Long Island’s Rental Housing Crisis
This report was prepared by Regional Plan Association as part of the Long Island Affordable and Fair Housing Initiative Advisory Group convened by the Long Island Community Foundation and made possible by a generous grant from the Ford Foundation.

Regional Plan Association
Regional Plan Association is America’s oldest and most distinguished independent urban research and advocacy organization. RPA works to improve the economic competitiveness, infrastructure, sustainability and quality of life of the New York-New Jersey-Connecticut metropolitan region. A cornerstone of our work is the development of long-range plans and policies to guide the growth of the region. Through our America 2050 program, RPA also provides leadership in the Northeast and across the U.S. on a broad range of transportation and economic-development issues. RPA enjoys broad support from the business, philanthropic, civic and planning communities. For more information, please visit www.rpa.org.

Long Island Community Foundation
The Long Island Community Foundation is the Island’s community foundation, making grants to improve the region and helping donors with their philanthropy since 1978. LICF staff identify current and future community needs, strengthen the Island’s nonprofit sector, encourage philanthropy, and, with generous donors, build a permanent endowment to address these needs. LICF has made more than $130 million in grants from hundreds of funds established by individuals, families, and businesses. LICF is a division of The New York Community Trust, one of the country’s oldest and largest community foundations. For more information, please visit www.licf.org.

Ford Foundation
The Ford Foundation’s Metropolitan Opportunity Unit is working across the United States to support efforts that reach beyond individual neighborhoods and cities to connect residents with opportunities in their broader metropolitan economies. We support organizations that pursue integrated approaches to housing, land use and environmental planning, public transportation and community infrastructure, and aligned workforce opportunities. Our work promotes smarter public policy and planning, and links regional efforts to build economic growth and competitiveness over the long term with emerging national efforts to coordinate funding streams among cabinet agencies. This approach advances a new vision of smart, regional development that integrates key elements of metropolitan life to build strong and sustainable communities. For more information, please visit www.fordfoundation.org

Contents
Summary .................................................. 3
A Strong Economy Has Housing Choices for Everyone .................. 4
Housing Is More Expensive – for Everyone ......................... 5
Affordable Rental Options Are Scarce .................................. 6
A Lack of Affordable Rentals Damages the Economy and Distorts Life Decisions ........................................... 7
Not Enough New Apartments Are Being Built in the Right Locations .................................................. 8
What Will Happen if We Don’t Build More Affordable Rental Housing? ........................................... 10
What Can We Do? .............................................. 11

Project Manager
Sharon Mullon

Affordable and Fair Housing Initiative Advisory Group
AARP, Will Stoner
Adelphi University, Andy Safyer
CDC of Long Island, Marianne Garvin
Catholic Charities, Jay Korth
CML Consultant, Connie Lassandro
Community Advocates, Marge Rogatz
D&B Consulting Engineers, Ann Fangmann
ERASE Racism, Elaine Gross
Kimmel Housing, Patti Bourne
Long Island Builders Institute, Mitch Pally
Long Island Council of Churches, Tom Goodhue
Long Island Housing Partnership, Peter Elkowitz,
Long Island Housing Services, Michelle Santantonio
Long Island Regional Planning Council, Cara Longworth
Morgo Public Private Strategies, Jim Morgo
Rauch Foundation, John McNally
Regional Plan Association, Chris Jones
TD Bank, Jennifer Waters
Urban League Young Professionals, Jason Lee
Village of Patchogue, Mayor Paul Pontieri
Vision Long Island, Eric Alexander

Long Island Community Foundation
David Okorn
Sol Marie Alfonso-Jones
Summary

America’s first suburb has gone from being one of the most affordable places to raise a family to one of the least. For half a century, Nassau and Suffolk rode a wave of national trends to lead the U.S. in suburban growth and prosperity. From the first Levittown houses in 1947 to the McMansions of today, Long Island built hundreds of thousands of single-family homes. These homes, growing ever bigger and farther apart, allowed Long Island to grow with the times.

