

INTRODUCTION

Why this Study Was Undertaken

This study is intended to identify and document the evolving regional economy in the greater Glens Falls, New York region and the developing needs for the full range of affordable work force housing options for both the Town of Queensbury (hereafter the “Town”)—as the sponsor of this study and a key municipality in the regional housing market—and for the region. The study describes the current economic, demographic, and housing situation for the Town and region, includes a forward-looking regional and Town economic and demographic forecast, and forward-looking forecasts of the future work force housing needs of the Town. The study discusses key factors driving housing markets in the Town and region, and offers a set of “best practices” options for pre-emptively heading off what looks to be increasing housing cost pressures, both with respect to current and prospective future Town residents and for current and prospective employers of the Town.

Since the 1990’s through now to the growth of the currently evolving digital economy based on constant, real-time, access to information (even for visitors to the Town and region!), regional employers have experienced a shift from a more heavily natural resource-based, manufacturing economy to one that is more diverse, with a still vibrant visitor sector but somewhat less dependent than it previously was on the resource processing-based factory sector. In addition to the changing economic composition, the regional and Town populations have been aging—much like the population of the nation and the State as a whole—and the entire region has been facing the challenges from other demographic shifts in the aftermath of the recent “Great Recession” and recovery-expansion in the U.S. economy that are underway as well. These recent shifts in the demographic and economic base of the region have changed the economy, the growth dynamics, and housing demand and supply in the region and Town in significant ways.

The Town Plan recognizes that “creating housing choice is an important part of creating a vibrant community.” It also recognizes that different demographic groups require different types of housing and that needs have been and will continue to keep evolving as the population ages and workforce demographics continue to shift. This study seeks to address many developing concerns within the community. For example, what are the options for addressing the evolving growth of the workforce and its housing needs of the Town? What tools are available to assist the Town in meeting the likely new housing demand? What role should the Town play in meeting the housing needs of not just the Town but also the regional work force? With this study, the Town seeks to bring new, important information that could be used to inform these on-going discussions within the community but also within the context of the region. As new housing, new housing developments and neighborhoods develop within the Town’s landscape, what should the Town do in order to help answer the above concerns and the many other important questions relating to the workforce housing issues in the Town, but also within the greater Glens

Falls region given the Town's leading economic development, economic performance, and housing market role in the broader region.

Study Approach

The study's approach was to compile and analyze a wide range of objective economic, demographic and housing data—including data from both primary and secondary data sources relating to the regional and Town economy, the regional and Town workforce, regional and Town housing demand, regional and Town real estate markets, and the characteristics of the regional and Town population that may impact the demand for housing. The study draws on information from the latest decennial Censuses, national economic databases, and data from the following key sources: (1) the U.S. Bureau of Labor Statistics for the Glens Fall MSA, (2) the State Department of Labor, (3) the New York State Office of Real Property Services, (4) New York Empire State Development; (5) the Town Assessor's Office; (6) data from the Town Planning Department on local building permits; (7) local real estate sales data from the Southern Adirondack Realtors Association; (8) interviews with key stakeholders, regional and community development officials; and (9) other data and information sources—including leading nonprofits throughout the region involved in regional and Town housing services and policy. These data were then assembled in various ways to help integrate the economic development needs of the region and Town with housing demand and supply. Also included in this study are baseline 11-year forecasts of regional economy, the region's and Town's demographics, the Town's housing demand and supply, and the affordability of its current and forecasted housing stock by tenure category and household income grouping, among other important variables of significance to developing affordable workforce housing policy (including a range of workforce housing options) for the 2017-2027 time period.

It is hoped that the results of this study will provide interested stakeholders with an historic economic and demographic context, a recognition of the similarities and differences that exist between the Town, the Town's peer communities in the region, a forecast of the regional housing demand and supply specific to the Town and region, Town-specific estimates regarding trends affordable housing, a "gap analysis" (e.g. that measures the difference between current and prospective supply and demand in the study region), and an inventory of plausible alternatives for addressing the workforce growth-housing needs of the Town and region using "best practices" approaches. This study focusses on information and analysis on a range of options that can be pursued and employed to guide development in each of the Town's three residential areas—including the higher density, urban-like character neighborhoods around the Town's border with Glens Falls, the more suburban-type housing character that is typical of developments and neighborhoods near the center of the Town, and the largely rural areas that characterize the western and northern regions of the Town—which also includes many of the Town's second homes that are vital to supporting the Town's vibrant visitor sector.

The Town and members of the Town Community Development Department staff, and the Housing Assessment Study Steering Committee and the consulting group also welcome all questions, comments, and additional suggestions pertaining to this study and any other issue of concern relating to access to a wide range of housing options in the Town and region. Copies of this study are available from the Queensbury Community Development Department Office, 742 Bay Road, Queensbury, New York 12804. It can also be downloaded in electronic format at the Queensbury Community Development Department's web site (see <https://www.queensbury.net/departments/planning/>). The study can also be downloaded at the web site of Economic & Policy Resources, Inc. (see <https://www.epeconomics.com>) and from the web site of Crane Associates, Inc. (see <https://www.craneassociates.com>).

Funding Support for This Study

This project was funded by the Town of Queensbury and a U.S. Department of the Housing and Urban Development (HUD) Community Development Block Grant (CDBG) through the New York State Housing Trust Fund Corporation's Office of Community Renewal. Without that support, this project would not have been possible. Economic & Policy Resources, Inc. and Crane Associates, Inc. (hereafter the "EPR/CA Team"), as the principal investigators, gratefully acknowledge that funding support which enabled this study to be undertaken and completed.

ACKNOWLEDGEMENTS

Before delving into the details of this effort, we need to acknowledge the assistance of many individuals involved with this study. We want to acknowledge the members of the Housing Assessment Study Steering Committee, and also the many other individuals throughout the region who made significant contributions to this work.

Regarding the former, our thanks go to the steering Committee members who kept us grounded during the study process as we slugged through the wealth of data and information we consulted during the completion of the study. Members included: Ms. Jennifer Switzer, Councilwoman—Ward 4 of the Queensbury Town Board, **Ms. Catherine Atherden**, Councilwoman—Ward 2 of the Queensbury Town Board, and **Ms. Jessica Fraser**, Director of Care Management, Hudson Headwaters Health Network. Special thanks also goes to **Mr. Stuart G. Baker**, Senior Planner at the Town's Community Development Department. He was both a member of the study Steering Committee but also a thoughtful project manager, who also made substantial contributions to the substance of this study were crucial to its completion.

Regarding the latter, many individuals in the Town and broader Glens Falls MSA region also contributed to this study by participating in a series of focus group meetings and interviews. Special thanks goes to: the **Southern Adirondack Board of Realtors**, who provided insight from eight of their members to tells us what they saw going on within the regional housing market and to offer constructive suggestions for the recommendations included in this study; **Mr. Chris Hunsinger**, Employment & Training Director for Warren County and a Member of the Board at

The Open Door, who provided this study with important insight into the workforce needs, the current workforce housing situation of the region, and the status and needs of the region's poor and homeless; **Mr. Marc Monahan**, Vice President of NBT Bank, who providing information about the current housing market situation in the region with an emphasis on credit market conditions and financing trends; **Ms. Kristine Duffy**, President of SUNY Adirondack, four members of the SUNY Adirondack staff, and a member of the SUNY Adirondack Board, who provided insights into student housing need in the study area and some suggestions for helping to address those needs (in cooperation with the Town); **Mr. Richard Schimerhorn**, Owner of Schimerhorn Properties, who helped us to understand the perspective of a private developer providing affordable housing options in the region; **Ms. Sharron Reynolds**, Director of Homefront Development Corporation, and a private, non-profit organization which works to encourage many types of affordable housing in the Washington County and Warren County region for low-income residents; **Ms. Kim Cook**, President and CEO, The Open Door, for her insight regarding the important issues affecting the poor and homeless in the region (including housing) and the various programs available to impacted residents; **Ms. Margaret Devries**, Executive Director, Wait House, a nonprofit organization that assists youth in transition in the greater Warren County and Washington County region, for her perspective on the housing needs of youth and adolescents who are in transition; **Mr. Davis Yohe**, Executive Director of Liberty Affordable Housing, Inc., a non-profit organization whose mission is to expand affordable housing options through acquisition, developing, and rehabilitating of housing to preserve its affordability, for his perspective on the increased need for affordable housing in the region and the organization's desire to build more units in Queensbury; **Robert J. Landry**, Executive Director of the City of Glens Falls Housing Authority, for his information regarding the Authority's programs and housing assets, what his organization saw as significant demand in the Town for affordable housing options, along with information regarding Queensbury residents' participation in the authority's senior (e.g. the Authority's 3 senior housing projects), low income (e.g. Section 8), and other programs (such as the First Time Homebuyers Program); and **Mr. Adam Feldman**, Executive Director of Habitat for Humanity of Northern Saratoga, Warren, and Washington Counties, who described his organization's desire to build in the Town to meet growing needs and to stay in touch with study stakeholders in order to possibly forge strategic partnerships to expand housing.

Lastly, we are certainly indebted to the Town staff and many staff members of organizations through the Glens Falls region for their assistance in assembling data and providing important qualitative information to this study. This input was important to be able to tell the story within the data, historical statistical trends, and the study's long-term forecast. In short, our sincere thanks go out to all who helped the EPR/CA Team to complete this important study.

CHAPTER 1: THE CONTEXT FOR THIS STUDY

The U.S., the State of New York, and the whole rural upstate region are currently dealing with a myriad of changes in the demographic and economic composition of and in the performance of the economy of the Town and Glens Falls metropolitan statistical area (MSA) region. The economic and demographic disruptions associated with globalization of the economy (and currently pending major international trade issues), the rapid and more ubiquitous use of new technologies (particularly information technologies for personal devices and for various social media formats), and rapidly evolving workforce development needs of today's economy have been presenting major challenges to the way many municipalities strive to achieve safe, vibrant, and livable communities—with balanced development and quality services that are funded by affordable tax rates. An important part of safe and livable communities is that every individual or family unit should have choices in terms of their access to decent and affordable housing—regardless of their socio-economic status, gender, and ethnic background.

Over the past four decades, there have been many national, state, and regional-local studies and plans that have undertaken the task of investigating the means to, and recommending ways to, provide access to decent quality, workforce housing that is within the financial reach-capabilities of individuals and households in an area. The Town, back in December of 2003, also completed an affordable housing needs assessment which resulted in a framework for a Town affordable housing strategy.¹ This effort is intended to build that substantial body of previous work in the Town, in the region, and with regard to recent advances in “best practices” for advancing affordable workforce housing options for the community by focusing on the many and cross-cutting issues as they apply to that objective, relative to the situation on the ground in the Town and regionally, and using a reasonable forecast of the economy, demographics, and housing markets for the future of both the Town and the Glens Falls region as a whole.

The Importance of Having a Variety of Housing Choices and Quality of Life.

From the outset of this study, the EPR/CA team notes that the study working committee approached this effort from the perspective of promoting the Town as “...a good place to live...”² The Town's Comprehensive Plan clearly articulated a clear vision and a broad set of goals for the Town to move that vision towards objective back in 2007. The adopted vision noted that the members of the community wanted a Town that:

“...offers an excellent quality of life for families, that features public safety, clean water, pure air, a variety of housing options [Emphasis added], excellent schools, a growing library, state-of-the-art health care, facilities, community-

¹ See Town of Queensbury Affordable Housing Strategy, December 2003.

² See the Queensbury Comprehensive Plan; Queensbury's Comprehensive Vision, page 8 (2007).

mindful businesses of all sizes from all sectors, parks, bike paths and an impressive array of museums, arts organizations and historic preservation initiatives..."

The Comprehensive Plan further noted that the community also strives:

"...to protect and encourage neighborhoods that promote relationships, healthy lifestyles and community involvement. We endeavor to balance the needs of our growing community with local and regional economic development initiatives, which can support our town-wide goals..."

From that articulated vision for the Town came the development of a number of goals that were designed to achieve that defined vision. The goals reflect a number of integrated objectives. Many are designed to position the Town to take advantage of the community's high quality of life and experience the benefits of economic development without losing the community's special features that makes the Town "distinctive" and "attractive" for bringing in the new residents and businesses that would be required to support sustainable, quality economic development. The goals also speak to having safe and livable neighborhoods (including "...walkability, affordability, and access to local services...") and preserving important natural areas and view sheds. The goals state clearly the community's collective view of the importance of having a stable, predictable, and timely development process and business development environment. All are consistent with the Town's long-recognized and leading regional role as a center for commerce, housing, and recreation assets for the region.

Although the concept of what constitutes "livable," high-quality communities" is at times a moving target, the concept of livable communities typically involve a number of dimensions, including: (1) increased vitality, and creating-reinforcing a sense of place and-or community, (2) support of architecture that is appropriate to the history and culture of the community or region, (3) pedestrian friendliness-accessibility, (4) people living and recreating near to where they work, (5) preservation-enhancement of environmental quality—including open spaces and high quality recreational amenities, and (6) access to a full variety of housing options for residents that combine housing, shopping, and access to affordable private-public services.

