08

LONG ISLAND INDEX

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Working Together in New Ways for Long Island's Future

The *Index* is a status report on the Long Island region that aims to engage the larger Long Island community in thinking about the region's future and to be a catalyst for corrective action.

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Note to readers:
You will find our full Appendix including sources and methodology on our website, www.longislandindex.org.

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about the index

Good Information Presented in a Neutral Manner Can Move Policy

About the Index

The *Long Island Index* is a project that gathers and publishes data on the Long Island region. Our operating principle is: "Good information presented in a neutral manner can move policy."

The *Index* does not advocate specific policies. Instead, our goal is to be a catalyst for action, by engaging the community in thinking about our region and its future.

Specifically, the *Index* seeks to:

- Measure where we are and show trends over time
- Encourage regional thinking
- Compare our situation with other similar regions
- Increase awareness of issues and an understanding of their interrelatedness
- Inspire Long Islanders to work together in new ways to achieve shared goals

The governing board of the *Long Island Index* is the Advisory Committee, composed of leaders from Long Island's business, labor, academic and nonprofit sectors.

The Rauch Foundation acts as the convener of the Advisory Committee and the financial underwriter of the project. Initially funded for a three year period, the Foundation has since decided to continue the project.

What Are Indicators?

Indicators are facts that help show how a region is doing, the way the unemployment rate helps show the health of the economy. Measuring these kinds of data helps communities:

- Identify existing conditions
- Measure progress toward goals
- Mobilize action to improve the region

How to Use the Index

Each *Long Island Index* is centered on the following components:

(1) We define 11 **goals** to measure the region. The goals span six major areas of investigation: economy, our communities, health, education, our environment, and governance.

(2) Next, there are **key findings.** These are the indicators, specific measures of how we are doing. Example: The largest industry cluster on Long Island is Health with more than 150,000 employees. The findings are presented through both written and graphic analyses.

(3) Next is, **"Why is this important?"** This explains why the indicator is a good measure of progress toward a particular goal.

(4) **"How are we doing?"** puts the information in context.

It is the face of the American Dream: the single-family house. It practically defines suburbia.

But it always had its detractors. And from the start it was built on unsustainable foundations: the automobile, cheap gas, and available land.

For decades, experts have recognized the pitfalls. Traffic. Housing costs. Taxes. Loss of open space. Environmental degradation. Virtually every problem Long Island faces is caused or aggravated by single-family sprawl.

Urgently, too, our lack of affordable housing is sundering families and draining from our region the young talent our economy needs to prosper.

In the face of these threats, there was always a simple answer: single-family housing is what people want.

Now, for hundreds of thousands of Long Islanders, that is no longer true.

introduction

Suburbia was once the ultimate in "modern living."

But times and people change.

Eighty-five percent of Long Islanders live in single-family homes. But today more than one-third of them would prefer something else, such as a condominium, townhouse, or apartment. Of those aged 65 or older, only a minority prefer single-family homes. Empty-nesters are not far behind.

Without children at home, people's preferences change. Asked to rate their top factors in choosing a home, Long Islanders under 50 chose the traditional suburban features of "Privacy" and "Large house with conveniences."

But seniors and empty-nesters, by large majorities, favored "Close to downtown" and "Minimal home maintenance."

A majority of these groups also say they would rather live in a neighborhood where homes are close together and you can walk to local stores than one where homes are spread apart and you drive.

Financial factors may play a part: not only for seniors on fixed income, but also for pre-retirement baby boomers. Our study found evidence that many of these plan to cash in on their present homes and downsize in their retirement. Whether they stay or leave Long Island may depend on what housing options our region has to offer.

Financial considerations also weigh on younger residents. While 18–34 year-olds desire traditional large-lot homes, most cannot afford them. For them, too, the decision to stay or leave may depend on what Long Island can offer them.

Photo by Miller Business Resource Center staff, Middle Country Library

Photo by Victor Cruz, Town of Patchogue

Looking good: Downtowns offer what people want and the region needs.

Village centers and downtowns across the Island, many of them enjoying a renaissance, are more than attractive destinations for visitors. Increasingly, they are seen as desirable places to live.

Downtown living puts shopping, recreation, and companionship in easy reach. And it's economical. Townhouses, condos, and apartments keep housing and tax costs in bounds. Proximity to transit facilities lowers transportation costs. Many downtowns also offer substantial employment opportunities.

Downtown development helps the region, too, reducing highway congestion, easing pressure on open space, and lowering the cost of many government services.

Importantly, vibrant downtowns work to enhance, not diminish, their surrounding communities.

Consider Great Neck. In the study that follows—surveying 23 of Long Island's 100-plus downtowns—Great Neck ranked among the highest in population, building height, and number of office buildings. Yet it retains its village character, and anchors one of the Island's most stable and affluent areas.

This is not to say that other villages should imitate Great Neck. Rockville Centre, Mineola, Long Beach, and other vibrant downtowns likewise center strong, successful communities. Our study revealed remarkable and appealing variety between downtowns: in population, income, size, housing units, storefronts, office space, transit, culture, and nightlife. Each place has its own distinctive mix, and no single feature proves critical to success.

The one magic ingredient is people. It is their demand, for shops, recreation, and the rest, that drives the engine of a healthy village. Examples on Long Island, and across the country, show that when population increases, communities thrive—each in its own way.

introduction

Our existing housing does not match Long Islanders' real wants. Worse still, neither does new construction.

Instead of increasing multi-family housing to meet the new demand, Long Island has done the opposite. The share of building permits issued for multi-family residences has fallen, averaging only 16% over the past three years. Rates in other NY-area suburbs are higher. In Northern New Jersey, the three-year average is 53%—and rising.

What's Long Island's problem? Critics blame developers, who make greater profits building big houses. Developers blame local zoning codes. Local governments blame public opposition.

But in fact, the public supports change.

- Solid majorities support inclusionary housing, as well as increased density and more rental apartments in downtown areas.
- 50% support raising building heights in downtowns—a 10-point jump in just three years.
- 56% support state incentives to localities to encourage greater housing density.

Large majorities consider it either "extremely" or "very" important for government to ensure that Long Islanders have access to affordable housing. Clearly, the public is looking for the government to act.

The new pulse of Long Island provides an opportunity for political leaders who would address our region's urgent need for new housing options. Long Islanders are not locked into a frozen image of suburbia. They know what they want and need, and expect their government to help make it happen.

Credit: Diana Weir, Long Island Housing Partnership

Long Island's Downtowns—An Underutilized Regional Asset

As the Index has learned, successful regions recognize and utilize their assets. Long Island's more than 100 downtowns and village centers are an asset, but for the past half-century the majority of them have been neglected and underutilized.

This year's Special Analysis focuses on the issue of housing—what we have, what we need and want, and the gap between this supply and demand. It also takes a special look at Long Island's downtowns as an opportunity for addressing the region's serious housing needs. To study this topic, the Index used planning studies by Nassau and Suffolk counties and the Long Island Regional Planning Board to provide guidance on growth patterns, capacity and potential. The Fall 2007 survey of *Housing Alternatives and Downtown Development* conducted for the Rauch Foundation by Stony Brook University Center for Survey Research indicates the willingness of Long Islanders to live, work and shop in downtown locations. In addition, a field survey of 23 downtowns conducted by the Rauch Foundation provides additional clues for how existing downtowns might become more attractive to residents, workers and visitors. Regional Plan Association analyzed the survey, Census and other data to put Long Island in a national and regional context.

Housing is arguably Long Island's most pressing need

Despite differing opinions on a range of issues, most Long Islanders can agree on at least one thing: the high cost of housing is one of the most challenging problems that we face. In fact, 88% of respondents in a recent poll by Stony Brook University for the *Long Island Index* said that the lack of affordable housing is a serious problem, with most saying that it was either extremely or very serious. Even higher percentages were worried about young people leaving Nassau and Suffolk because of the high cost of living, and said that it is important for the government to take steps to ensure that young people have access to affordable housing.

Limited housing choices affect the very character of the Island, whose identity was shaped by six decades of welcoming new families with modern, moderately-

priced, suburban homes. Within families, the housing market can threaten the physical and social cohesion between generations. Typically, the young and the old are most affected by rising housing costs. For young adults who have not entered their peak earning years, housing costs can be a factor in moving away, or failing to return, to the place where they were raised. It can also alter life choices, such as delaying marriage or having children. For the elderly, rising housing values can sometimes be a mixed blessing. If they own their home and wish to relocate to a different community or smaller home, their home is a major source of equity. But for those who cannot or do not wish to move, and particularly those on fixed incomes, higher housing costs can be a greater burden than on those in middle age.

But housing is more than just a social issue; it has significant impact on the region's economic potential. Middle-income families, employers, job seekers, young workers and the elderly are all affected by a housing market that seems to offer fewer and fewer choices at higher and higher prices. Because housing costs make Long Island a less affordable place to live and work, the Long Island Association, which represents the Island's business community, has made housing its number one economic priority.

The cost, quality, type and location of housing affects property taxes, school quality, traffic congestion and open space.

- Housing values help determine property taxes directly through their impact on tax assessments, and indirectly by inhibiting the economic growth that can help hold taxes down by adding more commercial properties to the tax rolls.
- School quality is in turn impacted by the revenue available from growth in the economy, as well as by the number and diversity of school-age children attracted by new housing.
- With limited land for new development, the type of new housing we create, and where we put it, will in large measure determine how much we can protect our remaining parks and agricultural land, and find solutions to highways that are increasingly congested from people needing to commute farther and farther.

There are a number of forces behind Long Island's housing challenge that are not likely to be reversed. They include lack of available land, demographic changes, and growth pressures from New York City. Addressing the challenge will therefore require a rethinking of our approach to how we create new housing, where we put it, and how to make it affordable across generations and income levels. This analysis will examine these forces and discuss some new approaches that have been suggested in recent years. In particular, it will link the discussion of housing to one of Long Island's underutilized assets—downtowns that could be the site of new housing that would be affordable and attractive to young singles and families, and to the workforce that will be needed to keep Long Island growing over the next generation.

Long Island's housing: Imbalance between supply and demand

The large cyclical swings in Long Island's housing market in recent years have somewhat obscured long-term trends that will help determine the availability of affordably-priced housing for years to come. The large run-up in prices since the late 1990s and the recent collapse in the credit markets are clearly issues that are both national and regional in scope. However, these challenges are exacerbated by ongoing land use, demographic and economic changes that affect the underlying supply and demand for housing at different price levels. This affects not only the housing choices but the type of place Long Island will become over the next generation.

Long Island's housing supply: Single-family homes in moderate-density suburbs

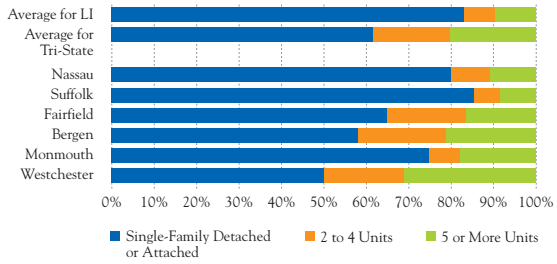
Long Island remains, by and large, a place of single-family homes. More than four in five homes are single-family detached houses, with the rest shared roughly evenly between small buildings of two to four units and large buildings with five or more apartments[1]. Compared with other suburban areas in the New York region, Long Island has far fewer housing units in multi-family buildings.

[1]There are no available estimates of the number of accessory apartments across Long Island but if these were factored into the totals, the number of multi-family units and the number of rentals would be higher.

- While 17% of all housing units on Long Island are in buildings with 2 or more housing units, multi-family units in other parts of the region outside of New York City make up 38% of the housing stock.
- For homes in buildings with 5 or more housing units, the shares are 10% on Long Island and 20% in other suburban counties.

A look at specific counties also demonstrates this difference. Even though Nassau is a densely developed suburban county bordering New York City, similar counties such as Bergen and Westchester have much higher shares of multi-family units. Similarly, a lower density, rapidly developing county like Monmouth in central New Jersey has proportionately more multi-family units than Suffolk.

Housing Units in Structure, Long Island and Surrounding Region (Excluding NYC), 2006



Source: 2006 American Community Survey; data compiled by RPA

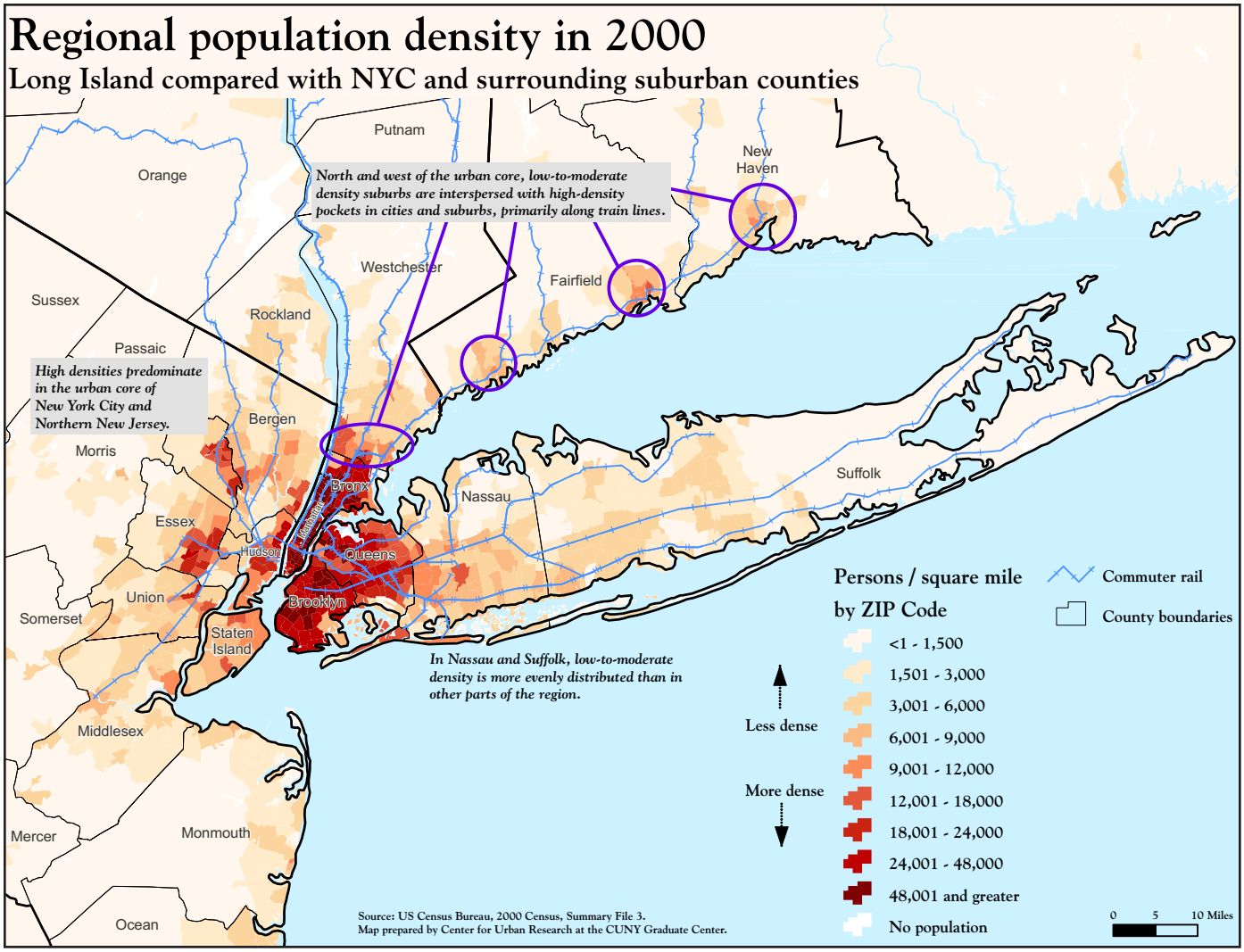
Density comparisons and history

One irony of the predominance of detached, single-family homes on Long Island is that Nassau and Suffolk are two of the most densely populated counties in the region outside of New York City.

- With nearly 4,700 people per square mile, Nassau County has twice as many people per square mile as Westchester County and more than three times as many as Fairfield County.
- Suffolk has more people per square mile than any NYC suburban county north of Westchester, and more than most counties in central New Jersey, such as Monmouth, Morris, Somerset and Mercer.

This contrast of high density amidst neighborhoods of detached houses is a product of Long Island's history and geography. Largely rural until World War II, it experienced rapid and intensive development from the late 1940s on, beginning with Levittown-style communities packed with single-family houses on small lots. While density declines from west to east, there is little undeveloped land west of Suffolk's East End.

By contrast, Westchester, the Hudson Valley, southwestern Connecticut and northern New Jersey have more "peaks and valleys"—cities such as White Plains, Stamford or New Brunswick and large undeveloped or low-density areas such as the Catskills, watershed areas and the New Jersey Pinelands—in addition to traditional suburban communities. These areas experienced similar postwar suburban development, but had a pre-existing base of city and town centers that grew up around rivers, coastlines and railways. These centers provide a tradition of higher density housing amidst lower density, single-family neighborhoods. They are also obvious locations for the construction of new multi-family housing.


Regional population density in 2000
Long Island compared with NYC and surrounding suburban counties
North and west of the urban core, low-to-moderate density suburbs are interspersed with high-density pockets in cities and suburbs, primarily along train lines.
High densities predominate in the urban core of New York City and Northern New Jersey.
In Nassau and Suffolk, low-to-moderate density is more evenly distributed than in other parts of the region.
Putnam
Orange
New Haven
Westchester
Fairfield
Sussex
Rockland
Passaic
Bergen
Morris
Bronx
Nassau
Suffolk
Essex
Hudson
Queens
Union
Brooklyn
Somerset
Staten Island
Middlesex
Mercer
Monmouth
Ocean
Less dense
More dense
Persons / square mile
by ZIP Code
<1 - 1,500
1,501 - 3,000
3,001 - 6,000
6,001 - 9,000
9,001 - 12,000
12,001 - 18,000
18,001 - 24,000
24,001 - 48,000
48,001 and greater
No population
Commuter rail
County boundaries
0 5 10 Miles
Source: US Census Bureau, 2000 Census, Summary File 3.
Map prepared by Center for Urban Research at the CUNY Graduate Center.

Housing prices

Following several consecutive years with double-digit increases, home sales prices leveled off in 2006 and the first half of 2007. Median sales prices rose only 2% from 2005 to 2006.

- In 2006, the share of homes that sold for more than $500,000 was 35%.
- Those selling for less than $375,000 was 27% in 2006.
- Shares in the first half of 2007 are similar to those in 2006.

With the national housing market experiencing one of its sharpest downturns in decades, the years of steep price escalations appear to be over for the time being. While prices have held up far better in the New York region than in other parts of the United States, there are signs that Long Island homes are beginning to experience a decline in value. Some Long Island home owners are facing foreclosure because they can no longer meet mortgage payments, generally for buyers who took out "sub-prime" mortgages with high, escalating interest rates. Even the foreclosure crisis, however, does not appear to be hitting Long Island as much as other parts of the country. According to an April 2007 report from the *Joint Economic Committee of Congress*, Nassau and Suffolk Counties ranked 37th among the 50 metropolitan areas with the highest foreclosure rates in 2006.

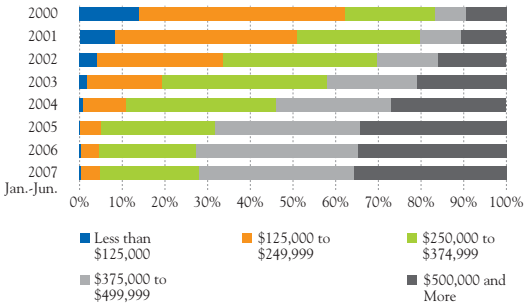
Even with this moderation, the escalation in home values and prices since 2000 remains striking.

- Median home values, as tracked by the U.S. Census, more than doubled in a six-year period, rising from an average of $213,000 in 2000 to $474,000 in 2006.
- Median prices for homes at time of sale, as measured by Long Island Profiles, were nearly as high, at $213,000 in 2000 and $440,000 in 2006.

In 2000, you could buy a house for $250,000. Six and a half years later, there are only a few to be found.

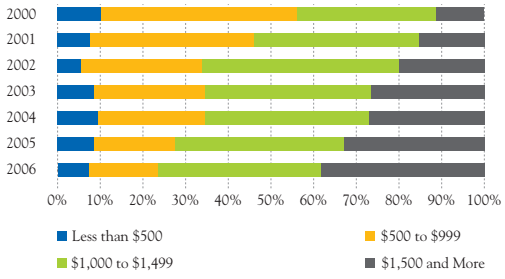
Source: housing price data from Long Island Profiles of Brightwaters, NY (www.LIProfiles.com). Maps prepared by Center for Urban Research at the CUNY Graduate Center.

Sales Prices of All Homes on Long Island, 2000-2007



Source: Long Island Profiles of Brightwaters, NY (www.LIProfiles.com); data compiled by RPA

Gross Monthly Rents on Long Island, 2000-2006



Source: 2000 U.S. Census Bureau, 2001-2006 American Community Survey; data compiled by RPA

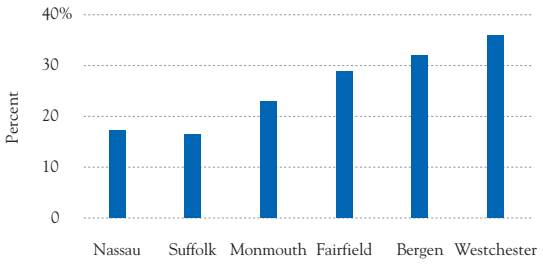
Household incomes have risen much less rapidly. Homes for $200,000 which would traditionally be considered affordable to a family with a household income of $80,000 (i.e., the home is valued at 2.5 times the annual income) have virtually disappeared from the market. The share of homes being sold for less than $250,000 is now only 4%, when it constituted 62% of the market in 2000. At the other end of the spectrum, the share of homes that sold for more than $500,000 quadrupled from 2000 to 2006 (9% to 35%)[2].

