



NASSAU COUNTY
LONG ISLAND, NEW YORK

OFFICE OF COMMUNITY DEVELOPMENT

HOUSING DEVELOPMENT AND DEVELOPER OUTREACH REPORT

September 17, 2020

TABLE OF CONTENTS

Executive Summary	1
Background	3
Who Can Develop Mixed-Income Housing?.....	6
Private Builders and Developers	6
Non-Profit Organizations	7
The Government.....	9
How Can Mixed Income Housing Be Developed?.....	11
In All Sizes and Types of Housing.....	11
Subsidies and Incentives Are Available.....	13
Where Can Mixed Income	15
Housing Be Developed?	15
County-Owned Land is Being Considered.....	17
Non-County Owned Properties Are Available.....	18
Model Inclusionary Zoning Ordinance	21
OCD’s Ongoing Outreach Activities	25
Conclusion	29

Executive Summary

This report is intended to provide information that may be useful to municipal leaders, developers and community organizations interested in furthering the development of mixed-income housing in Nassau County. The Office of Community Development (“OCD”) has prepared this report in collaboration with other County agencies as part of an on-going effort to address the County’s housing challenges. We are working with municipal officials, non-profit partners, area developers and labor to develop and promote housing policies that will help us retain our talented youth and growing families, capture the influx of people seeking to move from the city to the suburbs, offer seniors an opportunity to age in place, and facilitate the development of sustainable integrated living patterns. We are acutely aware of the growing divide between the cost of housing, particularly rental housing, and what our residents can reasonably afford to pay. This problem affects us all, and is particularly difficult for those members of our community who are struggling to overcome economic and other hardships, and who have been historically disadvantaged. Nassau County remains firmly committed to promoting fair housing and fostering economic development, and considers this report part of our on-going effort in this regard.

OCD examined how, where, and by whom mixed-income housing can be developed. We have reviewed County-owned land and privately-owned properties in an effort to identify parcels that may be eligible for such development. We conferred with developers, state and local officials, and others. We considered the concern that has been raised by developers time and again that developing housing at price points that are accessible for all of our residents is not financially feasible, and we explored concrete ways in which developers can secure funding or receive other

incentives through federal, state, and local sources. We also evaluated the concerns raised by developers and advocacy groups regarding local zoning and land use restrictions. The County does not control local zoning and land use, but in some instances plays an advisory role for the villages, towns, and cities that do.¹ Among other measures, the County has developed a model inclusionary zoning ordinance for consideration by those jurisdictions as we work together to address the housing needs of all of our residents.

The report includes (1) information about land or locations within Nassau County that may be appropriate for further consideration in connection with the development of mixed-income housing; (2) information pertaining to non-profit and for profit developers who may be interested in creating mixed-income housing; and (3) other information pertaining to mixed income housing, and housing more generally, that may be of assistance to our municipalities, developers and community organizations.

OCD thanks you for your consideration of this report and looks forward to working with our local development community, municipal officials and community partners to make Nassau County a place where our current and future residents can live, work and play.

¹ See, e.g. General Municipal Law 239-m(4) (“The county planning agency or regional planning council shall review any proposed action referred for inter-community or county-wide considerations,” and “shall recommend approval, modification, or disapproval, of the proposed action, or report that the proposed action has no significant county-wide or inter-community impact.”).

Background

Nassau County has not always been as diverse as it is today. The County’s population boomed as it became one of the nation’s first and largest suburbs in the early twentieth century, peaked in the mid 1960’s, and has remained at between 1.3 and 1.4 million for the last fifty years.² Much of the County was initially developed as affordable housing. A large majority of the housing stock in Nassau County, however, was developed prior to the enactment of civil rights laws prohibiting housing discrimination, and many communities were established at a time when overt segregation through restrictive covenants and similar mechanisms was lawful or even encouraged.³ While the County has become more diverse and inclusive over time,⁴ housing patterns continue to reflect areas of racial concentration.⁵ For example, although the total Black population in the County is about 11.7%, there are census tracts where the Black portion of the population exceeds 70%, and there are other census tracts where the Black portion of the population is effectively zero.⁶

² See 2020 Analysis of Impediments, Pg. 16.

³ See 2020 Analysis of Impediments, Pg. 39.

⁴ 2020 Analysis of Impediments, Pg. 32

⁵ Id.

⁶ Id., Pgs. 18, 75-76 (the “region remains more segregated than most other major regions of the country.”); See Generally, U.S. Census Bureau, Census Tract Demographics (<https://www.census.gov/data.html>); Census.gov, “Housing Patterns: Measures of Residential Segregation,” (<https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>); Federal Reserve

Nassau County has also not always been as difficult to afford as it is today. The U.S. Department of Housing and Urban Development’s most recent Nassau County Market at a Glance and Nassau-Suffolk Region Comprehensive Market Analysis reports have been annexed to this report as **Appendix “A.”** Currently, the County’s supply of housing units, particularly rental units, does not meet demand, and available housing stock is not reasonably affordable for the majority of those who are seeking it.⁷ Housing costs in Nassau County have outpaced its residents’ earnings for a long time, leading to significant concern and repeated warnings that these trends are not conducive to long-term financial stability.⁸ Home ownership in Nassau County is among the most expensive in New York State, both in terms of overall sale price and in terms of the ratio of median sale price to median annual income.⁹ Between 2010 and 2018, home values decreased by 2.7% percent, while rents increased by 23.5%.¹⁰ During this same time the ratio of owner to renter properties has remained constant at 80/20, suggesting a stronger demand for rental housing in Nassau County.¹¹ The long term impact of the Covid-19 pandemic on Nassau County’s economy

Bank of St. Louis Economic Research: Nassau County Dissimilarity Index
(<https://fred.stlouisfed.org/series/RACEDISPARITY036059>).

⁷ 2020 Analysis of Impediments, Pg. 76.

⁸ See Draft 2010 Master Plan, Pgs. 29 – 40.

⁹ New York State 2019 High Cost Area Table,
<https://hcr.ny.gov/system/files/documents/2019/06/High%2520Cost%2520Area%2520Table%25202019.xlsx>

¹⁰ 2020 Analysis of Impediments, Pg. 39.

¹¹ 2020 Analysis of Impediments, Pg. 38.

and housing market remains uncertain, but the available data thus far reflects, at least in the short term, a substantial decrease in the amount of available units and an increase in prices.¹²

These housing concerns have disproportionately affected racial and ethnic groups that were already impacted by financial and socio-economic hardships, further limiting the opportunities for residents in racially concentrated communities to overcome gaps in wealth, income, home ownership, and educational attainment.¹³ These same communities have been among the hardest hit by the current public health crises.¹⁴

The County has a strong need for affordable housing, and that housing must be fair, open, and inclusive. Mixed-income housing – where housing at market rate and different levels of affordability are included in the same development or neighborhood through subsidies, incentives, or other measures – has benefits over affordable-only developments in that it avoids concentrations

¹² See OneKey MLS Nassau County Market Update, July 2020 (<http://links.mlsstratus.com/actrep/Current/Nassau.pdf>); Elliman Report Q2-2020, (https://www.elliman.com/resources/sitesresources/commonresources/static%20pages/images/corporate-resources/q2_2020/longisland-q2_2020.pdf); Schiller, Robert, “How to Navigate the Coronavirus Real Estate Market,” New York Times, July 31, 2020 (<https://www.nytimes.com/2020/07/31/business/housing-market-prices-risk.html>); Williams, Dima, “A New Housing Report Disputes Trendy Pandemic Narratives,” Forbes, August 14, 2020 (<https://www.forbes.com/sites/dimawilliams/2020/08/14/a-new-housing-market-report-disputes-trendy-pandemic-narratives/#160ee0f26ab2>);

¹³ <https://opennassau.nassaucountyny.gov/stories/s/6egi-rvzh>

¹⁴ Nassau County, “Covid-19 By the Numbers,” (<https://www.nassaucountyny.gov/4974/COVID-19-By-The-Numbers>); Newsday, “Tracking the Coronavirus on Long Island,” (<https://projects.newsday.com/long-island/tracking-the-coronavirus-on-long-island/>); Moore JT, Ricaldi JN, Rose CE, et al., “Disparities in Incidence of COVID-19 Among Underrepresented Racial/Ethnic Groups in Counties Identified as Hotspots,” U.S. Centers for Disease Control and Prevention MMWR Morb Mortal Wkly Rep Aug. 21, 2020;69:1122–1126. (<http://dx.doi.org/10.15585/mmwr.mm6933e1>).

of poverty, and can provide opportunities to promote racial inclusion.¹⁵ This report examines the potential for developing mixed-income housing as one means to address the County's unmet housing needs.

Who Can Develop Mixed-Income Housing?

Private Builders and Developers

Private for-profit endeavors are, by far, the primary source of housing development in Nassau County. There is a recognized need for housing that is available at prices that are affordable for the majority of the County's residents, and private development is integral in meeting that need. However, factors such as high labor costs and high per unit acquisition cost add difficulty to profitably developing housing that is priced in ranges that are reasonably affordable by most residents. Private developers have consistently expressed concern that, even in larger developments, inclusion of units that are affordable for moderate to low income households potentially jeopardizes the financial viability of their projects in the absence of government incentives.¹⁶

¹⁵ HUD Mixed-Income Housing Model Guide, HUD-2003-15-CPD, https://www.hud.gov/program_offices/comm_planning/affordablehousing/library/modelguides/2004/200315_5; Brophy, P., "Mixed-Income Housing: Factors for Success," 3 City Scape 2 (1997), <https://www.huduser.gov/periodicals/cityscape/vol3num2/success.pdf>. See also Robert C. Ellickson, The False Promise of the Mixed-Income Housing Project, 57 UCLA L. Rev. 983, 1014 (2010)(discussing limitations to the socioeconomic benefits of mixed-income housing, while still finding it preferable to affordable-only subsidized housing, and noting that studies have shown public health benefits).

¹⁶ See, e.g., Nassau County Industrial Development Agency Applications for Financial Assistance, <https://nassauida.org/affordable-housing-projects/>

Non-Profit Organizations

Non-profit organizations play an important role in developing housing that is fair and affordable at a wide range of income levels, particularly housing that is affordable for households with low and very-low incomes. While nonprofit developers face the same cost-based challenges as private developers, the absence of a profit motive, and increased eligibility for and familiarity with subsidy and incentive programs, provide non-profit organizations greater flexibility in developing housing with a range of income bands. Non-profits also play an important role in promoting fairness, equality, and inclusion through, among other things, educational activities and programs that facilitate the enforcement of anti-discrimination laws.¹⁷

However, the number of non-profit organizations serving these needs, and the capacity of those organizations, is limited. Organizations such as [Long Island Housing Partnership](https://www.lihp.org/)¹⁸ and the [Community Development Corporation of Long Island](http://www.cdcli.org/)¹⁹ develop affordable housing and also operate a wide range of programs that promote equal access to affordable and mixed-income housing. Religious organizations have discussed exploring possible housing developments on their properties. Organizations such as [Vision Long Island](http://visionlongisland.org/)²⁰ host a range of programs and initiatives that bring local leaders and developers together to discuss how to address Nassau

¹⁷ HUD's most recent regulatory guidance strongly emphasizes enforcement. See 85 FR 47899.

¹⁸ <https://www.lihp.org/>

¹⁹ <http://www.cdcli.org/>

²⁰ <http://visionlongisland.org/>

County’s housing needs. Non-profit developers, such as [Mhany Management, Inc.](#),²¹ have communicated the difficulty, even for a non-profit, of developing financially viable mixed income housing in Nassau County, particularly rental housing outside of areas of existing concentrations of race and poverty that would be affordable for families with low and very low income levels; and advocacy groups, such as [Erase Racism](#)²² and [New York Communities for Change](#),²³ fight tirelessly to promote fair housing and combat racial inequality.

In 2016, the County organized the [Nassau County Land Bank](#) (“NCLB”)²⁴ which is a charitable non-profit organization as well as a public authority that acquires vacant parcels from the County.²⁵ The NCLB either develops these properties for sale as affordable housing, or sells them to other non-profit developers -- such as the [Uniondale Community Land Trust](#)²⁶ or [New Millennium Development Services](#)²⁷ -- that do so. Under the Curran administration, a collaborative effort has been undertaken amongst the Office of the County Attorney’s Real Estate Division, the Office of the Treasurer and the NCLB to identify suitable properties for transfer to

²¹ <https://www.mutualhousingny.org/>

²² <http://www.eraseracismny.org/>

²³ <https://www.nycommunities.org/>

²⁴ <https://www.nassaucountyny.gov/4293/Land-Bank>

²⁵ New York State passed the Land Bank Act in 2012, creating Article 16 of the Not-For-Profit Corporation Law, which allows towns, cities, villages, and counties that are not contained within a city to establish land banks. See Not-For-Profit Corporation Law § 1602; <https://esd.ny.gov/new-york-state-land-bank-program>

²⁶ <http://www.u-clt.org/about-2/about-uclt/>

²⁷ <https://newmillenniumdevelopment.com/>

the Land Bank. Thus far, the Land Bank has sold three parcels, has three more under contract, and is in the process of developing two parcels in Hempstead for affordable single family residences.

The Government

Public housing provides a mechanism for governments to address housing needs that are not being met by private development and non-profit efforts, or to otherwise serve the public interest.²⁸ There are ten housing authorities in Nassau County, with over 4,000 units, and significant wait lists.²⁹ Specifically, the housing authorities within Nassau County are as follows:

- The [Town of North Hempstead Housing Authority](#) operates 185 senior units, and also contracts with an outside management company that operates 272 units of mixed income family housing,³⁰ spread across several locations;
- The [Town of Oyster Bay Housing Authority](#) operates 911 total units, of which 642 units are dedicated for seniors or the disabled;
- The [Town of Hempstead Housing Authority](#) operates 1,248 senior units and 61 family units, and also offers a senior home ownership program;
- The [City of Glen Cove Public Housing Authority](#) operates 270 senior units, and 108 family units;

²⁸ Thought on the benefits of and best approaches to public housing has varied greatly over time. See Racial Desegregation and Income Deconcentration in Public Housing, 9 Geo. J. on Poverty L. & Pol'y 35 (2002).

²⁹ See 2020-2024 Consolidated Plan, Pgs. 54 – 56.
<https://www.nassaucountyny.gov/DocumentCenter/View/30140/Nassau-County-FINAL-Five-Year-Consolidated-Plan-FY2020-2024?bidId=>). This total does not include 292 family units managed by an outside contractor for the Town of North Hempstead Housing Authority or 154 family units operated by the Village of Rockville Centre Housing Authority that were built using tax credits, which are not considered public housing as set forth in the Consolidated Plan.

³⁰ The Town of North Hempstead Housing Authority's mixed-income housing is managed by an outside contractor and is not considered public housing. See 2020-2024 Consolidated Plan, Pgs. 54 – 56.

