

URBAN PIONEERING IN THE HUDSON VALLEY

URBAN CENTERS

BLIGHTED NEIGHBORHOODS
BECOME NEW FRONTIERS

VACANT BUILDINGS AND ADAPTIVE REUSE

TURNING A CRISIS INTO
AN OPPORTUNITY

MAIN STREET REVITALIZATION

PUMPING UP THE LIFEBLOOD
OF URBAN CENTERS

PARKING

A REALITY CHECK
ON A LONG-STANDING HURDLE

ANNUAL HOUSING REPORT

AFFORDABILITY IS MORE
ELUSIVE THAN EVER

HUDSON VALLEY **PATTERN** *for* **PROGRESS**

September 2014

URBAN CENTERS . . . THE NEW FRONTIER

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Is there life after urban blight? For some, the answer is, "Yes." On the national level and to some degree in the Hudson Valley, walkable urban centers near employment, transportation, services, the arts, culture and entertainment are enjoying an upsurge in allure. This development is especially true for the Hispanic and aging populations as well as Millennials, aged 18 to 34.

Many see these groups as new pioneers. The term "Urban Pioneering" has become more common in a number of the region's old industrial cities. "Urban Pioneering" is a grassroots effort that breaks down social and economic barriers and represents a paradigm shift to create a living environment with more flexible and efficient regulatory requirements that do not inhibit the revitalization process. The result can be culturally diverse urban centers with adaptive and effective systems, policies and regulations that assist in transforming neglected buildings and blighted neighborhoods into desirable places to live, work and play.

Many communities and neighborhoods in the Hudson Valley are littered with vacant commercial, industrial, institutional and residential buildings. This is not only an issue in our urban centers, but also represents a major concern in the suburbs and rural areas. In the Hudson Valley's most distressed urban center, the City of Newburgh, there are more than 700 vacant structures. In more economically stable communities such as the Village of Nyack, there are only a dozen.

For area residents, vacant buildings attract crime and debris and also pose health and safety concerns. As the number of vacant properties increase and the condition of buildings deteriorates, the value of properties and neighborhoods rapidly declines.

The responsibilities and expense of maintaining vacant properties often fall on already-strapped local municipalities when taxes are typically left unpaid and the properties are effectively abandoned. The largest strain is on local police, fire, DPW and building departments. The vacant properties are typically boarded-up. However, these structures also represent opportunities. Reinvestment in urban centers through the adaptive reuse of vacant buildings comes at a high capital cost. The alternative is further abandonment, continued decline of property value and the loss of neighborhood pride.

As communities in the Hudson Valley, especially the urban centers, continue their slow recovery from the economic downturn, it is vital to reduce the number of vacant properties in an effort to mitigate and reduce disinvestment. It is just as important to reduce vacancies in suburban and rural areas, which were significantly impacted by the foreclosure crisis and have been incrementally gaining ground toward higher values.

Why Did This Occur?

The industrial and manufacturing economy declined over the past 50 years throughout the Northeast and certainly within the urban centers of the Hudson Valley. Once major centers of employment, cities such as Newburgh, Kingston, Poughkeepsie and Middletown, lost much of the blue collar economy and the associated ancillary businesses that once lined the vibrant Main Streets. Simultaneously, the creation of the interstate road system, more efficient automobiles and the development of housing subdivisions in the suburbs pulled the population out of the cities. Commuting by car, train and bus became commonplace. The development of regional shopping malls and now internet shopping hampered Main Street and urban centers even more.

As a result of lost business and industry, residential developments began to shoulder the property and school tax burden. The overall economy declined as did household formations as the wages and pure number of employment opportunities declined for young adults with a college degree and enormous student debt. Household formation declined as young adults were forced to continue to live with their parents or simply moved out of the Hudson Valley. This has been evidenced by the lack of population growth and declining school enrollment. All of these factors left many of the urban, suburban and rural areas with vacant buildings, empty storefronts and large numbers of foreclosures.

A Paradigm Shift is Occurring

The recent change in demographics and the desirability of living in an urban center is starting a resurgence of Main Streets and is beginning to ignite the interest of developers in the urban core. Municipal officials, funding agencies and community and economic development practitioners are positioning neighborhoods for redevelopment. Once vacant and abandoned buildings are now leading the way as new places to live, work and play. A sense of pride and ownership is returning to urban centers and the excitement and vibrancy is palpable.

Let's Take a Look Inside . . .

This report examines the issues faced within urban centers through best practices, tools and case studies in the field of community development, Main Street revitalization, zoning and affordable housing. The report also provides demographic and real estate data, housing cost burden analysis and research establishing and documenting the need for continued support in the preservation and development of affordable housing.

VACANT BUILDINGS: A PROACTIVE APPROACH NEEDED

As the demographics of the Hudson Valley change and evolve, it is vital that local governments and school districts understand how to effectively address the impact of vacant buildings on the community. Hudson Valley Pattern for Progress conducted an assessment of this issue in municipalities throughout the region. The assessment began by surveying building inspectors, who are typically responsible for ensuring buildings and properties are safe, to determine whether they identified vacancies as a major problem for their municipalities. The surveys were followed up with questions concerning who is responsible for the taxes and maintenance of the properties; whether any new developments are currently under construction; and most importantly, how building departments were tracking the vacant structures and empty parcels of land in their municipalities.

In the attempt to compile an inventory of vacant property, Pattern found that many municipal building departments lack a system for tracking vacant commercial and residential properties. Most officials were unclear as to whether a comprehensive list exists outlining vacant structures and parcels of land. In many cases, the tax assessor maintained a listing of vacant structures as records were required for property tax purposes. The tax assessor could and often provided a baseline estimate of the number of vacant properties, but detailed data is very limited.

Resources such as staff time in many of the municipalities is limited and budgets are already stretched, therefore, establishing and maintaining a vacant building system is often very difficult. The inability to aggregate property conditions makes it difficult for municipal governments to identify common issues with properties, and hinders attempts at addressing these challenges. One building inspector described their listing of vacancies as “complaint

Foreclosures

Vacant buildings in the rural, suburban and urban setting are often a result of foreclosure. As Pattern has previously reported, foreclosures have run rampant in the Hudson Valley. Although the number has declined slightly over the past three years, foreclosures still represent a major issue for both homeowners and municipal officials.

The term “Zombie Foreclosures” is used to describe properties that are in the foreclosure process where the owner has vacated the home. “Zombies” are, in part, a result of the lengthy judicial process in New York State. Many homeowners that vacate their homes during the foreclosure are not aware the property and school tax liability still rests with them. Local municipalities are impacted due to the delayed or lost property tax revenues. RealtyTrac reports properties in New York State have the longest average time in the foreclosure process (418 days) compared to all other states. According to the report, the three financial institutions with the largest inventory of Zombie foreclosures are Wells Fargo, Bank of America and Chase.