From a housing perspective, offering a range or variety of housing options—and particularly those which support affordable workforce housing—in a community is a key part of promoting a high quality of life as the Town has defined it. There are several aspects to quality of life, and many are intuitive. Perhaps the most important of those involve efforts to increase sustainable economic stability in a community. Regarding the latter, having a variety of housing options has over time shown that it can act as a stabilizing influence for the Town as a whole by reducing the housing turnover rate. A reduced housing turnover rate has been shown through past experience to provide: (1) a more stable foundation of regular customers-patrons for a community's or a region's businesses in commercial centers, which develops a greater sense of being connected and even more committed to the quality of life and services that are offered in the community, and (2) a more stable and predictable base of population (for municipal services) and students (for a

community's or regional schools). The first also has been shown to assist in building a more predictable business environment in a community (which can result in better local employment options-opportunities), and that—in turn—helps to provide a demand climate of stability-predictability for the provision of essential municipal and educational services.³

In addition, having a variety of housing options—and particularly workforce housing—configured in a proper density and in a community-friendly manner also has been shown in other areas over time to: (1) reduce vehicle trips, (2) encourage biking and walking, and (3) provide “critical population mass” needed to support services such as transit—where population density reaches the level needed to make such services more commercially viable. Increasing density in certain circumstances has also been found to positively reduce the rate of vehicles per miles traveled (VMT) in a specific area, thereby contributing to improved environmental quality and a reduced level of traffic congestion. A variety of housing options, including affordable workforce housing, also has been shown to foster diversity in an area or region, and the inherent strength that a broad range of opinion can add to community dialogue on important issues and for shaping the Town's future. Finally, a variety of housing options has been shown to help life-long residents to continue to live out their retirement years—and young families to begin their lives—in the same community that their parents did.⁴

Applicability to the Town.

Such benefits can likewise be expected to inure to the Town, and even neighborhoods within the community as well, under such a “broad range of housing options” umbrella.⁵ If families in the Town working at Town and regional employers have access to quality housing across a broad range of housing options, they can likewise be expected to take more active roles in the many issues of importance to the municipality (e.g. safety, education, pursuing commercial endeavors, etc.). In addition, the greater level of community stability also would likely be a positive factor in providing greater predictability in the demand for services from the Town and its schools, and at the same time provide a more reliable base of households to support Town and regional retail-commercial businesses.

As a result, this study approaches the issue of affordable workforce housing recognizing the Town's regional role in economic development and housing markets while at the same time meeting the vision and goals embodied within its 2007 comprehensive plan. The Housing Assessment Study Steering Committee approached this from the vantage point of promoting “healthy communities,” or what can be done to encourage each of the five dimensions of a healthy community. These dimensions include: (1) good jobs, (2) good schools, (3) a safe environment,

³ *Strengthening our Workforce and our Communities through Housing Solutions*. 2005. JCHS Harvard University and U.S. Chamber of Commerce.

⁴ *Myths and Facts about Affordable & High Density Housing*. 2002. California Planning Roundtable and California Department of Housing & Community Development

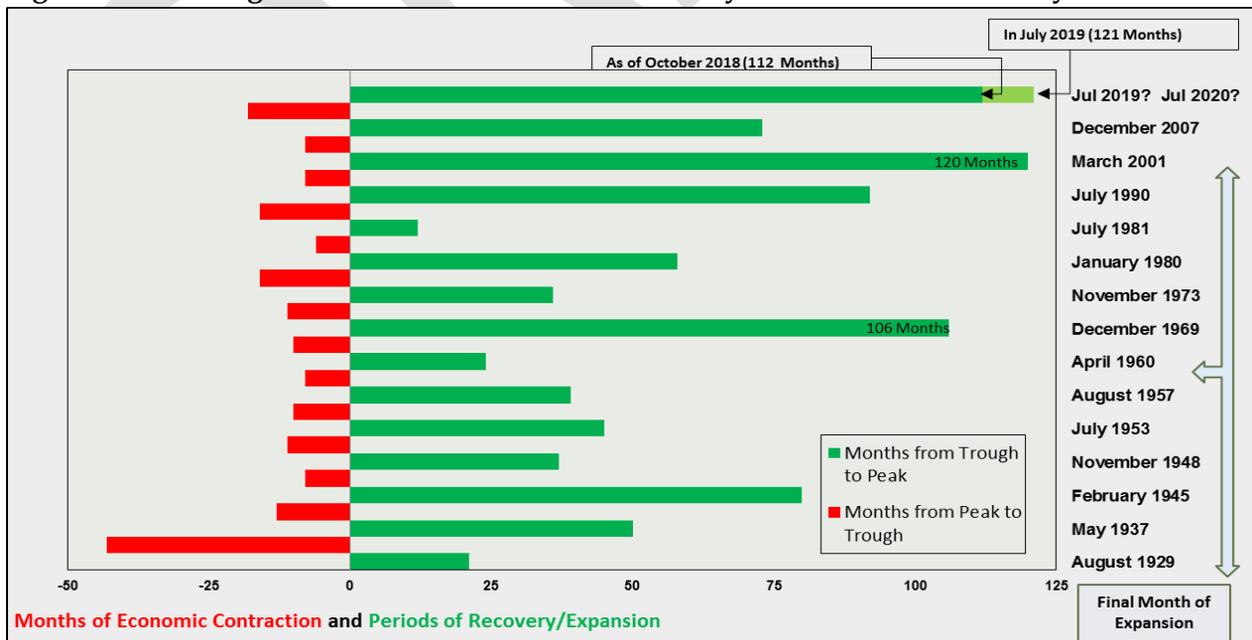
⁵ As alluded to in the Town's Comprehensive Plan.

(4) a full range of housing options—including workforce housing, and (5) a good range of retail-amusement options with a pedestrian-friendly orientation and access to affordable transit. Looking at dimensions 1-3 and 5 of a prototypical healthy community, housing obviously plays a pivotal and crosscutting role in a community that is seeking to promote “livability.” Put simply, access to a broad range of quality housing options—including affordable workforce housing—across the price range spectrum is pro-family, pro-livable community, and pro-flexibility for supporting a cohesive mosaic of policies that will promote a high-performing Town and regional economy. In fact, experience has shown that a relative lack of quality housing options across the price range spectrum for the regional work force can result in greater instability in a community. Less stable families means a higher housing turnover, and all of the negative aspects on a community that such a dynamic engenders.

Overview of the U.S. Economic/Housing Market Context.

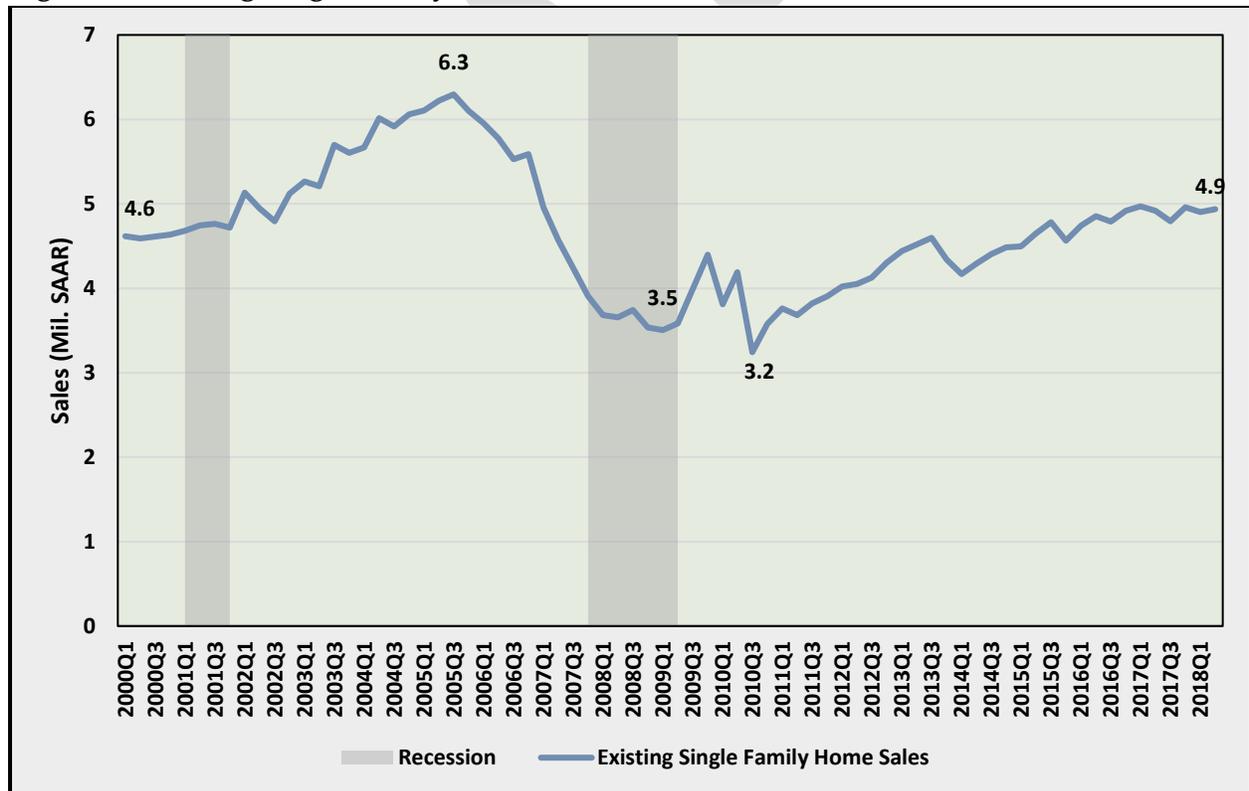
At the time this study (in the Fall of calendar year 2018), the U.S economy overall was continuing to expand. The combination of economic stimulus from the recently passed Tax Cuts and Jobs Act of 2017—which is providing stimulus of approximately \$1.0 trillion over the next 10 years—and a U.S. economy that has already neared its maximum potential will create accelerating near-term growth, with the possibility of higher rates of inflation as activity in the U.S. economy nears its full capacity and the likelihood of a more pronounced boom/bust business character to the current U.S. economic upcycle takes over during the next several years. Even so, at 112 months and counting through October 2019 (see Figure 1.1 below), the current expansion is the second longest in U.S. history. If sustained through July of 2019, as expected, the current U.S. economic upturn will then become the longest ever in recorded U.S. economic history.

Figure 1.1 Tracking Current and Historical Business Cycles in the U.S. Economy



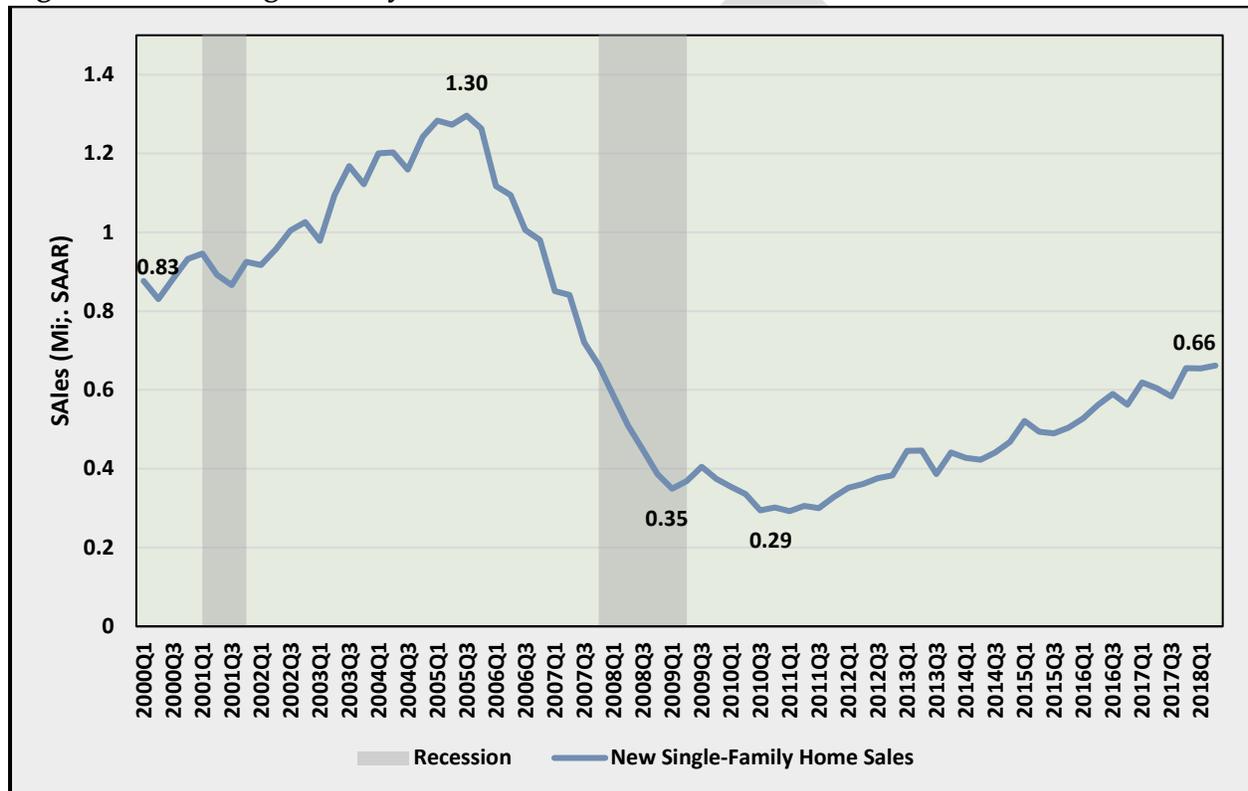
But at the same time the U.S. economy has been moving past milestones for longevity, the U.S. economy may finally be starting to exhibit some characteristics of an aging economic expansion. For example, the U.S. housing sector has recently been showing signs of a slowdown. Initial signs of this slowing include a deceleration in the rate of housing price increases for the last several months, as the rate of housing unit price appreciation has declined over the last several months and the volume of existing housing unit sales has declined—compared to year earlier levels—for six straight months. In September of 2018, sales of previously owned or existing U.S. housing units fell 3.4% to an annual rate of 5.15 million (seasonally-adjusted). Sales of existing units last month were down by 4.1% from year earlier levels, marking the month of September as the seventh straight for sales declines (see Figure 1.2 below). The sales declines of the last seven months corresponded to the longest period of month-to-month sales of existing homes dating back to the calendar year 2014 period. Calendar year 2014 was part of the sluggish period when U.S. housing markets were recovering from the mid-2000s housing market crash and resulting financial crisis that precipitated the so-called “U.S. Great Recession.”

