LONG ISLAND INDEX
A PROJECT OF THE RAUCH FOUNDATION

Long Island's Needs for Multifamily Housing:

Measuring How Much We Are Planning to Build vs. How Much We Need for Long Island's Future

HR&A Analyze. Advise. Act.

RPA Regional Plan Association

February 2016

Introduction

Study Objectives

- **To evaluate the current state of multifamily housing on Long Island, and assess the need for additional multifamily housing** based on demographic projections and housing preferences.
- **To analyze potential locations that can accommodate new multifamily housing**, and recommend zoning tools, development typologies, and residential density.
- **To offer an implementation plan for delivering more multifamily** housing in appropriate locations and at price points that are affordable to young workers and their families.

What is multifamily housing?

Multifamily housing includes any building with 3+ attached residential units.

- **Multifamily housing includes both rentals and owner-occupied buildings** such as co-ops and condominiums.
- Long Island's multifamily housing tends to be **garden apartments, townhomes, and mid-rise buildings.**
- **Subsidized housing accounts for only 4% of Long Island's total housing stock.** This includes public housing, Section 8 assistance, and other types of subsidies.

Source: Long Island's Rental Housing Crisis (2013). RPA, LICF, & Ford Foundation.

Key Findings

- While Long Island is building more rentals, co-ops, condos and other multifamily homes than it has in past decades, there is still **an enormous gap between what is being produced and what the region needs.**
- Long Island may gain up to **158,000 households** over the next 15 years, but is likely to develop **only 64,000 new housing units** in its most optimistic scenario, leaving up to a **94,000 unit gap**.
- Long Island's existing shortage of affordable rental housing is **keeping young adults from striking out on their own and causing many to leave the Island**.
- Changing preferences indicate that **over two-thirds of Long Island's 158,000 new households, or approximately 104,000 households, will prefer walkable mixed-use areas.**
- Taking into account the 26,000 planned multifamily housing units, **a gap of 72,000 units will remain in walkable mixed-use areas.**
- Reasonable regulatory and policy solutions to build more unrestricted multifamily housing and create more development capacity **can improve the overall health of Long Island's housing market, providing more affordable housing options to all residents.**

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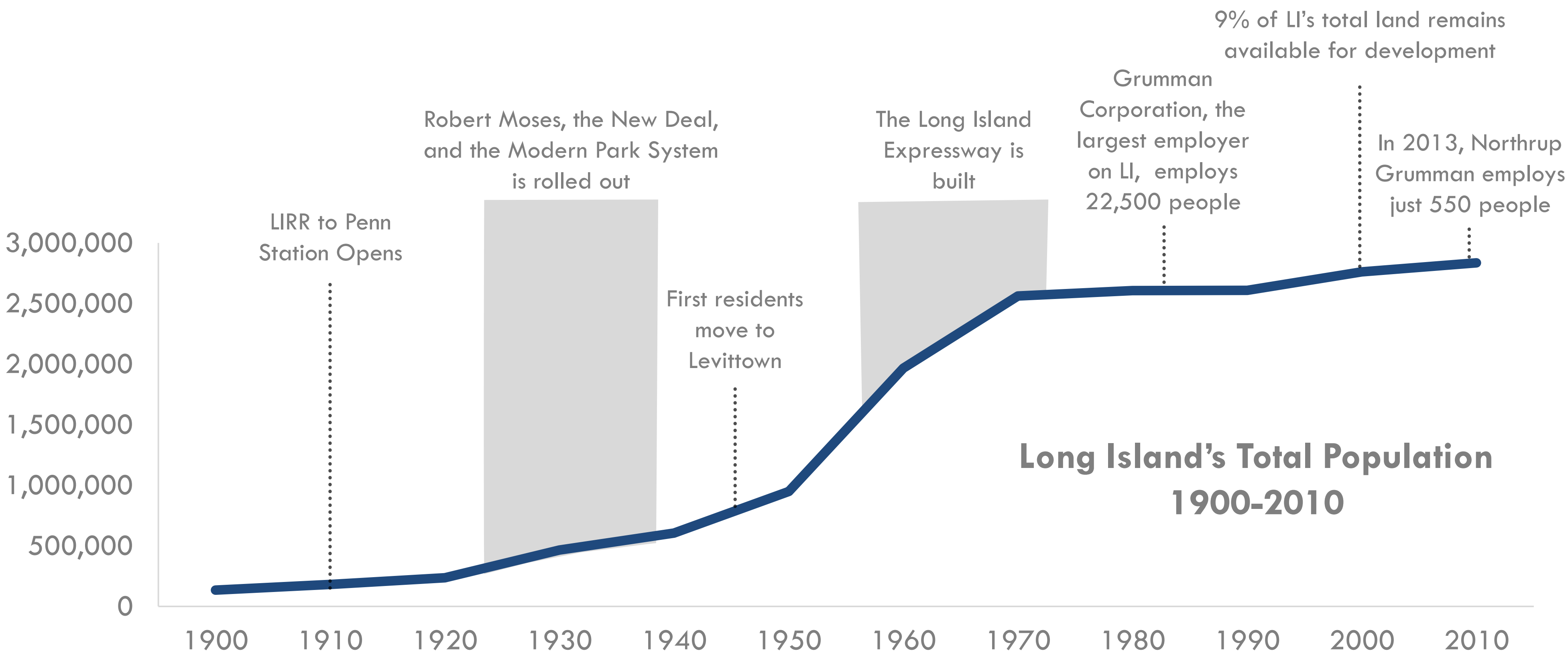
Long Island Today

Long Island's population growth has slowed in the past few decades.

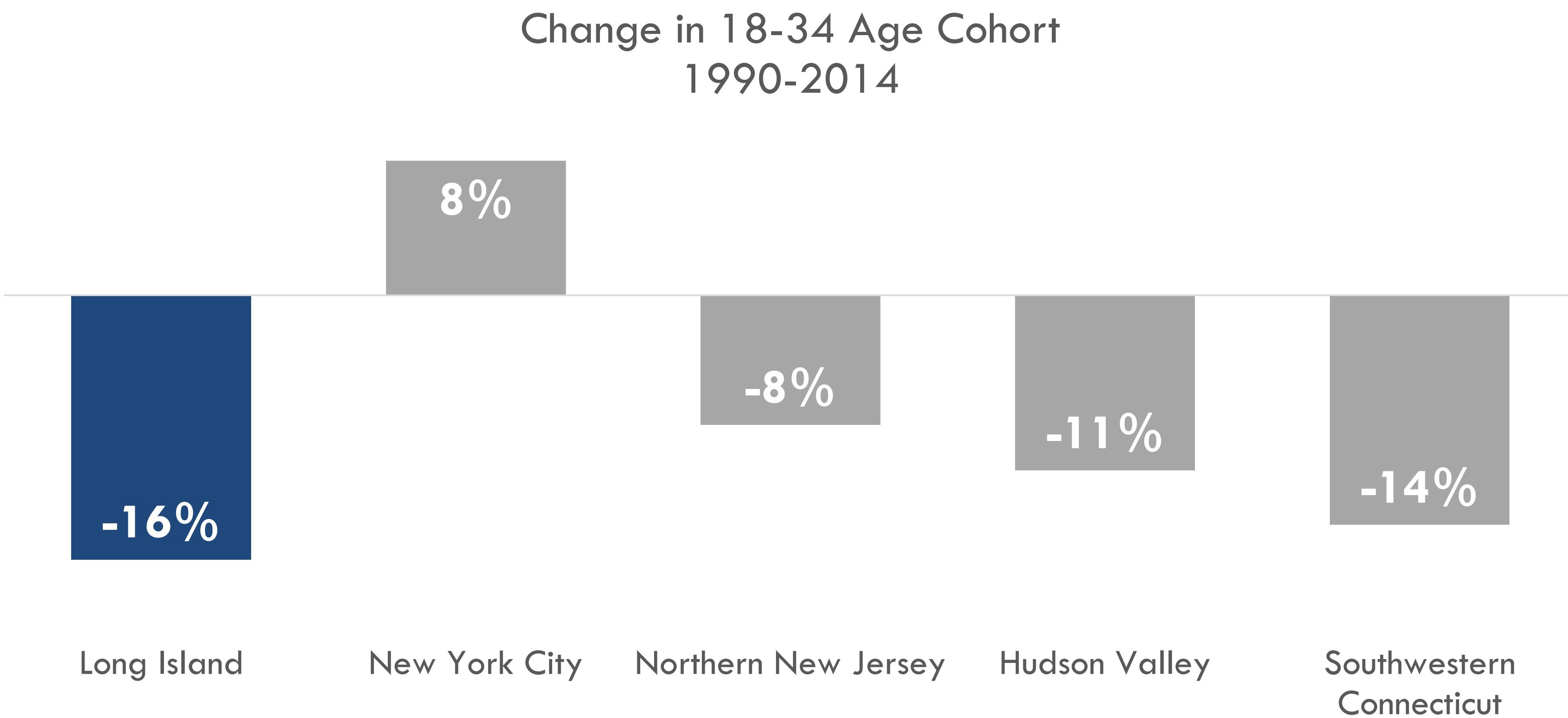
Long Island's population has been stagnant since 1970. During this time period, the region has grown at an average of 1% per year, compared to 6% per year from 1930 to 1970.



Source: U.S. Census Bureau; Bureau of Economic Analysis; Regional Plan Association; New York Times; Wall Street Journal

More critically, Long Island is losing its young working-age population – who are key to revitalizing and growing its communities.

Over the past 25 years, Long Island has lost a greater share of its younger residents than regional competitors, in part due to a lack of economic opportunity, high costs of living, and lack of housing and transit options.



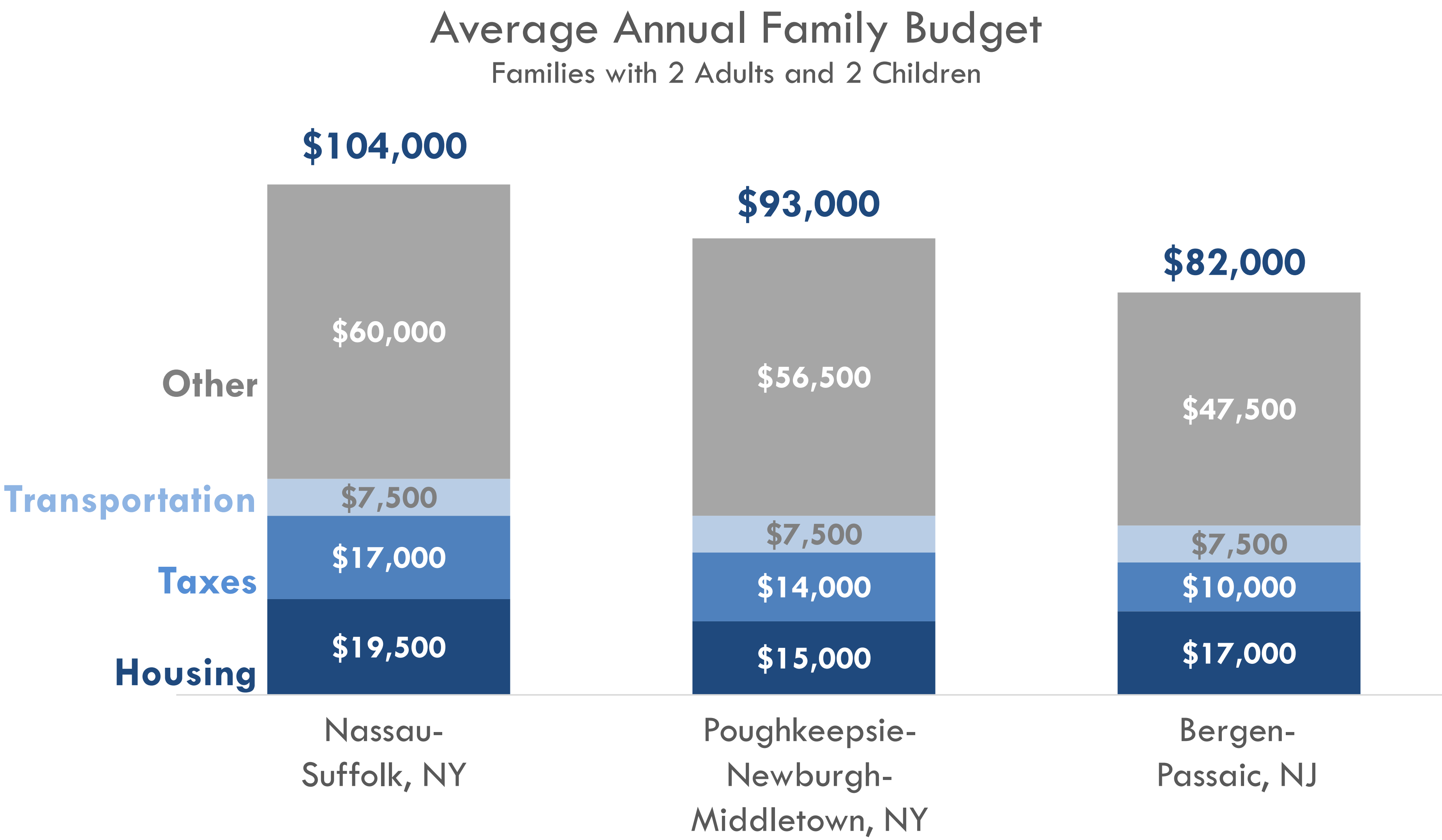
Source: U.S. Census Bureau

The departure of key industries on Long Island have left an economic void, contributing to a lack of well-paying, upwardly mobile jobs.

Industry Sectors of Long Island Residents	1990	2010	Employment Change 1990-2010
Construction	79,300	94,100	**19%**
Manufacturing	169,900	91,300	**-46%**
Retail	204,600	151,600	**-26%**
Health Care & Social Services	126,700	198,500	**57%**
Education	127,500	159,700	**25%**
Finance, Insurance, Real Estate	133,000	126,400	**-5%**
Public Administration	66,400	70,300	**6%**
Other Industries	546,000	486,700	**-11%**
Total	**1,453,400**	**1,378,600**	**-5%**

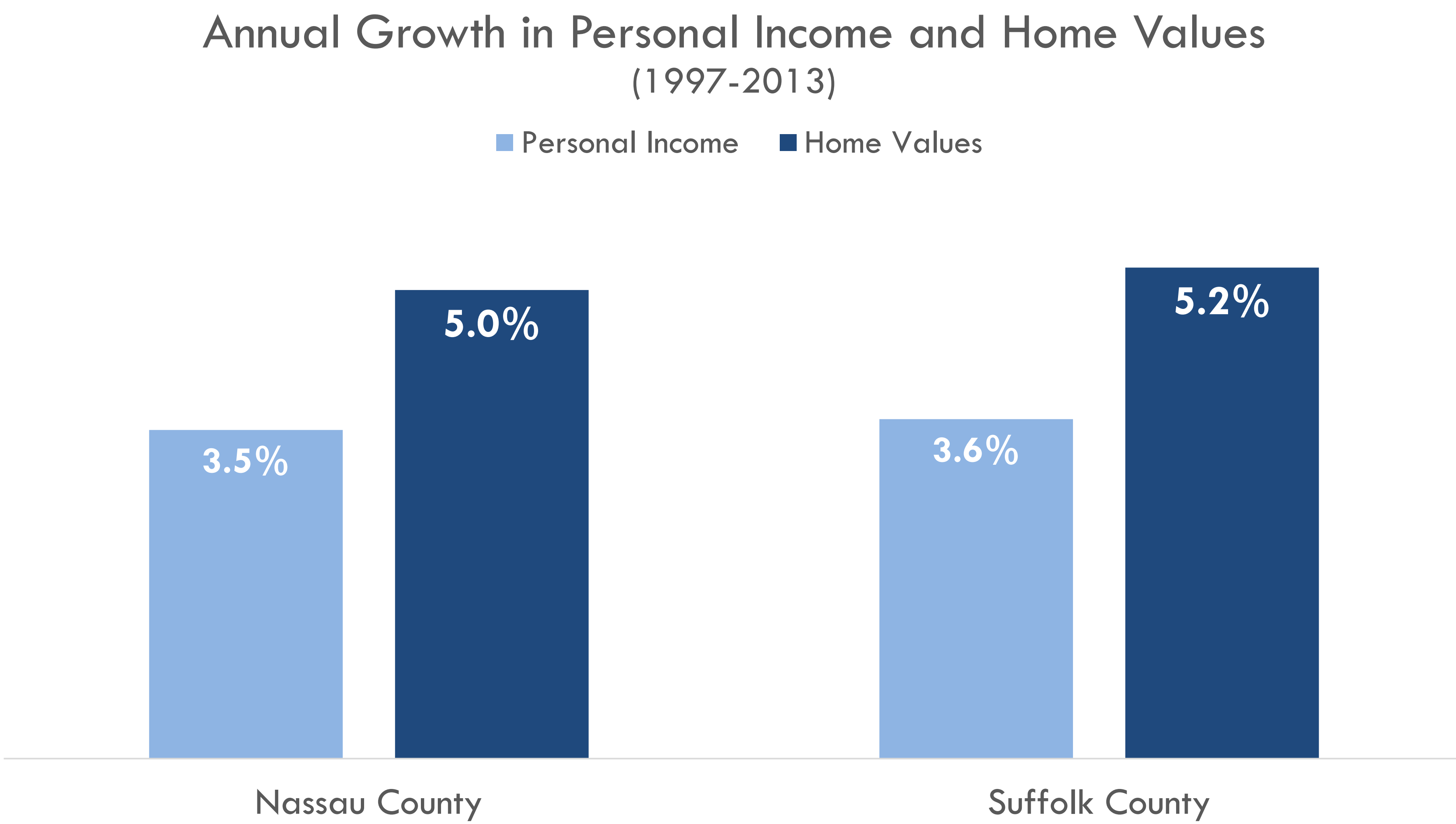
Source: U.S. Census Bureau

High housing costs and property taxes have made Long Island more expensive than other regional suburbs to raise a family.



Source: Economic Policy Institute – What Families Need to Get By. August 26, 2015.

