DRAFT
Long Island Regional Sustainability Plan
Housing Element

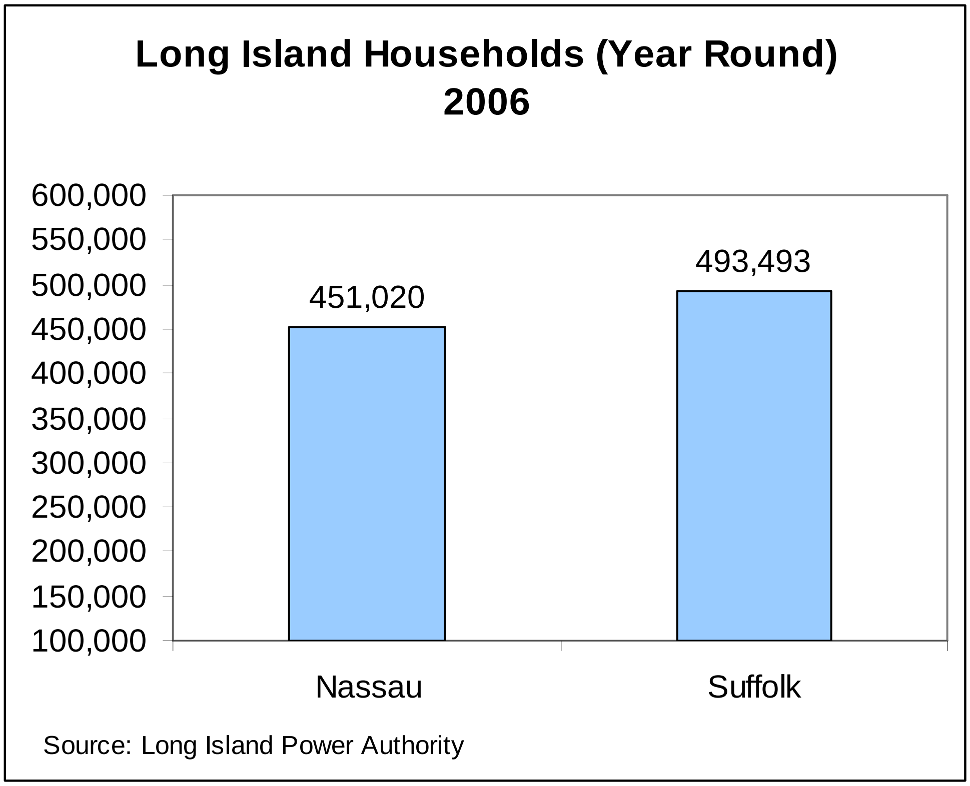
Introduction

A comprehensive regional housing plan is first and foremost an attempt to understand the dynamics of the entire housing market.

Various segments of the community will read a comprehensive housing plan with an interest toward how the plan addresses their primary concerns. Advocates for the poor will be concerned with the existing and future availability of decent housing at a rent that does not take an inordinate share of income from the poor. Others will want to ensure an adequate supply of group homes for the mentally ill or handicapped. Environmental advocates will be concerned with the extent of future development. The elderly want adequate housing to accommodate their reduced mobility. Young and middle-income people and families want to be able to afford home ownership and have housing choices. All of these concerns are connected and cannot be considered apart from one another.

Thus, the following provides the foundation elements for a regional comprehensive housing plan that considers supply factors, such as land availability, the numerical adequacy of the existing housing stock, projections of population and households, the dynamics of the housing market over time, indices of affordability and cost, existing governmental efforts in the area of housing, and a range of policy alternatives for the future.

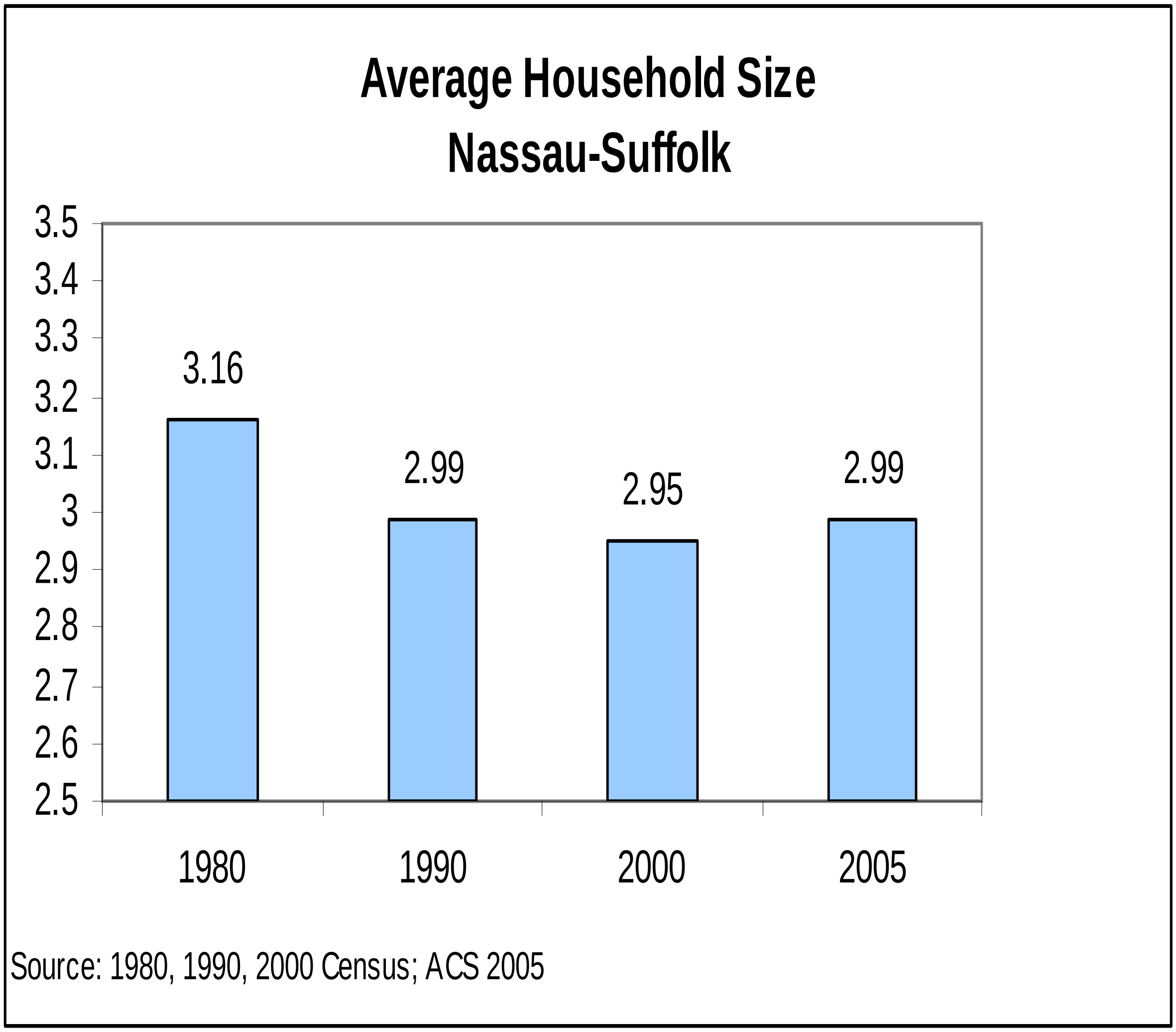
Population, Housing Inventory and Cost



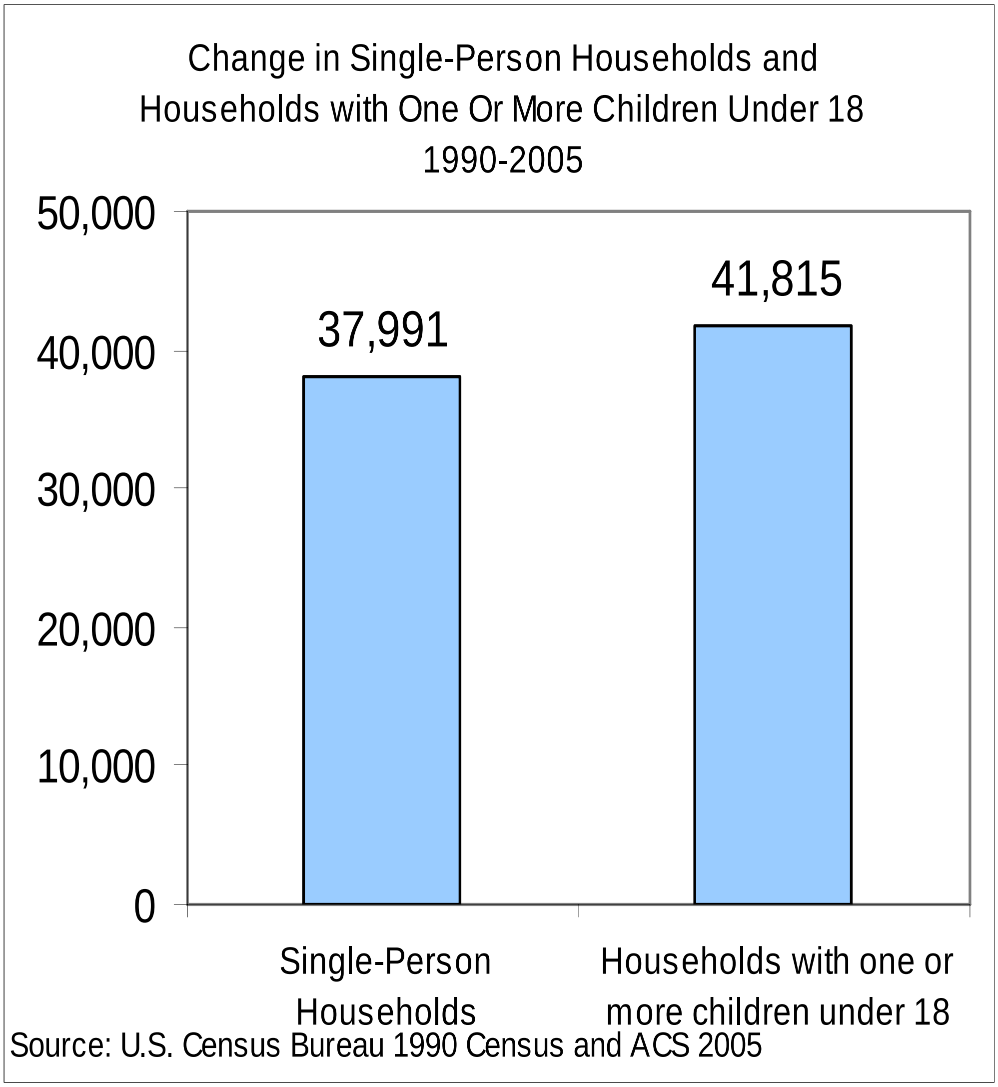
The 2006 population of the Long Island region totaled 2,847,357. This number included 2,791,579 people living in all households, inclusive of owner-occupied and rental units. This represents an increase of 94,212 over the 2000 census figure and comes to a total 944,513 year-round households. Suffolk county currently has 493,493 total year-round households, 42,473 more than Nassau, which has 451,020 total year-round households.

An estimated 55,778 persons were living in group quarters at the end of 2005. Group quarters are establishments that have substantial group accommodations, including certain health facilities, jails, and college dormitories. The State University of New York at Stony Brook campus in Brookhaven Town is now the largest single provider of group accommodations in the area. In the fall of 2005, Stony Brook recorded 8,630 dormitory residents.[1]

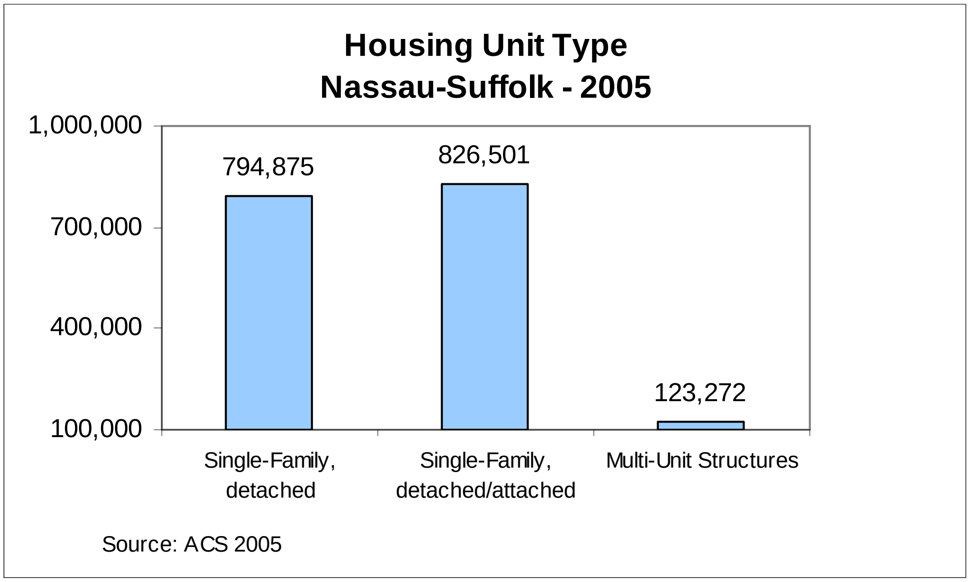
[1] *2006 Long Island Population Survey*, Long Island Power Authority, Uniondale, New York, December 2006, vi.