- The [City of Long Beach Housing Authority](#) operates 270 senior units, and 108 family units;
- The [Village of Rockville Centre Housing Authority](#) operates 50 senior units, as well as 154 family units;³¹
- The [Village of Hempstead Housing Authority](#) operates 218 senior units and 65 family units;
- The [Village of Great Neck Housing Authority](#) operates 75 senior units;
- The [Village of Freeport Housing Authority](#) operates 250 senior units and 100 family units;
- The [Village of Island Park Housing Authority](#) operates affordable housing for seniors and the disabled;

In New York State, the establishment of a housing authority by special act of the State Legislature, as well as certain other powers related to low income housing, are reserved for towns, cities, and villages.³² County-owned residential rentals consist of approximately sixty units in the [Mitchell Field Veterans Housing Complex](#), which are affordable family units, as well as some of the historic landmark properties under the Department of Parks, Recreation and Museums, all of which are managed under contracts with an outside vendor.

³¹ The Village of Rockville Centre Housing Authority's family housing units were constructed using tax credits and are not considered public housing. Id.

³² See New York State Constitution, Article XVIII; Public Housing Law §§ 2, 3 and 30.

How Can Mixed Income Housing Be Developed?

In All Sizes and Types of Housing

Mixed income housing can be developed through large, mid-size and small multi-family development, as well as scattered site one- and two-family dwellings. Aside from market forces responding to the need for reasonably priced housing solutions at ranges of affordability levels, OCD and the County have sought to promote the development of mixed income housing through subsidies, outreach efforts such as this report, and by encouraging local jurisdictions to offer zoning and land use incentives.

Single family homes are the most common housing type in Nassau County, comprising nearly 80% of the County's housing stock; with multi-family residences with less than ten units comprising approximately 10%, and multi-family residences with more than 10 units comprising the remaining 10%.³³ Single family homes play the largest role in the County's housing market, and thus play an important role in meeting the County's need for affordable housing. Multiple Listing Service data indicates that, as of July 2020, there was a county-wide inventory of 5,127 available residential properties, with a median listing price of \$699,000, and median sale price ranging in the mid \$500,000's.³⁴ Legal accessory dwelling units in otherwise single-family residences are one option for promoting affordable rentals, and represent 7–8% of available rentals (1-2% total housing stock) across Long Island, with the number of undocumented units too

³³ 2020 Analysis of Impediments, Pg. 38.

³⁴ One Key MLS Nassau County Market Report (July 2020)
<http://links.mlsstratus.com/actrep/Current/Nassau.pdf>.

uncertain to estimate.³⁵ Accessory units in Nassau County, generally, are currently only available under limited circumstances.³⁶ Vacant and abandoned properties offer another potential opportunity for the development of affordable one- and two-family housing, such as the homes being developed for sale by the [Nassau County Land Bank](#),³⁷ the [Uniondale Community Land Trust](#),³⁸ and the [Long Island Housing Partnership Land Trust](#).³⁹

Multi-family dwellings are the most feasible avenue for increasing the availability of affordable housing, particularly rental housing. As density increases, so does the financial viability of developing units that are affordable at lower income levels. Per-unit costs are lowered through economies of scale and spreading acquisition costs across a larger number of units, and there are generally greater subsidies and incentives available for larger projects. These benefits are maximized with larger projects, but small and mid-size developments – sometimes referred to as the “missing middle” or “gentle density” – also offers valuable opportunities for mixed-income housing throughout the County.⁴⁰

³⁵ Niedt, Christopher and Anacker, Katrin, “Accessory Dwellings on Long Island: An Overview,” National Center for Suburban Studies at Hofstra University (Feb. 2016). <https://licf.org/wp-content/uploads/2019/12/ADU-Report-posted.pdf>

³⁶ [Id.](#)

³⁷ <https://www.nassaucountyny.gov/4293/Land-Bank>

³⁸ <http://www.u-clt.org/about-2/about-uclt/>

³⁹ <https://www.lihp.org/clt.html>

⁴⁰ See, e.g., Bloomberg.com, “Cities Don’t Need High-Rises to Become Affordable,” September 4, 2020 (<https://www.bloomberg.com/view/articles/2020-09-04/housing-affordability-crisis-in-cities-can-be-solved-without-high-rises>). See also 2020 Analysis of Impediments, Pg. 38 (10 – 20 unit developments are currently the least common housing type in Nassau County, comprising only 2.2% of the County’s housing stock).

Permissible housing density will be limited by each jurisdiction's existing zoning and land use regulations. In many locations, multi-family residential development is not available as of right, and would require the developer to apply for variances or a change of zone with the applicable local zoning jurisdiction. Several local governments are currently in the process of considering amendments to their zoning laws, and municipal planning is always an ongoing process.

Each community has unique circumstances, and increased density may not appropriate in all areas. Local governments are encouraged to evaluate whether and where it may be appropriate to ease restrictions on property development rights so as to open up new opportunities and allow the housing market to adjust to changing conditions and pressures. In evaluating where it may be appropriate to allow for additional density, consideration should be given to, among other things, perpetuating unfair concentrations of poverty, crime, and race, overburdening already struggling schools, access to transportation and employment, and the capacity of existing infrastructure and potential for capital improvements.⁴¹

Subsidies and Incentives Are Available

There are a variety of government benefits intended to assist with making mixed income housing more financially feasible. The availability and extent of such benefits generally depends

⁴¹ While “racial targets or quotas” should be avoided due to “difficult constitutional questions,” “race may be considered in certain circumstances and in a proper fashion” in connection with local governments’ “race-neutral efforts to encourage revitalization of communities that have long suffered the harsh consequences of segregated housing patterns.” Texas Dep’t of Hous. & Cmty. Affairs v. Inclusive Communities Project, Inc., 576 U.S. 519, 545 (2015). “When setting their larger goals” municipalities “may choose to foster diversity and combat racial isolation with race-neutral tools, and mere awareness of race in attempting to solve the[se] problems... does not doom that endeavor at the outset.” Id.

upon project-specific considerations, which prospective developers should explore with the following agencies:

- [Nassau County Industrial Development Agency](#) (“IDA”).⁴² The Nassau County IDA supports the development of affordable housing, with benefits including mortgage recording tax exemption, exemption from sales and use tax during construction, and structured property tax payments through a Payment in Lieu of Tax (“PILOT”) agreement. The IDA recently adopted a new Enhanced Assistance Policy making increased or extended incentives available for projects in exchange for additional affordable units or increased affordability. A copy of this policy has been included with this report as **Appendix “B.”**
- [New York State Division of Homes and Community Renewal](#) (“NYS DHCR”).⁴³ NYS DHCR administers State and Federal Low Income Housing Tax Credit programs, both of which provide a dollar-for-dollar reduction in state taxes to investors in qualified low-income housing. It oversees the State’s Affordable Housing Corporation, which provides grants to non-profits and government entities of up to \$40,000 per affordable unit, with affordability ranges up to 166% of area median income. And, it administers the State’s HOME Investment Partnerships Program, which provides low and no cost loans for the acquisition, rehabilitation, and construction of housing that would be affordable for prospective purchasers with household incomes below 80% of Area Median Income or renters below 60% of Area Median Income.⁴⁴ Although accepting application for all eligible projects, the State HOME program currently has an initiative focusing on small rental developments of twenty-five units or less. And
- [Nassau County Office of Community Development](#) (“OCD”).⁴⁵ Nassau County OCD administers, among other HUD-funded programs, the HOME Investment Partnerships Program for the Nassau Urban County Consortium. This program receives in excess of \$2 Million in federal funding per year to assist developers with low or no-cost loans, for new

⁴² <https://nassauida.org/affordable-housing-projects/>.

⁴³ <https://hcr.ny.gov/>

⁴⁴ <https://hcr.ny.gov/nys-home-program>.

⁴⁵ <https://www.nassaucountyny.gov/1524/Community-Development>

construction or preservation/renovation of single and multi-family properties. Financing terms depend upon the specific project, but may include funding up to \$155,000 per one-bedroom affordable unit (with rents below \$1,452 per month) and up to \$270,000 per four-bedroom affordable unit (with rents below \$2,220 per month). OCD has funds available, and has not yet committed all of its funding for 2019. Last year, to promote inclusive development, OCD committed to set-aside 25% of its available funding until 2022 for developments in areas with positive socioeconomic indicators but below-average Black and Hispanic representation.⁴⁶ Since establishing the set-aside, OCD has met with many developers of affordable housing projects and otherwise sought to promote the use of the set-aside funds, but to date has only received one application which qualifies for the set-aside funding. That project is currently under review by both OCD and NYS HCR.

Where Can Mixed Income Housing Be Developed?

Mixed income housing is an approach to addressing the County's housing needs that can be flexibly implemented throughout the County. Mixed income housing can improve access to employment, benefiting both employers and employees; it helps mitigate the dangers and costs that are incidental to undue concentrations of poverty; it promotes stability through diversification; and it facilitates the development of sustainable integrated living patterns.⁴⁷

⁴⁶ Designated as "High Opportunity Areas." See Appendix "C" to this report, and 2020 Analysis of Impediments, Appendix "I" thereto (<https://www.nassaucountyny.gov/DocumentCenter/View/29529/I-High-Opportunity-Areas>).

⁴⁷ U.S. Department of Housing and Urban Development, "Mixed-Income Housing and the HOME Program," 2003, Pgs. 3 - 4. (https://www.hud.gov/sites/documents/19749_200315.PDF).

According to HUD, the HOME Investment Partnerships Program “is an ideal source of direct assistance for mixed-income housing development.”⁴⁸ Both OCD and NYS DHCR administer HOME Investment Partnerships Programs, which can provide funding for mixed income housing development. While available County-wide, these programs can help make mixed income development financially viable in areas where, without subsidies, such projects would be difficult. This includes areas that have been designated as High Opportunity Areas (“HOAs”).⁴⁹ HOAs are defined and illustrated in **Appendix “C.”**

Housing is an important component in the comprehensive community development efforts for the County’s economically distressed areas. While some initiatives are tailored towards expanding housing choices outside of areas of existing concentrations of poverty, other initiatives are tailored towards improving housing quality and expanding economic opportunities in these areas. In addition to subsidies available through OCD or NYS DHR, and incentives from the ZBA, the Federal government and New York State have designated four census tracts within the County as “Opportunity Zones.”⁵⁰ Two of these census tracts are located in Hempstead, one in Long Beach, and one in Glenn Cove.⁵¹ Qualified investments in businesses that own property in these

⁴⁸ U.S. Department of Housing and Urban Development, “Mixed-Income Housing and the HOME Program,” 2003, Pgs. 3 and 21. (https://www.hud.gov/sites/documents/19749_200315.PDF). See also HUD: Evidence Matters, “Mixed-Income Community Dynamics: Five Insights From Ethnography,” Spring 2013)(<https://www.huduser.gov/portal/periodicals/em/spring13/highlight2.html>)

⁴⁹ See 2020 Analysis of Impediments, Appendix “I” thereto (<https://www.nassaucountyny.gov/DocumentCenter/View/29529/I-High-Opportunity-Areas>)

⁵⁰ See U.S. Treasury Department, Opportunity Zone Resources (<https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>) and Empire State Development (<https://esd.ny.gov/opportunity-zones>).

⁵¹ The eligible Census Tracts are: 36059406801, 36059406802, 36059416500, 36059517200

areas – including rental properties or other properties used in trade or business -- are eligible for deferral, reduction, or potential elimination of federal and state capital gains tax.⁵² The U.S. Economic Development Administration has also made grants available to nonprofits and local governments in these Opportunity Zones.⁵³

County-Owned Land is Being Considered

The County reviewed its general real estate portfolio to identify County-owned properties that, subject to further site-by-site analysis, may be suitable candidates for mixed-income housing development in the future.⁵⁴ These properties have been identified in **Appendix “D”** to this report, as well as in the County’s [interactive mapping tool](#).⁵⁵

To assess the availability of County-owned properties, the County examined parcels in excess of 0.25 acres (or 10,890 square feet). An individual site analysis was then conducted to exclude parcels with present conditions that potentially hinder housing development, including, among other things, being used for stormwater drainage and retention, being inaccessible due to existing infrastructure for utility or transportation purposes, being designated or treated as a preserve, or being within a wetland or conservation area. General zoning information is included

⁵³ <https://www.eda.gov/opportunity-zones/>

⁵⁴ This review has not yet, at this time, included the County’s Landmark properties portfolio, which includes approximately sixty leased units that are managed by an outside vendor operating under the County’s Department of Parks, Recreation and Museums.

⁵⁵ <https://nassau-county.maps.arcgis.com/apps/webappviewer/index.html?id=d0bc6460fcc04cb1be8e83181d579f69>

with the parcel data in the County’s interactive map, but existing zoning and land use regulations were not treated as exclusionary criteria in this analysis.⁵⁶

Through this analysis, the County identified eighteen (18) County-owned parcels that are potentially suitable for mixed-income residential development. The County may sell certain parcels in the future. When the County sells real estate, it does so through soliciting proposals in a competitive bidding process. To ensure that prospective purchasers receive notice of these bids, they must register as vendors through the [Nassau County Vendor Portal](#)⁵⁷ and should include NIGP Code 578-63 within the categories selected for their organization in the account settings in the WebProcure system.

Non-County Owned Properties Are Available

To assess the availability of non-county owned land, the County reviewed multiple listing service data, information from the Nassau County Department of Assessment, as well as other real estate databases.⁵⁸ The County’s evaluation of non-county owned properties was limited to a snapshot as of August 2020 to gain a better understanding of the extent to which properties are available and the process through which private developers may source locations for the development of mixed-income rental housing. The search concentrated on commercially zoned

⁵⁶ The general zoning information contained in the County mapping tool is for informational purposes only. In the event any of these sites are offered for sale, prospective developers should evaluate the specific zoning and land use regulations of the applicable local jurisdiction, and

⁵⁷ <https://www.nassaucountyny.gov/4770/Vendor-Portal>

⁵⁸ The use of proprietary commercial real estate databases was considered, but the information in this report is derived from publicly available sources. While allowing for general market research, proprietary databases generally do not allow the republication of specific listings or similar information.

properties, which often present opportunities for mixed use or higher density residential development, either through permissible uses or special exception under current zoning or with conditions that may be favorable in seeking variances or zoning changes. Through this search, the County identified thirty (30) active public listings for parcels that would be appropriate for further consideration in connection with developing mixed-income rental housing, which are further described in in **Appendix “D.”**⁵⁹

The development of multi-family residential and mixed-use development in the vicinities surrounding Long Island Railroad stations is highly encouraged. Extensive efforts have been undertaken towards fostering transit-oriented development, with walkable downtowns focused around access to multiple modes of local and long distance transportation. Research has estimated that there are 8,300 acres of underutilized properties in downtown areas and near Nassau County’s train stations, approximately half of which consist of parking lots, while the other half consists of open space or vacant land.⁶⁰ There are also opportunities in these areas for mixed-use or adaptive re-use by, for example, adding residential units above existing retail and commercial space. As described in Nassau County’s 2014 Infill Redevelopment Feasibility Study, the “transit-supported development in Nassau County” has the “ability to provide families of varying income levels the opportunity to access public transportation, jobs, high-quality schools and a myriad of local

⁵⁹ The property information set forth in this report and the appendices thereto is for the limited purpose of the analysis contained in this report, and should not be relied upon for any other purpose without independent verification.

