



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

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Up for Growth®

Pattern for Progress Hudson Valley

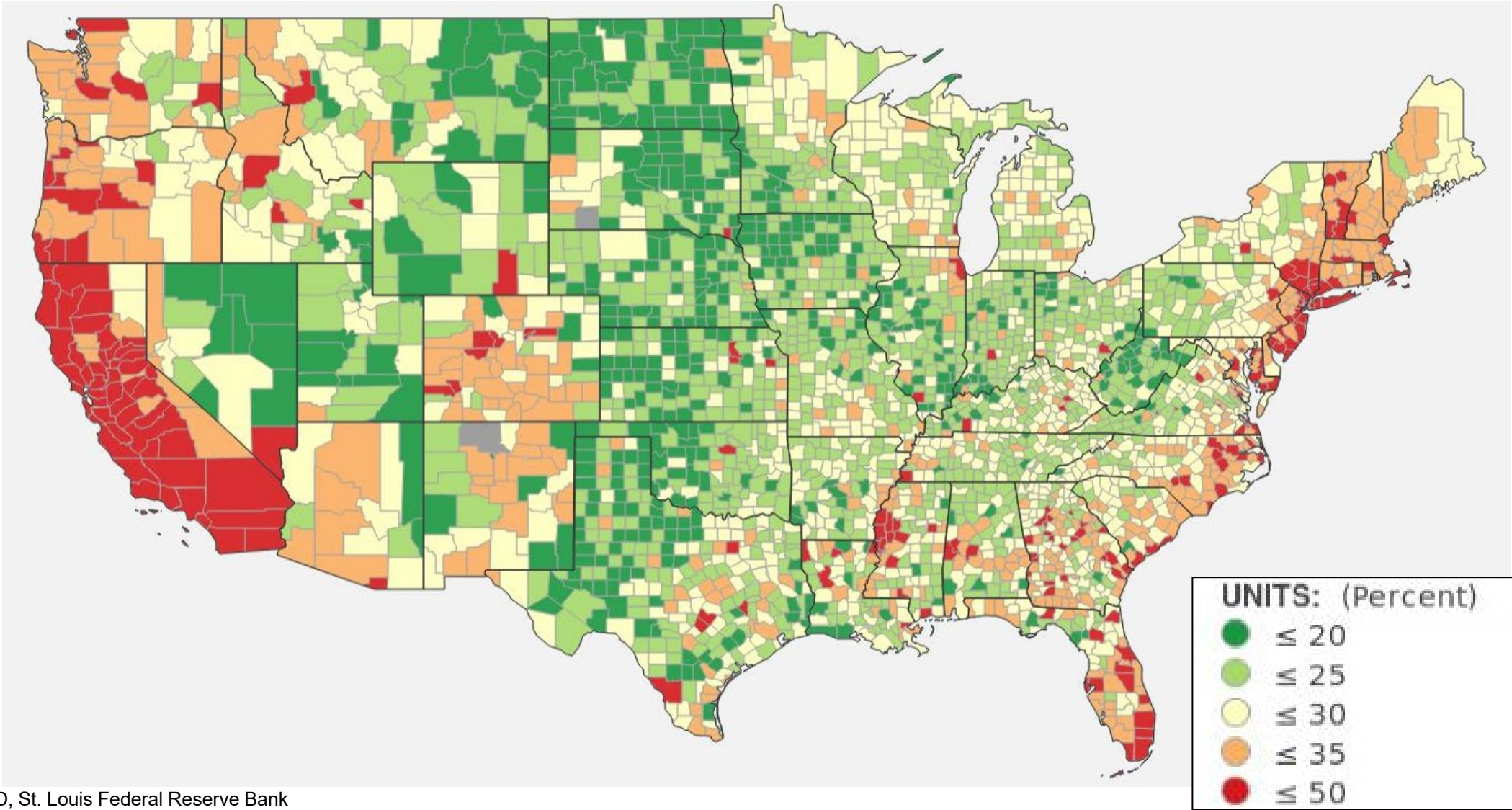
November 19, 2020



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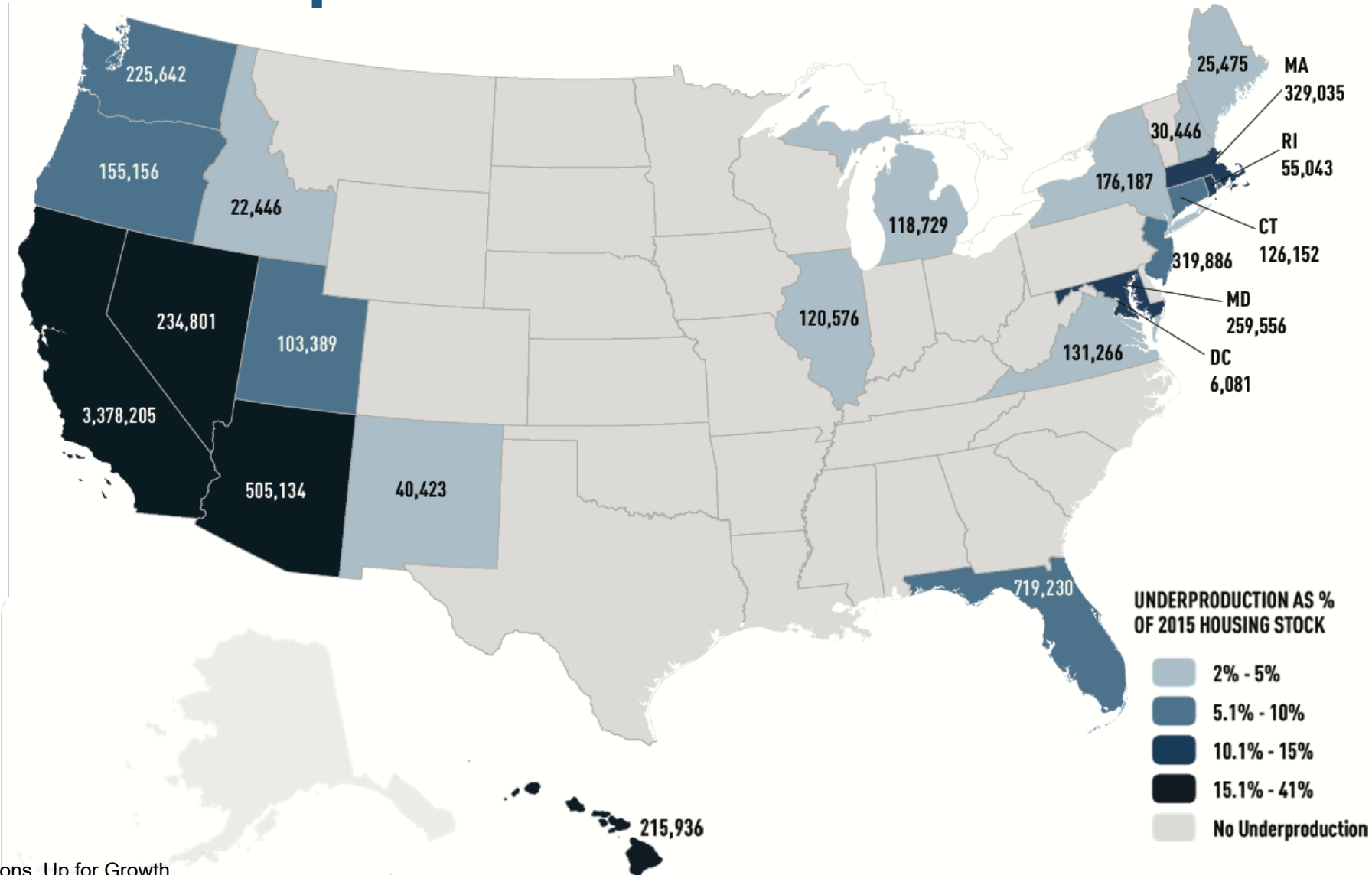