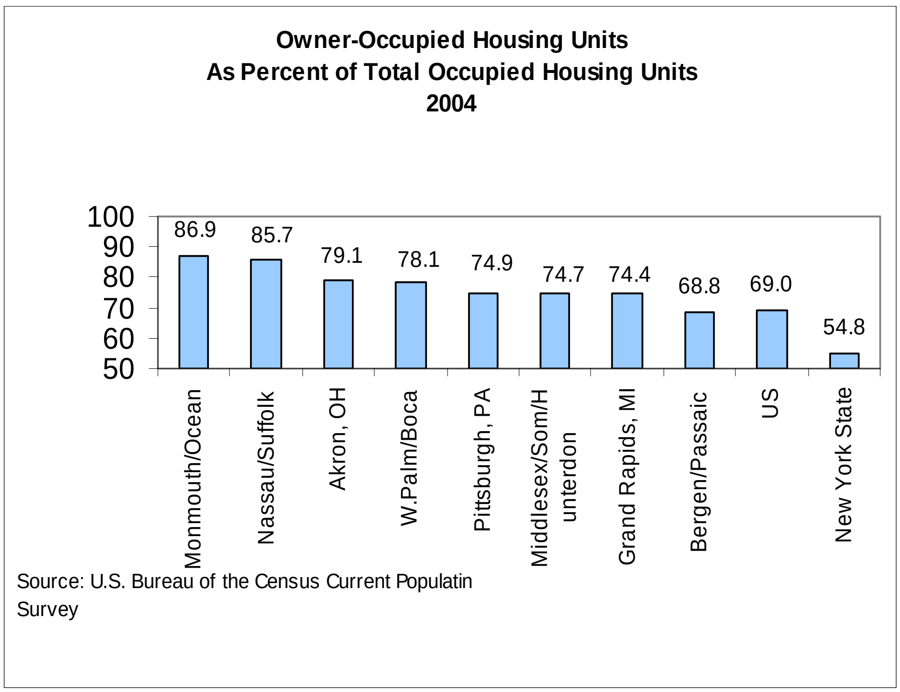
The average household size in 2005 in the Nassau-Suffolk region is estimated to be 2.99. This household size is a slight increase from the census 2000 estimate of 2.95, and unchanged from the 1990 census estimate.



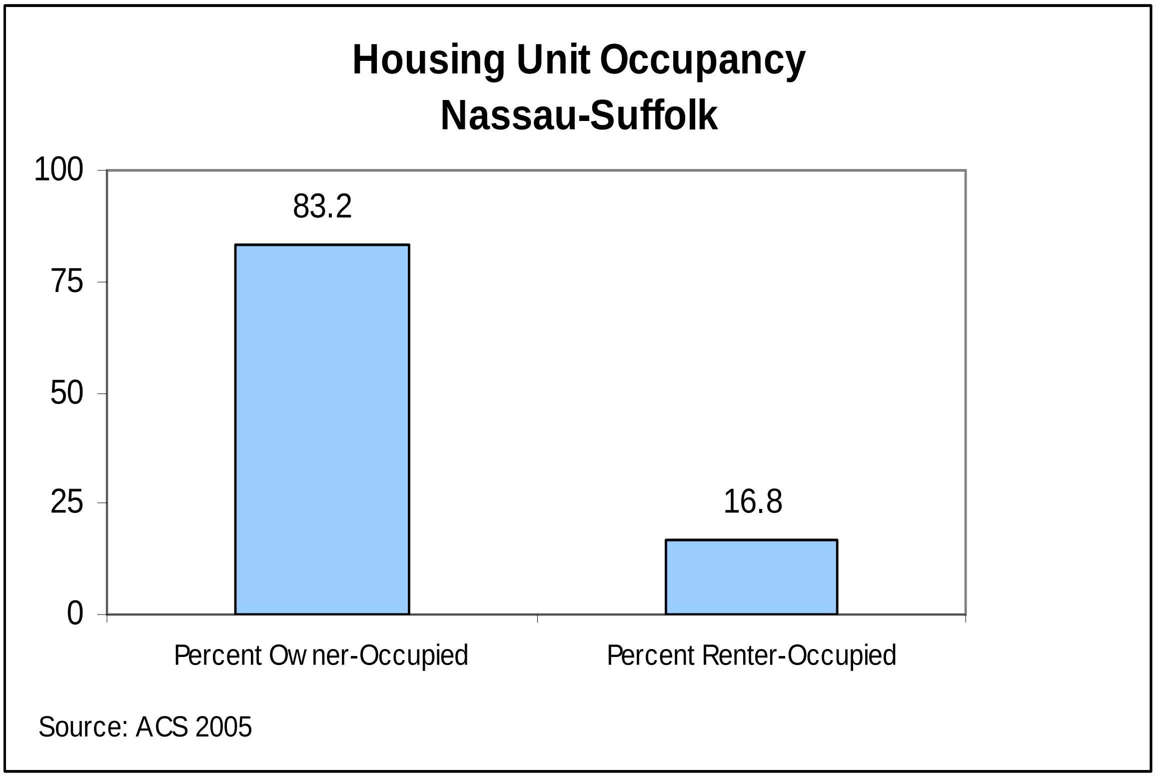
The reason average household size has remained at the same level despite an aging population is due to an increase in the number of households with children, which has offset an increase in the number of single-person households. In 1990, there were 141,640 single-person households in the Nassau-Suffolk region. In 2005, there were approximately 179,629, a 27 percent increase. But this was offset by new households, many of them immigrant households, with more than one person under the age of 18. The number of households with one or more children under the age of 18 grew by 41,815 between 1990 and 2005, or 13 percent.

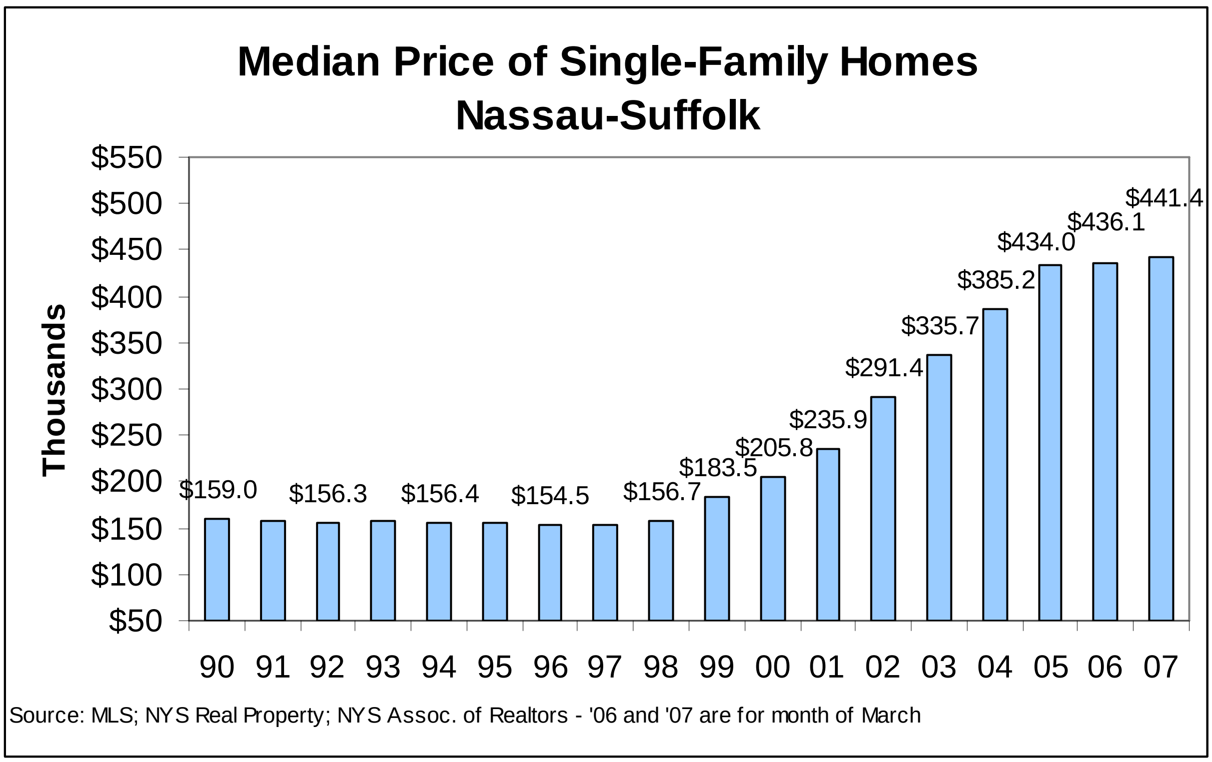


There are an estimated 996,837 housing units in the Nassau-Suffolk region. Housing units differ from households in that they include units that are vacant, seasonal, or held for occasional use. Households include only those units that are occupied. Roughly 83 percent of total units are single-family units, at 826,501 (31,626 are attached), while 123,272, or 12.4 percent are multi-unit buildings (ACS 2005).

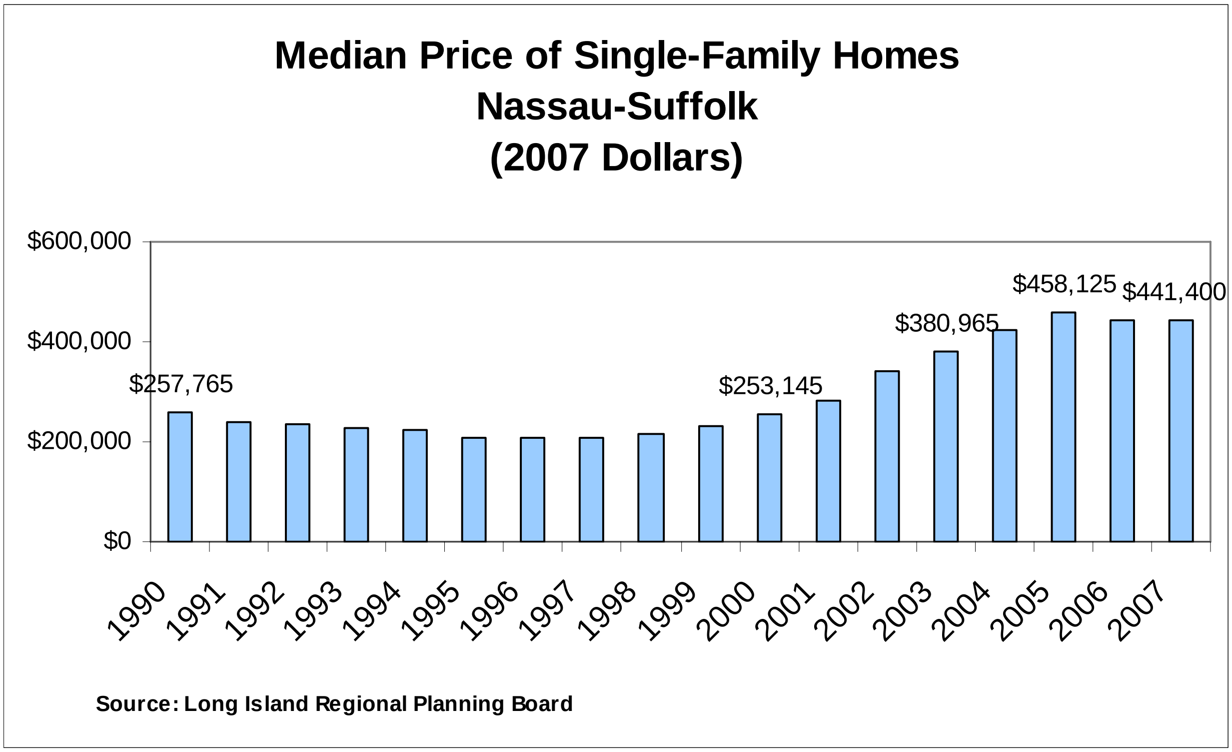


Despite the high cost of housing, home ownership is the primary form of housing on Long Island. In 2004, data from the U.S. Census Bureau Home Ownership and Vacancy Survey showed that Long Island's rate of home ownership was 85.7 percent, the second-highest rate among the top 75 metropolitan areas in the country. It is likely that this survey of homeownership will not be available for the Nassau-Suffolk region in the future because the two counties were combined with the New York City primary metropolitan statistical area in 2003.

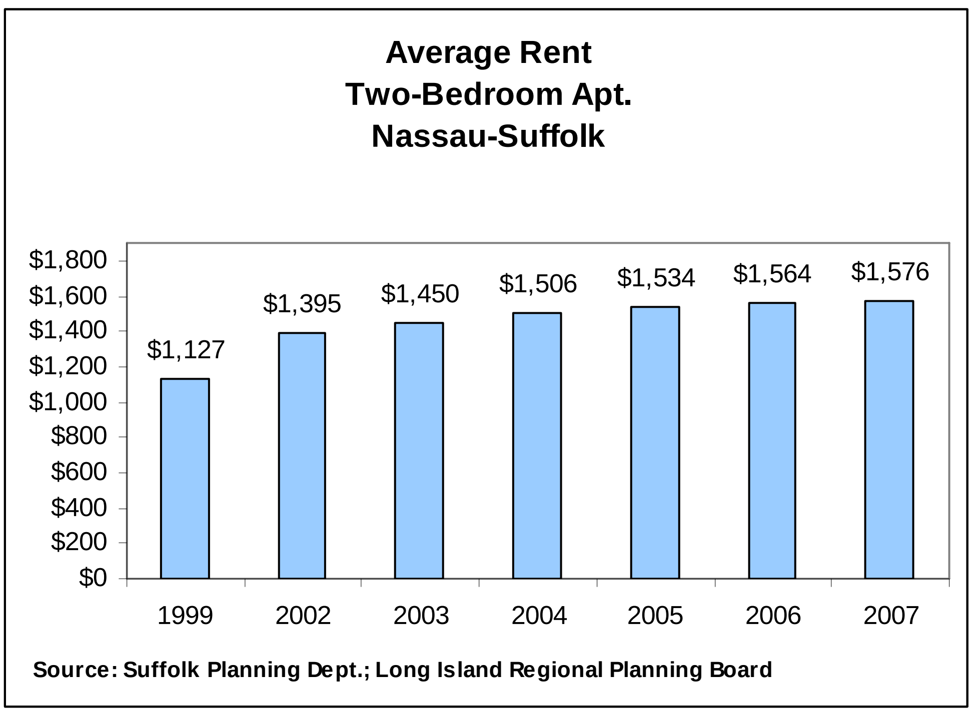




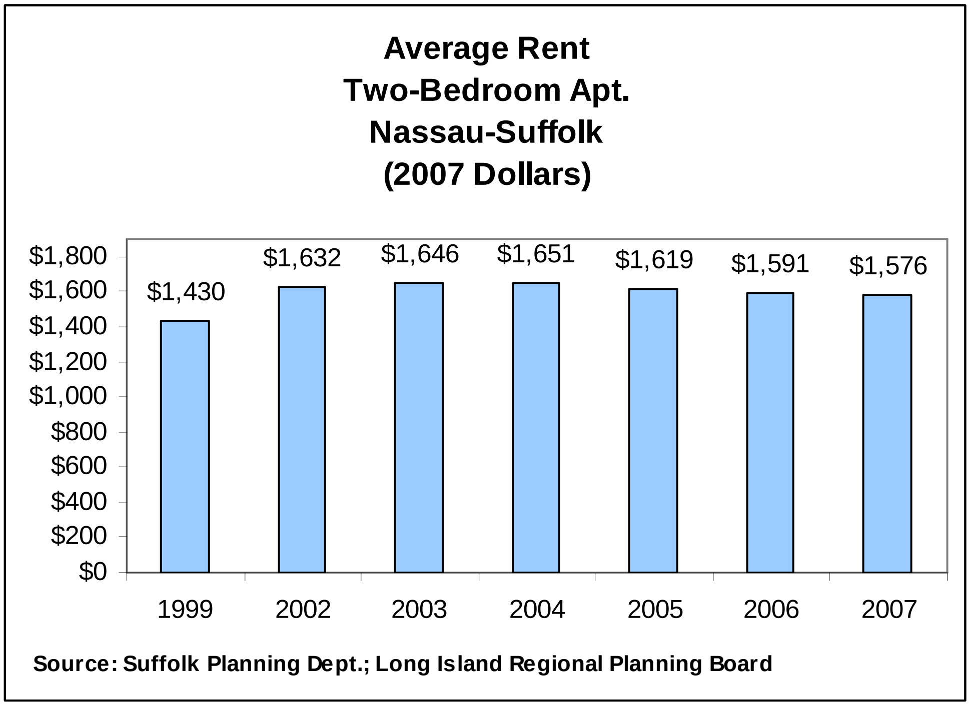
The median price of a single-family home on Long Island increased by 141 percent since 1999, going from $183,500 to $441,400.