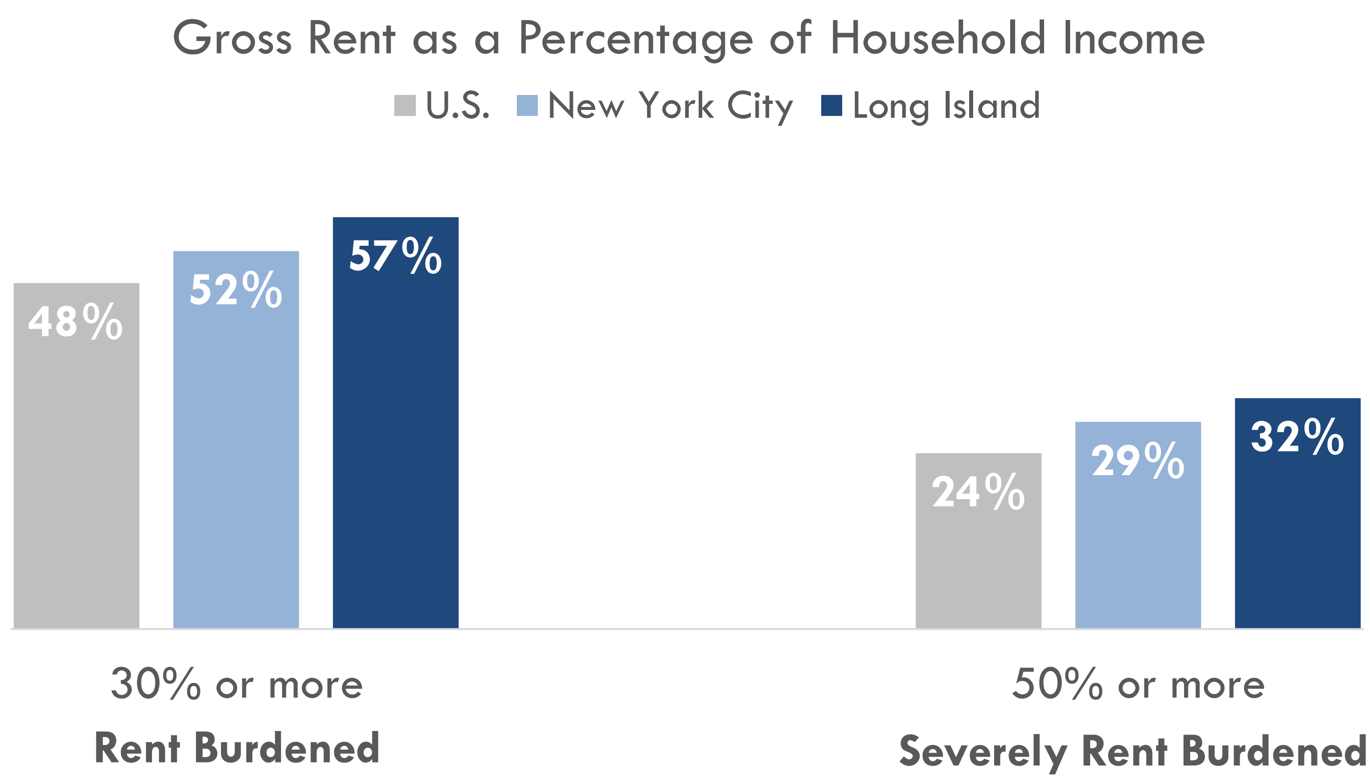
Incomes have not kept pace with the increase in home values…



Source: Zillow, U.S. Bureau of Economic , HR&A Analysis

…and high housing costs are greatly burdening Long Island residents.

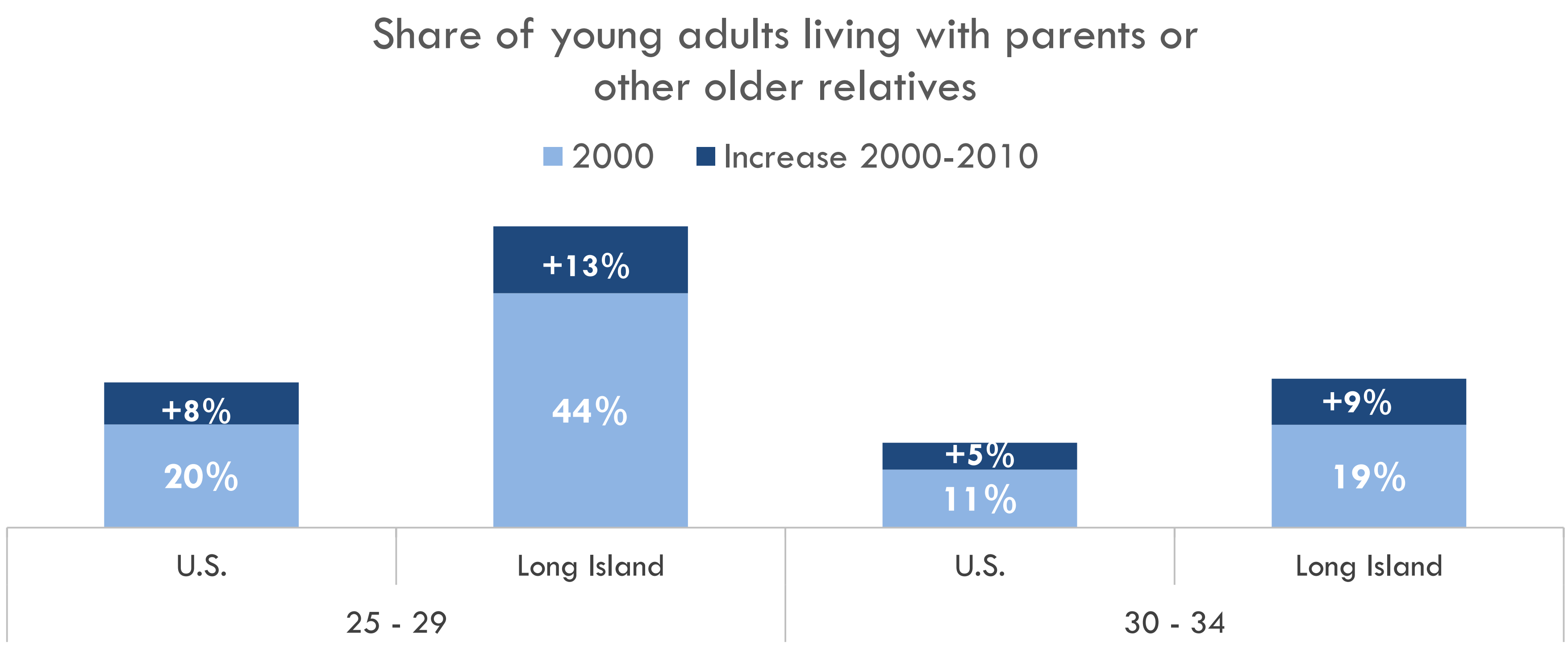
A greater proportion of Long Island residents are rent burdened, paying more than 30% of their incomes towards housing, and severely rent burdened, paying more than 50% of their household incomes towards housing, outpacing both national and New York City averages.



Source: American Community Survey (2014), U.S. Census Bureau

Young adults on Long Island are most impacted by these trends, severely influencing their living situations.

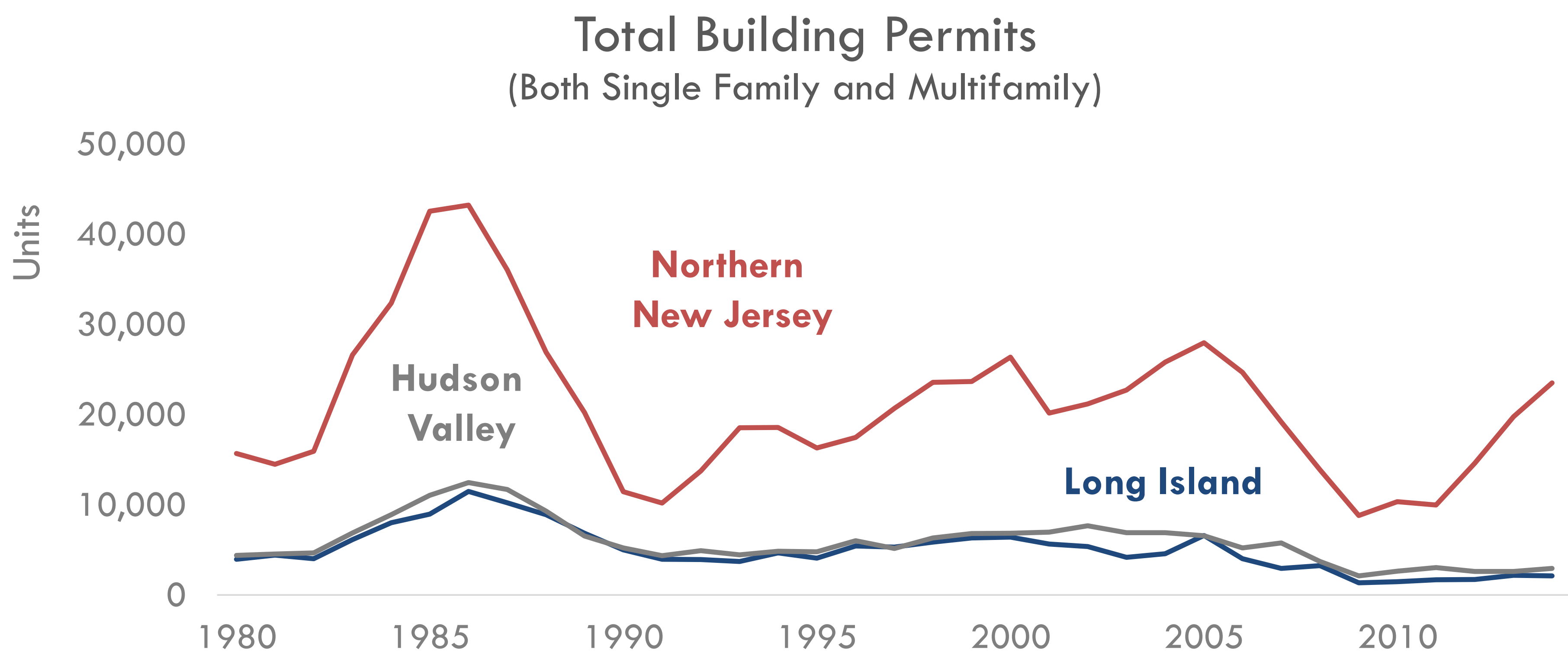
Today, Long Island's young adults are more than twice as likely to live with parents or other older relatives compared with the national average. This lack of mobility is severely hampering a healthy housing market, and preventing young people from being able to strike out on their own.



Source: American Community Survey (2014), U.S. Census Bureau

Much of the reason for Long Island's high housing costs are due to stagnant production over the past several decades.

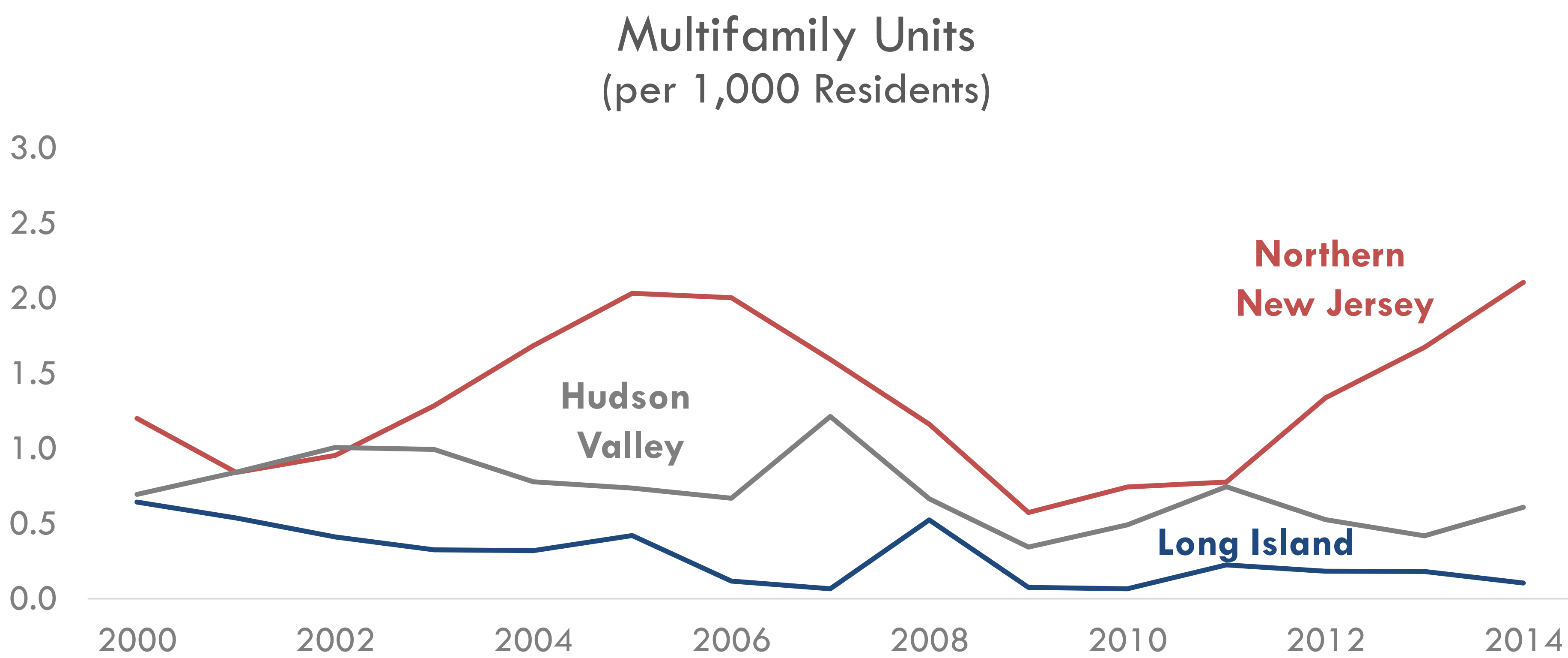
Since 1980, residential construction on Long Island has lagged behind regional competitors. Northern New Jersey has built significantly more housing over the past 35 years than nearby regions, allowing the region to better address affordability concerns and attract young workers away from Long Island and the Hudson Valley.



Source: US HUD State of the Cities; HR&A Analysis

Since 2000, Long Island has produced significantly less multifamily housing on a per resident basis than its regional peers.

Long Island's pace of housing development has lagged behind regional competitors relative to the size of its population. Multifamily housing is driving this disparity, with Northern New Jersey building on average greater than nine times more multifamily units per resident than Long Island.



Source: US HUD State of the Cities; HR&A Analysis

Furthermore, projects that have recently been completed are not affordable to large segments of Long Island's population.

Both for-sale and rental developments are out of reach to many Long Islanders – requiring high down payments and high monthly rents.

Hawthorne Court (2015)

Village of Valley Stream

Affordability Implications

1BR units: $2,400 - $2,750 monthly rent

2BR units: $2,750 - $3,350 monthly rent

Smallest 1BR units affordable to those making above **$96,000.**

Village Park (2014)

Village of Babylon

Affordability Implications

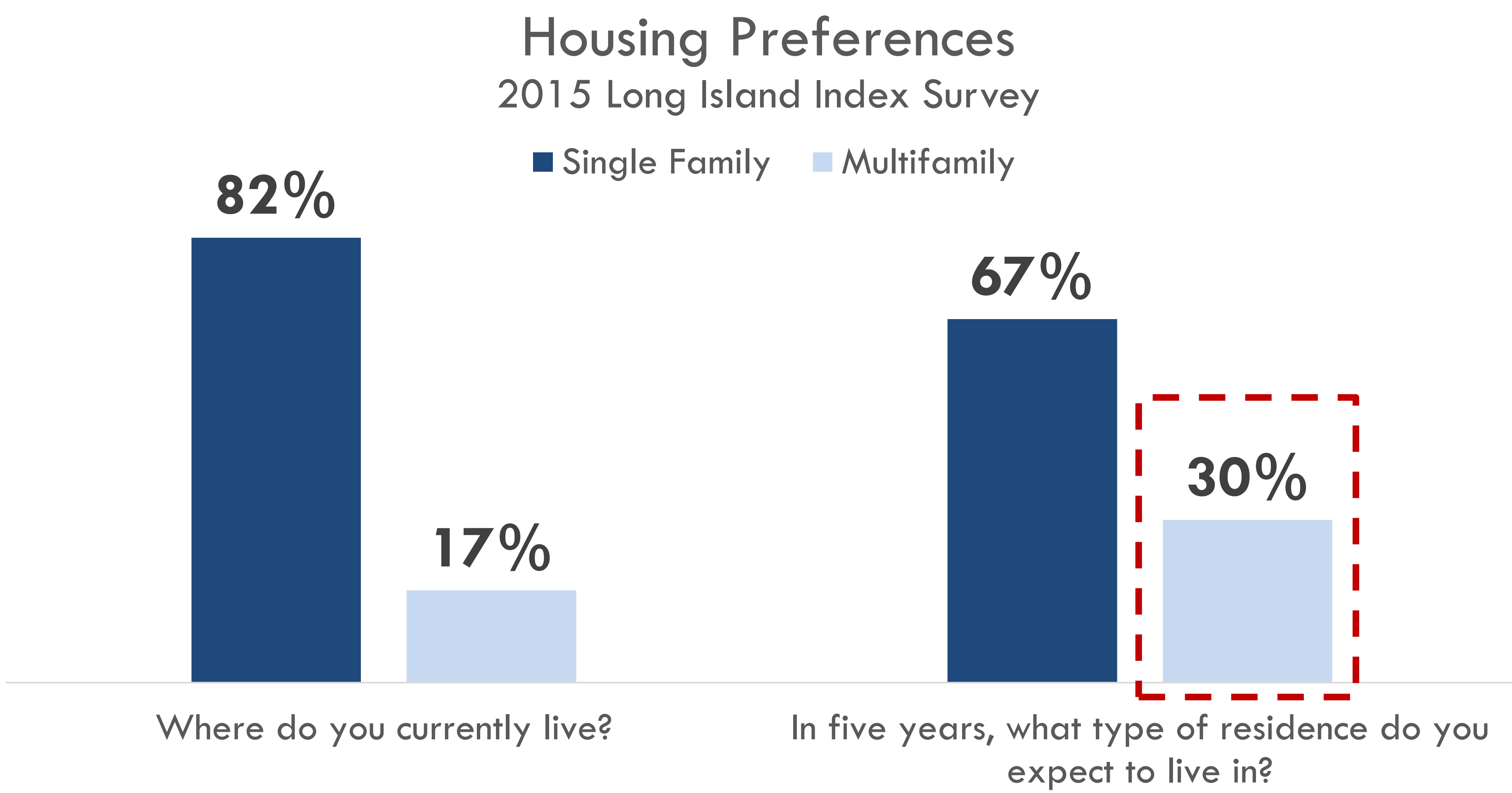
2BR units: $385,000 - $415,000 for sale

3BR units: $450,000 - $600,000 for sale

Standard 20% down payment requires $77,000 to purchase smallest 2BR unit.

Multifamily housing production on Long Island is not keeping pace with residents' changing preferences.

In only five years, nearly one-third of Long Island residents expect to live in multifamily housing, a significant shift from the proportion of residents currently living in such units.



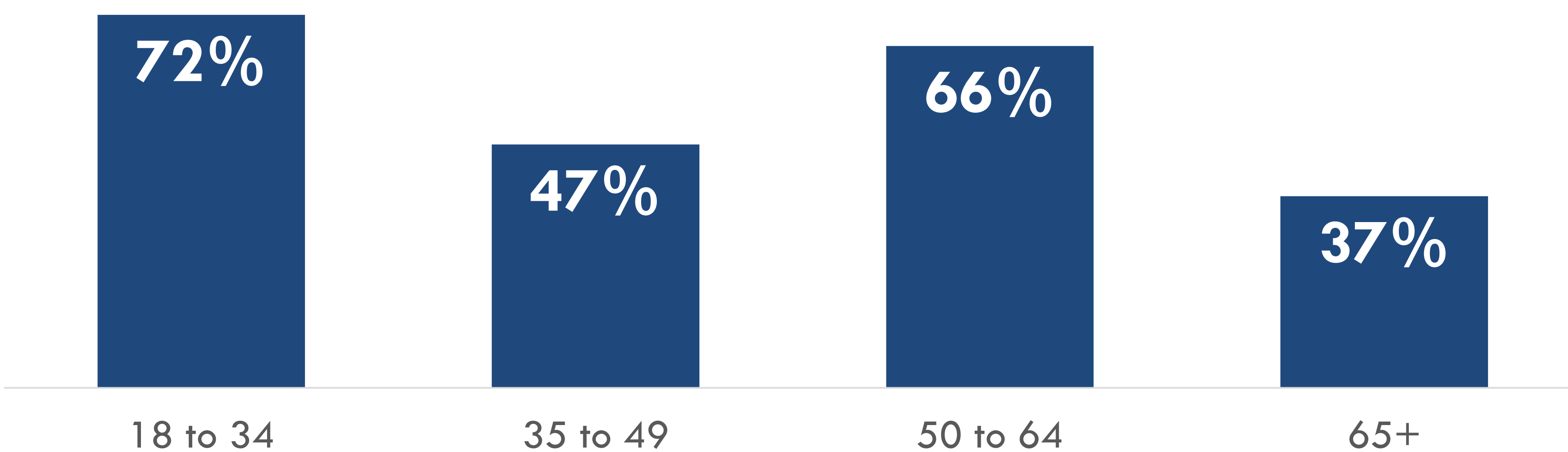
Source: National Association of Realtors (2011); Long Island Index (2015)

These trends are driving young, working age adults to leave Long Island in search of better opportunities elsewhere.