Figure 1.2 Existing Single Family Home Sales in U.S.



The recent sales data, taken together with the recent slowing in the number of new housing units built),⁶ indicate that the housing sector may in fact be softening despite the still strong performing U.S. economy overall (See Figure 1.3 below). Even so, the recent performance data of the U.S. housing sector indicates that the industry may in fact be softening, and the U.S. economic upturn may also be beginning to show some of the characteristics of an aging expansion. However, the slowdown in the housing sector to-date has not exhibited any of the characteristics of the historic collapse that essentially took down the whole U.S. economy during the mid-2000s.

Figure 1.3 New Single Family Home Sales in U.S.



During that historic and steep housing market decline in the mid-2000s, prices overall fell on the order of magnitude of 25 percent, and single family housing unit starts fell by more than two thirds, from a peak of more than 1.7 million units⁷ to a seasonally-adjusted level of just over 430,000 units. In fact, housing prices across the U.S. experienced a historically unique decline, falling in 49 of 50 states and in the District of Columbia for the first time in modern, postwar economic history. U.S. housing prices on average fell significantly as well—also a highly unusual development even in a period of economic recession. Price declines in nearly all U.S. states and

⁶ For example, the three month moving average of starts of new single family housing units was 870,000 units in September, down somewhat from the nearly 900,000 unit average at the beginning of calendar year 2018.

⁷ At a seasonally adjusted annual rate.

a decline in the U.S. average house price overall is highly unusual in a U.S. economic recession of typical depth and duration because of the highly localized nature of housing-real estate markets.⁸ With respect to the recovery from the U.S. Great Recession of the mid-2000s, the negative effects of that historic downturn still do not appear to have “completely healed,” despite the unusually long period of recovery-expansion. The dynamics of the U.S. recovery-expansion to-date from the unusually long and deep downturn of the late-2000s have been atypical, with a contour to activity that has been somewhat unusual and more restrained in character.

For example, this cycle has been different because building activity never really took off in the aftermath of the last downturn—even as prices recovered and moved to new highs in nearly all markets.⁹ Explanations vary, but many analysts have pointed to the exiting from the industry altogether of a large number of construction workers, including large losses in many specialty trades that are critically important to housing construction. The harsh aspects of the late-2000s downturn also resulted in many developers and builders leaving the industry altogether. Those developments left the home building industry short of workers (and particularly in many critical trades and skills), and the result has been an industry with a constrained productive capacity overall.¹⁰

As a result, housing construction activity levels overall have never really fully rebounded during the current period of economic recovery-expansion. The housing unit construction activity data, even more than eight years into the current U.S. economic upturn, has remained well below levels that are usually observed during economic upcycles—including in the Glens Falls MSA (see Figure 1.4 below)—and has been more characteristic of new housing construction activity levels that appear more during typical periods of U.S. economic recession.

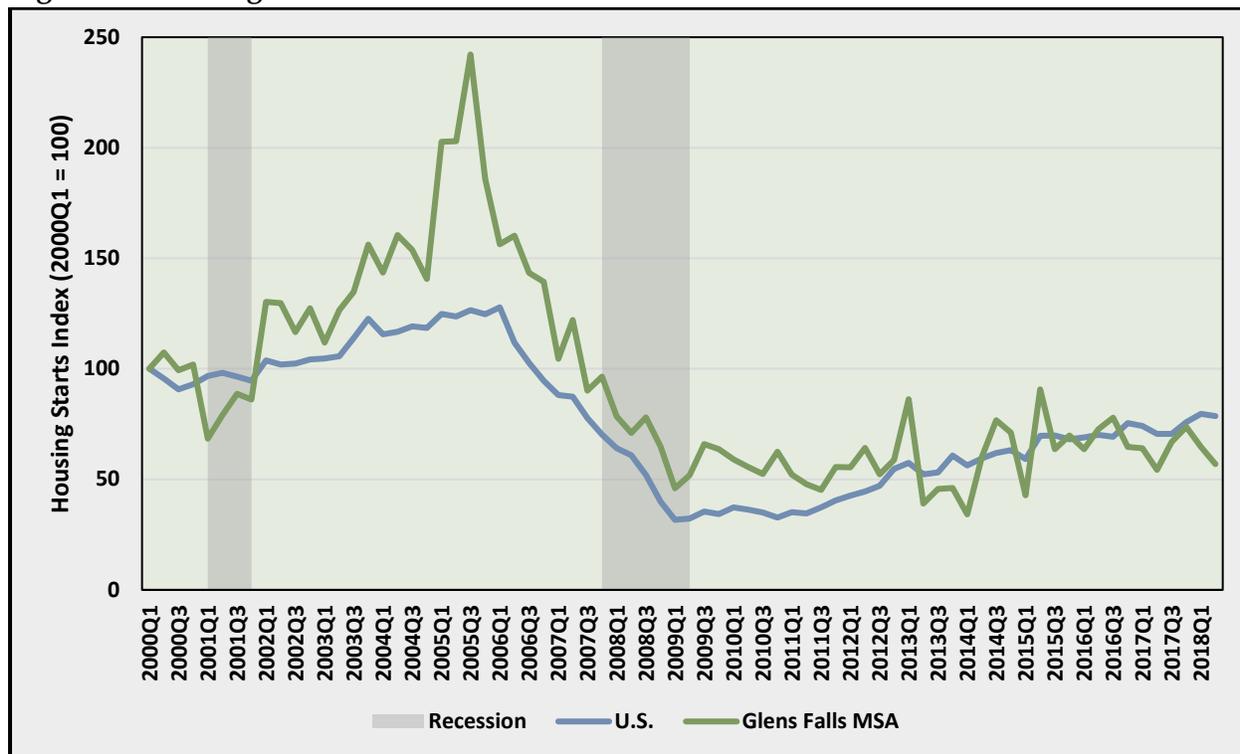
In addition to labor shortages, higher construction materials costs—which at least in part appear to be due to trade tensions associated with the recently imposed U.S. tariffs on steel and aluminum and concerns about the so-called “dumping” of Canadian timber in U.S. markets—has also been adversely impacting housing construction activity levels. In addition and with respect to local and regional housing markets, there also has been evidence that increased, and many times tighter, land use and building regulations have also had the effect of holding back the construction of new housing units.

⁸ Even though credit conditions and interest rate levels can be determined by national and sometimes global conditions.

⁹ For example, the Federal Housing Finance Agency’s house price index showed that in the second quarter of calendar year 2018, housing prices increased in all 50 states for the 17th consecutive quarter (or for four and one quarter years in total). Through June 30 of calendar year 2018, roughly 40 states and the District of Columbia had reached their pre-Great Recession housing price levels, with only Connecticut, New Jersey, and Rhode Island among the northeastern U.S. states that have not yet reached their pre-mid 2000s pre-U.S. Great Recession, housing price peaks.

¹⁰ Burcu Eyigungor. *Housing’s Role in the Slow Recovery*. Q2 2016. Federal Reserve Bank of Philadelphia Research Department.

Figure 1.4 Housing Starts Index for U.S. and Glens Falls MSA



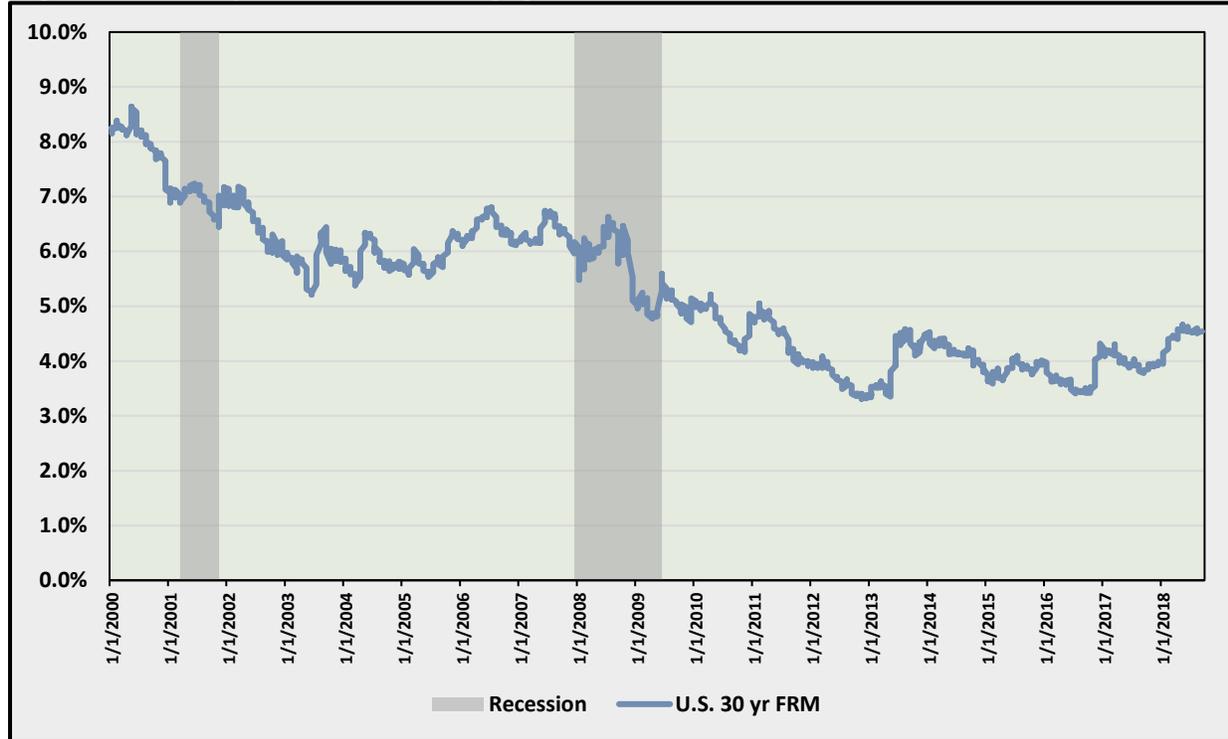
In fact, instead of experiencing growing levels of over-supply in housing markets that is typical development during aging economic cycles, many housing markets across the U.S. have experienced the worst shortage of available housing units for sale in decades. This has had the effect of driving up housing prices in many state and regional markets, which has had a worsening effect on affordability—as household income growth at the same time has been slower than normal. In many markets, these dynamics have had the effect of locking many first-time home buyers out of the market and prevented much of the aging in-place demographic categories from successfully downsizing. At this point, the evidence indicates that the only part of the market that currently appears to be well-supplied and active in terms of sales activity has been the upper end of the price range. Widespread news reports through this economic cycle have indicated that the upper end of the price range has been the part of the housing market where the majority of the new construction activity has taken place during the current economic upcycle.

Looking ahead, there are a number of reasons that suggest that the above-described dynamics in the current housing environment are likely persist into the future. For example, mortgage rates have risen by roughly one percentage point over the past year in response to the shift in U.S. monetary policy towards what has been described as a “quantitative tightening” approach¹¹ (see

¹¹ Following a long period of accommodative monetary policy termed “quantitative easing.”

Figure 1.5 below). Add to the above the passage of the Tax Cuts and Jobs Act of 2017 last December (which reduced homeownership incentives for buyers including foreign investors) and the ample supply of rental units in many markets (which has made buying a housing unit less important), it seems apparent that most key drivers underpinning the clear downshifting in housing activity are poised to continue.