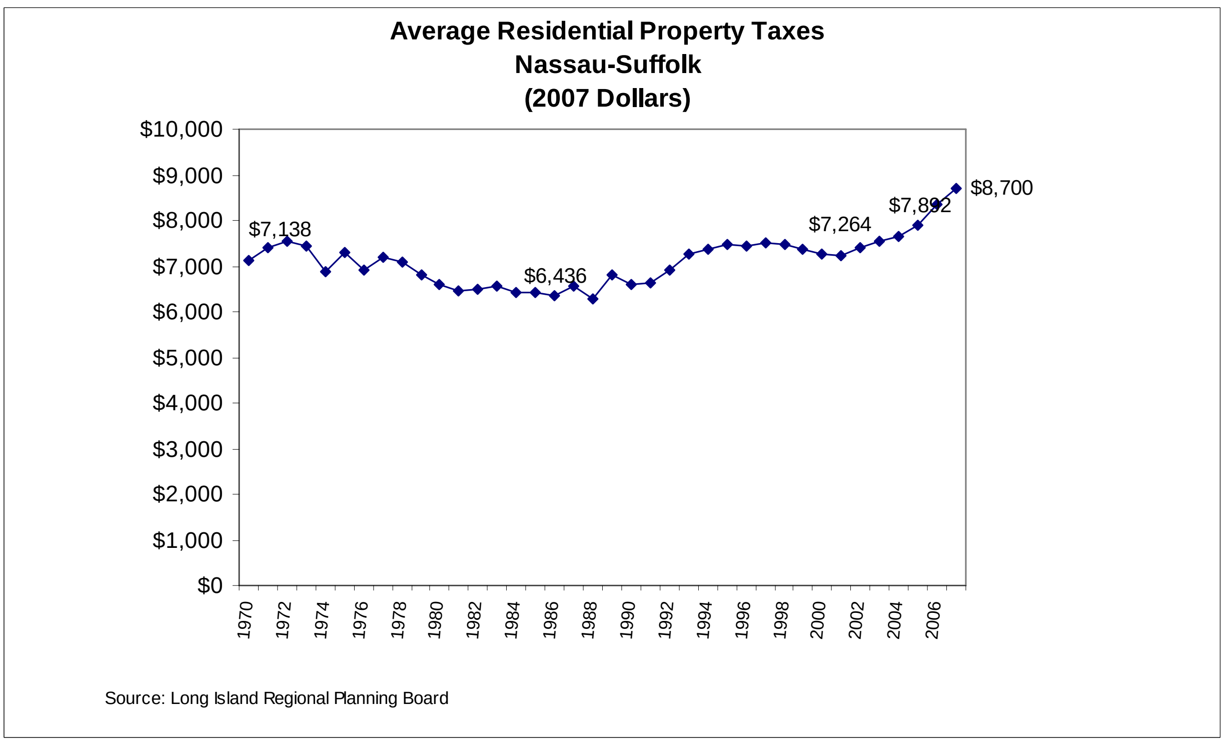
When adjusted for inflation the median price of homes on Long Island has moderated since 2005, when it peaked at $458,125. In 2007 the median price is $441,400, a 74 percent increase since 2000, when adjusted for inflation.



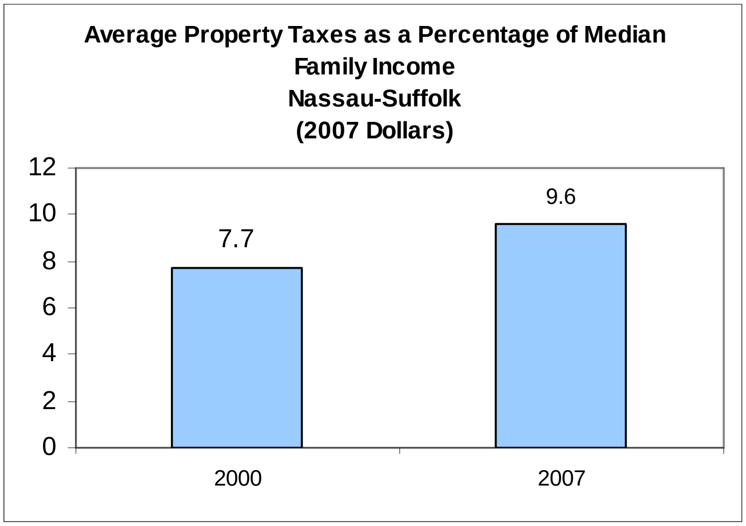
By contrast, average rents have increased, but not nearly as much as housing prices. Average monthly rent for a 2-bedroom apartment increased by 40 percent between 1999 and 2007, or $449.



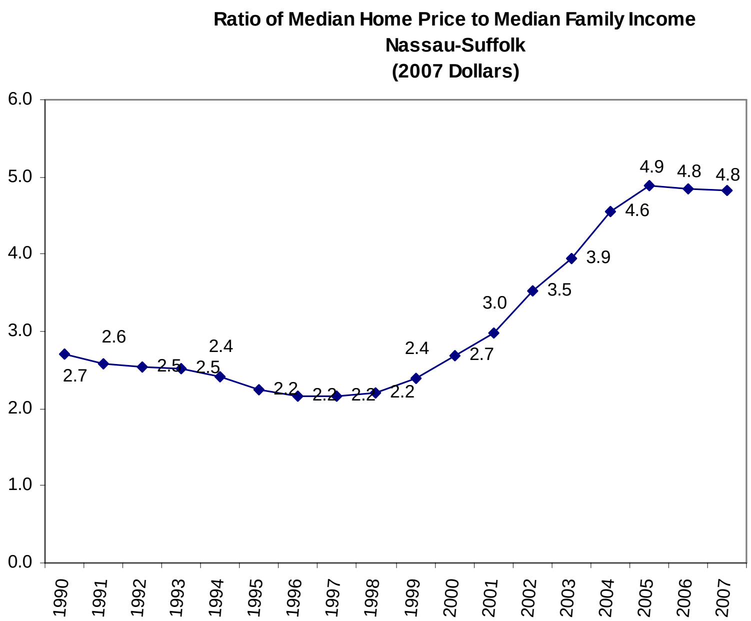
When adjusted for inflation, the average monthly rent for a two-bedroom apartment has increased by $146, or 10.2 percent since 1999. Average monthly rents have stabilized over the past few years, even declining slightly between 2004 and 2007 by $75.



When adjusted for inflation annual average residential real property taxes increased by $1,436 since 2000, or 20 percent, going from $7,264 to $8,700.

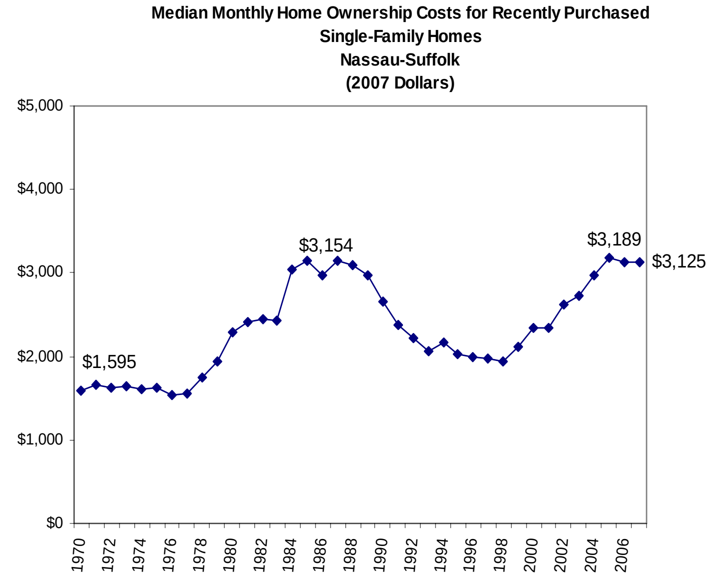


In terms of median family income, real property taxes on residential property have increased from 7.7 percent in 2000 to 9.6 percent in 2007.



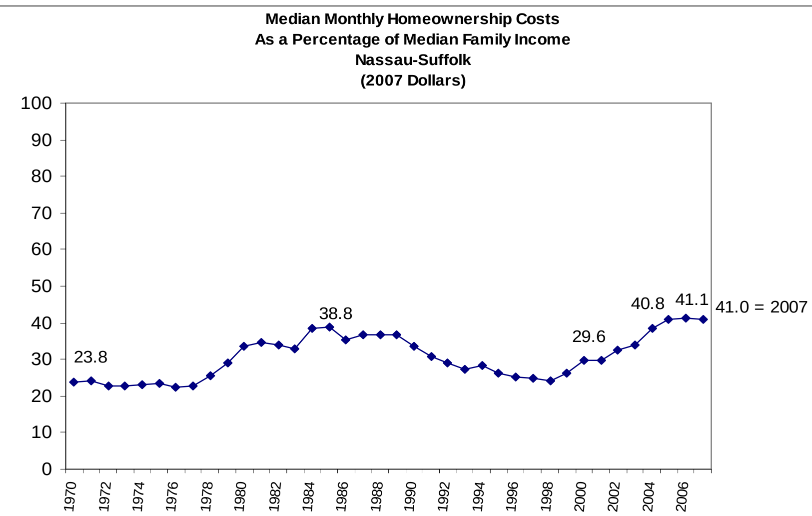
Source: Long Island Regional Planning Board

When one considers the standard rule of thumb that home buyers should be able to buy a house that is approximately three times their annual income, homeownership on Long Island throughout the 1990s had been affordable for families in the middle of the income range. Only in 2001 in Nassau and 2002 in Suffolk did the price to income ratio exceed 3. For 2007 that ratio stood at 4.8 for the Nassau-Suffolk region, down a slight tenth of one percent since 2005.



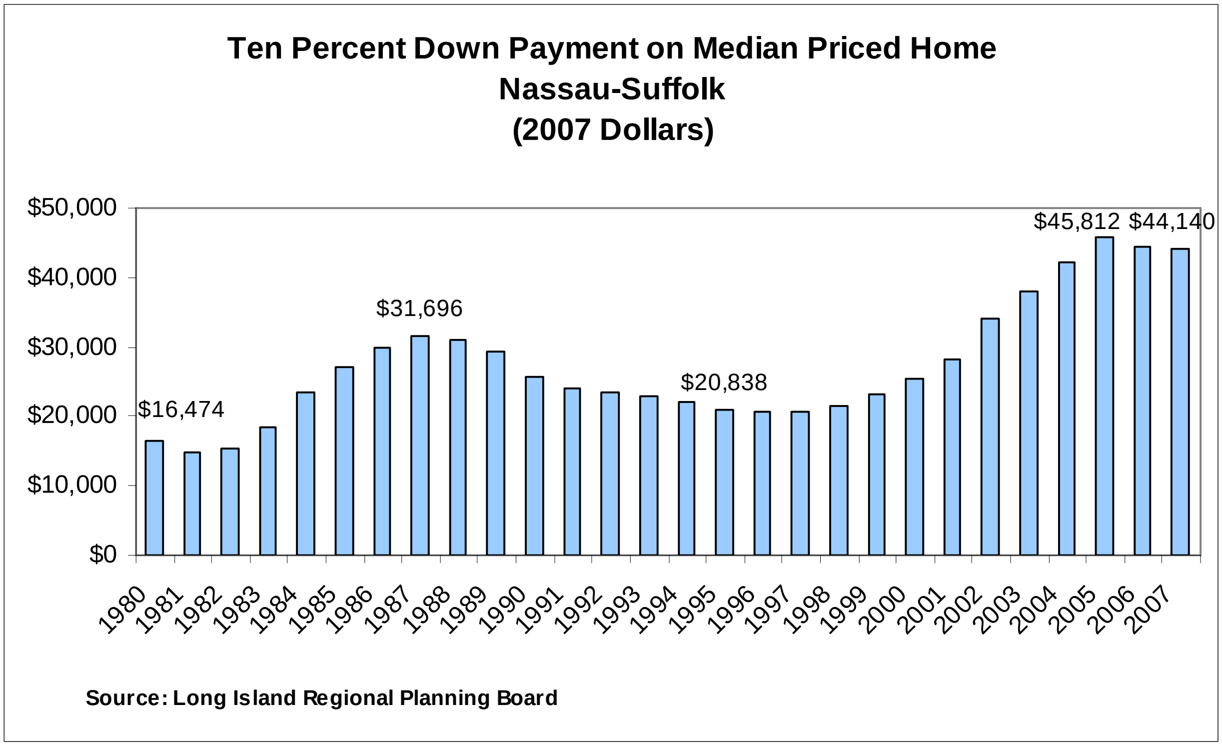
Source: Long Island Regional Planning Board; Mortgage based on 10 percent dow n payment

To put housing prices in historical perspective, the estimated median monthly housing costs for recently purchased homes, when adjusted for inflation, were around the same in the mid-1980s, a period of similar housing cost increases. In 1985 the median monthly cost of homeownership (inclusive of mortgage principle and interest at 90 percent of price, property taxes, and home owner's insurance) came to approximately $3,154 per month. In 2007 it came to approximately $3,125.