One way to solve the Zombie issue is for the homeowner to

driven.” Other inspectors indicated the time lapse between the identification of the vacant building and notifications to the owner results in further decay of the property. In the case of an absentee owner, further decay results in more costly repairs, which municipal governments end up shouldering.

Impressively, the building inspector for the Village of Nyack had a comprehensive listing of the vacant structures, which not only included property details but also included notes on the condition of the property. The City of Newburgh has more than 700 vacant properties which are privately held, owned by the city or a financial institution. Newburgh has developed and adopted a vacant building ordinance. The ordinance includes a requirement for registering vacant buildings by the owner and there is a fee structure and regulations that must be adhered to. There are a number of code requirements the owner must follow such as: maintaining the grounds, enclosing and securing the structure, posting a sign affixed to the structure with the owner’s contact information and maintaining liability insurance. Newburgh has also established enforcement of the ordinance and penalties for offenses.

Recommendations

- Use a standardized system for proactively tracking vacancies before they become expensive problems for which the municipality has to take responsibility
- Determine a process and identify a municipal department responsible for monitoring vacancies
- Employ a coding system to demarcate the types of damage a structure has sustained
- Establish a council of building inspectors who meet quarterly to discuss issues and share best practices
- Recover maintenance costs through municipal liens

go through a short sale, which must be approved through the lender. Another method to resolve the Zombie foreclosure is through counseling and education.

Proactive Strategy

New York State Attorney General Eric Schneiderman proactively dedicated \$60 million from the National Mortgage Settlement to support the original Homeowner Protection Program (HOPP). The HOPP provides direct funding to support legal services and housing counseling agencies that provide no cost representation to struggling homeowners. Services are provided in the Hudson Valley through accredited housing agencies such as RUPCO, Hudson River Housing, Rockland Housing Action Coalition, Housing Action Council, Putnam County Housing Corp., Westchester Residential Opportunities and Community Housing Innovations.

In July, the Attorney General announced that \$182 million – \$92 million in cash, and at least \$90 million in consumer relief – would be allocated to New York State as part of a \$7 billion settlement with Citigroup to assist homeowners struggling with foreclosure.

CASE STUDIES - ADAPTIVE REUSE OF VACANT BUILDINGS



Lace Mill - Kingston

The “Lace Mill” is an early twentieth century (circa 1903) mill structure located in the blighted mid-town area of the city of Kingston. This structure is historically significant in that it is a prominent monument to a once thriving textile manufacturing activity in Kingston, in an industrial district adjacent to the rails that stretched from the Strand Gate of the former stockade across the plain to the Roundout shipyards. Located just 100 miles from the New York City fashion district, the United States Lace Curtain Mills employed hundreds of Kingstonians over several generations.

organization, has successfully achieved listing the property on both state and federal historic registers. The existing building totals approximately 53,000 sf of floor area on a 1.6 acre urban site. The building has a varied history of industrial and warehousing uses. It has been largely underutilized over the past two decades and presents as a blighted and forgotten structure featuring boarded windows, presenting no public interface and representing lost opportunity.

RUPCO, the project developer and managing agent, envisions an historically sensitive and energy-efficient adaptive reuse of the structure to accommodate artist housing, effectively leveraging private investments already made in the local and regional cultural economy. The project will create significant new capacity to enhance the existing and growing artistic community of Kingston and the surrounding area. The restoration will further benefit the community as an opportunity to remove blight, create short-term construction jobs, provide necessary housing and act as a catalyst for economic rejuvenation in this area of the city of Kingston.

“The adaptive reuse of the Lace Mill builds upon the creative placemaking movement that is occurring in the City of Kingston. We eliminate blight, revitalize a historic structure and attract the creative class by building artist housing. We are contributing to the economic uplift and creating a place where people want to be!”
– Kevin O’Connor, CEO, RUPCO

The “Lace Mill” is planned to accommodate 55 units of low income housing (50-60% AMI) with a preference to those engaged in the arts as their primary source of income. The unit mix is projected to be 5 studios, 32 one bedroom units, 17 two bedroom units and 1 three bedroom unit. These units are anticipated as true artist loft spaces featuring high ceilings and northern light promoting active studio space in a live-work unit concept. All units will be handicapped accessible. The existing subterranean boiler room will allow for development as community and gallery space with anticipated amenities that will cater to the arts community. A community sculpture garden is anticipated to compliment the interior gallery space, offering on-site passive recreational space to tenants and community alike. The site will accommodate ample tenant parking and provide a turnaround drop off at the building’s main entrance. Operational programming will include on-site services including financial counseling, pre-homeownership courses and counseling, medical and nutritional services and youth and senior programming. The project’s location is central to all civic, retail and entertainment services available in the city of Kingston including public transportation. It also offers proximity to several art-related businesses and galleries.

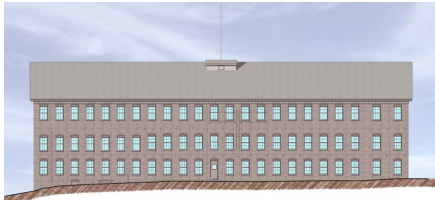
The total project costs are estimated at approximately \$18.2million. New York State Housing Finance Agency is using 4% tax credit and bond financing to complete the project.



Funding sources include Federal Low Income Housing Tax Credits, Federal and State Historic Tax Credit programs, Housing Finance Agency grants, EPF preservation grant, NYS Urban Initiatives (UI) program, NY Main Street program, NeighborWorks America, NYSERDA incentives for qualified measures and a private mortgage. The project has been awarded a Central Hudson Main Street Revitalization Program grant and a TD Charitable Foundation Housing for Everyone grant. The City of Kingston has committed local Community Development Block Grant funding to support the project as well. The project received local approval in September 2013 and construction began on January 2014. Units will be ready for occupancy on June 2015.

WHAT WAS ONCE OLD IS NEW AGAIN

Poughkeepsie Underwear Factory



Hudson River Housing
Poughkeepsie Underwear Factory

Built circa 1874 as a dry goods factory, over the years, the factory operated under various owners. In 1902 it became the Poughkeepsie Underwear Company, manufacturing undergarments for women and children and distributed throughout the United States. The factory was also known for its manicured grounds and tennis court for use by its employees, a very unusual workplace amenity for its day. The factory was listed on the National Register of Historic Places in 1982.

Hudson River Housing (HRH) acquired the property and adjoining lot bordering the Fallkill for approximately \$175,000 in 2012. HRH developed the adaptive reuse concept including the commitment to keep one third of the building commercial or light industrial to create training and employment opportunities and spur economic development in the Middle Main neighborhood. In addition to the commercial/light industrial portion of the building, HRH will build 15 affordable rental apartments and work/live lofts.