# Cost Burdening Varies by County in 2018



Source: GeoFRED, St. Louis Federal Reserve Bank

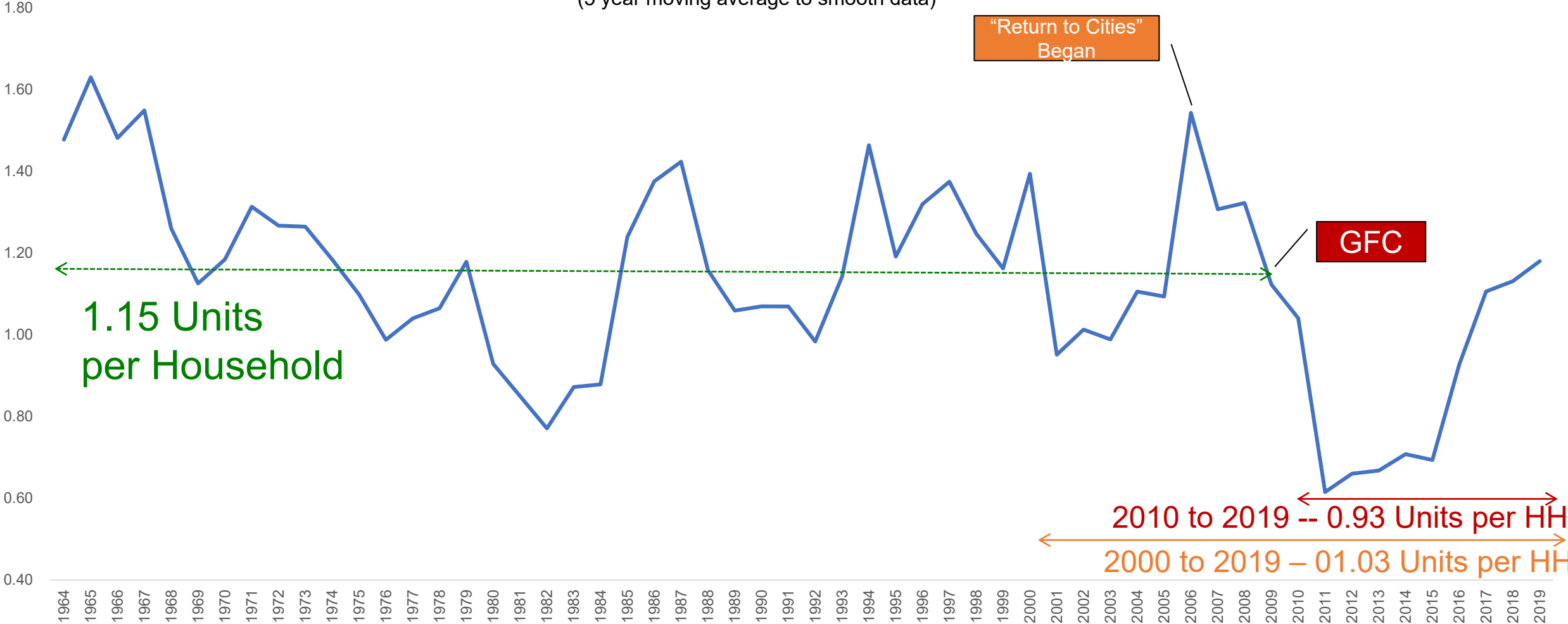
# 23 States Underproduced 7.3 Million Units Since 2000



Source: ECONorthwest Calculations, Up for Growth

# Housing Production Has Slowed Nationally Since 2000

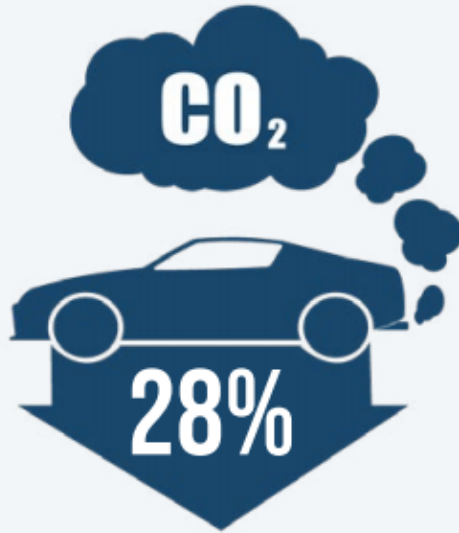
National Ratio of Housing Starts to Households Formed  
(5 year moving average to smooth data)



Source: U.S. Census Bureau



# The National Cost of Housing Underproduction



## CLEAR SKIES AHEAD

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%.



## GDP BOOST

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.