If the high cost of living and lack of well-paid jobs continue, nearly 75% of the region's young workers say that they are likely to move by 2020. Additionally, two-thirds of residents between the ages of 50-64 are also likely seek a lower cost region.

How likely is it that you will move out of Long Island to an area with lower housing costs and property taxes in the next 5 years?

Very or somewhat likely to leave



Source: Looking ahead on Long Island: To stay or go, live downtown, where to work, and other local matters. Long Island Index. Dec 2014.

Key Takeaways

- **Job losses in key industries and high housing costs and property taxes** are leading to a loss of its working age population, resulting in stagnant population growth.

- Long Island's high housing costs are largely a result of **insufficient housing production over the past several decades.**

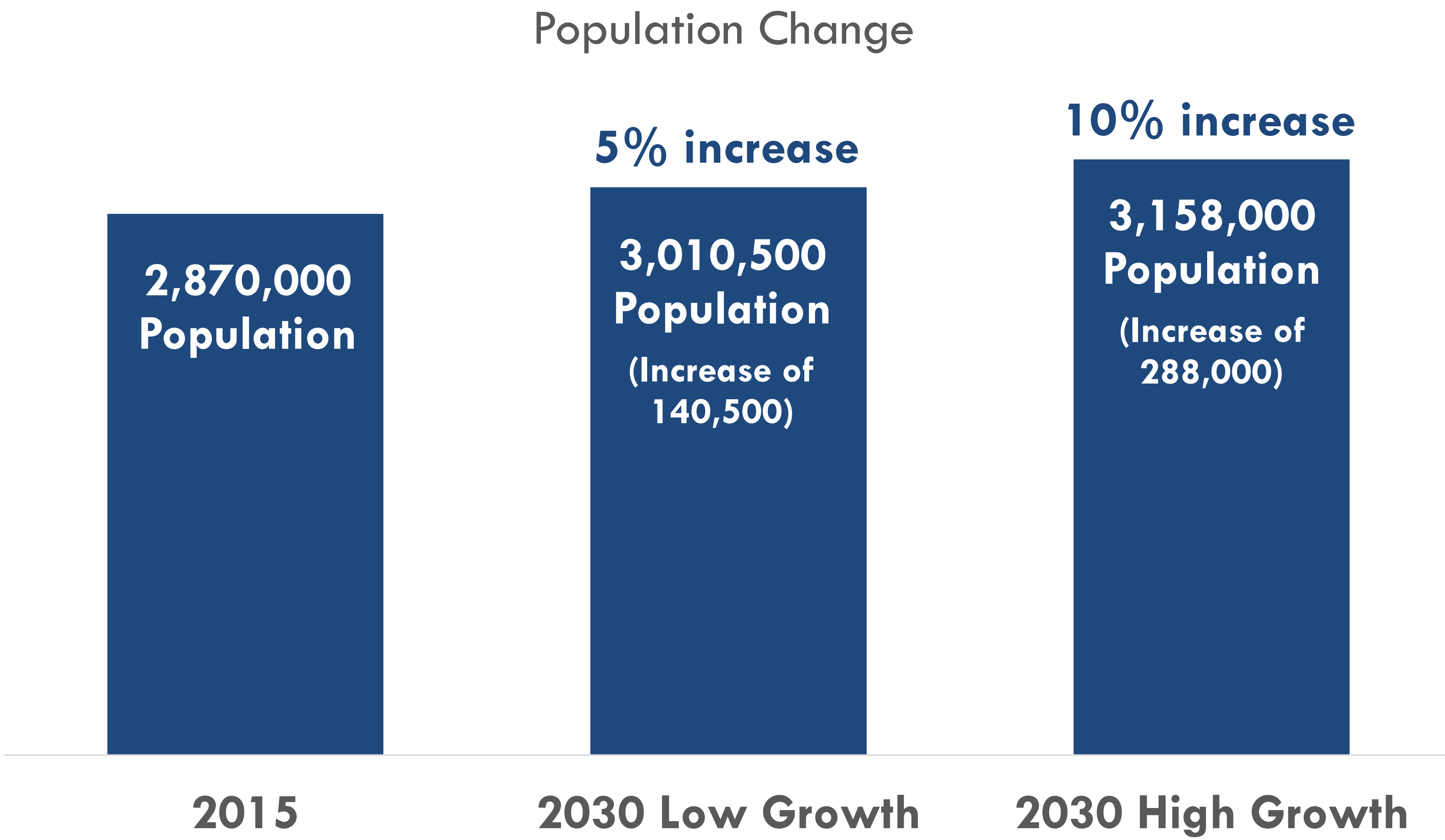
- **Multifamily housing production on Long Island has lagged behind regional competitors and is not affordable** to large sections of the region's population.

- **Young adults are most impacted by these trends** and are more than twice as likely to live with parents or other older relatives when compared with the national average.

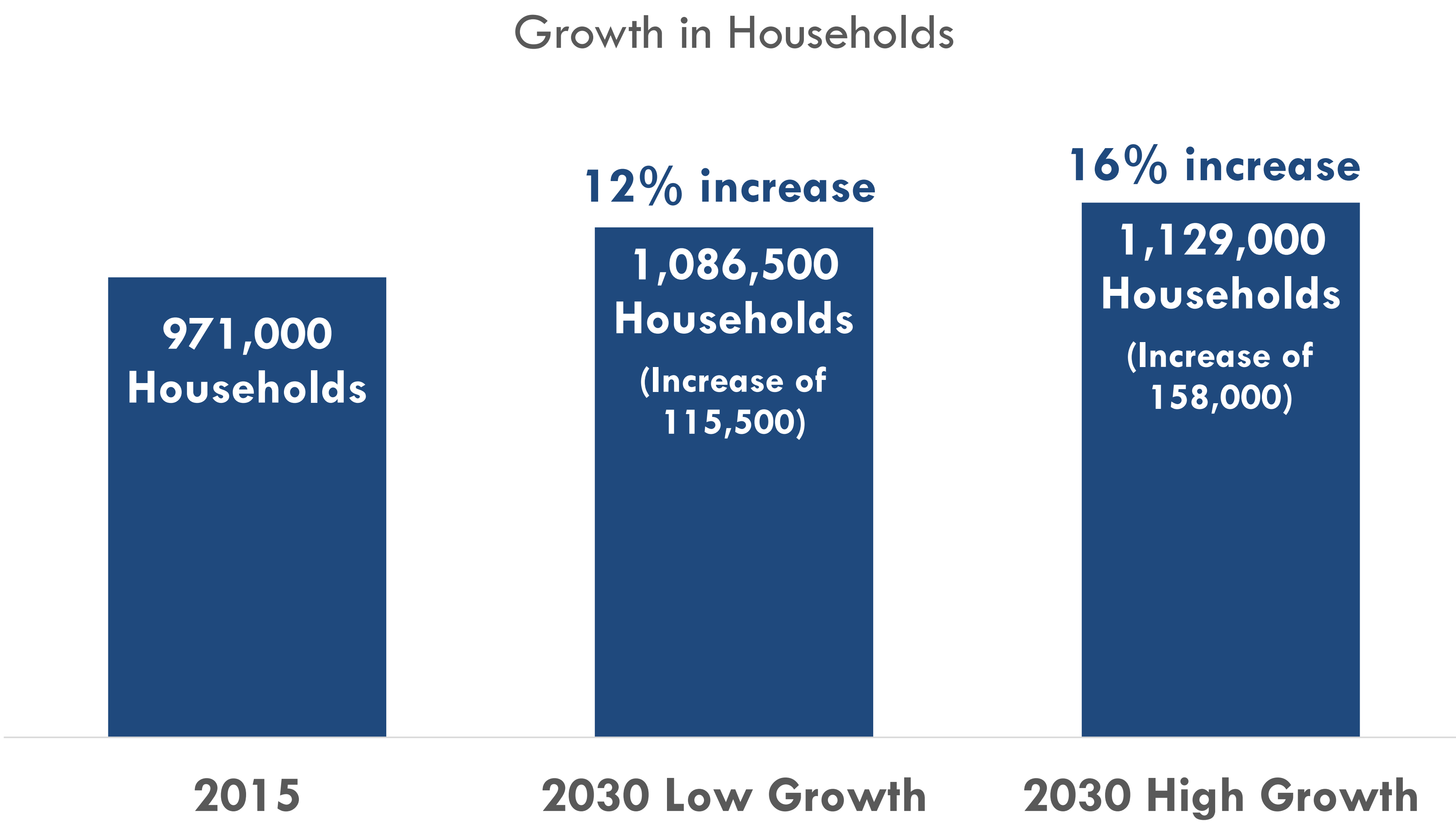
- These trends are resulting in a **weaker overall housing market, driving residents to leave Long Island.**

Future Demand for Housing on Long Island

RPA projects that unconstrained by housing supply issues, Long Island’s population could grow by up to 288,000 residents over the next 15 years.



RPA's projections anticipate an increase of as many as **158,000 new households.**



What are the key characteristics of these households?

- Households driving growth on Long Island over the next 15 years will predominantly be **people aged 25 to 44, who are expected to grow by 17%,** and those **aged 65+, who are expected to grow by 54%** during this period.
- By 2030, **nearly all of Long Island's growth in lower income households will be residents 65+ aging in place.**
- **More than 80% of these older householders are existing homeowners**, many of whom will be looking to downsize from single family homes to units more suitable to their needs.
- **Approximately one-third of new households will earn between $50,000 and $125,000**, and are anticipated to drive the demand for workforce housing.
- Long Island is likely to see its **share of single person households increase up to three times faster than larger households**, indicating demand for more multifamily units.

The Long Island Index developed a comprehensive database of future multifamily housing projects to better understand the development pipeline.

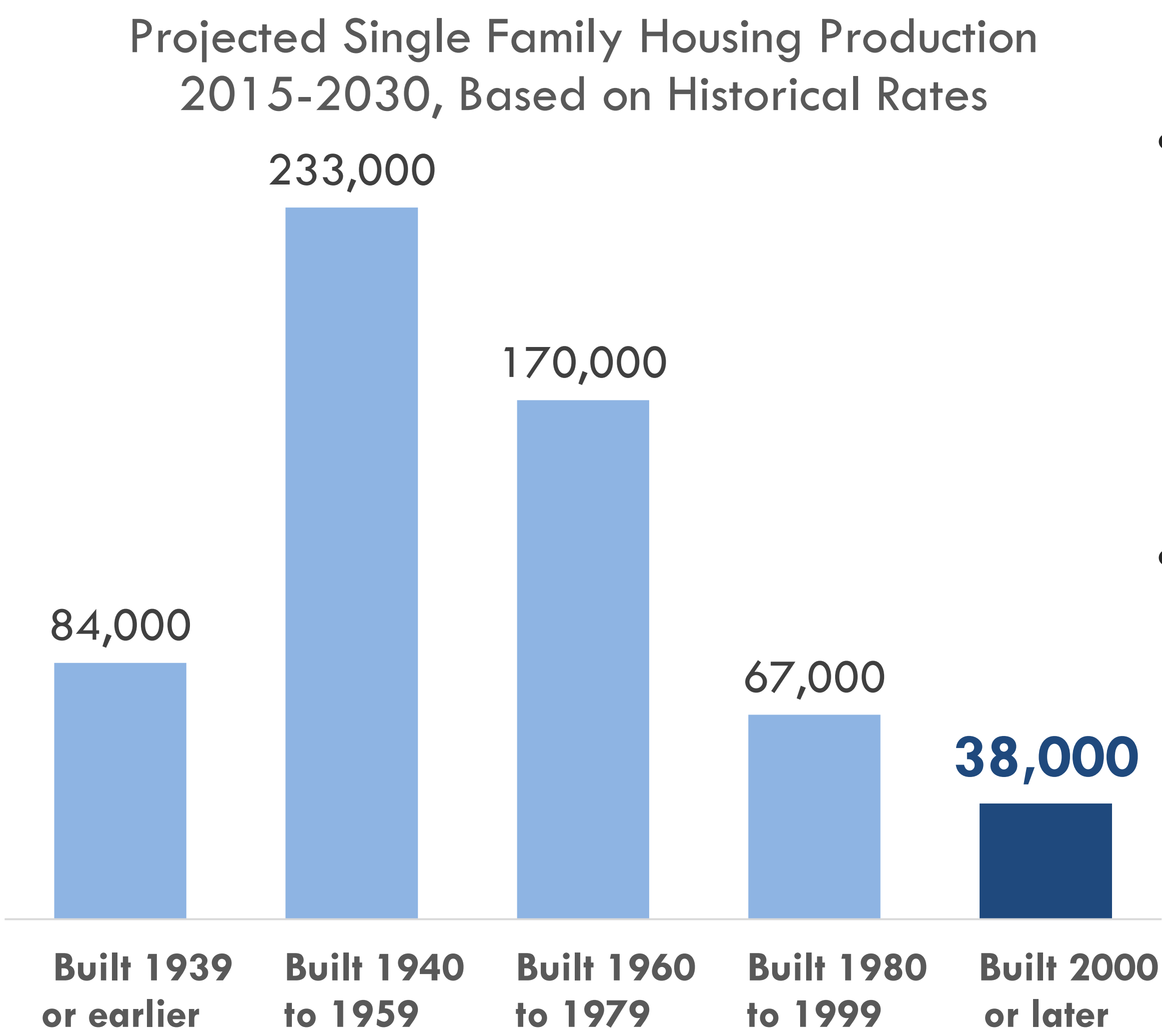
+26,000*

Multifamily Units Currently Proposed or Under Construction

	Nassau	Suffolk
Under Construction	2,400	1,300
Proposed	6,900	15,000
Total	**9,300**	**16,400**

* Numbers do not add up due to rounding.

For single family housing, HR&A examined recent census data patterns.



Source: 2009-2013 ACS – Units built since 2000, HR&A Analysis

- The **declining availability of developable land** and high infrastructure constraints will restrict new single-family housing development in the future.
- **Assuming an optimistic growth scenario**, if Long Island were to continue to build as the same pace as it has since 2000, **38,000 units would be built in the next 15 years.**

Combining the full multifamily pipeline with single family historical trends provides the most optimistic projection of total new housing units by 2030.

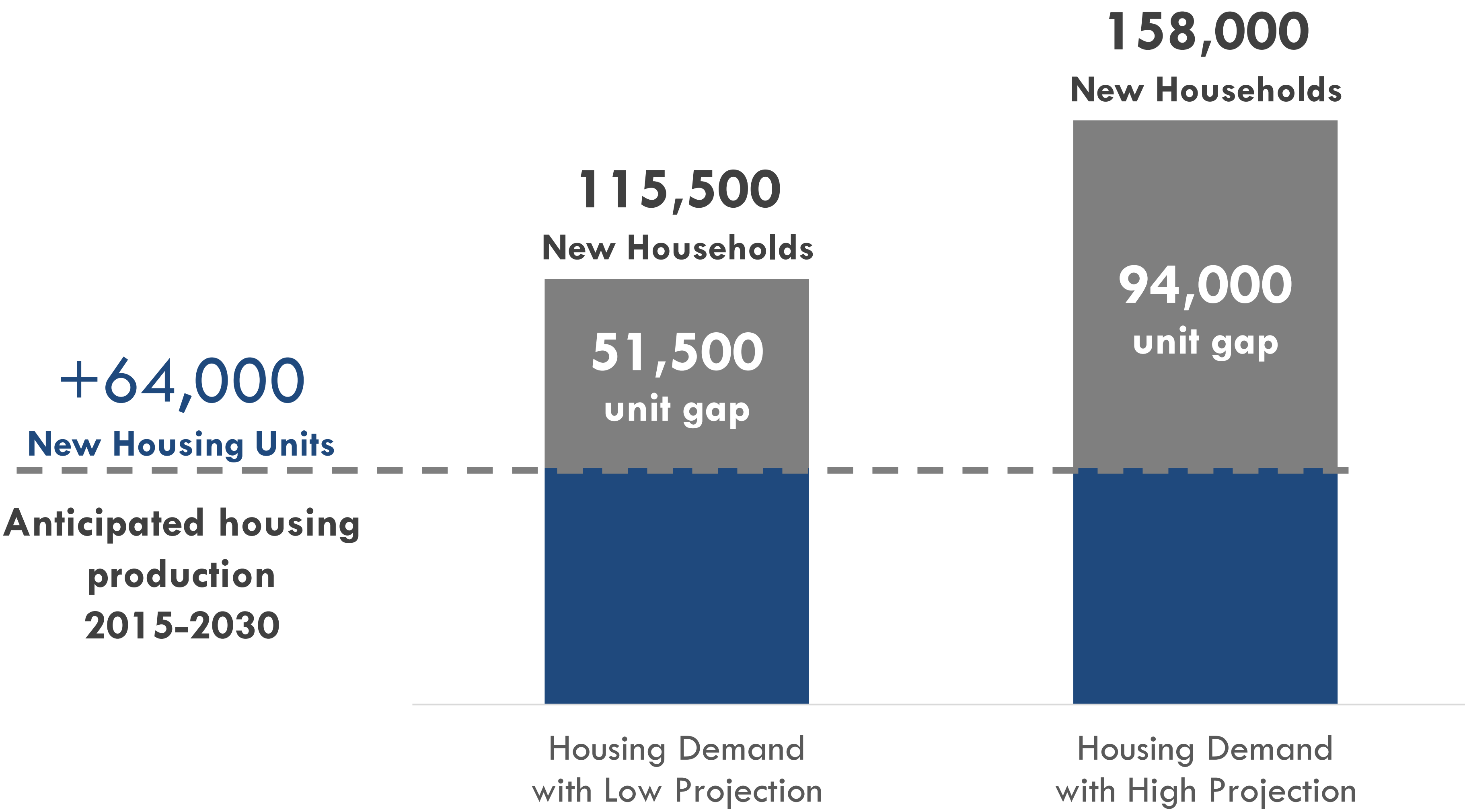
Projected New Housing Units on Long Island

Single Family		Multifamily
+38,000	+	+26,000
US Census Historical Trend 2000-2013		Units Currently Proposed or Under Construction

= **+64,000**

Combined Future Housing Units

This rate of housing production is **not enough to meet the demands of Long Island's future population.**



National surveys on housing and neighborhood characteristics provide insight into the preferences of future households.

Housing Preferences:

8%	11%	18%	28%	12%	22%
City, Downtown	City, Residential	Small Town	Mixed Suburban	Suburban, Houses Only	Rural Area

2/3 Prefer Walkable Mixed-Use

■ = Characteristics that exist on Long Island

Most Americans would like to live in walkable mixed-use communities, where amenities, services, and their jobs are a short commute away. Younger households have traditionally driven this demand, but baby boomers' preferences are beginning to change.