The projected \$5 million project financing and funding will be approximately 35% owner equity and equity from sale of Federal and State Historic Tax Credits, 50% private and public grants and donations, and 15% debt financing. The project has already received significant financial support from New York State, Dutchess County, NeighborWorks America, Central Hudson Gas and Electric and numerous private

donors. Most recently, the Poughkeepsie Underwear Factory has been selected as a priority project by the Mid-Hudson Regional Economic Development Council. The project is in design and anticipated to receive NYS Historic Preservation Office and National Park Service approval by the end of 2014. Rehabilitation of the exterior is expected to commence in early fall of this year.

"By bringing affordable housing and local food production together in the re-purposed 19th century Poughkeepsie Underwear Factory, we expect to re-energize the core of Poughkeepsie. This is much more than a real estate development; it is about engaging the community in the revitalization of an entire neighborhood."

- Ed Murphy, Executive Director, HRH

Mill at Middletown

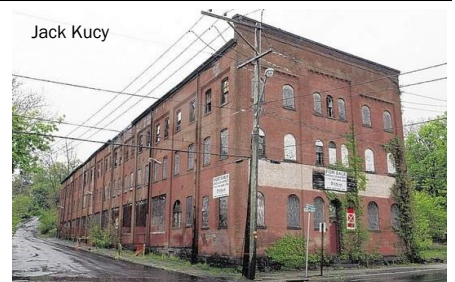
The Mill Building is located at the corner of Mill and Harding Street in the City of Middletown. The Mill Building was built in 1875 and has been used for light industry and retail. Uses included hat and shoe manufacturing, wood furniture manufacturing and new automobile parts retail.

The project, developed by Excelsior Housing Group and RECAP, includes the rehab of the historic mill building (and a related outbuilding) and the new construction of a four-story addition. Specifically, the project proposes the rehabilitation of the mill structure (~30,000 sf), renovation of the outbuilding into the residents' community building, and the construction of a new four-story addition (~17,180 sf). The main three-story mill building will be converted into residential apartments and community service facility with tenant storage. The new four-story addition will connect to the mill building and will include apartments, a mailroom, the laundry room and an elevator. A landscaped courtyard will connect the new addition to the community room and a play area.

There will be 17 one-bedroom, 22 two-bedroom and 3 three-bedroom units for a total of 42 apartments. The Mill will serve 20 working individuals and families making up to 50% of area median income; 13 will be reserved for homeless individuals and families; 8 Project Based Vouchers will be allocated to the complex and there will be 1 on-site superintendent.

"The Mill at Middletown project will have a catalytic effect on this part of the downtown. The project will not only save and restore a major historic treasure, but it will create high quality housing so that people can live and shop in the downtown while also creating jobs for Middletown residents".

- Patrick Normoyle, Excelsior Housing



Magnusson Architecture and Planning

Funding sources include Federal Low Income Housing Tax Credits, NYS Housing Trust Fund, NYS Urban Initiatives, Orange County HOME, Federal Home Loan Bank of New York, NYSERDA MPP and the Community Preservation Corporation. The total development cost is approximately \$14.3million.

BREATHING NEW LIFE INTO MAIN STREET

“Main Streets” in the hearts of urban centers are critically important to the overall health of the community; they represent positive economic opportunity growth and civic pride. A vibrant Main Street attracts residents, encourages investment, establishes a sense of place and provides the opportunity to create housing. A healthy Main Street protects the property values of the surrounding residential neighborhoods.

The traditional Main Street district is ideal for small, local independent and family-owned businesses, which, as a result, allow for the recirculation of profits within the community. The revitalization of a Main Street also reduces sprawl by concentrating development in an area with existing infrastructure. A blighted Main Street with vacant buildings promotes crime and disinvestment and is costly for the local municipality due to lost tax revenue and an increase in providing services such as police, fire and maintenance.

Over the past 15 to 20 years, urban revitalization and reinvestment emerged as a priority in community and economic development. Renovating storefronts, façades and sidewalks is vital, but is simply not enough. The creation of new and the preservation of existing housing in the downtown is vital to the overall revitalization of a neighborhood. Vacant industrial, commercial and institutional buildings can play significant roles in redevelopment efforts and offer opportunities to become anchors of a community. The redevelopment of these structures shapes the image of a neighborhood, increases desirability and helps to create a walkable and thriving downtown.

Why Should Main Street Be Revitalized?

The Main Street district or downtown represents the opportunity to be a prominent employment center, if not already. Although many of the employers may be small, in the aggregate it is likely they represent the largest concentration of businesses and jobs in a community. The downtown also serves as an incubator for new businesses. The downtown may not represent the most dominant shopping center, however, it is the home of unique shops and services.

The population of the urbanized area will increase as additional housing options are made available through main street revitalization. Investing in housing above store fronts, especially affordably priced housing, equates to more disposable income for residents, which in turn benefits the local shop owners.

The existing infrastructure, although in need of upgrade and repairs, represents an enormous value - as compared to building these systems from scratch. The downtown is usually the home of government services which provide a natural draw of residents. Neighborhoods with vibrant downtowns attract better teachers for area schools and residents with higher levels of education. Main Street offers a sense of place, connectivity, integration and cohesion for residents.

Small businesses typically found in urban centers and on Main Streets, in the aggregate represent the largest employer base in New York State, according to the U.S. Small Business Association Office of Advocacy. State and local officials must embrace this and design policy, programs, incentives and funding centered on the retention and enhancement of small business. The state cannot continue to swing for the home run in its attraction of only large scale employers. The multi-million dollar economic development deals that employ hundreds of workers are very important, however, economic development officials and local leaders must not lose sight of our economic base found in the urban centers and on our Main Streets.

Beacon - A Shining Example



We need to look no further than Beacon, New York, to see a very successful Main Street revitalization, which has benefitted from the NYS Main Street funding. This City also benefitted from major investments by the Community Preservation Corporation and by Dutchess County through their HOME and Community Development Block Grant funds.

In the early 90's the Main Street was vacant, boarded up and attracted crime. The City of Beacon used many of the strategies described in this report and today, Main Street Beacon, is vibrant and filled with shops, cafes, offices and housing.

A number of local developers had a vision for Beacon and through a combination of private and public partnerships, the Main Street slowly became a major regional attraction and destination. There were major adaptive reuse projects completed that became anchors for Main Street including The Roundhouse at Beacon Falls and DIA. Beacon has successfully built off of its unique attributes, amenities and historic architecture.

MAIN STREET FUNDING LEVELS IN DEEP DECLINE

New York State has administered a Main Street Program since 2004. These state grant dollars are made available through the New York State Office for Homes and Community Renewal (HCR). The purpose of the Main Street Program is to provide an economic boost, jobs and affordable housing for local communities. Municipalities and not-for-profit agencies must compete for these funds through an annual application process. Applicants are required to show evidence of need, local community involvement, and the leveraging of private investment and resources in a targeted area within a Main Street district. The funds may be used toward planning activities, façade and building renovations, downtown anchor projects, streetscape enhancements and the preservation and development of housing.