⁶⁰ Long Island Index, Rauch Foundation, “2010 Places to Grow.” (http://www.longislandindex.org/data_posts/places-to-grow/).

services and community assets,” and “nurturing mixed-income and racially-integrated communities” in these areas “will further the fair housing goals of Nassau County.”⁶¹

OCD has worked to promote the use of its federal Community Development Block Grant (“CDBG”) funding to improve downtowns and encourage transit-oriented development. In January 2020 we announced the winners of the County’s first Transit-Oriented Development funding competition for qualified local municipalities. A total of \$1,050,000 dollars was awarded to projects that will revitalize downtowns and lead to more walkable, mixed-use communities near public transit. Seven municipalities were each awarded \$150,000 for specific transit-oriented development projects: the City of Long Beach, the Towns of Hempstead, North Hempstead, and Oyster Bay and the Villages of Farmingdale, Freeport, and Hempstead. This initiative is intended to support overall project costs and promote development that maximizes the amount of residential, business, and public open space within walking distance of public transportation, referred to as Transit-Oriented Development (“TOD”). The County’s TOD Initiative was developed to assist those communities to plan for growth or to fund pedestrian safety improvements, traffic calming, and connectivity between housing, downtowns, and transit centers. Because the funding source is the Community Development Block Grant (CDBG) Program, all funded projects were also required to be CDBG-eligible.

⁶¹ Nassau County Infill Redevelopment Feasibility Report, Pg. 58
(<https://www.nassaucountyny.gov/DocumentCenter/View/3324/FinalNCIRFSReport31414>)

Model Inclusionary Zoning Ordinance

The County government’s role in local planning, zoning, and land use by the sixty-four incorporated villages, three towns (overseeing over 100 unincorporated hamlets), and two cities within its borders is largely advisory. To facilitate the development of Mixed-Income Housing that is affordable for families throughout the area, Nassau County is promoting this Model Ordinance for consideration by all of its communities.

In many instances, local governments are required to refer certain proposed actions, including zoning laws, special use permits, site plans, and use and area variances, to the County Planning Commission for recommendation.⁶² Since April 2019, the County Planning Commission has used these opportunities to encourage local governments to adopt the zoning ordinances conforming to the “Minimum Characteristics,” as set forth in **Appendix “E,”** of the model inclusionary zoning ordinance described herein.

Ideally, the County seeks to promote the development of rental housing with a meaningful distribution of affordability levels which is suitable for family occupancy (i.e. two- to three-bedroom units that are not age restricted). Where feasible, multiple income bands should be considered, ranging from 20% - 100% of area median income. While significant efforts have been undertaken and more are needed to ensure the availability of safe and affordable housing for the County’s aging residents, there is also a strong need for family housing, particularly rental housing. For owner-occupied units, the County is seeking to encourage projects that will develop housing

⁶² General Municipal Law § 239-m.

that is affordable for those earning under 60% of the area median income, or in the range of approximately \$300,000 or less. To aid in these efforts, jurisdictions that enact zoning laws conforming to the Model Zoning Ordinance will, subject to program limitations and other restrictions, receive first preference in Community Block Development Grant funding awarded by Nassau County OCD.

The County is encouraging local jurisdictions to promote fair affordable housing, and to foster sustainable integrated living patterns with equal access to economic, educational, and other opportunities. Community residency requirements or preferences are discouraged, while affirmative marketing is strongly encouraged.⁶³ Rentals by use of a lottery or similar system rather than being offered on a first-come, first-served basis should be considered. Discrimination, including source of income discrimination (whether Section 8 Rental Assistance Voucher or other rental subsidies) cannot be countenanced.

Since 2008, pursuant to the Long Island Workforce Housing Act, villages, cities, and towns in Nassau and Suffolk Counties approving site plan or subdivision plats for five or more units have been required to grant density bonuses of at least ten percent over the otherwise maximum allowable density, rounded up to the nearest whole unit, with the applicants required to set aside ten percent of the units as affordable workforce housing accessible to households earning at or below 130% of area median income.⁶⁴ However, the Workforce Housing Act has been criticized for, among other things, excluding development proposals that are less than the maximum

⁶³ See 24 CFR § 92.351

⁶⁴ General Municipal Law, Article 16-A.

allowable density, allowing affordable units to be constructed at off-site locations and allowing payment of a fee in lieu of developing an affordable unit.⁶⁵ Through this model zoning ordinance, the County seeks to encourage local jurisdictions to do more than what is required under the Workforce Housing Act, expanding the use of incentives to encourage the development mixed-income housing.

The model zoning ordinance, which is intended to be flexibly phrased so as to be customized by each local jurisdiction to meet its individual needs and circumstances, is substantially as follows:

1. Definitions.

- a. Affordable Housing means that a household is paying no more than 30% of its income for gross housing costs, including utilities.
- b. Affirmative Marketing means methods reasonably calculated to ensure outreach to racially and ethnically diverse households, including those who are least likely to apply.

Comment: Affordability levels have not been defined. Generally, affordability levels are defined by reference to a percentage of Area Median Income as determined by HUD.⁶⁶ Jurisdictions are strongly encouraged to promote housing that serves the needs of moderate, low, and very low income residents. However, by leaving this term undefined, jurisdictions are free to define affordability in a manner that is suitable based upon their community and local market conditions. Affirmative marketing efforts in areas with contrasting demographics to those of the location of the property being marketed are highly encouraged for all types of housing units, both to improve inclusivity and to expand the pool of qualified purchasers or renters for those units.

⁶⁵ See Center for Popular Democracy, “The Crisis of Fair, Affordable Housing on Long Island: An Analysis of the Long Island Workforce Housing Act,” <http://lifairhousing.org/wp-content/uploads/2016/02/The-Crisis-of-Fair-Affordable-Housing-on-Long-Island-2015.pdf>

⁶⁶ There is no fixed formula for when a home is considered affordable. A general “rule of thumb” has developed wherein a home is considered affordable if all housing costs, including rent or mortgage, taxes, and utilities, total no more than thirty percent of the residents’ income. See Schwartz, M. and Wilson, E., “Who Can Afford to Live in a Home?” U.S. Census Bureau, 2007. (<https://www.census.gov/housing/census/publications/who-can-afford.pdf>).

2. Residential or mixed-use developments with five or more units shall:

- a. Include at least 20% Affordable Housing units;
- b. Be marketed with Affirmative Marketing.

Comment: The 20% requirement doubles the requirement under the Workforce Housing Act, and does not include an option for off-site units or a fee in lieu. Affirmative Marketing is a key component of developing housing that is not only affordable, but which promotes integrated housing patterns. For the same reason, residency preferences should not be included, and would generally be contrary to the purpose of this model ordinance.

3. In applying for site plan or subdivision plat approval, notwithstanding any other provision of this Code, the applicant may seek, and the [applicable agency or Board] shall consider:

- a. Zoning or other variances or exceptions where necessary or appropriate to allow for development of housing that will qualify as affordable housing;
- b. Density bonuses, parking requirement reductions, or other similar incentives reasonably related to providing affordable housing units;

Comment: The nature and extent of the incentives are left to the local jurisdictions, either in drafting their inclusive housing ordinances, or to be assessed on a case-by-case basis. The purpose of the density bonus is to promote affordable housing by increasing the yield of a given property for developers and reduce per-unit construction costs, mitigating the burden on the developer of the affordability requirement or, potentially, adding a benefit to both the developer and the community.

4. The [applicable agency or Board] may approve, deny, or conditionally approve or deny, variances or other incentives sought pursuant to this Section as it may deem appropriate to effectuate the purposes of this Section, including but not limited to:

- a. Granting greater or lesser benefits based upon the number of affordable units or the levels of affordability created by the proposed project; and
- b. Imposing conditions to ensure the continued future affordability of the housing units for such time periods as are deemed appropriate.

Comment: Through this model ordinance, the County is seeking to encourage the use of incentives to foster the development of mixed-income housing. Such incentives should be structured in a way

that ensures future affordability, with such other conditions as the jurisdiction may deem appropriate.

5. For applications under this Section, the following procedures have been adopted to facilitate the prompt consideration and determination of applications, or to otherwise expedite the design, permitting, and development of affordable housing units upon approval: [specific procedures to be determined by the local jurisdictions].

Comment: Streamlining the application process further promotes the purposes of this model ordinance. Each jurisdiction adopting an inclusive zoning ordinance is strongly encouraged to evaluate ways in which its procedures can be expedited so as to minimize the cost, delay, and uncertainty of the process for developers seeking to develop mixed-income affordable housing.

OCD's Ongoing Outreach Activities

OCD engages with numerous County agencies and engages with municipal leaders, community organizations, developers and advocacy groups in promoting affordable housing development. Inter-agency collaboration is on-going with the Office of Housing, Department of Social Services, the Planning Division, the County's Outreach Offices (Office of Minority Affairs, Office of Asian American Affairs and Office of Hispanic Affairs) and the Human Rights Commission, as well as the Nassau County IDA and the Office of Real Estate (within the County Attorney's Office.) Recent collaborative efforts have included participation by Outreach Office staff on real estate selection committees and proposal review teams for County-funded grant initiatives (such as the CDBG TOD initiative referenced earlier), as well as robust community outreach efforts in connection with OCD/IDA funded COVID-19 relief efforts such as community food distributions, small business loans and free PPE-kit programs. Additionally, OCD regularly engages with the County's Housing Counsel to promote fair housing across various agencies and projects.

OCD continuously shares information concerning the availability of various subsidy programs to expand the availability of suitable housing and other economic opportunities for low- and moderate-income residents and other under-served communities. OCD maintains a robust section within the County's website containing information pertaining to, among other things, grants and subsidies that are available to private developers through the HOME Investment Partnerships Program, and also maintains an email list to provide updates and pertinent information to affordable housing developers, special needs housing developers, property managers, non-profit entities, and others.⁶⁷ OCD's director and staff regularly meet with developers, both individually and through group meetings and conferences, with respect to its subsidy programs, specific potential projects, and to discuss affordable housing opportunities in the County more generally. OCD encourages interested developers and non-profits to open a dialogue with them early on in their planning process, and can provide assistance throughout the process, including letters of support to assist in securing other funding sources.

OCD also continually engages in inter-governmental outreach seeking to promote fair and affordable housing, to coordinate those efforts among local jurisdictions, and to refine and improve the County's approach to these complex longstanding issues. In preparing this report, we examined sixty outreach activities OCD has engaged in since 2018. Aside from its regular communications with all members of the Nassau Urban County Consortium, OCD has separately undertaken specific outreach efforts with all three Towns, as well as the Villages of Manorhaven, Valley Stream, Freeport, Westbury, Island Park, and Great Neck, and works closely with the New

⁶⁷ See <https://www.nassaucountyny.gov/1524/Community-Development>

York State Department of Homes and Community Renewal. In many instances, the Deputy County Executive for Economic Development participated in the meetings.

The Nassau County Planning Division also plays a critical role in addressing inclusionary housing and advancing local and regional efforts to create more areas of high opportunity. Examples of applicable initiatives and programs implemented by the Planning Division, in close coordination with Economic Development and the Office of Community Development, include the completed [Nassau County Infill Redevelopment Feasibility Study](#), [Grand Avenue Baldwin Complete Streets Study](#) and the soon to be released [Downtown Hicksville Complete Streets Study](#). The ongoing complete streets projects are transportation and design initiatives to improve safety, accessibility, and interconnectivity among varying modes of transportation to, among other things, support future residential development (including mixed use development), which complimenting other local community development activities (such as the Town of Oyster Bay's Downtown Rezoning Initiative in the case of downtown Hicksville). The Planning Division is committed to addressing the County's need for mixed-income housing and integrated communities through ongoing and upcoming projects and programs, such as the Nassau County Shared Mobility Management Plan, future County Master Plan update(s), [Nassau Hub Transit Initiative](#) and various community/corridor land use/transportation studies. Housing is a key component of the Nassau Hub redevelopment plan established between the County and its

private-sector partners, with 500 units of housing at varying levels of affordability permitted under Town of Hempstead zoning.⁶⁸

The Nassau County Industrial Development Agency recently adopted a new policy whereby additional or enhanced financial assistance may be provided to existing housing developments with IDA-approved Payment in Lieu of Taxes (“PILOT”) agreements in exchange for increased affordability in residential rental housing projects. This new policy has potential for spurring private investment in affordable housing. OCD and IDA staff are working collaboratively to promote early engagement with developers seeking IDA incentives in order to ensure awareness of County and State programs, financing and incentives that are available.

On August 13, 2020, OCD hosted a developers’ forum on the topic of How to Finance Mixed-Income Housing in Nassau County. There were over seventy registered attendees. County Executive Laura Curran gave opening remarks, discussed the County’s ongoing commitment to fair housing, and introduced a panel of experts who explained and answered questions regarding the availability of subsidies and incentives. Kevin Gremse, Senior Director of the National Development Council, moderated a panel consisting of: the Assistant Commissioner of the New York State Division of Housing and Community Renewal for this region, Leonard Skrill; the Director of Nassau County’s Office of Community Development, Kevin Crean; and the Chief Operating Officer and Deputy Executive Director of the Nassau County Industrial Development Agency, Danielle Oglesby.

⁶⁸ <https://www.nassauhub.com/>

OCD is planning to have future forums on such topics as: homeowner housing development resources; municipal rezoning and revitalization efforts; and housing and community development training for municipal officials. Persons interested in participating in those events should contact Kevin Crean at KCrean@NassauCountyNY.gov and join OCD's email list.

Conclusion

OCD has endeavored in this report to examine how, where, and by whom mixed-income housing can be developed and, among other things, to explore concrete ways in which developers can secure funding or receive other incentives through federal, state, and local sources. These are multi-faceted and constantly evolving issues, and OCD looks forward to working with our local development community, municipal officials and community partners as we continue to address these issues in the future. Thank you for your consideration of this report, and please contact OCD, as well as the Nassau County IDA, to discuss how we may be of assistance with current or future mixed-income housing projects.