Village of Rockville Centre

Hamlet of South Hempstead

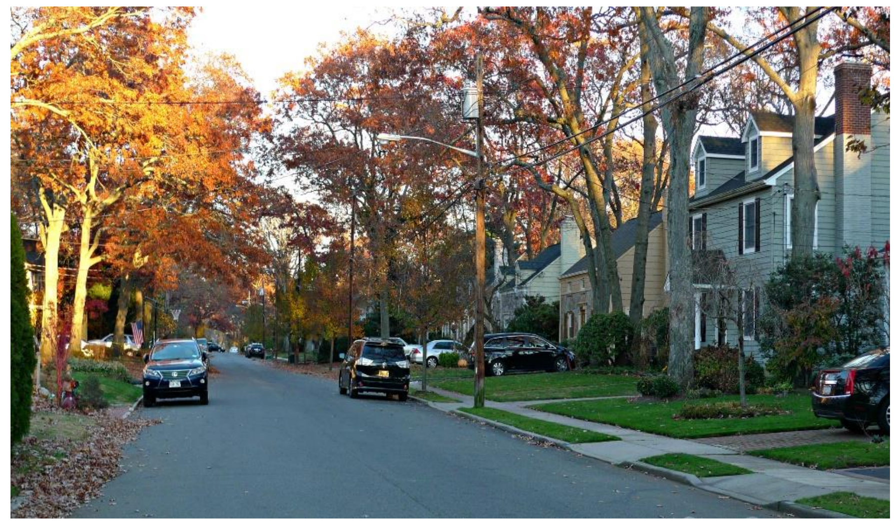
Long Island consists of a mix of walkable mixed-use and residential only areas.

Walkable Mixed-Use

Pedestrian friendly and transit-oriented town center with higher density housing, minimal setbacks, retail stores, and commercial corridors mixed in.

Residential Only

Low-density, predominantly single-family homes on larger lot sizes. Some of these areas may include small-scale retail.

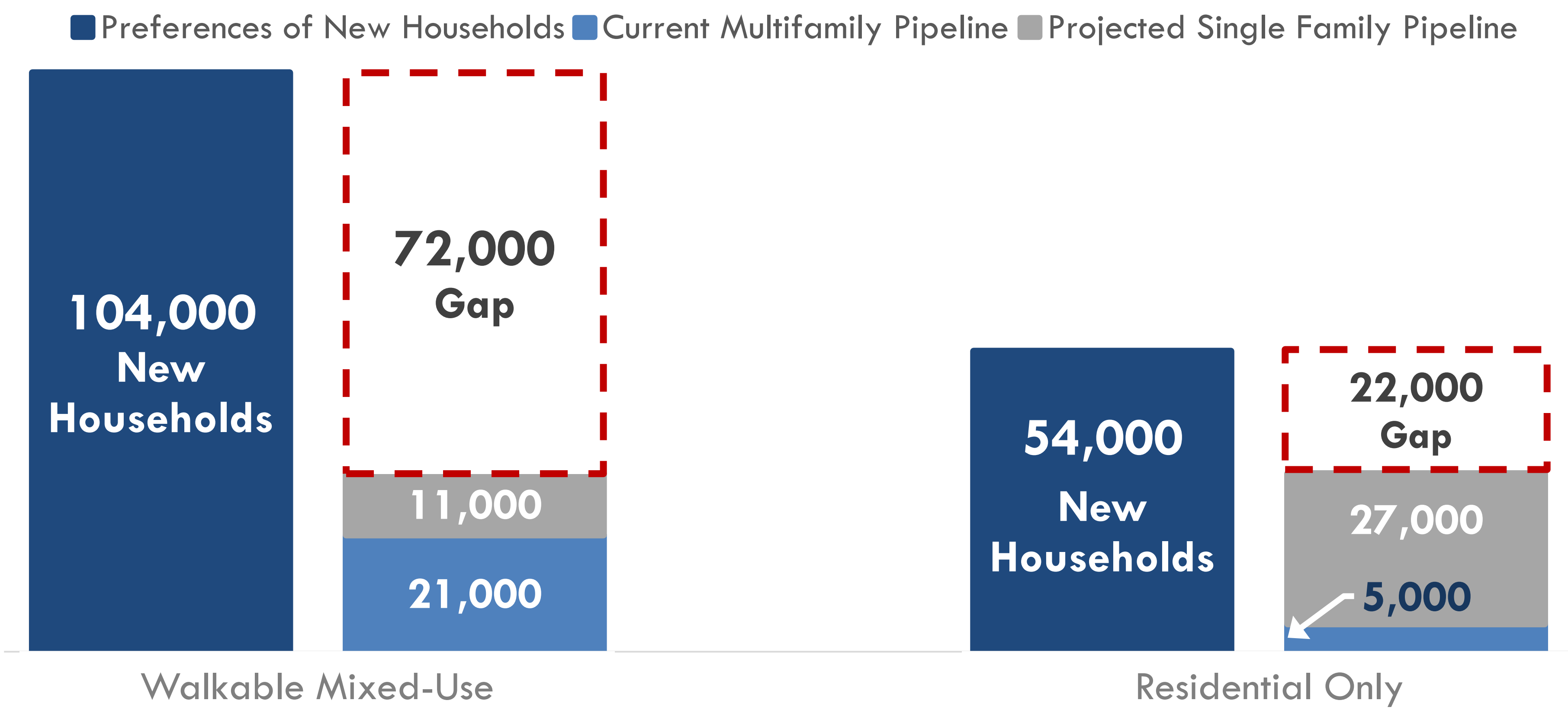


Of the 158,000 new households, 104,000 are anticipated to prefer walkable mixed-use areas and 54,000 will prefer residential only areas.

Of Long Island's total housing gap of 94,000 units, over 75% (72,000 units) will occur in areas with potential for walkable mixed-use residential development

Long Island's current development pipeline does not meet new households' changing preferences or future needs. Over two-thirds of Long Island's 158,000 new households are anticipated to prefer housing in walkable mixed-use areas.

Supply Gap of Preferred Housing by Location Typology

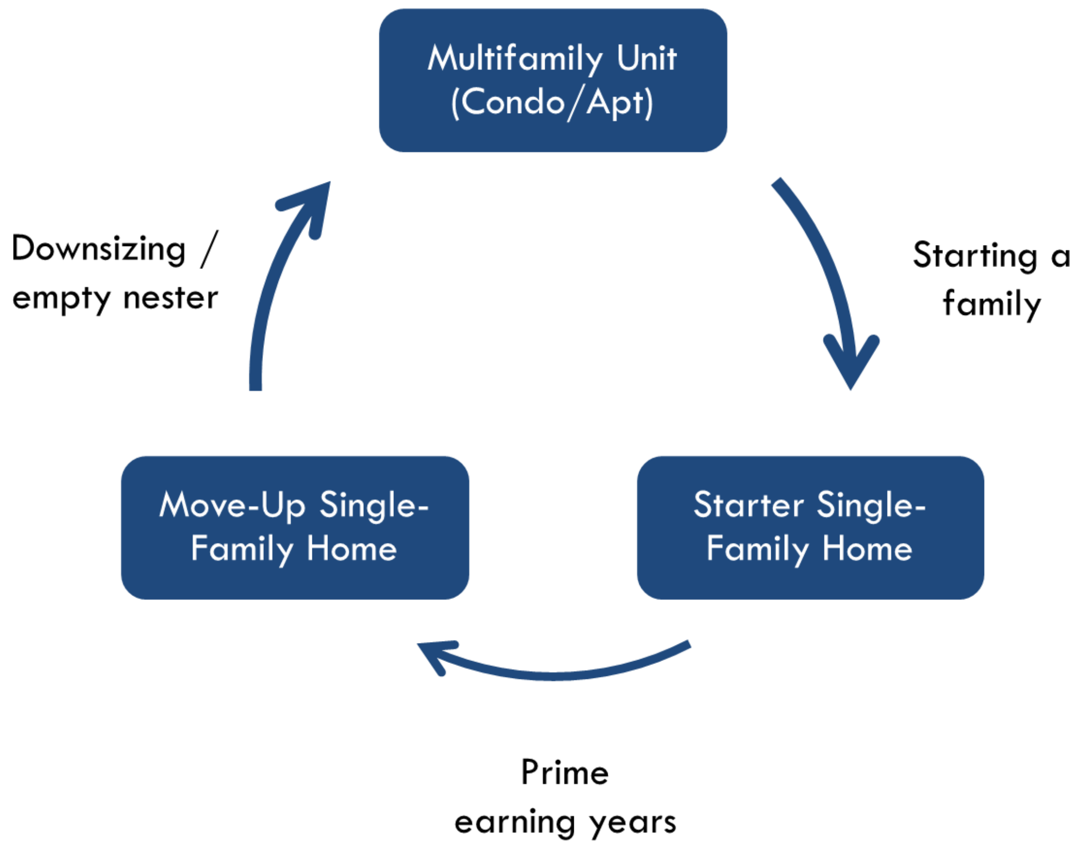


Limited production and lack of housing options will significantly impact residents' decisions to stay and thrive on Long Island.

- Younger residents are having trouble entering the market, due to the lack of housing options, high housing costs, and a lack of housing in desirable locations.

- Young families are finding it difficult to meet the large down payments required to move into starter single-family homes.

- Older residents looking to downsize have limited options if they wish to stay on Long Island.



How does Long Island close the gap?

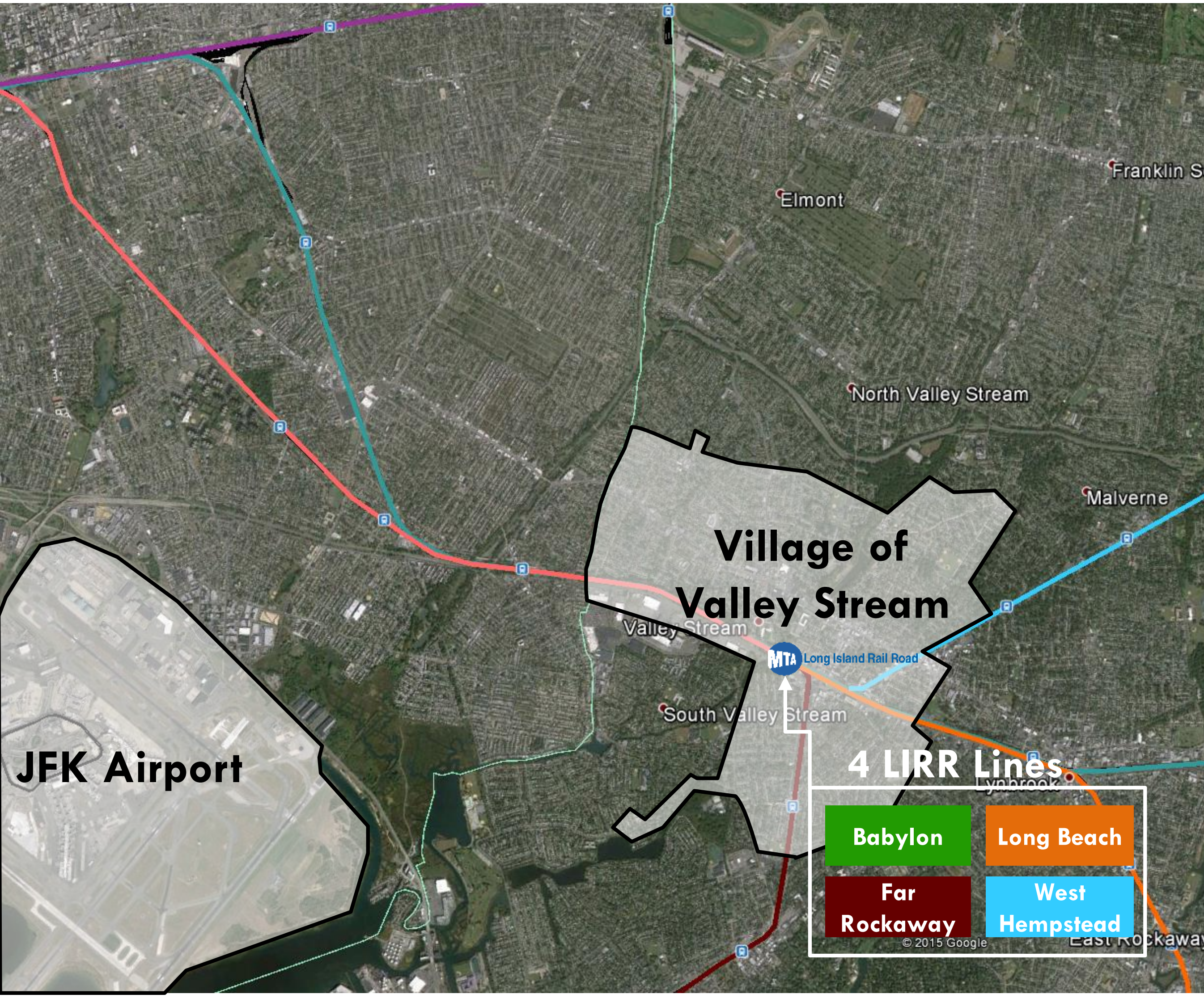
Three Case Studies

Implementation Case Studies: Three Communities

Source: ESRI Business Analyst Online

Village of Valley Stream Community Profile

The Incorporated Village of Valley Stream borders the borough of Queens and benefits from frequent LIRR service along four separate lines.



Key Demographic Indicators

38,000
Total Population

12,300
Total Households

$89,000 (vs $97,000 Long Island-wide)
Median Household Income

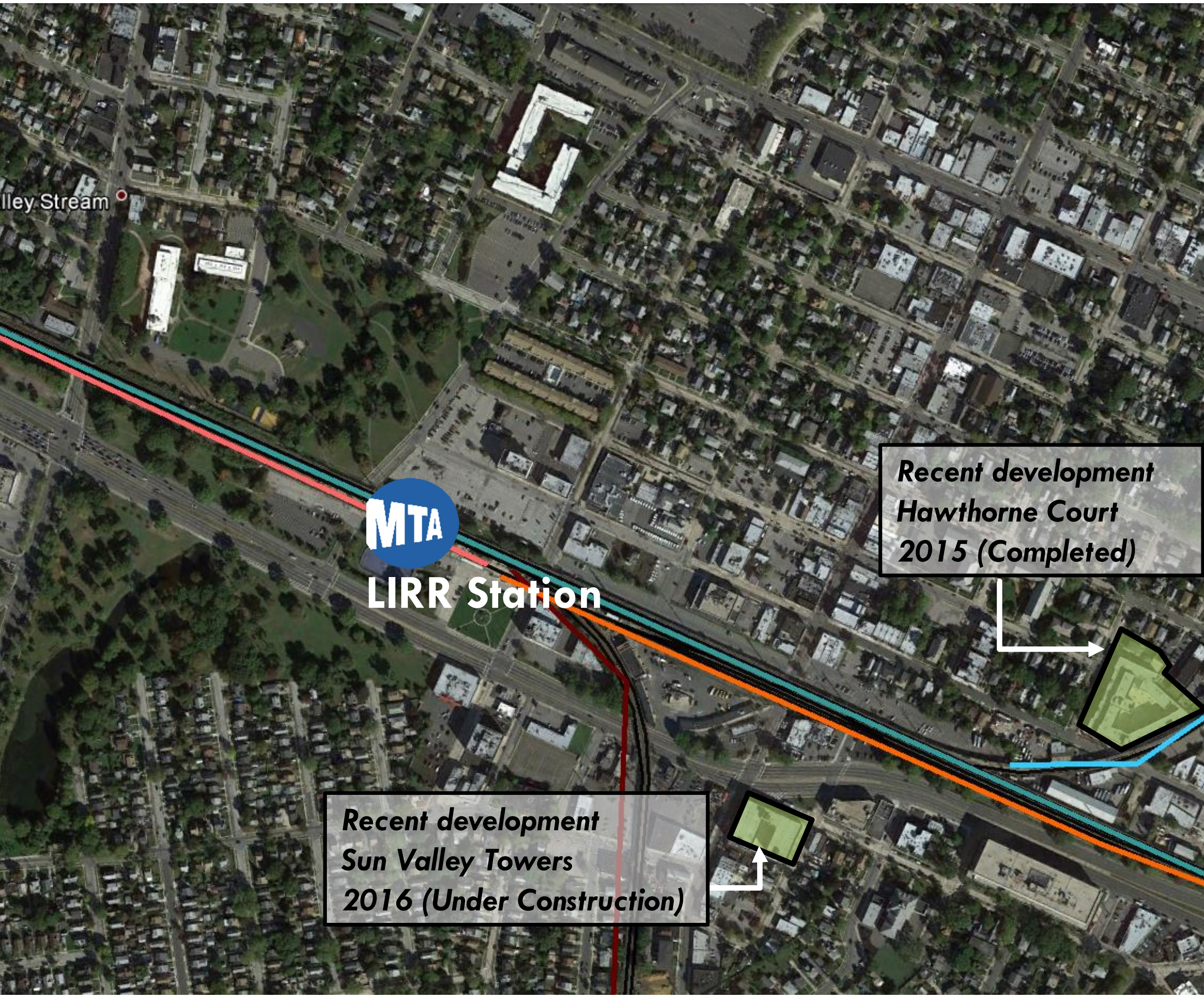
26% (vs 24% Long Island-wide)
Population Aged 15 to 34

15% (vs 16% Long Island-wide)
Population Aged 65+

34% (vs 39% Long Island-wide)
Bachelors Degree or higher

Source: Google Earth; ESRI Business Analyst Online

Valley Stream's downtown contains multiple recent and under construction transit-oriented development projects.



Key Housing Indicators

80% (vs 81% Long Island-wide)
Homeownership Rate

3% (vs 9% Long Island-wide)
Residential Vacancy Rate

93% (vs 87% Long Island-wide)
Single-family Units

750 (vs 125K Long Island-wide)
Total Multifamily Units

$380,000 (vs $405K Long Island-wide)
Median Home Value

$1,330 (vs $1,360 Long Island-wide)
Median Contract Rent

Source: Google Earth; ESRI Business Analyst Online

Valley Stream's main commercial thoroughfare, Rockaway Avenue, is less than half a mile away from the Village's LIRR station.

Source: Google Street View

Valley Stream is more diverse and has slightly lower home values and household incomes when compared to Long Island.

VALLEY STREAM		LONG ISLAND
$89K MEDIAN HOUSEHOLD INCOME	VS	**$97K** MEDIAN HOUSEHOLD INCOME
52%; 21%; 25% WHITE; AFRICAN-AMERICAN; HISPANIC	VS	**75%; 10%; 18%** WHITE; AFRICAN-AMERICAN; HISPANIC
$380K MEDIAN HOME VALUE	VS	**$405K** MEDIAN HOME VALUE
6% MULTIFAMILY UNITS	VS	**10%** MULTIFAMILY UNITS

Source: ESRI Business Analyst Online

Valley Stream is experiencing a surge in high-end, transit-oriented mixed-use developments, yet rents are unaffordable to many local residents.

Hawthorne Court; 90 rental units built in 2015

Marketed as having **"affordable rents"** for high-end interiors and conveniences.

10 minute walk from LIRR station

1BR units, 800 SF – 900 SF each

2BR units, 1,200 SF – 1,350 SF each

Affordability Implications

1BR units: $2,400 - $2,750

2BR units: $2,750 - $3,350

Smallest 1BR units affordable to those making above **$96,000.**

Source: Google Earth; ESRI Business Analyst Online

Valley Stream is experiencing a surge in high-end, transit-oriented mixed-use developments, yet rents are unaffordable to many local residents.

