

\$1 million discrimination ruling against the city tossed by federal judge

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ALBANY — The city of Saratoga Springs may be getting a second chance to prove it did not discriminate against African American residents, in contrast to the outcome of a trial that was decided more than a year ago.

A federal judge tossed out a 2010 decision that ruled in favor of The Anderson Group — a ruling that ordered the city to pay the claimant \$1 million in damages for what was deemed racial discrimination.

"This is a vindication of what we were arguing," Saratoga Springs Mayor Scott Johnson said Friday. "Their claims were unsupported by the evidence."

In 2004, The Anderson Group proposed building Spring Run Village, a residential development on property east of the Northway between Union Avenue and Lake Avenue/ Route 29. Of the 260 proposed units, 54 would have been deemed "affordable housing" — a way to increase density as well as sweeten the plan at a time when affordable housing was on a front burner in the city.

Between 2004 and 2005, though, the City Council rezoned 123 of the Andersons' 156-acre parcel as "rural residential," requiring two-acre home lots, thereby blocking the proposal.

Johnson said a number of things went into the decision to rezone, including the city's Master Plan and the "green belt" that has traditionally surrounded the city.

"The further out you go, the less dense it becomes," he said of the city, adding that this was by design.

The Anderson Group sued the city in 2005, alleging discrimination based on race and income for rejecting a project that would have provided relatively low-cost housing. The racial aspect of the case was based primarily on demographic studies of the city.

"We don't live in that kind of a community," Johnson said, pointing out that neighbors' objections to the proposal were not based on race or the affordable aspect of the development. "They weren't against affordable housing. They were against high density."

U.S. District Court Judge Gary Sharpe ruled "a new trial is warranted and necessary due to the inconsistency of the verdict."

Essentially, the seven-member jury in this case decided Saratoga Springs proved that the rezoning was part of its governmental action for one aspect of the case. It ruled in favor of the city's defense on the point that the city intentionally discriminated against certain groups, but on the other hand, did not support the defense in another aspect

of the case, that the city unintentionally segregated certain groups.

"Because the jury's disjointed findings are equally unsupported by the evidence, Sharpe ruled, "the court has no choice but to order a retrial

In part, Sharpe ruled the damages awarded in the case were "excessive and unsupported by the evidence," stating specifically that "while the jury awarded \$1 million in compensatory damages, the credible evidence on record only supports a damages amount of \$81,000," which is traced back to engineering and legal fees they expended for the project that never came to fruition. The rest of the \$1 million was "based on pure speculation," according to Sharpe.

Johnson said at this point The Anderson Group may decide to appeal the decision, or pursue a new trial.

As part of Sharpe's decision, The Anderson Group may decide, instead, to accept \$81,000 in compensation instead of pursuing another trial.