First came GIs returning from World War II, looking to own a home in the suburbs. Federal housing and highway policies encouraged this migration, but also aided local zoning and private real estate practices that segregated communities by race. The huge “baby boom” population born between 1946 and 1964, pushed up demand for more and larger homes as families grew, as they entered middle age, and as their incomes rose. Homeownership was the bedrock of family security and community stability. Jobs followed people, and the Island’s economy soared.

Nassau and Suffolk now face a new reality. The trends that favored Long Island in the past have now turned against it. The first baby boomers turned 65 in 2011, and more of them will be looking to sell their homes and move into smaller houses, condominiums or rental apartments. Their children, mostly now in their 20s and early 30s, are marrying later, having smaller families and showing more interest in downtown living and renting. Long Island’s segregated housing pattern has resulted in severe disparities in access to opportunity for minority communities, and is also at odds with the needs of this increasingly diverse generation.

Jobs are going to where this new generation wants to live. The recent collapse of the housing market could swing the pendulum even more toward renting. Millions have seen the value of the home plummet, or have been unable to sell their home when they needed to move.

More than any other part of the New York region, Long Island is ill-prepared for this change. It has far fewer rental homes, and is building the fewest townhouses and apartments. Hurricane Sandy revealed how scarce rental apartments are as thousands of suddenly homeless residents had nowhere to go.

“...In the coming decade, the demand for rental housing will dramatically surge to reflect changing demographics, economic conditions, and housing preferences. The effect of this demand will be strongest in the high-cost metropolitan areas of the United States.”

— J. Ronald Terwilliger, from America’s Housing Policy — the Missing Piece: Affordable Workforce Rentals, Urban Land Institute

The shortage of affordable rental homes is already straining Long Island’s economy, and will make it much harder to compete for jobs in the years ahead.

► Long Island’s 4.3% rental vacancy rate means that there are fewer available rental homes than in any other suburban area in the New York region. On average, the Hudson Valley, northern New Jersey and southwestern Connecticut have two-and-a-half times the number of available rental homes per household than Long Island, making it difficult for Nassau and Suffolk to attract skilled workers and young professionals.

► 56% of renters pay more than 30% of their income for housing as rents have increased much faster than incomes. Adjusted for inflation, rents increased by 17% since 2000 even as incomes declined by 2%.

► 64% of Long Island renters cannot afford a typical two-bedroom apartment. The average middle-income worker, such as an electrician, computer support specialist or licensed practical nurse, doesn’t earn enough to afford these rentals comfortably. If these workers move elsewhere, many of the businesses that need them will follow.

► 55% of 20-to-34 year-olds live with their parents or other older relatives. 248,000 young adults live with parents or older relatives, as higher rents and fewer job opportunities have driven this share of 20-34 year-olds up from 44% in 2000 to 55% in 2010.

► Over a quarter of all the rental homes on Long Island are concentrated in 10 communities. Rentals make up 21% of all homes on Long Island, but most Long Island communities have much less than that. That means that renters must often live far from their jobs or good schools, and that the burden of creating new rentals is falling on too few places.

► Every 100 new units of rental housing generates 32 local jobs, $2.3 million in income and $395,000 in tax revenue annually. Just as single-family home construction has created jobs and income in the past, building new rental homes can be an important pillar for Long Island’s economy in the future.

► Actions should be taken at all levels of government to create new homes that both meet community needs and relieve the rental housing crisis. State and federal leaders should change incentives for municipalities. County leaders need to provide direction and assistance. Town and village leaders can apply lessons from a growing number of places that have successfully incorporated new rental homes into their communities.
A Strong Economy Has Housing Choices for Everyone

Long Island is no longer just a bedroom community for Manhattan. As its population and economy have grown, the Island has needed to accommodate workers and families with a wider range of needs. Most residents now live and work on Long Island. With 2.8 million people and 1.2 million jobs, its economy depends on industries as diverse as tourism and medical research.