Sun Valley Towers; 72 rental units built in 2015

137,000 SF mixed-use development

1BR – 2BR units on Rockaway Ave

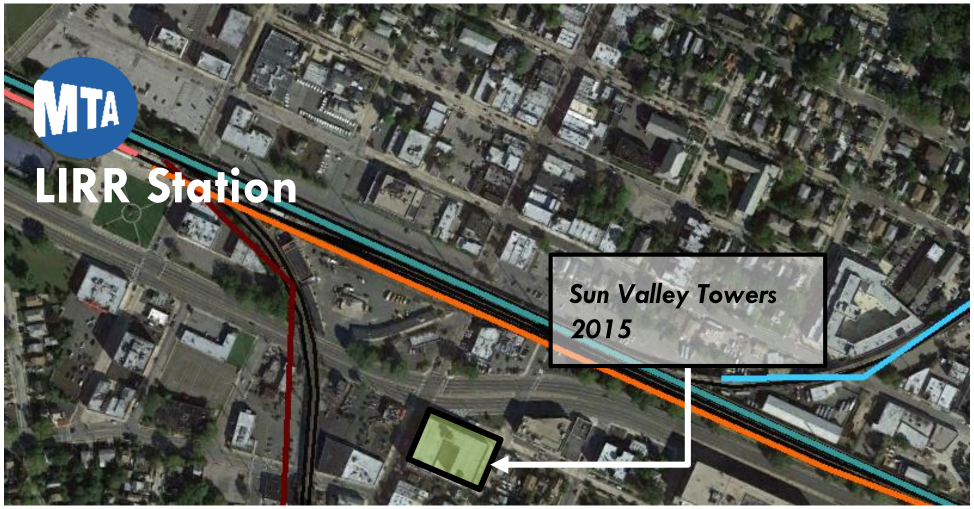
Under 10 minute walk from LIRR station

15,000 SF ground floor retail space leased to Blink Fitness Gym.

Affordability Implications

Project will begin leasing in 2016;

Unit rental rates to be determined



Source: Google Earth; ESRI Business Analyst Online

The Village of Valley Stream has worked hard to create an environment that is amenable to future transit-oriented and mixed-use development.

1. **Physical Suitability**

   Valley Stream's LIRR station is at the intersection of four separate lines, offering a **30-minute commute to Manhattan.**

2. **Leadership**

   Village officials have identified the need to **provide new transit-oriented housing options** to capitalize on LIRR East Side Access, leverage proximity to JFK Airport, and improve pedestrian safety around the LIRR station area.

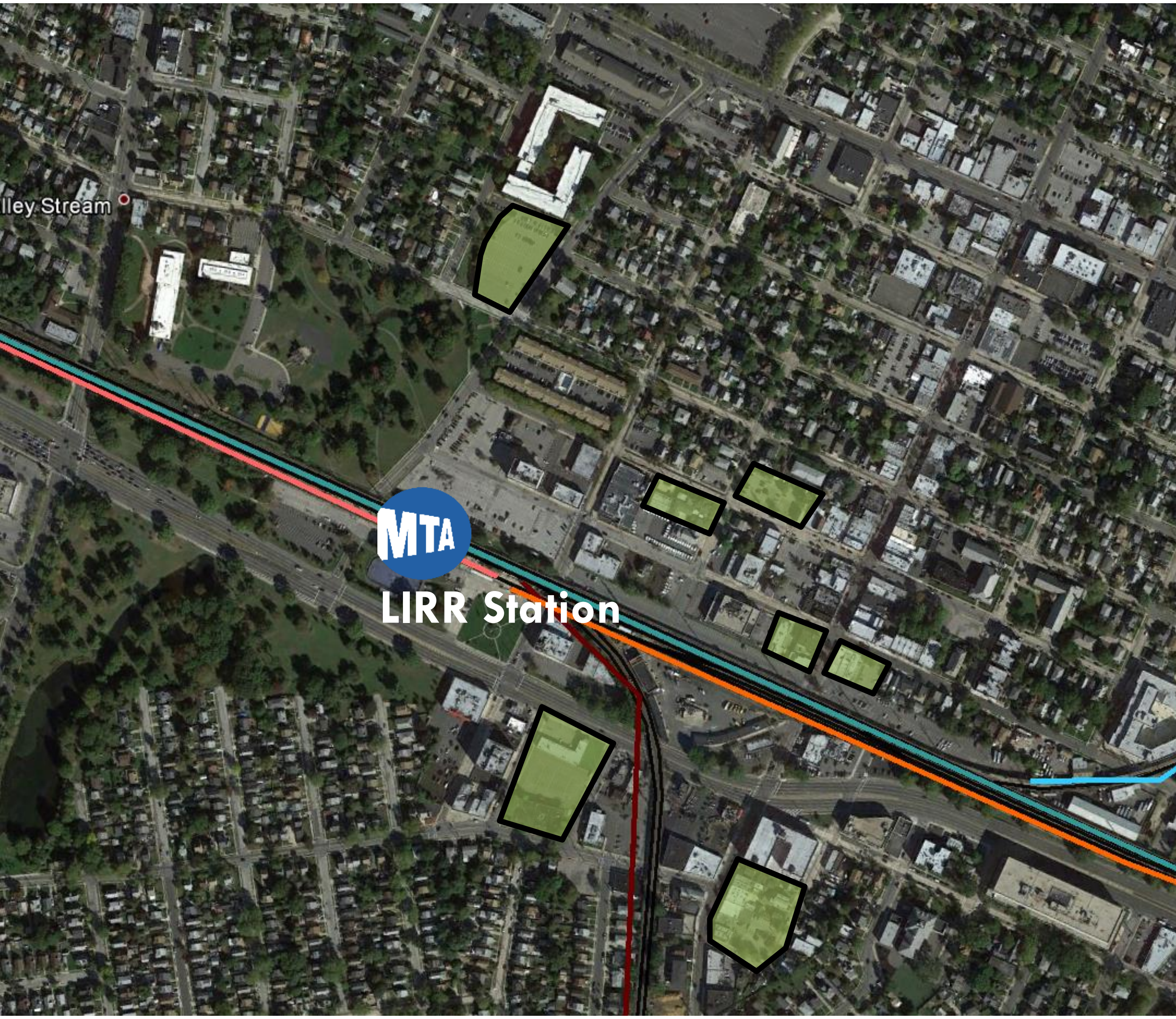
3. **Development Readiness and Activity**

   2013 changes to Valley Stream's zoning regulations have standardized the Village's review process for mixed-use development. Three new housing developments have brought over 500 units to Valley Stream since 2013, with **over 300 more either under construction or proposed.**

4. **Affordability**

   Recent developments in Valley Stream only **affordable to residents earning at least $96,000, or 95% of Long Island's median household income.**

HR&A and RPA examined seven additional development sites with significant potential for multifamily housing located near Valley Stream's LIRR station.



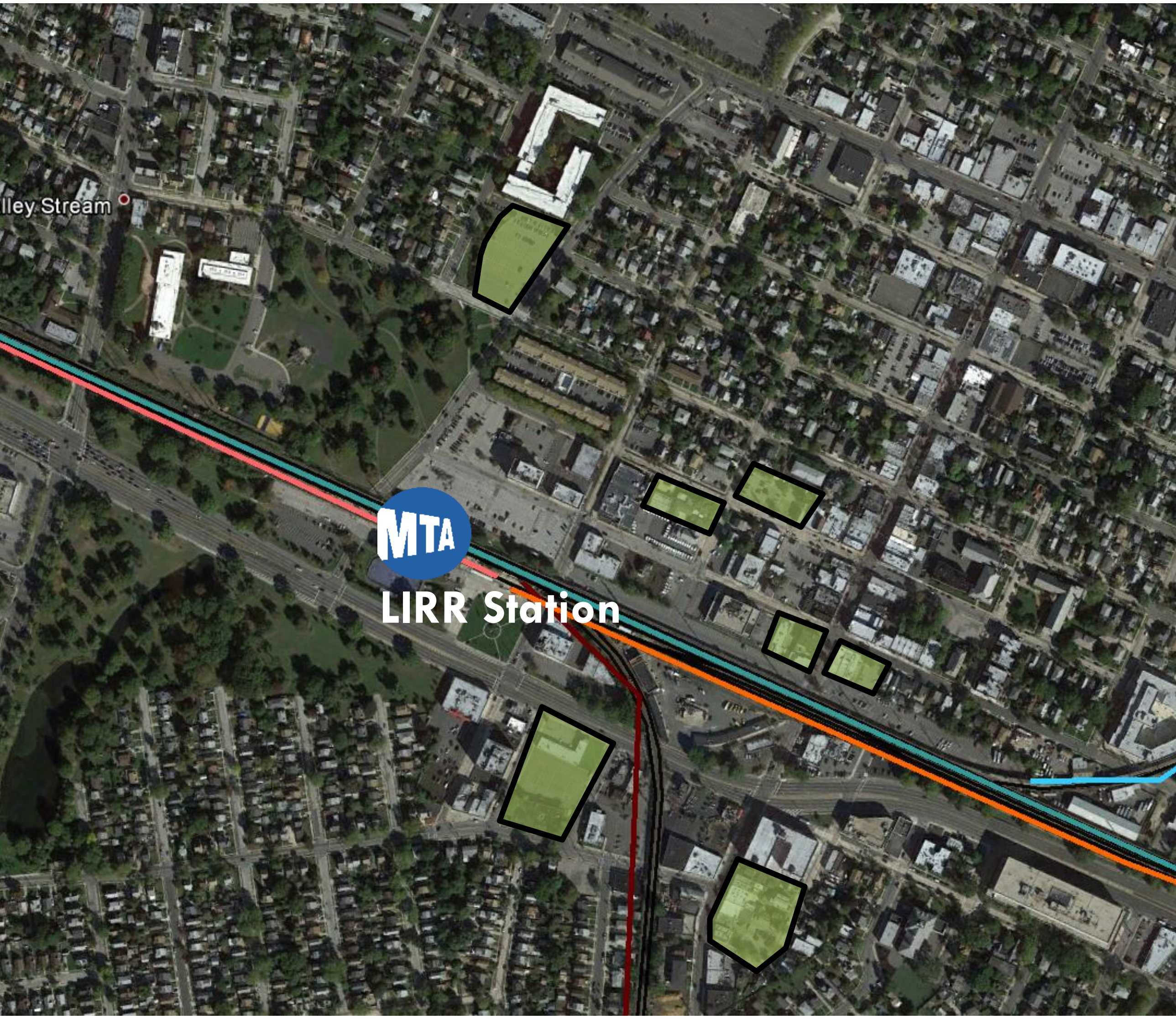
Development Capacity

230 total units

Under current downtown zoning

Source: Google Earth

By implementing a series of feasible zoning changes, the Village of Valley Stream could significantly increase the development capacity of these sites.



Development Capacity

230 total units

Under current downtown zoning

357 total units

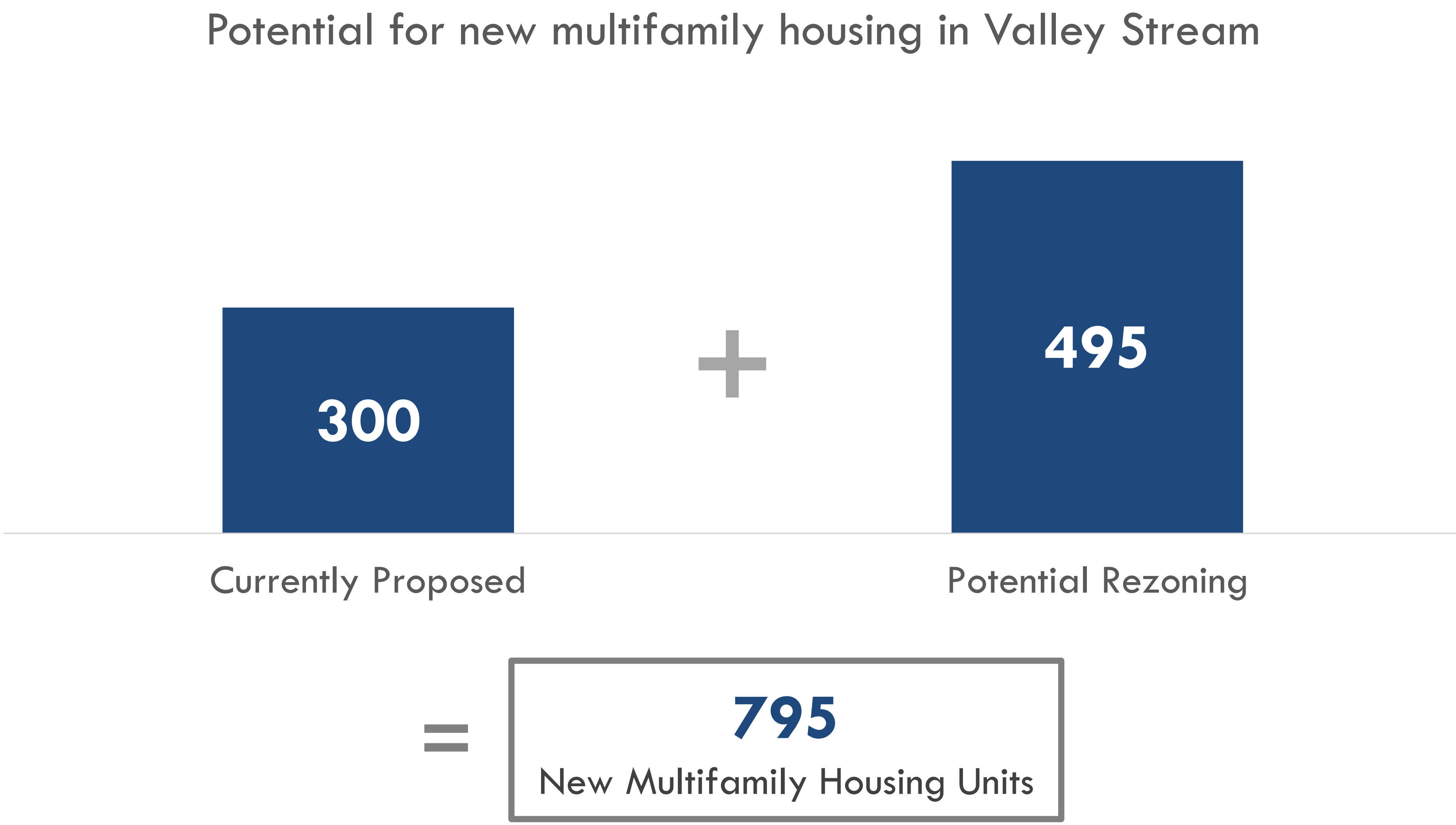
1. Establish minimum unit size of 850 SF
2. Increase maximum lot coverage to 60%

495 total units

1. Establish minimum unit size of 850 SF
2. Increase maximum lot coverage to 60%
3. Increase maximum building height from 3 to 4 stories

Source: Google Earth

Together, these changes provide room for almost 800 new multifamily housing units in downtown Valley Stream.



Implementing these changes on a half-acre site in downtown Valley Stream can potentially improve the project's affordability.

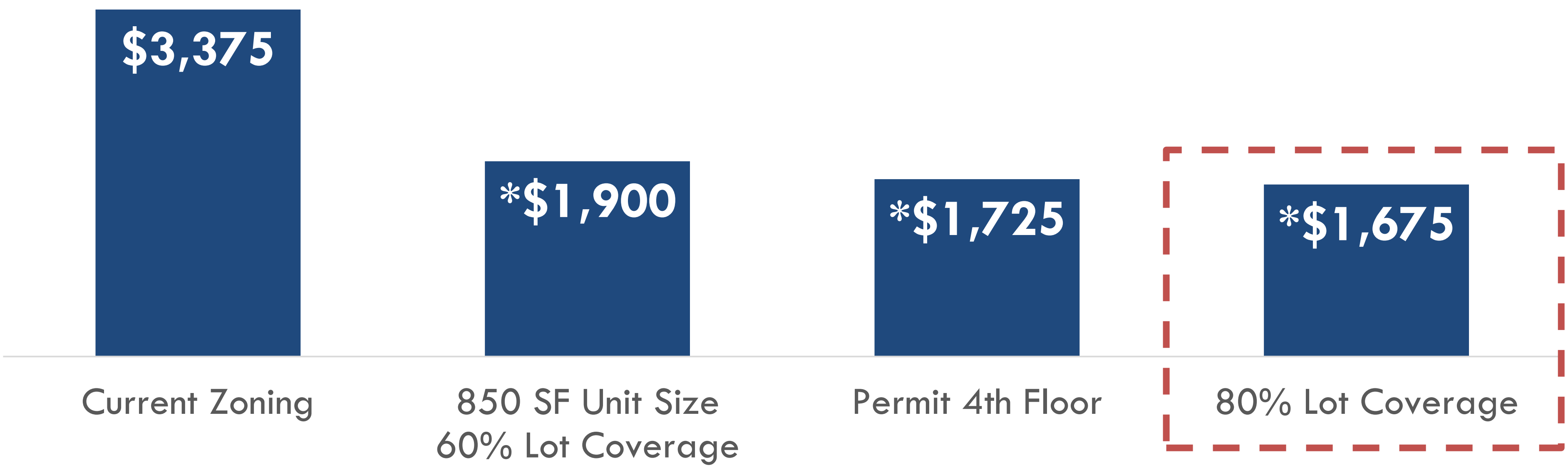
Current Zoning	Future Rezoning
1,500 SF Unit - $3,375 per month	850 SF Unit - *$1,725 per month
Minimum Household Income Required: $135,000 (138% of Long Island AMI)	**Minimum Household Income Required:** $69,000 (71% of Long Island AMI)

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

HR&A and RPA also developed a slightly less conservative scenario assuming increased lot coverage in Valley Stream, resulting in 167 additional units.

Current Zoning	Future Rezoning
1,500 SF Unit - $3,375 per month	850 SF Unit - *$1,675 per month
Minimum Household Income Required: $135,000 (138% of Long Island AMI)	**Minimum Household Income Required:** $67,000 (69% of Long Island AMI)

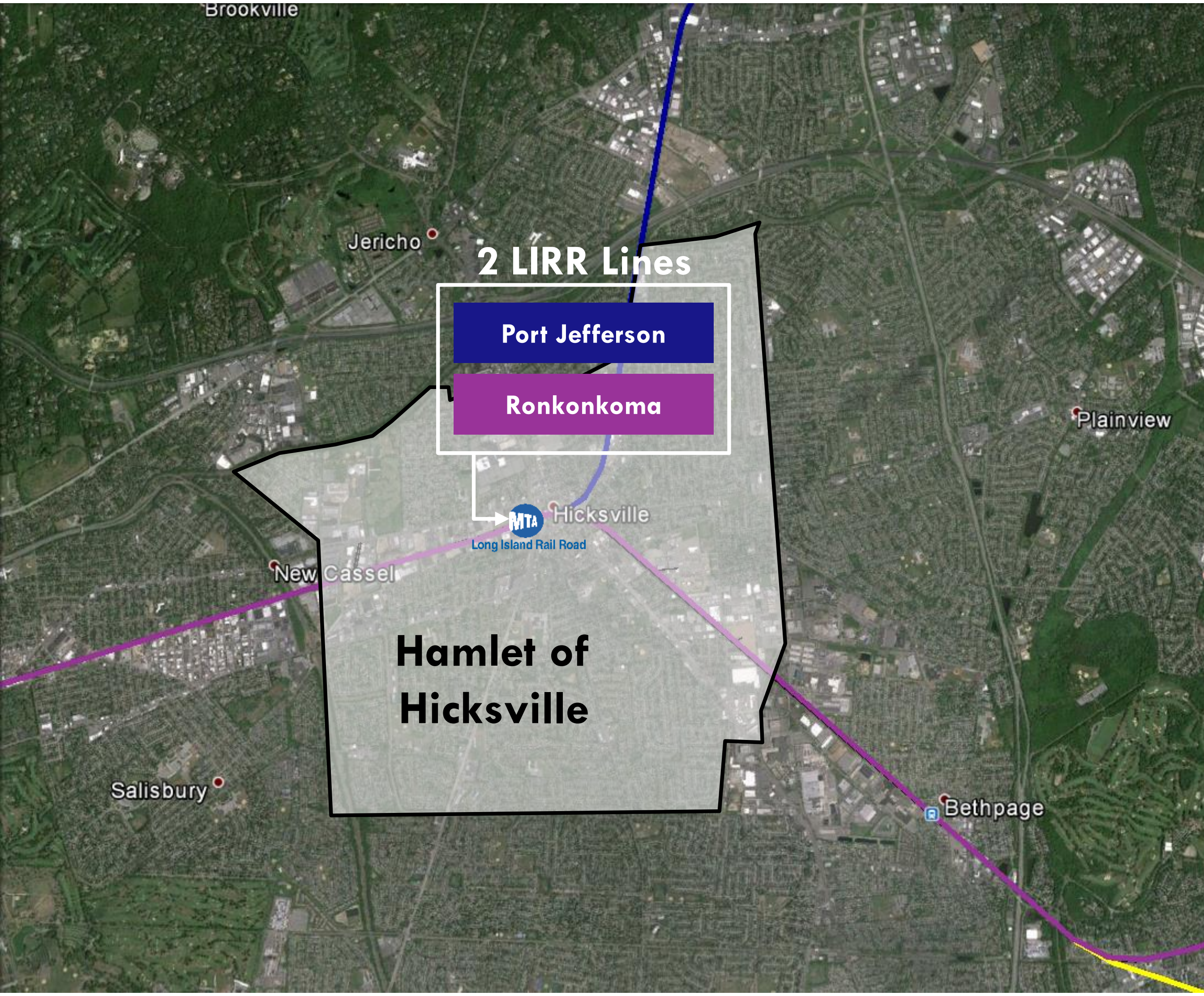
Rent per Unit



* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

Hamlet of Hicksville Community Profile

The Hamlet of Hicksville is located in the Town of Oyster Bay on the eastern border of Nassau County.