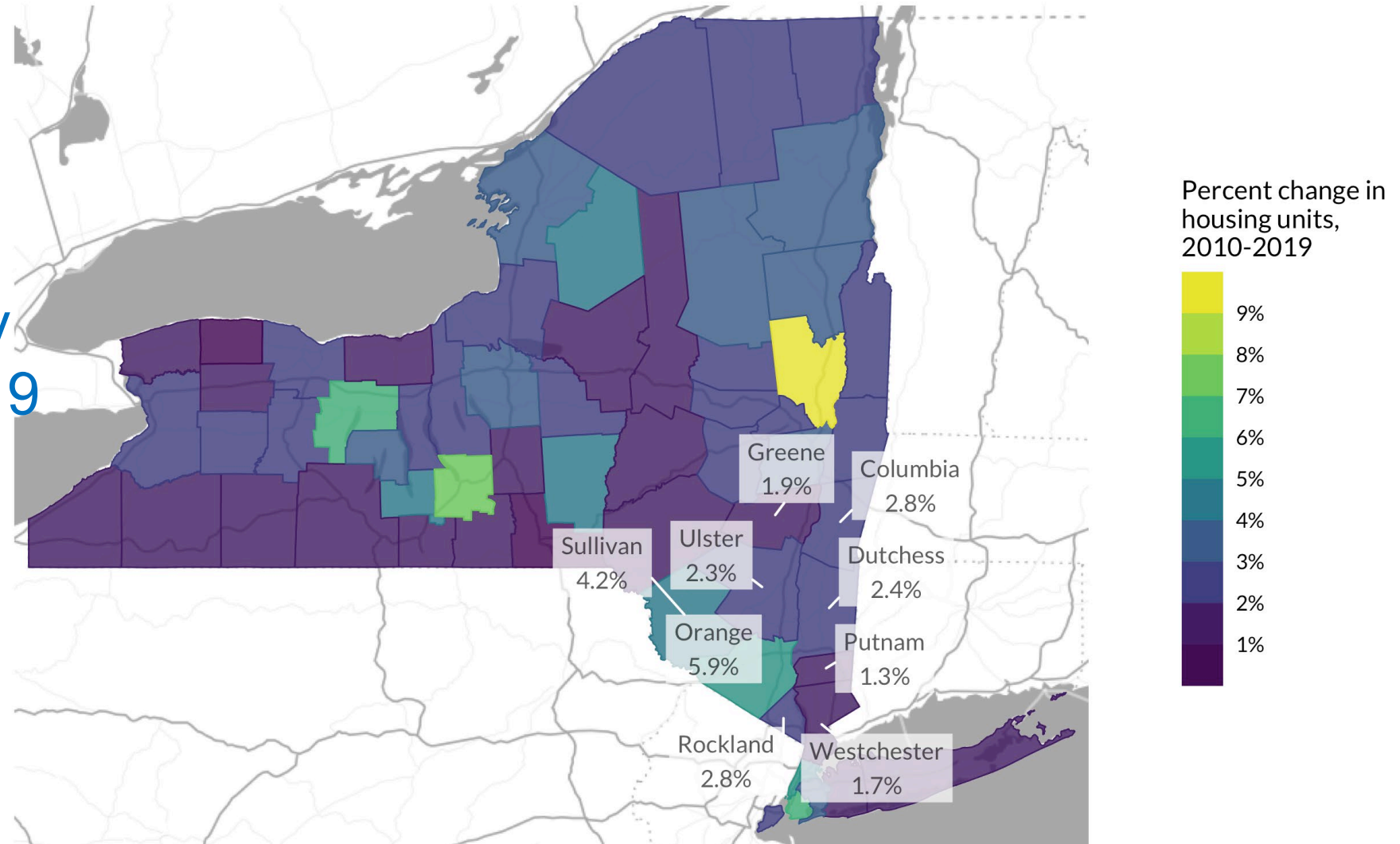
## FEDERAL REVENUE HIKE

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

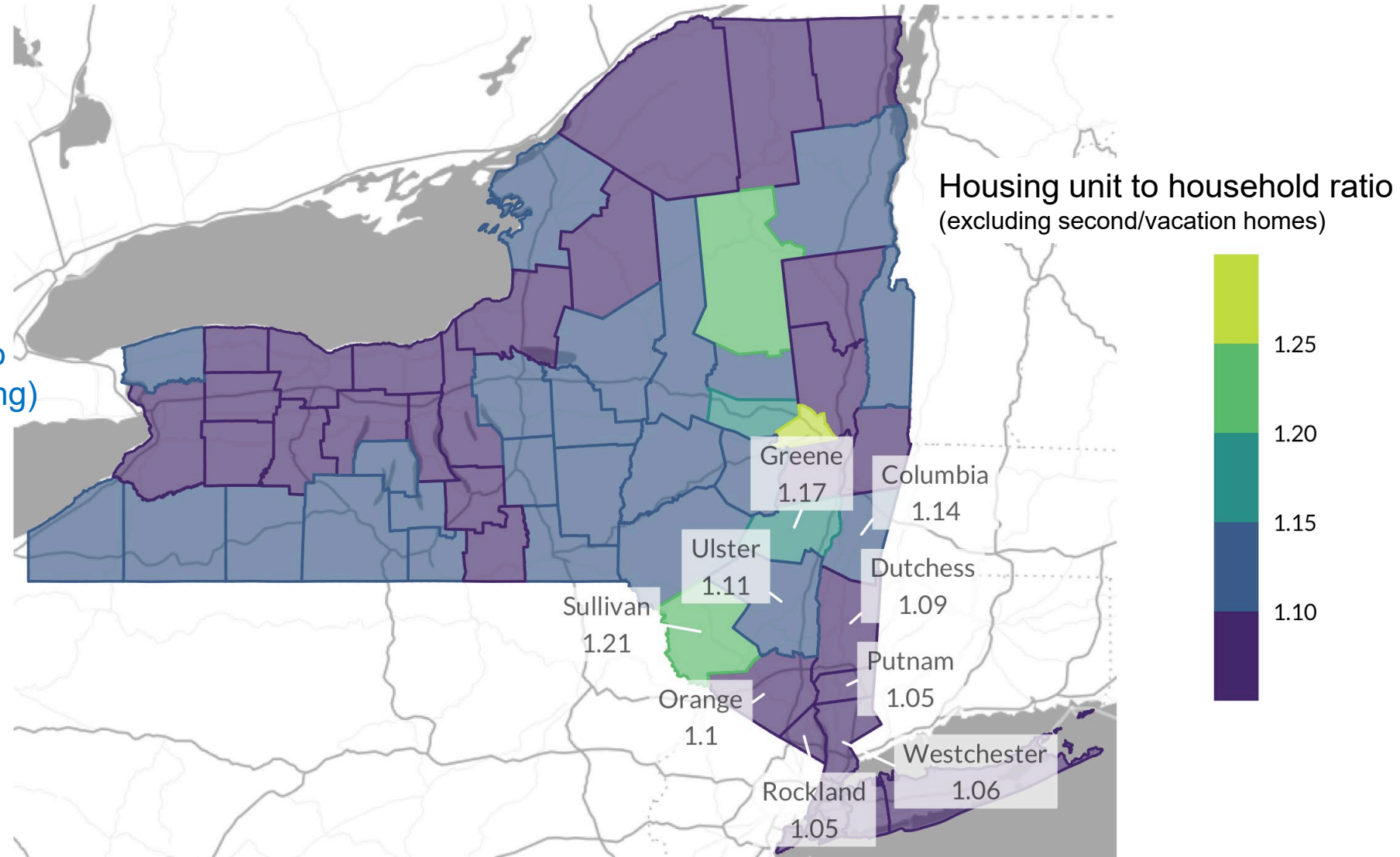


Source: Census ACS 2010 and 2019

# Second and Vacation Homes Limit Inventory

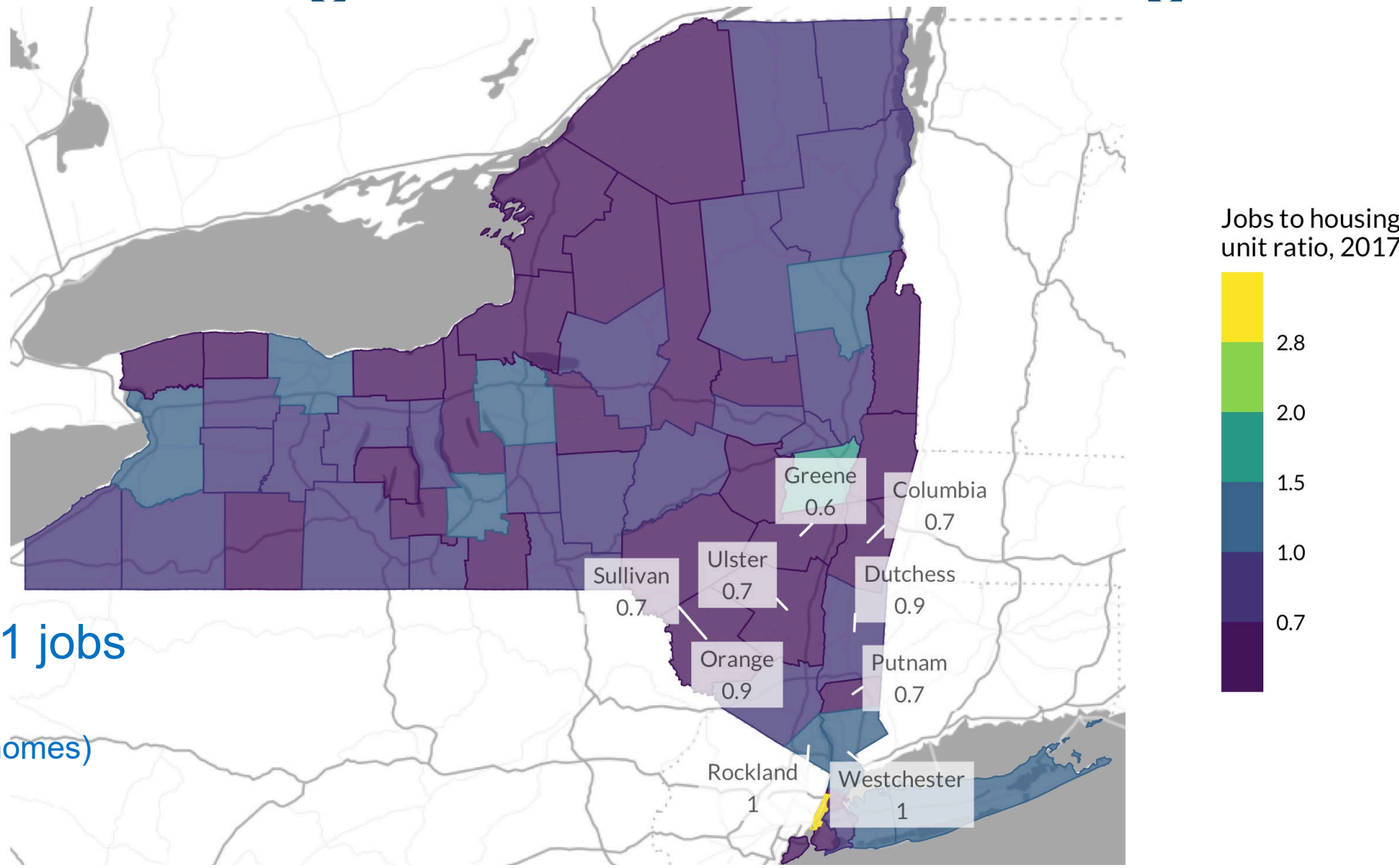
Statewide there are 1.09 units per household

(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)

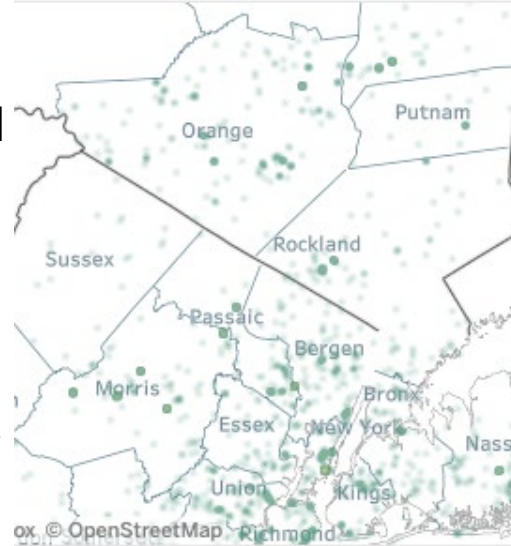
Source: Census ACS 2018 5-year, OntheMap/LODES



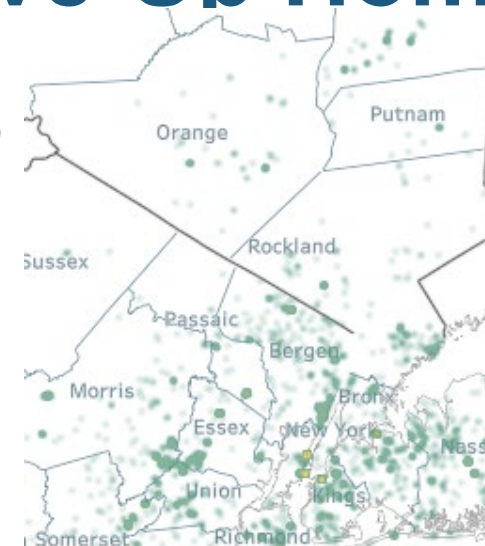
# **Affordability in the Hudson Valley**

# Share of New Starter and Move-Up Homes Declining

2012  
Entry Level



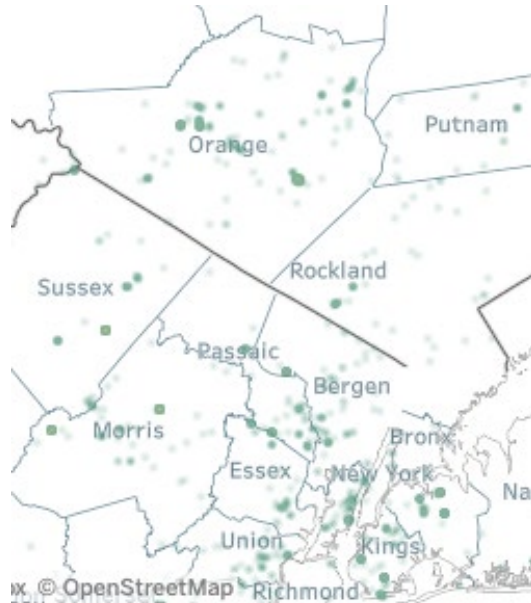
2012  
Move-up



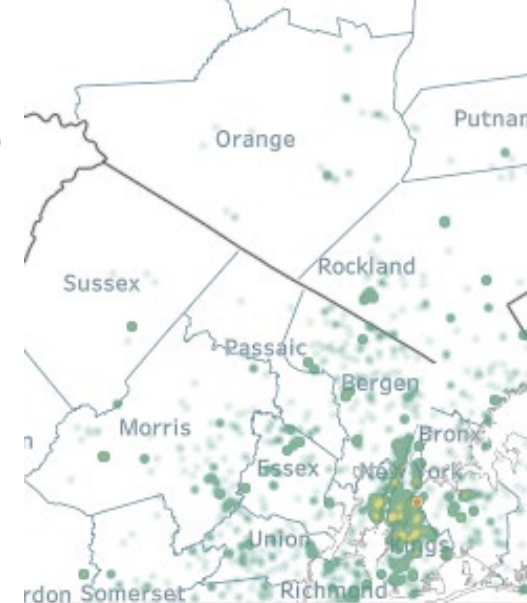
3% of Sales in Westchester  
8% of Sales in Orange

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

2019  
Entry Level



2019  
Move-up



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

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

Source: AEI

# Rent Affordability Challenging Across Hudson Valley

	2 Bedroom Average Rent	Hourly Wage Required to Afford Rent	Average renter hourly wage	Monthly gap in rent assuming 1 income earner	Monthly gap in rent assuming 2 income earners
Columbia	\$ 1,625	\$ 34.72	10.68	\$ (1,125)	\$ (625)
Dutchess	\$ 2,301	\$ 49.17	13.64	\$ (1,663)	\$ (1,024)
Orange	\$ 1,675	\$ 35.79	11.58	\$ (1,133)	\$ (591)
Rockland	\$ 2,407	\$ 51.43	11.53	\$ (1,867)	\$ (1,328)
Ulster	\$ 1,538	\$ 32.86	10.81	\$ (1,032)	\$ (526)
Westchester	\$ 2,330	\$ 49.79	19.27	\$ (1,428)	\$ (526)