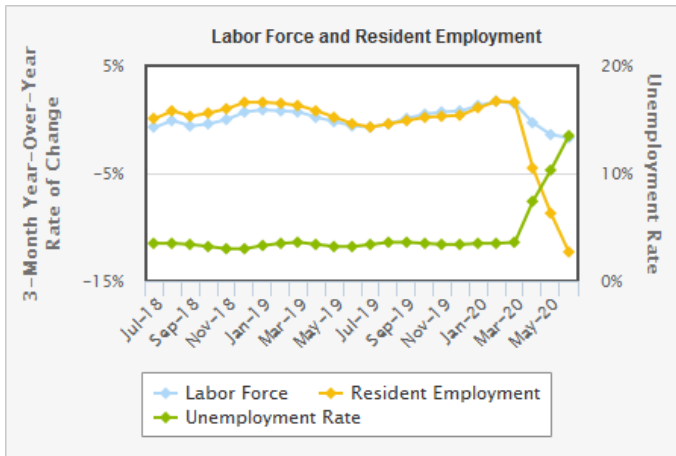
NASSAU COUNTY
OFFICE OF COMMUNITY DEVELOPMENT

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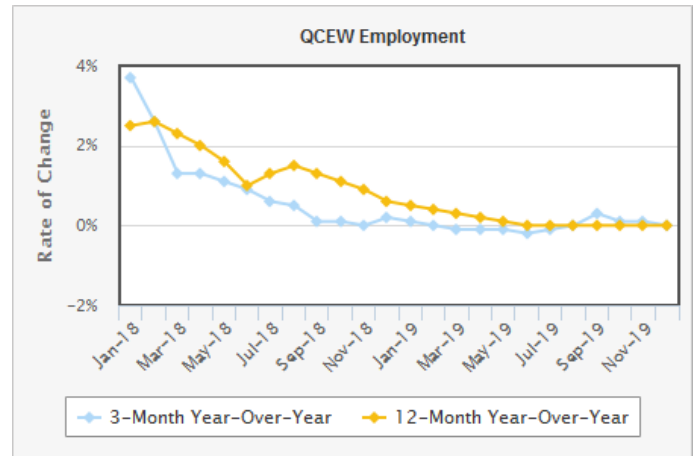
APPENDIX A

U.S. Department of Housing and Urban Development Office of Policy Development and
Research Reports: Market at a Glance – Nassau County, New York; and Comprehensive
Housing Market Analysis – Nassau-Suffolk (Long Island), New York

ECONOMIC CONDITIONS



Data Source: U.S. Bureau of Labor Statistics



Data Source: U.S. Bureau of Labor Statistics

	3-Month Average			3-Month Year-Over-Year Change			
	June 2018	June 2019	June 2020	June 2018 to June 2019		June 2019 to June 2020	
	Number	Percent	Number	Number	Percent	Number	Percent
Labor Force	712,623	708,154	695,823	-4,469	-0.6	-12,331	-1.7
Resident Employment	688,189	685,733	601,645	-2,456	-0.4	-84,088	-12.3
Unemployment Rate (%)	3.4	3.2	13.5	n/a	n/a	n/a	n/a

	December 2017	December 2018	December 2019	December 2017 to December 2018		December 2018 to December 2019	
	Number	Percent	Number	Number	Percent	Number	Percent
QCEW Employment	642,516	643,650	643,626	1,134	0.2	-24	0

Data Source: U.S. Bureau of Labor Statistics

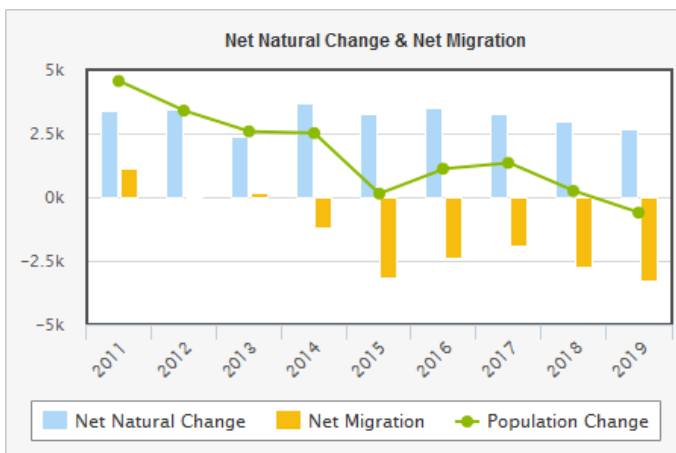
POPULATION & HOUSEHOLDS

Decennial Census					ACS & Population Estimates Program						
	April	April	Average Annual Change		July	July	July				
	2000	2010	2000 to 2010		2017	2018	2019	2017 to 2018		2018 to 2019	
			Number	Percent				Number	Percent	Number	Percent
Population	1,334,544	1,339,532	499	0	1,357,293	1,357,534	1,356,924	241	0	-610	0
Households	447,387	448,528	114	0	446,978	447,123	n/a	145	0	n/a	n/a

Data Source: 1 - 2000 Census; 2010 Census; U.S. Census Bureau Population Estimates

2 - 2000 Census; 2010 Census; 2016, 2017 and 2018 American Community Surveys (1 - Year)

Note: Population estimates data shown here may not match those found on the Census website due to their use of the updated April 2018 OMB metro area definitions.



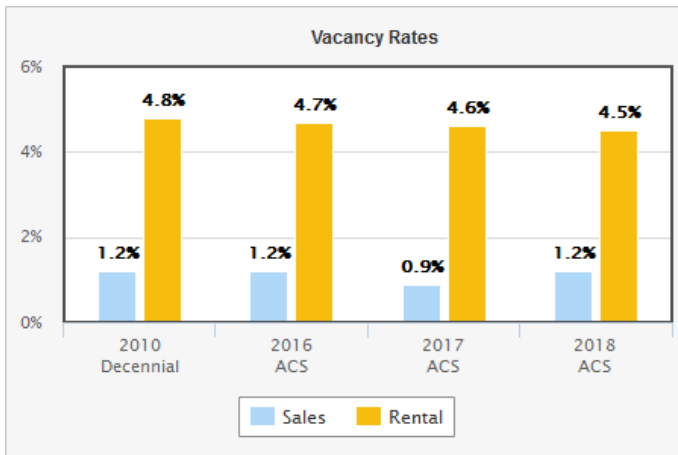
Data Source: U.S. Census Bureau Population Estimates

Notes: 1 - Values in chart reflect July year-to-year changes

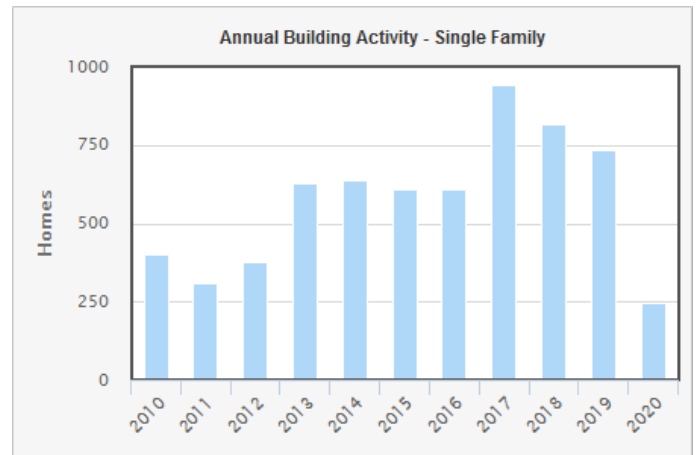
2 - Net Migration includes residual population change

3 - Annual components of population change are not available for 2010

4 - Population estimates data shown here may not match those found on the Census website due to their use of the updated April 2018 OMB metro definitions.



Data Source: 2010 Census; 2016, 2017 and 2018 American Community Surveys (1 - Year)

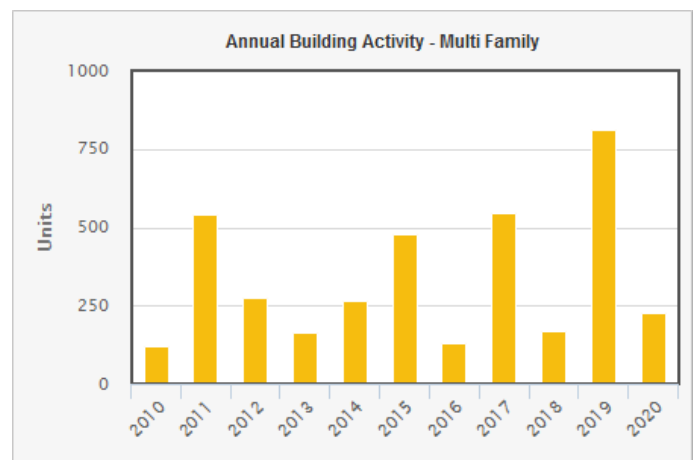


Data Source: U.S. Census Bureau, Building Permits Survey

Note: Data for 2020 is preliminary, through June 2020

Housing Inventory by Tenure				
	2010 Decennial	2016 ACS	2017 ACS	2018 ACS
Total Housing Units	468,346	466,987	472,366	473,454
Occupied	448,528	440,785	446,978	447,123
Owners	358,300	354,646	357,884	356,619
% Owners	79.9	80.5	80.1	79.8
Renters	90,228	86,139	89,094	90,504
% Renters	20.1	19.5	19.9	20.2
Total Vacant	19,818	26,202	25,388	26,331
Available for Sale	4,361	4,481	3,339	4,456
Available for Rent	4,557	4,281	4,316	4,261
Other Vacant	10,900	17,440	17,733	17,614

Data Source: 2010 Census; 2016, 2017 and 2018 American Community Surveys (1 - Year)



Data Source: U.S. Census Bureau, Building Permits Survey

Note: Data for 2020 is preliminary, through June 2020



Nassau-Suffolk (Long Island), New York

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2017

PD&R

Housing Market Area



The Nassau-Suffolk Housing Market Area (HMA) consists of Nassau and Suffolk Counties in the southeastern portion of New York. The HMA, which is also known as Long Island, is coterminous with the Nassau-Suffolk, NY Metropolitan Division of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA). The HMA is partially a bedroom community for New York City, with more than 20 percent of all working residents commuting into the city for work.

Market Details

Economic Conditions	2
Population and Households	5
Housing Market Trends	7
Data Profile	12

Summary

Economy

Nonfarm payrolls in the Nassau-Suffolk HMA increased during the past 7 years, although job growth has been slower than the rest of the nation. Nonfarm payrolls increased an average of 1.2 percent during the past 7 years compared with nationwide growth that averaged 1.5 percent annually. The education and health services sector is the largest in the HMA, and the sector has added at least 2,000 jobs every year since 2000. During the 12 months ending March 2017, nonfarm payrolls increased by 20,700 jobs, or 1.6 percent, to 1.33 million jobs. During the 3-year forecast period, nonfarm payrolls are expected to grow at an average annual rate of 0.9 percent.

Sales Market

The sales housing market in the HMA is currently balanced. The estimated sales vacancy rate is 1.2 percent, down from 1.4 percent in 2010. During the next 3 years, demand is estimated for 1,675 new homes (Table 1). The 700 homes under construction and some of the estimated 75,000 other vacant units that may reenter the market will satisfy a portion of the demand.

Rental Market

The rental housing market in the HMA is currently slightly tight. The estimated overall rental vacancy rate is 5.0 percent, down from 5.5 percent in 2010. Conditions in the apartment market are also slightly tight. The apartment vacancy rate was 3.0 percent during the first quarter of 2017, down from 3.8 percent during the first quarter of 2010 (Reis, Inc.). During the forecast period, demand is estimated for 1,675 new market-rate units (Table 1). The 1,200 units under construction will satisfy a portion of that demand.

Table 1. Housing Demand in the Nassau-Suffolk HMA During the Forecast Period

	Nassau-Suffolk HMA	
	Sales Units	Rental Units
Total demand	1,675	1,675
Under construction	700	1,200

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2017. A portion of the estimated 75,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is April 1, 2017, to April 1, 2020.

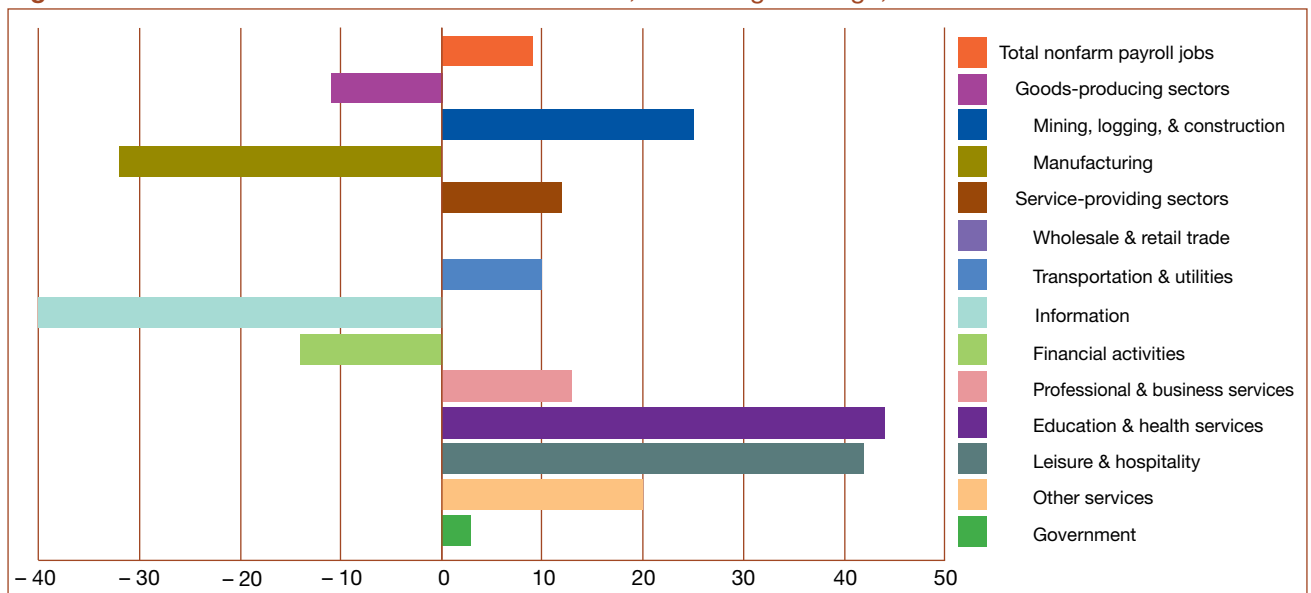
Source: Estimates by analyst

Economic Conditions

The main economic catalyst for the Nassau-Suffolk HMA, especially since 2000, has been the education and health services sector. Since 2000, approximately 79,700 nonfarm payrolls were added in this sector, which represents a 44-percent increase (Figure 1), with more jobs added and at a higher rate of growth than any other sector in the HMA. Additionally, gains in this sector accounted for more than 70 percent of all job growth in the HMA during this period. The sector is also the largest in the HMA, with nearly 20 percent

of all nonfarm payrolls (Figure 2), and includes Northwell Health, the largest employer in the HMA with 37,000 employees (Table 2). Within the sector, gains were strongest in the healthcare and social assistance industry, especially during the past 2 years. From 2000 through 2014, nonfarm payrolls in this industry increased by an average of 3,500 jobs, or 2.0 percent, annually. Growth accelerated to an average of 7,600 jobs, or 3.7 percent, annually during 2015 and 2016, which is attributed to increased use of medical services

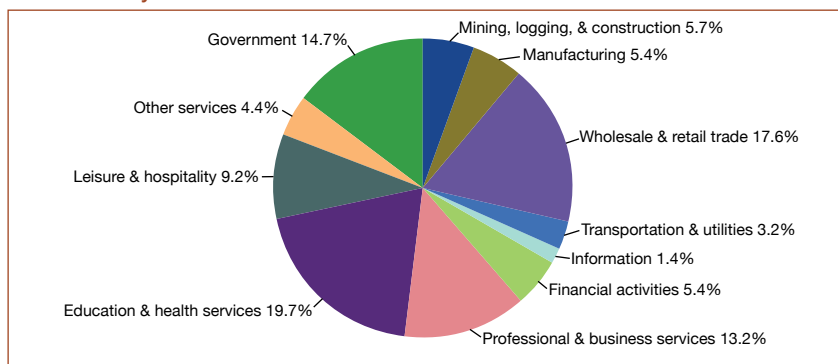
Figure 1. Sector Growth in the Nassau-Suffolk HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through March 2017. During this period, payrolls in the wholesale and retail trade sector showed no net change.

Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the Nassau-Suffolk HMA, by Sector



Note: Based on 12-month averages through March 2017.

Source: U.S. Bureau of Labor Statistics

due to more people having insurance. The rate of uninsured residents in the HMA declined from 10.5 percent in 2013 to 6.7 percent in 2015 (U.S. Census Bureau, Small Area Health Insurance Estimates; the most recent data available).

The wholesale and retail trade and the government sectors are the second and third largest sectors in the HMA, with approximately 18 and 15 percent of all nonfarm payrolls, respectively.

Table 2. Major Employers in the Nassau-Suffolk HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Northwell Health	Education & health services	37,000
Altice USA Inc.	Information	18,900
Henry Schein, Inc.	Wholesale & retail trade	15,000
CA Technologies	Professional & business services	13,600
Pall Corporation	Manufacturing	10,800
Broadbridge Financial Solutions, Inc.	Professional & business services	6,200
Systemax Inc.	Wholesale & retail trade	5,300
MSC Industrial Direct Co Inc.	Wholesale & retail trade	4,975
Hain Celestial Group Inc.	Manufacturing	3,725
Verint Systems Inc.	Professional & business services	3,200

Note: Excludes local school districts.

Source: Economy.com

These proportions are larger than those in the New York-Newark-Jersey City, NY-NJ-PA MSA overall, which is attributed, in part, to higher demand for the goods and services these sectors offer residents who work in New York City and bring outside income to the HMA. During the 5-year period from 2009 to 2013, more than 20 percent of all working residents in the HMA held a job in one of the five boroughs of New York City (American Community Survey [ACS]).

The tourism industry is also a significant contributor to the economy of the HMA, largely because of visitors to the Hamptons and North Fork regions of eastern Suffolk County. During 2015, tourism in the HMA supported approximately 76,400 jobs and resulted in approximately \$5.43 billion in total business sales, up 9 and 18 percent, respectively, compared with 2010 (Tourism Economics). Growth in the tourism industry since the recession has led to strong gains in the leisure and hospitality sector. Since 2010, payrolls in this sector increased an average of 3.1 percent, or by 3,300 jobs, annually, which is the fastest rate of growth among all sectors during this period.

The economy of the HMA grew at a moderate pace from 2003 through

2007, but job growth lagged the nation. During the 5-year period, nonfarm payrolls increased by an average of 9,200 jobs, or 0.7 percent, compared with nationwide growth that averaged 1.1 percent annually. Within the HMA, gains were largest in the education and health services and the professional and business services sectors, which increased by an average of 4,000 and 2,000 jobs, or 2.0 and 1.3 percent, respectively. Partially offsetting these gains were losses in the manufacturing, information, and financial activities sectors, which decreased by an average of 1,700, 900, and 600 jobs, or 1.9, 3.0, and 0.7 percent, annually, respectively.

During 2008 and 2009, the national recession impacted economic conditions in the HMA, but the effect was not as serious relative to other parts of the nation, in part, because of the relative stability of New York City. During this period, nonfarm payrolls in the HMA decreased by an average of 19,000 jobs, or 1.5 percent, annually. The rate of decline was higher than the 0.7-percent annual rate in New York City, but lower than the nationwide rate of 2.5 percent annually. Within the HMA, losses were largest in the wholesale and retail trade and the professional and business services sectors, which were down by respective

averages of 7,700 and 5,300 jobs, or 3.3 percent each, annually. Within the wholesale and retail trade sector, losses were in both the retail and wholesale trade subsectors, which declined by an average of 4,800 and 2,900 jobs, or 3.0 and 4.0 percent, respectively, largely in response to a decline in demand for consumer products because of elevated unemployment numbers. Futunoff Holdings, LLC, a retailer of jewelry and houseware, was among these losses, closing operations in 2009, resulting in approximately 380 jobs lost. Partially offsetting these losses were gains in the education and health services and the government sectors, which increased by 5,000 and 2,300 jobs, or 2.4 and 1.1 percent, respectively.

Economic conditions in the HMA improved at a moderate pace from 2010 through 2016, but job growth was slower than the nation. During the 7-year period, nonfarm payrolls increased by an average of 14,200 jobs, or 1.1 percent, annually, compared with nationwide payroll growth of 1.4 percent annually. Job gains were largest in the education and health services, the leisure and hospitality, and

the professional and business services sectors, which increased by an average of 5,400, 3,400, and 3,200 jobs, or 2.3, 3.2, and 1.9 percent, respectively. In the education and health services sector, the Hagedorn Little Village School added approximately 220 jobs from 2010 through 2015 because of expanded services offered for children with special needs. In the leisure and hospitality sector, Life Time Fitness, Inc. opened a new facility in Garden City, resulting in approximately 280 new full- and part-time jobs. These gains were partially offset by losses in the government and information sectors, which were down by an average of 1,600 and 1,100 jobs, or 0.8 and 4.8 percent, respectively. In the government sector, more than 80 percent of the decline was in the local government subsector, which was down by an average of 1,300 jobs, or 0.8 percent, annually, largely because of layoffs at multiple school districts, especially in Suffolk County, in response to declining enrollment levels.

Job growth accelerated during the past year. During the 12 months ending March 2017, nonfarm payrolls increased by 20,700 jobs, or 1.6 percent (Table 3). Growth was strongest in the education and health services, the professional and business services, and the wholesale and retail trade sectors, which were up by 9,200, 4,300 and 2,900 jobs, or 3.6, 2.5 and 1.2 percent, respectively. In the education and health services sector, all net gains were in the healthcare and social assistance industry, which was up by 9,800 jobs, or 4.6 percent. Recent gains in the wholesale and retail trade sector include ShopRite and Dick's Sporting Goods opening new stores in the HMA, resulting in 300 and 100 new jobs, respectively. Partially offsetting these

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Nassau-Suffolk HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	March 2016	March 2017		
Total nonfarm payroll jobs	1,314,200	1,334,900	20,700	1.6
Goods-producing sectors	147,100	148,000	900	0.6
Mining, logging, & construction	75,500	76,600	1,100	1.5
Manufacturing	71,700	71,500	- 200	- 0.3
Service-providing sectors	1,167,100	1,186,800	19,700	1.7
Wholesale & retail trade	232,300	235,200	2,900	1.2
Transportation & utilities	41,700	43,000	1,300	3.1
Information	20,000	19,200	- 800	- 4.0
Financial activities	73,100	71,900	- 1,200	- 1.6
Professional & business services	172,500	176,800	4,300	2.5
Education & health services	253,500	262,700	9,200	3.6
Leisure & hospitality	121,200	122,600	1,400	1.2
Other services	58,400	58,800	400	0.7
Government	194,400	196,500	2,100	1.1

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2016 and March 2017.

Source: U.S. Bureau of Labor Statistics

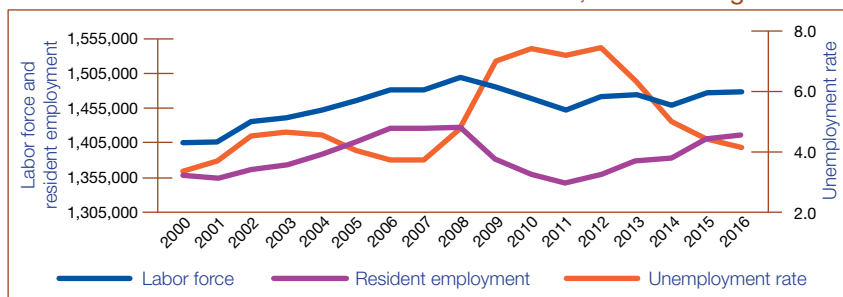
gains were losses in the financial activities sector, which declined by 1,200 jobs, or 1.6 percent. More than one-half of this decline was the result of First Data Corp, a credit card processing company, closing a facility in the hamlet of Melville, Suffolk County.

During the 12 months ending March 2017, the unemployment rate in the HMA averaged 4.1 percent. The current rate is down from an average of 4.3 percent during the 12 months ending March 2016 and from the 7.3-percent average rate from 2009 through 2012. The current unemployment rate is also less than the statewide and nationwide rates of 4.7 and 4.8 percent, respectively. Figure 3 shows

trends in the labor force, resident employment, and unemployment rates in the HMA from 2000 through 2016.

During the 3-year forecast period, nonfarm payrolls are estimated to increase by an average of 12,500 jobs, or 0.9 percent, annually, and growth is expected to be relatively steady during all 3 years. Gains are expected to continue to be strongest in the education and health services, the professional and business services, and the leisure and hospitality sectors. Dealertrack, Inc., a provider of digital technology for the automotive retail industry, is expected to add approximately 350 new jobs when the company moves into its new headquarters building in mid-2017. Nature's Bounty, Inc., a global wellness company, is also expected to add nearly 160 new jobs as part of its corporate headquarters expansion during the next year. In the education and health services sector, job gains are expected to continue across multiple businesses, although no large expansions are currently planned.

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Nassau-Suffolk HMA, 2000 Through 2016



Source: U.S. Bureau of Labor Statistics

Population and Households

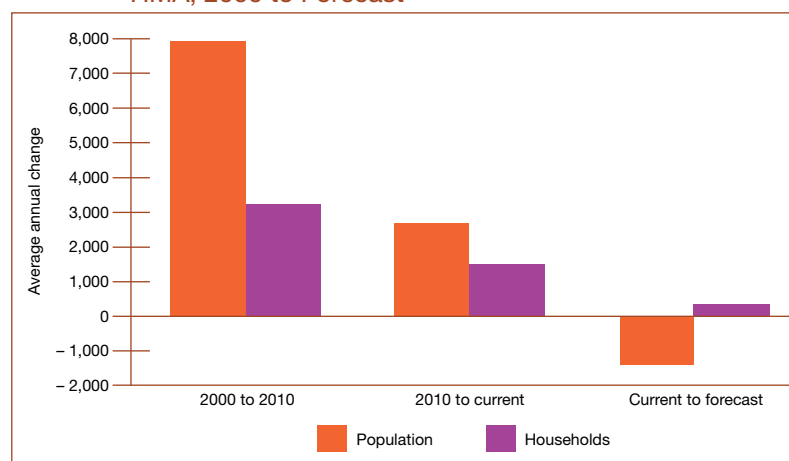
As of April 1, 2017, the estimated population of the Nassau-Suffolk HMA is 2.85 million, which is up by an average of 2,600 people, or 0.1 percent, annually since April 2010. Since 2000, economic conditions relative to the rest of the nation have impacted population trends in the HMA. During years when conditions were stronger in the nation than in the HMA, net out-migration was strong, which was

attributed to residents moving to parts of the country with more job opportunities and more affordable housing options. The out-migration was especially notable for families with children. From 2011 to 2015, the number of households with children decreased by an average of 9,075, or 1.1 percent, annually compared with an increase of these households by an average of 8,850, or 1.3 percent, annually from 2008 to 2011 (ACS).

From 2003 to 2008, the population remained relatively stable, decreasing by an average of 1,050 people, or less than 0.1 percent, annually (Census Bureau decennial census counts and population estimates as of July 1). The decline was because of strong net out-migration, which averaged 13,650 annually, that more than offset gains from net natural change (resident births minus resident deaths), which averaged 12,600 annually. From 2008 to 2011, net out-migration halted, and net in-migration averaged 4,225 annually, because weak economic conditions throughout the country prevented job seekers from finding employment outside of the HMA. As a result, the population increased

each year during this period, up by an average of 13,900 people, or 0.5 percent, annually. Improving economic conditions nationwide has again resulted in net out-migration each year since 2011, including strong net out-migration since 2014 in response to the tightening national labor market. From 2011 to 2014, net out-migration averaged 3,625 annually, which caused population growth to slow to an average of 3,575 people, or 0.1 percent, annually. Since 2014, net out-migration further increased to an average of 8,375 annually, resulting in a population decline that averaged 2,475 people, or 0.1 percent, annually. Figure 4 shows population and household growth in the HMA, and Figure 5 shows the components of population change in the HMA from 2000 to the forecast date.

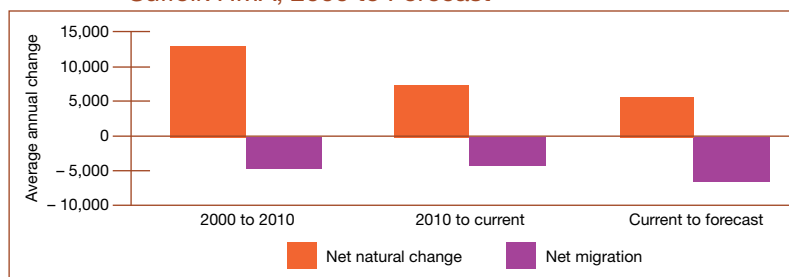
Figure 4. Population and Household Growth in the Nassau-Suffolk HMA, 2000 to Forecast



Notes: The current date is April 1, 2017. The forecast date is April 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Nassau-Suffolk HMA, 2000 to Forecast



Notes: The current date is April 1, 2017. The forecast date is April 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

In addition to the year-round population, added population booms during warmer months, mostly in Eastern Suffolk County from seasonal homes, camping sites, and other lodging. During the 5-year period from 2010 to 2014, the seasonal population in Eastern Suffolk County averaged 242,200, compared with a year-round population during this period that averaged 138,000 (ACS; Suffolk County Planning).