Key Demographic Indicators

42,000
Total Population

13,500
Total Households

$100,000 (vs $97K Long Island-wide)
Median Household Income

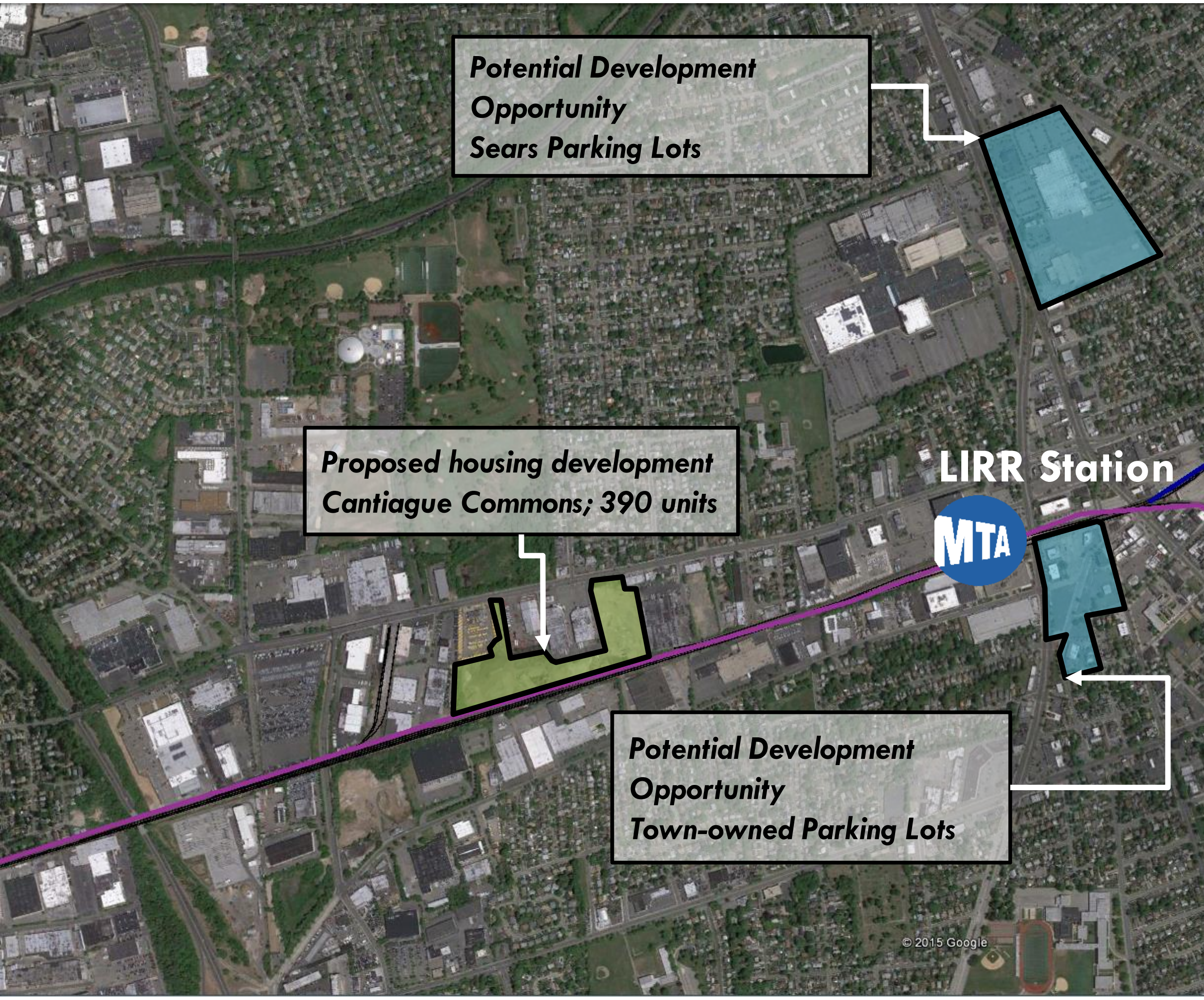
25% (vs 24% Long Island-wide)
Population Aged 15 to 34

17% (vs 16% Long Island-wide)
Population Aged 65+

36% (vs 39% Long Island-wide)
Bachelors Degree or higher

Source: Google Earth; ESRI Business Analyst Online

Downtown Hicksville contains a number of large-scale proposed and potential development sites.



Key Housing Indicators

85% (vs 81% Long Island-wide)
Homeownership Rate

3% (vs 9% Long Island-wide)
Residential Vacancy Rate

95% (vs 87% Long Island-wide)
Single-family Units

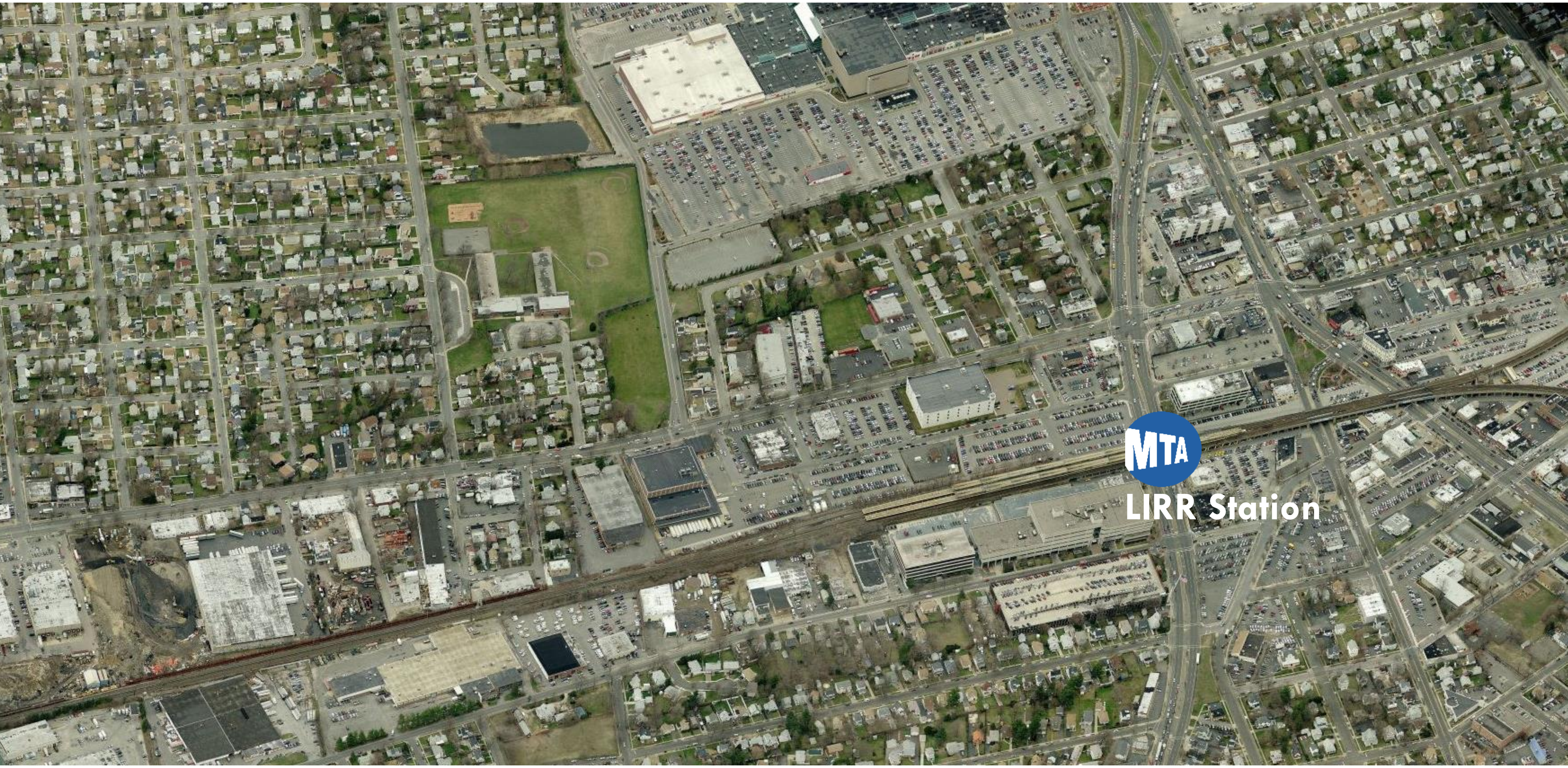
320 (vs 125K Long Island-wide)
Total Multifamily Units

$385,000 (vs $405K Long Island-wide)
Median Home Value

$1,390 ($1,360 Long Island-wide)
Median Contract Rent

Source: Google Earth; ESRI Business Analyst Online

While Hicksville is largely suburban and residential in nature, its downtown contains numerous surface parking lots and under-used light manufacturing sites.



Source: Bing Maps

Hicksville is more diverse, has slightly lower home values, lower vacancy rates, and contains a significantly higher proportion of single-family homes.

HICKSVILLE		LONG ISLAND
95% SINGLE-FAMILY HOMES	VS	**87%** SINGLE-FAMILY HOMES
66%; 22%; 17% WHITE; ASIAN; HISPANIC	VS	**75%; 7%; 18%** WHITE; ASIAN; HISPANIC
$385K MEDIAN HOME VALUE	VS	**$405K** MEDIAN HOME VALUE
3% VACANCY RATE	VS	**9%** VACANCY RATE

Source: ESRI Business Analyst Online

The proposed Cantiague Commons development in downtown Hicksville is targeted at senior residents.

Cantiague Commons

390 co-op units

Senior housing community restricted to buyers 55 and older.

Each unit will be **1,270 SF.**

The project is marketed as a **market-rate affordable senior housing complex.**

Located near LIRR station at the site of an underused 15 acre asphalt plant.

13,000 SF community building with recreational facilities proposed.

Permissions granted, construction start date uncertain.

Proposed site of Cantiague Commons development

Source: Bing Maps

Efforts are underway in downtown Hicksville to revitalize the corridor.

1. **Physical Suitability**
   Hicksville's downtown corridor consists of many large **vacant and underused industrial sites** ready for new transit-oriented development.

2. **Leadership**
   Hicksville and the Town of Oyster Bay adopted a Brownfield Opportunity Area (BOA) vision plan that proposes a redevelopment of downtown Hicksville by **reusing vacant and industrial sites for a mix of transit-oriented uses.**

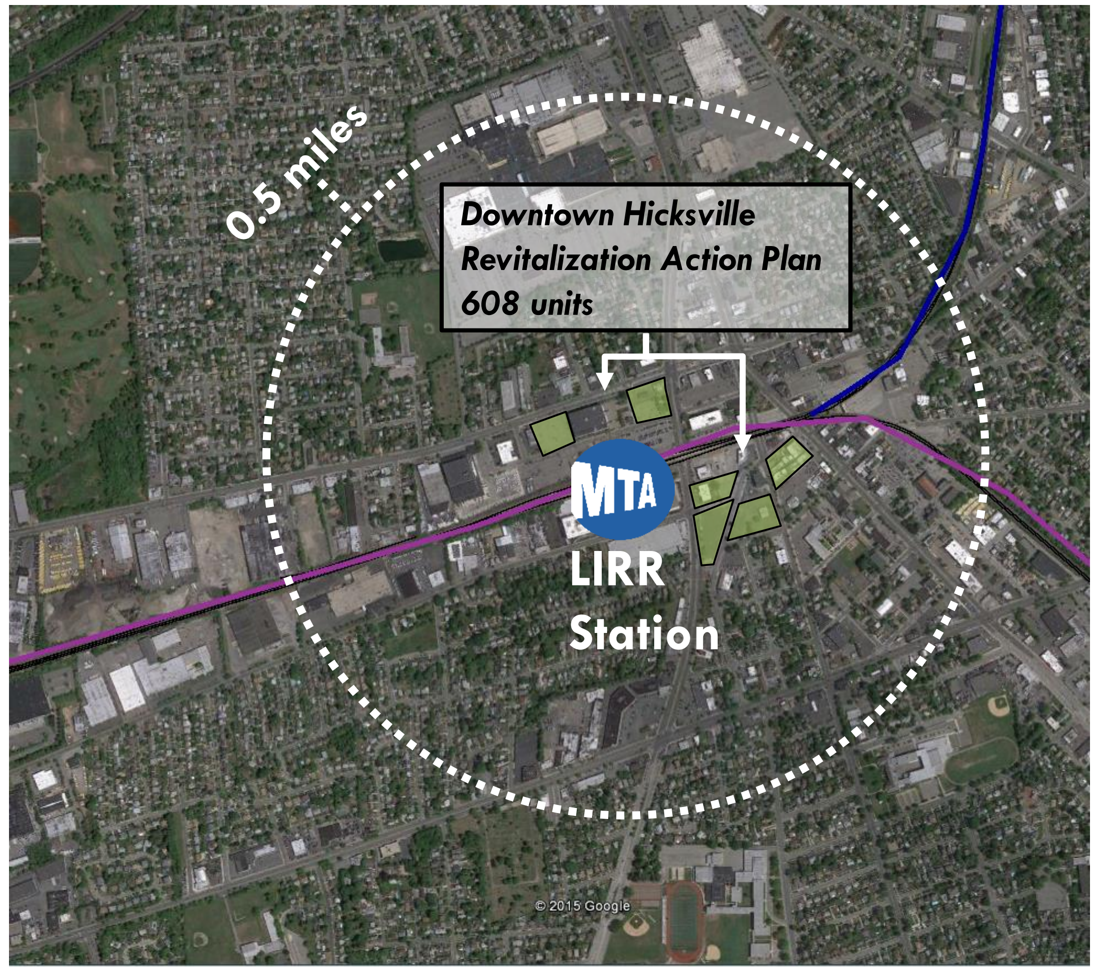
3. **Development Readiness and Activity**
   The Town of Oyster Bay adopted a **new zoning district near Hicksville's LIRR station** to allow for the development of new senior multi-family housing in place of industrial and commercial uses. Developers have proposed a seven building, four to five story **senior housing co-op community** near Hicksville's LIRR station.

4. **Affordability**
   Proposed senior housing co-op development aims to **offer affordable prices** and will contain nearly four hundred 1,270 square foot residential units.

Existing development proposals would create over 600 housing units.

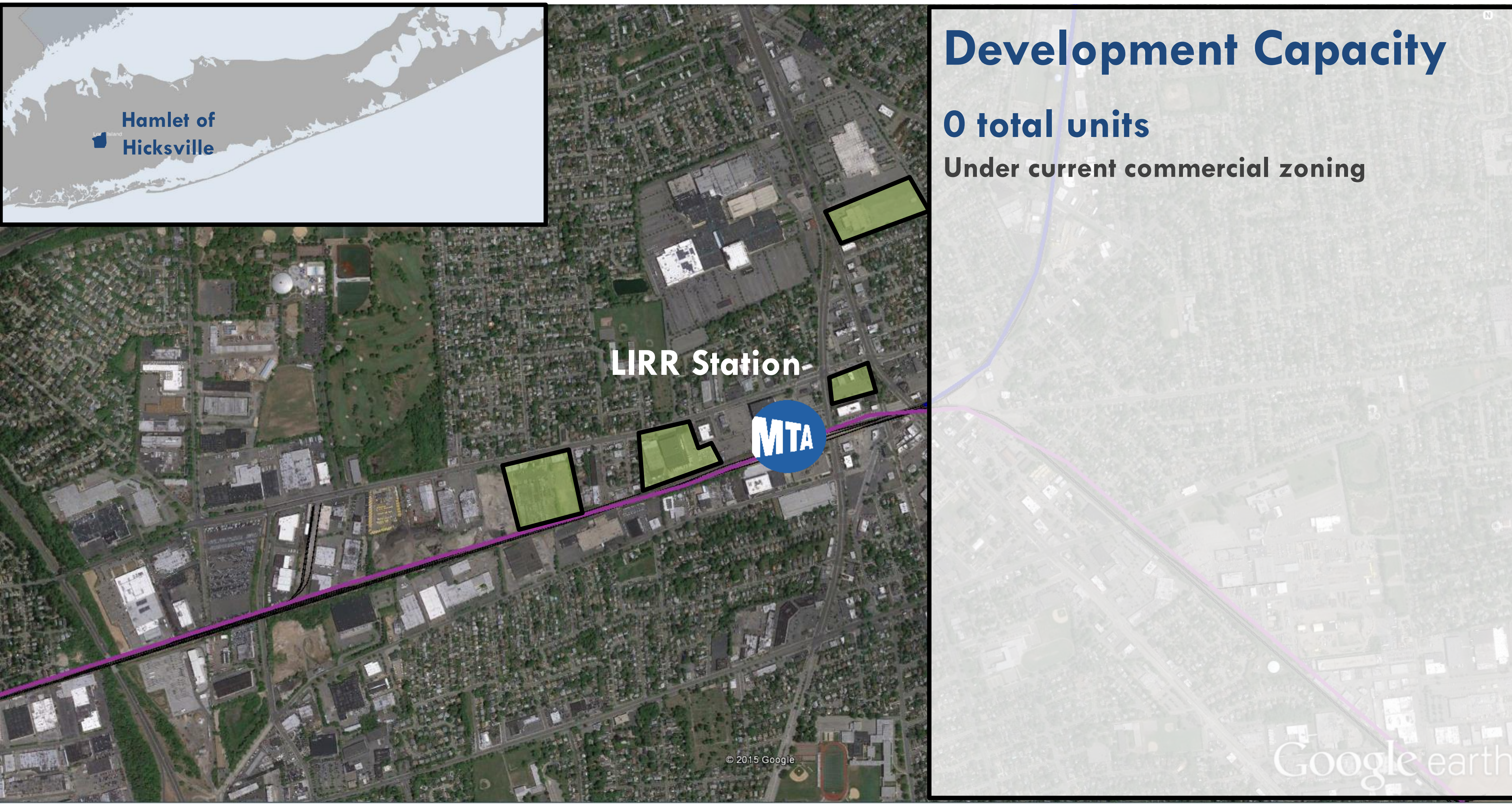
Hamlet of Hicksville:

Development proposals exist for an additional 608 units as part of Hicksville's downtown revitalization action plan.



Source: Google Earth

HR&A and RPA examined four additional development sites with significant potential for multifamily housing located near Hicksville's LIRR station.



Development Capacity

0 total units

Under current commercial zoning

Source: Google Earth

Conservative zoning changes unlock the capacity for significant residential development in downtown Hicksville.