Rental prices

Rental units, whether single-family homes rented by the owner or apartments in multi-family buildings, constitute less than 1 in 5 homes on Long Island. Unlike sale prices, rents have escalated at a steady and more modest pace since 2000, but they show no signs of leveling off. Rents continued to increase in 2005 and 2006 at the same rate as they have been since 2000—roughly 6% a year—still much faster than household incomes. It is typical for the rental market to be less volatile than the sales market, and continued demand is keeping rents on an upward trend.

Since 2000, rents have increased by 39% Island-wide, with comparable increases in Nassau and Suffolk. Whereas in 2000, 55% of rentals cost less than $1,000 a month, in 2006, that share was cut in half, to 23%. By contrast, houses and apartments renting for more than $1,500 more than tripled, from 11% in 2000 to 38% in 2006.

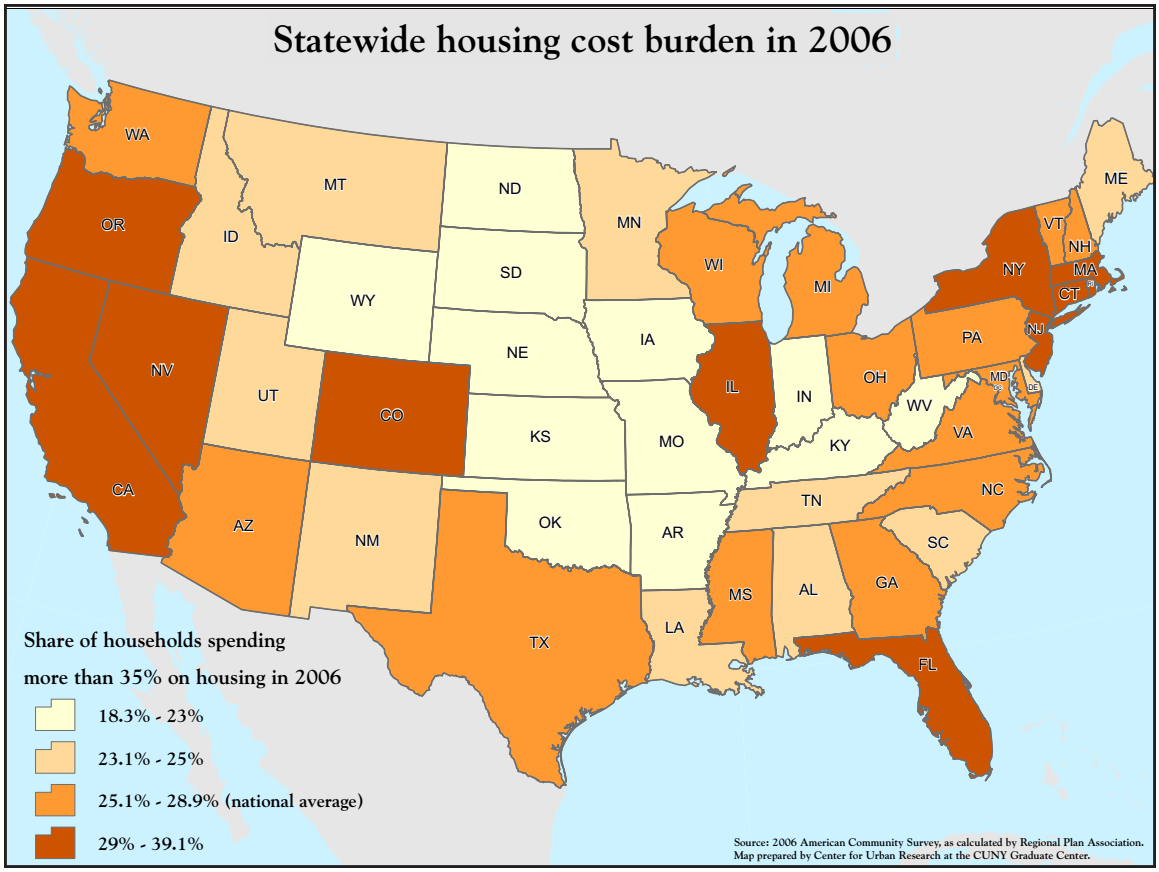
Share of All Housing Units That Are Renter-Occupied on Long Island and Surrounding Regions, 2006



Source: 2006 American Community Survey; data compiled by RPA

Contributing to the increase in rents is the scarcity of rental units on Long Island. In Monmouth, Fairfield, Bergen and Westchester Counties, a significantly larger share of all housing units are for rent.

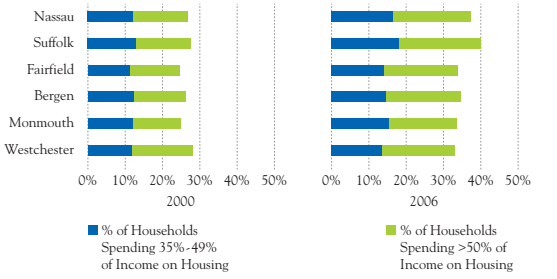
[2]These figures are not adjusted for inflation but the rate of change in home prices far exceeds the rate of inflation.



The burden of high housing costs

Long Islanders are spending more and more of their income on housing costs. Although the housing cost burden is increasing throughout the New York region, it has been increasing faster on Long Island than in similar suburban counties. The share of Long Island households that spend 35% or more of their income on housing was 39% in 2006. Over one-fifth of Long Island households spend more than half their income on housing.

Share of Households with a High Housing Cost Burden, Long Island and Surrounding Region, 2000 and 2006



Source: 2000 U.S. Census Bureau, 2006 American Community Survey; data compiled by RPA

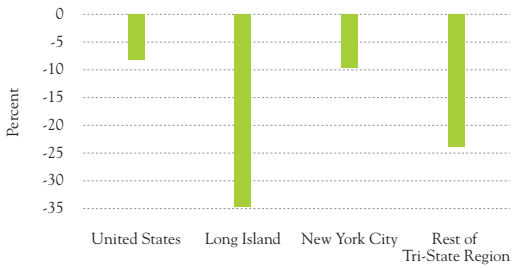
special analysis

Impact on young people

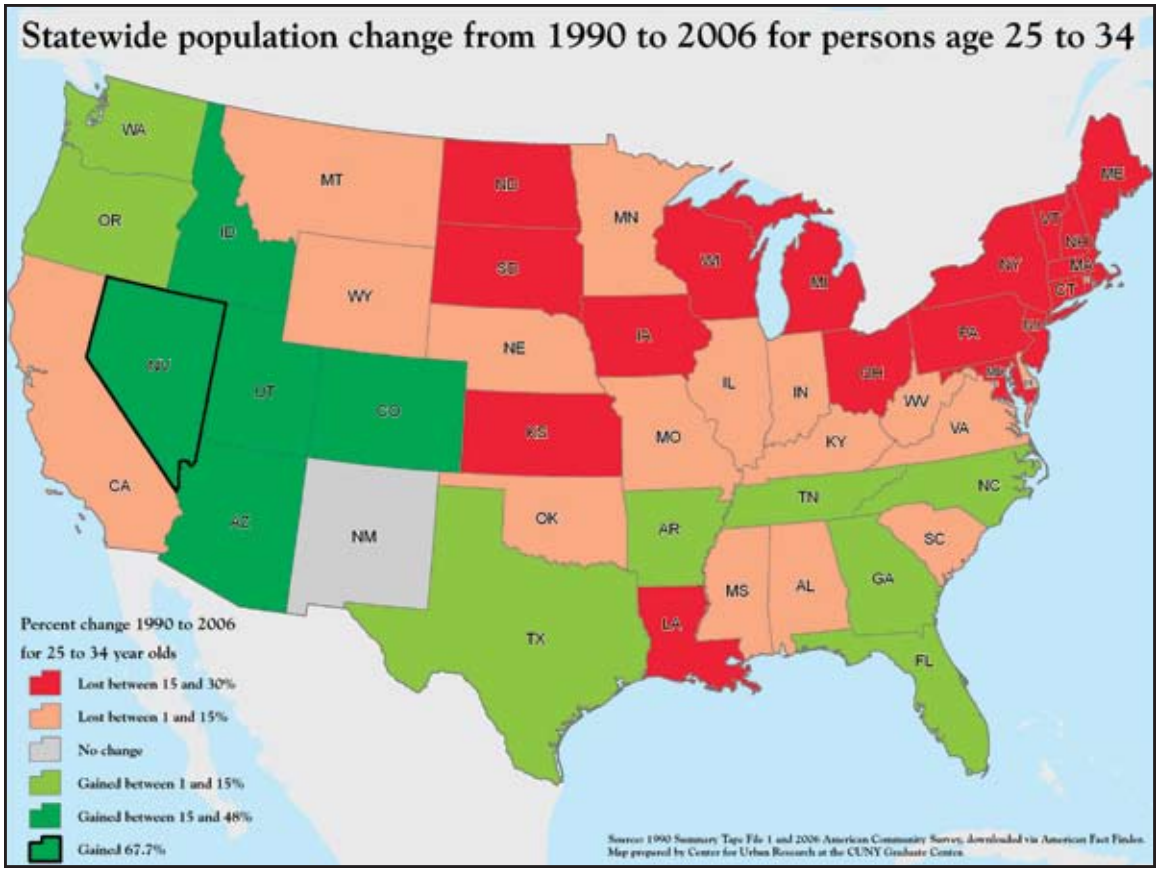
Long Island's housing patterns and high costs appear to be contributing to a sharp population decline among young adults. Nationwide there has been an 8% decline in the 25 to 34-year-old population as a result of low birth rates in the 1970s, when most in their mid-20s and early 30s were born. Additionally there has been a clear migration of young people away from the Northeast and toward the South and Southwest.

New York City and the surrounding suburban regions are experiencing a decline in this age group, although the decline was much steeper in the suburbs than in the five city boroughs. For the suburbs in general this may be due to young people choosing to delay marriage and child-bearing, which can also delay moving from the city to suburban communities.

Change in Number of 25-34 Year Old Residents, 1990-2006



Source: 1990, 2000 U.S. Census Bureau, 2001-2006 American Community Survey; data compiled by RPA

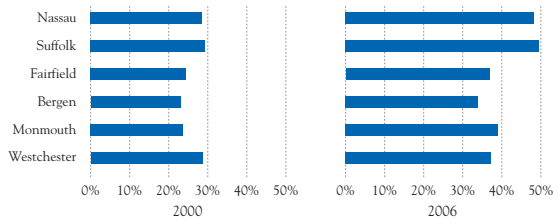


But other high-cost suburbs in the region have not experienced as great a loss as Long Island. Analyses of census data show that the high cost of housing is disproportionately affecting young households on Long Island.

- Whereas in 2000, 29% of Long Island householders between the ages of 25 and 34 spent more than 35% of their income on housing, in 2006, nearly half did (49%).
- In other suburban counties like Westchester, Bergen, Monmouth and Fairfield, 34% to 39% of young householders today spend more than 35% of their income on housing—a high share, but not as high as Nassau's (at 48%) or Suffolk's (at 49%)[3].

These patterns are what one would expect given this report's earlier findings about housing on Long Island. High housing costs are constraining population growth throughout the region, and are particularly affecting young households in high-cost suburbs. The sharper decline on Long Island is consistent with its low level of rental and multi-family housing, along with a lower level of housing production relative to its population size, explained below.

Share of Households Aged 25-34 That Spend More Than 35% of Their Income on Housing Costs, 2000 and 2006



Source: 2000 U.S. Census Bureau, 2006 American Community Survey; data compiled by RPA

[3]It should be noted that data for housing cost burden by age are taken from relatively small samples and have a high degree of potential error. For example, the estimate for 25–34-year-olds on Long Island paying 35% or more of their income on housing could range from 42% to 52%, according to the lower and upper estimates provided by the Census.

Assessing the demand for housing on Long Island

There is no universally accepted number or formula to determine how much new housing, and what price levels, Long Island needs. Estimates of need have varied widely, often depending on how "need" and "affordability" are defined. However, these studies are nearly universal in finding that the need far outstrips what Long Island is providing. Still, some order-of-magnitude benchmarks are important for framing the discussion.

Without even addressing the issue of price and affordability, Long Island will need to sustain a certain level of housing production just to maintain and modernize its existing housing stock and accommodate the modest population growth that is forecast for the next two decades. To accommodate these replacement and growth needs, Long Island would have to produce well over 6,000 units per year, depending on how much housing is lost due to damage, conversion or demolition. This compares to about 5,000 units per year that Nassau and Suffolk have averaged over the last 15 years.

A constraint on housing supply would presumably slow the population growth that is projected. However, this would have a number of ill effects on both quality of life and the economy. It would reduce housing choices and mobility for those already living here, especially at points in people's life cycle when

housing mobility is most likely to take place—moving out on one's own, starting a family, retiring. It would restrict growth in the economy because businesses would have fewer potential workers, limiting job opportunities and putting greater pressure on residential property taxes to pay for government services. It would also not necessarily limit population growth as much as channel it to different places, such as illegal or overcrowded housing, since growth pressures from other parts of the region will persist.

This level of housing construction, which would just maintain the status quo, will be increasingly difficult to maintain as the Island runs out of developable open space. It will also do nothing to address the existing shortage of housing that low, moderate and middle-income individuals and families can afford. The size of this population is considerable from almost any vantage point.

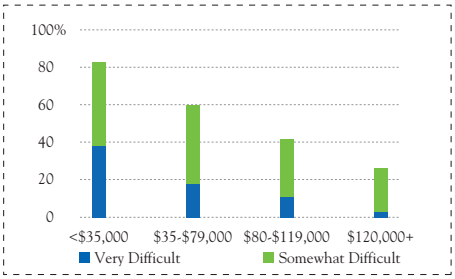
Most recently, a 2007 study by Rutgers University for Suffolk County found that 94,000 households in the county were middle-income or lower and had a high housing cost burden. An additional 16,500 units of workforce housing at these income levels will be needed over the next 15 years to meet demand, and nearly 8,000 additional units would be needed to replace overcrowded or dilapidated housing. The report projected a need for 2,000 units of workforce housing per year (in addition to additional affordable units that would be provided by the market without government intervention) that would need to be met through a combination of new construction, rehabilitation of existing units, and increased subsidy. This was based on a goal of addressing 5% of the existing need through 2020. This would indicate a need to both increase total construction in Suffolk County from about 4,000 units per year to between 5,000 and 6,000 per year, and expand efforts to relieve the cost burden with subsidies and rehabilitation for existing units. A higher goal for relieving existing need could increase this projected construction need. For example, addressing 25% of existing need would require an additional 1,000 units per year. To completely eliminate existing need (an utopian ideal that no place in the nation can claim), would require the county to more than double its housing production and insure that well over half of the net increase goes to low-to-middle income households with excessive cost burdens.

A similar study is planned for Nassau County. While Nassau has far less need expected from growth, the level of existing need could be of a similar magnitude since housing cost burdens are similar. For both Nassau and Suffolk, the amount of new construction that is needed to relieve excessive cost burdens depends on what goals are set, and what mechanisms are designed to meet these goals. A goal of increasing production from 5,000 to 7,000–8,000 units per year, with measures to increase the proportion affordable to low-to-middle income households, could be achievable if redevelopment could be increased in existing downtowns, station areas and commercial strips.

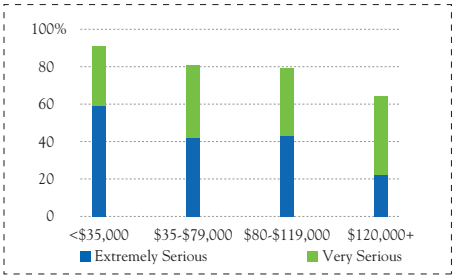

Credit: Donna Tine

WHAT PEOPLE IN THE REGION ARE SAYING—*LONG ISLAND INDEX* SURVEY RESULTS

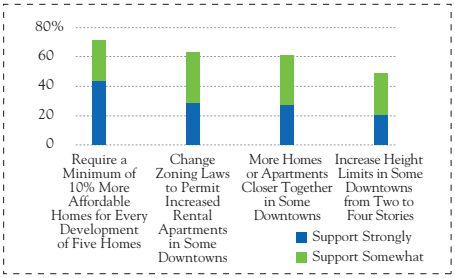
What People in the Region Are Saying
Difficulty in Meeting Housing Costs by Household Income



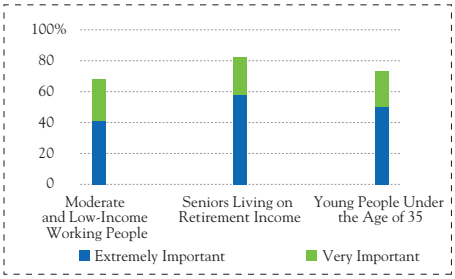
What People in the Region Are Saying
Seriousness of Lack of Affordable Housing by Household Income



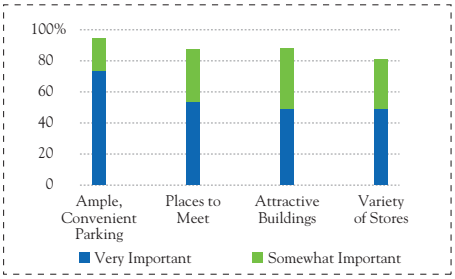
What People in the Region Are Saying
Support for Alternative Housing Proposals



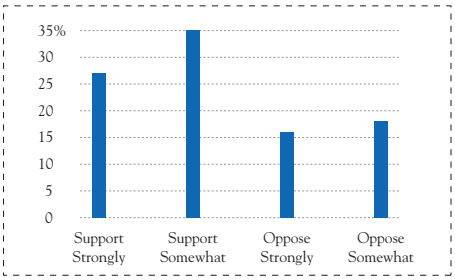
What People in the Region Are Saying
Importance of taking action to ensure the following groups have access to affordable housing



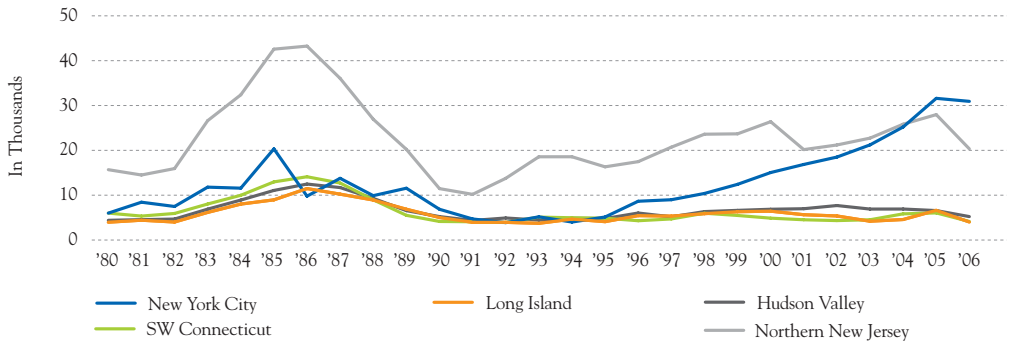
What People in the Region Are Saying
Important Factors in Deciding Whether to Spend Time in a Local Downtown



What People in the Region Are Saying
Support New Multi-Level Parking Facilities in Local Downtowns



Building Permits Issued for New Residential Units, 1980-2006



Source: U.S. Census Bureau Permit Survey; data compiled by RPA

Anemic production is at the root of the affordability problem

Many of the problems with housing on Long Island—including its high cost, lack of multi-family units and lack of rental units—can be traced to low rates of housing production. The dynamic era of new housing production following World War II has slowed considerably over the last three decades.

- Except for a brief surge in the mid-1980s, annual housing production has ranged from 4,000 to 6,600 units per year.
- New residential housing permits averaged 4,800 units per year in the 1990s and 5,300 units since 2000.
- After a relatively strong 6,600 units in 2005, only 4,000 permits were issued in 2006.

For a place with almost 3 million people and over 1 million housing units, these are very low numbers. Furthermore, although 37,000 housing permits were issued between 2000 and 2006, the number of new units added to Long Island's housing stock in that period was only 20,000. This discrepancy can be explained in part because some housing plans are abandoned after permits are issued, but also because a certain amount of construction is necessary just to replace units that are damaged, demolished or converted to other uses.

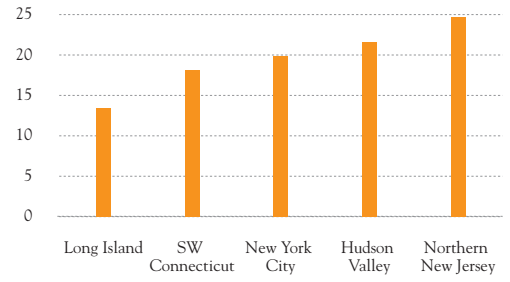
Long Island's housing production is also low when compared to other parts of the region.

- For most of the last 27 years, New Jersey has been the largest generator of new housing in the tri-state region.
- Since the late 1990s, housing construction in New York City has grown dramatically, and the five boroughs are now building more housing than any other part of the region.
- The suburbs north of the city in the Hudson Valley and southwestern Connecticut are issuing about as many new residential building permits as Nassau and Suffolk, but relative to its population, Long Island compares poorly to these areas.

In the last seven years, there have been 13 new housing permits issued for every 1,000 people on Long Island. By comparison, about 18 permits per 1,000 were issued in southwestern Connecticut, 20 in New York City and 22 in the Hudson Valley, with northern New Jersey in the lead with 25 permits per 1,000.[4]

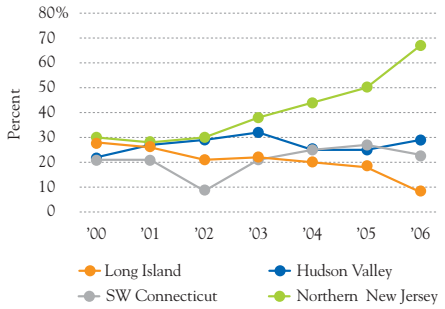
[4]For a list of counties included in these regions, see our Appendix.