In 2010, the Hudson Valley received \$2.5million (16.4%) out of the \$15.2million pool of funding. In 2013 the total statewide allocation was \$3,593,382, which represented a 90.4% decline from 2010. **The overall decline in funding for the Main Street Program from 2010 to 2013 was 76.4% statewide.** Although the 2014 award winners have not been announced, **only \$2.2 million was available this year.** The decline in Main Street funding has clearly continued and contradicts the aggregate size of Main Street businesses in New York State.

Funding Levels			
Year	Hudson Valley*	Total	Percent
2010	\$2,500,000	\$15,284,050	16.4%
2011	\$1,032,338	\$8,703,608	11.9%
2012	\$500,000	\$6,259,375	8.0%
2013	\$240,000	\$3,593,382	6.7%

* excludes Columbia & Greene County (HCR's Capital District)

Main Street revitalization cannot be solely left up to the New York State Main Street Program. Local governments also play a vital role in reinvestment strategy. In addition to streamlining the approval process for the revitalization of urban centers, local municipalities could allow for and provide tax incentives. Comprehensive plans and zoning could be re-evaluated and revised to promote housing downtown. High quality, attractive and affordable housing in the heart of the Main Street helps establish a market for the businesses.

Many local governments also receive Community Development Block Grants and HOME funds directly from the federal government, which should be used in tandem and in concert with local private investment. New York State funding through the Department of State, Environmental Conservation, Parks and Recreation and Empire State Development Corporation resources could be tapped for comprehensive financing. Equity investment may also be added into the financing proforma through the use of Historic Tax Credits to preserve the local architecture, which is a major attraction for both tourists and residents. All of these funds may be used for the creation and preservation of housing, which increases downtown populations and establishes a market for the local professional services, shops and restaurants.

In order to advance the revitalization of Main Streets, public infrastructure investment is paramount. Community and economic development funding represents a small piece of the reinvestment puzzle. The federal and state government should allocate more funding for the infrastructure of our urban centers to include water, sewer, sidewalks, roads, traffic flow patterns and streetscape enhancements.

Toolbox of Strategies for Main Street

Here are a dozen recommendations and strategies to assist in Main Street revitalization efforts:

1. Embrace and attract a culturally and ethnically diverse population of all ages and incomes through the creation of new and the preservation of existing housing
2. Update local zoning and Comprehensive Plans to maximize and allow housing above storefronts and the adaptive reuse of vacant industrial, commercial and institutional buildings for high density housing of all types for all income levels
3. Create Transit Oriented Development to include retail, office, parking and housing
4. Design long-term, politically neutral Main Street Revitalization Programs that are consistent with local, county and regional planning documents; this is critical to the procurement of state and federal grant funds
5. Conduct a blight study and existing-conditions report as a tool for the potential establishment of an Urban Renewal District or a Business Improvement District
6. Utilize "Complete Streets" designs to make Main Street pedestrian-friendly and maximize all aspects of the downtown to enhance the shopping experience by establishing a 24/7 presence and ground floor activities
7. Slow traffic and develop green space and parks using Placemaking practices to create a pedestrian-friendly environment such as façade and front-yard enhancements to promote visual interest and attention
8. Host an annual Main Street Day to showcase and promote the downtown - invite developers, local residents, existing and potential storefront tenants, elected officials, Realtors and funding agencies
9. Create local tax incentives for new investment and streamline the local approval process by providing a clear, sensible but flexible regulatory framework for development to maximize public and private resources and partnerships
10. Develop diverse high-density housing options with services and amenities that build upon the community, boost the local economy and promote historic preservation



PARKING REQUIREMENTS AND THE COST TO AFFORDABLE HOUSING

Thinking Outside of the “Parking Box” in the Urban Center

Parking in the core of the downtown has always been a hot issue with the plea for more parking by visitors and sometimes erroneous requirements by the municipality. When developing rental housing, whether in an urban center or in the suburban markets, many local ordinances require more parking spaces than are actually needed or used. This is particularly an issue when developing affordable housing, especially in higher density developments that are associated with adaptive reuse of vacant buildings in the urban core.

Development costs associated with additional land and construction and the continued maintenance of these large seas of asphalt are prohibitive, not to mention environmentally unsound. The requirements for parking also reduce the number of affordable housing units and the potential for amenities, including open space, on-site child care services and the possibilities for mixed use such as ground floor retail and professional offices. In some communities, due to the pure number of required parking spaces, the lots become the focal point in the design and detract from the neighborhood character.

Most downtowns actually have sufficient parking if counting the total number of spaces. Part of the issue is wrapped in a paradigm called “Line of Site.” The theory simply states that if you cannot see your destination on a Main Street - it is too far and therefore is not enough parking. In actuality, parking in a vast majority of the downtowns, is within closer proximity than at the suburban malls. Urban revitalization, which may include the adaptive reuse of non-residential buildings into high-density housing and allowing housing above storefronts in combination with the “Line of Site” theory has many planning and zoning boards nervous about parking. The result is local ordinances that require more parking spaces than are actually used.

The formulas used to calculate parking spaces are analogous to the formulas typically utilized by municipalities when examining the impact of rental housing on the number of additional school children. Local officials along with planning, zoning and school boards have always had major concerns with the number of children being added to the local school when housing is developed in the community. When rental housing is proposed, the alarm bells of 2.5 kids per unit still rings true in many communities, which has been proven incorrect by numerous studies. Clearly the closing of over 30 school buildings in the past 15 years and the continued declining school enrollment (with rare exception) should be sufficient data to prove that old formula as a fallacy - parking spaces are no different.



The Millennials are attracted to pedestrian and environmentally friendly urban centers where getting to work is either by foot or by mass transit. Owning a car is not always necessary, which also may alleviate the need some parking spaces.

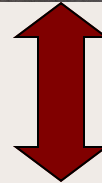
Seniors are also attracted to urban centers based upon walkability and proximity to services, arts and cultural events. Housing developed either through adaptive reuse of non-residential buildings or above existing storefronts, are typically studios or one-bedroom units. These smaller units are occupied by one person. Therefore the likelihood of a Millennial or senior citizen owning a vehicle is slim and owning two is rare.

TOO MANY SPACES IN SUBURBAN HOUSING DEVELOPMENTS

Reality Check

In the suburban areas, which typically have lower density housing, municipalities generally require two parking spaces per unit. However, often times, the local boards base the number of parking spaces on the number of bedrooms - more bedrooms equates to more parking. Regardless of using bedrooms or units in the formula, the question at hand - are the parking spaces needed?

Pursuant to Pattern’s survey of 56 multi-family housing developments in Ulster, Sullivan, Dutchess, Orange and Putnam Counties - the results were astounding. Of the total 3,949 required parking spaces, only 2,521 are used on a daily basis (64%) - leaving 1,428 spaces in excess capacity (36%).