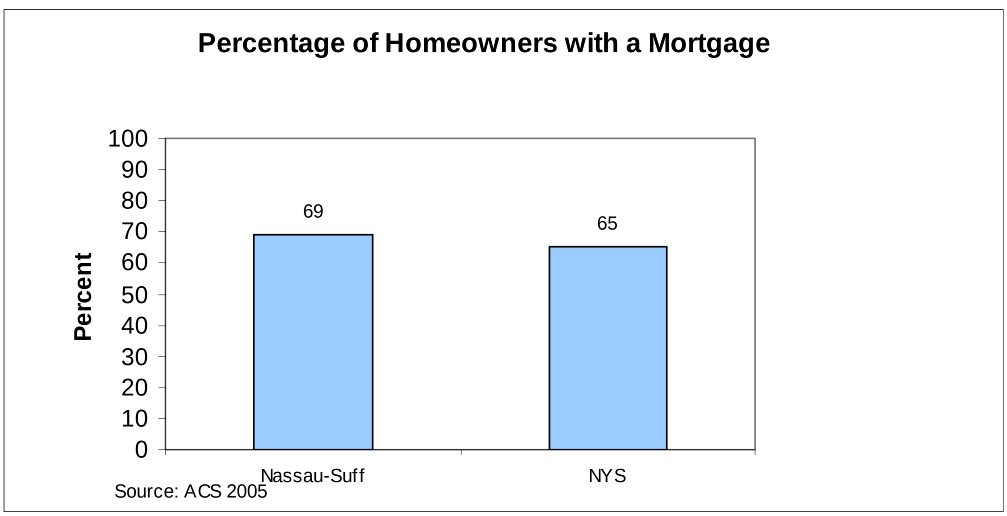


Source: Long Island Regional Planning Board

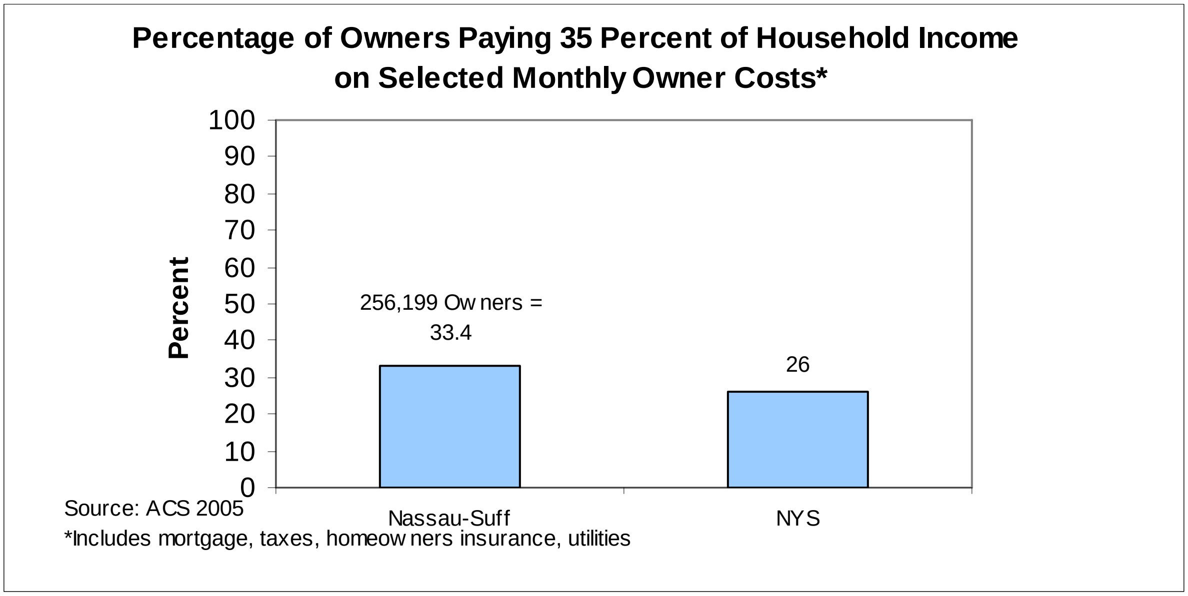
The monthly costs of owning a recently purchased median priced home on Long Island has peaked at around 41 percent of median family income in 2005, and has remained at about this level for three years. This is slightly higher than in 1985, when the percentage was 39 percent.



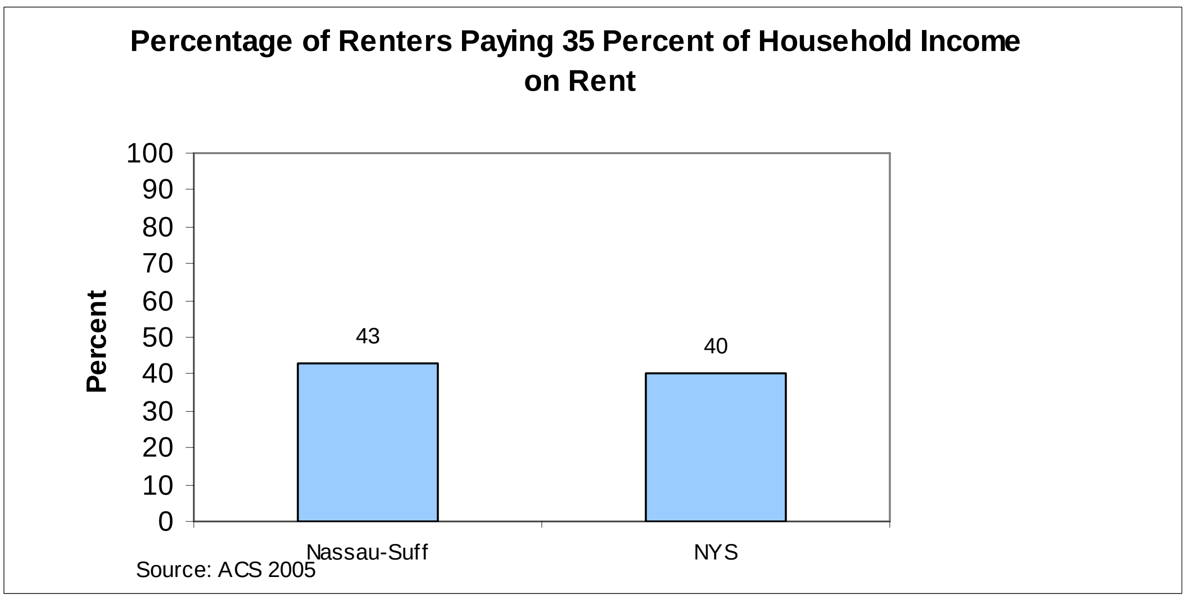
In contrast to monthly costs of home ownership, down payments are radically higher than they have ever been, even adjusted for inflation. In 1980 a ten percent down payment on a median priced home was $16,474 while in 2007 it was $44,140.



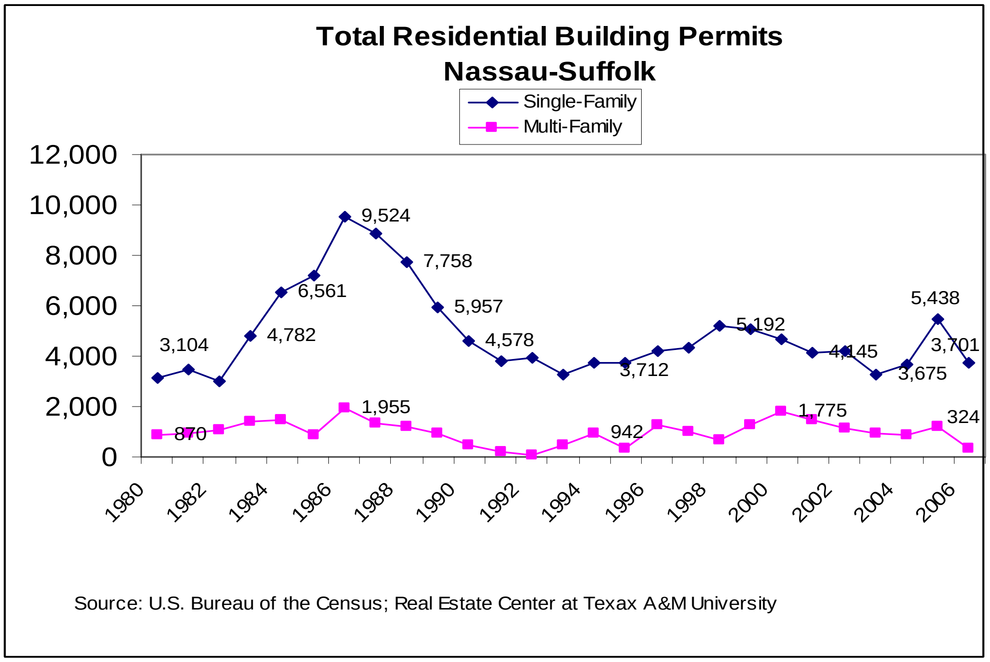
Not only do Long Islanders have to take out larger mortgages than homeowners in other regions, but in all likelihood a higher percentage carry mortgages for a longer period of time than in other areas of New York state.

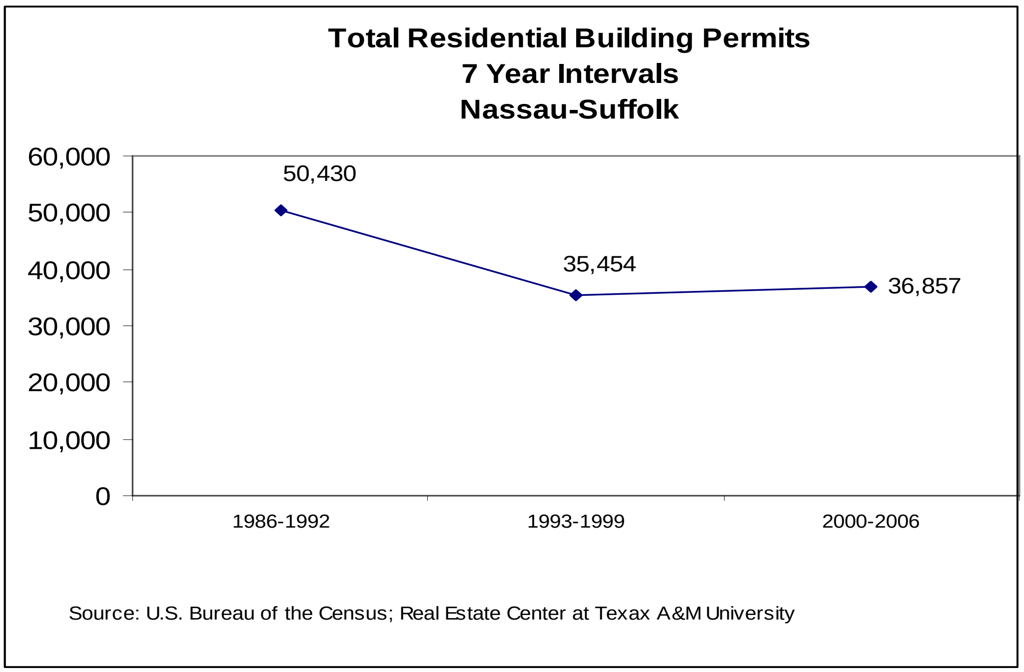


Of all Nassau-Suffolk home owners, 33.4 percent pay 35 percent or more of selected monthly owner costs, compared with 26 percent of home owners statewide. Selected monthly owner costs include mortgage, property taxes, homeowner's insurance, and utilities.

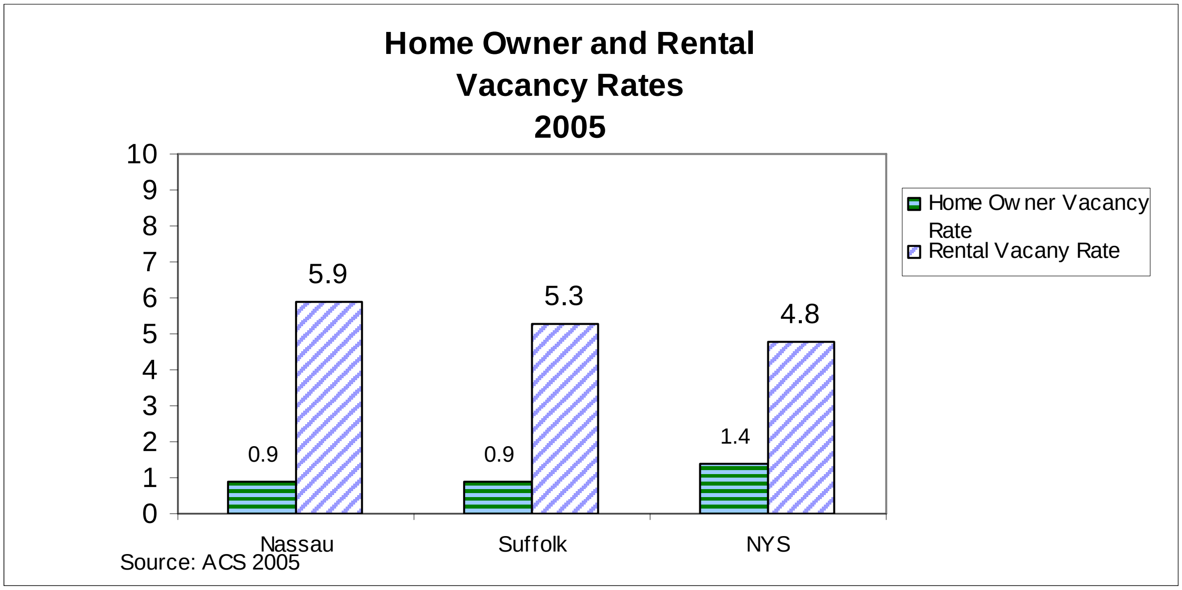


43 percent of Nassau-Suffolk renter households pay 35 percent or more of their household income in rent, compared with 40 percent statewide.





Residential development in Nassau-Suffolk, which consists primarily of single-family homes, has continued in recent years, although the volume of activity has slowed. Indeed, much of the housing cost rise can be explained simply by the decline in the amount of new homes constructed. In the seven year period 1986-1992 the number of approved residential housing permits 50,430. For the 1993-1999 seven year period permits fell to 35,454. From 2000-2006 residential building permits rose slightly to 36,857, but was still a 27 percent drop from the 1986-1992 period.