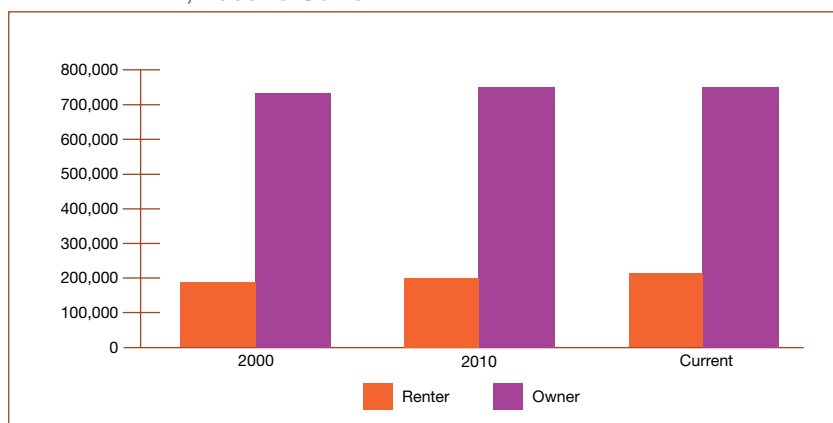
An estimated 958,800 households currently reside in the HMA. Since 2010, the number of households increased by an average of 1,475, or 0.2 percent, annually compared with household growth from 2000 to 2010 that averaged 3,175, or 0.3 percent, annually. Since 2010, all net household growth has been in renter households, with a decline in owner households, which is primarily attributed to new households choosing to rent rather

than own because of high home sales prices and tighter lending standards. Figure 6 illustrates the number of households by tenure in the HMA from 2000 to the current date.

During the 3-year forecast period, net out-migration is expected to continue to be strong, and the population of

the HMA is estimated to slightly decrease by an average of 1,325 people, or less than 0.1 percent, annually. Households are estimated to slightly increase during the forecast period at an average annual rate of less than 0.1 percent, or by 330 households.

Figure 6. Number of Households by Tenure in the Nassau-Suffolk HMA, 2000 to Current



Note: The current date is April 1, 2017.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

The sales housing market in the Nassau-Suffolk HMA is currently balanced. The current sales vacancy rate is estimated at 1.2 percent, down from 1.4 percent in 2010 (Table DP-1 at the end of this report). During the 12 months ending March 2017, the HMA had 6.3 months of available new and existing inventory, down from 7.6 months of inventory during the previous 12-month period (New York State Association of Realtors®, Inc.).

Sales market conditions in the HMA were slightly tight from 2000 through 2002 but transitioned to slightly soft from 2003 through 2007, because of strong net out-migration and

elevated levels of single-family and condominium construction activity. Conditions remained slightly soft from 2008 through 2012, because elevated levels of unemployment and stricter borrowing requirements reduced the demand for housing. Since 2013, conditions have transitioned to balanced, because of low levels of construction activity and improved economic conditions enabling more residents to purchase homes.

During the 12 months ending March 2017, approximately 26,150 new and existing single-family homes and townhomes sold, representing an increase of 2,300 homes, or 10

Housing Market Trends

Sales Market *Continued*

percent, from the 12 months ending March 2016 (Miller Samuel Real Estate Appraisers and Consultants). Because of steadily improving economic conditions, sales activity increased in 4 of the past 5 years, and the current level of sales is up 49 percent compared with the average of 17,600 homes sold annually from 2009 through 2012. Sales activity, however, is 2 percent lower than the average of 26,600 homes sold annually from 2003 through 2006, which is partially attributed to young professionals choosing to purchase lower-priced condominium units when buying homes. During the 12 months ending March 2017, the average sales price of new and existing single-family homes and townhomes sold decreased 4 percent, to \$596,900. Despite the recent decline, the current average sales price is up 5 percent from the average sales price of \$567,300, from 2009 through 2013, but is 3 percent less than the average price of \$616,600 during the peak years of 2005 through 2008.

Conditions in the condominium market improved at a rapid pace over the past decade, because of the affordability of these units relative to single-family homes and townhomes. During the 12 months ending March 2017, approximately 4,075 new and existing condominium units sold, representing an increase of 230 units, or 6 percent, from the previous 12-month period (Miller Samuel Real Estate Appraisers and Consultants). Condominium sales activity increased in 9 of the past 14 years, and the current level of sales is at a peak level; the level of sales is up 58 percent compared with the average of 2,575 units sold annually, from 2008 through 2012 and more than double the average of 1,975 condominium units sold annually from 2002 through 2007.

During the 12 months ending March 2017, the average sales price of new and existing condominium units sold increased 4 percent from a year ago to \$369,700. As the result of strong sales gains, the average sales price increased an average of 4 percent annually during the past 4 years, and the current average price is up 16 percent compared with the average price of \$318,500 from 2009 through 2012.

Within the HMA, sales prices vary significantly by location. In the Nassau County-Western Suffolk County portion of the HMA, the average sales price of new and existing homes—including single-family homes, townhomes, and condominiums—was \$475,500 during the 12 months ending March 2017 (Miller Samuel Real Estate Appraisers and Consultants). The average sales price in the Eastern Suffolk County portion of the HMA, by comparison, was \$1.47 million, and the higher price was a combination of strong demand for these homes as second homes, because of their desirable location and limited supply from lack of developable land.

The rate of seriously delinquent loans (loans that are 90 or more days delinquent or in foreclosure) and real estate owned (REO) properties in the HMA is high, largely because rapidly rising sales prices in the early to mid-2000s caused a higher portion of homes to be underwater during the housing crisis than the rest of the country. Rates in the HMA and statewide also remain elevated, in part, because New York is a judicial foreclosure state where the average length of the foreclosure process is longer than in states with a nonjudicial foreclosure process. During the fourth quarter of 2016 (the most recent data available), properties took

Housing Market Trends

Sales Market *Continued*

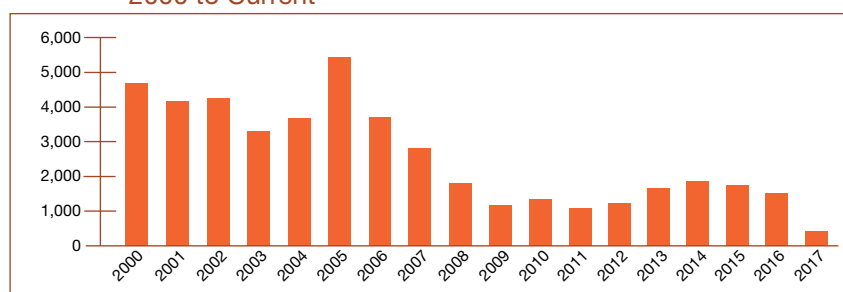
an average of 1,283 days to complete foreclosure, which was the third longest timeline in the nation and significantly higher than the nationwide average of 803 days (ATTOM Data Solutions). In March 2017, 6.5 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from 7.8 percent in March 2016 and a peak of 11.0 percent in January 2013 (CoreLogic, Inc., with adjustment by the analyst). The current rate in the HMA is higher than the state of New York and nationwide rates of 4.9 and 2.4 percent, respectively.

Single-family homebuilding activity, as measured by the number of homes permitted, has increased during the past 4 years, but levels are well below those from the early 2000s when the housing market was strongest. From 2000 through 2005, an average of 4,250 homes were permitted annually (Figure 7). Homebuilding activity decreased to an average of 2,750 annually from 2006 through 2008, in response to strong net out-migration, and further declined to an average of 1,175 homes permitted annually from 2009 through 2012, because of low levels of sales activity. From 2013 through 2016, homebuilding activity increased to an average of 1,675 homes permitted annually in response

to strong improvements in the sales market. During the 12 months ending March 2017, approximately 1,550 homes were permitted, down 10 percent from the previous 12-month period (preliminary data).

Developable land is limited in the growth areas in the HMA; therefore, new construction of owner housing is mostly limited to replacement units, units in small subdivisions, and condominium complexes. Marina Pointe East Rockaway is an 86-unit planned community in Oceanside, Nassau County, which began construction in 2016 and will contain a mix of townhome and condominium units. All units are expected to be complete in 2017, and prices for these two-bedroom condominium units and townhomes start at \$435,000 and \$605,000, respectively. The second phase of 120 units at The Ritz-Carlton Residences condominium community is currently under way in North Hills, Nassau County. The first phase, which consisted of 124 units, was completed in 2016, and prices for these two- and three-bedroom units start at \$1.43 million and \$2.40 million, respectively. In Suffolk County, more than one-half of the planned 64 single-family homes have been completed at The Ranches at Eastport since 2014, with the remaining units built as they are sold. Prices for these three- and four-bedroom homes start at \$570,000 and \$669,000, respectively. In the hamlet of Central Islip, in Suffolk County, construction recently began at the second phase of Foxgate at Islip, which will add 46 condominium units to the 40 existing units from the first phase. All units are expected to be complete during 2017, and prices of these two-bedroom units range from \$270,000 to \$295,000.

Figure 7. Single-Family Homes Permitted in the Nassau-Suffolk HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through March 2017.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2015 final data and analyst estimates; 2016–2017 preliminary data and analyst estimates

Housing Market Trends

Sales Market *Continued*

During the 3-year forecast period, demand is estimated for 1,675 new single-family homes, townhomes, and condominiums (Table 1). The

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Nassau-Suffolk HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
250,000	299,999	250	15.0
300,000	399,999	420	25.0
400,000	499,999	340	20.0
500,000	599,999	250	15.0
600,000	799,999	170	10.0
800,000	999,999	85	5.0
1,000,000	1,999,999	85	5.0
2,000,000	and higher	85	5.0

Notes: The 700 homes currently under construction and a portion of the estimated 75,000 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is April 1, 2017, to April 1, 2020.

Source: Estimates by analyst

700 homes under construction and a portion of the estimated 75,000 other vacant units that may reenter the market will satisfy some of the demand. Demand is expected to slightly increase during each of the 3 years of the forecast period as jobs continue to be added. The demand estimates are for full-time, year-round housing and does not include second homes. New home prices are expected to start at \$250,000, and 45 percent of the demand is estimated to be for homes priced from \$300,000 to \$499,000, with 10 percent of the demand also estimated for homes priced at \$1 million or more (Table 4).

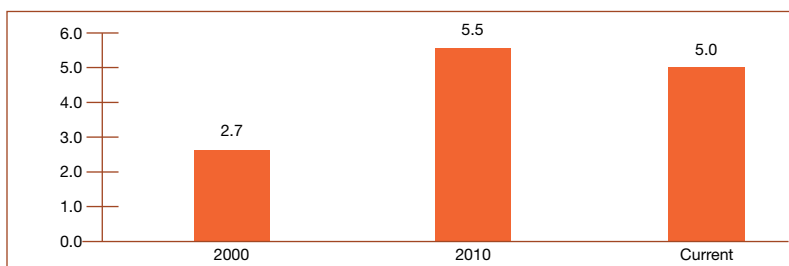
Rental Market

The rental housing market, including apartment units and single-family rental homes, in the Nassau-Suffolk HMA is currently slightly tight. The overall rental vacancy rate is estimated at 5.0 percent, down from 5.5 percent in 2010 (Figure 8). Rental market conditions were tight from 2000 through 2003 but transitioned into balance from 2004 through 2008, because of strong net out-migration. Conditions transitioned to slightly tight, from 2009 through 2013, because of increased demand for rental units due to stricter borrowing requirements for

homeowners. Conditions remain slightly tight because of limited apartment construction activity. In July 2015 (the most recent data available), approximately 63 percent of all rental units were in housing structures with four or fewer units, down slightly from 65 percent in 2000 (Census Bureau decennial census; ACS).

Conditions in the apartment market are also slightly tight, compared with balanced conditions in 2010. During the first quarter of 2017, the apartment vacancy rate was 3.0 percent (Reis, Inc.). The current vacancy rate is up slightly, compared with the 2.8-percent rate during the first quarter of 2016, but down from 3.8 percent during the first quarter of 2010, which is attributed to young professionals choosing to rent apartments as opposed to purchasing homes because of high housing prices. Apartment conditions have ranged from balanced to slightly tight since 2000, because a lack of developable land has kept the supply

Figure 8. Rental Vacancy Rates in the Nassau-Suffolk HMA, 2000 to Current



Note: The current date is April 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Rental Market *Continued*

of apartment units limited. During the first quarter of 2017, the average asking rent was \$2,001, representing an increase of 4 percent compared with the first quarter of 2016. Rents have increased an average of more than 4 percent annually since the first quarter of 2010 in response to tightening apartment market conditions. During the first quarter of 2017, vacancy rates were higher in Nassau County, at 3.7 percent, attributed to more turnovers of apartment units by young professionals. Rents, however, were also higher, at \$2,231, because of the closer proximity to New York City. By comparison, the apartment vacancy rate and average asking rent in Suffolk County was 2.1 percent and \$1,718, respectively.

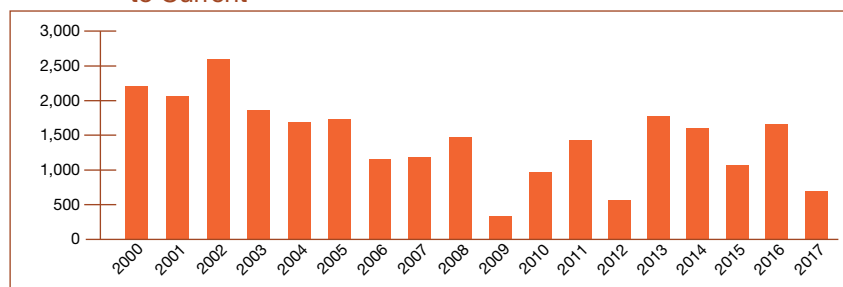
In response to tightening apartment market conditions, multifamily construction activity in the HMA has been up since 2011. From 2000 through 2005, multifamily building activity, as measured by the number of units permitted, averaged 2,025 units permitted annually. Figure 9 shows the number of multifamily units permitted in the HMA since 2000; approximately two-thirds were for apartments, with the remainder being for condominiums, a proportion that has been relatively consistent since 2000. Rising apartment vacancy rates, attributed to strong net out-migration, caused construction

activity to decline to an average of 1,275 units from 2006 through 2008 and to an average of 650 units during 2009 and 2010. In response to tightening apartment markets, construction activity increased to an average of 1,350 units permitted annually from 2011 through 2016.

Recent apartment construction activity includes the 283-unit One Third Avenue apartment community in the village of Mineola, Nassau County. All units were completed in late 2016, and rents for one-, two-, and three-bedroom apartments start at \$2,975, \$4,500, and \$4,900, respectively. Construction is under way at The Reserve at the Boulevard, which will be a 240-unit apartment community in the hamlet of Yaphank in Suffolk County. The apartment complex is expected to be complete in 2018 and is the first phase of The Meadows at Yaphank, a planned community with 850 apartments, condominiums, and townhomes in addition to more than 1.03 million square feet of commercial space. The community is expected to be complete by 2025.

The HMA is home to 19 colleges and universities that house students. The total enrollment at these schools is approximately 120,000 students, of which approximately 17 percent are housed in on-campus dormitories. Of the remaining students, an estimated 95 percent reside within the HMA, and student households account for approximately 13 percent of all renter households in the HMA. At Stony Brook University, approximately 300 new dormitory beds were completed in one building in 2016, with an additional 460 beds expected to come online during 2017 when the second phase of the project is finished.