Housing Permits per 1,000 People, 2000-2006



Source: 2000 U.S. Census Bureau, 2001-2006 American Community Survey; data compiled by RPA

Share of All New Residential Building Permits Issued for Multi-Family Units, Long Island and Surrounding Region, 2000-2006



Source: 2000 U.S. Census Bureau, 2001-2006 American Community Survey; data compiled by RPA

What's more striking, however, is that unlike other parts of the region, the share of building permits issued for multi-family housing on Long Island is substantially lower and has declined in the last few years, even as it has increased in other parts of the region. In northern New Jersey, by contrast, the share of building permits issued for multi-family housing has more than doubled since 2000 and has averaged over 40% for the last seven years. Southwestern Connecticut and the Hudson Valley have maintained fairly stable rates of multi-family permits, much higher than Long Island's over the last four years.

There are a number of causes for Long Island's low housing production, both overall and for multi-family in particular. Some are prevalent in all of the suburbs surrounding New York City including high building costs and regulatory burdens and restrictive zoning that limits both multi-family and affordable housing.

Two factors, however, are particular to Long Island. One is that it has less remaining open space to be developed than either New Jersey or the Hudson Valley. The second is that there are fewer city and town centers on Long Island that act as nodes for new high-density residential and mixed-use development. Long Island's density is much more evenly spread, with less undeveloped land but also few dense downtowns.

Most of Long Island's current housing stock was built before 1980.

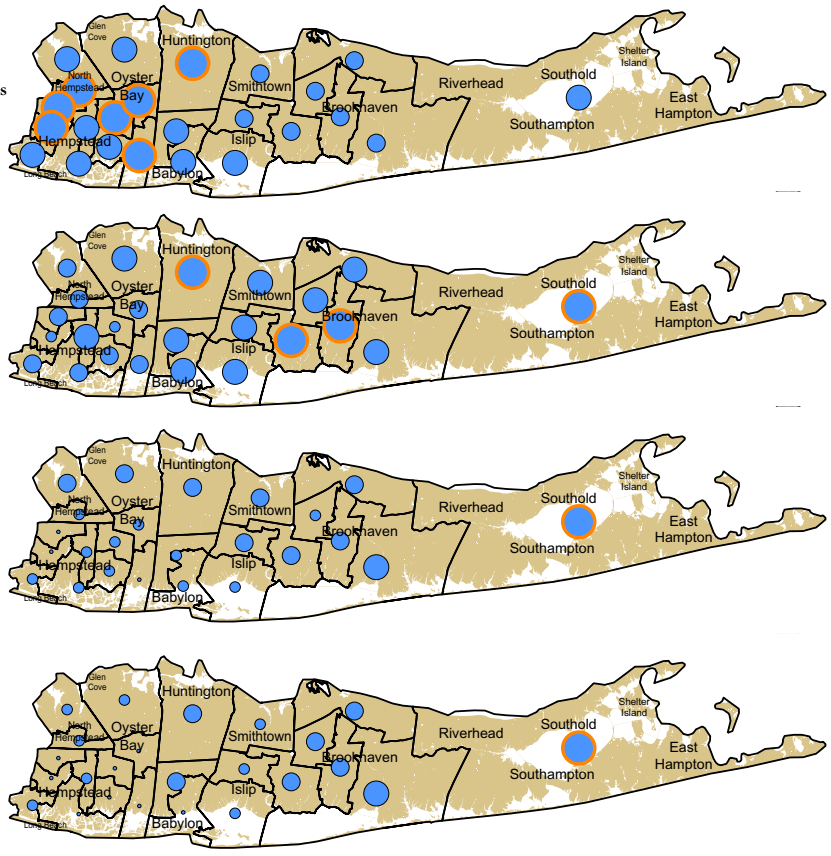
These maps show the *average annual* number of housing units that were built in ...

... the 1940s & 50s

... the 1960 & 70s

... the 1980 & 90s

... since 2000



- 10 - 100 units per year
- 101 - 250
- 251 - 500
- 501 - 1,000
- 1,001 - 1,561
- Public Use Microdata Area

Public Use Microdata Areas (PUMAs) are geographic areas comprising 100,000 people, created by the US Census Bureau for statistical analysis.

Data for units built prior to 1940 not included because the Census Bureau only provides totals for "1939 and earlier." This prevents us from calculating an annual average for that period.

Towns/cities labeled for reference.

0 5 10 Miles

Source: US Census Bureau, 2006 American Community Survey, PUMS 5% sample. Maps prepared by Center for Urban Research at the CUNY Graduate Center.

Opportunity: Long Island's often neglected downtowns

Increasing the supply of housing at all price levels requires changes in a range of policies, from state housing subsidies to local zoning. However, the notion that Long Island is "built-out" and has no room for growth is not true if we look to already developed places that have the capacity to add new housing. There are dozens of places where this is possible.

- There are **99 Long Island Rail Road stations**, many surrounded by surface parking lots and underutilized property that could be the location of "transit villages."
- **Aging commercial strips and shopping malls** offer other possibilities for redevelopment as new homes, retail stores, offices or a mix of those.
- There are a **few large development projects**, such as proposals for the area known as the Nassau Hub surrounding the Coliseum and Roosevelt and Mitchell Fields and Suffolk's redesign for the old Pilgrim State site.

One of the greatest opportunities to build significant new mixed-income housing is represented by **more than 100 downtowns** in Nassau and Suffolk. Some village centers are already vibrant places that may have limited room for new development. Many, however, have opportunities for infill and redevelopment that could increase their attractiveness as places to work, shop and play while accommodating significant amounts of multi-family housing. Across the Island, a handful of towns and villages are already finding ways to build new housing that is both affordable and attractive to young singles and families, moderate-income workers such as teachers, technicians or nurses, and retirees looking to leave their empty nest but stay close to family and friends. Several others are exploring new futures through redevelopment plans and community vision projects.

In addition to providing places where housing can be expanded, better utilizing our downtowns makes sense for a number of reasons:

What People in the Region Are Saying

Four Top Responses to Major Advantages of More Affordable Housing

Allowing more young people to stay and raise a family	51%
Retaining and attracting skilled and professional workers	15%
Allowing more seniors to live here on a retirement income	13%
Creating ethnically and economically diverse neighborhoods	7%

- Downtown apartments are typically less expensive than single-family houses and are within the reach of a wider range of buyers or renters.
- Downtowns offer a lifestyle that is preferable for a large portion of the population, from young adults to retiring baby boomers.
- By encouraging transit use and shorter trips to work and shop, they reduce pressure on the road system.
- Apartments cost less in infrastructure (water/sewer lines, road maintenance, etc.) than single-family houses.

How far these downtowns can go toward filling Long Island's housing needs depends on the answers to several key questions.

- Is there enough demand for housing in and near downtowns?
- How will additional density in these downtowns affect quality of life in the surrounding neighborhoods?
- Can these downtowns serve diverse residents across all age, income, racial and ethnic groups, rather than reinforcing patterns of segregation?

special analysis

Credit: Eric Alexander, Vision Long Island

If you build it, will they come?

Across the United States, the demand for living in city, town and village centers has been growing since the early 1990s. Cities as different as Denver and Providence have successfully repopulated downtowns as part of broader revitalization strategies. Within the tri-state New York region, places ranging from small cities such as New Brunswick (NJ), New Rochelle (NY) or White Plains (NY) to suburban towns and villages such as Morristown (NJ), Washington Township (NJ) and South Orange (NJ) have added population with development projects that have attracted downtown residents. NJ TRANSIT's Transit Villages initiative has been particularly successful in attracting new residents right around train and bus stations. And, of course, the seemingly insatiable demand for housing in New York City shows that there are large numbers looking to live near urban amenities.

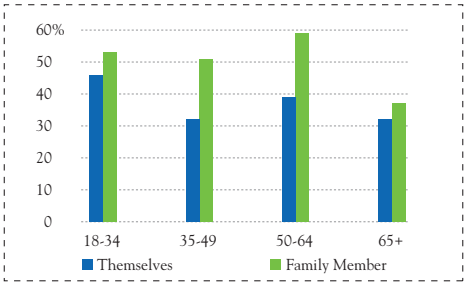
There are a number of complex demographic, economic and development factors behind this shift. As the retirement population has swelled, many have become less driven by the need for space and good schools than by the desire to be closer to culture, retail and services. Improvements in safety, transit and neighborhood conditions have also made many downtown neighborhoods more attractive, while the worsening congestion, commuting times and costs in many suburban areas have lessened their relative attractiveness. The economic revival of many cities has also enhanced their attractiveness as places to live as part of a mutually reinforcing relationship between job and population growth.

But are Long Island residents ready to embrace downtown living? Long Islanders historically have had reservations about density and height. In fact, many residents moved to the Island to escape the confines of an overly dense and tall New York City. And according to previous surveys for the *Long Island Index*, most enjoy the suburban lifestyle that predominates in Nassau and Suffolk.

However, the most recent survey indicates that a substantial number would consider moving to more centrally located neighborhoods under the right circumstances. **Four in ten of those surveyed said that they could imagine themselves living in an apartment, condo or townhouse in a local downtown, a much higher percentage than the number of Nassau and Suffolk residents currently living in downtown neighborhoods. Nearly half of all young adults interviewed could see themselves living in a local downtown. Low- and middle-income residents were equally likely to imagine themselves living downtown. Younger residents were more likely to say that they could see themselves living in an apartment or townhouse in a village or town center.**

What People in the Region Are Saying

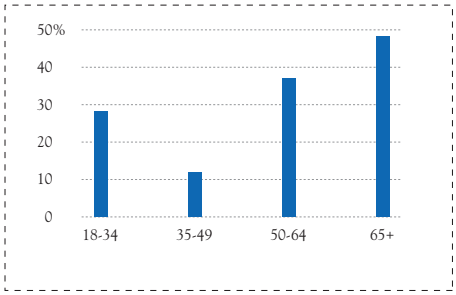
Percent who can imagine themselves or a family member living in an apartment, condo, or townhouse in a local downtown area on Long Island by age



When asked to imagine what they would choose in the next five years, a different picture emerges. Young people hope for the suburban style single-family home. In contrast, about four in ten residents 50–64 years old and half of seniors said that they would choose to live in non-single family housing if they were to move in the next five years. This might include semi-detached homes, condos, townhouses or apartments. These older residents placed a particularly high value on living close to a downtown, being able to walk to amenities and having a home with low maintenance needs.

What People in the Region Are Saying

Percent selecting semi-detached house, condominium, apartment, townhouse option if they were to move in the next 5 years by age



Long Island's downtowns

Long Island has several downtowns, often referred to as village centers, with substantial residential populations, but few approach the size of larger centers in other parts of the region. Of the 23 villages surveyed by the Rauch Foundation for this study, selected to represent a range of different kinds of downtowns, the downtown areas of Long Beach, Great Neck and Hempstead Village have the highest populations, each with over 15,000 residents. The characters of these downtown areas differ in part because of population density.[5]

Overall, the average population density for the 23 downtown areas surveyed is around 6,300 people/square mile. While both Long Beach and Great Neck have high populations, their densities are quite different; population density in Long Beach approaches 20,000 people/square mile, while Great Neck's population is more spread out over the area (around 8,000 people/square mile). Hempstead Village has the highest population density of all downtown areas—nearly 22,000 people/square mile, exceeding the average population density of Queens.

Long Beach is densely populated and amongst the tallest of the 23 surveyed downtowns resembling an urban downtown; but its attractions—a transit-oriented, mixed-use, retail and service downtown with opportunities for culture and beach-front recreation—can appeal to a wide range of residents. With a high number of residential buildings, Long Beach is a destination for those seeking downtown living.

Comparison of Population, 2000

	Long Island				Tri-State Region			
	Hempstead	Freeport	Hicksville	Long Beach	Stamford, CT	New Rochelle, NY	White Plains, NY	New Brunswick, NJ
Population	56,554	43,783	41,260	35,462	117,083	72,182	53,077	48,573

Population calculated for "Census Designated Place."

Source: 2000 U.S. Census Bureau; data compiled by RPA

[5]For a full description of the methodology for selecting these 23 places, see Appendix.

special analysis

				Downtown									Municipality			
				Cultural & Night Life		Residential	Commerce				Heights	Open Space	Affordability		Diversity	
Size	Long Island Downtown Area	Downtown Population	Downtown Population Density per Square Mile	Cultural Places	Night Spots	Multi-Unit Options	Retail/ Service Orientation	Total Store-fronts	% Eateries	Vacancy Rates	Tallest Building (Number of Stories)	Yes/No	Income % <39,999	Income % >100,000	Race % Non-White	Age % 18-34
	Note 1	Note 2		Note 3		Note 4	Note 5				Note 6	Note 7	Note 8		Note 9	
Small	Cedarhurst	3,838	6,397	2	1	10	Retail	173	19%	9.8%	6	Yes	35	26	14	19
	Greenport	2,048	2,048	5	3	27	Retail	124	23%	6.5%	3	Yes	63	7	34	19
	Port Jefferson	3,674	2,826	6	4	10	Mixed	154	18%	7.1%	4	Yes	28	30	11	21
	Port Jefferson Station	3,805	2,238	1	1	4	Service	75	9%	9.3%	3	No	32	21	16	23
	Sayville	2,943	2,943	2	3	12	Retail	125	12%	6.4%	3	Yes	24	32	6	18
	Southampton	2,332	1,014	4	3	10	Retail	245	9%	5.3%	3	Yes	40	26	24	18
Medium	Babylon	6,362	4,894	5	5	39	Retail	165	20%	2.4%	3	Yes	25	29	11	19
	Bay Shore	6,421	4,281	3	8	31	Service	199	12%	19.1%	5	Yes	40	17	41	23
	Hicksville	5,091	3,916	1	0	1	Mixed	203	15%	6.4%	4	No	24	28	21	21
	Huntington	4,901	3,770	5	9	21	Retail	352	24%	5.4%	3	Yes	21	41	9	17
	Huntington Station	9,820	6,547	0	2	5	Service	141	8%	10.6%	5	No	31	22	39	25
	Islip	4,644	4,644	1	3	0	Service	97	12%	6.2%	3	Yes	28	24	19	20
	Mineola	5,393	10,786	1	4	14	Mixed	116	23%	7.8%	6	No	28	22	21	24
	Patchogue	7,439	4,959	4	1	16	Mixed	151	17%	15.9%	5	Yes	43	14	31	28
	Riverhead	5,614	952	6	3	14	Service	132	14%	18.9%	3	Yes	55	9	36	20
	Rockville Centre	5,239	7,484	4	7	30	Retail	302	23%	4.3%	6	Yes	25	40	13	16
	Roosevelt	7,382	10,546	1	1	1	Mixed	100	11%	8.0%	3	Yes	35	19	97	24
	Smithtown	4,864	2,316	4	2	8	Mixed	146	18%	3.4%	3	Yes	20	37	6	17
	Westbury	4,911	6,548	4	2	5	Service	184	15%	6.5%	9	Yes	24	31	48	24
Large	Freeport	10,712	8,240	1	1	26	Mixed	221	16%	6.8%	4	Yes	35	19	68	24
	Great Neck	17,827	8,103	3	2	71	Mixed	469	18%	7.7%	7	Yes	27	39	12	17
	Hempstead Village	15,323	21,890	8	15	54	Mixed	371	16%	7.0%	9	Yes	45	14	87	33
	Long Beach	22,201	18,501	2	3	44	Mixed	204	24%	4.4%	9	Yes	32	22	23	23

1 Villages included in 2007 survey completed by Rauch Foundation.

2 Population and population density data derived from 2000 U.S. Census data based on census definitions for "Census Block Group," or a rough equivalent of the downtown area.

3 Cultural places include museums, libraries and others. Late night places include clubs, theatres, bars. Data from Rauch Foundation survey.

4 Includes apartments, townhouses and other multi-family options in the downtown and surrounding area. Data from Rauch Foundation survey.

5 Retail/service orientation indicates if there is a dominance of retail (greater than 60% retail storefronts), service (less than 50% retail storefronts) or a mix of the two (50-59% retail storefronts). Data from Rauch Foundation survey.

6 Number of stories of the tallest building in the downtown and surrounding area. Data from Rauch Foundation survey.

7 Includes parks, open areas, playgrounds in the downtown and surrounding area. Data from Rauch Foundation survey.

8 Income distribution (from 2000 U.S. Census data) is one way to get a sense of affordability. In general, a livable place offers opportunities for those at all income levels. Data for the "Census Place," while Great Neck uses "Census Tract Data." This data refers to the larger municipality, not just the downtown area.

9 % of population that is non-white and % of population that is between 18-34 based on 2000 U.S. Census data for the "Census Place," while Great Neck uses "Census Tract Data." This data refers to the larger municipality, not just the downtown area.

Downtown refers to the main commercial area in the village, typically the "Main Street."
Surrounding area refers to the streets surrounding the downtown, approximately 3 blocks in every direction from the downtown commercial area.

The complete results of the Rauch survey on 23 Long Island downtowns is available on our website, www.longislandindex.org.

Are more Long Island downtowns ready for higher density?

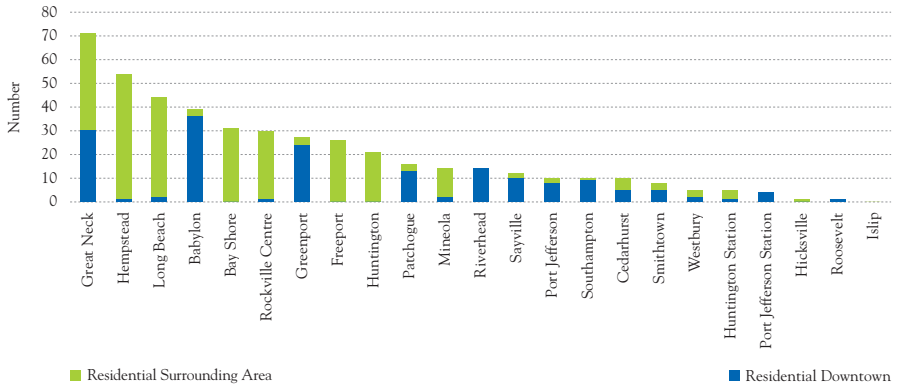
While large population, high-density downtowns and village centers do exist on Long Island—they *have* been built and people *have* come—the question could be raised, are there other downtowns on Long Island (at mid- or low-density levels) that could be developed into denser downtowns with a mix of apartments, stores and offices?

Hicksville is one such downtown. Even though it has one of the largest total populations of the villages we surveyed, only 12% of Hicksville's residents live in the immediate downtown area. In Long Beach, by contrast, 63% of residents live downtown. This makes Hicksville's downtown area population density of 3,900 people/square mile amongst the lowest of those surveyed and well below our survey average of 6,300. This was reflected in the field-survey results that found only one residential building in Hicksville's downtown and surrounding area, compared with 44 in Long Beach.

With its great access to the LIRR and major highways, Hicksville has great potential to support higher residential densities as well as employment opportunities. The working downtown of Mineola, for example, is the home of 28 office buildings, when only 7 were found in downtown Hicksville. Developing offices and housing around Hicksville's downtown—as Stamford, CT has done—could produce a model "transit village" for the Island that could be replicated in other low- to mid-density, transit-oriented locations.

The potential for affordable downtown centers does not lie solely in large centers like Hicksville. Many small and medium-sized downtowns could add modest amounts of affordable housing without adding height or changing their overall character. These could take many forms—small lot infill housing, two-family homes, town houses, second story apartments—and no two villages or town centers are likely to have the same prescription.

Number of Residential Buildings in Downtown and Surrounding Area – Multi-Unit Buildings Only



Downtown is defined as the Central Business District. Surrounding area is defined as the several blocks surrounding the main commercial corridor.
Source: Survey Conducted by Rauch Foundation, 2006; data compiled by RPA

Can more densely developed downtowns coexist with traditional suburban neighborhoods?
A number of successful downtowns around the region demonstrate that high-density, mixed-use downtowns can be consistent with lower-density, stable neighborhoods. New Jersey's Transit Villages cited above have largely benefited the surrounding neighborhoods in places like Metuchen and South Orange, and their success has created demand for additional residential projects in and near downtowns in places like Somerville and Westmont.

As indicated above, Long Island's downtowns and village centers are a diverse set of places by many measures. In general, these centers do not have large concentrations of jobs compared to other parts of the region, but there is a wide variation in the mix of employment, residential, retail and cultural activities in these places.

Across Long Island, relatively dense downtowns can be surrounded by either wealthy, poor or middle-income neighborhoods. Great Neck serves as an example of a more densely developed downtown that coexists with a number of wealthy surrounding neighborhoods. Located on a beautiful stretch of land in the Long Island Sound, Great Neck has attracted wealthy residents into its exclusive neighborhoods from the Island's earliest days. At the center of these distinct, low-density neighborhoods lies a thriving downtown with an abundance of retail and service storefronts (469, more than any other downtown we surveyed), more than 20 office buildings, and more than 70 residential buildings. Downtown Great Neck is one of the most successful mixed-use residential and working communities of our surveyed downtowns, and it is surrounded by stable, traditional suburban neighborhoods.

Rockville Centre, Mineola and Long Beach are other examples of successful dense downtowns surrounded by desirable lower density residential neighborhoods.

Case Study: Stamford, CT

Description: Located 25 miles to the northeast of New York City, Stamford is the fourth largest city in Connecticut with about 117,000 residents. It is a major employment center, with 84,000 employees working in the city. Surrounded by five distinct neighborhoods, Stamford's downtown occupies less than 1% of the total area of the city and is a vibrant center of culture, eateries and active retail and service establishments.

History: Like many East Coast cities around the New York City metropolitan area, Stamford was directly shaped by the rise, and then the fall, of industrialization. By the 1960s Stamford had severely declined and a massive urban renewal operation was undertaken to revitalize the downtown, with mixed success. By the 1980s, Stamford's efforts to redevelop into a regional hub showed early signs of success when it began to attract major employers and saw the construction of a number of large office towers, a hotel and a regional shopping center. The new millennium found Stamford as the second largest financial-industry center in the country with a rapidly growing downtown scene, but still facing serious housing shortages and development pressures in the surrounding neighborhoods.