For this economy to work, its communities need to provide decent housing choices for everyone from the lowest-paid restaurant worker to the highest-paid professionals. And to maintain a sense of community, these housing choices have to provide for the changing lifestyles of young and old, long-time residents and newer immigrants, a rapidly growing number of single households and families of all sizes.

Nassau and Suffolk were developed for those who wanted to own a single-family home. And single-family neighborhoods will continue to be where most Long Island residents live.

But an increasing number of Long Islanders want and need something very different. Many young adults prefer to rent an apartment until they settle down with families. They are marrying later and having fewer children. Many want to have the freedom to change communities – sometimes several times – without having to buy and sell a house. There are more retirees every year, and many want to rid themselves of the stress and expense of home ownership. As they age, an increasing number of elderly and people with disabilities will need to live in assisted living facilities.

For these Long Islanders, and for those who do not have the resources for a down payment (a group that includes many middle-class families), rental housing is critical. And yet rental homes on Long Island are very scarce and expensive.

This lack of choice can disrupt the life cycle of individuals and families. Many young adults need to move off the Island or delay living independently or starting a family. Older adults may be stuck in a home that they no longer want or can afford. People who lose or change jobs, go through a divorce or face foreclosure often have nowhere to go. Renting is also often a preferred choice regardless of age for increasing numbers of singles, childless couples, single-parent families and others.

A generation ago, more than half of all Long Island households consisted of families with children; today, only a third of all households do.

Meanwhile, the number of households with just one person tripled from 1970 to 2010. Later marriage, smaller families and an aging population are some of the reasons for these changes. Together they point to the need for both smaller homes and more rental homes.

Veterans raise the flag at Apex housing, which combines affordable rental housing and supported living in Westbury.

Kimmel Housing Development Foundation-Apex I

Long Island renters come in all ages, races, occupations and incomes.

• 428,000 residents of Nassau and Suffolk live in rental homes.
• More than a third of them rent a single-family house.
• Renters work in a diverse range of occupations and industries, with 28% in management and professional occupations and 25% in sales and administrative jobs.
• 86% of employed renters work in Nassau and Suffolk, compared with 76% of employed owners.
• On average, renters are younger than owners, but nearly half are over the age of 35.
• Renters are more racially and ethnically diverse—47% white, 30% Hispanic, 16% black and 6% Asian.
• Renters’ median income is $46,900 per year, less than half of those who own their home.
• 30% pay more than half their income for rent and other housing costs.
• Nearly one in five does not own a car.
Housing Is More Expensive – for Everyone

Housing has become significantly more expensive for nearly everyone in the last decade. Home prices and rents are sky-high despite the bursting of the housing bubble, property taxes have increased, and over the last four years incomes have shrunk as unemployment rose and wages dropped during the recession. All told, these changes have led to probably the most rapid increase in the cost of housing, relative to income, since World War II for both owners and renters alike.

Housing is typically considered “affordable” if households spend less than 30% of their income on housing costs, including utilities. As housing costs have risen, some consider 35% of income to be a more realistic measure. By this calculation, nearly 4 in 10 Long Island households suffer from a high housing-cost burden, putting them at risk of having trouble paying for other essential things like transportation, health care, food and clothing.

Nearly 4 in 10 Long Island households today spend 35% of their income on housing costs – up from less than 3 in 10 in 2000. Even middle-income households are strained by high housing costs.

Share of Long Island households that spend 35% or more of their income on housing

<table>
<thead>
<tr>
<th>Income Level</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>88%</td>
<td>80%</td>
</tr>
<tr>
<td>$20,000 to $34,999</td>
<td>80%</td>
<td>63%</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>63%</td>
<td>50%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>50%</td>
<td>34%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>11%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: 2000 U.S. Census and 2010 American Community Survey (one-year estimates)

Annual surveys reveal that the share of Long Island residents who have difficulty paying the rent or mortgage has increased in recent years, and represented 58% in 2012.