Development Capacity

0 total units

Under current commercial zoning

641 total units

1. Rezone as multifamily residential

931 total units

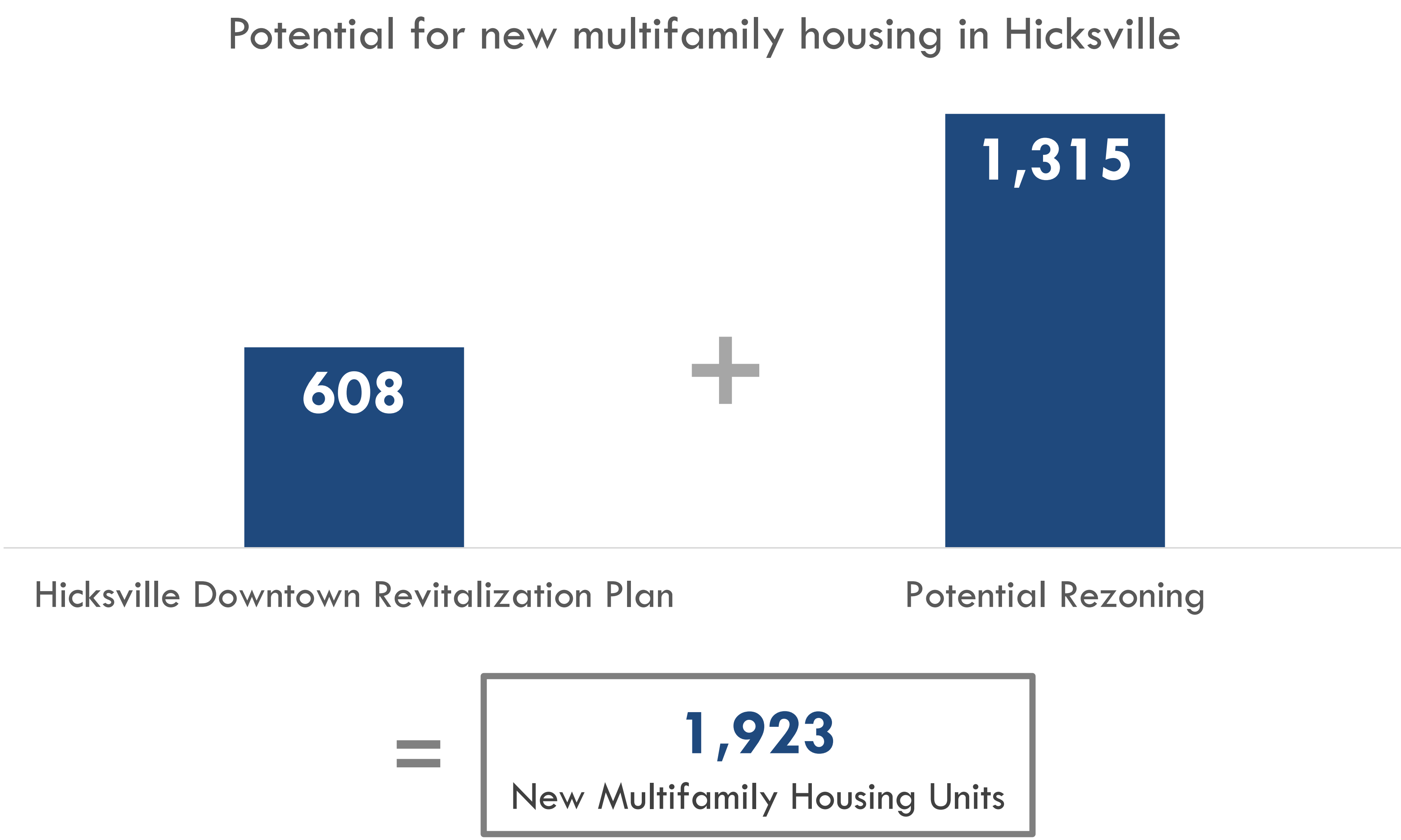
1. Rezone as multifamily residential
2. Apply 50% lot coverage
3. Establish minimum unit size of 1,200 SF

1,315 total units

1. Rezone as multifamily residential
2. Apply 50% lot coverage
3. Establish minimum unit size of 1,200 SF
4. Reduce minimum unit size to 850 SF

Source: Google Earth

Denser residential development provides room for over 1,900 new multifamily housing units in downtown Hicksville.



Implementing these changes on a half-acre site in downtown Hicksville can potentially improves the project's affordability.

Current Zoning	Future Rezoning
1,200 SF Unit - $2,800 per month	850 SF Unit - *$1,850 per month
Minimum Household Income Required: $112,000 (115% of Long Island AMI)	**Minimum Household Income Required:** $74,000 (76% of Long Island AMI)

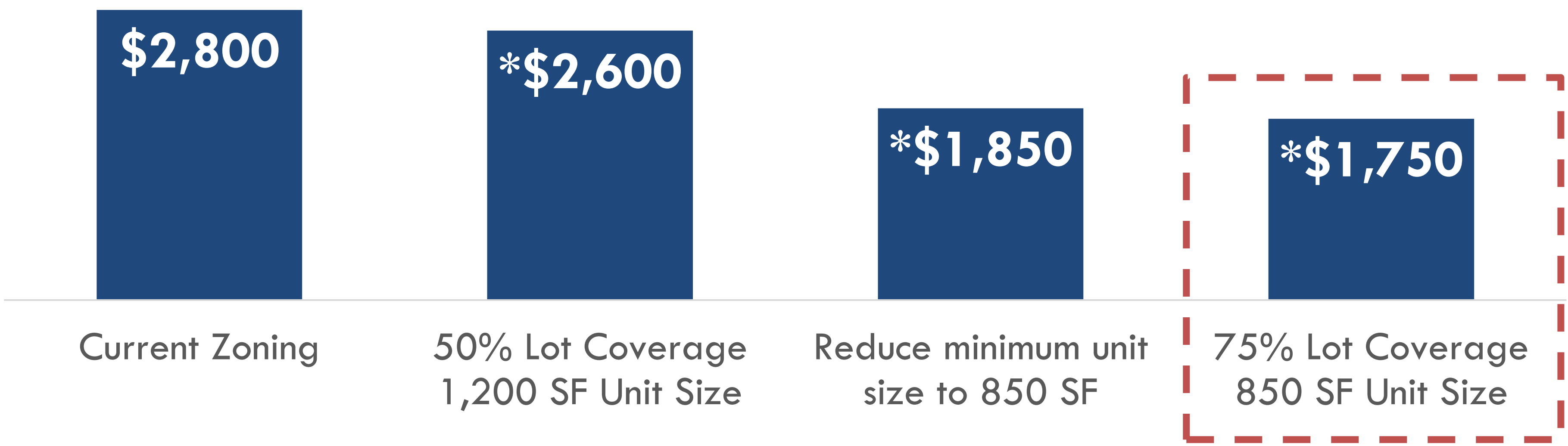
Rent per Unit

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

HR&A and RPA also developed a slightly less conservative scenario assuming increased lot coverage in downtown Hicksville, resulting in 659 additional units.

Current Zoning	Future Rezoning
1,200 SF Unit - $2,800 per month	850 SF Unit - *$1,750 per month
Minimum Household Income Required: $112,000 (115% of Long Island AMI)	**Minimum Household Income Required:** $70,000 (72% of Long Island AMI)

Rent per Unit



* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

Village of Babylon Community Profile

The Village of Babylon is located on the South Shore of western Suffolk County.

Key Demographic Indicators

12,100
Total Population

4,600
Total Households

$105,000 (vs $97K Long Island-wide)
Median Household Income

23% (vs 24% Long Island-wide)
Population Aged 15 to 34

15% (vs 16% Long Island-wide)
Population Aged 65+

43% (vs 39% Long Island-wide)
Bachelors Degree or higher

Source: Google Earth; ESRI Business Analyst Online

Babylon's downtown LIRR station area has been receptive to multifamily development since the 1960s.

Key Housing Indicators

77% (vs 81% Long Island-wide)
Homeownership Rate

5% (vs 9% Long Island-wide)
Residential Vacancy Rate

86% (vs 87% Long Island-wide)
Single-family Units

440 (vs 125K Long Island-wide)
Total Multifamily Units

$385,000 (vs $405K Long Island-wide)
Median Home Value

$1,330 ($1,360 Long Island-wide)
Median Contract Rent

Source: Google Earth; ESRI Business Analyst Online

Babylon's downtown LIRR station area is pedestrian friendly and consists of a vibrant retail and housing mix.

Source: Google Maps

Babylon is much less diverse, and contains a lower homeownership rate than Long Island.

BABYLON		LONG ISLAND
77% HOMEOWNERSHIP RATE	VS	**81%** HOMEOWNERSHIP RATE
91%; 3%; 8% WHITE; ASIAN; HISPANIC	VS	**75%; 7%; 18%** WHITE; ASIAN; HISPANIC
$385K MEDIAN HOME VALUE	VS	**$405K** MEDIAN HOME VALUE
5% VACANCY RATE	VS	**9%** VACANCY RATE

Source: ESRI Business Analyst Online

Babylon's newest transit-oriented development offers large unit sizes less than a mile from the LIRR station.

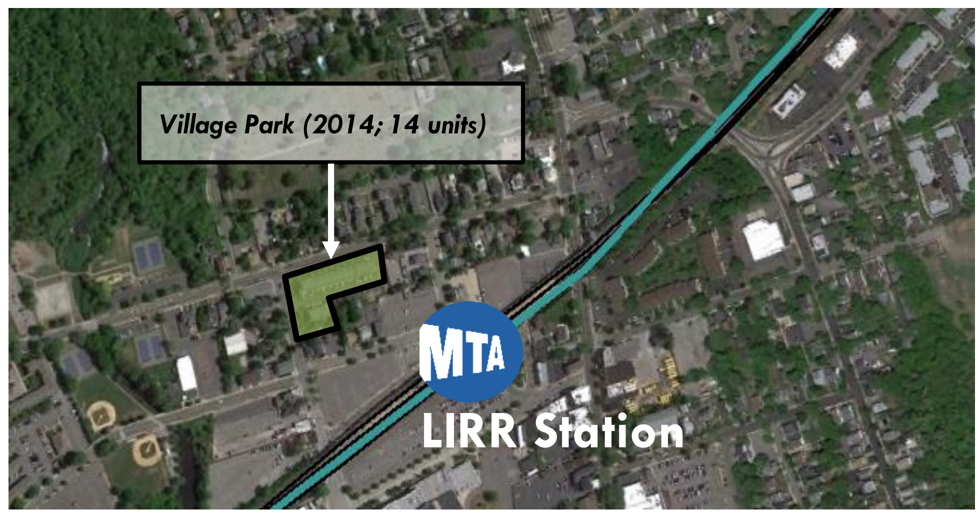
Babylon Village Park; 14 townhouse condo units built in 2014

2 to 3 bedroom, 3 story townhouses

Unit sizes range from **1,700 SF to 2,400 SF.**

1 parking spot for each unit.

5 minute walk from LIRR station.



Affordability Implications

2BR units: $385,000 - $415,000 for sale

3BR units: $450,000 - $600,000 for sale

Standard 20% down payment would require $77,000 to purchase smallest 2BR unit.

Source: Google Maps

Babylon has demonstrated an openness to new multifamily development since the 1960s.

1. **Physical Suitability**

   Potential development sites south of Babylon's LIRR station present similar opportunities demonstrated north of the station.

2. **Leadership**

   Recognizing the need to encourage residential development within walking distance of the Village's LIRR station, Babylon implemented a **special "Residential Railroad Station" zoning district allowing up to 12 housing units per acre.**

3. **Development Readiness and Activity**

   The recent completion of the 14 unit Village Park condo development in downtown Babylon signals the **resurgence of multifamily housing construction after over 20 years.**

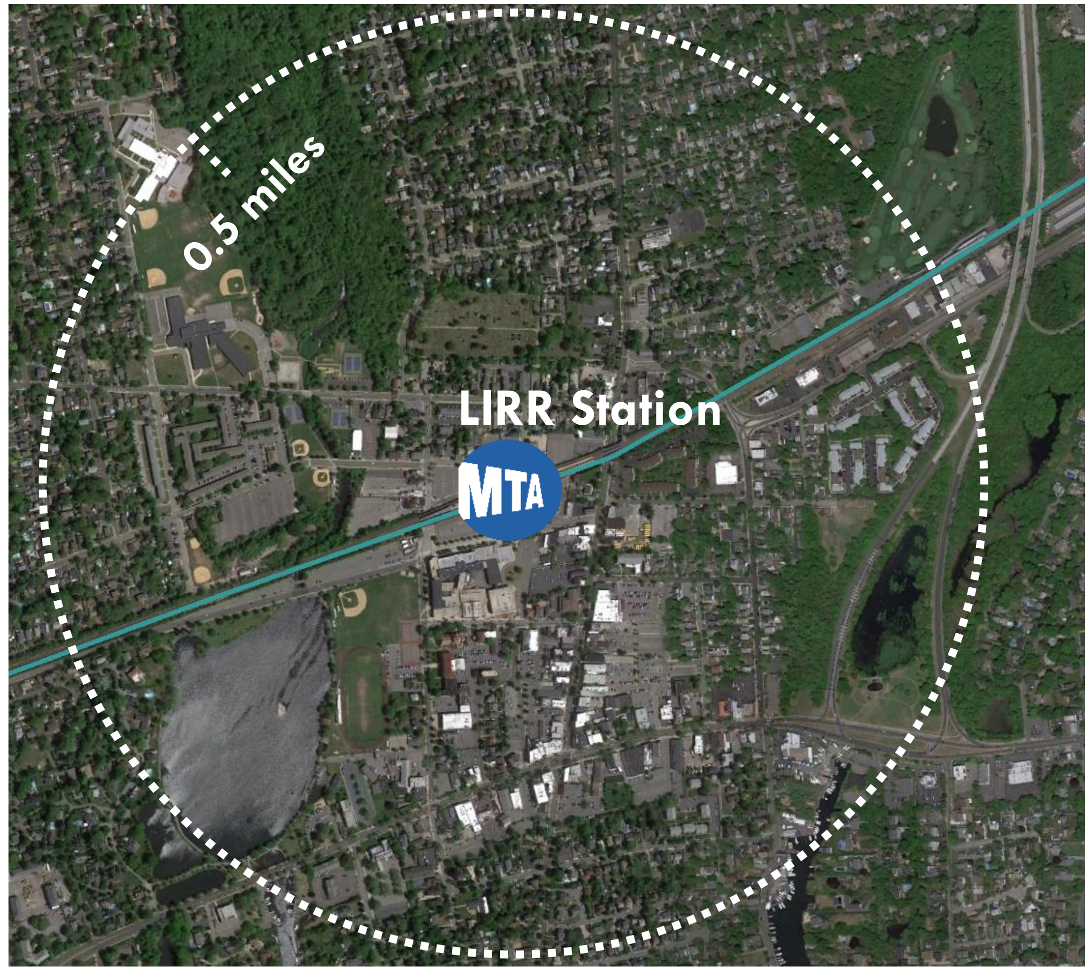
4. **Affordability**

   Purchasing a unit in Babylon's newest multifamily development with a 20% down payment would **require at least $77,000,** creating barriers to entry for first time homebuyers.

There are currently no development proposals in downtown Babylon.

Village of Babylon:

There are currently no development proposals in downtown Babylon.



Source: Google Earth

HR&A and RPA examined seven additional development sites with potential for multifamily housing located near Babylon's LIRR station.

Development Capacity

60 total units

Under current residential zoning

Source: Google Earth

Minor zoning changes could significantly increase the development capacity of these sites.

Development Capacity

60 total units

Under current residential zoning

125 total units

1. Increase density to 20-24 units per acre
2. Establish height limit at 3 stories

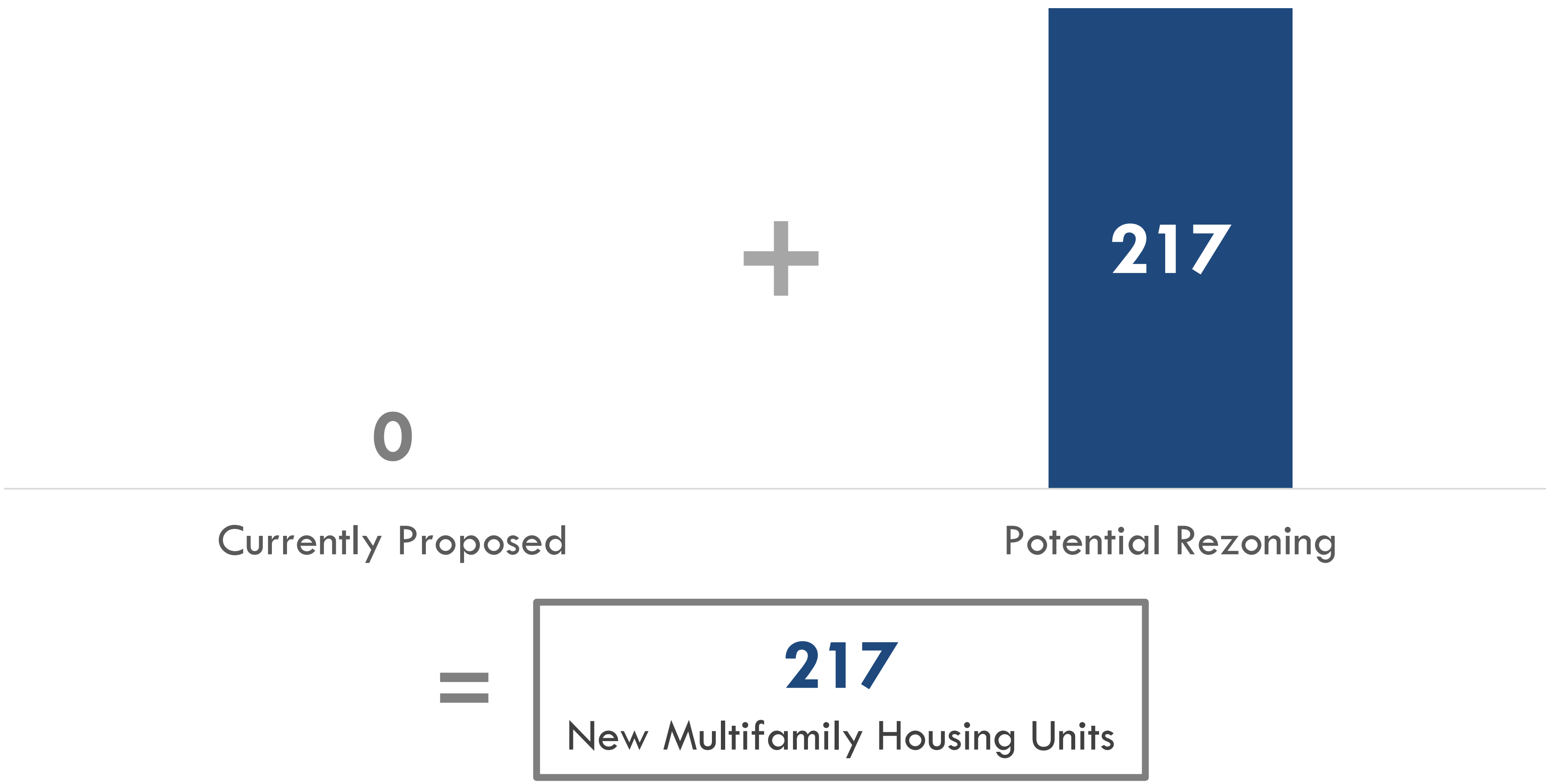
217 total units

1. Increase density to 20-24 units per acre
2. Establish height limit at 3 stories
3. Increase lot coverage to 50%

Source: Google Earth

Together, these changes provide room for over 200 new multifamily housing units in downtown Babylon.