Despite the preponderance of single-family homes on Long Island, the vacancy rate for rental housing is much higher than for owner housing. In Nassau, in 2005 the U.S. Census Bureau estimated the home owner vacancy rate to be 0.9 percent and the rental vacancy rate to be 5.9 percent. For Suffolk the comparable figures were 0.9 and 5.3 percent. This compares with a home owner vacancy rate of 1.4 percent statewide and a rental vacancy rate of 4.8 percent. A 3 percent vacancy rate is considered to be a rough equilibrium by housing economists.

Why are Housing Costs So High in the Region?

There are several factors contributing to the high cost of housing in the Long Island region.

The Demand Side

Nassau-Suffolk is a region characterized by high levels of education. In the modern information economy, those with higher levels of education draw significantly higher incomes than those with lower levels of education. Approximately 36 percent of adults aged 25 and over in the Nassau-Suffolk region have obtained a bachelor's degree, compared with 27 percent nationwide and 31 percent in 64 other "first suburbs" in the United States.[2] This means that households headed by college graduates, often armed with two incomes, can bid up the price of housing.

This puts the cost of homeownership out of reach for lower earning households attracted to the region for any number of reasons: good public schools, colleges, and universities; job opportunities in industries serving the high levels of consumption associated with high income households; and entry level job opportunities.

Anecdotal evidence indicates that the poor performance of New York City schools keeps demand for housing on Long Island high for those with children.

The regional economy is robust with virtually full employment and historically low inflation and interest rates. When people feel confident about future earnings, they generally feel comfortable taking on debt, especially for something considered an investment, such as real estate and its improvement.

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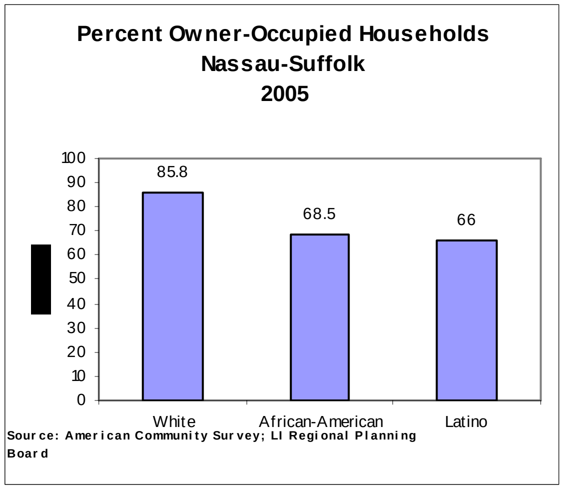
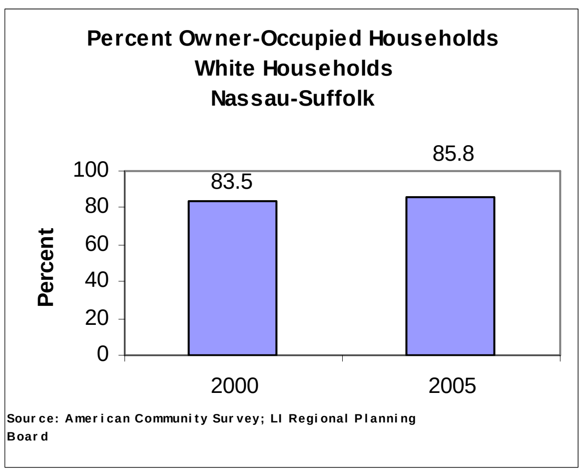
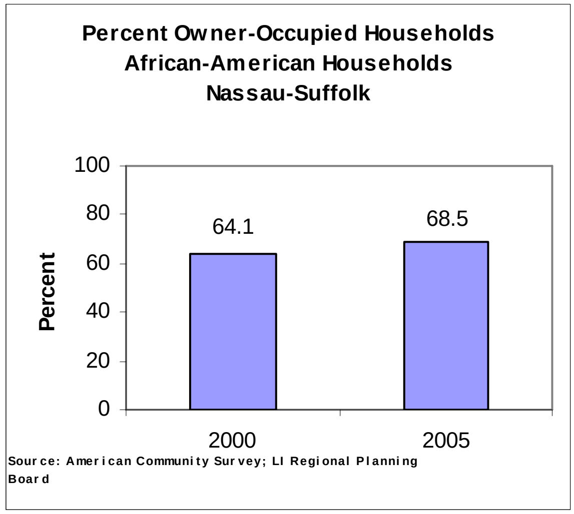
[2] U.S. Census Bureau, American Community Survey; Robert Puentes and David Warren, "One-Fifth of America: A Comprehensive Guide to America's First Suburbs," The Brookings Institution, February, 2006 (Washington, D.C.).

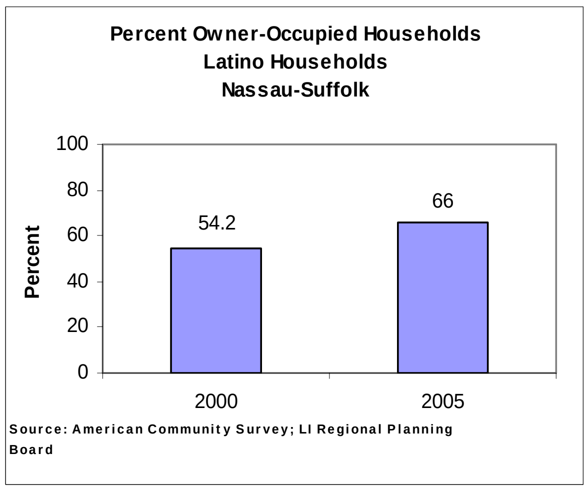
Interest rates have played a large role. As rates have gone down, homes have become more affordable. Furthermore, subprime mortgage lending has expanded in recent years. Nationally, subprime loans, or loans made to debtors considered high risk, grew by 25 percent annually over the nine years from 1994-2003. In 2003, subprimes were 8.8 percent of all mortgages, raising fears locally and nationally of large-scale defaults, as interest rates rise.

For all of these reasons demand for housing on Long Island has remained strong. Data from the U.S. Census Bureau's 2005 American Community Survey indicate that homeownership has increased sharply among minority residents in Nassau and Suffolk counties since 2000, while the rate for white households has grown slightly as well. A higher percentage of whites than minorities own their own homes, but the gap has shrunk. In 2005, the U.S. Census Bureau estimates that 85.8 percent of white Long Islanders owned their own homes, while 68.5 percent of African-Americans, and 66 percent of Latinos did.

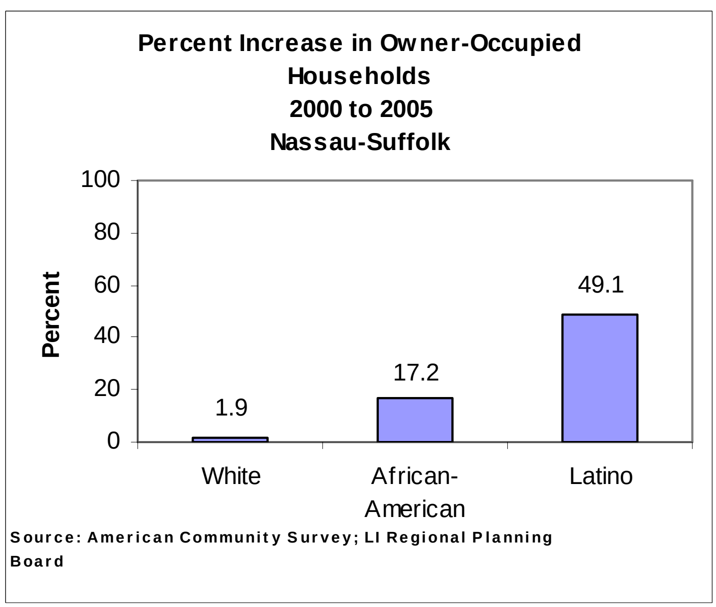




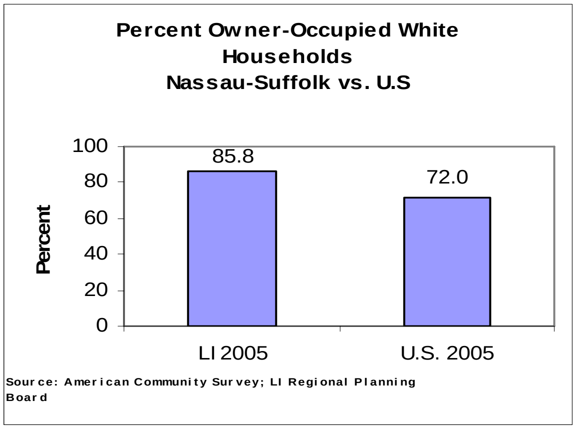


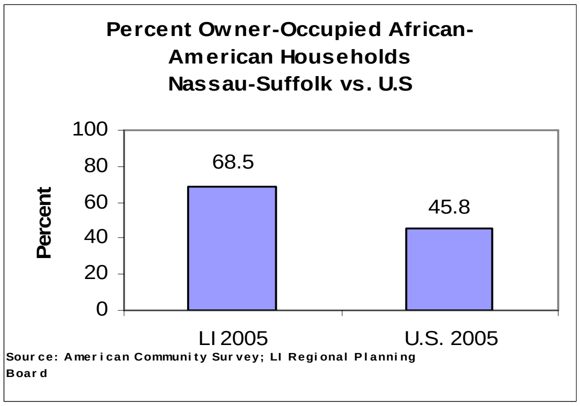


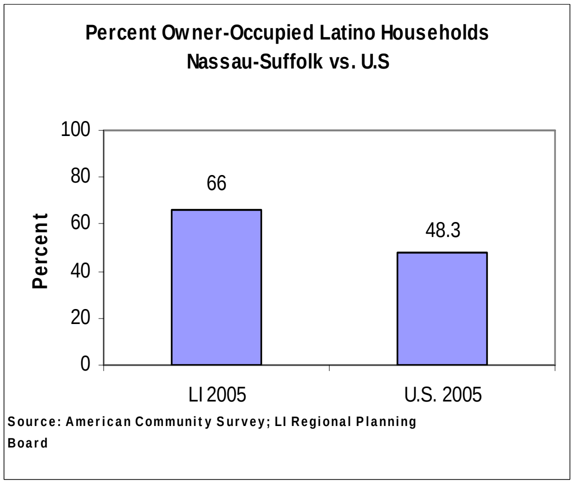
The increase in minority homeownership has been more substantial than that for whites. The rate in homeownership for white households grew from 83.5 percent to 85.8 percent between 2000 and 2005. The rate of homeownership for African-American households went from 64.1 percent in 2000 to 68.5 percent in 2005. The rate of homeownership for Latino households went from 54.2 percent in 2000 to 66 percent in 2005.



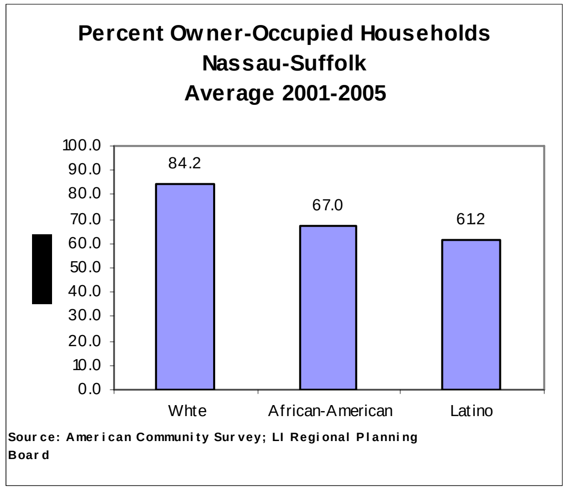
The number of white homeowners grew by 1.9 percent between 2000 and 2005 (from 651,714 to 664,002), while the number of African-American homeowners grew by 17.2 percent (from 42,180 to 49,437) and the number of Latino homeowners grew by 49.1 percent (from 35,971 to 53,621) over the same period.



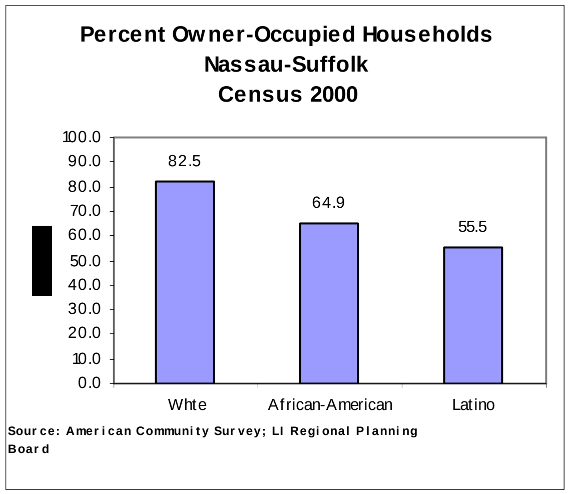




The ACS indicates that Long Island continues to lead the nation as a whole in terms of homeownership among all three racial categories. The white homeownership rate of 85.8 percent compares to a national white homeownership rate of 72 percent in 2005. The African-American homeownership rate on Long Island of 68.5 percent compares with 45.8 percent nationally. The Latino homeownership rate on Long Island of 66 percent compares with 48.3 percent nationally. (More recent national data indicates the homeownership rate for whites has risen further to 76 percent, African-Americans to 48 percent, and Latinos to 50 percent: see U.S. Census Bureau, Homeownership and Vacancy Survey
http://www.census.gov/hhes/www/housing/hvs/annual05/ann05t20.html).



Source: American Community Survey; LI Regional Planning Board



Source: American Community Survey; LI Regional Planning Board

The Census Bureau's estimates based on its ACS household survey are published with a large margin of error. This means it is possible that the changes in homeownership may be less dramatic than the estimates indicate. But the estimated increases in the numbers of both white and Latino homeowners fall outside the margin of error. This means it is 90 percent certain that the number of homeowners in these groups fall somewhere within the estimate's boundaries, which shows an increase. The upper bound of the estimate of African-American homeowners in 2000 overlaps slightly with the lower bound estimate for 2005, which means the probability level for that estimate is somewhat less than 90 percent.

When the homeownership rate estimates are averaged over the last five years (2001-2005) in order to smooth out any year-over-year data problems, the rate for whites is 84.2 percent, for African-Americans it is 67 percent, and for Latinos it is 61.2 percent. This is an increase from both the American Community Survey of 2000 and the 2000 Census, which uses a larger sample of households than the ACS and is considered more reliable.