Figure 1.5 Weekly 30-Yr. Fixed Mortgage Rates (2000-2018)



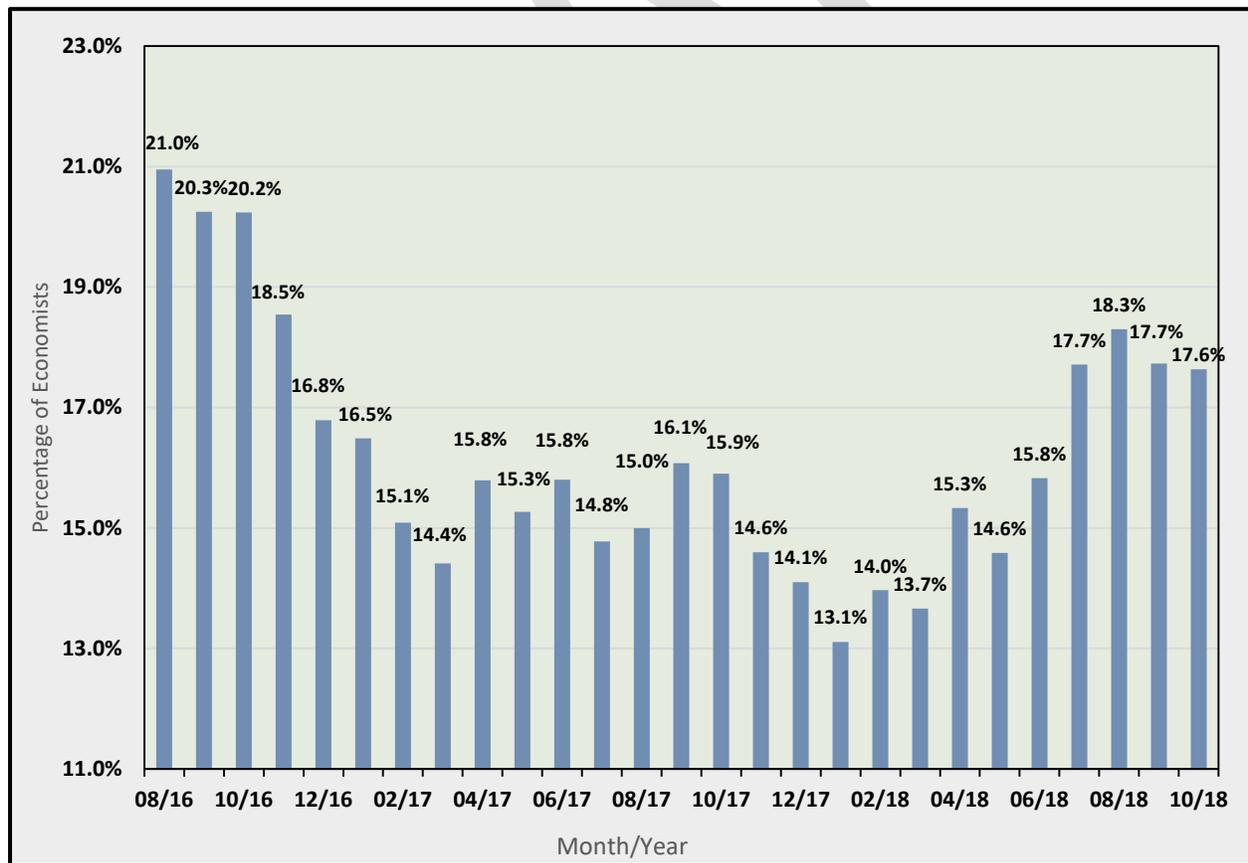
The “silver lining” in the above is that compared to a decade ago, the housing market is currently far from being over-heated, and therefore would not likely now play anything like the type of catalytic role that the industry played in exaggerating the depth and duration of the “Great Recession” back in the mid-2000s. This likely positions the housing industry for a much gentler slowdown versus the mid-2000s if the U.S. economic upturn eventually runs into trouble. It also is unlikely that the housing industry itself would play any significant role in encouraging or precipitating an overall U.S. economic downturn, again in contrast to the late-2000s. Instead, the biggest threat to the continuation of the U.S. economic upturn appears to be an escalation of the budding trade wars with China and the European Union. While there are many legitimate trade issues to be negotiated, so-called “tit-for-tat tariffs” against both allies and other nations has been criticized as an ill-conceived tool for effecting the desired changes. Recent studies by analysts across the political spectrum show substantial potential economic and job losses that could ensue if the current trade tensions escalate into a full-scale, protracted trade war.

As the U.S. economic expansion ages, there are other risks that could also bring the current U.S. upturn to an end. Although there do not appear to be imbalances in the economy now that would

precipitate a turning point towards a new round of broad-based recession in the U.S. economy, if the current acceleration in growth continues, such imbalances could develop. Because of this, the long-term macroeconomic and demographic forecast, which forms the basis for the longer term demographic, housing unit demand and supply forecast for this study, only calls for a slowing of U.S. growth (which will clearly have some regional implications) over the calendar year 2020 to 2021 period—corresponding to a more modest paced rate of economic growth over a roughly two year “sub-cycle” but not a full-fledged economic recession.

This is consistent with the prevailing view of more than 80 percent of U.S. economists surveyed each month by the Wall Street Journal (see Figure 1.6 below) who do not foresee a U.S. economic downturn within the next 12 months. For this workforce housing assessment study, the above means the development, refinement, and implementation of policies to address the Town’s needs will likely be occurring over a time frame when the economic environment will be in a “facilitating” posture. Although the environment may not be consistently facilitating for each individual year over the entire 2017-27 period, this indicates that a deep and prolonged period of economic decline will not likely complicate the implementation of the Town’s adopted course of action.

Figure 1.6 Percent of U.S. Economists Who Believe the U.S. Will Fall Into Recession within 12 Months



STUDY OVERVIEW AND KEY FINDINGS. [POSSIBLE CHAPTER 2?]

This report describes the methodology and findings of a benchmark study of affordable workforce housing for the Town of Queensbury located in Warren County, New York, within the Glens Falls Metropolitan Statistical Area (the “MSA”). The Town recognizes that having a full range of affordable workforce housing choices is a critical part of a strong and sustainable economy for the long-term. As affordable workforce housing options potentially diminish for the region over the next decade, the concern is that more employees will look to the Town for affordable housing options, putting additional pressure on an existing workforce housing environment that is not currently dramatically out of balance (as of the 2016 base year for the study). The Town’s housing situation is currently mostly influenced by the health of employers in the region (including a potentially growing influence of a key technology employer located just outside the MSA in Saratoga County), its aging demographics (like so many rural regions throughout the northeastern U.S.), and the importance of its visitor economy that benefits from the presence of Lake George, a number of high-quality tourism attractions, and the high quality recreational assets-amenities of the Town and the entire region. The above factors, combined with imperative to protect the region’s and Town’s high environmental quality (as the so-called “Golden Goose” of the regional economy), all impact and will continue to impact the current and future demand and supply for housing in the community.

The Town requested Economic and Policy Resources Inc. of Williston VT, and Crane Associates, Inc. of Burlington VT to provide a foundational, fact-based analysis on the regional and Town housing market; provide a long-term forecast of housing supply and demand 10-years forward; and assist in the development of a cohesive set of fact-based options to facilitate the eventual implementation of a coordinated set of policies to ensure a full range of workforce housing options in the Town.

The study found that affordability pressures in the Town are not unmanageable or anywhere near crisis levels as they are in many municipalities and regions throughout other areas in the northeast. However, although affordability pressures within the Town are currently significant for certain very low and lower household income groups for renter housing and for the very low end of the household income classes for owner units, the study found that housing cost affordability pressures are mounting for many households in both tenure categories in the Town. Further, the study found these affordability pressures will likely grow significantly over the next decade—if nothing is done to address them—including encouraging a range of workforce housing options and other supporting actions.

In many respects, the current workforce housing policy environment in the Town is a difficult “lift,” because the level of housing cost stress in the Town has not yet risen to the level of being a

crisis.¹² Experienced policymakers understand that the lack of a crisis (or at least a compelling case) in local policy discussions can make discussing and implementing policies designed to address those less than compelling pressures more difficult both reach a consensus on and then implement. This is especially true in the area of housing where there are long lead times between the implementation of policies and actual results, and there are nearly always significant and sometimes difficult trade-offs between policy alternatives and “no action” or maintaining the status quo.

The EPR-CA Team notes that the Town is not new to the arena for the implementation of difficult policy choices. Regional and Town economic development policy must always be careful to “thread the needle” to try to take advantage of the regional and Town recreational assets and amenities without harming the quality of those assets and amenities which comprise the very competitive advantage in that region and Town currently enjoys. That “thread the needle” approach will very much be center stage as Town stakeholders debate the merits and disadvantages of the various policy alternatives available to them to effectively deal with the Town’s likely growing workforce housing affordability cost pressures.

The authors intend this report to be a foundational study for the Town going forward that also builds upon the already substantial body of work within the Town on the affordable housing issue in general that has been memorialized in the previous affordable housing strategy effort back in the early 2000s and as embodied in the Town’s Comprehensive Plan. The report, the associated data, and the long-term forecast is intended to provide the Town elected officials, staff, and volunteers with the full breadth of historical data of importance to this issue, the most accurate forward-looking forecast of the municipality’s future using the most up-to-date data on economics, demographics, and housing available today (as of November 2018). The last section of this report includes a set of options based on the EPR-CA Team’s analysis on the long-term forecast which show the number of housing units that are estimated to be needed to supply the market today, and in the next 10 years by tenure and household income level.

Finally, the various policy options presented below for further consideration and potentially for further and full development should be viewed as suggestions—not prescriptions. The EPR-CA Team does not pre-suppose that the data-driven suggestions directly transform themselves into specific policy prescriptions. Local decisions are driven by and best made by the citizens of the Town and their elected representatives with the assistance of municipal staff and volunteers. Nevertheless, we do hope that Town decision-makers find this study useful to informing future policy decisions that are made.

SUMMARY OF KEY FINDINGS

As with any study of this type, the report includes a very large amount of historical and forecasted data that at times can be overwhelming for readers. Before delving into the details of the data

¹² Although it could rise to that level of the 2017-27 time horizon of this study.

and forecast and all of the technical descriptions of the methods used in this study, the following section briefly describes some of what the EPR-CA Team felt were the more important findings (among many) that should be emphasized at the outset of this study. These findings are descriptive and highlight facts and trends that are particularly important to the key determinants of the Town's housing trends and the long-term economic, demographic and housing unit demand and supply for the Town. The EPR-CA Team narrowed a much larger list of findings—which will all be presented elsewhere in this report—down to a “Top Five” list that in our opinion are likely to have significant implications for a workforce housing assessment study.

Key Finding #1—The Population is Aging and Is Likely to Continue to Grow Older.

This study found that the population of the Town is aging and it is likely to grow older over the next ten years. The median age of the resident population in the Town in 2016 was estimated to be 46.1 years, roughly half a year higher than the Warren County population, 7.9 years higher than the median age for the State, and 8.2 years higher than the U.S. median age. Over time, the data show that the Town's age category of those residents aged 45 to 64 years and the population category aged over 65 years population has been increasing. This has been occurring at the same time the Town's population categories of residents aged less than 19 years has been declining.

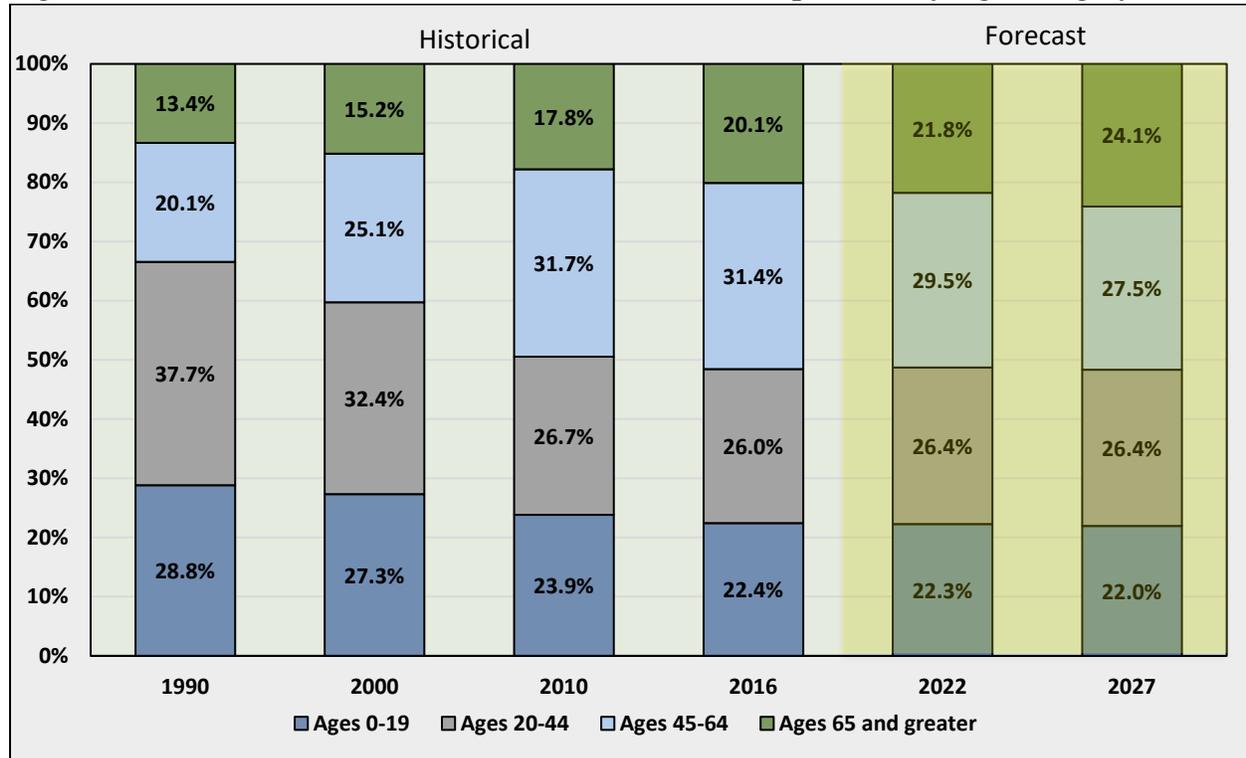
The study found that this “graying” of the Town's resident population is likely to continue over the next ten years—similar to what is expected to occur in the Glens Falls MSA region as a whole and within the two counties that comprise the MSA. Over the 2016 to 2027 time frame, the Town's resident population aged 65 years and older is expected to increase in share from 20.1% of the total to 24.1% over the 2016 to 2027 period—an increase of 4.0 percentage points. Many within the aged 65 years and older population category are “retirees.” Though much of these gains in the Town's older population groups have been due to natural aging of the population, there also has been a net in-migration of “retirees.”