2002 Master Plan: The city developed its 2002 comprehensive Master Plan with the goal of focusing development within the downtown in order to maintain the quality of life and stability in the surrounding suburban neighborhoods. Other important goals for the Master Plan were to increase affordable housing and address the problem of traffic congestion. The Master Planning process was guided by input from local residents, businesses and civic groups who recognized the importance of growing, but did not want to sacrifice the quality of life of their neighborhoods. The final recommendations of the plan were innovative and included: 1) Directing 80% of new housing and 70% of new office development to the already dense downtown and nearby South End neighborhoods to relieve traffic, positively impact economic development and maintain the identity of surrounding neighborhoods; 2) Reinforcing surrounding neighborhood centers through urban design improvements; and 3) Meeting affordable housing needs for 9,000 units through maintaining publicly supported homes, using tools such as zoning, a Housing Trust Fund, a pre-development loan pool and partnerships with non-profit organizations.

Can downtowns attract populations that are diverse by age, income, race and ethnicity?
The surveyed downtowns are in municipalities that vary widely by race and income diversity. By a broad range of measures, some of the more diverse municipalities in the survey also offered a range of job, housing and service opportunities in their downtowns. Despite problems that each may be addressing, they offer the potential to be revitalized in order to provide a greater quantity of diverse housing options. Several of these places had relatively large downtown populations, including Long Beach, Mineola, Westbury and Patchogue, and several had substantial office and retail employment downtown. Notably, some such as Patchogue and Mineola are expanding housing in their downtowns. In addition, all had good access to Long Island Rail Road stations. **Those downtowns that have already achieved a combination of high-density housing, an attractive commercial area and a healthy mix of incomes can be models for places that have the potential and are making efforts to achieve this.**

Credit:
Hillel Dlugacz, North Shore-LIJ Health System

Case Study: Mountain View, CA

Description: Situated between the Santa Cruz Mountains and the San Francisco Bay, just 10 miles north of San Jose and 35 miles south of San Francisco, Mountain View, California is in the heart of the Silicon Valley and home to some of the country's most notable high-tech companies. The city of 72,000 has an active and vibrant downtown with a diverse and young population of around 11,000 residents that enjoy the downtown's thriving restaurant scene, nightlife and reasonably affordable housing. The downtown is well connected to the region via rail, light rail and bus service and it continues to become revitalized as the city intensifies land use around its transit systems.

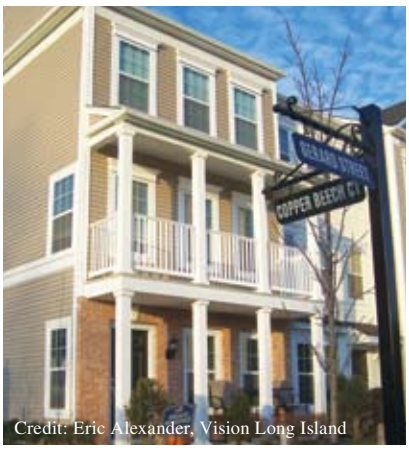
A Diverse Population Experiences Downtown Successes: Mountain View's resident population is both young and diverse. According to census data, more than half of the population is between the ages of 20 and 54, with nearly 25% in the 25 to 34 year age bracket. 45% of this population is non-white. About 15% of Mountain View's population—or 11,000 people—resides in the city's downtown. Drawn by the employment opportunities and convenient transit connections, this young and diverse population enjoys the opportunities offered by downtown living that include dense, affordable housing, an active nightlife and a walkable and bikeable community with connections to parks. As a major regional employment center, the population of Mountain View swells 40% with a daytime population increase of nearly 30,000 people. The seven-block Castro Street downtown accommodates this population with an internationally diverse selection of restaurants and unique downtown shopping experiences. Mountain View is exceptionally well-served by transit and its downtown is home to Centennial Plaza, the city's transit plaza which offers access to light rail, bus and regional rail that connects to both San Francisco and San Jose.

Case Study: Patchogue, NY

Description: Patchogue is an incorporated village in the Town of Brookhaven, located about 55 miles east of Manhattan on the Great South Bay. The village is connected to New York City and other Long Island municipalities via the Long Island Rail Road which has a station in the downtown. With an area just over two square miles, the village is home to nearly 12,000 residents, 28% of which were between the ages of 18–34 as of the 2000 Census. Nearly two-thirds of the population live within close proximity to the downtown area. Patchogue's downtown has been undergoing a dynamic revitalization process resulting in an increasingly livable center for culture, shopping and entertainment along Long Island's South Shore.

History: From as early as 1750, inhabitants of Patchogue took advantage of its streams and natural harbor transforming it into an important mill town, fishing village and shipping center. Following the installation of the Long Island Rail Road in 1869, Patchogue became a significant tourist destination and incorporated as a village in 1893. As industries shifted, Patchogue's downtown slowly became a business center and engine of commerce, exemplified by Swezey's family-owned department store which attracted patrons throughout the region from the time it opened in 1894 until its closing in 2003. Like many downtowns on the Island, Patchogue began to decline in the wake of increased use of the automobile and the development of large shopping malls and retail outlets in surrounding areas. Decline continued through the 1990s even as village leaders began to focus efforts on downtown improvements. Storefront vacancy rates remained high through the late 1990s when a turnaround began to take shape. Fresh cultural life was breathed into the area in 1998 when the Patchogue Theatre for the Performing Arts was reopened. The 1923 theatre, purchased by the Village Board in 1997, was given a multi-million dollar facelift and today offers residents and visitors opportunities to enjoy recitals, plays and other performances in the heart of the downtown. The success of the Theatre has spawned a new downtown restaurant industry—including a brewery. Affordable housing for artists and waterfront revitalization along the Village's river are likely to come soon.

Affordable Homes Attract the Next Generation and Revitalize Downtown: Aware of the importance of maintaining a young, professional population and familiar with the boost that new residents bring to downtowns, the leadership of the Village of Patchogue has spent the last few years cultivating affordable housing opportunities in Patchogue's downtown area. Most recently, the Village collaborated with Suffolk County and the Long Island Housing Partnership to transform five acres of underutilized lots—contiguous to the downtown and blocks from the LIRR station—into a mixed-income, two-bedroom townhouse development. The Vision LI Smart Growth Award-winning Copper Beech Village offers 80 units of town houses—half at market rate and half at various discounted rates—and creates affordable housing for first-time homebuyers. Providing homes in convenient proximity to the downtown attracts those seeking the lifestyle offered by a newly thriving, cultural center and in turn creates patrons for the local economy, further fueling Patchogue's revival. The development was the first project supported by the Suffolk County Workforce Housing Commission, which acquired half of the property as part of its effort to increase housing options in the County. The Village continues to seek out affordable housing opportunities and is considering collaborating with Artspace, a nationwide, not-for-profit developer of living and work space for artists, to find affordable living opportunities for artists in the downtown.



Credit: Eric Alexander, Vision Long Island

How much capacity do Long Island's downtowns and village centers have for additional housing?

A definitive estimate of how much new housing can be accommodated in Long Island's downtowns would require a village-by-village analysis of infrastructure capacity and potential development and redevelopment sites. Even this analysis would really be secondary to the question of community consensus and political will. In theory, there is an almost unlimited capacity to "build up" if the regulatory environment allows it and sufficient investments are made in transportation, sewers and other infrastructure. In reality, there is a limit to how much density can be added to these downtowns without changing the fundamental suburban character of the Island. However, many downtowns could substantially increase residential development in a variety of ways without crossing the line from "suburban" to "urban." In small and mid-sized places, second-floor apartments, infill townhouses and station-area developments could substantially increase housing options without significantly adding to height or changing the small town feel. In fact, they could enhance the sense of place with a real Main Street and neighborhood centers. Many larger places have significant capacity for apartment or condominium buildings in areas that are either already relatively dense, or that have large numbers of underdeveloped parcels in the center of town.

Of the 23 surveyed places, the average downtown area has 34% of the village population. However, this average covers a wide range, from less than 20% in Hicksville, Sayville and Smithtown to over 60% in Cedarhurst, Long Beach, Patchogue and Greenport. Increasing the housing in these downtowns by an average of 50% would seem quite possible considering the range of places and types of potential development. A place like Hicksville with relatively little development in its core could triple the amount of housing and still only reach the average of other places in terms of the ratio of downtown housing to the town's population. Other places might only feasibly add 10–20%, but still make a significant difference. **Extrapolating to all 100+ downtowns on Long Island, a 50% increase in the average housing stock over the next 25 years would result in well over 100,000 new units of housing.** Combined with areas outside of downtowns that are still available for development and redevelopment, this capacity could make it possible for Long Island to increase its rate of housing production substantially while providing more affordably priced multi-family and rental housing. **Put another way, our downtowns have the potential to provide over half of Long Island's housing needs.**

Conclusion

A healthy housing market provides a variety of quality housing choices that are affordable at a wide range of income levels. It also helps to create neighborhoods that provide a high quality of life and support a vibrant economy. To some extent, the high cost of housing throughout most of Nassau and Suffolk indicates that people still view Long Island as a very desirable place, and are willing to pay high prices to live here. There are a wide variety of attractive communities, from thriving downtowns to rural hamlets, all within a region that has one of the largest concentrations of employment opportunities anywhere. However, the shrinking pool of housing choices that are affordable to moderate and middle-income households is starting to take its toll on the very qualities that have attracted newcomers to Long Island for decades. Communities with both reasonable costs and reasonable commutes are harder to come by. Young people in particular are having a difficult time staying or moving here, and job growth is constrained by the difficulty employers have in finding workers. Slower economic growth also means fewer tax revenues, resulting in higher property tax rates for residents.

These problems are not unique to Long Island. Metropolitan areas throughout the United States have experienced escalating prices and housing cost burdens. This is particularly the case in high-cost regions in the Northeast, California and Florida.

The recent bursting of the housing bubble is hitting many of these places much harder than Long Island and the New York region, but the long-term dynamic of relatively high housing costs will remain in places that are not expanding supply sufficiently to meet growing demand. Even within the New York region, suburban areas like Westchester, the Hudson Valley, Fairfield County in Connecticut, and much of northern and central New Jersey have comparable costs and are facing similar issues.

However, many of these challenges are exacerbated on Long Island because of its history and geography. Because it is an island, and because it is reaching the end point of outward development, it faces a shortage of land to expand the number of traditional suburban single-family homes. Also, because Long Island has no cities that are comparable to those in other parts of the tri-state region, such as Stamford, White Plains or New Brunswick, and fewer town centers that have embraced higher density housing, it has far fewer multi-family and rental options relative to its size.

Overcoming these challenges will require addressing traditional attitudes as well as economic and regulatory issues. No single law, policy or program is likely to fill all of the needs for more affordable housing. Several policy initiatives are being debated that could have an impact. These include inclusionary zoning, which would require that a share of new housing construction be sold at prices that are affordable to low, moderate or middle-income individuals; incentives to municipalities to zone for higher density housing, a share of which would be for moderate-middle income households; and transit-oriented development, in which transportation agencies, housing agencies and municipalities cooperate to create new residential or mixed-use communities around train stations and other transit facilities.

All of these potential solutions point to Long Island's downtowns and village centers as underutilized assets that could put these tools to work. To achieve the densities required for inclusionary zoning—whether mandatory or incentive-based—or for successful transit-oriented development, village and town centers are the first places to look. These places also represent opportunities to provide a wider range of life-style choices for both young and old, and reduce the environmental and infrastructure burdens that come with new development.

While all these solutions face political, logistical and other challenges, survey results show that Long Islanders are ready to support them. There are growing examples, both on Long Island and elsewhere of communities that have successfully overcome these challenges. Our ability to expand upon such successes is essential to closing the gap between Long Island's housing supply and our region's needs.

Credit: John McNally, Rauch Foundation

Economy

Goal #1—Growth and Prosperity

Our economy grows at a rate that results in an improved quality of life for all.

INDICATOR:

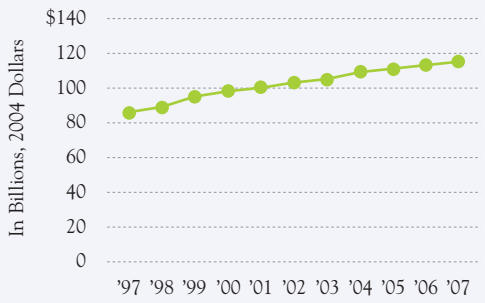
Gross Domestic Product/Gross Metropolitan Product

Long Island's economic growth has slowed in the past four years.

Why is this important?

The Gross Domestic Product (GDP) is a measure of the extent of economic activity within a defined geographical region or within a sector of a defined economic region. When referencing a defined metropolitan area it is sometimes referred to as the Gross Metropolitan Product (GMP). Essentially the GDP/GMP measures the economic output of a region and can be used to compare overall economic activities across regions, or the contributions of various sectors.

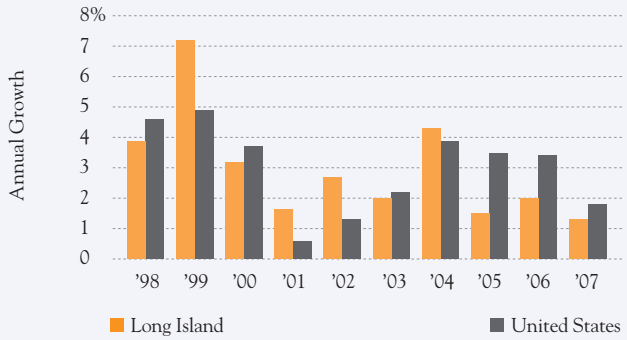
Gross Domestic Product for Long Island



Includes private sector, non-farm/fishing/hunting/private household employment. Excludes government sectors.

Source: Economy.com; Hofstra University

Growth in Long Island's GDP Compared to U.S. GDP



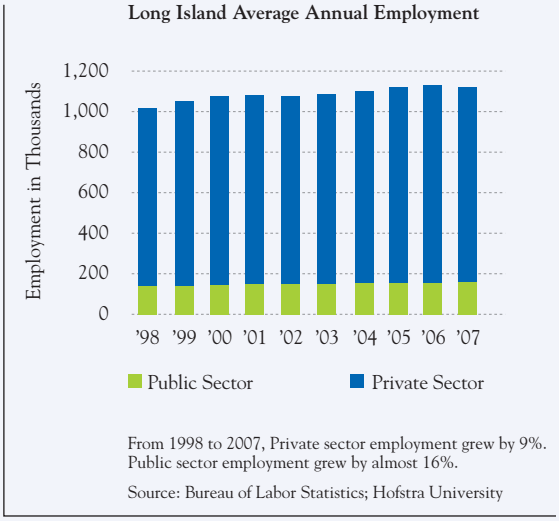
Source: Economy.com; Hofstra University

How are we doing?

In 2007, the total private sector GDP for Long Island was about $115 billion, up from about $113 billion in 2006. Overall, Long Island's economy has grown by 34% from 1997 to 2007 (33% if the public sector is included). Growth has averaged about 3% per year. However, there was greater growth earlier in the period and slower growth more recently. Growth in GDP from 2004 to 2007 has averaged about 1.6%, slightly less than half the rate between 1997 and 2004 (3.6%) and lower than the U.S. average for the same time period (3.2%).

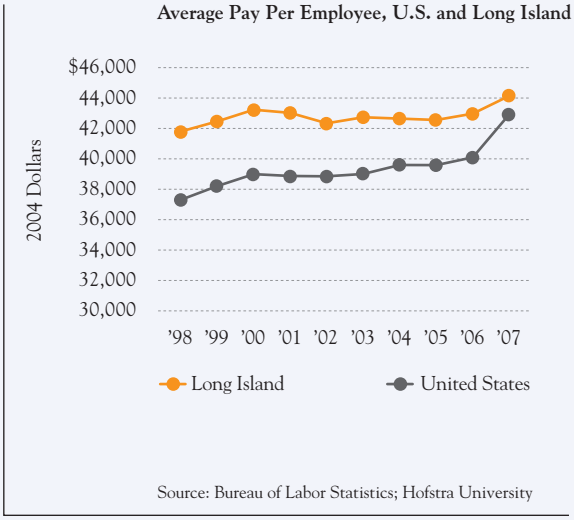
What does "2004 dollars" mean?

The purchasing power of a dollar changes over time. If the items we buy generally cost more today than they did ten years ago, then one dollar today is worth less than a single dollar was back then. Therefore, it is necessary to adjust for that in order to create a common scale when we compare dollar values (e.g., when comparing wages) over several years. By picking a single year as the standard (say, 2004), dollars from earlier years can be "inflated" using the Consumer Price Index in order to estimate what those earlier dollars would be able to buy in 2004. Similarly, dollars from later years can be "deflated" to what their purchasing power would have been in 2004. By converting all values to the same scale it is much easier to detect the presence or absence of any trends over time (e.g., are wages actually rising, falling or remaining the same?).



From 1998 to 2007, Private sector employment grew by 9%. Public sector employment grew by almost 16%.

Source: Bureau of Labor Statistics; Hofstra University



Source: Bureau of Labor Statistics; Hofstra University

INDICATOR:
Employment Trends

Private sector employment fell 2%.

Why is this important?

Job gains or losses measure regional economic vitality. This chart shows annual average private non-farm employment, government and military, and total employment on Long Island during the past ten years.

How are we doing?

Long Island's overall private sector employment grew by about 9% between 1998 and 2007. That reflects an average annual increase of .9% and an absolute increase of about 100,000 jobs. More recently, between 2006 and 2007, private sector employment fell by 2%.

Although Long Island once had major agricultural production in the region, today it is one of the smallest sectors of Long Island's economy, comprising only 1,745 people in 2007 (0.15% of all employment), down from 2,235 in 1998.

INDICATOR:
Growth in Wages over the Past 10 Years

Growth in U.S. wages outpaces Long Island.

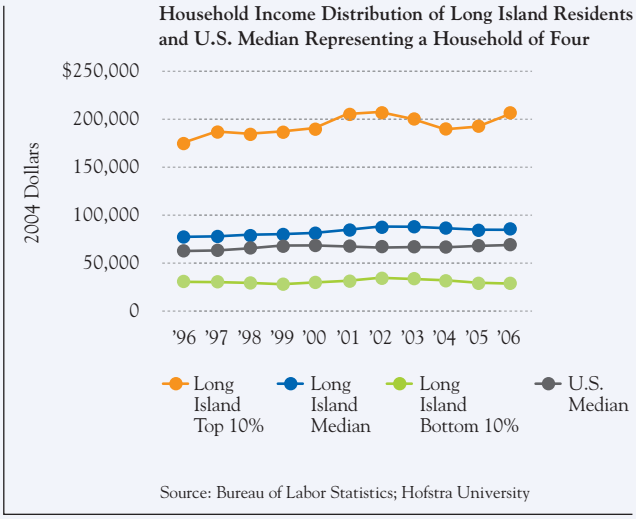
Why is this important?

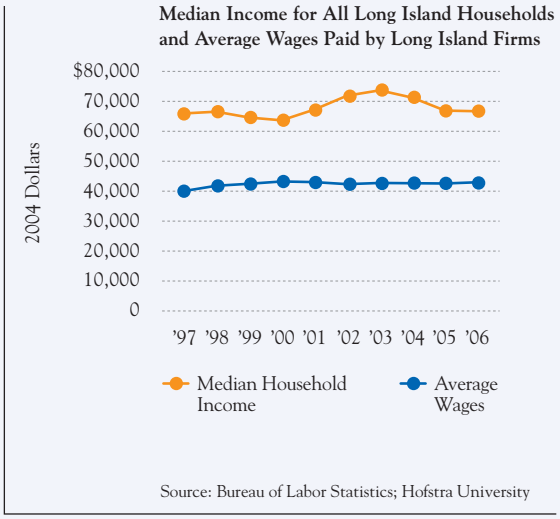
Average pay per employee is a basic measure of the economy's health. Increasing or decreasing inflation-adjusted pay per employee reflects the relative economic vitality of Long Island. It does not, however, assess whether the returns of economic activity are being distributed equally throughout the workforce.

How are we doing?

Average pay per employee on Long Island increased 6% from 1998 to 2007 compared to the U.S. which rose 15%. This shows that the U.S. income has grown much faster than Long Island's.

Between 2000 and 2006, the inflation-adjusted average pay per employee was stagnant; between 2006 and 2007, pay per employee rose 3%.





INDICATOR:

Household Income Distribution

Household income for the top 10% continues to grow while the bottom 10% declines.

Why is this important?

This measure shows how Long Island's standard of living among households at different income levels has changed from year to year. It tracks the income of a representative four-person household. The first chart plots the four-person household income of the top 10%, the median and the bottom 10% of the income distribution. The second chart compares trends in overall household income (regardless of size) with trends in average wages paid by Long Island business establishments.

How are we doing?