In an average month, how difficult is it for you and your family living with you to pay the rent or mortgage?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Difficult</td>
<td>61%</td>
<td>58%</td>
<td>50%</td>
<td>48%</td>
<td>54%</td>
<td>54%</td>
<td>50%</td>
<td>58%</td>
<td>58%</td>
</tr>
<tr>
<td>Somewhat Difficult</td>
<td>47%</td>
<td>54%</td>
<td>58%</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
<td>50%</td>
<td>58%</td>
<td>58%</td>
</tr>
<tr>
<td>Somewhat Difficult</td>
<td>35%</td>
<td>47%</td>
<td>54%</td>
<td>58%</td>
<td>54%</td>
<td>54%</td>
<td>50%</td>
<td>58%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: Long Island Index

The average Long Island household spends 23% of its income on transportation costs.

A complete measure of housing costs should take into account the costs of getting to and from a home, not just its price, as transportation costs are typically a household’s second-biggest expense. Homes that are far from jobs, shopping and services require higher costs for gas, as well as car payments and insurance since they generally require owning more cars than homes near transit.
Affordable Rental Options Are Scarce

Trying to rent a home on Long Island is much more difficult than it is in other places, even other suburban regions. There are few apartments or houses to rent to start with. Of these, very few are vacant and on the market. And those that are available are expensive for the average person looking to rent.

Only one in five homes on Long Island is rented – 50% less than in other suburbs around New York City.

<table>
<thead>
<tr>
<th>Region</th>
<th>Renter-occupied units, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Island</td>
<td>21%</td>
</tr>
<tr>
<td>Southwest Connecticut</td>
<td>33%</td>
</tr>
<tr>
<td>Hudson Valley</td>
<td>34%</td>
</tr>
<tr>
<td>North New Jersey</td>
<td>37%</td>
</tr>
<tr>
<td>New York City</td>
<td>69%</td>
</tr>
<tr>
<td>NY Region (excl. NYC)</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: 2011 American Community Survey (one-year estimate)

Only 4% of all rental units are available to be rented – that means fewer apartments are available than in other suburban areas.

Rental vacancy rate, 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Island</td>
<td>4.2%</td>
</tr>
<tr>
<td>Southwest Connecticut</td>
<td>7.9%</td>
</tr>
<tr>
<td>Hudson Valley</td>
<td>5.9%</td>
</tr>
<tr>
<td>North New Jersey</td>
<td>7.1%</td>
</tr>
<tr>
<td>New York City</td>
<td>4%</td>
</tr>
<tr>
<td>NY Region (excl. NYC)</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Source: 2011 American Community Survey (1-year estimate)

Other suburban areas of the New York region have two-and-a-half times the number of available rental apartments per household as Long Island.

The low number of rental units on Long Island, combined with its low vacancy rate, means that there are far fewer available apartments than in other parts of the New York region. In the other suburbs of New York City, there is one vacant rental home for every 42 households, ranging from one for every 35 households in northern New Jersey and southwestern Connecticut to one for every 46 households in the Hudson Valley. By contrast, there is one available rental for every 107 households on Long Island.

Rents have stayed high, even as incomes declined with the recession.

The average rent in 2011 was $1,489, about the same as it was in 2008 after accounting for inflation. Over those same three years, incomes have declined by 7%, making it harder for many to keep up with monthly payments.

Going back farther, to 2000 shows the same pattern. Adjusted for inflation, rent increased by 17% between 2000 and 2011. Over the same period, the average income declined by 2%. In the first part of the decade, rents increased as apartments remained scarce, even though income growth was sluggish. After the recession hit, incomes declined sharply, along with housing prices. But rents only declined slightly as more people looked to rent in the weak housing market.