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

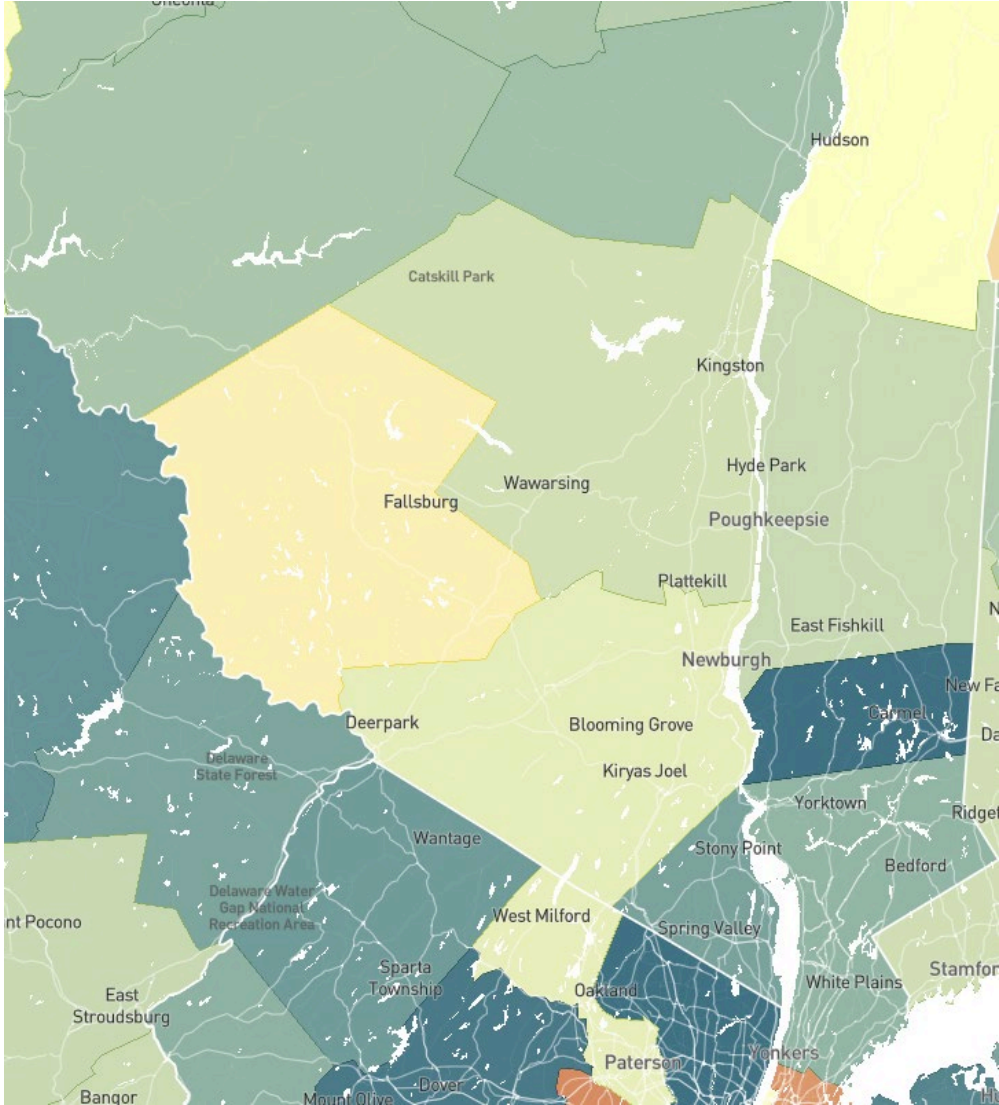
Source: CoStar, Pattern for Progress, HUD



