable units is as follows:

1. 7% for developments with 20–49 new dwelling units
2. 10% for developments with 50–60 new dwelling units
3. 12% for developments with 61–75 new dwelling units
4. 13% for developments with 76 or more new dwelling units

Affordable Housing Ordinance Data

Table 1 shows the overall rate of development compliance with the AHO, which as of December 10, 2025 stands at 105% of the required affordable units. Since 2017, 966 rental units have been constructed under the AHO, resulting in 59 affordable inclusionary units within the City of Albany.

In the 2024 Inclusionary Zoning Report, all seven developments were in compliance, producing 44 affordable units. This exceeded the required 40 units under the original 2017 AHO. In 2025, three additional developments were completed and occupied, generating 16 more affordable units under the amended 2023 AHO.

To date, nine of the ten developments are in compliance. The development at 48 North Pearl Street has completed construction, but its designated AHO unit is not yet occupied. As a result, its compliance status could not be confirmed and it has been marked as “not compliant.”

Table 1. 2025 Development Compliance With AHO

2025 Inclusionary Zoning Compliance						
USDO Type	Project Name	Address of Development	Development in Compliance with Inclusionary Zoning	Total Units	Affordable Units Required by IZ	Affordable Units In Compliance
2017 USDO	The Knick	16 Sheridan Avenue	Compliant	132	7	7
	1 Steuben	1 Steuben	N/A	38	0	3
	The Kenmore	76 North Pearl Street	Compliant	55	3	3
	930 on Broadway	425 North Pearl Street	Compliant	80	4	5
	Redevelopment of Historic Erie Blvd Warehouse	19/21 Erie Boulevard	Compliant	273	14	14
	Change of Use at 1379 Washington Ave.	1379 Washington Avenue	Compliant	100	5	5
	Gallery On Holland	25 Holland Ave	Compliant	60	3	3
	Broadway 915, LLC	745 Broadway	Compliant	80	4	4
2023 Amended USDO	324 State St., LLC	324 State Street	Compliant	29	2	2
	48 N. Pearl St., LLC	48 North Pearl Street	Not Compliant	20	1	0
	A2 Sun Holdings LLC	1383 Washington Ave	Compliant	99	13	13
Totals			9/10 Compliant	966	56	59