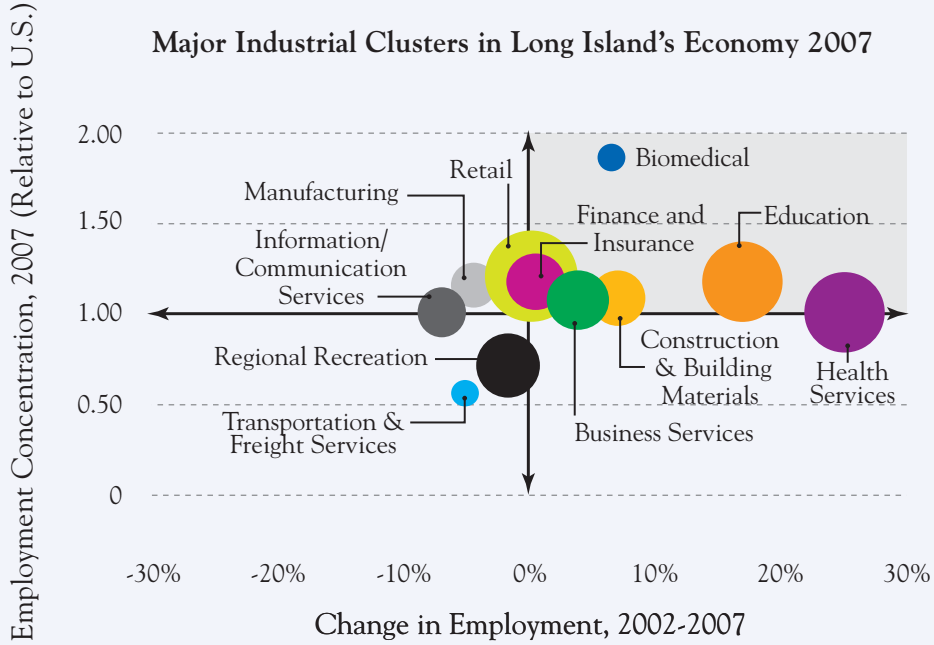
Looking at the long-term trend from 1996 to 2006:

- Real incomes for households in the bottom 10% actually dropped 6% and those in the top 10% rose by 17%.
- Long Island Median Income for a four-person household has declined since 2003 while the U.S. median for a four-person household has had a slight increase.

These patterns indicate a widening of income inequality on Long Island and an increased economic burden on Long Island households.

Looking at the second graph it is apparent that while the inflation-adjusted income for all households was only marginally higher in 2006 relative to 1997, there has been some fluctuation. During this same period, average wages paid by Long Island firms has been relatively more stable and seen positive growth. Household income is higher than the average wages paid by firms partly because household income often reflects the contributions of multiple wage earners. The fluctuations in household income tend to be associated with the rising and declining opportunities for secondary wage earners within households.

Major Industrial Clusters in Long Island's Economy 2007



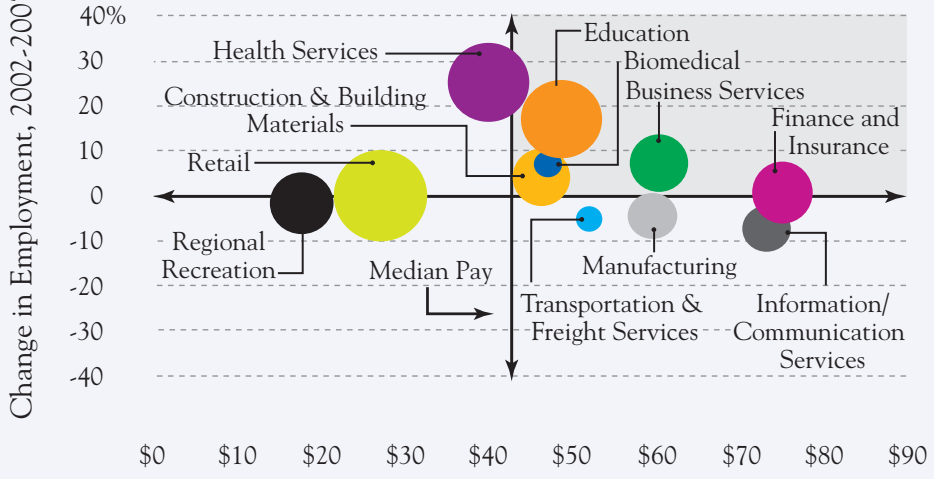
How to Read This Chart

↑ Higher concentration ← Decreasing employees	↑ Higher concentration → Increasing employees
↓ Lower concentration ← Decreasing employees	↓ Lower concentration → Increasing employees

Bubble size represents cluster's employment concentration in Long Island's economy.

Source: Bureau of Labor Statistics; Hofstra University

Wages, Employment Growth and Employment Concentration by Clusters, Long Island



How to Read This Chart

↑ Increasing employees ← Lower wages	↑ Increasing employees → Higher wages
↓ Decreasing employees ← Lower wages	↓ Decreasing employees → Higher wages

Size of bubble reflects 2007 employment concentration.

Source: Bureau of Labor Statistics; Hofstra University

INDICATOR:

Industry Clusters

Health Services and Education clusters grew the fastest over the past five years. Retail is the most concentrated cluster.

Why is this important?

Long Island's industry clusters make up approximately 70% of Long Island's employment base. An industry cluster is a geographic concentration of interdependent firms in related industries and includes a significant number of companies that sell their products and services outside the region.

The first bubble chart illustrates three key dimensions of Long Island's industry cluster:

- The cluster's employment concentration relative to the nation (vertical axis).
  - Employment concentration measures the percentage of employment on Long Island compared to the same cluster, nationally.
  - A concentration greater than one indicates that Long Island has relatively more employment in that sector as compared to the national economy as a whole.
- Change in employment from 2002 to 2007 (horizontal axis).
- Concentration in 2007 (size of circle). Concentration shows the size of the cluster relative to the Long Island economy as a whole.

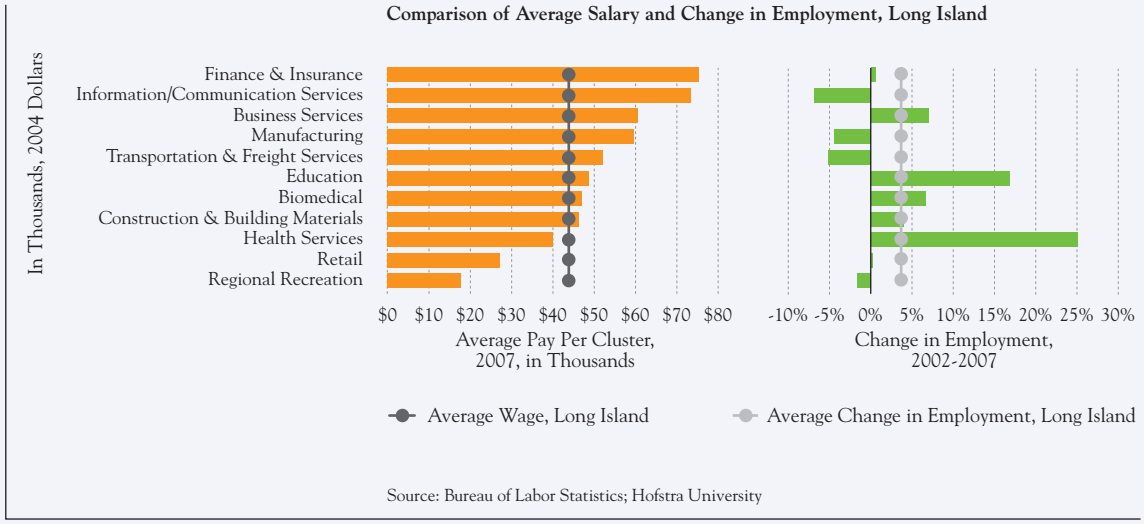
The second bubble chart illustrates key dimensions of Long Island's industry clusters in relationship to wages and employment growth from 2002 to 2007.

On each chart, the upper right hand quadrant represents those clusters with the most positive indicators in concentration and employment (first chart) or employment and wages (second chart).

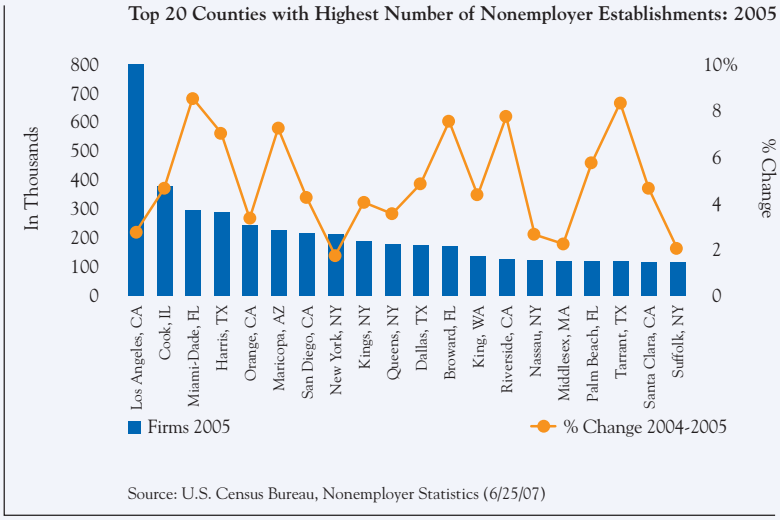
How are we doing?

Reading the two charts in relationship to each other, a critically important trend becomes apparent. Employment opportunities tend to be increasing in sectors of the economy that pay wages close to or somewhat below the median, and declining in those sectors that generally offer higher wages and salaries.

- The first chart shows that the most concentrated cluster relative to the U.S. economy is Biomedical. The least concentrated is Transportation and Freight Services. The second chart indicates that these two clusters are close to the median wage divide.
- The clusters experiencing the greatest employment growth have been Education (17% in the past five years) and Health Services (25%). Both are among the three most concentrated clusters (each representing about 11% of employment). The second chart indicates that both pay close to median level wages.
- For Long Island, those clusters yielding the highest average pay tend to be both the smaller sectors and those that have experienced employment declines between 2002 and 2007 (Information and Communication Services fell 7%, Manufacturing fell 4%, Finance and Insurance only grew .6%).



Another way to view this data is to compare the average growth in wages with the average change in employment. Again we see that growth is occurring in those industries where salaries are near the average rather than in the higher paying clusters.



Goal #2: Supportive Business Environment

Long Island provides a business friendly environment for companies to grow.

INDICATOR:

Nonemployer Businesses

Long Island businesses without employees are growing more rapidly than employment as a whole.

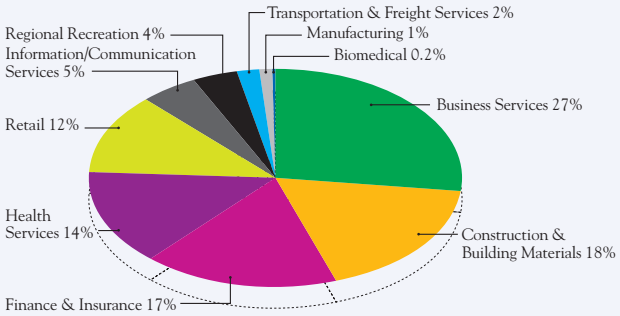
Why is this important?

Business vitality is essential for growing and sustaining a region's economic viability. While firms contribute to the local economy by hiring employees, increasing numbers of individuals are creating the means to work for themselves. The ability to go into business for oneself not only characterizes part of the American Dream, but it is also a measure of economic flexibility in terms of the ability of businesses and the workforce to adapt to new market conditions.

Typically, these nonemployer businesses are self-employed individuals running very small businesses that are not necessarily their main source of income. In 2005, the number of U.S. businesses without payroll surpassed 20 million. Businesses without employees make up roughly 78% of all U.S. businesses,[1] and they are growing at a faster rate than employment. For the U.S., from 2004 to 2005 these businesses grew by 4.4%[2] while total employment expanded by 1.8%.[3]

[1]Mike Bergman. 2007. "'Lone Wolves' Boost Nonemployer Businesses Past 20 Million," Press Release.
Nonemployer Statistics, U.S. Census Bureau. (July 25, 2007). http://www.census.gov/Press-Release/www/releases/archives/economic_census/010314.html
[2]Ibid
[3]Percentage change, annual total U.S. employment.
http://data.bls.gov/PDQ/servlet/SurveyOutputServlet;jsessionid=f0302f829fe5$3FyL$3F

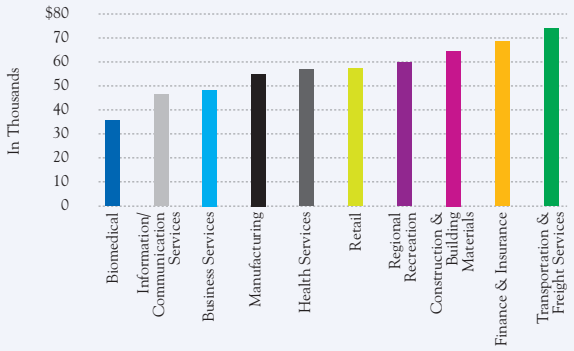
Nonemployer Establishments, Long Island, 2005



Construction Cluster is not included in this analysis. Due to confidentiality, most detailed industry (6-digit NAICS) employer data is not available. As a result, the Long Island cluster definitions used in this analysis may vary slightly from the Long Island cluster definition used for employment.

Source: U.S. Census Bureau, Economic Planning and Coordination Division

Nonemployer Establishment Average Annual Receipts by Cluster, Long Island, 2005



Due to confidentiality, most detailed industry (6-digit NAICS) nonemployer data is not available. As a result, the Long Island cluster definitions used in this analysis may vary slightly from the Long Island cluster definition for employment.

Source: U.S. Census Bureau, Economic Planning and Coordination Division

HOW ARE WE DOING?

Long Island boasts large numbers of businesses without payroll. Although growth in these establishments is slower than for the U.S., Long Island's nonemployer establishments are growing faster than employment.

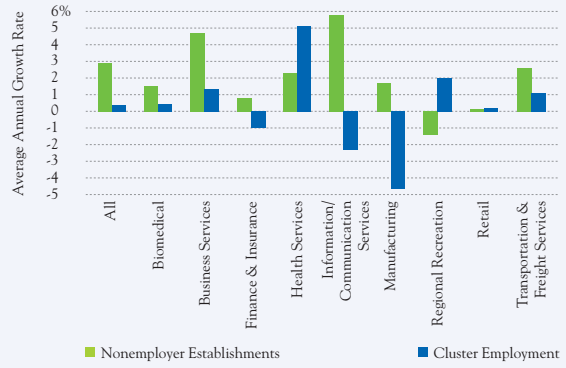
Alongside some of the most dynamic areas in the country such as Los Angeles, Chicago and Miami, Nassau and Suffolk Counties rank 15th and 20th of all U.S. counties in total number of nonemployer businesses. From 2004 to 2005, such businesses on Long Island's two counties grew in number by 2.7% and 2.1% respectively while nationwide growth was 4.4%.

Business Services makes up the largest share of Long Island's nonemployer establishments, 27%, and these are primarily in Professional, Scientific, and Technical Services. Building contractors make up 18% of the region's businesses without payroll followed by Finance & Insurance, Health Services, and Retail.

Recent research cautions that the characteristics of self-employment have changed over the last 30 years in terms of the conditions for becoming self-employed as well as the outcomes. Self-employment is on the rise and the activities associated with self-employment have shifted from shopkeepers and craftspeople to activities that are more diverse, unstable and transitory.[4]

[4]Richard Arum and Walter Muller, eds. 2004. The Reemergence of Self-Employment: A Comparative Study of Self-Employment Dynamics and Social Inequality. Princeton, NJ: Princeton University Press.

Growth in Nonemployer Establishments and Cluster Employment on Long Island, 2000-2005



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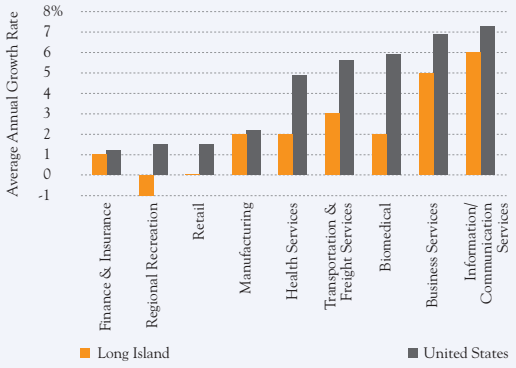
Source: U.S. Census Bureau, Economic Planning and Coordination Division

Growth in Nonemployer Establishments by Clusters, U.S. and Long Island, 2000-2005



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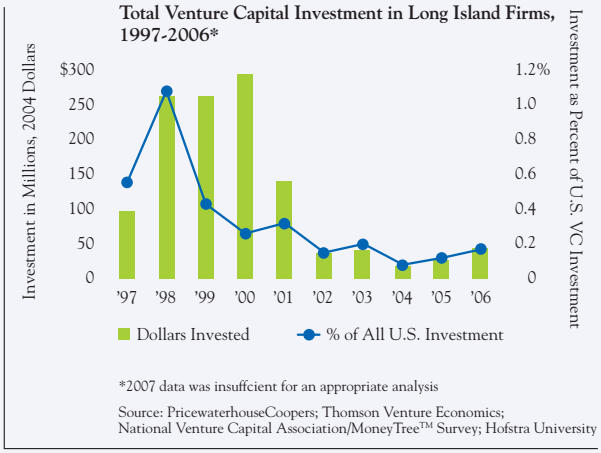
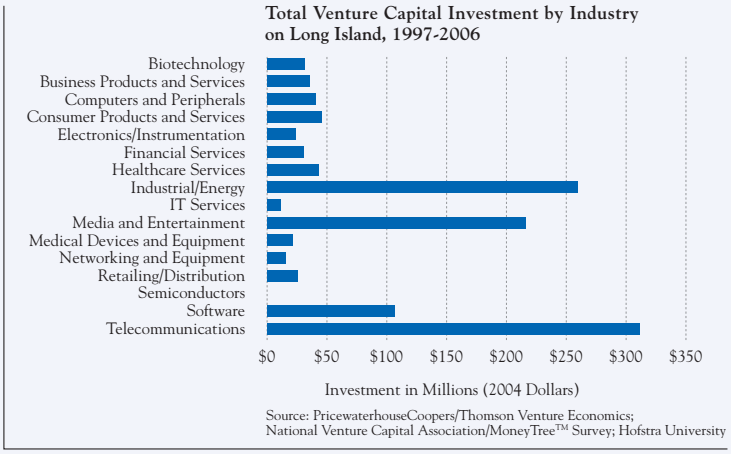
Source: U.S. Census Bureau, Economic Planning and Coordination Division

Annual average receipts reported for Long Island's nonemployer firms vary by cluster industry. In Transportation & Freight Services annual receipts averaged $73,000 in 2005 while at the low end, Biomedical reported $35,000. These average values also include part-time activities.

Looking specifically at Long Island's cluster industries, the growth in businesses without employees has outpaced the growth of employment in firms with payroll. Between 2000 and 2005, the average annual growth rate for nonemployer establishments was seven-times faster. With the exception of employment growth in Health Services and Regional Recreation, across clusters nonemployer establishments grew at a faster rate. Most notably, nonemployer establishments in Information/ Communication Services grew at an annual rate of 5.8% while employment dropped by 2.3%. Similarly, nonemployer establishments in Manufacturing grew annually by 1.7% while jobs were shed at an annual rate of 4.7%.

Although Nassau and Suffolk Counties rank among the top 20 U.S. counties in terms of total number of nonemployer establishments, across all of Long Island's cluster industries, average annual growth rates lag the U.S.





Goal #3—Innovative Economy

Our economy incubates, supports and retains companies.

INDICATOR:

Venture Capital Financing

Long Island firms receive very little venture capital.

Why is this important?

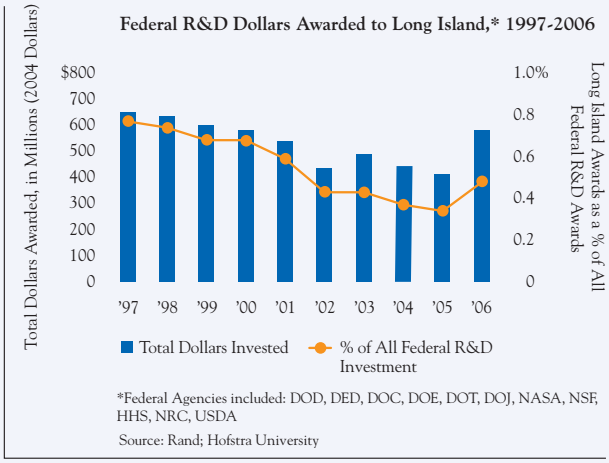
New venture capital investment is an indicator of innovation and dynamism within the economy. Venture capitalists generally seek to invest in new enterprises that have a potential for strong growth. Typically, only firms with potential for exceptionally high rates of growth over a 5- to 10-year period will attract venture capital. Thus, a high rate of venture capitalist investment suggests a changing and dynamic economy with relatively new enterprises entering the scene. A lower rate of venture capitalist investment suggests a less dynamic mix of economic enterprises in the regional economy.

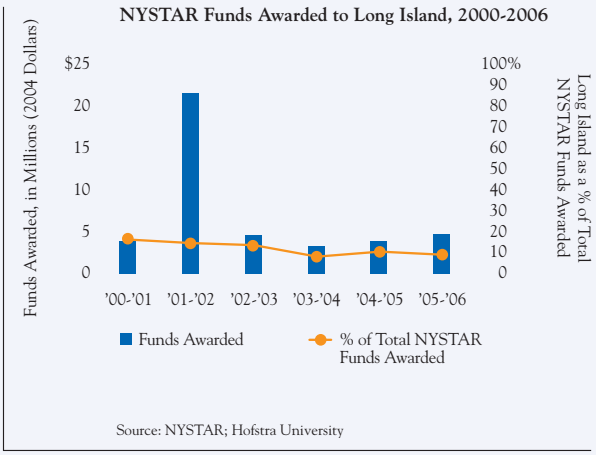
How are we doing?

Since 2002, venture capitalist investment in Long Island firms has ranged between $18 million and $43 million. As a percentage of total venture capital investment in U.S. firms, there was a slight increase over the three years prior to 2007 (from .08% to .17% of total U.S. investment). Between 1997 and 2006, Long Island has averaged about 6.25% of all venture capital investment in New York State.

The four industries receiving the largest investments are Telecommunications, Industrial/Energy, Media and Entertainment, Software.

In comparison to other regions, Long Island receives a relatively small portion of venture capital investment. Two top recipients were Silicon Valley (27% in 2006) and Boston (10.2% in 2006). Other regions received significantly less in 2006: Denver 2.4%, Philadelphia 2.3%, Minneapolis 1.2%, Pittsburgh 0.9%.





INDICATOR:

Research and Development Investment

Long Island firms receive more in federal R&D dollars than previously but still a small proportion of overall federal dollars.