Avalon Rockville Center was designed to attract both younger tenants who commute to New York City and empty nesters from nearby communities.
A Lack of Affordable Rentals Damages the Economy and Distorts Life Decisions

In today’s economy, regions that are able to attract and retain a diverse and talented workforce will be most successful in growing high-wage, innovative companies that will create opportunity in industries ranging from high-tech manufacturing to health care to research and higher education. A high-income economy also needs grocery stores, restaurants, auto repair shops, elementary schools, day care centers, home health care, landscaping, and all the people who work in these service areas. The rebuilding of Long Island after Superstorm Sandy, for example, depends on electricians, carpenters, plumbers and other laborers. Yet few rental homes are available to people in those jobs.

64% of Long Island renters cannot afford an average two-bedroom rental apartment.

The average two-bedroom apartment on Long Island rents for approximately $1,600. A household spending no more than 30% of its income on housing expenses needs to earn more than $63,300 a year to afford that typical two-bedroom. Only 1 in 3 renters on Long Island earn more than that.

From electricians and carpenters to nurses and secretaries, a wide range of professions earn less than what is needed for a two-bedroom apartment.

The average auto mechanic or school bus driver makes less than two-thirds of what is needed to afford what is considered to be a fair market rent for a typical two-bedroom apartment. Other occupations in which people struggle to pay average rents include carpenters, electricians, machinists, graphic designers, computer support specialists, real estate agents, mail carriers, landscaping workers, nurses, secretaries and social workers.

Thousands of Long Islanders live in illegal apartments because of the lack of legal rental units.

There is widespread acknowledgment that there are thousands of people who live illegally in basement and garage apartments, subdivided homes and other living quarters throughout Nassau and Suffolk. There is no good estimate of the number of these apartments. In 1989, the Long Island Regional Planning Board estimated that 90,000 illegal apartments were created in the 1980s alone. And it is certain that many more have been created since then as population has increased even as the number of new legal rental homes has lagged.1

While filling a critical need, illegal apartments can lead to unsafe and overcrowded conditions, and make it more difficult for communities to plan for services and infrastructure. As noted in a 2006 report by Community Advocates, Inc., turning these apartments into lawful accessory dwelling units could bring a number of benefits, including making more effective and safer use of the existing housing stock and providing social and personal support for older homeowners.2


1 Restricting Illegal Apartments, New York Times, September 24, 1989
2 Community Advocates, Inc. Accessory Housing: Report and Guide to Successful Programs, August 2006
Not Enough New Apartments Are Being Built in the Right Locations

One of the reasons for Long Island’s housing affordability crisis stems from the fact that so little housing has been built on the Island in the last decade. The region’s history of low-density development has meant that easily developable land is now essentially gone and that many communities’ zoning regulations prevent the construction of houses on small lots, townhouses, or small apartment buildings – even in downtowns. Until the supply of housing is eased, however, prices will remain high.

Long Island built only half as much new housing as its neighbors in the last decade, and little of it was in townhouses or apartment buildings.

Housing Permits issued per 1,000 residents, 2000 – 2011

Source: U.S. Census Bureau Building Permits Survey

Rental homes are concentrated in relatively few communities. Out of 292 communities, as defined by U.S. Census Bureau, only 37 have more than 30% of their households living in rental homes. More than a third have fewer than 10% rental homes. Only five have more than 50% rental homes—the villages of Manorhaven, Hempstead, Greenport and Patchogue, and the area near Stony Brook University. Looked at another way, over a quarter of all the rental homes on Long Island are concentrated in just 10 places—Hempstead, Long Beach, Coram, Freeport, Glen Cove, Bay Shore, Brentwood, Huntington Station, West Babylon and Central Islip.

Most rental homes receive no government subsidies and have market-rate rents.

About 4% of all housing on Long Island has below-market rents that are regulated by federal or state laws or programs. Three-quarters of rental homes are market-rate housing in which the householder pays whatever the market will bear.