Figure 9. Multifamily Units Permitted in the Nassau-Suffolk HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through March 2017.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2015 final data and analyst estimates; 2016–2017 preliminary data and analyst estimates

During the 3-year forecast period, demand is expected for 1,675 new market-rate rental units (Table 1). The 1,200 units under construction will satisfy a portion of the demand. Demand is expected to be relatively steady throughout the forecast period, but new supply should be targeted to

become available during the third year, because the units under construction will satisfy all demand during the first and second year. Table 5 shows the estimated demand, by rent level and number of bedrooms, for new market-rate rental housing in the HMA.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Nassau-Suffolk HMA During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,700 to 1,899	40	2,200 to 2,399	75	2,500 to 2,699	15
1,900 to 2,099	150	2,400 to 2,599	110	2,700 to 2,899	25
2,100 to 2,299	150	2,600 to 2,799	110	2,900 to 3,099	35
2,300 to 2,499	110	2,800 to 2,999	150	3,100 to 3,299	25
2,500 to 2,699	110	3,000 to 3,199	150	3,300 to 3,499	25
2,700 or more	190	3,200 or more	150	3,500 or more	40
Total	750	Total	750	Total	170

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 1,200 units currently under construction will likely satisfy some of the estimated demand. The forecast period is April 1, 2017, to April 1, 2020.

Source: Estimates by analyst

Data Profile

Table DP-1. Nassau-Suffolk HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	1,357,423	1,359,716	1,413,000	0.0	0.6
Unemployment rate	3.4%	7.5%	4.1%		
Nonfarm payroll jobs	1,222,400	1,229,800	1,335,000	0.1	1.3
Total population	2,753,913	2,832,882	2,851,000	0.3	0.1
Total households	916,686	948,450	958,800	0.3	0.2
Owner households	733,624	751,807	749,900	0.2	0.0
Percent owner	80.0%	79.3%	78.2%		
Renter households	183,062	196,643	208,900	0.7	0.9
Percent renter	20.0%	20.7%	21.8%		
Total housing units	980,474	1,038,331	1,054,000	0.6	0.2
Owner vacancy rate	0.7%	1.4%	1.2%		
Rental vacancy rate	2.7%	5.5%	5.0%		
Median Family Income	\$73,300	\$101,800	\$109,000	3.3	1.1

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2017. Median Family Incomes are for 1999, 2009, and 2015. The current date is April 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 4/1/2017—Estimates by the analyst
 Forecast period: 4/1/2017–4/1/2020—Estimates by the analyst

The metropolitan division and metropolitan statistical area definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits.

As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_Nassau_SuffolkNY_17.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.

APPENDIX B

Nassau County Industrial Development Agency – Enhanced Assistance Policy

NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Strategic Additional/Enhanced Financial Assistance for
Qualifying Increased Affordability Residential Rental Housing Projects Policy
(“Enhanced Assistance Policy”)

The Nassau County Industrial Development Agency (the “Agency”) is charged, pursuant to Article 18-A of the New York State General Municipal Law (as amended from time to time, the “Act”), with the purposes of, among others, promoting, developing, encouraging and assisting in industrial, manufacturing, warehousing, commercial, research and recreational facilities (including educational and cultural facilities among others) and thereby advancing the job opportunities, health, general prosperity and economic welfare of the people of Nassau County and of the State of New York. Toward that end, the Agency has been granted a number of powers under the Act. The purpose of this policy is to enumerate a strategic policy of the Agency, as general guidelines, in awarding additional/enhanced “financial assistance” under the Act.

The Agency desires to encourage any and all “projects” authorized under the Act. However, the Agency may give special consideration to provide additional/enhanced financial assistance to existing or previously approved residential rental projects under development that advance the public policy goal of providing:

- a. Additional affordable housing units, and/or;
- b. Lowered income eligibility thresholds of existing or contemplated affordable units.

Consideration Criteria

In addition to the criteria enumerated in the Agency’s Uniform Criteria for Processing/Evaluation of Projects, in determining eligibility hereunder and whether and to what extent provide additional/enhanced financial assistance under this Enhanced Assistance Policy, the Agency shall consider the following criteria:

- a. Percentage increase of affordable units due to addition of affordable units;
- b. Total percentage of affordable units due to addition of affordable units;
- c. Total number of additional affordable units;
- d. Total number of affordable units due to addition of affordable units;
- e. Total number of units with enhanced income eligibility;
- f. Level of reduction in income eligibility;
- g. Distribution of affordability levels in income bands;
- h. Whether the project includes Long Island Housing Tax Credit, federal HOME or similar financing;
- i. Whether the project is located or to be located in an underdeveloped and highly distressed area or an area which meets certain criteria for consideration as “high-opportunity”;
- j. Whether the project is located or to be located in a transit oriented development;
- k. Whether there is additional investment made in connection with the addition of affordable units or making existing affordable units more affordable;

- l. The extent to which developer evidences a commitment to fair housing goals, such as the establishment of a lottery-program, inclusion of units for households possessing Section 8 vouchers, and other such programs;
- m. Duration of additional affordability commitment;
- n. Local/community support.

Procedures under Policy

The Agency shall follow its Uniform Criteria for Processing/Evaluation of Projects in connection with providing any financial assistance pursuant to this Enhanced Assistance Policy, **provided, however,** that the Agency shall adhere to the following procedures:

- a. *Approval after Public Hearing.* All projects considered for additional/enhanced financial assistance hereunder, shall have been theretofore approved by the Agency. Any additional/enhanced financial assistance provided hereunder, may be approved by an approving resolution of the members of the Agency following any public hearing required by the Act and preceded by the adoption of a preliminary inducement resolution (unless determined to be waived by the Agency's).
- b. *Form of Application.* The Agency may accept a formal letter from or on behalf of project applicants for additional/enhanced financial assistance hereunder. Such application letter shall at a minimum set forth:
 - The number and percentage of proposed additional affordable units and/or
 - The number of units affected and percentage change of enhanced income eligibility;
 - The amount of any additional investment;
 - The nature and extent of additional/enhanced financial assistance sought;
- c. *Additional Documentation.* The Agency's staff shall request and receive any and all documentation from a project applicant applying for additional/enhanced financial assistance hereunder that staff of the agency, in its absolute discretion, determines necessary to review to aid making a recommendation to the members of the Agency.
- d. *Cost Benefit Analysis.* In connection with considering the provision of any additional/enhanced financial assistance hereunder, the Agency shall update or cause to be updated any existing project cost-benefit analysis, at the sole cost of the project applicant.
- e. *Utilization of Additional Consultants.* In connection with considering the provision of any additional/enhanced financial assistance hereunder, the Agency may, at its discretion, utilize the services of third-party consultants, including without limitation, to evaluate any additional real property tax abatement requested, at the sole cost of the project applicant.
- f. *Amendment of Existing Project Documents.* To the extent practicable, the Agency will amend existing straight-lease documentation for any project to implement any additional/enhanced financial assistance provided hereunder.

- g. *Agency Fee*. In connection with the provision of any additional/enhanced financial assistance hereunder, the Agency fee will be the greater of (i) \$10,000 or (ii) the standard Agency project fee, calculated based on the Agency's published fee schedule but treating the aggregate amount of additional/enhanced financial assistance provided hereunder as the "project cost".

This policy is not intended to exclude any qualified "projects" under the Act, but is intended to enumerate those projects that may receive special consideration

APPENDIX C

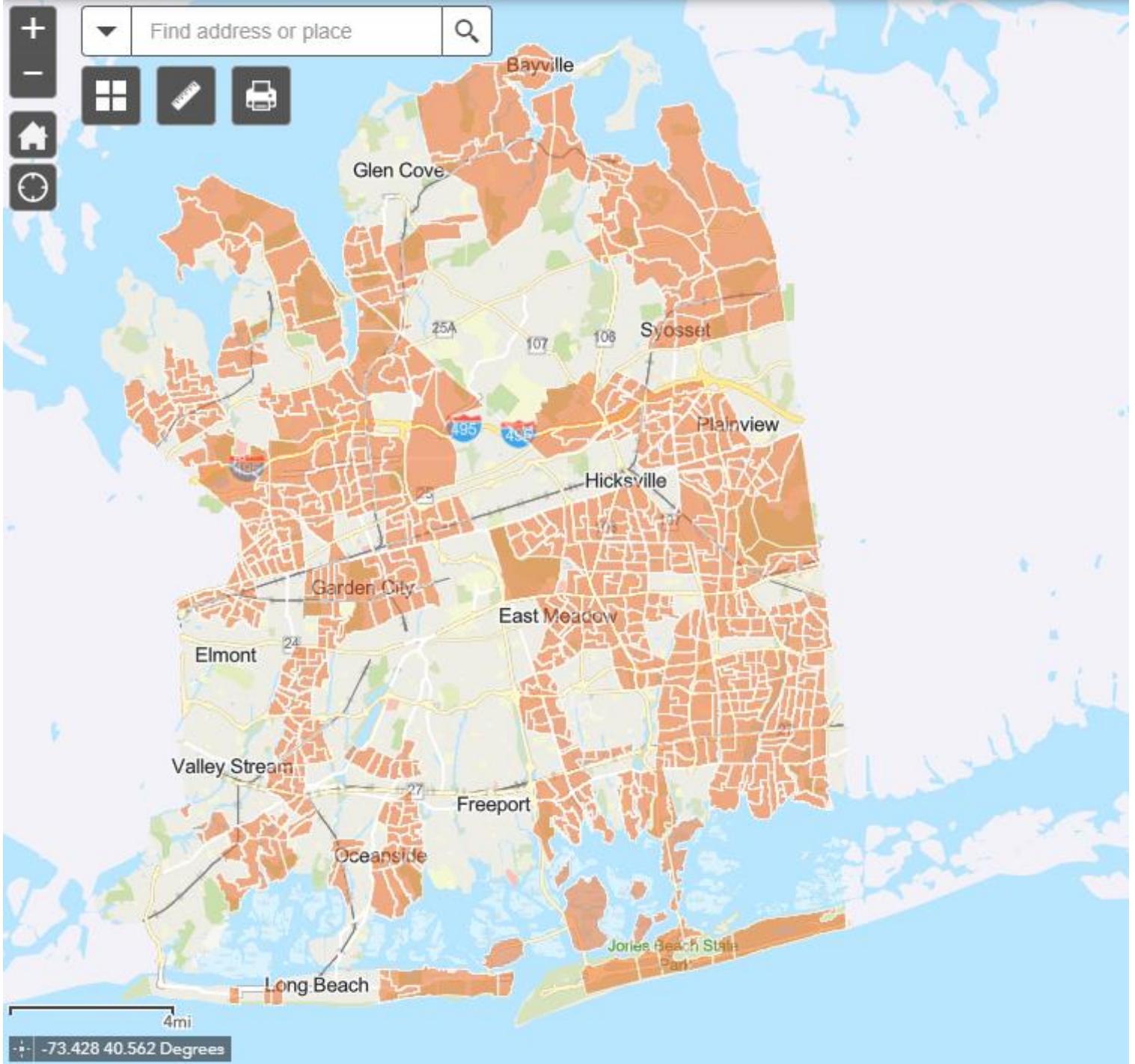
High Opportunity Areas

The areas referred to as “High Opportunity Areas” in this report and in the County’s 2020 Analysis of Impediments are those meeting the characteristics of “High Opportunity Communities” as defined in Section II(3) of the Settlement Agreement filed on March 15, 2019 in Mhany Management, Inc. v. County of Nassau, et al., E.D.N.Y. Docket No. 05-cv-02301. The word “areas” has been used in place of “communities” to more accurately reflect that these refer to geographic regions, specified by census tract. The defined characteristics are: (1) very low poverty rates; (2) very low unemployment rates; (3) high levels of completed college among adults; (4) low African American and Latino populations; (5) high performing public schools; (6) low crime rates; and (7) access to public transportation and employment.

The low/high thresholds that were utilized for these characteristics are more specifically described at Appendix I to the County’s 2020 Analysis of Impediments, and the databases used were: HUD’s Low Poverty Index; the U.S. Census Bureau’s 2009-2013 American Community Survey and 2013-2017 5-year estimates; Niche’s 2020 Best School Districts in New York rankings; ESRI’s 2019 USA Crime Index; and the U.S. Environmental Protection Agency Smart Location Database with supplementary Access to Jobs and Workers via Transit.



High Opportunity Areas in Nassau County



APPENDIX D

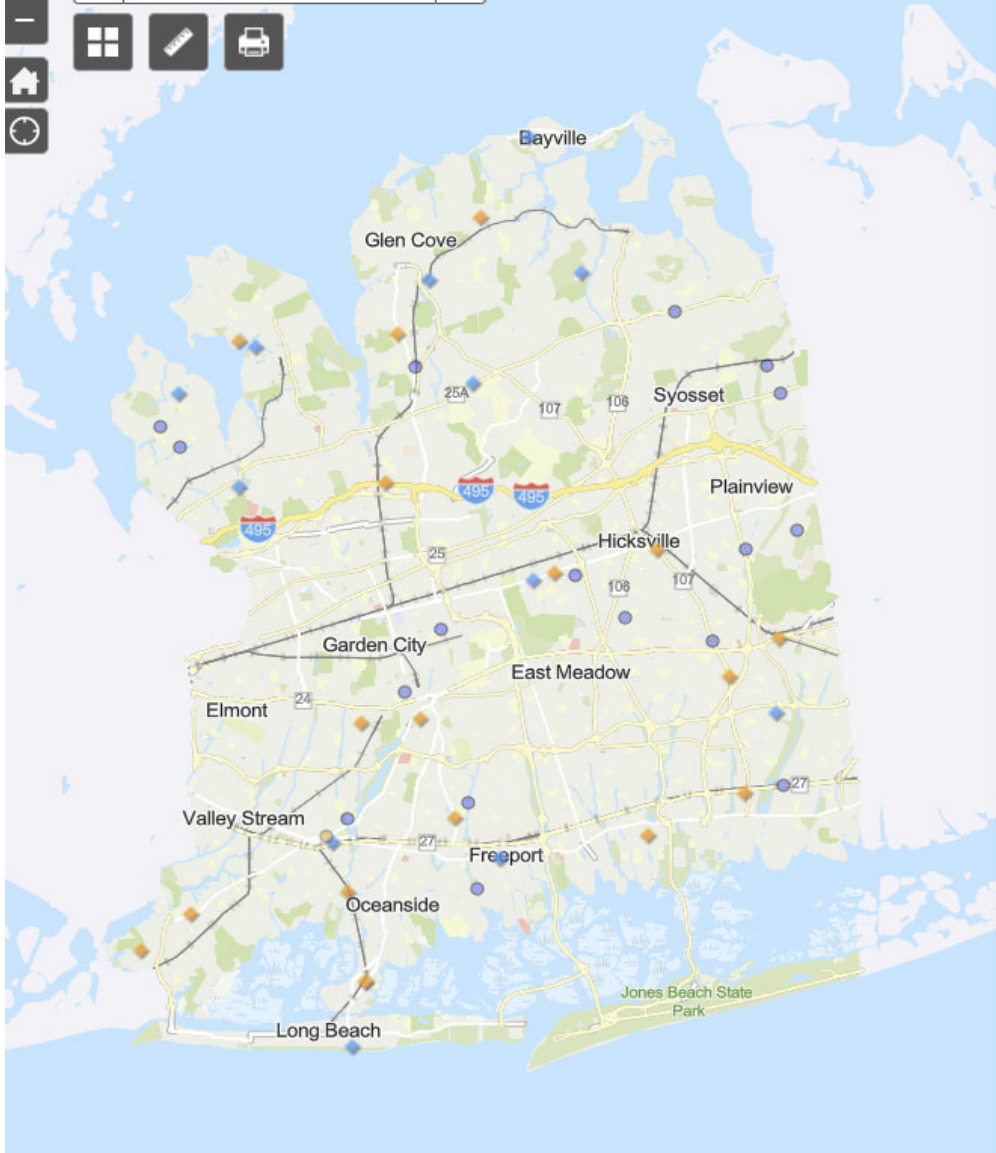
Sample Images of Interactive Mapping Tool and
Table of County-Owned and Non-County Owned Properties