As the resident population in the Town continues to age, the rising numbers of elderly residents will have significant housing implications. For example, the aging of the population is strongly correlated with declining household size which means there is likely to continue to be a decline in the number of persons residing in each housing unit in the Town (and region). Practically speaking, this means that the Town's housing stock will need to work harder and harder as the population ages to house the Town's population—even if the absolute number of residents in the Town simply stays the same, much less increase as it is expected to do through 2027. In addition, the aging of the Town's population has implications regarding the need for additional units of transitional housing, the need for additional assisted living units suited for the needs of the elderly, and the need for additional bed capacity for nursing home care.

The aging population also can be important to driving demand and changing market preferences. For example, in some regions, an aging population means there is a developing need for additional high-quality, smaller square footage housing units that can be used for “down-sizing”

purposes. This is particularly important for the Town if it desires its aging residents to have the opportunity to “age in place,” and for the Town to have the opportunity to get younger and slow, or even reverse, its long-term “graying” trend.

Figure 1.7 Historical and Forecasted Shares of the Town Population by Age Category

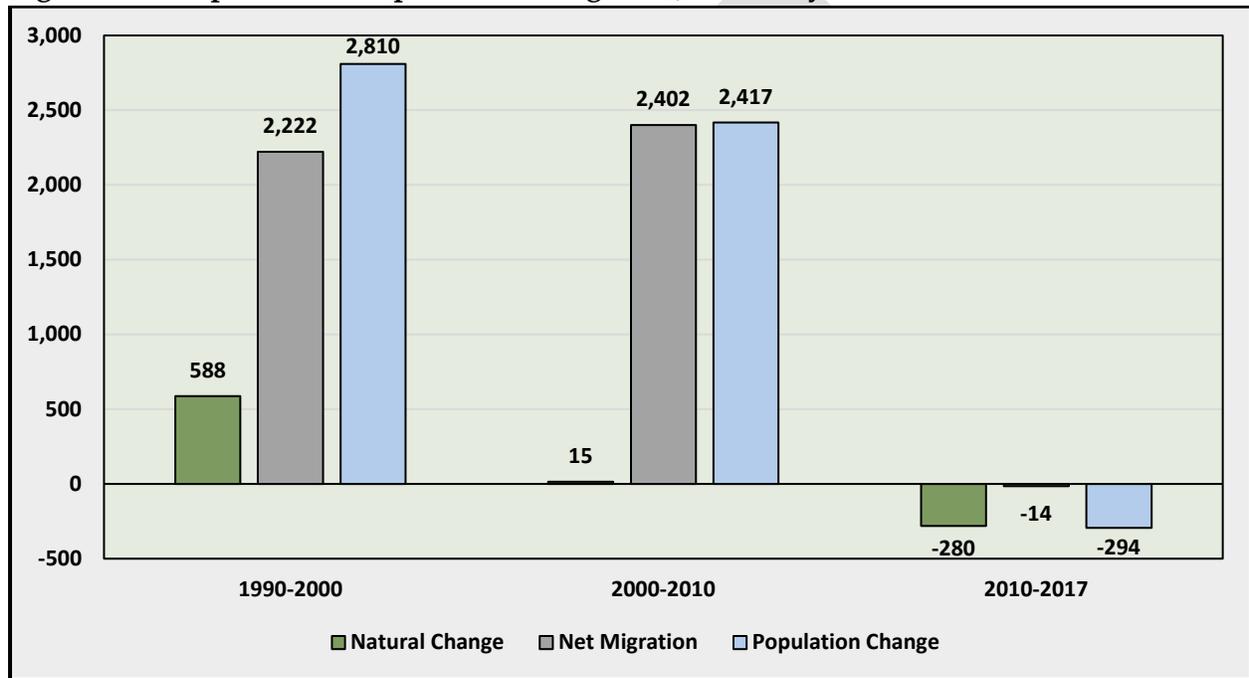


Key Finding #2—Future Population Growth Will be Driven by Economic Migration.

For most of the post-World War II period, the so-called “Post-War Baby-Boom” dominated the demographics of the nation as a whole—including upstate New York and other rural regions throughout the northeastern region. Located in upstate New York, the Town was part of those demographic trends when post-war birth rates soared, and large families tied to a rising Middle Class were the norm. Over the last nearly three decades, the population growth and recently the small declines in population for the Town during the 2010s, have been driven by an evolving mix of post-Baby Boom demographics—where smaller families have become the norm and when the population has been aging (see above). This clearly describes the evolving population change experience of the Town, when the last 30 years has seen the declining population growth role of the natural change in its resident population (which is determined by the number of births in the Town versus the number of deaths of Town residents) relative to the number of new residents that move into the Town (in-migration) versus those existing residents who move away (out-migration).

During the 1990s, the Town's population was driven by the combination of a natural increase in population (with 588 more births in the Town versus deaths in the Town over the decade representing 20.9% of the Town's population growth during the period), with net population in-migration providing the rest of the Town's resident population growth (at 2,222 new residents of 79.1% of the total). During the 2000s, the net contribution to the Town's natural increase began to decline, and the decade ended with a smaller positive change to the Town's population due to the natural change, with virtually all of the Town's population growth due to net in-migration (see Figure 1.8 below).

Figure 1.8 Components of Population Change in Queensbury, 1990-2017



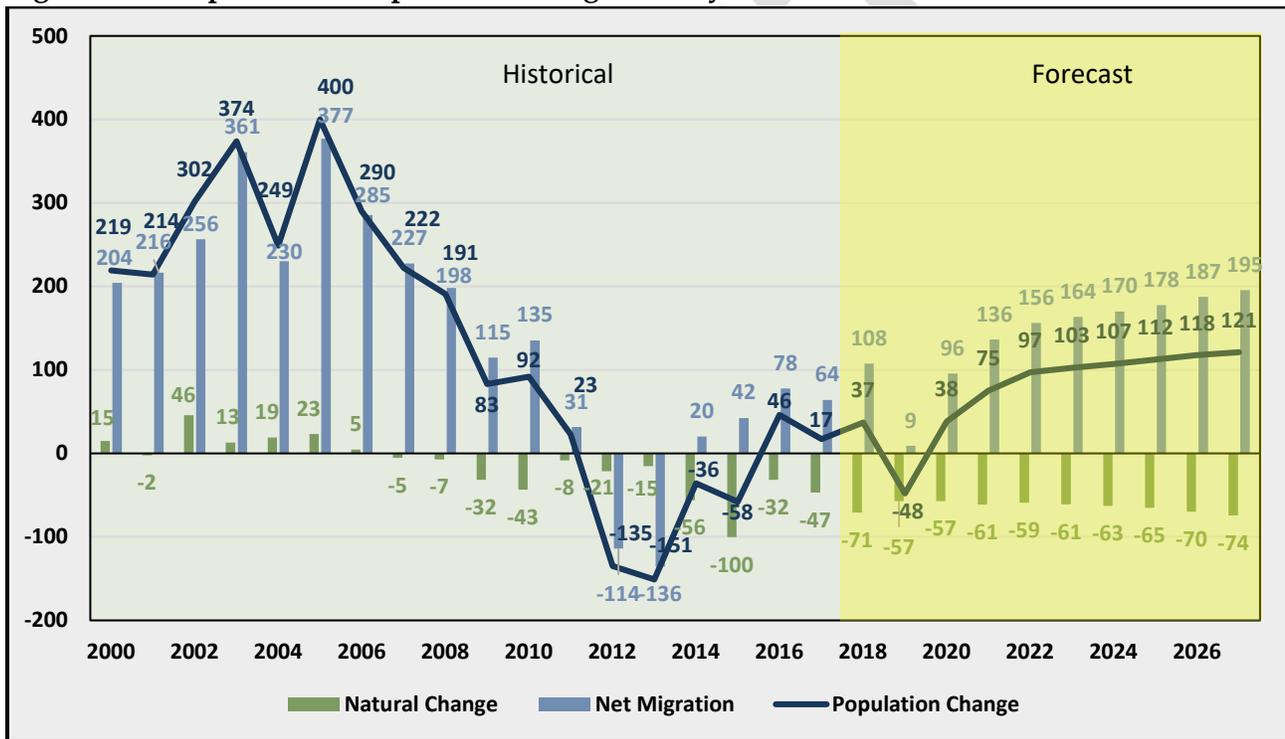
Since 2010, mid-year population estimates from the U.S. Census Bureau indicated that the natural change has turned slightly negative in the Town, with the number of deaths higher than the number of births. This has contributed to a net loss of -280 residents over the six year period between 2010 and 2017. Net migration, no doubt adversely impacted by the “Great Recession,” changed from providing nearly all of the net increase in the Town's population growth during the 2000s to flipping to a small net population loss of -14 residents in the years since 2010. Since much of a region's population in-migration is tied to the performance of its economy, the leveling of population in-migration during a period that included a long and deep recession was not at all surprising.

However, with the positive outlook through 2027 for the U.S.-regional economy, given the Town's ethnic make-up,¹³ and considering the Town's graying population (see above), this study

¹³ With a population that was 96.1% Caucasian as of 2016—with that demographic category's very low birth rates—according to the 2016 American Community Survey.

expects that the overwhelming majority of the Town’s future population change will be driven by economic migration. Based on the study’s long-term economic and demographic forecast (see Chapter 3), we also expect that population in-migration over the 2017-2027 period will be positive and will be enough to push overall population growth in the Town back into positive territory by 2020 (see Figure 1.9 below). This forecast has significant implications for the Town’s (and region’s) future economic performance, and all of the attendant policy issues (including labor force development needs and the workforce housing needed to support those labor market requirements along with impacts on local K-12 schools and higher education), and the environmental cross-pressures that many of these associated issues will prompt going forward.

Figure 1.9 Components of Population Change-History and Forecasted 2000-2027



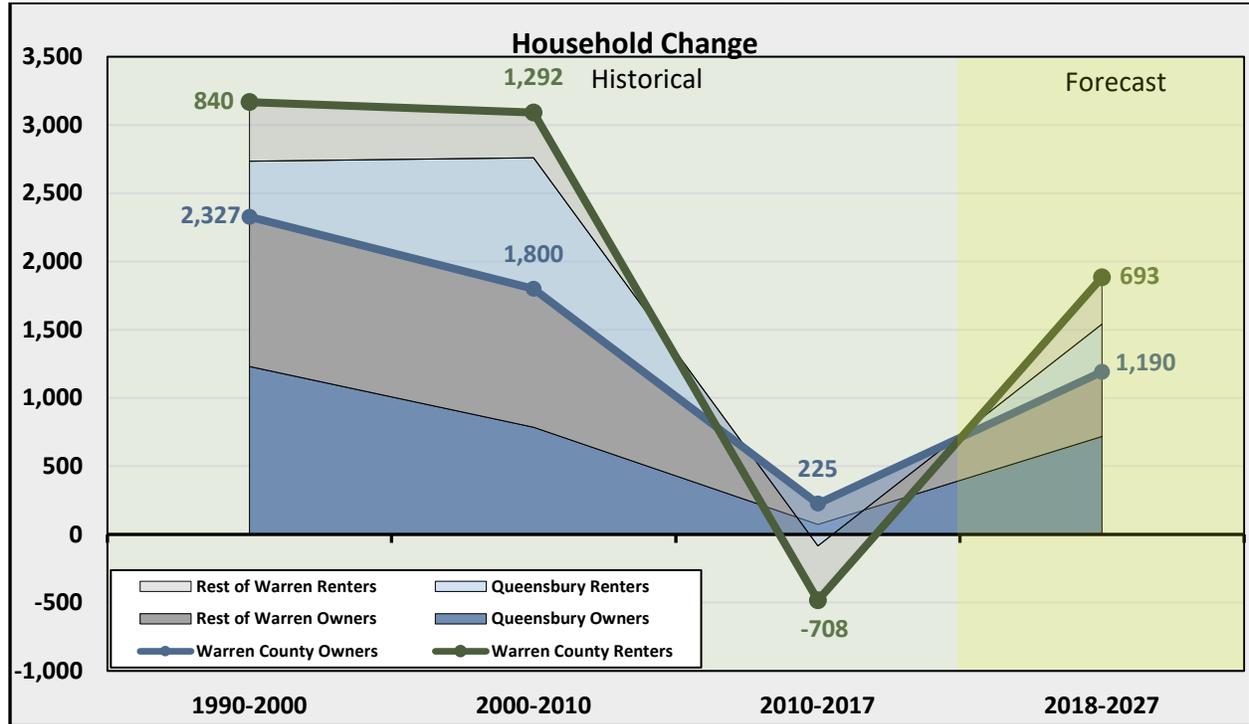
Key Finding #3—The Town’s Historical Role as an Economic Center and a Provider of Regional Workforce Housing Will Continue in the Future.