Why is this important?

Federal R&D investment in Long Island's universities, labs and private sector helps to drive regional innovation. Federal R&D dollars support the development of technologies that create economic benefits for the regions in which they are developed and for the nation as a whole. According to RAND, "Specific federal R&D activities are often deeply rooted in the communities in which they are conducted. Such activities attract new businesses to these areas, thereby stimulating local economies and improving the quality of local schools. High-technology start-up companies often co-locate with Federal laboratories and major federally-funded R&D activities at universities."

How are we doing?

In 2006, Long Island received $582 million in R&D funding from various agencies of the federal government. That represents a 41% increase in funding from 2005. Prior to 2006, funding had been declining relatively steadily from 1997 both as a dollar amount and as a percent of the federal R&D funding that goes to Long Island.

Between 1997 and 2006, Long Island averaged 19.25% of all federal dollars allocated to New York State recipients. In 2006, Long Island firms accounted for about 26% of federal R&D funds going to New York State.

The Department of Energy is by far the largest provider of R&D funds to Long Island ($257 million in 2006), followed by the Department of Defense ($220 million) and the Department of Health and Human Services ($80 million).

In addition, New York State provides funds to firms through the NYSTAR program of the New York State Foundation for Science, Technology and Innovative Leadership. In 2005–06, Long Island firms received almost $5 million in NYSTAR funding. That represents about 9% of the total awards for that period. Since 2000, Long Island firms have received an average of 9.75% of the total award amounts offered by the NYSTAR program.

Our Communities

Goal #4: Vibrant Communities

We create exciting communities and downtown centers that offer people a wide choice of places to live, work and play.

INDICATOR:

Long Island's Changing Population

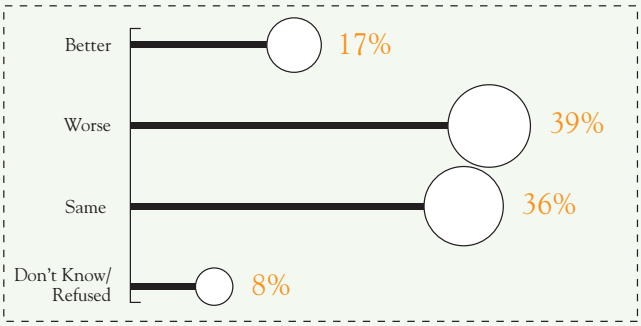
Long Island's population grew slightly yet continues to lose young adults in the key 20–34 year old demographic.

Why is this important?

The level of population growth is a fundamental benchmark of how attractive Long Island is as a place to live. New residents require more housing and services, but can also add to the vibrancy of growing communities, increase sales for local businesses and provide additional tax revenues. Increasing diversity can provide a cultural richness that many people value, but can also add to social tensions. In addition, some economists have found that workforce diversity leads to a stronger regional economy.

What People in the Region Are Saying

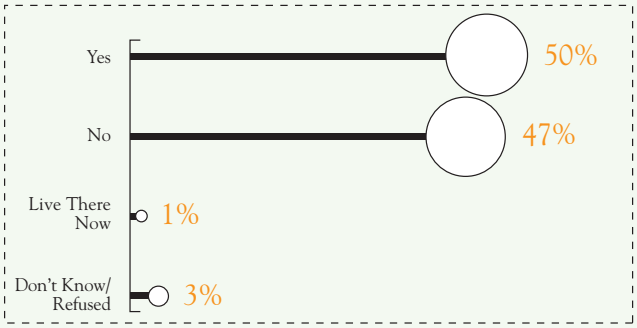
Overall, thinking ahead to 10 years from now, do you think Long Island will be a better place to live than it is now, a worse place to live than it is now, or will it be about the same?



Results may not add to 100% due to rounding.

What People in the Region Are Saying

Can you imagine an immediate family member, such as a child or parent, ever living in an apartment, condo or townhouse in a local downtown area on Long Island?



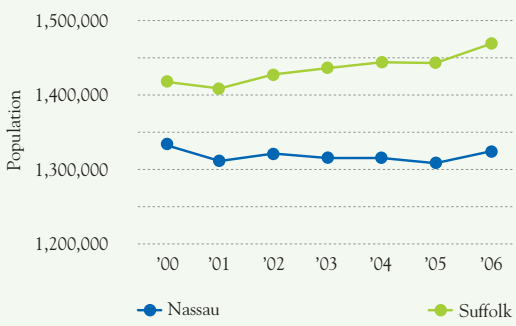
Results may not add to 100% due to rounding.

How are we doing?

After fluctuating around 2.75 million people since 2000, Long Island's population increased by 41,000 between 2005 and 2006. Both Nassau and Suffolk added residents, although Nassau's population is still less than it was in 2000. All of this population increase appears to have come from natural increases and immigration from overseas. In fact, people continued to leave Long Island for other parts of the United States at an even faster pace.

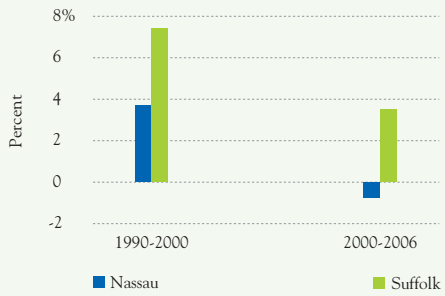
The demographic changes that have been slowly changing the face of Long Island over the last two decades continued. The proportion of minorities on Long Island is steadily growing, and Blacks, Hispanics and Asians currently make up 28% of the population, a new high for the Island. The percentage of people over age 55 is growing significantly, while all other age groups are shrinking, particularly the population between 20 and 34 years old.

Population Change in Nassau and Suffolk Counties, 2000-2006



Source: 2000 U.S. Census of Population, 2001-2006 American Community Survey

Change in Population for Nassau and Suffolk, 1990-2006



Source: 1990, 2000 U.S. Census of Population, 2006 American Community Survey

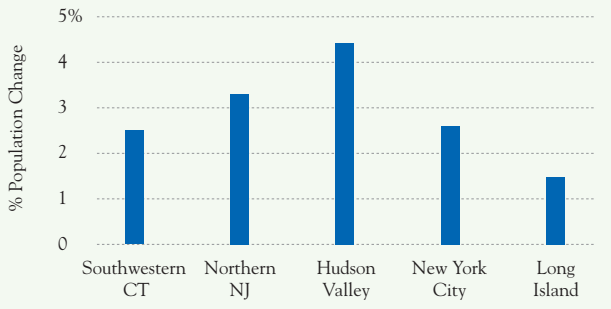
Population change

With Suffolk adding 25,000 residents in 2006 and Nassau adding 16,000, the population on Long Island reached 2,795,000. Over the six years since 2000, Suffolk's population has grown by 3.5% while Nassau's has shrunk by 0.7%.

Compared with the rest of the tri-state metropolitan region, Long Island is lagging behind in population growth. While Long Island grew by 1.5% between 2000 and 2006, New York City grew by 2.6%. A strong economy and a surge in housing construction in both Manhattan and the outer boroughs led to the city's growth. However, the other suburban areas of the region also grew faster than Long Island. The suburbs north of New York City expanded by 4.4%, nearly 3 times the rate of Long Island. Northern New Jersey and Southwestern Connecticut also grew significantly faster, by 3.3% and 2.5%, respectively.

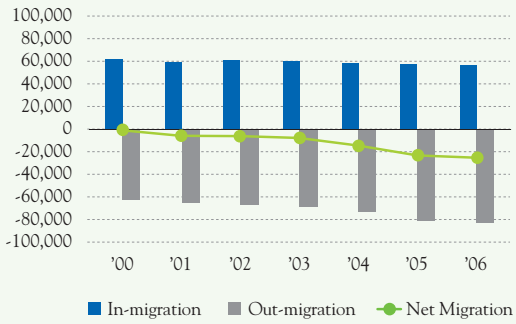
There are a number of factors which could contribute to these differences, including varying rates in immigration and birth rates. However, a major factor is the ability of these different parts of the region to expand their housing supply. All had high and rapidly escalating housing prices in the last six years, but the other suburban areas also built substantially more housing relative to population than Long Island. Some areas had more rural land under development than Long Island, such as Orange County in the Hudson Valley and Somerset County in New Jersey. Each of these areas also had cities that were undergoing substantial housing and population growth, such as White Plains in Westchester, Stamford, Connecticut, and even Newark, New Jersey.

Change in Population for the New York Metro Area, 2000-2006



Source: 2000 U.S. Census of Population, 2006 American Community Survey

Migration Between Long Island and the Rest of the U.S.



Source: Internal Revenue Service

Migration

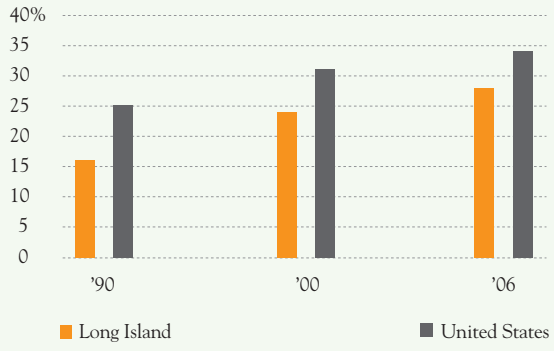
The number of people leaving Long Island continues to grow, while the number of people arriving from other parts of the United States continues to decline. In 2006, there were 25,000 more Long Islanders who left than those who arrived from within the U.S. This continues an increase in net out-migration that has been accelerating every year since 2000.

This change comes from a number of sources. There are still substantial numbers of people moving to Long Island every year from New York City and other parts of the tri-state region, but the number of people moving from New York City has declined by 9% since 2000 while the number of people moving from Long Island to Manhattan, Queens and other parts of the city has increased by 5%. This is consistent with the substantial growth of new housing and population in the five boroughs compared to Nassau and Suffolk.

For those Long Islanders who do not stay in the tri-state area, they are most likely to go to Florida, Pennsylvania, North Carolina, Georgia, and California, and to do so in increasing numbers. The high propensity of Long Islanders to move to sunny and lower tax states like Florida, North Carolina and Georgia indicates that much of this migration is fuelled by the growing number of retirees. These states have long been a destination for retirees, but the opportunity to cash in on the skyrocketing price of their homes has probably contributed to an acceleration of this trend in recent years.

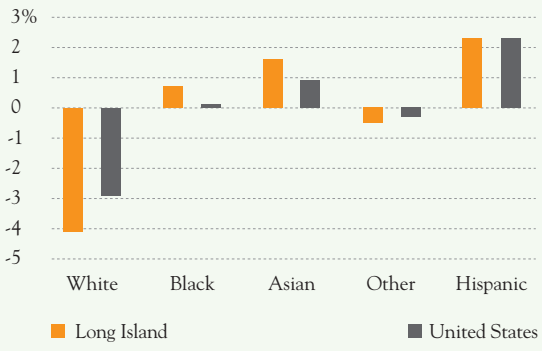
Interestingly, the average incomes of those moving into and out of Long Island are very similar, at about $60,000–$65,000 per year while the incomes of those who stay on the Island are much higher. This is likely because young adults and retirees are both more likely to move and have lower incomes than individuals in their prime earning years.

Share of Population That Is Black, Hispanic, Asian or Other, 1990-2006



Source: 1990, 2000 U.S. Census of Population, 2006 American Community Survey

Change in Racial Makeup in the U.S. and Long Island, 2000-2006



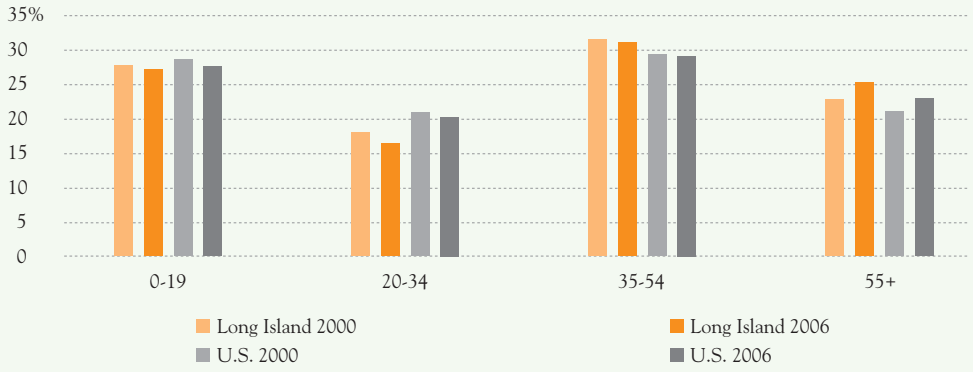
Source: 2000 U.S. Census of Population, 2006 American Community Survey

Race and ethnicity

Long Island continues to become more racially and culturally diverse. Since 2005, the percent of the population identifying themselves as Black, Hispanic or Asian each edged up slightly. Since 1990, the White population has declined from 84% to 72%. Hispanics are both the largest and most rapidly growing minority population, having increased from 6% to nearly 13% in the last decade and a half. The Black population has increased modestly, growing from 7% to 9%. Asians have also increased rapidly, growing from 3.5% to 5%. These trends reflect both national and regional trends, both in terms of the general trend toward greater diversity and in the rapid growth of Hispanics and Asians specifically.

Strong immigration is clearly the predominate cause of increasing diversity, both nationally and on Long Island. However, it would be a mistake to assume that any race or ethnic group is overwhelmingly foreign-born or native-born. For example, a majority (54%) of Hispanic Long Islanders was born in the United States, and a significant number of those who are foreign-born are naturalized citizens. While most Blacks are native-born, one out of four were born overseas. Asians are still predominately foreign-born, with 69% born outside of the United States. Even without changes in immigration laws, the native-born share of these groups is likely to increase as children and grandchildren of immigrants become a larger proportion of the total.

Share of Population by Age, U.S. and Long Island, 2000 and 2006



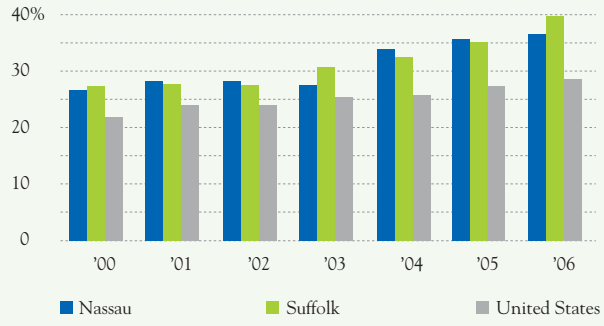
Source: 1990, 2000 U.S. Census of Population, 2006 American Community Survey

Age distribution

An aging population is a national phenomenon, fueled primarily by the aging of the "baby boom" population, but also by the lengthening life spans. These trends are even more pronounced on Long Island. Between 2000 and 2006, the share of the population over age 55 grew by 2.5 percentage points on Long Island, compared to 1.9 points in the U.S. All other age groups declined as a share of the population in both Long Island and the United States. In the U.S., the proportion under 19 declined the most, from 28.6% to 27.6%. While this age group declined only slightly on Long Island, the share of those between the ages of 20 and 34 declined from 18.1% to 16.4%, significantly more than the U.S. decline from 20.9% to 20.3%. From 1990 to 2006, the decline on Long Island is even sharper, falling from 24% to 16.4%.

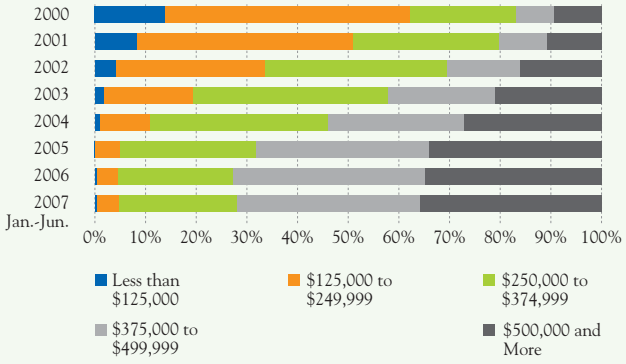
The decline in the young adult population is partly attributable to low birth rates in the 1970s, when most of this cohort was born. However, this does not explain why Long Island declined to a much greater degree than the U.S. Other demographic explanations may be partly responsible. For example, with adults marrying later and later, there may also be a delay in the traditional move from city to suburb as young singles become families looking for a more suburban lifestyle. However, even this explanation cannot be separated from the escalating cost of housing. The barrier to purchasing a home, or even living on one's own, is likely part of the reason for delaying marriage and children. Certainly the size of the difference between Long Island and the nation, coupled with a severe shortage of housing for most people in the early earning years, points to the Island's housing market as a major impediment to attracting and retaining more young singles and families.

Share of Long Island Households with a High Housing Cost Burden, 2000-2006



Source: 2000 U.S. Census of Population, 2001-2006 American Community Survey

Sales Prices of All Homes on Long Island, 2000-2007



Source: Long Island Profiles of Brightwaters, NY (www.LIProfiles.com); data compiled by RPA

Goal #5—Affordable Homes

We generate housing options that are affordable to people of all ages and income levels.

INDICATOR:

Housing Affordability

Housing cost burden rises and home sale prices experienced modest declines.

Why is this important?

As housing costs represent a growing share of the household budget on Long Island, housing affordability becomes an issue for everyone including homeowners, renters, those entering the labor market, middle-income families and employees. From one perspective, rising housing costs are a sign that Long Island continues to be a place where people desire to live. However, higher housing costs deplete the quality of life on Long Island for the many families struggling with rent and house payments and make it difficult for employers to recruit and retain workers. Over time, the limited supply of lower cost housing can change the cultural, demographic and economic character of the region. Increasing housing cost burdens make it harder for longtime residents to stay, and for the adult children of residents to start their families in the region.

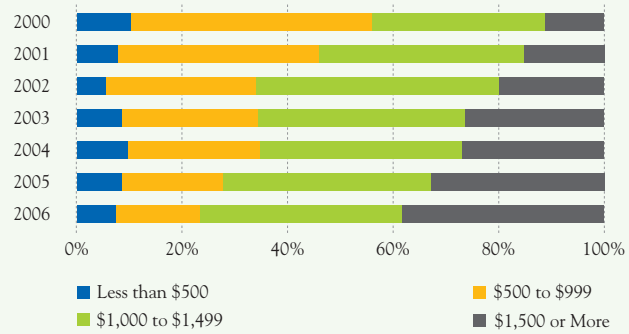
How are we doing?

Housing prices have skyrocketed across the U.S. creating a growing disparity between housing costs and income. The share of households who spend more than 35% of their income on housing on Long Island increased from 27% in 2000 to 38% in 2006. The share of American households with such a high housing cost burden was only 28% in 2006. Suffolk County in particular experienced a sharp jump, with the number of households in this category increasing from 35% to 40%. In Nassau, where the housing cost burden has been slightly higher for most of the past six years, the share increased from 36% to 37%.

Home sale prices

Sales prices leveled off in the latter half of 2006 and the first half of 2007. Median sales prices rose only 2% from 2005 to 2006, increasing from $430,000 to $440,000, following several consecutive years with double-digit increases. From 2005

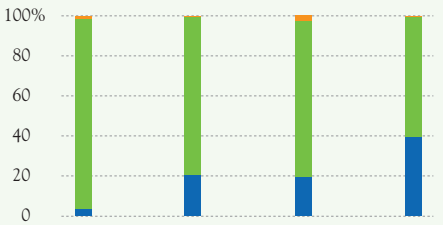
Gross Monthly Rent of Apartments on Long Island, 2000-2006



Source: 2000 U.S. Census of Population, 2001-2006 American Community Survey

What People in the Region Are Saying

Imagine that you were about to buy your first home, could you afford to buy your current home if you were purchasing it at today's prices?



Results may not add to 100% due to rounding.

to 2006, the share of homes sold for more than $500,000 declined from 43% to 35%. Those selling for less than $375,000 increased from 18% to 27%. Sale prices in the first half of 2007 are similar to those in 2006.

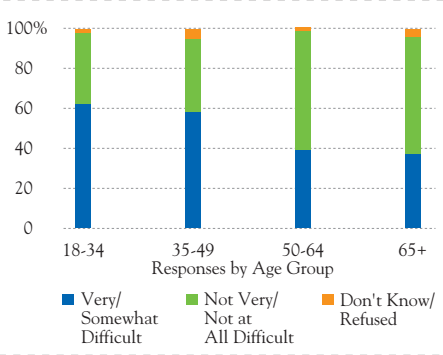
Even with this moderation, the escalation in prices since 2000 remains striking. Median prices more than doubled in a six year period. Homes that sold for less than $250,000 declined from 62% to less than 5% by the beginning of 2007. Homes sold for over $500,000 increased from 10% to 36% over the same time period.

Median rents

While the increase in sales prices moderated in 2006, rents continued to rise at the rate of about 6% per year. Rents increased by 3.2% in Nassau and 8.7% in Suffolk between 2005 and 2006, reversing the pattern of the previous year when rents grew more in Nassau. Since 2000, rents have increased by 39% Island-wide, with comparable increases in Nassau and Suffolk. In 2000, 55% of rentals cost less than $1,000 a month; in 2006, that share was cut in half, to 23%. By contrast, homes and apartments renting for more than $1,500 more than tripled, from 11% in 2000 to 38% in 2006.

What People in the Region Are Saying

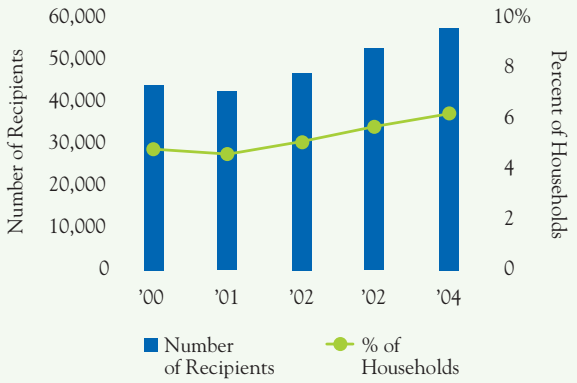
In an average month, how difficult is it for you and your family living with you to pay the rent or mortgage?