Nassau County Real Estate/Parcels Map



Find address or place



Legend



County-Owned Properties

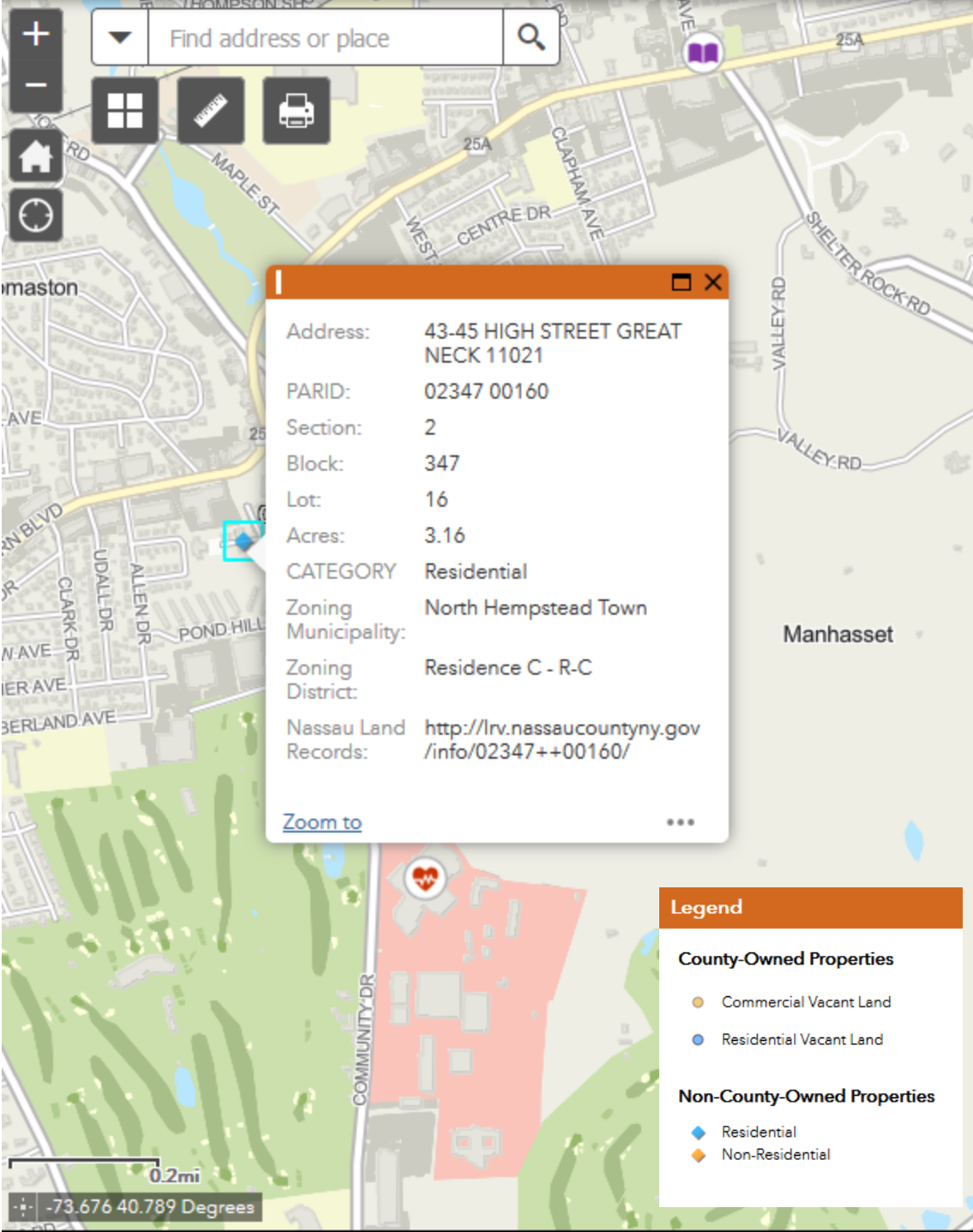
- Commercial Vacant Land
- Residential Vacant Land

Non-County-Owned Properties

- Residential
- Non-Residential



Nassau County Real Estate/Parcels Map



Nassau County Owned Real Estate

#	Parcel ID	Sec	Block	Lot	Address	Town	Zip Code	Zoning Municipality	Zoning District	Acreage
1	54315 04220	54	315	422	26 Anchor St	Freeport	11520	Freeport Village	Marine Residence	1.33
2	44077 00040	44	077	4	Raymond Ct	Garden City	11530	Garden City Village	One-Family Residential - R-6	0.61
3	01129 03690	1	129	369	Wood Rd	Great Neck	11020	Great Neck Village	Residence AA	0.84
4	01190 00030	1	190	3	Picadilly Rd	Great Neck	11021	Great Neck Village	Residence B-1	0.47
5	38126 00010	38	126	1	Tanglewood Rd	Rockville Centre	11570	Hempstead Town	Residence B	0.39
6	36443 05620	36	443	562	Wallace Ave	Baldwin	11510	Hempstead Town	Residence B	0.55
7	45256 00180	45	256	18	Heron Ln	Levittown	11756	Hempstead Town	Levittown Planned Residence District	3.25
8	45019 00700	45	019	70	Carman Ave	Westbury	11590	Hempstead Town	Residence B	0.30
9	46548 00050	46	548	5	Hicksville Rd	Bethpage	11801	Hempstead Town	Levittown Planned Residence District	0.25
10	34285 04300	34	285	430	Terrace Ave	Hempstead	11550	Hempstead Village	Residence D	0.85
11	38075 05010	38	75	501	Peninsula Blvd	Lynbrook	11563	Lynbrook Village	A Residence	0.44
12	57059 0004B	57	059	4	Sunrise Hwy	Massapequa Park	11762	Massapequa Park Village	Residential A	3.41
13	25057 00290	25	057	29	Coves Run	Oyster Bay	11771	Oyster Bay Cove Village	Residence A-1	0.97
14	20 G 06040	20	G	604	Glen Cove Ave	Glen Head	11545	Oyster Bay Town	One-Family Residence - R1-7	2.76
15	14005 00020	14	005	2	Hillside Ave	Woodbury	11797	Oyster Bay Town	One-Family Residence - R1-10	0.26
16	46587 01210	46	587	121	Haypath Rd	Bethpage	11714	Oyster Bay Town	One-Family Residence - R1-7	0.42
17	13079 00390	13	79	39	Nome Dr	Woodbury	11797	Oyster Bay Town	One-Family Residence - R1-1A	0.59
18	47059 00140	47	059	14	Round Swamp Rd	Old Bethpage	11804	Oyster Bay Town	One-Family Residence - R1-10	1.18
Total										18.87

Non-Nassau County Owned Real Estate

#	Parcel ID	Sec	Block	Lot	Address	Town	Zip Code	Zoning Municipality	Zoning District	Acreage
1	05005 00610	5	005	61	15 Shore Road	Port Washington	11050	Baxter Estates Village	Residence A	0.42
2	29033 00330	29	033	33	326 Library Lane	Bayville	11709	Bayville Village	Residence E	0.72
3	62114 00180	62	114	18	206 Smith Street	Freeport	11520	Freeport Village	Apartment	0.75
4	22 A 10280 (0.24 ac); Additional Lots: 402 (0.28 ac) and 1027 (0.17 ac)	22	A	1028	7 Cedar Swamp Road	Glen Cove	11542	Glen Cove City	Peripheral Commercial District B-2	0.69
5	43054 02530	43	054	253	4200 Industrial Place	Island Park	11558	Hempstead Town	Industrial	0.43
6	39277 0017A (0.11 ac); Additional Lots: 131 (0.37 ac), 127 (0.10 ac), 126 (0.11 ac), 46 (0.06 ac)	39	277	17A	560 Peninsula Boulevard	Cedarhurst	11516	Hempstead Town	Business	0.75
7	35350 00010	35	350	1	349 Hempstead Avenue	West Hempstead	11552	Hempstead Town	Business	0.39
8	40123 01300	40	123	130	265 Sheridan Boulevard	Inwood	11096	Hempstead Town	Business	0.36
9	43056 00500	43	056	50	4216 Austin Boulevard	Island Park	11558	Hempstead Town	Business	0.29
10	36410 07720	36	410	772	1840 Grand Avenue	Baldwin	11510	Hempstead Town	Business	0.31
11	45545 00180 (0.43 ac); Additional Lots: 20 (1.10 ac), 21 (0.50 ac), 36 (0.88 ac)	45	545	18	660 Old Country Road	Westbury	11590	Hempstead Town	Business	2.90
12	63219 00100 (0.75 ac); Additional Lot: 9 (0.18 ac)	63	219	10	Public Highway	Bellmore	11710	Hempstead Town	Marine Commercial	0.94
13	43055 02320 (0.39 ac); Additional Lots: 226 (0.21 ac), 400 (0.48 ac), 407 (0.09 ac)	43	055	232	3030 New Street	Oceanside	11572	Hempstead Town	Industrial	1.17

14	45011 01190 (0.33 ac) Additional Lot: 118 (0.15 ac)	45	011	119	940 Old Country Rd	Westbury	11590	Hempstead Town	Business	0.48
15	34360 08580	34	360	858	130 South Franklin Street	Hempstead	11550	Hempstead Village	Business B	0.39
16	01166 00220 (1.96 ac); Additional Lots: 21 (1.92 ac), 23 (1.90 ac)	1	165	22	939 Middle Neck Road	Kings Point	11024	Kings Point Village	Residence A2 (minimum lot area 40,000 sf)	5.79
17	59145 01790 (0.24 ac) Additional Lot: 46 (0.23 ac)	59	145	179	301 Shore Road	Long Beach	11561	Long Beach City	Res L - Multi-Family	0.47
18	38094 00080 (0.18 ac) Additional Lot: 9 (0.25 ac)	38	094	8	33 Park Place	Lynbrook	11563	Lynbrook Village	Residence C	0.43
19	04 L 01280	4	L	128	12 Matinick Avenue	Port Washington	11050	Manorhaven Village	Commercial C-1	0.79
20	02347 00160	2	347	16	43-45 High Street	Great Neck	11021	North Hempstead Town	Residence C - R-C	3.16
21	07072 00720 (0.22 ac) Additional Lot: 71 (0.17 ac)	7	072	72	9 Powerhouse Rd	Roslyn Heights	11577	North Hempstead Town	Business A - B-A	0.39
22	20 L 10350	20	L	1035	12 Hickory Drive	Glen Head	11545	Old Brookville Village	Residence District - R-2A (two-acre minimum lot)	2.97
23	49255 00110 (0.34 ac); Additional Lots: 13 (0.96 ac), 18 (0.26 ac)	49	255	11	40 Hempstead Turnpike	Farmingdale	11735	Oyster Bay Town	Neighborhood Business - NB	1.56
24	462760105550 (0.13 ac); Additional Lot: 46 137 250 (Full SBL, 0.19 ac)	46	27601	555	299 South Broadway	Hicksville	11801	Oyster Bay Town	General Business GB	0.32
25	30 H 04010	30	H	401	235 Birch Hill Road	Locust Valley	11560	Oyster Bay Town	Neighborhood Business - NB	0.53
26	52091 00850	52	091	85	961 North Broadway	Massapequa	11758	Oyster Bay Town	One-Family Residence - R1-7	0.26

27	57187 00090	57	187	9	4210 Sunrise Hwy	Massapequa	11758	Oyster Bay Town	Neighborhood Business - NB	1.73
28	52376 00640	52	376	64	1499 Hicksville Rd	Massapequa	11758	Oyster Bay Town	Neighborhood Business - NB	0.44
29	21050 01030	21	050	103	456 Glen Cove Avenue	Sea Cliff	11579	Sea Cliff Village	Business B	0.55
30	24 E 00060	24	E	6	45 Mill River Road	Oyster Bay	11771	Upper Brookville Village	Suburban Estate - OPI	15.54
									Total	45.90

Property List Summary

Municipality	# of Properties	% of Total	Acreage	Square Footage	# of Residentially Zoned Properties	% of Total Properties That Are Residentially Zoned
Hempstead Town	15	31%	12.76	555,693	5	10%
Oyster Bay Town	11	23%	10.04	437,559	7	15%
North Hempstead Town	2	4%	3.55	154,638	1	2%
Villages	18	38%	37.26	1,623,022	15	31%
Cities	2	4%	1.16	50,530	1	2%
Total	48	100%	64.77	2,821,442	29	60%

APPENDIX E

Required Characteristics of Model Inclusionary Zoning Ordinance

EXHIBIT 1
REQUIRED CHARACTERISTICS OF
MODEL INCLUSIONARY ZONING ORDINANCE

- (1) requires residential developments with five or more units to include at least 20% affordable (meaning a household is paying no more than 30% of its income for gross housing costs, including utilities) housing units;
- (2) requires developers to engage in affirmative marketing to ensure outreach to racially and ethnically diverse households, including those who are least likely to apply;
- (3) provides density bonuses, parking requirement reductions, and expedited review of proposals for affordable housing including procedures for streamlining the approval process for the design, permitting, and development of these units;
- (4) requires the good faith consideration and encouragement of the grant of zoning or other variances or exceptions where necessary to allow for development of housing that will qualify as affordable housing;
- (5) provides for deed restrictions or similar legal mechanisms to ensure continued future affordability of affordable housing units;
- (6) does not provide for current or prior residency or employment preferences; and
- (7) does not include an "opt out" provision.