County	# of complexes	Type of Complex		Parking Spaces		
		Family	Senior	Required	Used	Excess
Ulster	11	6	5	527	352	175
Sullivan	7	4	3	591	370	221
Dutchess	10	4	6	752	420	332
Orange	24	4	20	1,945	1,313	632
Putnam	4	0	4	134	66	68
Total	56	18	38	3,949	2,521	1,428

Source: Pattern for Progress

Assuming each parking space, overflow and associated turning areas comprise approximately 450 sf, there is a total of 642,600 sf of excess paved areas, which is almost 14.75 acres of land. The typical affordable housing development occupies 12 units per acre, therefore an additional 177 units would be made available to the ever-increasing demand for affordable housing.

The cost of the land, construction and long term maintenance is covered through a combination of higher rents, deeper public subsidies and additional debt on the development. The upfront cost and long term expense could be used to build additional units or to provide amenities and/or services for residents.

Parking Solutions

Regardless of location, whether urban, suburban or rural, local ordinances for parking standards can be adjusted to reflect demographic, geographic and management factors. Municipalities should recognize and account for the likelihood of vehicle ownership in age-restricted housing. Access and distance to services and shopping also play an important role in determining the number of spaces.

In an urban setting, one way to change parking requirements is to provide residents with alternatives to driving. Designing walkable communities combining professional office space, retail, services and both high-density housing and apartments above storefronts reduces the need for vehicles.

Unbundling parking is yet another strategy. As opposed to automatically requiring a specific number of parking spaces associated directly to the building space, parking may be “unbundled” and either rented or sold separately. Assuming a rental apartment “comes with” two parking spaces, the



developer would “unbundle” the parking from the rental unit and reduce the monthly rent if only one space is needed by the resident. This option allows the developer and resident to adjust their parking supply to their demand.

Municipalities should work in collaboration with developers to

create a car-sharing option. This would allow for the downtown dweller to enjoy the use of a vehicle without the cost of ownership and further reduce the number of parking spaces needed. Or potentially, if the municipality needs more downtown parking, find an operator that benefits from the parking spaces and create a system for the owner of the housing unit to “purchase” additional space.

Flexible zoning codes that provide for a “deferred” minimum parking requirement, allows a developer to hold open space in a “landscape reserve” for additional parking based upon proven need. This approach saves costs and is more responsive to community needs. Open space and “green” amenities also increase desirability of a community thereby raising demand.

MARKET VALUES AND TAXES...SHOULDERING THE BURDEN

The real estate market remains in flux with swings in the inventory and sales data. There have been no major economic changes in the past year, interest rates have essentially remained the same, underwriting criteria is still strict, inability for some seniors to sell their homes, student debt remains a drag on purchasing power and there has been a decline in the creation of new households. Overall, the market data does not show any significant emerging trends and markets that widely differ within each county.

Rockland, Westchester, Ulster and Dutchess have all witnessed an uptick in the median sales price from Q2 2013 to Q2 2014, while Orange, Putnam, Sullivan, Columbia & Greene have all shown declines. The increases in median sale price have been minor, however, slow and steady increases may offer a stronger foundation to a continued trend.

The number of sales, which is sometimes referred to as the "Lifeblood" of the real estate market, has shown large declines in Orange, Putnam, Westchester, Dutchess and Sullivan. Rockland and Greene have shown small increases, while Ulster is flat. Columbia County sales have increased substantially; however, the median sales price in Columbia County has declined by more than 16%, which represents the largest decline in the Hudson Valley.

The inventory of homes on the market has dramatically increased in Orange County, which is due in large part to the number of distressed properties, the slow moving short sales process and an inventory that has simply accumulated over time. Some believe there is an impact due to the possibilities of casinos. Putnam, Westchester, Ulster and Dutchess have all witnessed a steady increase in inventory, while Columbia and Green have declined and Rockland remains flat.

2nd Quarter County	Inventory			Existing Home Sales*			Median Sale Price*		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Putnam	796	894	956	162	182	170	\$299,500	\$310,500	\$285,000
Orange	2,633	2,522	3,023	444	552	485	\$234,500	\$239,750	\$232,500
Dutchess	3,033	2,331	2,406	489	477	422	\$240,000	\$238,000	\$246,000
Westchester	4,120	3,702	3,913	1,151	1,425	1,232	\$619,000	\$650,000	\$651,250
Rockland	1,206	1,034	1,027	307	333	347	\$374,900	\$390,000	\$408,750
Ulster	2,354	1,988	2,053	378	329	332	\$205,000	\$210,050	\$212,000
Columbia	1,168	1,160	1,103	139	152	169	\$185,000	\$215,000	\$180,000
Greene	1,140	1,243	1,186	106	112	117	\$151,500	\$199,500	\$168,000
Sullivan	1,692	1,238	1,107	148	120	105	\$115,500	\$110,000	\$103,525

Source: NYS Association of Realtors, Mid-Hudson Multiple Listing Services, LLC and Hudson Gateway Assoc of Realtors (annually adjusted).

*Ulster, Dutchess, Sullivan, Columbia & Greene include condos; Orange, Putnam, Rockland and Westchester exclude condos & coops

Taxes, Taxes, Taxes...

Although the median sales price of homes has declined significantly since the housing boom of the mid-2000's, a major obstacle in affordability is the tax bill, specifically school taxes. Taken as a whole, school taxes in the Hudson Valley are significantly higher than the balance of the state north of Manhattan and represent the lion's share of a homeowner's annual tax bill.

County	Average Annual Residential Taxes in 2011 (not adjusted by median sales price)						
	County	% of total	City/Town	% of total	School	% of total	Total
Putnam	\$928	11.2%	\$1,318	15.9%	\$6,040	72.9%	\$8,286
Orange	\$754	12.8%	\$1,078	18.4%	\$4,036	68.8%	\$5,868
Dutchess	\$935	15.8%	\$940	15.9%	\$4,038	68.3%	\$5,913
Westchester	\$2,021	15.9%	\$2,298	18.1%	\$8,398	66.0%	\$12,717
Rockland	\$857	9.9%	\$2,171	25.0%	\$5,663	65.2%	\$8,691
Ulster	\$925	17.7%	\$1,005	19.2%	\$3,299	63.1%	\$5,229
Columbia	\$1,392	27.9%	\$547	11.0%	\$3,048	61.1%	\$4,987
Greene	\$661	19.6%	\$667	19.7%	\$2,050	60.7%	\$3,378
Sullivan	\$948	22.5%	\$832	19.8%	\$2,429	57.7%	\$4,209

Source: NYS Office of Real Property Tax Services

POSITIVE TRACTION FOR NEW BUYERS

It has become a “renter’s world” as described in last year’s Housing the Hudson Valley report “American Dream Revisited,” but there is positive traction for new homebuyers.