Market-rate and subsidized or rent-stabilized homes

Source: American Community Survey 2011 (5-year estimates).
About 41,000 rental homes on Long Island receive some form of federal or state subsidy or have below-market rents. These include apartments in multifamily buildings in which owners cap the rents in return for government funding that reduces the costs of construction. It also includes apartments for which municipal agencies and non-profit organizations use funding from the U.S. Department of Housing and Urban Development to pay a portion of the rent for a low-income individual or family. Also included are public housing and units in older, multifamily buildings whose rents are subject to New York State’s rent stabilization law. Much of this housing comes with income, age, resident and other restrictions.

Subsidized homes are concentrated in communities with high proportions of racial and ethnic minorities and low-income households.

While the share of all types of subsidized or rent-regulated housing, including households that receive vouchers for reduced rents, are not available at the village level, the share by town and city shows a wide range. The cities of Glen Cove and Long Beach and towns like Hempstead and Riverhead with the highest concentrations of subsidized housing also have communities with a larger number of low-income and minority residents.

Rent-regulated housing units as a share of total households for Long Island’s 13 towns and 2 cities (village data unavailable)

<table>
<thead>
<tr>
<th>Town</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Babylon</td>
<td>3.3%</td>
</tr>
<tr>
<td>Brookhaven</td>
<td>3.4%</td>
</tr>
<tr>
<td>East Hampton</td>
<td>4.2%</td>
</tr>
<tr>
<td>Glen Cove</td>
<td>9.0%</td>
</tr>
<tr>
<td>Hempstead</td>
<td>7.2%</td>
</tr>
<tr>
<td>Huntington</td>
<td>1.8%</td>
</tr>
<tr>
<td>Islip</td>
<td>3.2%</td>
</tr>
<tr>
<td>Long Beach</td>
<td>11.0%</td>
</tr>
<tr>
<td>North Hempstead</td>
<td>5.4%</td>
</tr>
<tr>
<td>Oyster Bay</td>
<td>1.3%</td>
</tr>
<tr>
<td>Riverhead</td>
<td>9.2%</td>
</tr>
<tr>
<td>Shelter Island</td>
<td>0.4%</td>
</tr>
<tr>
<td>Smithtown</td>
<td>1.3%</td>
</tr>
<tr>
<td>Southampton</td>
<td>1.9%</td>
</tr>
<tr>
<td>Southold</td>
<td>3.3%</td>
</tr>
</tbody>
</table>


...and the problem is only going to get worse as the number of younger and older adults increase.

Over the next three decades, the number of people in the age groups that have traditionally bought the largest homes will decrease. The largest growth will be in the older population, many of whom will want to downsize to smaller, more centrally located housing. Younger age groups will also increase, raising the demand for rental apartments in downtown locations.

Projected change in number of residents, 2010-2040

Across the U.S., experts are projecting a sharp increase in demand for rental housing.

These population trends and changes in housing preferences are leading housing experts to project a shift toward rental housing in the decades to come. The Joint Center for Housing Studies at Harvard University is projecting 3.6 million new renter households in the next decade, resulting from falling home-ownership rates, the large generation of so-called echo boomers -- the children of baby boomers -- entering the housing market and continued immigration. The Urban Land Institute projects that the echo boom generation will generate 11.3 million new renters in the next decade, with most going to large metropolitan areas like the New York region to “satisfy their zeal for career advancement, financial gain, and the amenities of an urban lifestyle.”

Construction is not keeping up with the demand for apartments in downtown areas...

A 2011 poll found that 31% of Long Island residents could imagine living in an apartment, condo, or townhouse in a local downtown area. Despite this positive attitude toward downtown apartment living, only 21% of Long Island’s population actually lives within a half-mile of downtown centers, and only a portion of these live in multifamily buildings.

3 Source: Long Island Index, Residential Satisfaction and Downtown Development Survey: The View from Long Island and the NY Metro Area, 2011.

