

Housing For Everyone

By Megan Tennermann, AICP

“Every American—regardless of income—should have a fundamental right to safe, decent and affordable housing. Stable and affordable housing is not only essential for a person to live with dignity, but without it, economic opportunity is simply an illusion. It is difficult for families to keep up, and near impossible to get ahead or save for retirement or higher education. Without a stable home, children suffer emotionally and at school. Seniors cannot possibly retire with dignity and respect.”

With these words, Senator Bernie Sanders introduced the annual report of the National Low Income Housing Coalition, titled “Out of Reach: the High Cost of Housing.”

This is not the story of how Orange County’s municipalities need to build massive crime-ridden public housing complexes in the middle of scenic fields. That is not a good model anywhere, and is particularly inappropriate for Orange County. This is a story about how our municipalities need to come up with solutions so that people can live in the communities where they work, business owners can find workers that do not have to commute here from hours away, and so that everyone who lives here has a chance to experience the Orange County that we know and love.

The New York Paradigm

New York State has a high cost of living overall, including our housing costs. On average, housing is considered to be affordable if people are paying 30% or less of their gross monthly income in rent and utilities, or for owners, if people are paying less than 30% of their gross monthly income toward the mortgage, property taxes, and private mortgage insurance. The (statewide average) Fair Market Rent for a two-bedroom apartment in New York State is

\$1,561, and for a one-bedroom apartment is \$1,334, and in order for these rents to be affordable using the 30% standard, a household must earn \$62,454 annually or \$30.03 hourly.

Minimum wage in New York State is \$10.40, and the average wage earned by the average renter is \$24.23, nearly \$6 an hour less than needed to consider the average apartment to be affordable. Another measure of affordability that is gaining traction is less than 45% of gross monthly income going toward housing and transportation costs combined, as many people will look for more affordable housing in outlying areas, thereby increasing their commutes and their transportation costs. According to the Center for Neighborhood Technology’s Housing and Transportation Affordability Index tool, in Orange County, approximately 68.2% of households pay more than 30% of their gross income toward housing costs, and approximately 79% of households pay more than 45% of their gross income toward housing and transportation.

Although Orange County has the lowest cost of living in the general New York Metropolitan Area, housing affordability remains an issue of concern. The housing market also remains an issue of concern, more than a decade after the national housing crash. Rental housing remains a generally more affordable option for low and middle-income households whose wages have stagnated over the last 30 years. However, the sluggish recovery, tighter mortgage lending requirements, and a general lack of movement in the housing market have caused more people to rent when they would typically move into homeownership, which in turn drives up rental prices. This in turn worsens the crisis—and the overall economy—by forcing people to spend more money on housing, or conversely on their commute, which means that renters can neither save toward a future home purchase nor buy other consumer goods that contribute to a healthy economy. Households paying more than an affordable amount toward their



housing costs tend to put off other large purchases such as a new vehicle, furniture, or household repairs or renovations. An increase in such discretionary purchases tends to support existing jobs, but in strong economies, businesses selling discretionary goods will also expand their hiring.

Additionally, a lack of affordable housing stunts business growth. Business growth in a defined area happens when existing businesses in the area expand, existing businesses elsewhere relocate or expand into the area, or new businesses start up in the area. Businesses looking to relocate will often choose the area that has housing their workforce can afford—for instance, a tech startup, reliant on young skilled labor, will need low-cost housing and flexible housing arrangements. Existing businesses already in the area that are looking to expand will need to expand their workforce; often this requires outside hiring, which requires enticing young people into the area. Affordable housing options are part of that inducement. New businesses in an area are often started by residents of that area. If a household is spending an affordable amount on their housing costs, that household then typically has sufficient disposable income to spend on other things, including the startup costs for a new business. New businesses tend to create new jobs in an area for current residents, as they are more likely to be single-practitioner businesses and those that do hire staff tend to hire locally.

Solving a Housing Dilemma

Our municipalities can do a number of things to ease the pressure on the housing market and their residents without investing in the construction of public housing. First, municipalities can examine their current housing stock to see what housing options are available, how people live and what cost pressures those people are under. This can be used to evaluate what types of housing options are missing from their municipality, and

what populations are not being served. With that evaluation in hand, municipalities can evaluate their zoning codes and maps to determine where housing options can be added, and determine if and where other locations for housing options should be made available.

Once a municipality has the relevant information, a multitude of creative options exist for meeting the needs of the residents, ranging anywhere from accessory apartments in residential neighborhoods, to a group of tiny houses on a plot of land, to second-story residential units in commercial districts. Local examples of these practices abound—the City of Middletown, as part of its Downtown Revitalization Initiative, is expanding mixed-use buildings that allow residential and retail or office uses in the same building. Villages such as Warwick and Goshen have upper floor residential as well. Many towns in the County allow for an accessory apartment in a residence, although many of those apartments are heavily restricted in that they must be part of the residential structure rather than detached, or cannot be rented to anyone other than a family member of the homeowner, or the home must be the owner's primary residence, or other restrictions. Tiny house developments, cohousing arrangements, and other less-conventional housing options have yet to gain much traction in Orange County.



Understanding Your Community's Housing Needs

If you would like more information about or technical assistance with determining your residents' housing needs, please contact the Planning Department at (845) 615-3840 or planning@orangecounty.gov. We will be happy to help!