Access to credit since the housing bubble burst in the late 2000’s has been very difficult. Prior to the “Great Recession,” underwriting criteria was much more relaxed and flexible than what it is today. The combination of lower wages, higher taxes, an increase in student debt and strict underwriting are all barriers to obtaining a mortgage. Those factors in combination with the lack of household formation have had a detrimental impact on the housing recovery, which is shown by the market report earlier in this brief. However, things may be looking up. There are two positive changes in regard to credit scores that may influence home buying.

Policy Alert: FICO Scores

The Fair Isaac Corporation (FICO), the nation’s main gauge of consumer credit, made drastic changes in their credit scoring calculation policy. As of August 2014, FICO will stop including any record of a consumer failing to pay a bill if it has been paid or settled with a collection agency. FICO will also reduce the impact of unpaid medical bills that are with a collection agency.



An increase in consumer FICO scores will not only increase the available pool of potential homebuyers, it will also reduce the interest rate charged to borrowers. For example, a borrower who receives a 25 basis

point reduction in interest on a 30 year mortgage will save approximately \$12,900 on a \$250,000 loan.

Based upon the recalculations of the FICO score, now referred to as FICO Score 9, a borrower may see an improvement of between 25 and 100 points. This may shift a loan application from “denied” to “approved” or may shift an approved borrower into a lower-risk bracket.

The policy changes are anticipated to boost consumer lending, especially those that have been denied mortgages. Furthermore, the policy changes may impact the ability to purchase large ticket items and shift the economy in a positive direction. The goal, according to the Consumer Financial Protection Bureau, is to increase lending without creating more credit risk.

“This move will ultimately make a real difference in the lives of millions of Americans, who have been shut out of the housing market or forced to pay higher mortgage interest rates because of flawed credit scores,” said National Association of Realtors President Steve Brown. “Since the housing crash, overly restrictive lending has been the greatest obstacle to homeownership.”

There are critics to this new scoring—as some believe it will allow those who cannot handle credit to fall farther behind,

may lead to bankruptcy and result in losses for financial institutions.

Renters Credit Reporting

Renters do not build credit by making their monthly housing payments on time as opposed to the benefit enjoyed by homeowners with a mortgage. The opportunity for renters to establish credit as a financial asset is possible if rental payments were reported to the credit bureaus. Affordable housing agencies and property managers can position themselves to provide this benefit through rent reporting. Rent reporting is a valuable and workable option to establish and build credit, especially for low-income renters.

Benefits to Renters:

- Build credit without assuming additional debt
- Establish a new positive, active trade line on their credit report
- Increase access to safe and affordable credit products and decreased reliance on predatory lenders

Benefits to Property Managers:

- Positive incentive to pay rent on-time every month by their residents
- Opportunity for relationship building between property management and residents
- Increase competitiveness for rental property owners

Another Strategy to Assist Renters



The creation of a Lease to Purchase Program helps renters become home owners. These programs allow a tenant to become a homeowner if certain conditions are met. Those conditions usually require the tenant/buyer to pay an initial Option Fee and a monthly lease payment for a specified period of time.

A portion of the monthly rental payment is used as a credit towards

the purchase of the home to begin building equity in the home during the lease period. However, if the option to purchase the home is not exercised, the credit is lost. At the end of the lease, the tenant becomes a buyer and is required to secure financing to purchase the home. The buyer would pay the purchase price minus the accumulated monthly rental credits. Assuming a rental credit of \$400 per month over a two-year period, the buyer would save \$9,600 toward the down payment. Here are a few more benefits:

- Easier to qualify for than a traditional mortgage
- Renters can repair their credit while living in the home
- Renters can start building equity from the beginning
- Renters maximize savers clubs

HOUSING COST BURDEN ANALYSIS

Defining Financial Hardship

For the past three years, Pattern has provided evidence of the lack of affordable housing in the Hudson Valley. Taxes are a main driver, stagnant wages that do not keep pace with the cost of living and the low supply of affordable housing are factors.

According to the U.S. Department of Housing and Urban Development (HUD), an affordable home is typically based upon a housing payment of no more than 30% of household monthly income. When a household pays more than 30%, housing is considered to be unaffordable and at more than 50% it is severely cost burdened. Establishing the number of households experiencing cost burden is critical when assessing the ability of existing and proposed housing stock to adequately provide for the needs.

This HUD data is based upon "custom tabulations" from the U.S. Census Bureau that are largely not available through standard Census statistics. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low-income households. The primary purpose of the CHAS data is to demonstrate the number of households in need of housing assistance. This is estimated by the number of households that have certain housing problems and have income low enough to qualify for HUD's

programs (primarily geared toward 30, 50, and 80 percent of median income).

The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds. The CHAS data is based on the 2007-2011 American Community Survey (ACS) 5-year data and the 2009-2011 ACS 3-year data, which are the most recent tabulations produced by HUD. It was made available in May 2013 and the table generator was updated on May 28, 2014.

Housing Cost Burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost includes mortgage payment; utilities; association fees; insurance; and real estate taxes.

Affordability is expressed in three levels:

Affordable - Household spends **less than 30%** of their gross income toward housing costs

Unaffordable - Household spends **more than 30%** of their gross income toward housing costs

Severe - Household spends **more than 50%** of their gross income toward housing costs

Cost Burden Threshold for Renters and Homeowners						
County	% of Renters w/income at or below 80% Household Area Median Income			% of Owners w/income at or below 80% Household Area Median Income		
	Affordable	Unaffordable	Severe	Affordable	Unaffordable	Severe
Columbia	44.3%	30.9%	25.8%	41.3%	25.3%	33.4%
Dutchess	25.1%	30.2%	44.7%	32.4%	25.8%	41.8%
Greene	29.9%	29.9%	40.2%	37.6%	22.7%	39.4%
Orange	25.8%	28.3%	45.9%	27.3%	27.4%	45.3%
Putnam	26.0%	27.5%	46.5%	21.8%	24.3%	53.9%
Rockland	24.3%	28.2%	47.5%	20.0%	23.2%	56.8%
Sullivan	34.7%	25.7%	39.6%	27.7%	25.7%	46.6%
Ulster	26.7%	29.5%	43.8%	33.3%	26.0%	40.7%
Westchester	28.0%	30.7%	41.3%	24.9%	22.3%	52.8%

The Impact

Based upon the limited number of affordable housing units throughout the Hudson Valley, many households must sacrifice on quality and location for their home. As a result of families living with a housing cost burden, households have limited dollars for other necessities such as food, clothing and healthcare.

Extremely low income families that do not receive rental housing assistance or live in an affordable housing development are severely housing cost burdened. The combination of living in substandard housing, paying more than 50% of their income for housing and not having access to healthcare is devastating to families and to the overall community.

OUT OF REACH - 25 YEARS LATER . . .

Where are we now?

The National Low Income Housing Coalition published the first Out of Reach report in 1989 in an effort to shed light on the affordable housing crisis facing the nation. This annual report is widely recognized in the affordable housing industry and used by housing agencies, advocates, not-for-profits, developers and policy makers to move the dial on building and preserving affordable housing.