The change in the rate of homeownership for Latino households is particularly noteworthy. Latinos constitute over half of all immigrants to Long Island between 2000 and 2005. Historically, most immigrants have started off as renters, and have taken a number of years to build up the assets and establish the credit history needed to buy a home. Approximately 30,000, or 14 percent, of Long Island's Latin American born population have entered the United States since 2000. Logically, this should have dragged the homeownership rate for Latinos as a whole down. Instead it has surged.

The reasons for the increase in homeownership among all groups are complex. The long period of low mortgage rates and the technological advances that have enhanced the lending industry's ability to identify more families that can be successful first-time homebuyers are important. It is also possible that more families are buying houses jointly and pooling resources. The federal government may also be playing a role. John C. Weicher, the Assistant Secretary for Housing at HUD from 2001 to 2005 estimates that the Federal Housing Administration, the Veteran's Administration, and the Department of Agriculture's mortgage insurance programs have accounted for a quarter of all minority first-time buyers since 2002.[3]

The Supply Side

The shortage of available vacant land, a result not only of limited geography but also of political decisions reflected in Long Island's zoning codes and environmental laws and policies, is a primary causal factor in rising housing costs.

The cost of building materials, often cited as a major reason for the increased cost of housing, does not appear to be as significant as rising land costs. A recent study by the Harvard Institute of Economic Research indicates that between 1970 and 2000, real construction costs in booming markets around the country increased by around 6.6 percent, while prices of homes increased around 130 percent.[4]

Rather, the study suggests that land supply factors have been paramount. This would appear to be consistent with the experience from Suffolk County's purchase of development rights program, which offers an indication of land price increases. In 2001, Suffolk County purchased development rights in Ridge for $11,000 per acre. In 2005, the County purchased development rights in the hamlet of Brookhaven for $50,000 per acre, a 350 percent increase. This compares with a 78 percent increase in the median price of homes on Long Island during this period.

Land values have risen as Long Island approaches "build out," while state and local governments pursue aggressive land preservation policies, and citizens lobby for development controls. The amount of developable, vacant land on Long Island is estimated to have dropped from 138,545 in 1980, the last time a comprehensive land use field survey was taken, to 72,000 in 2005, or 48 percent.

Indeed, much of the housing cost rise can be explained simply by the decline in the amount of new homes constructed. In the ten year period 1996-2005 the number of approved residential housing permits fell to 54,128 from the ten year period 1986-1995, when 62,919 residential permits were approved (a 14 percent drop). As noted above, . In the seven year period 1986-1992 the number of approved residential housing permits 50,430. For the 1993-1999 seven year period permits fell to 35,454. From 2000-2006 residential building permits rose slightly to 36,857, but was still a 27 percent drop from the 1986-1992 period.

Affordable Housing Need

Existing Need

Consensus is lacking among experts regarding the best way to measure the physical condition of housing units.

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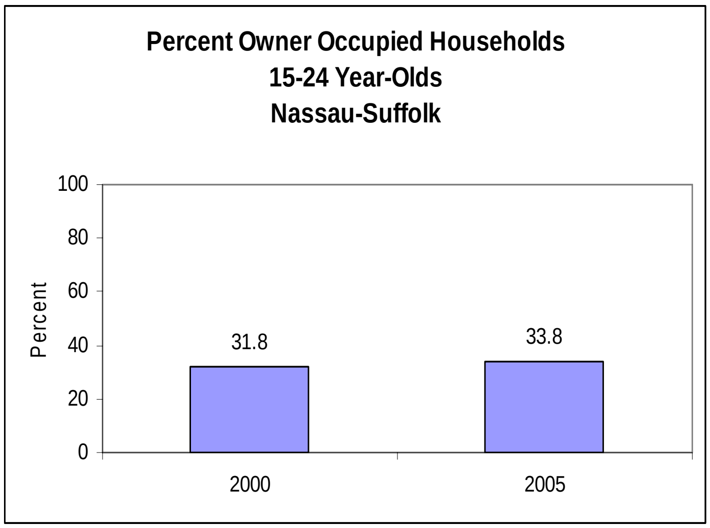
[3] NOTE ON DATA: These data are based on estimates provided by the United States Bureau of the Census's American Community Survey. The U.S. Census Bureau uses a probability level of 90 percent with a large margin of error. The change in homeownership for African-Americans between the years 2000 and 2005 are within the margin of error. This means that while the U.S. Census Bureau estimates a change, this can not be said to be true with 90 percent certainty or greater. For Latinos and whites, the estimates are outside the margin of error, which means there is a 90 percent probability or greater that an estimated change has taken place. For African-Americans the upper bound of the margin of error for owner-occupied housing units overlaps slightly with the lower bound for 2005. As FHA Commissioner from 2001 to 2005, Mr. Weicher tracked program data, but the U.S. Department of Housing and Urban Development has not published these numbers. Mr. Weicher used the number of mortgages from all three agencies for minorities and divided it by the number of new minority homeowners from the U.S. Census Bureau's quarterly data. Private e-mail from John Weicher to Seth Forman, January 18, 2007.

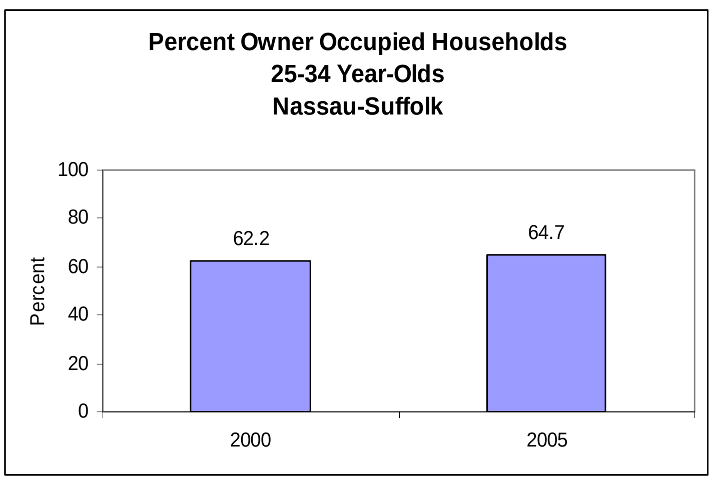
[4] Edward L. Glaeser, Joseph Gyourko, Raven E. Saks, "Why Have Housing Prices Gone Up?," Harvard Institute of Economic Research, Discussion Paper Number 2061, Cambridge, MA (February 2005)

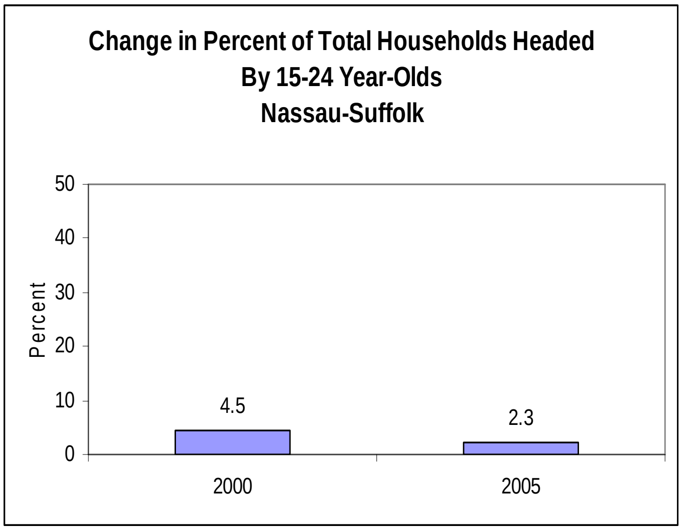
Efforts on the part of the United States Census Bureau have been inconsistent. Beginning in 1940 the Census Bureau had its census takers enumerate "deteriorated" or "dilapidated" units but subsequently decided that such judgments were too subjective to be useful. Questions about the structural soundness of housing units were removed from the census after 1960. Beginning with the 1970 census, the Census Bureau began collecting data concerning the objective conditions of various household attributes, including plumbing, kitchen facilities, heating and others. The Census also asks about the age of the housing unit.

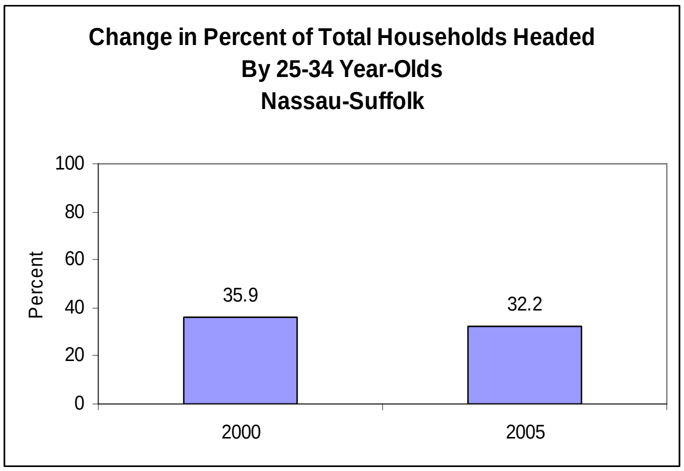
It is also important to consider existing need among those who may be adequately housed, but may be living with relatives or friends and would desire to live on their own. This is important particularly for working age young adults. If a region does not provide young people, particularly those looking to start families or to live independently from relatives, a region's economy could suffer.

<u>Young Workers</u>
Data from the U.S. Census Bureau's 2005 American Community Survey show that while there has been an increase in the rate of homeownership for individuals between the ages of 15- and 34 there has been a substantial decline in the number of householders in these age groups, or a decline in the number of individuals who either alone or jointly own or rent homes.





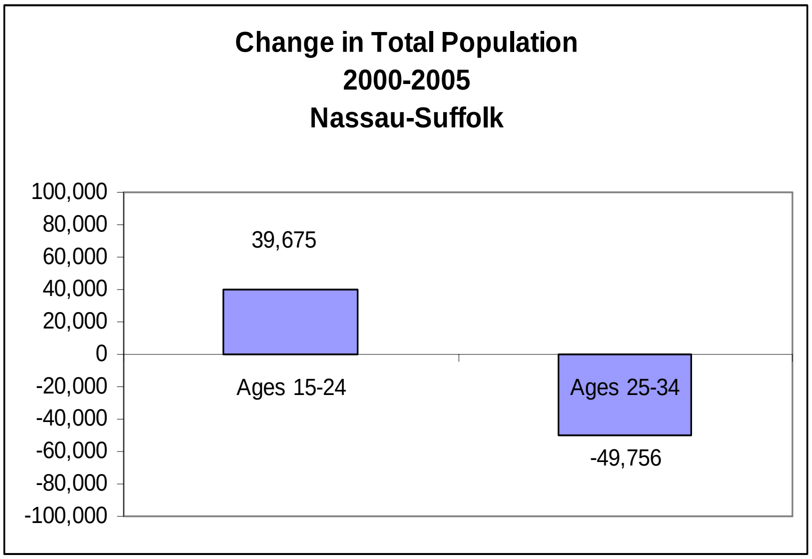


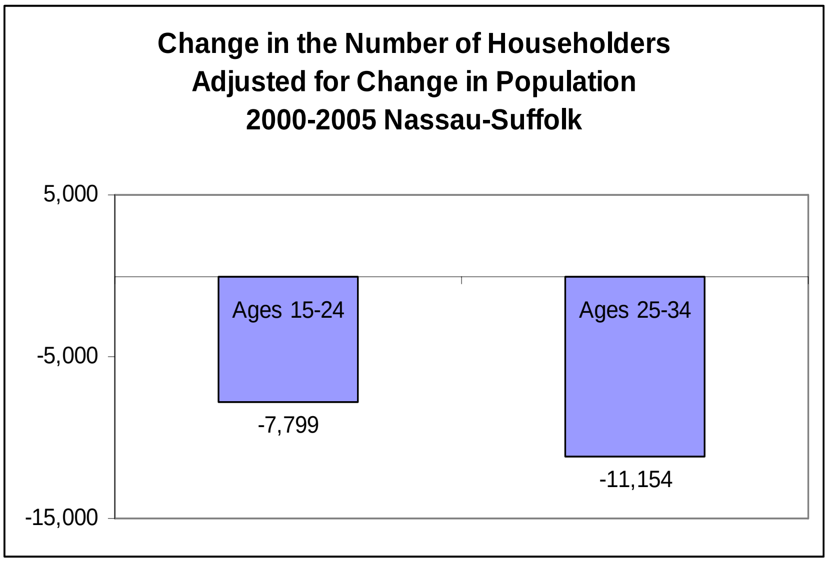


The percentage of those aged 15-24 who are householders has declined from 4.5 percent in 2000 to 2.3 percent in 2005, and the percentage of those aged 25-34 who are householders has declined from 35.9 percent to 32.2 percent.

Conclusions about the drop in the number of householders are difficult to make. Changes in the population of individuals in these age group categories make comparison of the number of householders in 2000 and 2005 difficult. The 15-24 year-old age group has risen by almost 40,000 since 2000 while the 25-34 year-old age group has declined by almost 50,000.

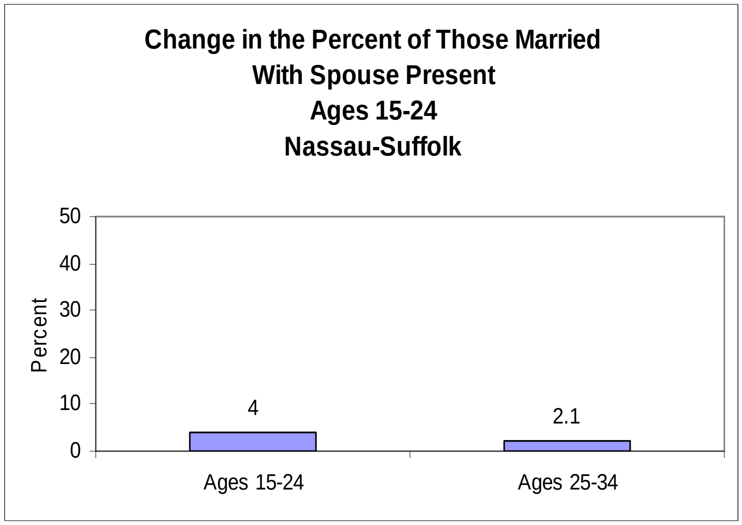
Nevertheless, if the percentage of individuals in these age groups who were householders in 2000 is applied to the total population of individuals in these age groups for 2005, we see that there has been a substantial decline in the number of householders in both age groups. In 2005, there were an estimated 7,799 fewer householders aged 15-24 than there would have been had the percentage of householders remained the same as in 2000. For the 25-34 year-old age group, the decline in the number of householders was 11,154, when the percentage of householders from 2000 is applied to the 2005 population.