Over the last nearly three decades, the Town has played a leading regional role in hosting key regional employers and for providing housing to the regional population. During the 1990-2017 time frame, a total of 54.5% of total household growth in Warren County overall (and a total of 97.7 percent of population growth for the county¹⁴) was in in the Town. This leading role is expected to continue over the study’s forecast period with over half (or 63.2 percent of the county’s expected 1,883 household growth over the forecast period) expected to occur within the Town (see Figure 1.10 below). Among the two principal housing tenure categories, the study’s

¹⁴ Largely because the Town lost less population over the 2010-17 period than the area in the county outside of the Town—which lost a significant number of residents.

long-term forecast indicates that the Town is expected to account for 56.7 percent of total household growth in the county over the 2018-2027 period—with the Town accounting for 60.3 percent of the county’s total owner household growth and 50.5 percent of the county’s renter household growth.

Figure 1.10 Household Change in the Town of Queensbury and Warren County



Key Finding #4—Current Housing Cost Stress in the Town Appears Manageable—But This Will Worsen Over the Next Decade Without Action.

The study estimated that housing cost stress in the Town in the base year of 2016 (see Figure 1.12 below) was limited to the lowest household income category (at or below 50% of the median household income level) for owners and the bottom three household income categories for renters (or for the household income categories at or below 100% of the median). Compared to many other municipalities, regions, and States throughout the northeast, these 2016 housing cost stress benchmarks are relatively “manageable,” and in many jurisdictions would very likely be envied. As such, these benchmarks mean the Town has the opportunity to address its workforce housing issues from a position of relative strength, before the measures of housing cost stress rise to a level that would indicate that affordability in the Town for a large number of households may have eroded to the point of constituting a genuine housing cost stress-based crisis.

Exhibit 1.12 Existing Housing Cost Affordability Gap in the Town of Queensbury (2016)¹⁵

¹⁵ Red text indicates the first income category that currently has a cumulative over-supply of housing units.

Town of Queensbury-Estimated Affordable Gap for Owner Units, 2016					
% of Median Household Income	<50%	50% to 80%	80% to 100%	100% to 120%	>120%
Median Household Income	\$38,357	\$61,371	\$76,714	\$92,057	
Affordable Price [Excludes Transportation Costs]	\$99,679	\$189,321	\$243,646	\$297,735	
Estimated Unit Demand	1,450	1,592	1,092	850	3,403
Estimated Unit Supply	865	2,393	1,620	1,440	2,069
Affordability Gap in Units (Demand minus Supply)	585	-801	-528	-590	
Cumulative Demand	1,450	3,042	4,134	4,984	8,387
Cumulative Supply	865	3,258	4,878	6,318	8,387
Cumulative Gap	585	-216	-744	-1,334	
Town of Queensbury-Estimated Affordable Gap for Renter Units, 2016					
% of Median Household Income	<50%	50% to 80%	80% to 100%	100% to 120%	>120%
Median Household Income	\$19,048	\$30,476	\$38,095	\$45,714	
Affordable Rent [Excludes Transportation Costs]	\$476	\$762	\$952	\$1,143	
Estimated Unit Demand	804	190	494	284	1,212
Estimated Unit Supply	265	206	763	653	1,099
Affordability Gap in Units (Demand minus Supply)	539	-15	-268	-368	
Cumulative Demand	804	995	1,489	1,773	2,985
Cumulative Supply	265	471	1,234	1,886	2,985
Cumulative Gap	539	524	256	-113	
Source: U.S. Census Bureau, American Community Survey			Prepared by Economic & Policy Resources		

The above situation presents Town residents, policymakers, and stakeholders with both opportunities and challenges. On one side, the size of the workforce housing cost stress “gap” is not large, and the Town is presented with the opportunity to get out of its situation before the size of the problem grows to require decades to recover from—as long as it can develop a “sufficient consensus” to move forward to address those relatively small, but still significant gaps. On the other side, as mentioned above, it is difficult to develop an appropriate level of urgency to take the sometimes difficult steps to address the problem among Town residents because a “sufficient consensus” is not present to take action. This can particularly be an obstacle for housing policy of this nature, because many “best practices” policy solutions of this type can be expensive and involve sometimes politically unpopular changes within communities. As stated above, “threading the needle” to devise and implement policies will be challenging and will test the will of Town residents to thoughtfully address these workforce housing affordability issues before they become a potential crisis.

This is the case because this study found that housing cost stress in the Town can be expected to increase significantly over the next ten years. This is because many categories of housing costs for both owners and renters are expected to increase at a rate that is roughly double the expected

increase in household income growth for both tenure categories over the 2016-2027 period. As a result, the number of housing cost stressed households are expected to increase in both tenure categories across a broader range of household income categories (see Exhibit 1-13 below). The table shows that housing cost stress can be expected to engulf a larger number of households in an increasing number of household income categories in both tenure categories.

Table 1.13 2027 Forecasted Affordable Gaps by Tenure in Queensbury¹⁶

Town of Queensbury-Estimated Affordable Gap for Owner Units, 2027					
% of Median Household Income	<50%	50% to 80%	80% to 100%	100% to 120%	>120%
Median Household Income	\$48,999	\$78,399	\$97,998	\$117,598	
Affordable Price [Excludes Transportation Costs]	\$112,735	\$201,365	\$260,845	\$320,081	
Estimated Unit Demand	1,585	1,726	1,220	796	3,804
Estimated Unit Supply	695	1,356	1,411	1,334	4,335
Affordability Gap in Units (Demand minus Supply)	890	370	-191	-538	
Cumulative Demand	1,585	3,311	4,530	5,326	9,130
Cumulative Supply	695	2,051	3,462	4,795	9,130
Cumulative Gap	890	1,260	1,069	531	
Town of Queensbury-Estimated Affordable Gap for Renter Units, 2027					
% of Median Household Income	<50%	50% to 80%	80% to 100%	100% to 120%	>120%
Median Household Income	\$24,109	\$38,574	\$48,217	\$57,860	
Affordable Rent [Excludes Transportation Costs]	\$603	\$964	\$1,205	\$1,447	
Estimated Unit Demand	915	428	350	273	1,431
Estimated Unit Supply	283	116	500	687	1,810
Affordability Gap in Units (Demand minus Supply)	632	312	-150	-414	
Cumulative Demand	915	1,343	1,692	1,965	3,396
Cumulative Supply	283	399	899	1,586	3,396
Cumulative Gap	632	943	793	379	
Source: U.S. Census Bureau, American Community Survey			Prepared by Economic & Policy Resources		

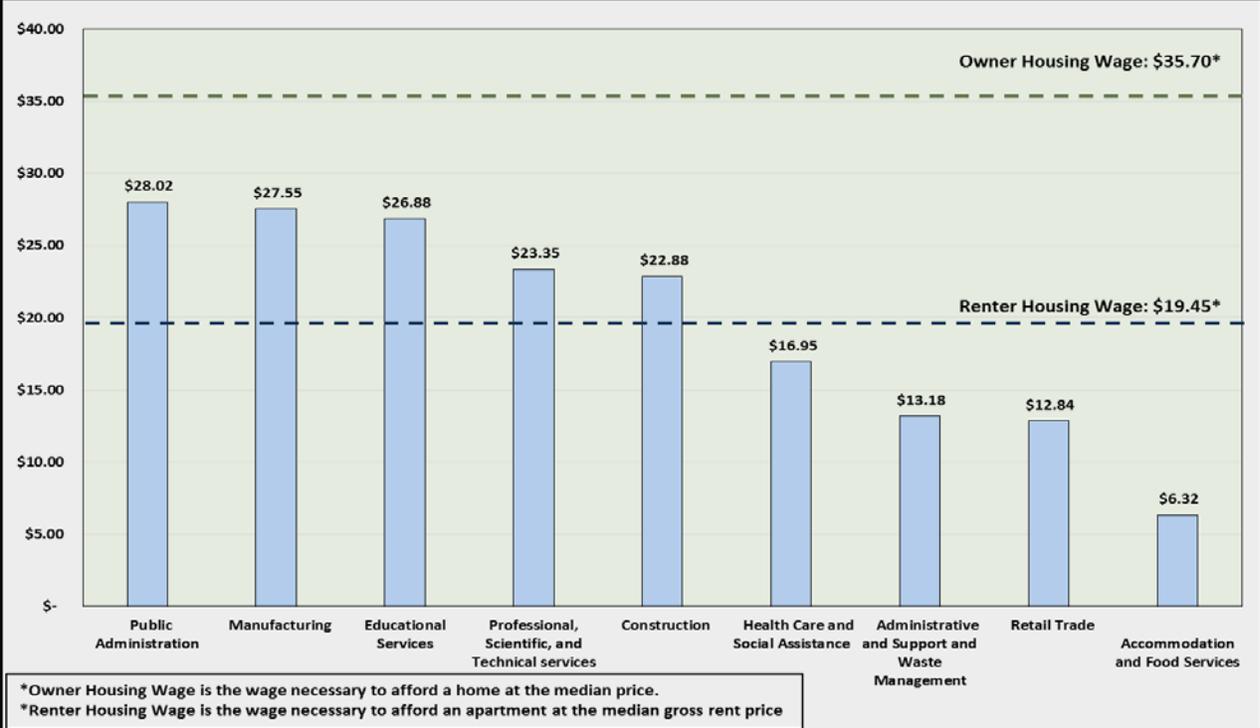
Indeed, by 2027 both renters and owners have a unit gap at all income levels up to 120% of median income by tenure category. This shows there is likely to be a significant affordability problem for owners and renters and units affordable at below the 30% threshold will be largely unavailable leading to many households becoming “housing-cost burdened”. This change from 2016 is largely due to a significantly faster rate of increase for rent and home prices than for incomes through the forecast period.

¹⁶ The reader will note that there is no red text on these tables as is there no income category that has a cumulative over-supply of units in 2027.

Key Finding #5—Many Single Wage Earner Households Are Housing Cost Stressed with Few Signs of Relief Forthcoming

Reflecting the economic realities of our times, many single wage earner households in the Town are housing cost stressed (See Figure 1.14 below). The chart compares hourly median wages paid during calendar year 2016 in the Town’s nine largest job categories and compares that wage to the median costs of occupying an owner or renter unit on a full-time or 2,080 hours per year basis. As such, the chart presents housing cost by tenure on a full-time worker per hour basis in order to compare what a single wage earner in a household would need to earn per hour to avoid being housing cost stressed.

Figure 1.14 Median Wages by Sector and Renter/Owner Housing Wages



For residents of the Town participating in the workforce, the data show that single wage earner households were likely experiencing significant levels of housing cost stress in calendar year 2016—the base year for the study. From the data, single wage earner households would have very likely been housing cost stressed in 2016 if they had occupied an owner unit and worked in any of the Town’s nine largest job categories. For single wage earner households occupying a renter unit, renters working in five of the nine major job categories in the Town would earn a high enough hourly wage on average to pay the typical costs of occupying an renter unit without being housing cost stressed (including the job categories of Public Administration, Manufacturing, Educational Services, Professional, Scientific, and Technical Services, and Construction). In the other four job categories, single wage earner households were likely to be earning an average

wage that would not enable their household to avoid being housing cost stressed, unless there was a second wage earner or the household had sufficient wealth to pay those costs. In today's economy, two wage earner households are more the "norm" than the exception. This housing cost stress situation in the Town is unlikely to change over the study period as affordability pressures in both tenure categories are expected to increase over the 2017-27 time frame (see Key Finding #4 above).

WHY WORKFORCE HOUSING? *[POSSIBLE CHAPTER 3?]*

For business advocacy groups and government officials (and in particular for local government officials), expanding affordable workforce housing options has recently been attracting more attention as a means to assist in the implementation of broader strategies working toward building healthy, livable, and sustainable communities. Among the more traditional constituency of organizations who are involved with addressing the often formidable affordable housing challenges of many regions, these groups' interest in workforce housing appears linked to the workforce housing issue's ability to bring additional focus on, and potentially additional resources to, the many affordable housing challenges that have been well-documented in so many areas throughout the country, and also identified across the State of New York.¹⁷

For the Town, the work force housing issue provides an opportunity to work to devise a set of strategy options that are designed to address the policy gap that exists between the more traditional, federal, state, and federal-state cooperative affordable housing programs and those which would facilitate the development of affordable workforce housing. For the most part federal, state and federal-state cooperative programs are targeted towards the lowest end of the household income scale and provide assistance to households that may or may not necessarily include wage earners. These programs are designed to provide assistance to renters, or encourage the development of new rental housing units—such as through the Low-Income Housing Tax Credit Program. While the housing affordability challenges of the lowest household income categories are well known and have a number of well-developed programs and services-delivery constituencies to implement the programs that are available, the range of household incomes where most work force housing challenges are found, does not.