The data for 2014 continues to show how far out of reach housing is for the very low and low-income renters in each county of the Hudson Valley. The gap between Fair Market Rent (FMR) and Affordable Rent at the Mean Renter's Wage Rate continues to grow and there is an insufficient supply of new affordable housing units being constructed in the Hudson Valley. Regardless of declining or stagnant unemployment rates, wage rates are simply not keeping up with the cost of rent. In fact, the Mean Hourly Renter's Wage Rate declined in every Hudson Valley county from 2013 to 2014, except for Orange County - which rose by \$0.07/hr. This change is significant as a percentage of income. For example, the wage rate in Putnam County dropped by 14.2% and by 9% in Sullivan County.

Affordable housing is sorely needed and in demand. Today's newly constructed rental units are not affordable to a majority of today's renters. In Putnam County, 62% of the renters are unable to afford a two bedroom unit at the fair market rent.

Mean Renter's Hourly Wage Rate			
County	2013	2014	% change
Columbia	\$10.90	\$10.67	-2.10%
Dutchess	\$12.91	\$12.63	-2.20%
Greene	\$10.15	\$10.03	-1.20%
Orange	\$9.91	\$9.98	0.70%
Putnam	\$10.60	\$9.10	-14.20%
Rockland	\$12.29	\$12.25	-0.30%
Sullivan	\$10.12	\$9.21	-9.00%
Ulster	\$9.82	\$9.20	-6.30%
Westchester	\$17.60	\$17.29	-1.80%

OUT OF REACH 2014	Columbia	Dutchess	Greene	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester
2BR Fair Market Rents (FMR)	\$896	\$1,258	\$781	\$1,258	\$1,440	\$1,440	\$907	\$1,062	\$1,449
Hourly Living Wage Rate to Afford 2BR FMR ¹	\$17.23	\$24.19	\$15.02	\$24.19	\$27.69	\$27.69	\$17.44	\$20.42	\$27.87
Annual Living Wage Rate to afford 2BR FMR	\$35,840	\$50,320	\$31,240	\$50,320	\$57,600	\$57,600	\$36,280	\$42,480	\$57,960
Estimated Mean Renter's Hourly Wage Rate ²	\$10.67	\$12.63	\$10.03	\$9.58	\$9.10	\$12.25	\$9.21	\$9.20	\$17.29
Rent Affordable at the Mean Renter's Wages ³	\$555	\$657	\$521	\$498	\$473	\$637	\$479	\$478	\$899
GAP between FMR and Affordable Rent at the Mean Renter's Wage Rate	(\$341)	(\$601)	(\$260)	(\$760)	(\$967)	(\$803)	(\$428)	(\$584)	(\$550)
Weekly Hours Needed at Renter's Mean Hourly Wage to Afford 2BR FMR	65	77	60	101	122	90	76	89	64
% of Renters unable to Afford 2BR FMR	50%	58%	50%	60%	62%	60%	58%	58%	59%

Notes: According to HUD, "affordable" rents represent the generally accepted standard of not more than 30% of gross income spent on gross housing costs. Fiscal Year 2014 Fair Market Rent.

¹ Hourly wage rate required to afford the Fair Market Rent for a 2BR unit, assumes 30% of income toward rent

² Renter wage information is based on 2012 data reported by the BLS in the Quarterly Census of Employment and Wages and projected to April 1, 2014. For each county, mean hourly earnings are multiplied by the ratio of median renter income to median total household income in the American Community Survey (2008-2012) to arrive at an estimated average renter wage.

³ Affordable rent at the Renter's Mean Wage Rate (Hourly Rate x 2080÷12 x 30%)

Change is Needed

Housing policy must change and more resources must be allocated to provide decent, safe and affordable housing for very low (under 50% of area median income) and low (under 80% of area median income) income renters. As reported by the Bipartisan Policy Center's 2013 Housing Commission, the U.S. government spends \$180 billion annually through direct appropriations and tax subsidies, but only 27% (\$48 billion) supports low-income renters. A majority of today's housing policy and funding supports homeownership, through mortgage interest and real estate tax deductions, while the rate of homeownership continues to decline. The Commission goes on to suggest that the reestablishment of mortgage finance system should include a fee structure for securitizing mortgages to generate revenues that would fund a National Housing Trust Fund (NHTF). The NHTF would provide funding to construct new affordable rental housing and preserve the existing affordable housing portfolio. One of the most effective manners in which to address the issue of affordable housing is to create jobs with a living wage rate.

AFFORDABLE HOUSING FOR EXTREMELY LOW INCOME HOUSEHOLDS

High Demand - Low Inventory

The supply of affordable housing for households earning less than 30% of the median annual income is almost non-existent in the Hudson Valley. The Urban Institute, a well respected national research and policy organization, completed a study on the availability of affordable housing for low-income households based upon an analysis of data from the Census, American Community Survey and the U.S. Department of Housing and Urban Development. “Not one county in the United States has an even balance between its ELI households and its affordable and available rental units,” the Urban Institute study said.

The gap in affordable housing continues to grow every year, especially as wages have not kept up with the cost of living. The table below shows the gap in the supply of affordable and available housing units for extremely low income renter households for each county in the Hudson Valley. The total number of housing units needed to meet the demands is nearly 63,000, according to the Urban Institute study.

“America’s housing policy has never fully met the demand for affordable rental housing, and the number of households served by federal rental assistance has essentially plateaued. Today, only 24 percent of the 19 million eligible households receive assistance - basically, only one in four households wins the housing assistance lottery.”

- Urban Institute

Hudson Valley: Available Housing by County for Extremely Low Income Households					
County	Annual Income ELI* Renter HH's (A)	# of units per 100 ELI* Renter HH's (B)	# of ELI* Renter HH's (C)	# of Affordable and Available Rental Units (D)	GAP (C - D) = (E)
Columbia	\$21,300	54	1,051	568	483
Dutchess	\$26,150	18	10,328	1,816	8,512
Greene	\$17,700	54	964	521	443
Orange	\$26,150	27	13,567	3,621	9,946
Putnam	\$24,900	15	2,178	333	1,845
Rockland	\$27,925	19	10,065	1,905	8,160
Sullivan	\$18,450	56	1,934	1,076	858
Ulster	\$22,150	15	6,571	1,016	5,555
Westchester	\$28,625	30	38,487	11,355	27,132
Totals			85,145	22,211	62,934

Source: Urban Institute

*Extremely Low Income (ELI) is calculated at 30% of the area median income for a 4-person household.