Results may not add to 100% due to rounding.

Note: For more about the topic of Long Island's housing, please see the Special Analysis at the beginning of this report.

Food Stamp Recipients: Number and Percent, 2000-2004



Source: 2000 U.S. Census of Population, 2001-2004 American Community Survey

Annual Transit Ridership, in Thousands

	2000	2006
Long Island Rail Road	105,148	98,753
New Jersey Transit Commuter Rail Road	60,803	70,953
Metro North	71,735	76,953
Long Island Bus	30,109	32,512
Suffolk County Transit*	4,802	6,265

*Includes Huntington Area Rapid Transit

Source: National Transit Database, Annual Unlinked Passenger Trips, 2006; Suffolk County Transportation Department; Town of Huntington HART Bus System

Goal #6—Safety Net

We assure that people are provided with basic necessities such as food and shelter.

INDICATOR:

Hunger

Reliance on Food Stamps continues to increase.

Why is this important?

The existence of a growing population of people without reliable access to adequate nutritious food is a major national concern. The Food Stamp Program is a nationally funded program that gives low-income families secure access to nutritious foods. Most food stamp recipients are children and the elderly.

How are we doing?

On Long Island, there was an 11% increase in the number of recipients between 2003 and 2004 (latest reported figures). Overall, the number of food stamp recipients increased 31% between 2000 and 2004. That compares to an increase of 26% in New York State as a whole for the same period. There has been a steady rise in both the number of recipients as well as the percent of the Long Island population receiving food stamps since 2001.

Goal # 7—Transportation

We increase mobility by investing in an integrated, regional transportation system and by encouraging creative problem solving to find transportation alternatives.

INDICATOR:

Transit Ridership

Long Island is behind its peers in rail ridership but has seen increases in bus ridership.

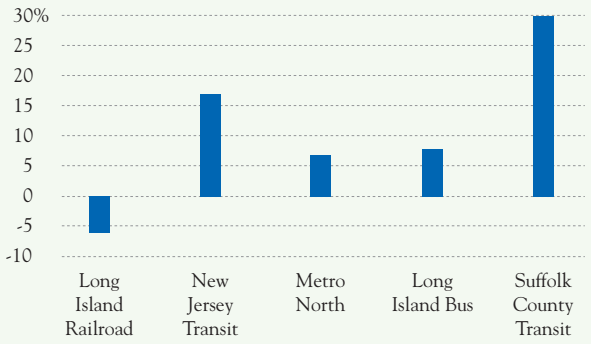
Why is this important?

Increased transit ridership helps reduce traffic congestion by taking motor vehicles off the road. An efficient transit system can provide quicker access to jobs, reduce air pollution and help to improve the overall livability of our communities.

How are we doing?

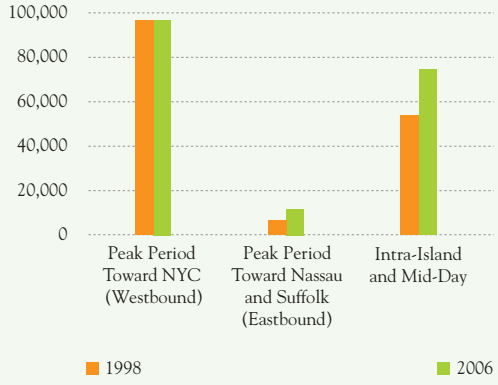
Far more Long Islanders take the train than the bus, but the number of bus riders is growing much more rapidly. In 2006, the number of Long Island Rail Road riders (including New York City stations) increased by less than 1%, while Long Island Bus and Suffolk County Transit riders increased by 3% and 9%, respectively. This continues the pattern

Annual Ridership Change, 2000-2006



Source: National Transit Database, Annual Unlinked Passenger Trips, 2006; Suffolk County Transportation Department; Town of Huntington HART Bus System

Weekday Long Island Rail Road Trips at Stations in Nassau and Suffolk, 1998 and 2006



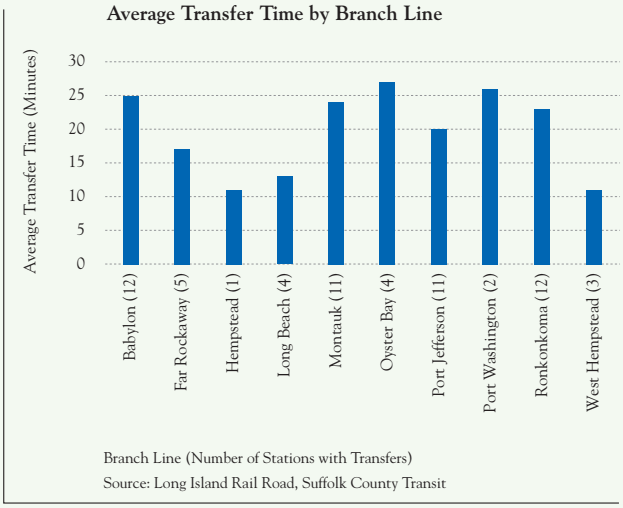
Source: Long Island Rail Road

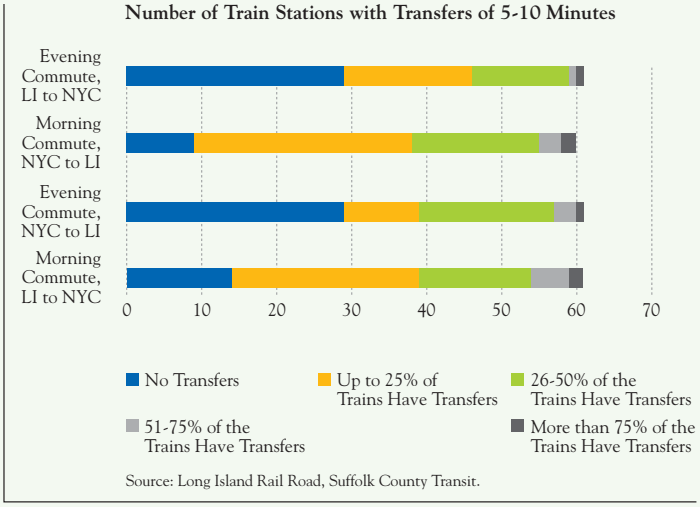
of recent years. From 2000–2006, LIRR ridership declined by 6% while Long Island Bus increased by 8% and Suffolk Transit grew by 30%.

A number of factors are behind these trends. A slow economy between 2000 and 2003 affected both rail and bus, but had a larger impact on LIRR ridership, with commutation to Manhattan slowing in the wake of a decline on Wall Street and September 11. The ridership trends are also consistent with population trends. Much of the rapid growth in Suffolk County Transit is due to population increases in the county, while stagnant population growth in Nassau has impacted both LIRR and LI Bus, both of which have more riders from Nassau than Suffolk. Bus service expansions have also led to increased ridership.

These factors do not entirely explain the difference between LIRR and other commuter rail services in the region. The decline in Long Island Rail Road's ridership since 2000 contrasts with the growth of 7% on Metro North and 17% on New Jersey Transit. Some of this is the result of faster population growth in their service areas. However, both Metro North and New Jersey Transit have added services, while LIRR has not. A third track on Metro North's Harlem line, built in the 1990s, allowed it to take advantage of increased demand, particularly for reverse commutes. In New Jersey, Midtown Direct Service greatly reduced travel times to Manhattan and increased ridership from much of the state.

A further analysis of LIRR weekday ridership between 1998 and 2006 points to another factor. While the majority of the LIRR riders still commute to New York City, ridership from Nassau and Suffolk to New York City in the morning peak period has been flat since 1998. By contrast, the much smaller number of riders traveling in the reverse direction, presumably largely made up of New York City residents commuting to Nassau and Suffolk, has nearly doubled. Similarly, all other weekday trips, including people traveling between stations within Nassau and Suffolk and riders traveling during midday, have increased by 38%. This is similar to trends for both Metro North and New Jersey Transit, and reflects changes in jobs and development patterns within Long Island. With more jobs on Long Island, there is greater demand for reverse commutes and intra-Island travel.





INDICATOR:
Intermodal Transfers

While Long Island has a strong network of trains and buses, coordination of the schedules between the two modes of transportation is poor.

Why is this important?

Promoting effective train-bus connections increases transportation options and provides a reliable alternative to the use of cars. This reduction helps decrease traffic during peak hours and improves air quality overall for the region. Reliable intermodal connection also provides additional job opportunities to people who would not be able to access them without a vehicle. In addition, coordinated intermodal transportation allows "reverse" commuters from New York City to access jobs that are not currently located within walking distance of a train station.

How are we doing?

Long Island has one of the densest networks of suburban train stations in the country, with 98 LIRR stations in Nassau and Suffolk Counties. The region also has a rich network of buses with Long Island Bus providing 54 routes in Nassau, the City of Long Beach providing three routes within its boundaries, and Suffolk County Bus and the Huntington Area Rapid Transit System providing a combined 56 routes. While 84% of all LIRR train stations have an associated bus line, only 57% of the train stations have two or more bus lines which limits travel choices.

The average transfer times[1] between bus and trains vary widely: 18 minutes in Nassau County, 25 minutes in Suffolk County; a high of 27 minutes for the Oyster Bay train line and a low of 11 minutes for the Hempstead and West Hempstead train lines.

Relying on a combination of buses and trains becomes a viable alternative to using a car if the schedules are closely coordinated making the time it takes to transfer from one to the other relatively quick. Using a transfer time of five to ten minutes gives a commuter a grace period for delayed trains or traffic. Based on these definitions, morning commuters are more likely to have a train to bus connection than the evening commuters, suggesting that getting home would be much more difficult than getting to the train station.

[1]Transfer time is defined as the time period between the arrival of a train at a train station and the departure time for a bus from that train station or the reverse (arrival time of a bus at a train station and the departure of the train from that station). This analysis is based on data for trains at stops in Nassau and Suffolk and the associated buses leaving between 7–9am and 5–7pm on weekdays only.

LIRR Stations with Published Timetables for Connecting Bus Lines

LIRR Station	Number of Bus Lines	Number of Bus Lines with Times	Average Transfer Time (Minutes)	"Standard" Commute			"Reverse" Commute		
					AM	PM		AM	PM
				Number of Trains During Rush Hours	% of Bus Lines that arrive 5–10 minutes before each train	% of Bus Lines that arrive 5–10 minutes after the train	Number of Trains During Rush Hours	% of Bus Lines that arrive 5–10 minutes after the train	% of Buses that arrive 5–10 minutes before the train
Amityville	5	5	45	21	18%	18%	10	20%	0%
Babylon	9	9	23	27	22%	12%	11	18%	6%
Bay Shore	4	4	27	12	15%	7%	10	25%	17%
Bellmore	3	3	28	23	13%	18%	9	17%	7%
Bellport	2	2	29	6	0%	0%	1	NA	0%
Bethpage	1	1	34	16	13%	13%	5	0%	0%
Central Islip	4	4	33	16	11%	8%	4	0%	0%
East Rockaway	1	1	22	17	38%	33%	7	0%	0%
East Williston	2	2	16	8	30%	33%	4	0%	0%
Farmingdale	3	3	18	16	25%	25%	6	67%	11%
Freeport	6	3	12	16	25%	25%	6	67%	11%
Gibson	1	1	15	12	40%	14%	8	33%	0%
Glen Head	1	1	16	7	0%	25%	4	0%	33%
Great Neck	5	4	18	27	35%	23%	10	25%	15%
Greenlawn	2	2	27	6	0%	0%	2	0%	0%
Greenport	1	1	24	1	100%	NA	0	0%	0%
Greenvale	1	1	17	8	25%	25%	5	0%	33%
Hampton Bays	3	2	25	2	0%	0%	0	NA	NA
Hempstead	13	13	11	14	15%	5%	6	19%	17%
Hewlett	2	2	11	14	42%	31%	8	50%	30%
Hicksville	12	9	21	30	28%	23%	13	26%	15%
Huntington	1	1	25	19	63%	55%	6	50%	50%
Island Park	1	1	7	18	56%	67%	7	67%	25%
Islip	3	3	22	10	17%	17%	4	0%	33%
Kings Park	1	1	22	9	0%	40%	3	50%	0%
Lakeview	1	1	9	7	33%	75%	4	0%	50%
Lawrence	2	2	30	13	58%	43%	9	50%	50%
Lindenhurst	3	3	28	22	25%	8%	6	0%	0%
Long Beach	2	2	12	17	25%	50%	6	50%	50%
Lynbrook	5	5	12	21	44%	44%	11	37%	28%
Malverne	2	2	19	8	13%	25%	1	50%	NA
Massapequa	4	4	28	22	13%	8%	7	17%	13%
Massapequa Park	4	4	27	22	15%	17%	5	17%	25%
Mattituck	1	1	23	1	NA	0%	0	NA	NA
Medford	1	1	17	2	NA	50%	1	0%	NA
Merrick	1	1	24	24	33%	25%	7	100%	50%
Mineola	7	7	11	27	39%	40%	12	34%	22%
New Hyde Park	2	1	6	10	80%	80%	5	0%	67%
Northport	11	2	26	NA	NA	NA	NA	NA	NA
Oakdale	1	1	27	9	25%	0%	4	0%	0%
Patchogue	8	8	26	10	5%	25%	5	31%	21%
Pinelawn	1	1	9	0	NA	NA	0	NA	NA
Port Jefferson	4	2	24	9	0%	10%	1	50%	NA
Port Washington	1	1	34	14	29%	14%	8	0%	20%
Riverhead	4	4	24	1	NA	50%	0	NA	NA
Rockville Centre	4	4	13	22	34%	39%	8	6%	31%
Ronkonkoma	4	4	29	16	16%	13%	3	25%	13%
Roslyn	3	3	17	9	0%	33%	4	33%	11%
Sayville	3	3	22	13	19%	33%	5	50%	11%
Seaford	1	1	31	21	40%	9%	9	0%	0%
Smithtown	3	3	26	9	25%	33%	2	0%	0%
Southampton	2	2	26	3	50%	0%	0	NA	NA
Southold	1	1	11	1	NA	100%	0	NA	NA
Stony Brook	2	1	25	11	0%	17%	2	0%	0%
Valley Stream	4	4	17	27	19%	38%	9	43%	88%
Wantagh	2	2	29	22	10%	4%	7	33%	0%
West Hempstead	2	1	4	8	75%	50%	2	0%	0%
Westbury	2	1	10	14	43%	0%	5	0%	50%
Westhampton	1	1	21	3	0%	0%	1	NA	0%
Woodmere	2	2	11	15	14%	44%	8	50%	40%
Wyandanch	4	4	34	17	6%	14%	2	38%	0%

Rush Hour defined as train leaving 7–9 AM in the AM or arriving 5–7 PM plus or minus 10 minutes.
Source: Long Island Rail Road, Suffolk County Transit

Health

Goal #8 Healthy People

All people have access to quality affordable health care that focuses on disease and illness prevention.

INDICATOR:

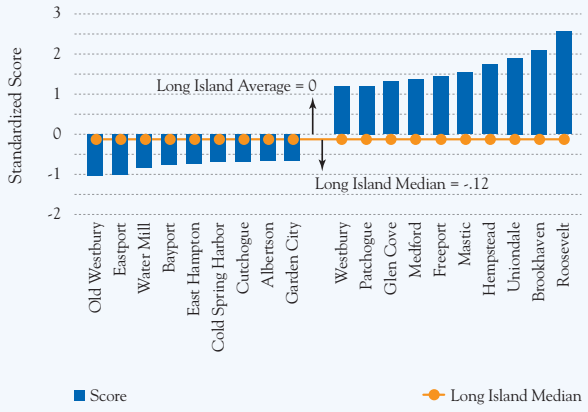
Ambulatory Care Sensitive (ACS) Condition Hospital Discharges

Hospital discharges for conditions associated with ACS diagnoses remain relatively stable.

Why is this important?

Ambulatory care sensitive (ACS) conditions represent medical problems like lung infections, adult asthma, high blood pressure, urinary tract infections, and diabetes for which patients were admitted to a hospital that either could have been prevented, or if treated with timely care, not necessarily have required hospitalization in the first place. In many cases, preventive care and early treatment can reduce the onset of certain illnesses, control an acute episodic occurrence of an illness, or help to manage a chronic medical condition without hospitalization. Having to hospitalize people for conditions that would not have required it if early detection and preventive treatment had been provided adds enormously to overall healthcare costs.

Communities Ranking Relatively Fewest and Most Preventable Hospital Discharges, 2006



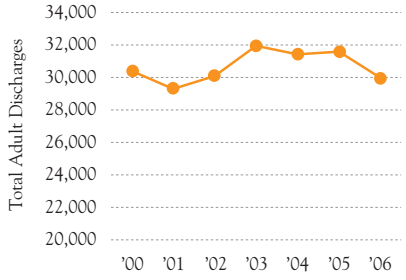
Source: North Shore-LIJ Health System Office of Strategic Planning and Program Development; Hofstra University

How are we doing?

Overall, the number of ACS hospitalizations has been relatively stable from 2000 to 2006.[1] ACS hospitalizations increased by 4% between 2000 and 2005. However, the 29,976 ACS admissions (as identified by the PQIs) in 2006 represented a 5% decrease from the total for 2005.

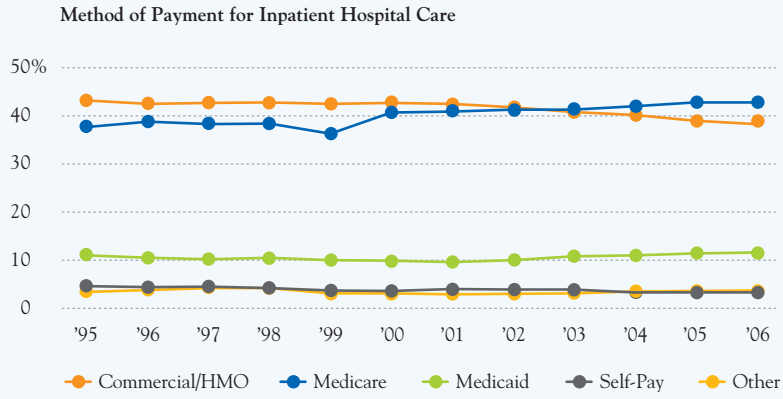
Many factors, both within and without the healthcare system, contribute to ACS-associated hospitalizations. Some of those include patients' economic circumstances that limit their access to preventive healthcare, poor environmental conditions, limited community access to local healthcare facilities, and other factors associated with economic hardships. This is evident at the community level, as those communities with higher rates of Medicaid and uninsured hospitalizations tend to also have higher rates of ACS hospitalizations. There is a wide disparity across Long Island communities in the rates of ACS hospitalizations.

Prevention Quality Indicators (PQI) Discharges: Hospitalizations for ACS Conditions, 2000-2006



Source: North Shore-LIJ Health System Office of Strategic Planning and Program Development

[1]Measuring ACS Hospitalizations: The Preventive Quality Indicators (PQIs) are measurements of the occurrences of hospitalizations for diagnoses associated with *ambulatory care sensitive (ACS)* conditions. The PQIs utilize inpatient hospital records to establish admissions and discharge rates for ACS conditions. Here we use twelve indicators associated with adult hospital admissions: short-term diabetes, long-term diabetes, obstructive pulmonary disease, hypertension (high blood pressure), congestive heart failure, dehydration, bacterial pneumonia, urinary infections, angina without procedure, uncontrolled diabetes, adult asthma, lower extremity amputations (associated with diabetes).



Note: Not including newborns.

Source: North Shore-LIJ Health System Office of Strategic Planning and Program Development

INDICATOR:

Paying for Hospital Care

Commercial/HMO coverage decreases while Medicare and Medicaid coverage increase.

Why is this important?

Health care costs are a major factor in almost every household budget. Costs associated with a single hospital stay may quickly wipe out savings and move people into debt. Thus, having some reliable and comfortable way of covering major medical costs is an important element in preserving our quality of life.

How are we doing?

Between 1995 and 2000, the rate of hospital care admissions covered by commercial insurance or HMO policies remained fairly steady at 43%. At that point, the percentage began to trend downward to 2006, when 38% of hospital care was covered by traditional insurance and HMO policies.

In contrast, the trend has been just the reverse for Medicare coverage: 38% in 1995 and 43% in 2006. Similarly, the trend for reliance on Medicaid has been upward since 2001. In 2006, about 12% of hospitalizations were covered by Medicaid. That is a two percentage point increase from 2000. As would be expected the shift over the past decade between reliance on commercial insurance and HMO and Medicare has been more dramatic for adult hospitalizations. For pediatric care, there has been a similar decline in the use of commercial insurance and HMO plans. 67% of pediatric hospitalizations were paid for by those means in 2000. By 2006 the rate had dropped to 62%. In contrast, reliance on Medicaid for pediatric hospital care has increased. Medicaid was utilized for 25% of pediatric care in 2000. In 2006, Medicaid payments accounted for 27% of pediatric care.

Education

Goal #9—Educational Readiness

All students are prepared to learn at each stage of the educational pipeline.

INDICATOR:

Poverty Index

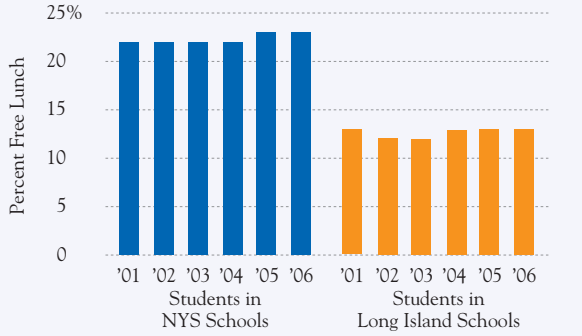
While overall poverty levels on Long Island are low, there are concentrated areas where more than 50% of the children receive free lunch.

Why is this important?

Scholarly research shows that poverty is the most significant factor in determining how a child will perform in school. A child's own family income is central, but it is not the whole story. The socioeconomic status of the community in which a child lives and goes to school is also important. Concentrated poverty—where many families in a certain area are poor—is far more disadvantageous than individual poverty alone.