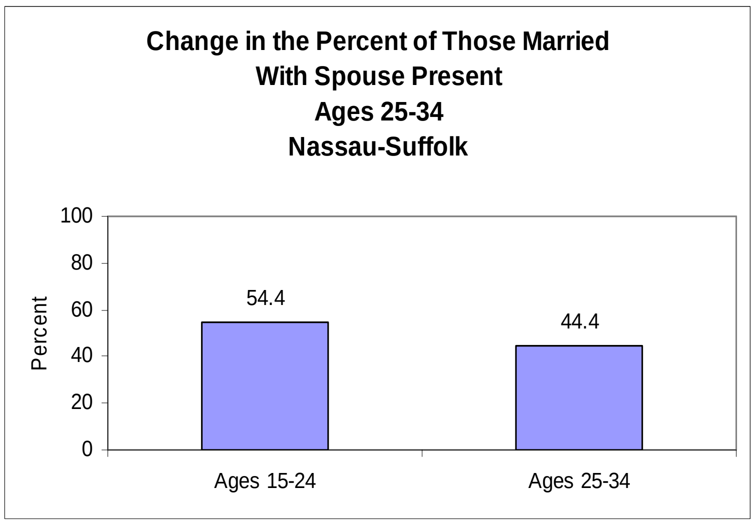


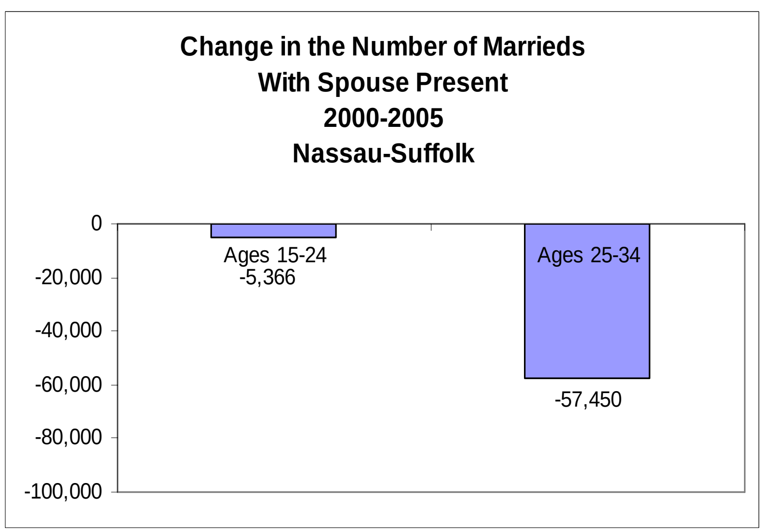


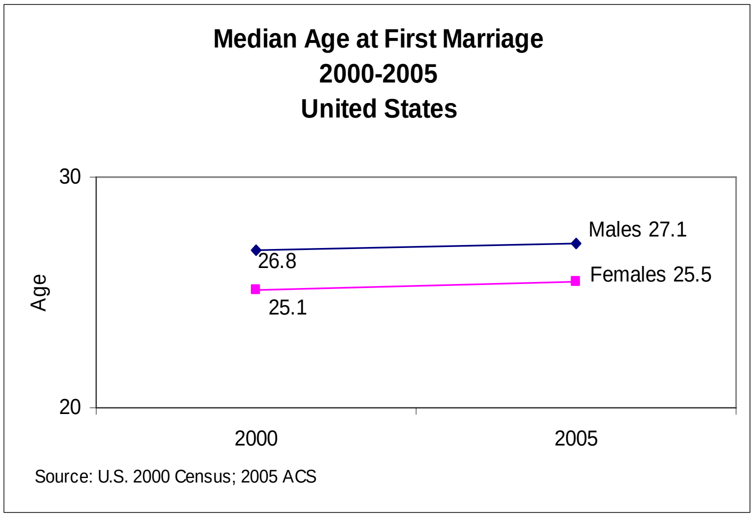
There are several possible reasons why smaller numbers of individuals aged 15-34 are becoming householders. One is that a smaller number of individuals between these ages are marrying. Getting married remains one of the primary reasons why people seek to establish their own household, rather than live with parents or relatives. But the rate and the number of those between the ages of 15-34 who marry and live with their spouse has declined. For those aged 15-24, the percentage of those who are married to a spouse who is present has declined from 4 percent in 2000 to 2.1 percent in 2005. In actual numbers, the number of individuals who are married to a spouse who is present has declined by 5,366. For those aged 25-34, the percentage of those who are married to a spouse who is present has declined from 54.4 percent to 44.4 percent between 2000 and 2005. The number of individuals who are married to a spouse who is present has declined by 57,450 over this time period. (The decline in married individuals aged 25-34 is not as dramatic as it might seem because the population of this age group has declined by 49,756).[5]

[5] NOTE ON DATA: These data are based on estimates provided by the United States Bureau of the Census's American Community Survey. The U.S. Census Bureau uses a probability level of 90 percent with a large margin of error.


Change in the Percent of Those Married
With Spouse Present
Ages 15-24
Nassau-Suffolk
Percent
50
40
30
20
10
0
4
2.1
Ages 15-24
Ages 25-34


Change in the Percent of Those Married
With Spouse Present
Ages 25-34
Nassau-Suffolk
Percent
100
80
60
40
20
0
54.4
44.4
Ages 15-24
Ages 25-34

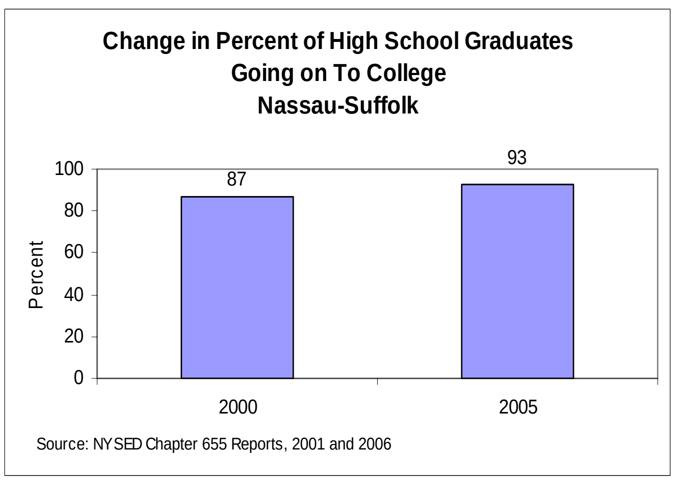

Change in the Number of Marrieds
With Spouse Present
2000-2005
Nassau-Suffolk
0
-20,000
-40,000
-60,000
-80,000
-100,000
Ages 15-24
-5,366
Ages 25-34
-57,450



The decline in marriage among 15-34 year-olds does not come as a surprise. The age at which people get married for the first time has gone up substantially in the past few decades. In 1970 the median age for first marriages for women was 21 years. By 2000 the median age was 25.1, and in 2005 the median age rose to 25.5. For men the median age went from 23 to 26.8 over the same time period, and has risen again to 27.1 in 2005. In 1970, 42 percent of first married single brides were teenagers. By 1990 that had dropped to 17 percent.[6]

The decline in those between the ages of 15-34 who marry and live with a spouse has been compounded by a significant increase in the percentage of high school graduates on Long Island that go on to college. The college-going rate for graduating seniors on Long Island has increased from approximately 87 percent in 2000 to 93 percent in 2005, according to data from the New York State Department of Education. This represents no fewer than 4,100 individuals in the 15-24 year-old age group.[7]

While many of these college-going high school graduates remain on Long Island, many also choose to attend college off Long Island or to live at home with parents if they attend on-island institutions of higher education.



In both of these instances - the declining incidence of marriage among those 15-34 years of age and the increased college-going rate - it is not clear what is cause and effect. It is possible that many young people are delaying marriage until they are capable of affording a home of their own, or, as has been the case with the much larger number of women who have entered higher education and the work force in the past few decades, until they have finished their education and started careers.

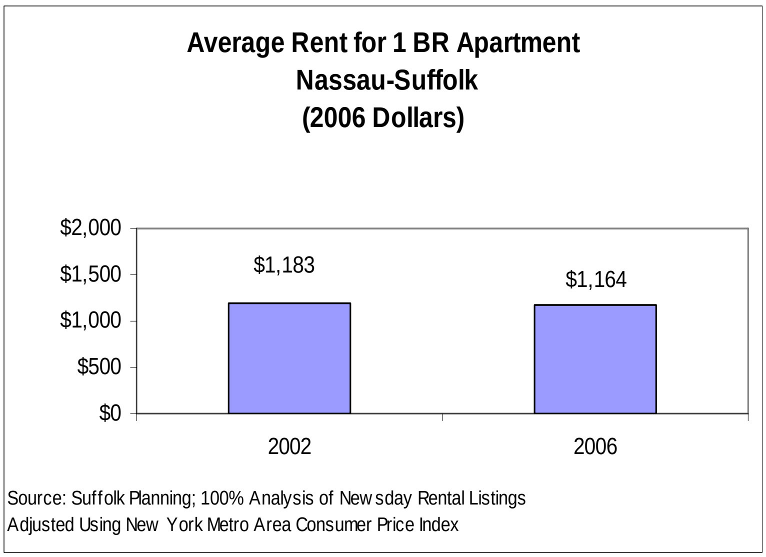
It is also possible that more young people are enrolling in college to increase the likelihood of their being able to

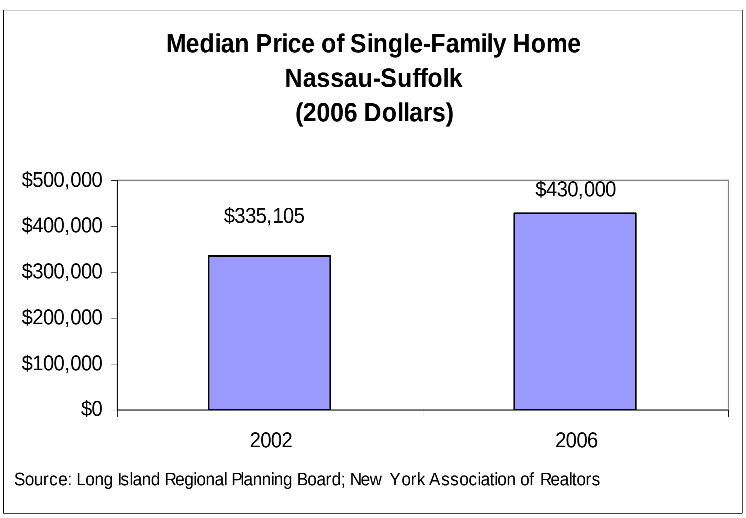
[6] Data from U.S. Census Bureau; the Centers for Disease Control and Prevention/National Center for Health Statistics
[7] *Eastern Suffolk BOCES 2004 Regional Report Card*, January 2006.

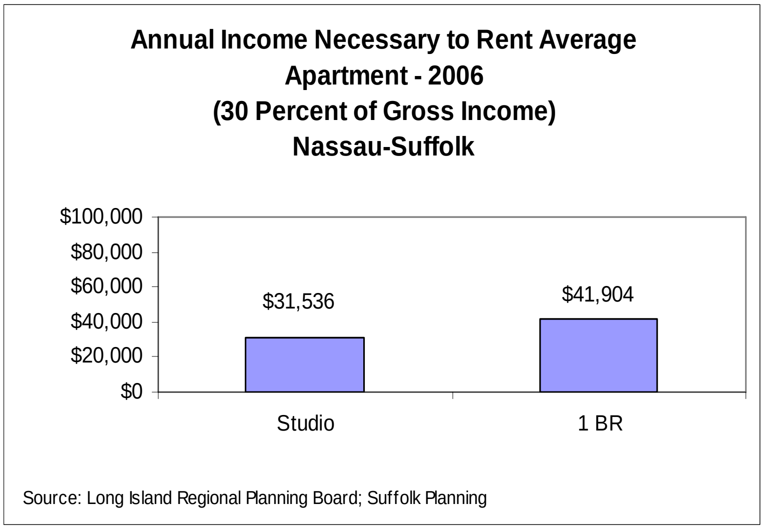
afford their own homes in the future by enhancing their future earnings potential, or to avail themselves of housing options (dormitories, off-campus housing, parents' homes) that are cheaper than living on their own. It is unclear whether young people are choosing to rent in lower numbers because they can't afford to, or because the expense of renting and the increased freedom and independence it affords doesn't seem worth the opportunity cost of living at home and saving the larger sums of money now necessary for homeownership.

It should be noted in this regard that rents for studios and one-bedroom apartments have stabilized in the Nassau-Suffolk region over the last four years, rising less than the rate of inflation and well below that of single-family homes. In inflation adjusted dollars, the average rent for a one bedroom apartment in the Nassau-Suffolk region declined from $1,183 in 2002 to $1,164 in 2006, while the median priced single-family home increased from $335,105 in 2002 to $430,000 in 2006.

The gross annual income needed to afford an average studio apartment in Nassau-Suffolk in 2006 (at 30 percent of income) was $31,536 in 2006, while the annual income needed to afford an average one bedroom apartment was $41,904.







Though it is impossible to determine with certainty the proportion of the 18,953 additional "non-householders" between the ages of 15-34 between 2000-2005 that would be householders if not for the increase in housing prices, it doesn't seem unreasonable to conclude that one-third would fit into this category. This would mean that approximately 6,254 individuals between the ages of 15-34 could benefit from the creation of additional affordable housing units.

Physical Conditions

For this study the census questions concerning whether a housing unit lacks complete plumbing, kitchen facilities, and heating are used as surrogates for identifying physically deficient housing units. These attributes are essential to maintaining a household's health. The age of household units are not used. Many of the homes in Long Island's oldest communities are also the most structurally sound and the most expensive. Housing units built before 1940 in communities like Garden City used more expensive and lasting building materials than the cheaper, mass-produced, postwar subdivision tract houses found in places like Levittown.

The degree to which a housing unit is crowded is an important measure not only of the quality of life of occupants, but also of the potential wear and tear on the structure of a housing unit. The U.S. Department of Housing and Urban Development considers housing with 1.01 persons per room to be crowded and 1.51 persons per room to be severely crowded.

While a much smaller problem, units that don't use any form of heating fuel should also be considered in the existing need for affordable housing.