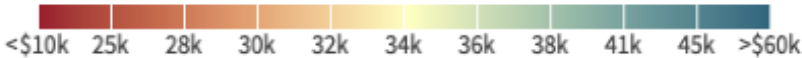
# **Housing and Economic Opportunity**



# 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

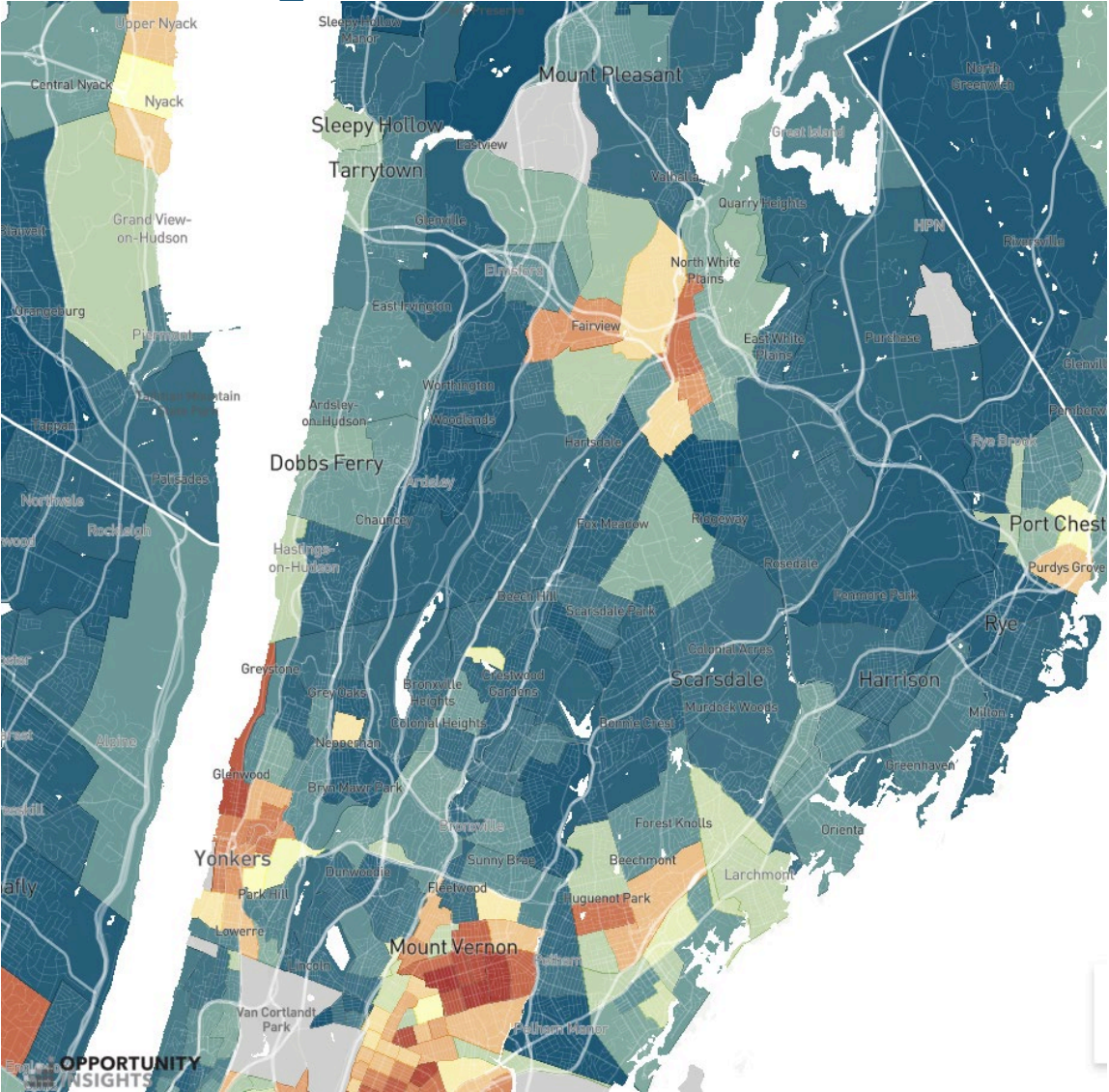


Source: Opportunity Insights





# Hudson Valley Has Vast Differences in Mobility

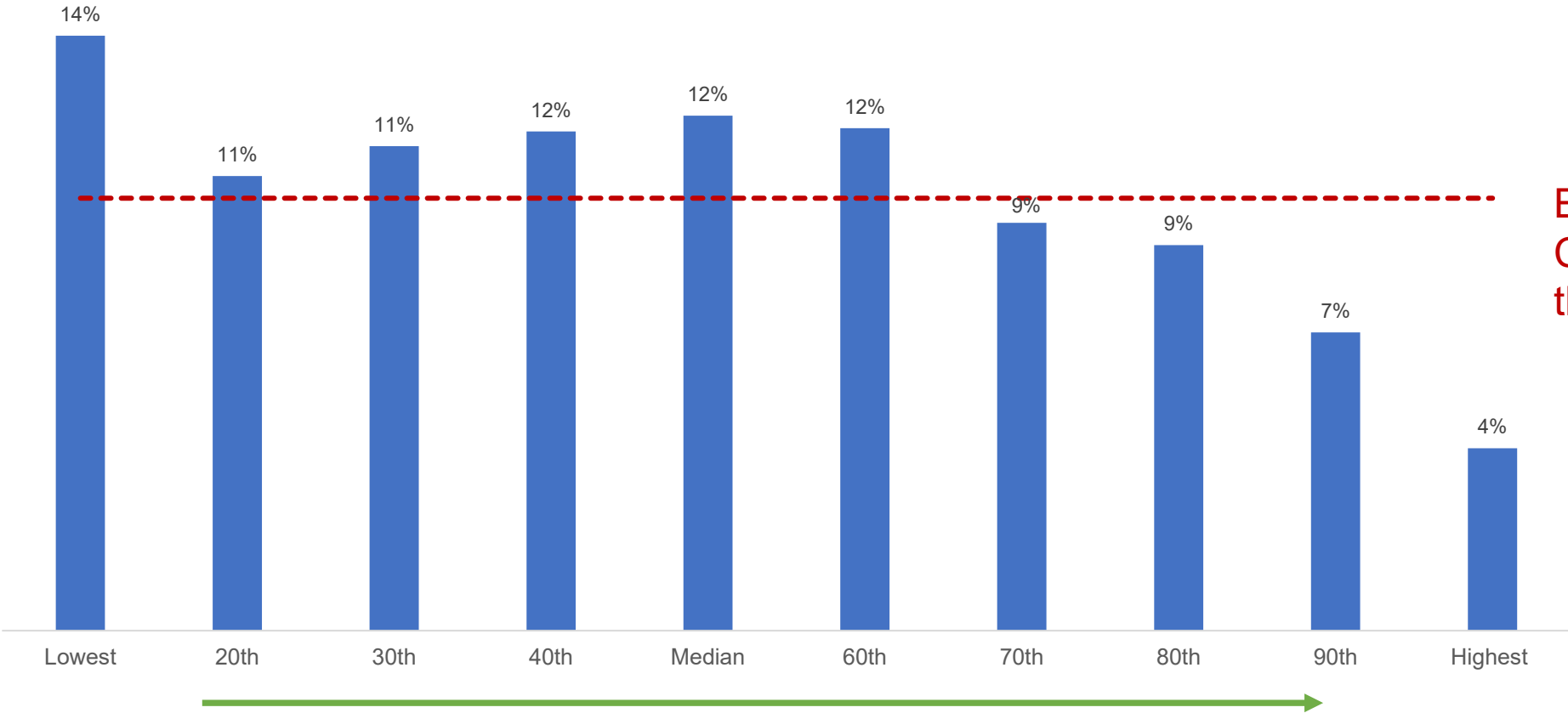


Children growing up in households where their parents earned \$25k a year grow up to earn less in some neighborhoods than their parents, and more than double in other neighborhoods