Table 2. 2025 Compliance Rate of AHO

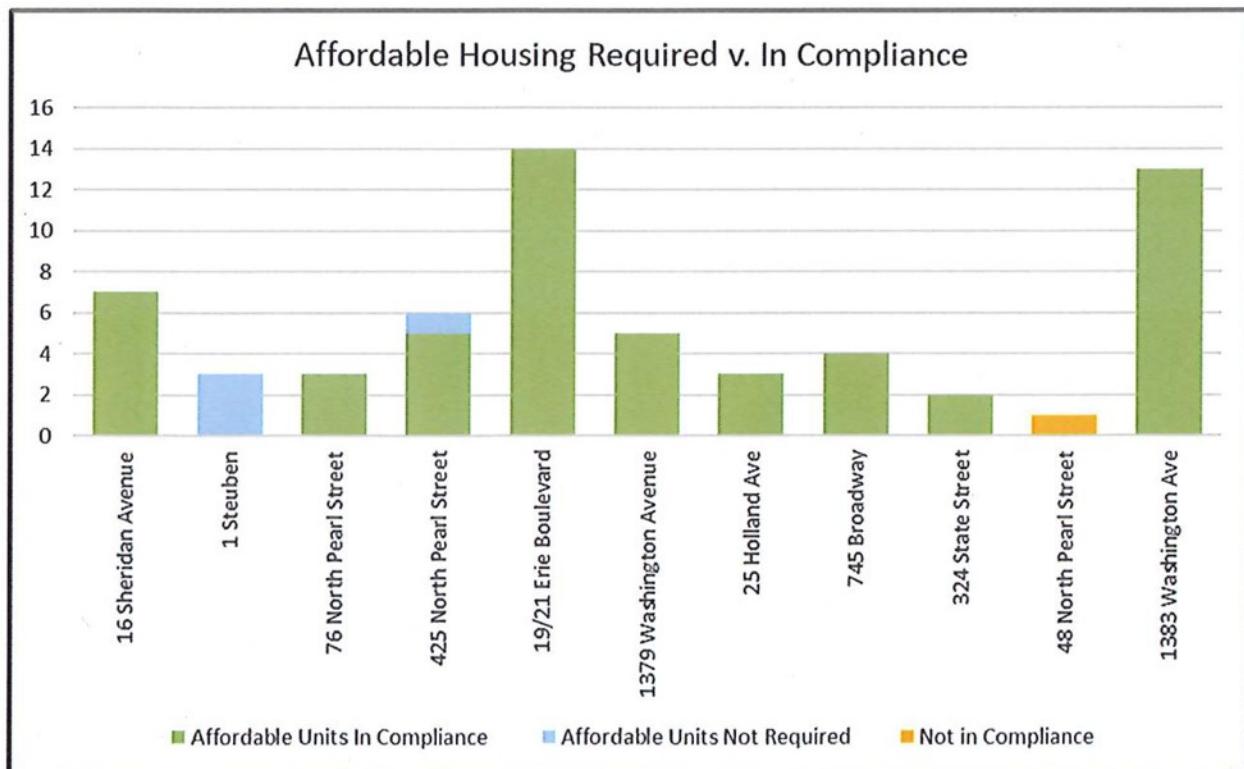


Table 2 provides a visual representation of the data shown in Table 1. It highlights which development projects are in compliance (green), which projects have produced more affordable units than required (blue), and which projects are not yet in compliance (yellow).

Table 3 presents the number of market-rate units constructed (orange) compared with the units created under either version of the AHO (blue).

Table 3. AHO Units Created v. Market Rate Units per Building

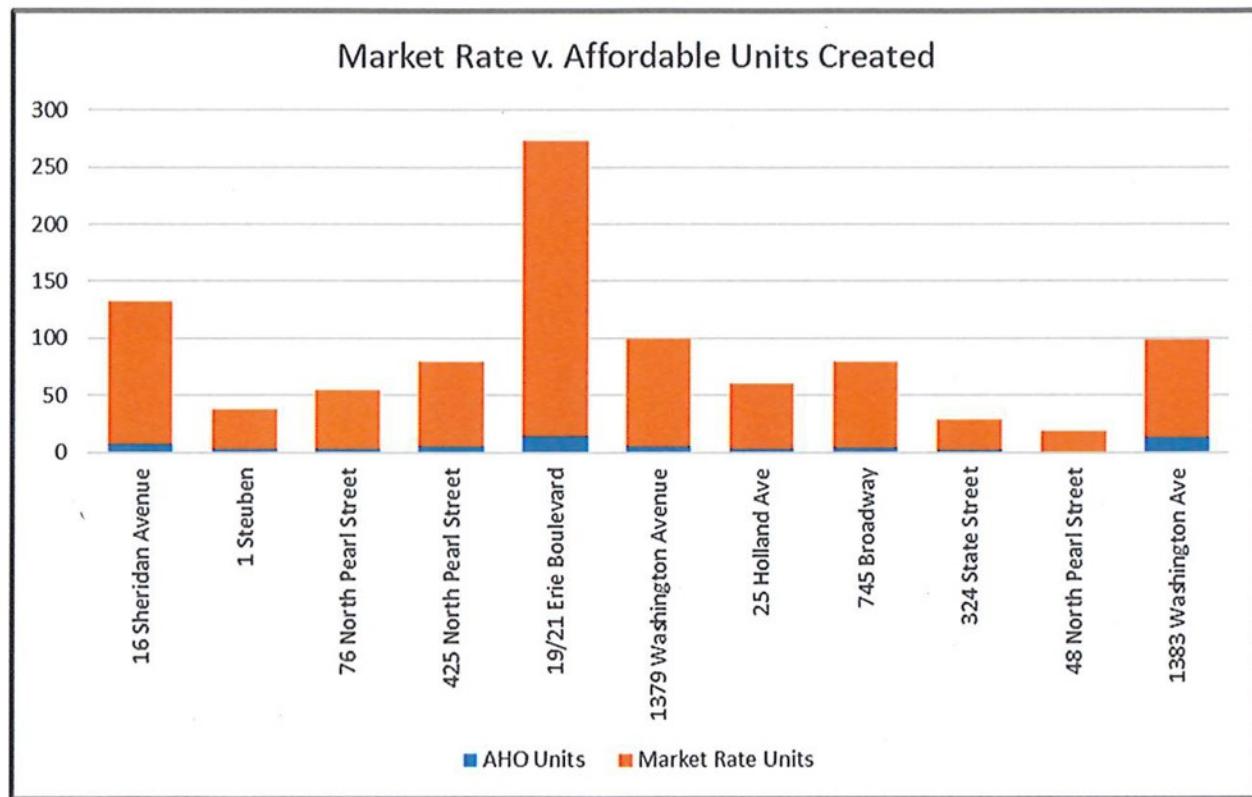
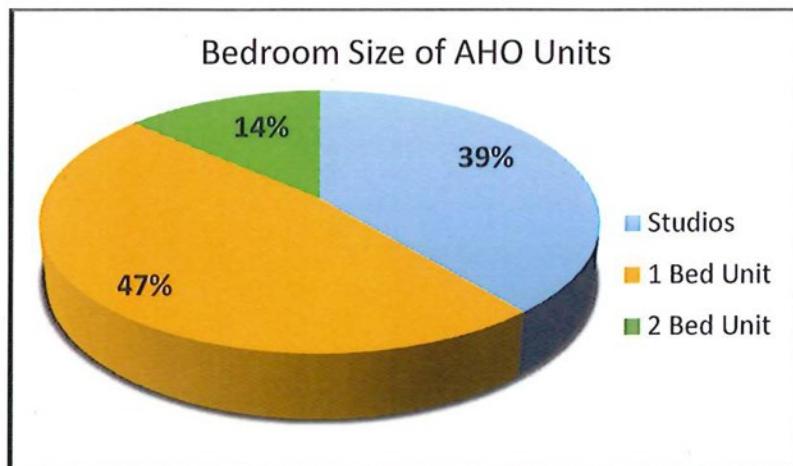