Potential for new multifamily housing in Babylon



Implementing these zoning changes on an example development on a half-acre site in downtown Babylon significantly improves the project's affordability.

Current Zoning	Future Rezoning
1,500 SF Unit - $3,700 per month	850 SF Unit - *$1,900 per month
Minimum Household Income Required: $148,000 (152% of Long Island wide AMI)	**Minimum Household Income Required:** $76,000 (78% of Long Island wide AMI)

Rent per Unit

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

HR&A and RPA also developed a slightly less conservative scenario assuming increased lot coverage in downtown Babylon, resulting in 160 additional units.

Current Zoning

1,500 SF Unit - $3,700 per month

Minimum Household Income Required:
$148,000 (152% of Long Island wide AMI)

Future Rezoning

850 SF Unit - *$1,800 per month

Minimum Household Income Required:
$72,000 (74% of Long Island wide AMI)

Rent per Unit

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

Adopting new zoning will create new capacity for multifamily housing in Long Island communities and potentially help to address acute affordability concerns.

After adopting recommended zoning changes:

	Total New Multifamily Housing Capacity	Minimum Household Income Required to Afford New Unit
Village of Valley Stream	795 units	*$69,000 for 850 SF unit 71% of Long Island AMI
Hamlet of Hicksville	1,923 units	*$74,000 for 850 SF unit 76% of Long Island AMI
Village of Babylon	217 units	*$76,000 for 850 SF unit 78% of Long Island AMI

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

Adopting additional zoning changes will potentially further lower prices and create more capacity for new multifamily housing in Long Island communities.

After adopting further additional zoning changes:

	Total New Multifamily Housing Capacity	Minimum Household Income Required to Afford New Unit
Village of Valley Stream	962 units	*$67,000 for 850 SF unit 69% of Long Island AMI
Hamlet of Hicksville	2,582 units	*$70,000 for 850 SF unit 72% of Long Island AMI
Village of Babylon	377 units	*$72,000 for 850 SF unit 74% of Long Island AMI

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

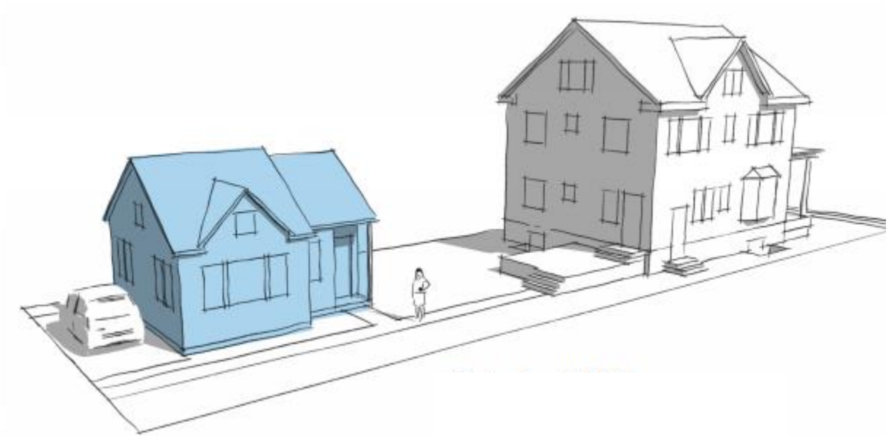
In addition, adopting less restrictive regulations on single-family zoning Long Island-wide could enable the construction of tens of thousands of units.

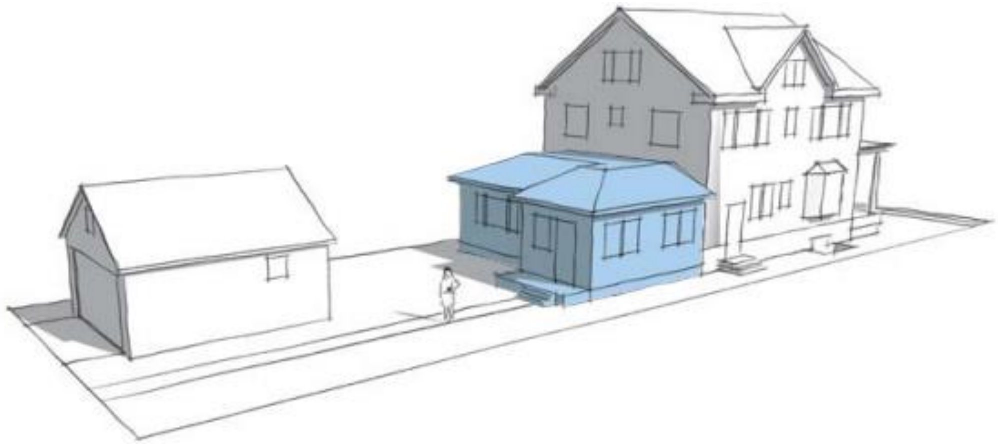
Accessory Dwelling Units:

Long Island contains 809,000 single-family detached housing units:

If just 5%-10% of all single family homeowners successfully met the requirements for the development of an ADU there is **potential capacity for an additional 40,000-80,000 housing units.**

- **Valley Stream**: Potential capacity for an additional **270 to 540 housing units**.
- **Babylon**: Potential capacity for an additional **180 to 360 housing units**.

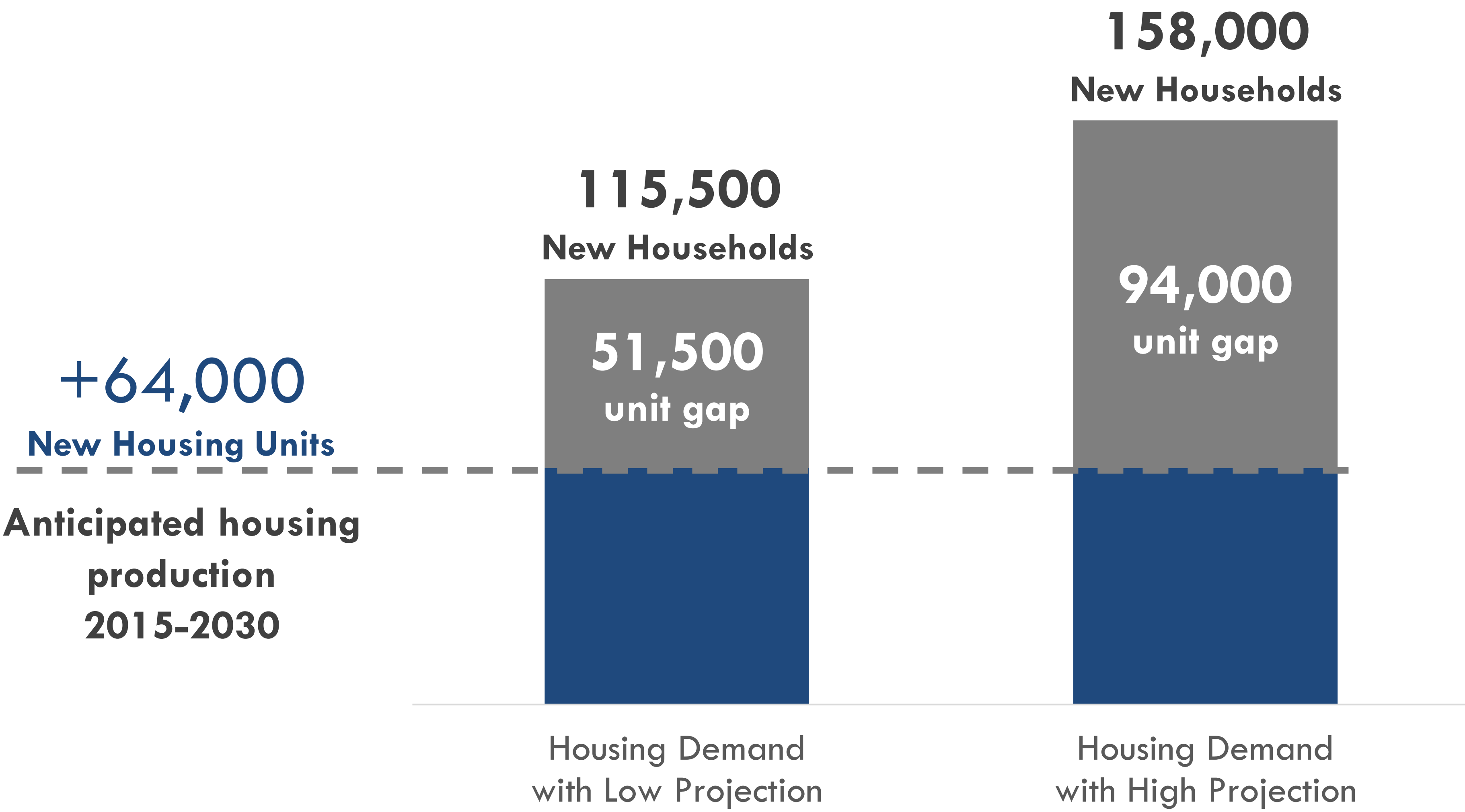




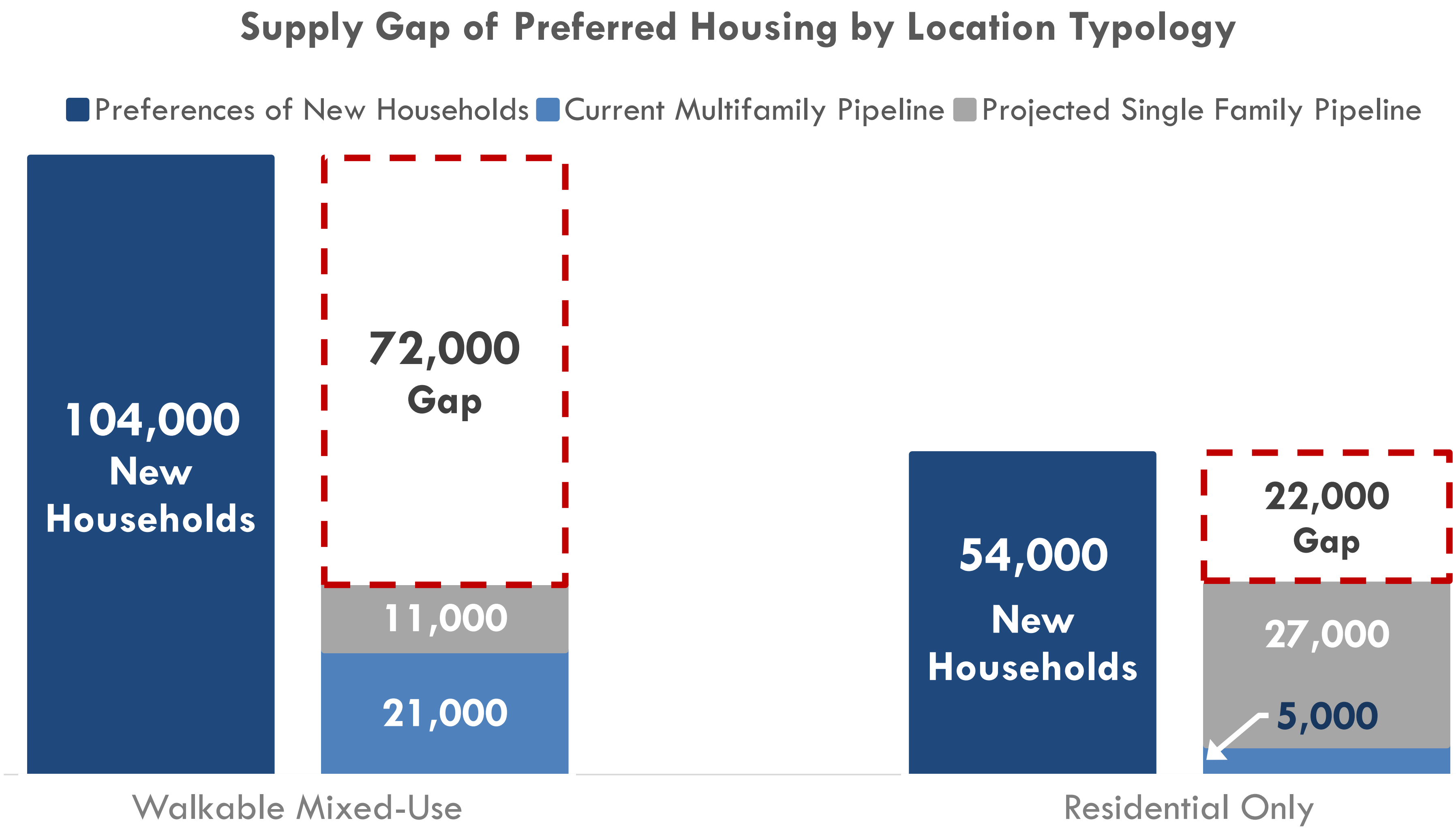
Source: City of Minneapolis

Key Takeaways

Long Island’s rate of housing production is **not enough to meet the demands of the region’s future population.**



While Long Island is building more multifamily housing than it has in past decades, tens of thousands of units are needed in walkable mixed-use areas.



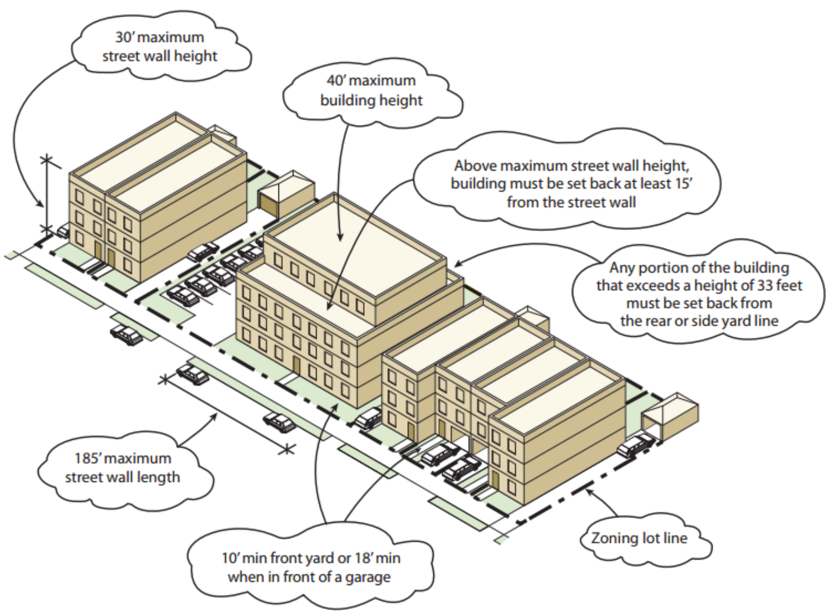
What zoning tools can Long Island communities use to develop additional multifamily housing to fill this gap?

In downtowns & mixed-use areas:

- Increase lot coverage ratios.
- Increase building heights.
- Allow for smaller residential units.

In residential areas:

- Ease regulations on accessory dwelling units in single family neighborhoods.



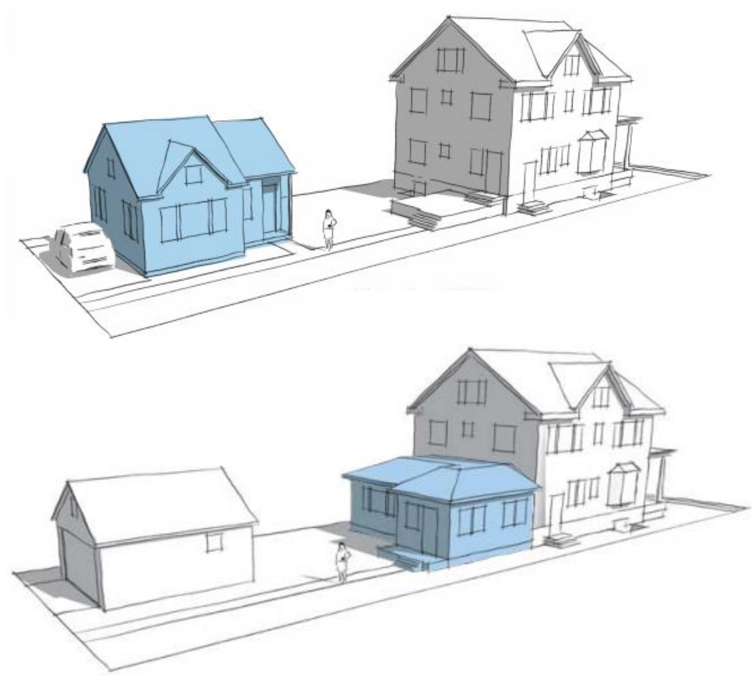


Image Source: City of New York; City of Minneapolis

Downtowns and LIRR station areas have the potential to accommodate significantly more residential units through reasonable zoning changes.

	Allowable Units with Existing Zoning	Potential Units with Recommended Zoning Changes	Difference
Village of Valley Stream	230 units	962 units	**4.2X**
Hamlet of Hicksville	0 units	2,582 units	**-**
Village of Babylon	60 units	377 units	**6.3X**

Adopting these zoning changes will potentially lower prices and create more capacity for new multifamily housing in Long Island communities.

After adopting zoning changes:

	Total New Multifamily Housing Capacity	Minimum Household Income Required to Afford New Unit
Village of Valley Stream	962 units	*$67,000 for 850 SF unit 69% of Long Island AMI
Hamlet of Hicksville	2,582 units	*$70,000 for 850 SF unit 72% of Long Island AMI
Village of Babylon	377 units	*$72,000 for 850 SF unit 74% of Long Island AMI

* **Assumes all new value created through rezoning is passed down to tenants through a reduction of rents.**

Updating Long Island's regulatory frameworks can improve the regional development environment, providing broad benefits for communities.

Adopting zoning changes can result in:

Increased development certainty → **Lower risk of project failure**

Reduced time to development → **Lower development costs**

Greater multifamily development → **Reduced housing costs**

Communities can leverage both public and private land to encourage multifamily residential development.

Public Land:

Long Island communities can provide a framework for development agreements to build denser and more affordable housing units.

Private Land:

Long Island communities can provide developers and property owners with increased flexibility to allow more density in lieu of affordable units.

Public land near Hicksville LIRR

Privately owned parcels near Hicksville LIRR

Source: Google Maps

There is more than sufficient development capacity to meet Long Island's anticipated housing gap by 2030.

Long Island's housing gap of up to 94,000 units can be addressed through three interrelated strategies.

Strategy 1:

- **Implement zoning changes, infrastructure investments and related actions** that can fill the significant existing housing capacity in downtowns and LIRR station areas.

Strategy 2:

- **Allow for accessory dwelling units** that can result in a second unit in 6% to 12% of existing single family homes.

Strategy 3:

- **Realize one-third to half of downtown and LIRR station area capacity** and add accessory units in 4% to 7% of existing single-family homes.

Developing more multifamily housing can meet the needs of Long Island's current and future residents.

- While Long Island is building more rentals, co-ops, condos and other multifamily homes than it has in past decades, there is still **an anticipated housing gap between what is being produced and what the region needs.**
- Long Island may gain up to **158,000 households** over the next 15 years, but is likely to develop **only 64,000 new housing units** in its most optimistic scenario, leaving up to a **94,000 unit gap**.
- Long Island's existing shortage of affordable rental housing is **keeping young adults from striking out on their own and causing many to leave the Island**.
- Changing preferences indicate that **over two-thirds of Long Island's 158,000 new households, or approximately 104,000 households, will prefer walkable mixed-use areas.**
- **Based on the 26,000 planned multifamily housing projects, this still leaves a significant gap of 72,000 units in walkable mixed-use areas.**
- Reasonable regulatory and policy solutions to build more unrestricted multifamily housing and create more development capacity **can improve the overall health of Long Island's housing market, providing more affordable housing options to all residents.**