Source: Opportunity Insights

# More Housing Built in Areas of Low Opportunity in NY

Share of Housing Units Built from 2010 to 2020



Each Bar is 10% of Census Tracts in the state

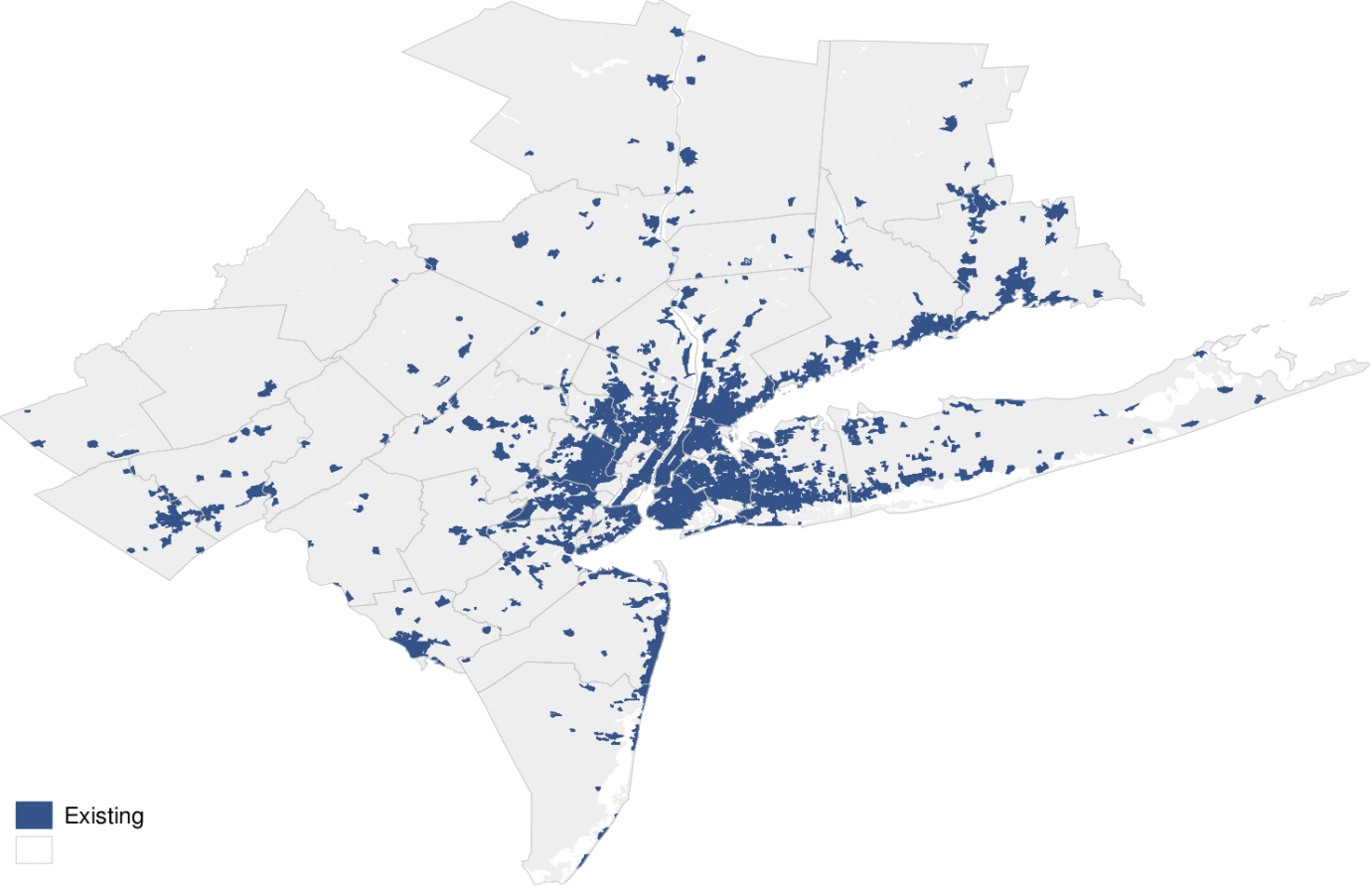
Economic Opportunity

# **Implications and Paradigms for Growth**



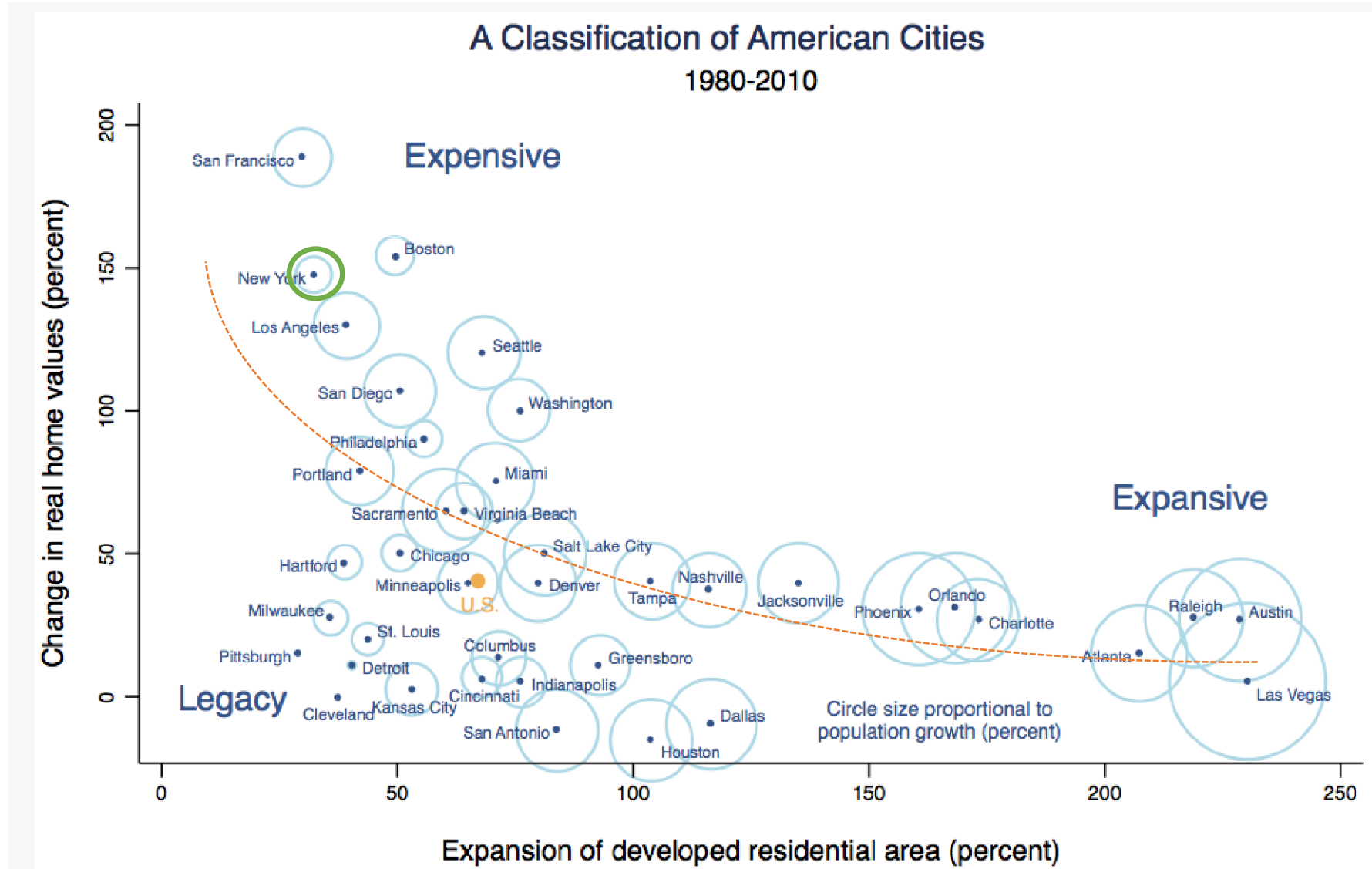
# Developed Residential Area Growth in New York Metro

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?