4 Joint Center for Housing Studies of Harvard University, America’s Rental Housing: Meeting Challenges, Building on Opportunities, 2011.
5 Terwilliger, J. Ronald, America’s Housing Policy – the Missing Piece: Affordable Workforce Rentals, Terwilliger Center for Housing, Urban Land Institute, 2011.
What Will Happen if We Don’t Build More Affordable Rental Housing?

Without an increased number of rental homes, Long Island’s economy is likely to stagnate. Businesses depend on the availability of a workforce that ranges across ages and skill levels. Today’s young workers in their 20s and 30s who prefer to live in walkable neighborhoods with access to transit, and who rent before settling down with a family, find few housing options on Long Island. Similarly, workers in professions that pay low or average incomes have few choices on Long Island for homes that are affordable in communities with good schools and amenities.

For Long Island to compete for tomorrow’s workers, it will need to keep up with Westchester, New Jersey and Connecticut, as well as regions across the U.S., in providing affordable rental homes in vibrant downtowns. Without these options, companies that employ high-paying workers will look elsewhere. Without the tax revenues generated by these companies and new residents, everyone else’s property taxes are likely to go up.

By contrast, the upside of building more rental homes means more jobs, higher incomes and more tax revenues. According to one study by the National Association of Home Builders, building 100 units of rental housing will generate the following every year:

- $2.3 million in local income,
- $395,000 in taxes and other revenue for local governments, and
- 32 local jobs.

Homeowners will find it more difficult to sell their homes. Forecasters are predicting an oversupply of single-family homes nationwide. Three recent studies found large excess in the number of large lot homes in suburban America versus the number of people who will want to buy them, with one finding that there are 28 million too many large lot houses. This puts pressure on home values. On Long Island, more rental housing could reduce the imbalance. It could also induce more people to stay on the Island until they are ready to buy their first home.

Villages, towns and counties could be more vulnerable to lawsuits. In spite of its growing diversity, Long Island remains by many calculations one of the most segregated areas in the U.S. For example, a 2010 study by scholars at Brown and Florida State universities found that Nassau-Suffolk was the 7th most segregated region out of the 50 that they studied.

The lack of high quality schools, job opportunities and other assets in low-income communities deprives Long Island of human potential and skilled workers. It also leaves munici-

Parents, children and grandparents will live farther apart. Fewer options to rent in or near communities with other family members will result in more adult children living farther from parents and other family members. For younger adults, this can mean moving off Long Island even if they would otherwise choose to stay. For aging parents, it can lead to greater isolation from children and grandchildren. With Long Island’s senior population expanding rapidly, this issue of family separation is likely to become more acute in the years ahead.

We will miss an opportunity to improve communities across Long Island. By expanding choices of where to live, a more balanced housing market on Long Island would revitalize downtowns, reduce congestion on the roads and allow multiple generations to live near each other. Existing single-family neighborhoods could be stabilized with fewer illegal apartments and a broader tax base to support schools and services. There would be a stronger safety net in the event that disability, unemployment or foreclosure forces someone from their home, and creates the need to rent, either temporarily or permanently. Rather than fighting demographic and economic trends, Long Island could adapt to them while maintaining its distinct character and way of life.

Several villages and towns on Long Island have used well-designed rental housing to enliven their downtowns, eliminate blight and gaps in their community fabric, expand their tax base and provide needed housing choices for their citizens. Patchogue’s Artspace is a model for how mixed-income rental housing can aid a village revival. Mineola has developed multifamily housing, both rentals and condominiums, as part of a successful comprehensive master plan. Bay Shore, Westbury and other places have also expanded rental housing options in recent years. These communities provide models that other places will need to adopt if Long Island is to solve its rental housing crisis.

What Can We Do?

Long Island’s rental housing crisis can be solved, but only with courageous leadership from elected officials, community representatives, and business and civic leaders. This is starting to happen, but much more is needed. The region’s housing market is finally starting to heal from the damage of the nation’s worst recession since World War II. We can use this recovery to build a stronger economy with more affordable rental homes that respond to the needs of all Long Islanders, keeps our talented young people on the Island and attracts more high-paying jobs.