Table 4. Size of AHO Created Bedrooms



According to the AHO Compliance Forms submitted by housing developers for 2025, most AHO-designated rental units are one-bedroom units. The current breakdown of affordable units is:

- 23 studios
- 28 one-bedrooms
- 8 two-bedrooms

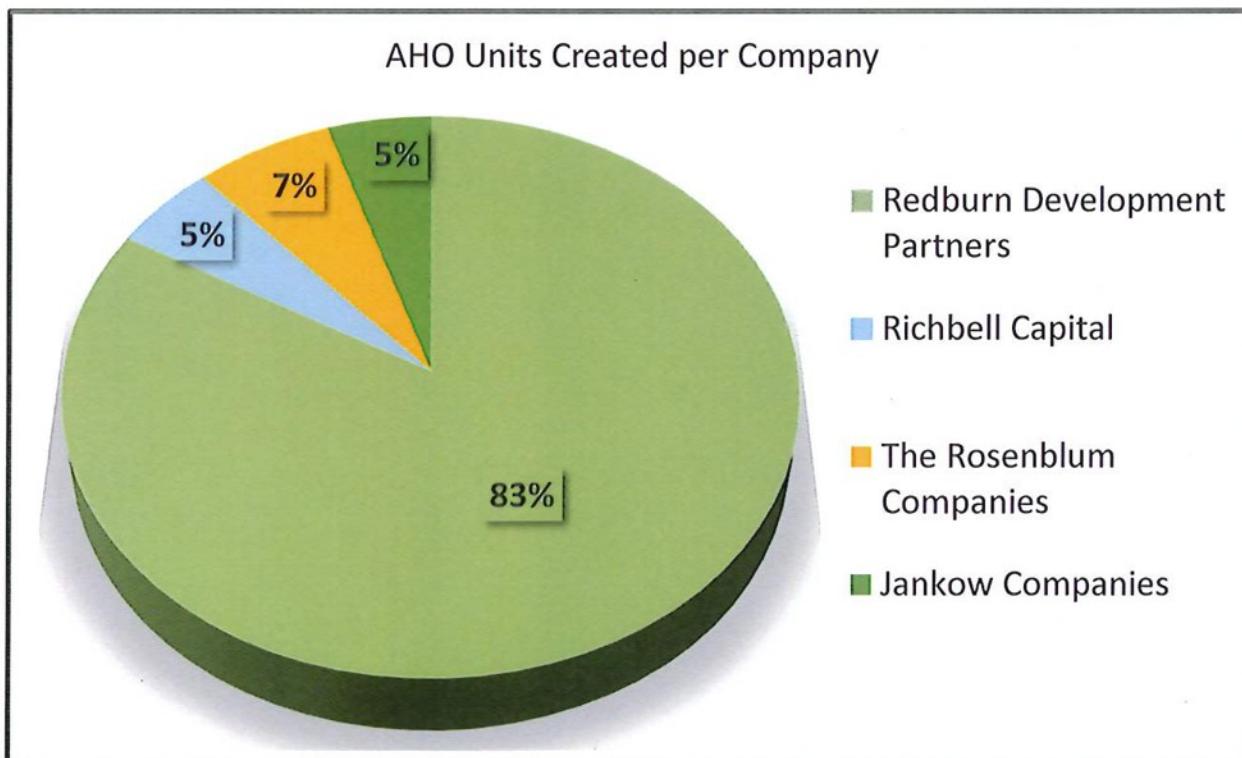
As shown in Table 5, all the AHO rental units were rented at rates that were at, or under, the 2025 Fair Market Rent (FMR)¹ set by the U.S. Department of Housing and Urban Development (HUD) for the Albany-Schenectady-Troy, NY area which meet the requirements of the 2017 and 2023 Inclusionary Zoning Ordinances of 100% and 60% of AMI.