This is because the majority of the traditional affordable housing programs generally do not provide assistance to the households that are in the household income categories that are above the lowest levels (with the notable exception of perhaps the FHA loan program) such as those between the 50% of the median and 120% of the median household income levels. For those working households in this range of household income—many of whom would be viewed as "middle class households"—program assistance to assure affordable workforce housing is scarce, even though earnings levels of the members of those working households will generally not allow them to find affordable housing within a reasonable commuting distance from their work place.

¹⁷ See https://www.osc.state.ny.us/reports/housing/affordable_housing_ny_2014.pdf#search=%20housing.

While workforce housing strategies would begin to address that situation,¹⁸ the policy environment has largely been left to local governments on the municipal and county level to initiate, design and implement such programs almost entirely on their own. The Town should also be very concerned about that policy vacuum because it is precisely those middle household income categories—the ones that could potentially benefit from a cohesive set of affordable workforce housing policies—that are the households this study found that are likely to experience the largest increases in affordability pressures over the 2017 through 2027 study period.

SUMMARY OF POLICY OPTIONS-OPPORTUNITIES.

When undertaking this study, the EPR-CA Team understood that this study followed a significant body of past work in the community on a number of topics that were close to, but not always “exactly on point” when it came to the affordable workforce housing issue. Even so, it was important for this study to utilize, and when possible build upon, this past body work. As a result, we spent time reviewing the Town of Queensbury Affordable Housing Strategy that was completed back in December of 2003. Our team also consulted the Town’s Comprehensive Plan (as noted above) in order to get a sense of the community’s collective vision and how residents suggested that the Town realize that vision. We also reviewed the June 2015 “Pathways to Progress: Charting a Course for the Adirondack Gateway Region,” which identified a number of affordable housing and other strategies that were thought to be important to the entire Adirondack Gateway Region’s future. Throughout the study process, the EPR-CA Team sought to use every good idea, update whatever needed to be updated, and incorporate any relevant information from the past into the study.

As such, the recommended strategy options presented in this study for the Town’s consideration come from the above perspective. In addition, the EPR-CA Team also made additions to the filtering criteria for this study’s recommended strategy options. For this study, any proposed strategy option should: (1) be collaborative with existing stakeholders who have the expertise-interest in the workforce housing and related issues; (2) leverage the Town’s invested resources—in order to make the greatest impact possible for the Town’s investment; and (3) emphasize incentives versus imposing mandated requirements (e.g. using a “carrot” versus a “stick” approach), because using incentives appear at this time to be the “best fit” for the facts on the ground within the Town. With that context as background, this study recommends the following list of strategy options be considered by the Town.

¹⁸ Sullivan, Wendy. *The Impact of Affordable Workforce Housing on Community Demographics, Economies, and Housing Prices and Options*. 2014.

Strategy Option 1: Work with the Local-Regional Affordable Housing Community to Assure the Town Efficiently and Effectively Meets the Challenges of Housing Affordability Stress among Its Households at the Lowest Household Income Levels

The study's long-term forecast and forward-looking housing affordability estimates document that the next ten years is like to bring intensifying housing affordability pressures across the lower- and middle- household income categories. For example, this study found there is in fact a significant number of households that are currently housing cost stressed (corresponding to the Town's unmet need in this regard there are an estimated 256 households at or below 100% of median household income level for renters that were housing cost stressed in 2016 and another 585 households in the at or below 50% of median household income level in the owner category in 2016 that were housing cost stressed) in both tenure categories among the lowest household income levels that could potentially benefit from such a collaborative project.

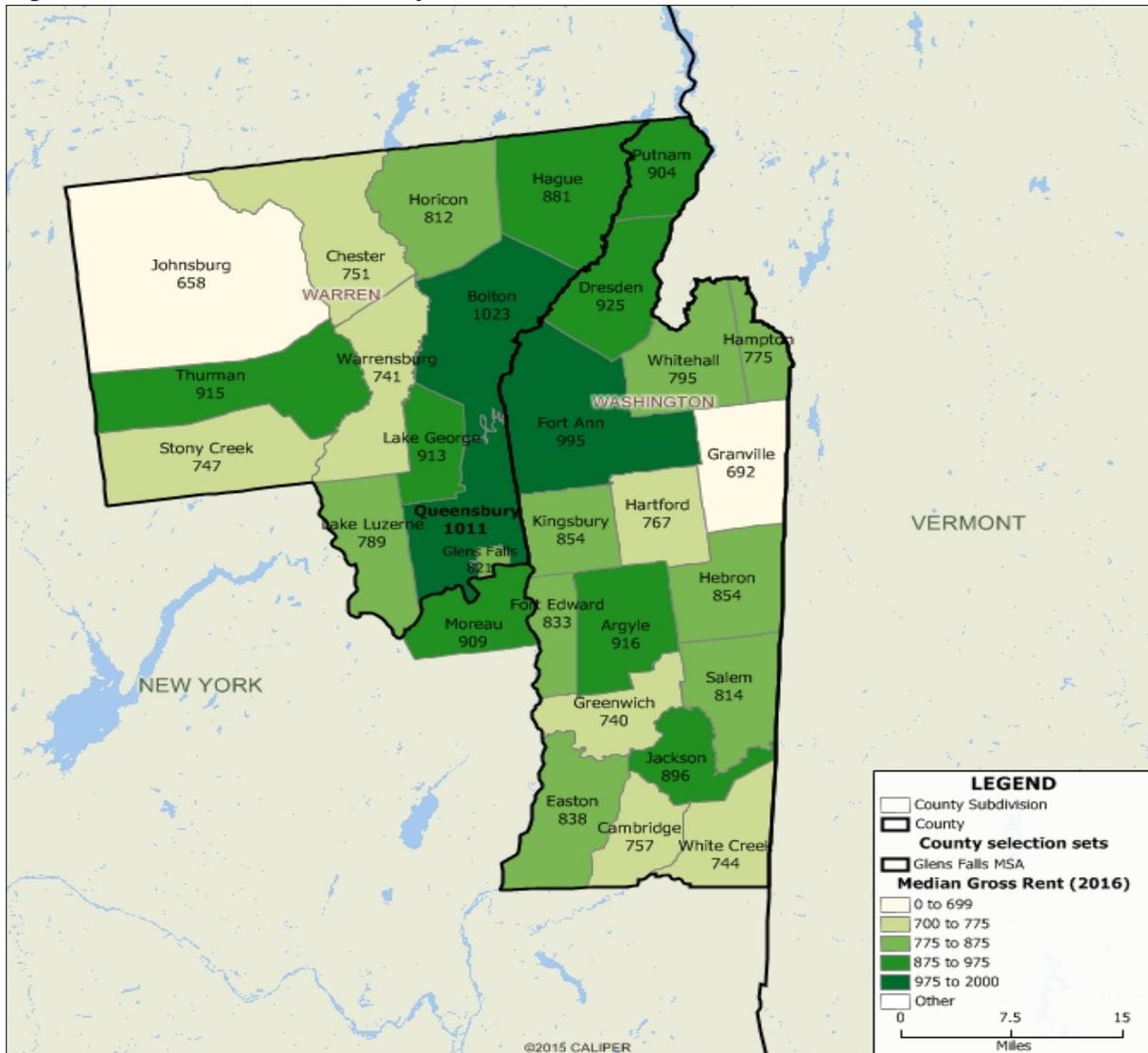
Currently, the region has a vibrant, well-developed and effective network of stakeholders that have a long track record of effective policies to address the housing affordability needs of households at the lowest household income levels. Based on our extensive stakeholder interviews during the study, this network has stated the desire to do more of what it is already doing and undertake new projects designed to help address the Town's affordable housing needs in this regard within the traditional housing affordability program framework.

In light of the above, our first Strategy Option for the Town to consider is our recommendation that the Town take on an active role in working with the regional low income housing affordability advocacy to more proactively and collaboratively address this worsening situation. By collaborating with this well-established network of expertise, the Town will be able to leverage its resources in this regard, and at the same time preserve some capacity to take on the emerging workforce housing challenges where there is currently a policy vacuum.

Focusing some Town efforts and resources of the regional housing affordability challenges is supported by data from the 2016 American Community Survey regarding monthly gross cash rents paid by households in the Town, where Queensbury had the second highest median gross monthly rent in the entire Glens Falls Metropolitan Statistical Area (see Figure 1.15). At the level of \$1,011, the Town was second only to the Town of Bolton (at \$1,023 in cash rent paid per month). As rental units are expected to continue to be a growing and important part of the Town's housing supply going forward through calendar year 2027, taking steps to support and encourage the already well-developed, existing regional stakeholder network to continue to work on solutions to address these renter unit affordability issues is recommended for consideration by the Town

as an important part of the strategic mosaic of policies employed to address the Town’s affordable workforce challenges.

Figure 1.15 Median Gross Rent by Town in 2016



This approach is recommended for a number of reasons. First, working with and encouraging these on-going efforts by the broader, non-profit affordable housing stakeholder infrastructure is consistent with the Town’s historically leading regional role in hosting economic and population growth (and receiving the benefits of that growth). As such, this approach would help the Town meet its corresponding¹⁹ responsibility to participate in addressing the region’s overall housing affordability challenges. Further, an active, participatory effort in this regard would enable the Town to utilize the competencies and leverage the resources of the already existing, well-

¹⁹ At least this responsibility would be an implied responsibility within the context of recent dynamics and shares of regional economic growth and demographics.

developed, traditional, regional affordable housing services delivery infrastructure without having to develop duplicative expertise and programs on its own. As such, this would be consistent with the proactive, collaborative, and leveraging type of approach to the strategy options this study recommends be fully explored. Moreover, utilizing such an approach would enable the Town to more appropriately focus on the workforce housing issue where there is a significant policy void.

The stakeholder interview process found that there was at least one non-profit group interviewed during the study which indicated a desire to undertake a project to address the housing cost stress of lower household income households in the Town within the geographic boundaries of the Town if a suitable-acceptable site could be found. This seems to be a legitimate opportunity worth exploring and should be followed up on by appropriate Town representatives and staff. The project, after further specification and development, should move through the Town review process like any other residential project and should likely be sited in keeping with the character of existing neighborhoods so as to minimize potential NIMBY²⁰ and other similar types of opposition that frequently must be effectively dealt with when developing such projects. Active Town participation in an affordable project (or perhaps even a few over the next 10 years) need not be neighborhood altering or detrimental. Active involvement can help assure that any and all such projects become an asset to the Town—which is far easier to do when it is a partner “at the table” in siting and developing such project opportunities.

Strategy Option 2: Use the Power of the Town’s Zoning—including Planned Unit Development Zoning (PUD)—to Encourage Quality-of-Life Enhancing, Non-Intrusive Workforce Housing Development

The Town’s affordable housing strategy back in December of 2003 identified a number of zoning-based strategies that could be employed by the Town to encourage the expansion of affordable housing within the community.²¹ The zoning analysis in the Town’s Affordable Housing Strategy report identified opportunities in the Town’s PUD process, and opportunities for using such well-known approaches as clustering housing, “in-filling” of units, and even the consideration of rezoning of vacant land with access to public water and waste water so that residential development would be allowed on parcels as small as 20,000 square feet. Although the Town ultimately did not elect to move forward with those specific ideas, our analysis indicates that at least some of those approaches could be further developed and adapted to address the Town’s affordable workforce housing needs.

We recommend that the Town consider pursuing an affordable workforce housing strategy designed to encourage increased unit densities within the parts of the Town that could

²⁰ The term NIMBY refers to “Not In My Back Yard.”

²¹ See Town of Queensbury Affordable Housing Strategy, December 2003, pp. 40-43.

accommodate such projects in an unobtrusive manner, and which would ideally utilize existing water and waste water capacity within the Town. Specific initiatives would be configured as higher unit density incentives (such a “density bonuses”), as opposed to unit density requirements (e.g. through so-called inclusionary zoning which are widely used in municipal jurisdictions in the State of Massachusetts). We think the use of incentives is more in keeping with the current and near-term market demand and market supply conditions within the community on the ground. Options to increase density could run along the lines of the full range of recommendations (e.g. clustering, unit “in-filling,” amending the PUD process, accessory housing units, etc.). This strategy option for increasing affordable workforce housing options may also include undertaking prospective zoning changes (or re-zoning) that would allow such residential development in areas that are currently not zoned residential, but had the physical and infrastructure attributes that could. We recognize that one of the more important considerations under this strategy option is a model list of criteria that a prospective project would need to meet in order to be considered as an “affordable workforce housing project.” This list of eligibility criteria should reflect a consensus of a broad number of interested stakeholders in the community and be limited to only appropriate areas within the Town’s many different neighborhoods and areas. [Note to Stu—we will provide a “model list”....and we will do that in the next draft.]