If we do it right, we can use well-designed new housing that reduces blight, revitalizes downtowns, strengthens existing neighborhoods, and expands opportunity with mixed-income, multi-racial communities. The type and amount of rental homes will need to vary with the context and needs of individual places, and community input is vital to insuring that all issues are fully considered. Rental housing can be small, medium and large scale downtown infill, live-work units, cottage-style housing, duplexes, artists lofts, apartments over stores and other creatively designed building types. Working within Long Island’s system of home rule and municipal control of land use, there are actions that can be taken at all levels of government that both meet community needs and relieve the Island’s rental housing crisis.

State and federal legislators and agencies create regulations and provide funding that can make it either easier or harder to build affordable rental homes and create places that will attract the next generation.

- State infrastructure, economic development and housing investments should be targeted to create attractive downtowns with affordable rental homes.
- Continued implementation of the NYS Smart Growth Public Infrastructure Act will help target state investments into town centers that can support multi-family rental homes.
- Full implementation of the NYS Complete Streets law with enhanced funding to provide pedestrian infrastructure will also help communities safely accommodate new more dense development.
- Funding for wastewater treatment for downtown areas should be increased. Long Island only receives 3% of state funding even though it has 17% of the state’s population.
- Outdated federal regulations that inhibit the development of multi-family housing in walkable, vibrant downtowns should be reformed. For example, limits on the amount of commercial development that can be built along with federally insured condominiums and rentals can actually inhibit housing development by making it difficult to finance the mixed-use projects that the market wants.

County leaders need to build on initiatives already underway to provide incentives and assistance for towns and villages to build more rental homes.

- To provide the land and capital needed to build more affordable homes, programs like Suffolk County’s Acquisition of Land for Workforce Housing and Infrastructure Improve-

ments for Workforce Housing Capital can be emulated and expanded. These local programs commit dollars to developers who build affordable housing, letting them construct housing that might not otherwise be built.

- To identify places where new rental housing can support community goals and encourage transit use, initiatives like Nassau County’s Infill Redevelopment Feasibility study can provide both technical assistance and county support to willing municipalities. This initiative, part of the broader New York-Connecticut Sustainable Communities initiative, represents a unique partnership of federal, county and local leadership.

- Both counties should specify the needs of rental housing for each town and village so that rental housing is distributed across all areas of the counties and not just in certain areas. Criteria should take into account existing scale and infrastructure, environmental considerations and the municipality’s current contribution to the county’s rental housing supply. A minimal amount of rental housing in each municipality should be required to qualify for discretionary county funding.

- County-funded sewer projects should mandate the inclusion of appropriately-scaled rental housing in areas served by the project.

Town and village leaders can apply lessons learned from a growing number of places, both on and off the Island, that have successfully incorporated new rental homes into their communities.

- All towns and villages should have a multi-family zoning code and some parcels that are zoned only for this purpose so that construction of such housing will be as of right.

- Local civic associations should be included early in any development process and be part of an ongoing dialogue to help design solutions that meet community needs. In Coram, one of many examples of good community engagement, there was a visioning process with local residents that led to a land use plan for the Middle Country Road corridor that was adopted by the Brookhaven Town Board. The Coram Civic Association was involved in the site plan and the architectural design, and also named the project.

- Zoning and other regulations in downtowns and near transit should be reviewed to insure that height restrictions, parking requirements, units per acre and other regulations don’t unnecessarily restrict the development of multi-family housing.

- Density bonuses also can provide a means of encouraging more affordable rental housing as part of any new development.

- Lawful accessory apartments should be permitted and encouraged, joining places such as the towns of Huntington, Islip, Babylon, and Brookhaven, which permit accessory units and at varying levels expand housing choice and improve unsafe and overcrowded conditions.