Table 5. Cost of AHO Rental Units by Bedroom Size in 2025

Bedroom Size	Lowest Rent Paid	Highest Rent Paid	2025 HUD FMR	2026 HUD FMR
Studio	\$1,010	\$1,074	\$1,074	\$1,217
1 Bedroom	\$1,090	\$1,230	\$1,230	\$1,417
2 Bedroom	\$1,374	\$1,487	\$1,487	\$1,702

It is important to acknowledge the developers responsible for large housing projects and their contributions to creating affordable, inclusive rental units in the City of Albany. Redburn Development Partners have constructed 64% of all developments subject to the AHO. As shown in Table 6, these projects account for 83% of the affordable units created under the ordinance since 2017.

Table 6. AHO Units Created by Each Company



¹ Fair Market Rents, as defined in [24 CFR 888.113](#) are estimates of 40th percentile gross rents for standard quality units within a metropolitan area or nonmetropolitan county.

THE FUTURE OF AHO

Future AHO Developments –

As of December 10, 2025, three developments are under construction, and another six have been approved by the Planning Board but have not yet begun construction. Large-scale projects often face financial or construction challenges that can delay progress or render completion infeasible. If all nine projects are completed, they would produce 1,061 market-rate rental units along with 63 required affordable, inclusive units under the amended 2023 AHO.

Proposed Amendments to Inclusionary Zoning –

Ordinance Requirements	Current Ordinance	ORDINANCE 24.101.25	ORDINANCE 63.121.25
Income Eligibility (AMI)	Affordable units must serve households earning up to 60% AMI.	Affordable units must serve households earning up to 100% AMI.	Affordable units must serve households earning up to 70% AMI.
Required % of Affordable Units	<ul style="list-style-type: none">• 7% for 20–49 units• 10% for 50–60 units• 12% for 61–75 units• 13% for 76+ units	<ul style="list-style-type: none">• 7% for 20–49 units• 10% for 50–60 units• 12% for 61–75 units• 13% for 76+ units	<ul style="list-style-type: none">• 7% for 20–49 units• 10% for 50–60 units• 12% for 61–75 units• 13% for 76+ units
Buyout (Fee-in-Lieu) Options	No buyout or fee-in-lieu option in the current ordinance.	<ul style="list-style-type: none">• Reduce to 5% by paying \$5,000 per unit• Reduce to 0% by paying \$10,000 per unit• 2-year payment window	<ul style="list-style-type: none">• Reduce to 5% by paying \$25,000 per unit• Cannot reduce to 0%• 90-day payment window
Penalties for Not Paying	No applicable.	Certificate of Occupancy becomes void until payment is made.	Tax abatement becomes void; unpaid fees added to tax bill.
Use of Fee Revenue	Not applicable.	100% to ACDA for down-payment assistance, emergency repairs, and other grants.	ACDA allocation: 75% tenant assistance, 25% homeowner assistance.
Exemptions	Not applicable.	Senior-only developments (independent living, assisted living, skilled nursing, CCRCs, 55+).	Senior-only developments.

As of December 10, 2025, the City of Albany's Common Council is considering two proposed amendments to the Inclusionary Zoning Ordinance under the USDO. The chart above compares the existing AHO with the two newly introduced amendments. Both proposals include a fee-in-lieu option and outline specific exemptions, marking a shift from previous Inclusionary Zoning ordinances, which lacked clear administrative guidance for implementation and enforcement. Additional guidance, however, would further strengthen clarity and consistency for oversight.

Inclusionary Zoning Incentives –

Separate from the required Inclusionary Zoning Ordinance, the USDO includes incentives to encourage developers to create additional affordable housing that go unused. If a new residential or mixed-use development sets aside at least 20% of its units as affordable to households earning no more than 80% of the AMI, the development becomes eligible for the following incentives:

- 100% reduction in required off-street parking under § 375-405
- One additional story of building height beyond the maximum otherwise allowed
- Permission to exceed the maximum dwelling unit count by up to 20% for buildings with three or more units

The City of Albany Office of Audit and Control commissioned a Housing Audit to evaluate current housing conditions citywide. A significant portion of the report examined the impacts of Inclusionary Zoning and identified opportunities for improvement. The concerns presented reflect policies used by cities across the country to strengthen affordable housing outcomes. These include:

- Offset development costs by expediting permits, reducing fees, or providing targeted infrastructure improvements for projects that meet or exceed affordability requirements.
- Increase housing options by allowing more units on suitable residential lots and tying added density to meaningful affordability commitments.
- Leverage public assets, such as City-owned land, tax incentives, and infrastructure support—to attract private investment in projects that advance key policy goals, including family-sized and accessible units.
- Support rehabilitation efforts by using public funds to draw private capital into revitalizing vacant or underused properties, with clear affordability standards and long-term oversight.

Submitted by: Amanda Ahrens
Fair Housing Officer, City of Albany

Signature _____



Date _____

12.30.25