The EPR-CA Team recognizes that adopting zoning changes that would encourage higher housing unit densities in certain parts of the community might appear on the surface to run counter to the longstanding unit density bonuses currently provided in the Town’s zoning regulations where project applicants-sponsors make efforts to preserve open space and improve recreational amenities. However, increasing unit density is not only key to having such workforce housing units priced or rented at affordable levels, it also is consistent with encouraging the type of higher density housing that discourages settlement patterns where units are developed on the periphery of Town where land prices are lower and are farther away from the Town’s and region’s employment centers. In that way, increasing density can be a useful tool for encouraging the type of settlement patterns related to future economic and population growth that would actually help preserve the Town’s open space assets and high-quality recreational assets. At the same time, more compact development would also help in developing the type of population density that would encourage the expansion of transit options—which we believe is an approach consistent with the vision and objectives of the Town, even though a specific transit plan is not explicitly mentioned in the Comprehensive Land Use Plan. There are a number of “density bonus” zoning regulations that support the development of higher density housing. We include the language of the City of Austin Texas as an example (See Appendix XX—to be determined). This language could be adapted to target the specific household income levels that correspond to the workforce housing target of these strategy options.

Within this broad strategy option is also a number of other potential candidate zoning-based sub-strategies that are worthy of consideration by the Town. These include changing (e.g. reducing) the current size requirements for units and parcels, allowing for so-called “cottage housing” development,²² zoning changes that would allow for apartment units to be converted to condominiums, and allowing workforce housing projects to receive expedited application consideration-review by the Town.

[Stu: This section is a candidate for further fleshing out with Michael’s perspective and expertise.]

Strategy Option 3: Undertake Steps to Facilitate the Funding and Completion of a Collaborative and Detailed Housing Market Preference Study

This study suggests that the Town consider working collaboratively with the key stakeholder groups in the county (e.g. the Warren County Economic Development Corporation, the Adirondack Gateway Council, etc.), peer municipalities in the county, traditional affordable housing stakeholder organizations (e.g. members of the region’s well engaged housing non-profits) throughout the region, and key private sector stakeholders (e.g. key regional employers and construction firms that might be part of the constituency for this study to construct units for the housing inventory) to commission and fund a regional market preference study (including detailed market preference data by municipality, tenure and type) to provide critical information on how to distribute countywide demand for housing by different market segments. It will also provide a level of housing market details that has not been generated previously for the region. While this study provided detailed analysis of future housing market demand by tenure and affordability, there are many micro-market details that are currently unknown that would be identified and quantified by the study.

The study would be an important next step to furthering the actual development of affordable workforce housing in the Town by providing private developers and potential non-profit partners with detailed market information of consumer preferences that could be used to determine product preferences by key the market segments that play a role in encouraging a smoothly functioning Town and regional housing market with an eye towards product that enables affordable workforce housing—directly and even indirectly.

Based on the EPR-CA Team’s more than 25 years of experience with housing supply and demand studies, we have found that a typical housing lifecycle has 5 stages:

- (1) The housing life cycle starts with young renters who after a few years start to earn more income and enter into their second phase;

²² Cottage Housing is a type of coordinated neighborhood design where a group of small, single-family housing units are clustered around a common area with shared amenities. The shared common area is typically used to allow for higher unit densities that are allowed in typical single family neighborhoods. In some municipalities, this has recently been employed as an “in-fill” strategy which hopes to reduce costs to households versus traditional single family housing while minimizing the impact of higher unit densities on adjacent neighborhoods.

- (2) This involves the household either renting single family attached units like condos or townhouses with one or two bedrooms, or buying the same;
- (3) In the third phase of the lifecycle, households create families and their demand preference for space increases, and they move again to a larger home;
- (4) Fourth, when the household's children leave, and become young renters themselves, and the "empty nest" household (often a couple) starts to look for downsizing opportunities by looking into retirement communities or neighborhoods with smaller units similar to those they were in as young unmarried professional;
- (5) Fifth, after this phase these households tend to move yet again, either by choice or necessity, into independent living facilities or assisted living facilities.

Within the Town and the greater Glens Falls region, aging population dynamics often mean that the last two stages, mostly the fourth, are being missed by the market. Our experience indicates that often in aging regional and municipal populations, healthy and independent seniors are not downsizing—many times because they cannot because the marketplace is just not providing the type of quality housing unit choice at price points and/or rent levels demanded in desirable locations. This, in turn, puts a greater strain on the existing stock to serve the current population. Increasing stock to serve the soon to be largest demographic group in the Town could potentially be essential to assuring a properly function regional housing market—and the ability to provide affordable workforce housing options within the Town.²³

A housing preference study would also ideally develop actionable market preference information regarding all other major market segments including young renters, households without children, and families by all age groups, tenures, and household incomes. By "actionable," the EPR-CA Team means sufficiently detailed and robust information that would support the use of this study as part of an application for debt financing from a local or regional lender or financial institution. Representative and appropriately detailed market segment demand-preference data might cover/include the following segments: (1) Unit types: Condominiums; townhouses; single family attached and detached, mobile homes and possibly other housing types; (2) Degree of Compactness: Number of units per building; yard sizes, density of neighborhoods; (3) Location: Proximity to the Town's high density housing neighborhoods that border with Glens Falls; proximity to services and entertainment options; (4) Public Infrastructure: importance of public transit, road conditions, traffic, preferences for public sewer, private vs. public water; (5) Possible Interior design alternatives (e.g. including desired features by housing demand segment): such

²³ This dynamic is also somewhat confirmed by 2016 American Community Survey data which shows a large number of households, headed by persons over 60 years of age, occupying higher than average priced owner housing units with the less than 2-person average household size. This implies there is a number of older, empty-nest households that could be looking to downsize—if they only had affordably priced and appropriate down-sizing options. This proposed market preference study could be helpful in confirming that dynamic—if it in fact is the case—and provide credible support for projects to obtain financing to develop projects designed to address this market condition.

as the number of bedrooms and baths; bathroom amenities; kitchen amenities; storage; entertainment rooms; laundry; entrance way; garages, and (6) Exterior Design features: including patios, porches, decks, driveways. This study would also ideally include a statistically robust market sampling method. Members of the Committee or Commission as recommended for consideration (see Strategy Option 5 below), members of the Town's building professionals, and Town and regional real estate agents should play a lead role in designing the market research questions. The study might include a section regarding the demand for seasonal housing units. However, at this point the EPR-CA Team believes the workforce housing emphasis of this effort means that the market preference study should primarily focus on units for year-round residents in and out of the workforce.

In short, a housing preference study is recommended to assist the Town's in identifying the various direct and indirect approaches to helping expand the supply of affordable workforce housing. At times, some of the most effective strategies are those which address other shortcomings-inefficiencies in the functioning of the municipal and regional housing market that then enable other actions that more directly address the target housing segment. Studies such as the one recommended, are often key to getting the industry in forward motion by supplying the type of market information developers need to design and obtain financing for such projects. The EPR-CA Team believes Town support, even possible coordination of the scope of services and grant-public-private sector funding support of such a study—would be another example of a collaborative, leveraging strategy that would facilitate a very important foundational piece of research that would accelerate the development of critically important housing supply in the Town.

Strategy Option 4: Consider Undertaking a Unique Collaborative Project Opportunity to Develop Affordable Student Housing to Support Full-Time Students at SUNY Adirondack Community College

The stakeholder interview process included a session with the President of SUNY Adirondack Community College and other key SUNY Adirondack staff, a Board member, and Town officials where there was discussion regarding a unique opportunity to provide an on-campus housing option for part of the roughly 3,000 students currently commuting to campus (of which over half are reported to be full-time students). SUNY Adirondack has an enrollment of roughly 3,400 degree students and currently only about 400 of those students (or less than 15% of the college's total degree-student enrollment) are currently housed "on campus."

From the discussion of the stakeholder session, it was reported by SUNY representatives-staff that its students often seek housing at distant locations from the campus in Queensbury in lower housing cost locales such as Fort Edward, Hudson Falls, and municipalities in Washington County that require significant travel and significant levels of transportation expense for students.

In the past, SUNY Adirondack constructed and are now using the existing dorms on campus utilizing a non-profit entity that was established specifically for the purpose of constructing student housing. Representatives of SUNY Adirondack during the stakeholder meeting for this project expressed an interest to work with the Town to develop a student housing project to house additional students on their campus. With available vacant land, a non-profit housing entity that was established for this purpose, and what the SUNY Adirondack representatives indicated was “ample demand,” they indicated a willingness to go forward with the Town to build “a financially viable” project.

Although this potential project is not exactly an affordable workforce housing project, the EPR-CA Team believes this unique project is worthy of further exploration by the Town. The Town’s participation in this potential project also could be used as a “low risk” means to establish the Town’s affordable workforce housing processes and procedures, along with the policy development and staff/committee/commission resource infrastructure needed to implement the affordable workforce housing strategies contemplated by this study. It also could be helpful in further identifying all of the sometimes subtle linkages to other Town and regional initiatives that may be needed to fully support the community’s affordable workforce housing initiative. Further, the project also provides the opportunity for collaboration with a key community stakeholder, the potential for leveraging the Town’s resource commitment that would be required for the potential project, and would likely make, when completed, a significant contribution to “smart growth.” The “smart growth” attributes of the project include: the potential to reduce commuter traffic (and therefore congestion and transportation-related pollution in the Town through a reduction in vehicle miles traveled), the potential to provide the Town’s commercial base with additional customers in an advantageous location; and the project could perhaps even add enough population density to provide further encouragement for expanded transit options within the Town. Although the proposed project may also require a zoning change, the process for initiating such a change could be helpful in terms of a dress rehearsal for any affordable workforce housing-based zoning changes to potentially be considered in the future.

Strategy Option 5: Consider Creating a Workforce Housing Advisory Committee (or Commission) as the Central Coordinating Body to Oversee Affordable Workforce Housing Policies in the Town

To effectively implement Option 1 (above), the Town is going to need a policy assessment-analysis, decision, and implementation infrastructure to oversee and be a repository for the Town’s policy development and implementation. The Town’s likely continuing leading role within the county as an economic engine and as a current provider of a significant portion of the regional housing stock for the population of the greater Glens Falls region means it likewise has a leading role and responsibility in the provision of affordable workforce housing options in the region as the economy county’s economy continues to grow. Whether or not the Town decides it is in its interest to willingly embrace its regional role in this regard, the evidence strongly

indicates—along with past and likely future economic and demographic dynamics of the region—that the Town will continue to play a similar central or leading role in the region’s future growth dynamics either by default or design. As such, whether the Town accepts its likely future role or not, it is far better to actively accept a role in shaping events versus sitting back and simply accepting the outcomes of this future growth and its implications for the settlement patterns in the Town that such future growth implies.

The best way to effectively manage the implications of this potential future economic and population growth on the quality of life and the high quality recreational assets of the community is to actively engage with stakeholders and design the full range of options necessary to assimilate this future development activity sustainably and with minimal impact of the community’s “quality of life.” While there are many independent private and non-profit entities operating within the region but with separate missions and niches organized to try to expand the supply of affordable housing in general, there is no organization that forces the integration of these efforts for the common purpose of encouraging affordable workforce housing. The Town appears positioned to fill that role and advance what looks to be a promising opportunity to fill an important municipal and regional policy vacuum.

Experience shows that the best and most impactful policy decision making on the local municipal level is made with broad stakeholder representation, including an appropriate mix advocates, users, and providers. It is therefore recommended that a number of credible representatives from all three of the above listed groups be represented. The Town’s Community Development Department staff [OK with this Stu?] would be the ideal staff organization within the Town to provide staff support and resources for this effort. A new entity of this type, with a credible mix stakeholders on the demand and supply side of the workforce housing issue, with appropriate level of staff resources-support would send the message that the Town is serious about effectively dealing with these issues and preserving the open spaces that its residents demand. This appears necessary to overcome a possible perception that the Town does not have a serious or emerging problem in affordable workforce housing, and to help overcome any residual public perception there will be no concrete action on the policy options listed in this study going forward, just like what happened in the Town following over the 15 year period since the 2003 study was completed—when only one strategy recommendation was actually implemented.

A Final Word

The consulting team that undertook this workforce housing needs assessment study is the just the beginning of the next phase of a long-term, living process within the Town to help make the community a sustainable, livable community consistent with the vision and goals as set forth by its Comprehensive Plan (discussed previously). As such, the investigative process started by the publication of this report is not yet finished. The data collection, analysis, and long-term forecast is completed. There are many interrelated development issues, policies, and history that brought

the Town to its current housing status. The strategy options are based on the consultant's best interpretation of the findings combined with professional experience. We believe the Town would benefit with additional discussions and additional information coordinated through the Workforce Housing Advisory Committee (or Commission) as recommended above.

During this project, the EPR-CA Team held more than twenty hours of meetings and interviews with more than 20 stakeholders and groups operating within and knowledgeable about the broader affordable housing situation and the homelessness situation in the Town and region. One of the most prominent outcomes of the policy session was the need to continue this dialogue. Continuing those discussions and using the data and findings of this report is key to ensuring that future policy discussions use the best information and facts available to address these matters effectively.

DRAFT