The Hudson Valley’s Housing Shortage, How It Impacts You, and What You Can Do to Fix It

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Pattern for Progress Hudson Valley
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Cost Burdening Varies by County in 2018

Source: GeoFRED, St. Louis Federal Reserve Bank
23 States Underproduced 7.3 Million Units Since 2000

Source: ECONorthwest Calculations, Up for Growth
Housing Production Has Slowed Nationally Since 2000

National Ratio of Housing Starts to Households Formed
(5 year moving average to smooth data)

1.15 Units per Household

2000 to 2019 – 0.93 Units per HH
2010 to 2019 – 01.03 Units per HH

Source: U.S. Census Bureau
The National Cost of Housing Underproduction

Shifting from More of the Same development to Accessible Growth development would require just 25% of the land to deliver the same number of units. Because these areas would be denser and transit-adjacent, this would reduce vehicle miles traveled (VMT) and cars on the road by as much as 28%

Using a Accessible Growth development pattern, cumulative gross domestic product (GDP) over a 20-year period would increase by $400 billion compared to More of the Same. Accessible Growth delivers $2.3 trillion in cumulative GDP over the baseline forecast, which represents 2.4% of GDP growth over that period.

Accessible Growth generates an additional $66 billion in federal revenue over the 20-year growth period compared to More of the Same: federal payroll and income taxes increase $264 billion with Accessible Growth development compared to the baseline forecast. In the peak year of production, the additional federal revenue generated would equal 6.2% of the current federal deficit.
Limited Production in Hudson Valley in Last Decade

The stock of housing statewide increased by 3.6% from 2010 to 2019.
Statewide there are 1.09 units per household

(Second and vacation homes make up an additional 4% of the stock of housing)

Source: Census ACS 2018 5-year sample
Access to Housing Near Jobs is a Challenge

Statewide there are 1.1 jobs for every housing unit (excluding second and vacation homes)

Source: Census ACS 2018 5-year, OntheMap/LODES
Affordability in the Hudson Valley
Share of New Starter and Move-Up Homes Declining

2012
Entry Level

3% of Sales in Westchester
8% of Sales in Orange

2012
Move- up

3% of Sales in Westchester
20% of Sales in Orange

2019
Entry Level

1% of Sales in Westchester
4% of Sales in Orange

2019
Move- up

3% of Sales in Westchester
10% of Sales in Orange

Source: AEI
## Rent Affordability Challenging Across Hudson Valley

<table>
<thead>
<tr>
<th>County</th>
<th>2 Bedroom Average Rent</th>
<th>Hourly Wage Required to Afford Rent</th>
<th>Average renter hourly wage</th>
<th>Monthly gap in rent assuming 1 income earner</th>
<th>Monthly gap in rent assuming 2 income earners</th>
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</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>$1,625</td>
<td>$34.72</td>
<td>10.68</td>
<td>$(1,125)</td>
<td>$(625)</td>
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<tr>
<td>Dutchess</td>
<td>$2,301</td>
<td>$49.17</td>
<td>13.64</td>
<td>$(1,663)</td>
<td>$(1,024)</td>
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<td>Orange</td>
<td>$1,675</td>
<td>$35.79</td>
<td>11.58</td>
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<td>Rockland</td>
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<td>$51.43</td>
<td>11.53</td>
<td>$(1,867)</td>
<td>$(1,328)</td>
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<td>Ulster</td>
<td>$1,538</td>
<td>$32.86</td>
<td>10.81</td>
<td>$(1,032)</td>
<td>$(526)</td>
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<td>Westchester</td>
<td>$2,330</td>
<td>$49.79</td>
<td>19.27</td>
<td>$(1,428)</td>
<td>$(526)</td>
</tr>
</tbody>
</table>

*Insufficient rent data for Greene, Putnam, and Sullivan Counties*

Source: CoStar, Pattern for Progress, HUD
Housing and Economic Opportunity
New York Has Above Average Economic Opportunity

Average incomes for children who grew up in households earning $25k annually in 1980

Source: Opportunity Insights
Neighborhoods Matter When Measuring Outcomes

Hudson Valley is generally an area of high economic opportunity for children growing up in low income households…. But neighborhood matters.
Hudson Valley Has Vast Differences in Mobility

Children growing up in households where their parents earned $25k a year grow up to earn less in some neighborhoods than their parents, and more than double in other neighborhoods.

Source: Opportunity Insights
More Housing Built in Areas of Low Opportunity in NY

Share of Housing Units Built from 2010 to 2020

Economic Opportunity

Each Bar is 10% of Census Tracts in the state
Implications and Paradigms for Growth
Developed Residential Area Growth in New York Metro

New York–Newark, NY–NJ–CT–PA CSA

As of 1940

Source: BuildZoom
Notes: areas considered developed when they first exceed 200 currently existing homes per square mile
What is the New Paradigm for Growth?

A Classification of American Cities
1980-2010

Source: Build Zoom

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Strategies to Advance Accessible Growth
Cost Burdening and Transportation Costs

32.8% of income
Average US household spent $20,091 on housing in 2018

15.9% of income
Average US household spent $9,761 on transportation in 2018

Sources: https://www.bls.gov/news.release/cesan.nr0.htm
Nationally New Transit Stations Lack Housing Options

38% of 412 transit stations funded through FTA New Starts since 2009 have residential densities below the median regional density.

Source: U.S. Census
New Rochelle: A Case Study

Designated a 279 acre downtown overlay zone that is exclusively upzoned, leaving rest of the community alone. Policies implemented within the overlay zone include:

- Form-based zoning
- Streamlined approval process
- Density bonus program
- Recalibrated mitigation fees
- Tax abatement program

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Missing Middle

Source: Enterprise Community Partners
Missing Middle Distribution Nationally

SMMF Rentals are 54% of All Rental Units

Source: Enterprise Community Partners
Where Has the Missing Middle Gone?

% Units in Category by Decade

Decade Unit Built

- Pre-1919
- 1920
- 1930
- 1940
- 1950
- 1960
- 1970
- 1980
- 1990
- 2000
- 2010

- 1 unit / building
- 2-49 units / building
- 50+ units / building

Source: Enterprise Community Partners
Policy Prescriptions
Local, State and Federal Pro-Housing Policy

Local Policies
• Allowing ADUs, internal conversions, and missing middle by-right
• Streamlining building permit and approval processes
• Leveraging transit hubs and urban cores with higher density residential zoning

State Policies
• Setting minimum standards for housing density
• Establishing fair share requirements and enforcement

Federal Policies
• Boosting resources like LIHTC and HTF, and creating new tools like NITC
• Encouraging states and local governments to advance pro-housing policies
• Tying transportation and infrastructure funding streams to zoning reform
Final Thoughts

• In the most populated areas of the state the production of housing has not kept pace with household formation
• Cost of entry level housing is increasing, while fewer units are being built.
• Long run affordability requires sustained production of housing units – at prices affordable across the income distribution
• Leveraging investments in existing infrastructure to build units at lower costs, and in high opportunity neighborhoods, are key to improving equity in the region