Key: (A) annual income level for ELI 4-person renter household; (B) number of affordable and available units for every 100 ELI renter households; (C) number of ELI renter households; (D) number of affordable and available rental units; (E) Gap between the number of ELI renter households and available units

Advocacy and Education Affirmatively Further Fair Housing

“Fair housing” means having “equal and unrestricted access to housing regardless of factors such as race, color, religion, sex, familial status, disability, national origin, marital status, age, sexual orientation, gender identity and expression, military or veteran status, receipt of public assistance, receipt of housing subsidies or rental assistance, ancestry, and genetic information.” (HUD) New York State has strong fair housing laws in addition to those of the federal government. However, illegal discrimination still limits housing choice in the Mid-Hudson region. This is compounded by factors such as land use policies that sometimes have the effect of being exclusionary.

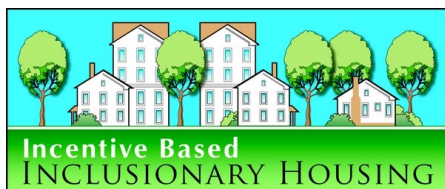
Educating property owners and community members about fair housing laws and supporting vigorous enforcement of the law is imperative in our communities. Testing and the ongoing monitoring of discriminatory practices are key pieces in eliminating bias in housing choice. The lack of knowledge of fair housing laws can often lead to discrimination on the basis of familial status. These discriminatory practices are even more evident when affordable housing developments is proposed for very low income residents.

INCLUSIONARY ZONING AS A TOOL

Local governments can do a great deal to encourage and facilitate the construction of more affordable housing within their borders. One of the most widely used tools is Inclusionary Zoning.

Mandatory Inclusionary Zoning

A community may amend its zoning code to officially require that a certain percentage of units be priced affordably in all new developments. The community rewards the developer with density bonuses, expedited permit processes, relaxed design standards, reduced parking requirements, and waivers of certain municipal fees. For example, a “moderately priced dwelling unit program” requires every new subdivision or development with 35 or more units to price between 12.5 and 15 percent of its units affordably. The affordable units are targeted to households earning less than the area mean income, with priority given to people who live or work within the county.



Voluntary Inclusionary Zoning

In many instances, a community will use the presence of an informal policy or a voluntary program to aggressively negotiate with developers for the creation of some affordable homes or apartments within market-rate developments. As with mandatory programs, benefits to the developer may include density bonuses, expedited permit process, relaxed design standards, reduced parking requirements and waivers of certain municipal fees. Government representatives negotiate directly with developers using these incentives.

Based upon the data provided earlier in this report on cost burden, the Out of Reach study and the overall lack of affordable housing, in combination with the continual decline in federal and state resources, municipalities should consider adopting Inclusionary Zoning to increase the supply of affordable homes. There are three local municipalities that have Inclusionary Zoning on the books; these are the Town of East Fishkill, the City of New Rochelle and the Town of Wawayanda.

Inclusionary Zoning is a local initiative that requires a portion of housing units in a new housing development to be reserved as affordable. Inclusionary zoning (IZ) requires developers to make a percentage of housing units available to low- and moderate-income households. In return, developers receive non-monetary compensation in the form of density bonuses, zoning variances, and/or expedited permits-that reduce construction costs. By linking the production of affordable housing to private market development, IZ expands the supply of affordable housing while dispersing affordable homes throughout a municipality to broaden opportunity and foster mixed-income communities.

- Smart Growth, Better Neighborhoods; Communities Leading the Way, Leah Kalinosky

Benefits of Inclusionary Zoning

1. Allows higher-income communities to achieve a balance in socio-economic demographics when used in concert with density bonuses and other developer incentives
2. Helps limit sprawl by concentrating more development in a single location
3. Provides affordable housing without requiring municipal funding
4. Streamlines the development process by providing a uniform and more predictable process that gives more certainty up front about the feasibility of a development proposal

Berenson and the Two-Pronged Test

Berenson v. Town of New Castle, 38 N.Y.2d 102 (1975) - In the leading New York State case on affordable housing, the Court of Appeals declared unconstitutional a town zoning ordinance that failed to permit multi-family housing in any of its twelve zoning districts. In so holding, the court established a two-pronged test for the validity of a zoning ordinance excluding multi-family housing as a permitted use.

1. A review of the municipality's existing housing to determine whether the types of housing present, "adequately meet the present needs of the town and it must be determined whether new construction is necessary to fulfill the future needs of the [town] residents, and if so, what forms the development ought to take."
2. In recognition that local zoning often has substantial implications beyond the boundaries of the municipality, a requirement that consideration be given to regional needs as well. Where residents of the region "may be searching for multiple-family housing in the area to be near their employment or for a variety of other social and economic reasons . . . there must be a balancing of the local desire to maintain the status quo within the community and the greater public interest that regional needs be met."

- John C. Cappello, Esq., Jacobowitz and Gubits, LLP

ACCOMPLISHMENTS 2014



Our commitment to housing and community development throughout the Hudson Valley remains strong. Once again, we have had an incredibly busy year and have assisted many communities by providing vital information advocating for affordable housing, community and economic development and the revitalization of our urbanized centers.”

- Joe Czajka, executive director, Center for Housing Solutions at Hudson Valley Pattern for Progress

The Center for Housing Solutions and Urban Initiatives has been in operation since September 2012. The Center has assisted housing agencies, developers, builders, Realtors, municipalities and advocates for affordable housing. Below is an overview of the Center’s accomplishments this year:

- **Completed the first county-wide Housing Needs Assessment for Putnam County and Strategic Plan for the Putnam County Housing Corporation**
- **Commissioned by NYS HCR to analyze affordable housing and linkages between housing and community development in Newburgh, Poughkeepsie, Kingston, Beacon, Peekskill and Brewster**
- **Conducted numerous presentations on the State of Housing in the Hudson Valley, Main Street strategies, Placemaking and emerging demographic trends for municipal zoning and planning board members, financial institutions, Neighborhood and Rural Preservation Corporations, elected officials, mortgage brokers and Realtors**
- **Distributed more than 150 emails containing federal, state and local updates on housing programs, regulations, articles and reports on housing policy and trends, funding notices, grant opportunities, statistics, demographics and market data**
- **Responded to and assisted with more than 75 requests for statistics, demographics and narrative reviews from municipalities, not-for-profit housing agencies and for-profit developers in support of affordable and market rate housing development**

The Center would like to thank its investors:



To learn more about investment opportunities, contact Joe Czajka.



This report represents a snapshot in time and is based upon available information and the analysis of existing markets, demographics, data and statistics. The report is not meant to be used as a financial forecasting model or for any financial decisions now or in the

Pattern for Progress is the Hudson Valley’s public policy, planning and advocacy organization that creates regional solutions to quality-of-life issues by bringing together business, nonprofit, academic and government leaders from across nine counties to collaborate on regional approaches to affordable/workforce housing, municipal sharing and local government efficiency, land use policy, transportation and other infrastructure issues that most impact the growth and vitality of the regional economy.

Join Pattern and be part of the solution!

HUDSON VALLEY PATTERN FOR PROGRESS

3 Washington Center, Newburgh, NY 12550 (845) 565-4900 www.Pattern-for-Progress.org