Source: Build Zoom

# **Strategies to Advance Accessible Growth**



# Cost Burdening and Transportation Costs



**32.8%**

of income

Average US household spent  
\$20,091 on housing in 2018



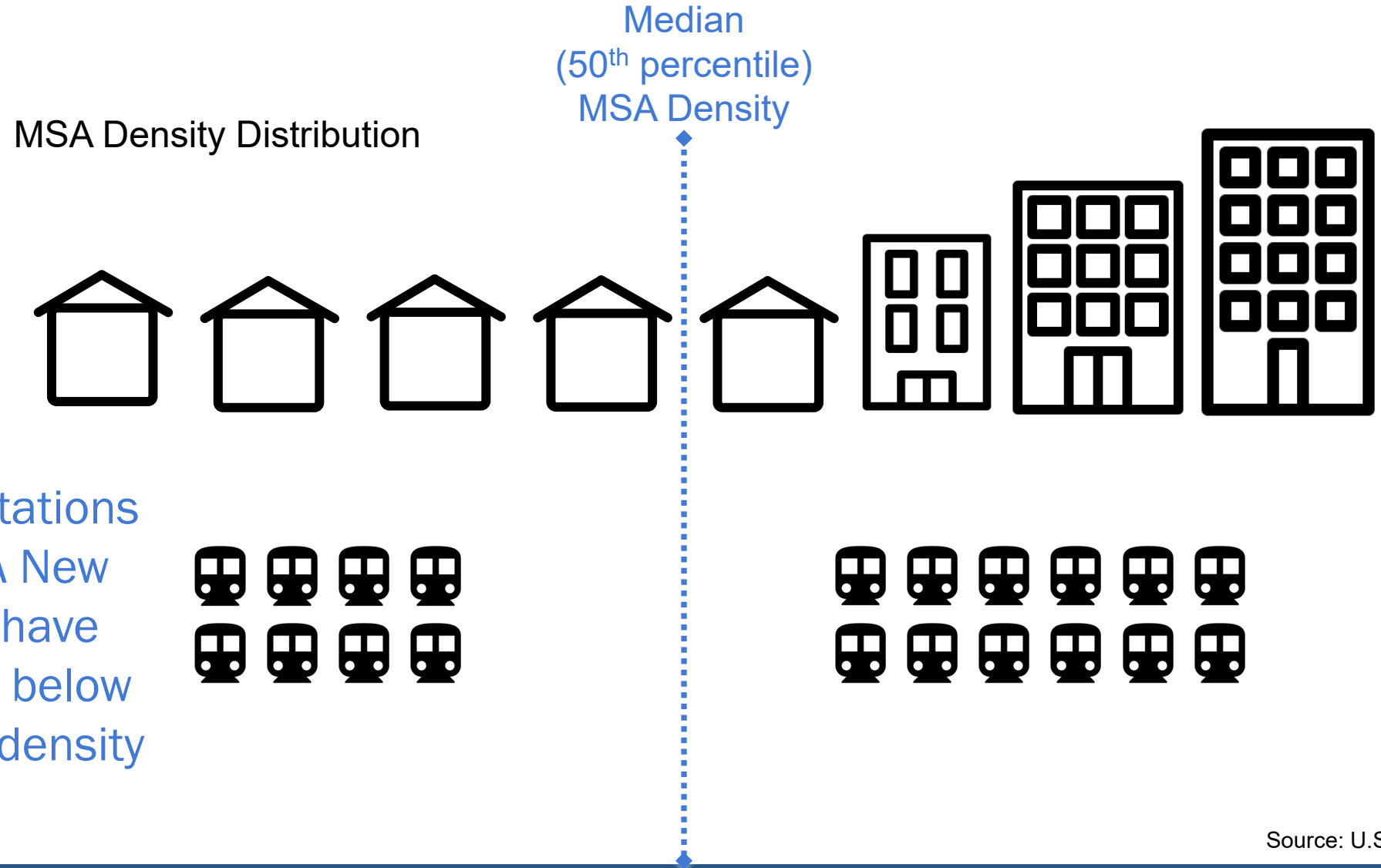
**15.9%**

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





# Missing Middle



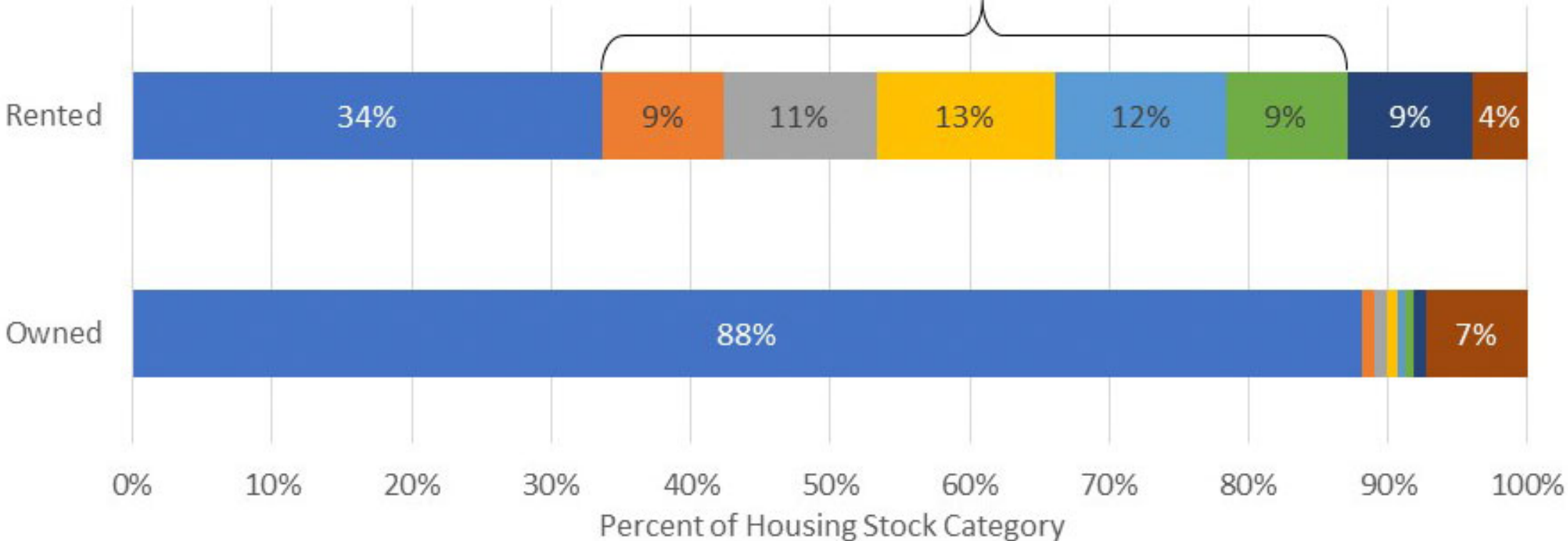
MissingMiddleHousing.com is powered by Opticos Design.  
Illustration © 2015 Opticos Design, Inc.



Source: Enterprise Community Partners

# Missing Middle Distribution Nationally

SMMF Rentals are 54% of All Rental Units

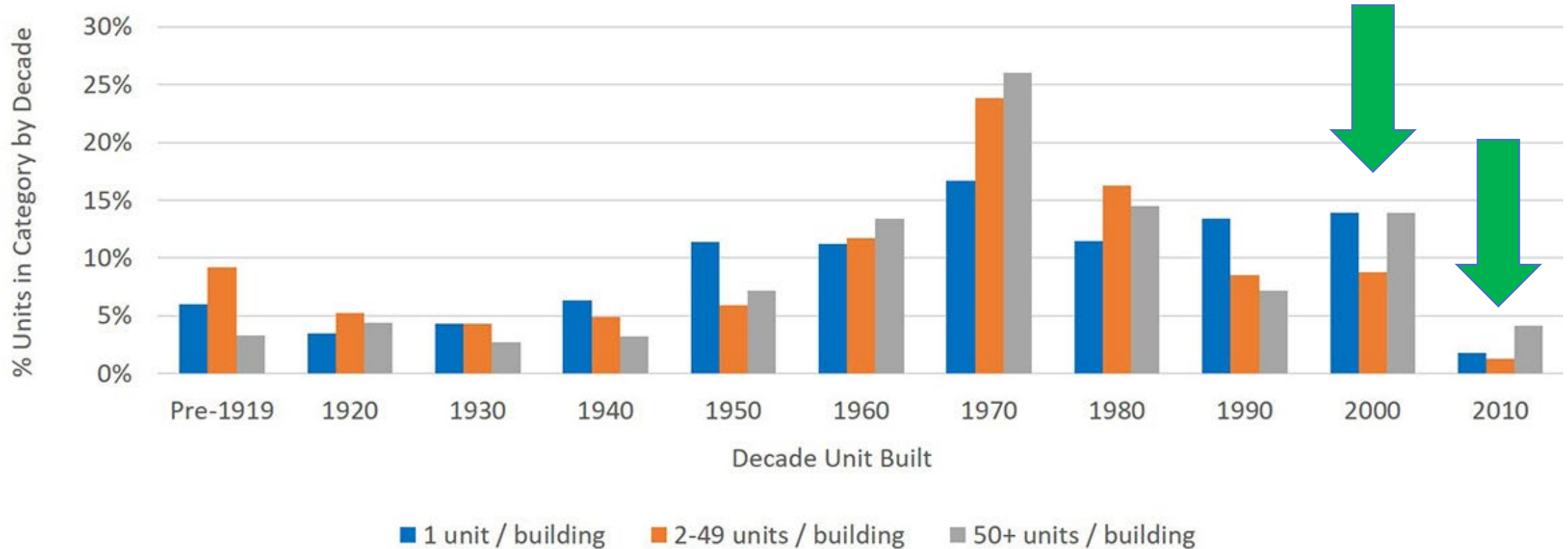


Units: ■ 1 ■ 2 ■ 3-4 ■ 5-9 ■ 10-19 ■ 20-49 ■ 50+ ■ Mobile Home

Source: Enterprise Community Partners



# Where Has the Missing Middle Gone?



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



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