Financial Constraint

Income constraint is a factor that should go into formulation of affordable housing need. Housing economists now use percentages ranging from 30 percent of family income to 40 percent of family income to determine affordability.

Combining Physical Condition and Financial Constraint

It is not possible to determine need from any of these factors individually. There are bungalows and beach houses that do not contain complete plumbing facilities, but are not used as primary residences. There are households which contain individuals living in overcrowded conditions temporarily or by choice: this includes young people saving money for a down payment on a house, college students living in a fraternity house, or households which have the resources to change their living conditions but which for a variety of reasons may choose not to. There are also many families with good incomes who decide on their own to spend 35 percent or more of their income on housing. It is therefore necessary to combine the characteristics of physical deficiency with financial constraint to make an accurate determination of true affordable housing need. The best way to do this is to identify the number of households who have two or more of the selected conditions: 1. incomplete plumbing; 2. incomplete kitchen; 3. contains 1.01 occupants per room or more; 4. has no source of heating; 5. pays 30 percent or more of their income on housing. The American Community Survey produces a table which gives us this data, without the data on heating fuel. According to the 2005 ACS, there are currently 12,164 housing units in Nassau-Suffolk that have two or more conditions 1, 2, 3, and 5, - 6,841 in Nassau and 5,323 in Suffolk.

Tenure of Housing Units
By Selected Physical and Financial Conditions
2005

Total	Nassau	Suffolk
Owner occupied:	362,487	403,679
With one selected condition	145,021	164,846
With two selected conditions	3,176	3,267
With three selected conditions	234	192
With four selected conditions	0	0
No selected conditions	214,056	235,374
Renter occupied:	74,661	80,394
With one selected condition	38,338	39,073
With two selected conditions	3,306	1,864
With three selected conditions	125	0
With four selected conditions	0	0
No selected conditions	32,892	39,457

Source: ACS 2005 Table B25123

In addition to this there are 328 housing units in Nassau that use no heating fuel and 1,197 that use no heating fuel in Suffolk. If we estimate that roughly half these units are not primary residences and/or have occupants who are not income constrained, then the numbers become 164 for Nassau and 598 for Suffolk.

In total, this method produces an estimated existing affordable housing need of 12,927 for the Nassau-Suffolk region, 7,005 in Nassau and 5,921 in Suffolk.

When this number for existing affordable housing need is added to the 6,254 units needed to satisfy the demand of the estimated 6,254 young workers aged 15-34 who would choose to become householders if housing were more affordable, there is an existing need for approximately 19,181 additional affordable housing units.

Projecting Future Need

There have been several individual analysts and regional organizations that have stated or provided estimates of future and existing need for affordable housing on Long Islnd, though few have offered analytical methodologies for their estimates. This report contains an explanation of one method of projecting future need for affordable housing.

Projection Method

The basis for this method is the assumption that those householders that make 95 percent or less of median family income and will be paying 50 percent or more of their income on housing constitute the bulk of the projected population that will require affordable housing. According to the 2000 census and the data from HUD, approximately 11.5 percent of all households on Long Island are households making 95 percent or less of median family income and are paying 50 percent or more of their income in housing costs (this is adjusted to 2005 - 115,000 householders out of a total of 998,330 housing units).

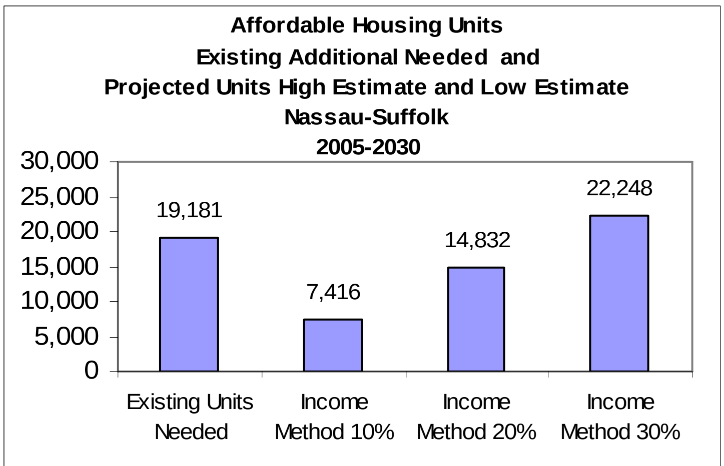
This approach is based on existing staff estimates of new housing units which, in turn, are based on existing staff population projections which reflects current zoning and land restrictions. The staff has projected approximately 74,160 new housing units to be built in Nassau-Suffolk between 2005 and 2030 (10,750 in Nassau and 63,410 in Suffolk). This assumes an average of one-third of an acre zoning throughout the region and somewhere between 25,000 acres and 30,000 acres of developable vacant land. This estimate also assumes an average of approximately three persons per household, which means a population increase of approximately 222,480 for the region. The Suffolk County Planning Department's recent plan for its major growth areas, *A Review of Selected Growth and Development Areas, Suffolk County, New York* (August 2006), projects roughly 24,000 new housing units in the areas with the most growth potential under current zoning, and is consistent with staff's regional growth projections.

This method assumes a range for the percentage of new households that will earn 95 percent or less of the median family income and pay 50 percent or more on housing. If the housing market cools down and incomes in the region grow fast, it is conceivable that the number of households that meet this criteria could drop to approximately 10 percent of the additional 74,160 new households. This scenario is estimated to require approximately 7,416 new affordable housing units to meet the need by 2030. A less optimistic scenario considers that the regional housing market stays about the same, and incomes advance at roughly the same pace they have been over the past few years. In this case, it is estimated that roughly 20 percent of new households will earn 95 percent or less of median family income and pay 50 percent or more for housing costs, requiring approximately 14,832 affordable housing units by 2030. In the worst case scenario, housing costs increase even further as land becomes less available, far outpacing the growth in income, leaving 30 percent of new households in the region making 95 percent or less of median family income and paying 50 percent or more of income on housing costs. This worst case scenario would require approximately 22,248 new affordable housing units by 2030.

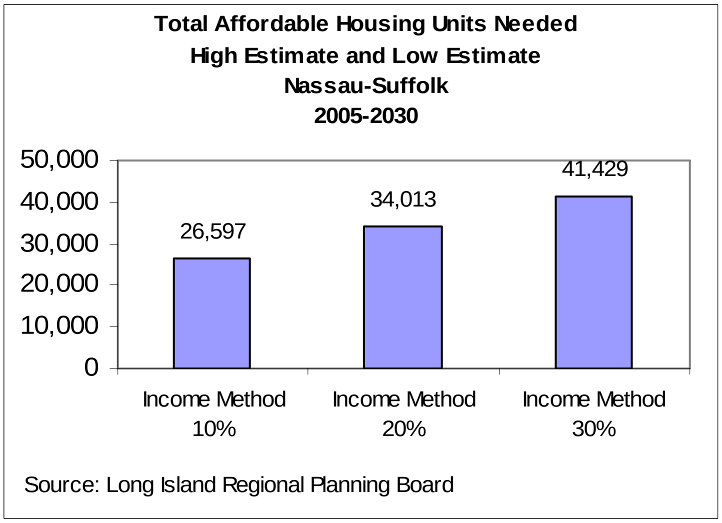
Town	2005	2010	2015	2020	2025	2030	Total 2005-2030 Change	Est. Aff. Housing Need at 10% of New Housing Units	Est. Aff. Housing Need at 20% of New Housing Units	Est. Aff. Housing Need at 30% of New Housing Units
Glen Cove	9,516	9,681	9,791	9,881	9,946	9,986	470	**47**	**94**	**141**

Hempstead	248,373	249,938	250,988	251,818	252,448	252,878	4,505	**451**	**901**	**1,352**
Long Beach	15,038	15,213	15,328	15,423	15,493	15,538	500	**50**	**100**	**150**
N. Hemp.	77,940	78,745	79,280	79,710	80,030	80,240	2,300	**230**	**460**	**690**
Oyster Bay	100,530	101,570	102,260	102,815	103,230	103,505	2,975	**298**	**595**	**893**
Nassau	451,397	455,147	457,647	459,647	461,147	462,147	10,750	**1,075**	**2,150**	**3,225**
Babylon	70,708	71,818	72,768	73,558	74,133	74,638	3,930	**393**	**786**	**1,179**
Brookhaven	155,659	163,614	170,734	177,019	182,154	185,019	29,360	**2,936**	**5,872**	**8,808**
E. Hamp	8,696	9,071	9,371	9,621	9,801	9,921	1,225	**123**	**245**	**368**
Huntington	67,227	68,237	69,102	69,822	70,352	70,702	3,475	**348**	**695**	**1,043**
Islip	101,921	104,656	107,001	108,956	110,376	111,306	9,385	**939**	**1,877**	**2,816**
Riverhead	13,234	15,234	16,734	17,734	18,399	18,934	5,700	**570**	**1,140**	**1,710**
Shel Isl	1,081	1,116	1,146	1,171	1,191	1,206	125	**13**	**25**	**38**
Smithtown	39,772	40,912	41,887	42,702	43,292	43,702	3,930	**393**	**786**	**1,179**
Southampton	23,448	24,683	25,763	26,688	27,413	27,953	4,505	**451**	**901**	**1,352**
Southold	8,866	9,241	9,616	9,991	10,341	10,641	1,775	**178**	**355**	**533**
Suffolk	490,612	508,582	524,122	537,262	547,452	554,022	63,410	**6,341**	**12,682**	**19,023**
East. Suff	55,325	59,345	62,630	65,205	67,145	68,655	13,330	**1,333**	**2,666**	**3,999**
Nass-Suff	942,009	963,729	981,769	996,909	1,008,599	1,016,169	74,160	**7,416**	**14,832**	**22,248**

When added to the current estimated existing number of affordable housing units needed of 19,181, this comes to a total ranging from 26,597 affordable housing units to 41,429 affordable housing units needed between 2005 and 2030.

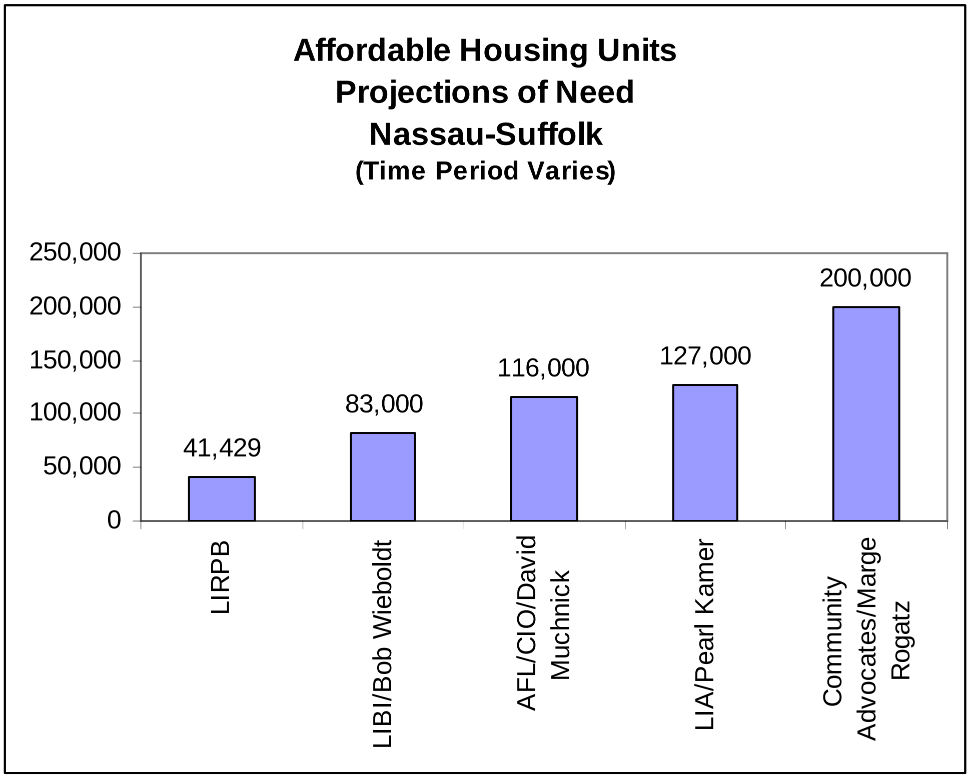


Source: Long Island Regional Planning Board



Several individuals and organizations of proffered their own estimates for the number of affordable housing units needed in the Nassau-Suffolk region. The Long Island Association's Chief Economist Pearl Kamer completed an analysis in 2005 that estimated a need for 127,000 new housing units during the next ten years for Long Island. In testimony before the Welfare to Work Commission of the Suffolk County Legislature in November of 2006, Dr.Kamer said that Suffolk will need approximately 65,000 affordable units over the next ten years, while David M. Muchnick of Sustainable Enterprise estimated around 69,500 affordable housing units. Muchnick had earlier, in 2003, written a report for the New York State AFL-CIO which estimated a shortfall of many tens of thousands of homes, reaching perhaps 116,000 for the lowest half of the housing market. Bob Wieboldt, the Executive Director of the Long Island Builders Institute, offered his opinion in 2005 in a *Newsday* interview, indicating that perhaps 83,000 new affordable housing units were needed over the next 25 years.[8] Below is a graphic that compares these estimates.

[8] Pearl M. Kamer, *Lack of Affordable Housing: Prescription for Economic Disaster*, (Long Island Housing Partnership and Roslyn Savings Bank, 2003); Matthew T. Crosson, President, Long Island Association, personal correspondence to James Larocca, November 14, 2006; David M. Muchnick, *The Crisis of Affordable Housing for Long Island's Working People*, (New York State AFL-CIO, March 2003); "Affordable for Whom? Creating Housing for Low and Moderate Income People in Suffolk County," Welfare to Work Commission, Suffolk County Legislature, Hauppauge, New York, February 2007; Marge Rogatz, Commments Before the Long Island Regional Planning Board, October 10, 2006; "Not Sold on Homes Plan, Builders, Backers of more inexpensive LI housing Say New Study Underestimates Need for More Dwellings" *Newsday*, Jul 22, 2005, A.03.


Affordable Housing Units
Projections of Need
Nassau-Suffolk
(Time Period Varies)
250,000
200,000
150,000
100,000
50,000
0
41,429
83,000
116,000
127,000
200,000
LIRPB
LIBI/Bob Wieboldt
AFL/CIO/David Muchnick
LIA/Pearl Kamer
Community Advocates/Marge Rogatz