A common measure of school poverty is the percentage of students in a school who are federally defined as eligible for free lunch. Using *percent free lunch*, schools can be thought of as "high" and "low" poverty. In "high poverty schools" many students receive free lunch and thus poverty is highly concentrated. In "low poverty schools," few students receive free lunch.

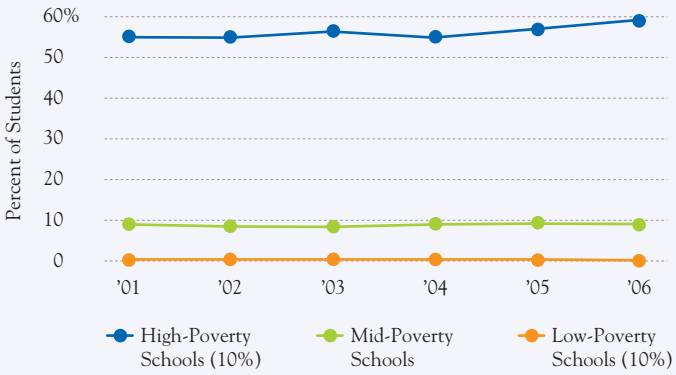
Percent of Students Receiving Free Lunch in NYS* and Long Island Schools



*Excluding NYC

Source: New York State Education Department; Hofstra University

School Poverty on Long Island: Percent of Students Receiving Free Lunch



Source: New York State Education Department; Hofstra University

How are we doing?

In 2006, 13% of students in Long Island schools received free lunch. This rate has stayed constant since 2004. The trend for New York State is more dramatic with NYS schools averaging 23% free lunch in 2006.

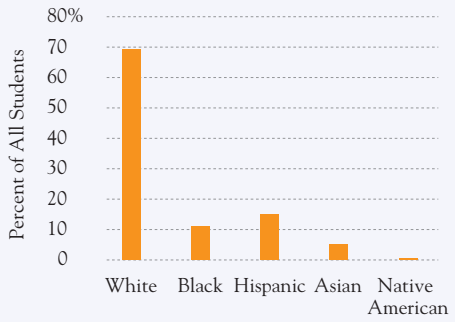
On Long Island, there are large disparities in the concentration of poverty. In 2006, the 10% of schools classified as "low-poverty" had almost no students qualify for free lunch (.05%), middle-poverty schools (80% of all schools) averaged about 9% of students qualifying for free lunch, and the 10% of schools classified as high-poverty schools had 59% of their students receiving free lunch. Since 2001, low-poverty schools have experienced a decrease in the percent of students receiving free lunch. However, between 2001 and 2006, high-poverty schools saw a 7% increase in the percent of students receiving free lunch (from 55% to 59%). Thus, the gap between "rich" and "poor" is widening.

Race, ethnicity and education

Historically, racial and ethnic minorities in the United States, particularly Blacks and Latinos, have suffered most from disproportionate funding of education. These minority groups are over-represented among the poor. In addition, the cumulative impact of economic and racial segregation means that they are also over-represented in schools impacted by poverty. This creates a cycle in which those who need quality education most to raise their future socioeconomic status tend to go to schools in which there is a relatively high concentration of economically needy students, thereby making the challenges at the school level that much greater.

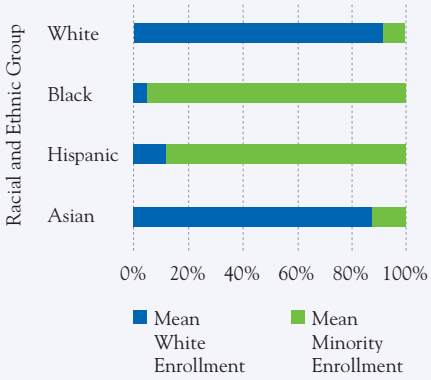
The overall composition of the student body on Long Island is 69% White and 31% from ethnic and racial minority groups. However, Long Island schools tend to be segregated, rather than integrated. Both White and Asian students tend to go to schools that are more homogenously White. Of the 69% of students who are White, half of them attend schools that have a mean White enrollment of 92%. Half of the Asian student population attends schools that have a mean White enrollment of 88%. In contrast, Black

Racial and Ethnic Composition of Long Island Schools



Source: New York State Education Department; Hofstra University

Racial and Ethnic Composition at Schools Attended by Each Racial and Ethnic Group



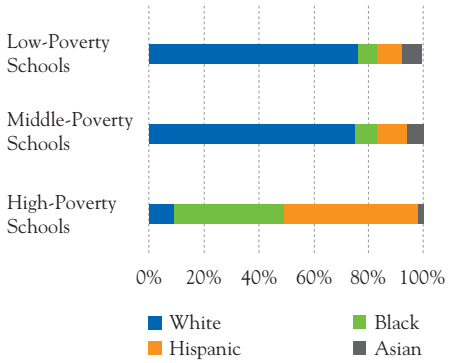
Source: New York State Education Department; Hofstra University

students comprise about 11% of all students on Long Island. Yet, half of them attend schools in which the mean White enrollment is only 5%. Similarly, Hispanics make up 15% of the overall Long Island student body, but half of the Hispanic student body attends schools that have a mean White enrollment of 12%.

Another way to look at the situation is with respect to the pattern represented by Long Island schools. Overall, there are 659 individual schools in 127 school districts. Of them, 17% have a number of White students that is generally in proportion to their overall representation in the student body as a whole. Therefore, 83% of schools can be viewed as being either over- or under-represented by the presence of White students.

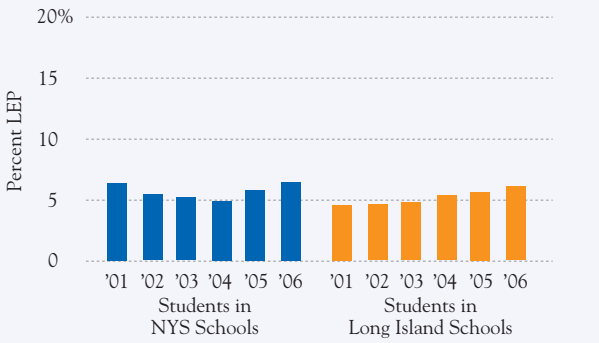
Moreover, ethnic disparities tend to be associated with economic inequalities. Black and Hispanic students are much more likely to attend a high-poverty school (10% of schools with the highest proportion of students receiving free lunch) than either White or Asian students. 89% of students in high-poverty schools are either Black or Hispanic (40% and 49%, respectively). In contrast, 9% of students in high-poverty schools are White and 2% are Asian.

Racial Composition by Level of Poverty in Long Island Schools

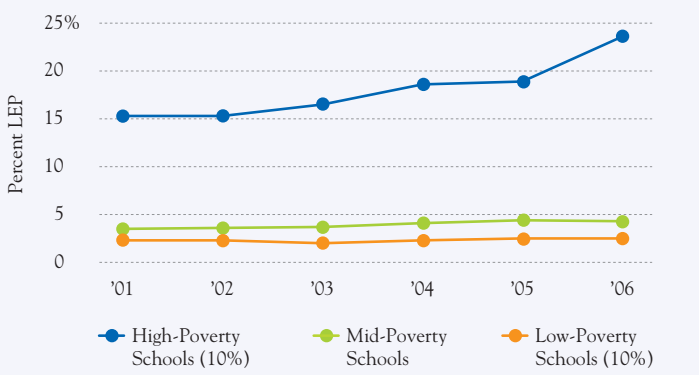


Results may not add to 100% due to rounding.

Source: New York State Education Department; Hofstra University



Source: New York State Education Department; Hofstra University



Source: New York State Education Department; Hofstra University

INDICATOR:

Percent of Students with Limited English Proficiency (LEP)

The number of LEP students has grown markedly in the last three years in high-poverty schools.

Why is this important?

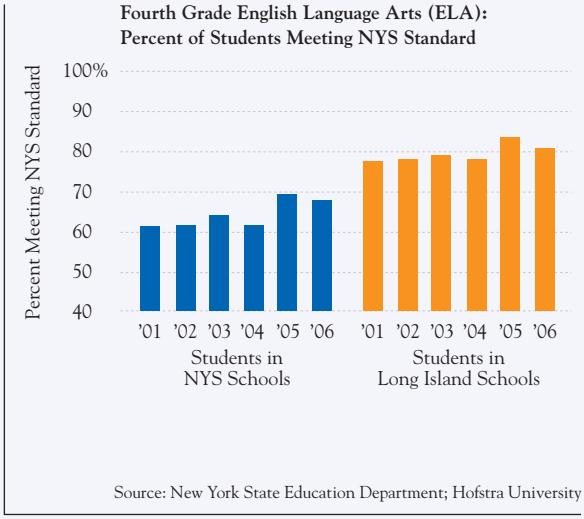
Not all children experience economic and social conditions that allow them to perform their best in our public school system. Like poverty, Limited English Proficiency (LEP) is an indicator of students at risk of performing poorly in school. It also reflects Long Island's changing population and the resulting increase in disparity across schools and districts.

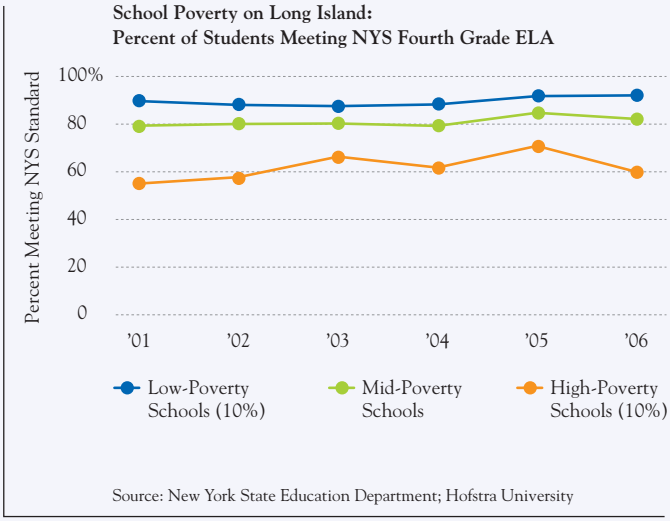
How are we doing?

Long Island schools are experiencing steady growth in the number of LEP students. The year 2006 represents the five-year high: In the average school, 5.6% of the students have limited English proficiency.

Low-poverty schools on Long Island average very few LEP students, about 2.5% in 2006, essentially the same as 2005.

High-poverty schools, on the other hand, show marked increases in their percentage of LEP students. Between 2001 and 2006 LEP students in high-poverty schools increased by 54%. In 2006, over 24% of the enrolments in all high-poverty schools were LEP students. Since poverty and limited English proficiency are both risk factors for poor academic performance, these schools have multiple, overlapping obstacles. They have the neediest students—poor and struggling with English.





INDICATOR:

Performance Tests

Overall Long Island schools 4th Grade English Language Arts performance results exceed New York State but the gap between low-poverty and high-poverty schools widened in 2006.

8th Grade Math results continue to exceed New York State but the gap between low-poverty and high-poverty schools has significantly widened.

Why is this important?

According to the NYS Education Department, the Grade 4 English Language Arts (ELA) exam and the Grade 8 Mathematics exam reflect benchmarks that identify those students who are on target to pass, and those who may have difficulty passing, the English and Mathematics Regents Exams when they reach high school. These are part of the requirements for graduating with NYS's "Regents Diploma."

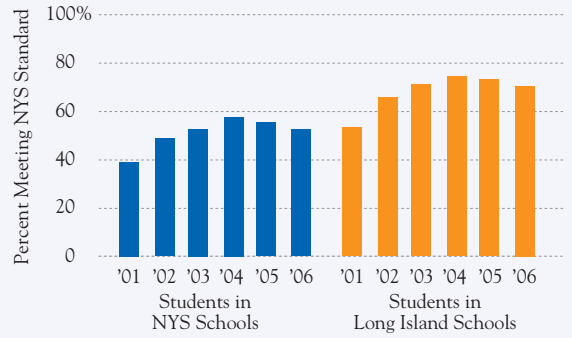
How are we doing?

4th Grade English Language Arts

Before 2005, the average Long Island elementary school had a flat trend in terms of English performance.

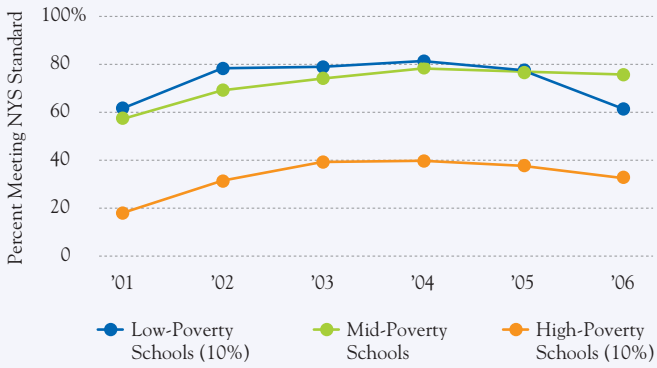
The average for 4th grade English Language Arts 2006 performance tests across all 127 school districts shows 81% of the students meet state standards, compared to New York State overall where the scores are 68%. Scores for Long Island dipped slightly from 2005, but were still higher than in previous years. However, when assessing scores based on level of poverty, we find wide gaps in achievement. On the 4th grade English Arts performance tests, schools with low-poverty rates (i.e., wealthy or middle income schools) have high percentages of their students meeting state standards (92% and 82%, respectively). Schools where there is high poverty have lower scores—60% of the students met state standards in 2006.

Eighth Grade Mathematics:
Percent of Students Meeting NYS Standard



Source: New York State Education Department; Hofstra University

School Poverty on Long Island:
Percent of Students Meeting NYS Eighth Grade Mathematics

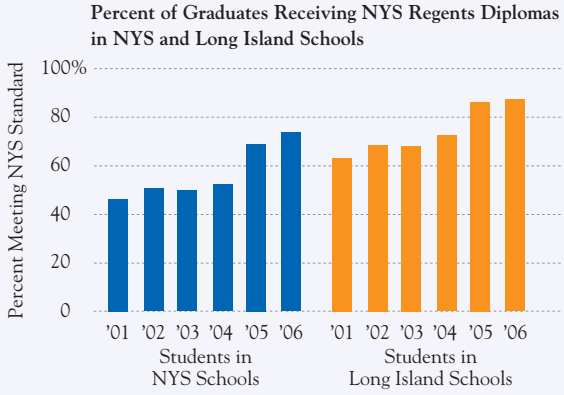


Source: New York State Education Department; Hofstra University

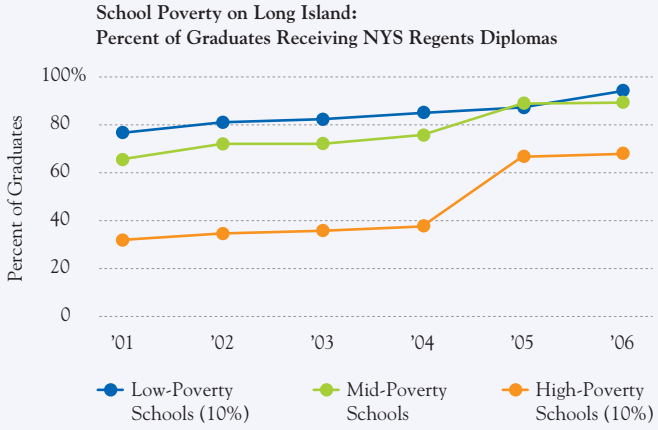
8TH GRADE MATHEMATICS

Grade 8 Math performance in New York State and Long Island schools showed steady improvement through 2004, but there were small dips in 2005 and 2006. On average, 71% of students in Long Island schools met the Math standard—better than the state average of 52%.

It is important, albeit difficult, to maintain the educational achievements as children continue to move through the system. On the 8th Grade Math Performance test, scores for both the low-poverty and high-poverty schools fell in 2006. Scores dipped from 77% to 61% for the wealthiest 10% of schools. For the poorest 10% of schools, the scores fell from 37% to 32% meeting the state standard. Scores for the middle 80% of schools were steadier, but fell two percentage points from 77% to 75%.



Source: New York State Education Department; Hofstra University



Source: New York State Education Department; Hofstra University

INDICATOR:

Percentage of Graduates Receiving New York State's Regents Diploma

Overall Long Island's students far surpass New York State in completing the requirements for the Regents Diploma. With the elimination of the local diploma, the gap between low-poverty and high-poverty schools receiving Regents Diplomas was significantly improved in 2005.

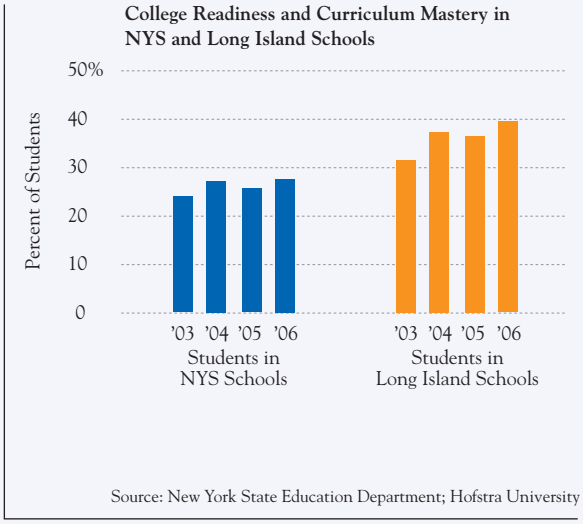
Why is this important?

Before 2005, New York State offered its mainstream high school graduates two types of diplomas, the "Local Diploma" and the more prestigious "Regents Diploma." Receipt of a Regents Diploma represents mastery of demanding academic skills and shows that the graduate is ready for higher education in America's most selective colleges.

How are we doing?

Since 2001, the percentage of Long Island graduates receiving a Regents Diploma has grown steadily, with the biggest gains coming in 2005, when 86% of all diplomas were Regents Diplomas. This is an improvement of 37% since 2001.

Considering the influence of school poverty on diploma type, there are some encouraging signs. The gap between high-poverty schools and the middle and wealthy schools narrowed substantially in 2005. The percent of graduates in high-poverty schools receiving Regents diplomas increased another percentage point to 67% in 2006. The rate for middle- and low-poverty schools remained high at around 90%.



INDICATOR:

College Readiness

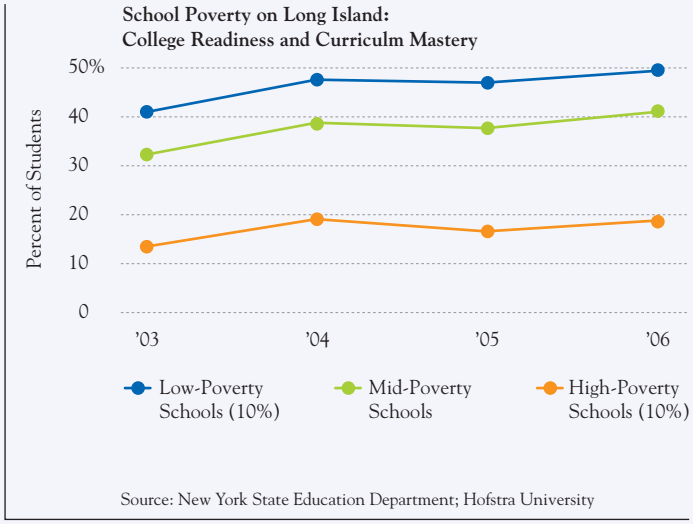
While College Readiness has been improving for Long Island schools as a whole, there is also unevenness as the results for high-poverty high schools lag.

Why is this important?

As we continue into the 21st century, higher education plays an increasing role in determining people's life chances. Success at the college level is a key individual stepping stone to full participation in society and economic security. At the same time, having a well-educated population and workforce is an important component in maintaining society's position in an increasingly complex and competitive world system. The extent to which our primary and secondary schools are preparing their students for college-level work is a key element.

Measuring college readiness: It is definitely the case that high graduation rates and high percentages of graduates receiving Regents Diplomas reflect strengthened standards through the secondary school level. However, while such measures reflect passing grades in coursework and on statewide examinations, they do not assess the extent to which students are actually prepared for meeting the academic demands of college-level work.

Research in this area has demonstrated that one of the best predictors of college-level success is students' grade point averages at the high school level. This makes logical sense since students with high average grades are, by definition, those who have done well in coursework across the breadth of their high school curriculum. Students who demonstrate curricular mastery at the high school level are more likely to be able to meet the academic challenges they will have at the college level.



We have thus devised a measure of curricular mastery based on average school-level performance across multiple Regents Examinations. For each high school, we recorded the percentage of students scoring 85% and above across Regents Examinations in the areas of English, History, Chemistry, Physics, and the two highest-level Mathematics courses. By presenting school-level data across the curriculum on the percent of students who perform very well, we provide a relative measure of how well schools are preparing their students for the rigors of college-level work.

How are we doing?

Overall, Long Island schools outperform New York high schools as a whole. On average Long Island high schools report that 39% of their students who took Regents Examinations in 2006 scored at least 85%. That compared to 28% for New York State schools as a whole. Between 2003 and 2006 there was a 7% increase (from a 32% average in 2003), which outstripped the increase in New York State.

As we have seen with other educational indicators, the school-level measure of college preparedness is strongly correlated with poverty. Low-poverty schools report very strong scores on our measure of college readiness (49% in 2006), but high-poverty schools report much lower scores (19% in 2006). The trend from 2003 to 2006 for both low- and mid-poverty schools reflects increasing levels of college preparedness (8% and 9% increases, respectively). For high-poverty schools, the trend has been much more uneven. The score increased from 2003 to 2004 by 6%, but has been relatively constant between 2004 and 2006. High schools with a large percentage of economically poor students face a much greater challenge in academically preparing their students for college.

Photo by JM Johnson

Our Environment

Goal 10: Natural Resource Conservation

We promote the conservation and efficient use of the region's natural resources.

INDICATOR:

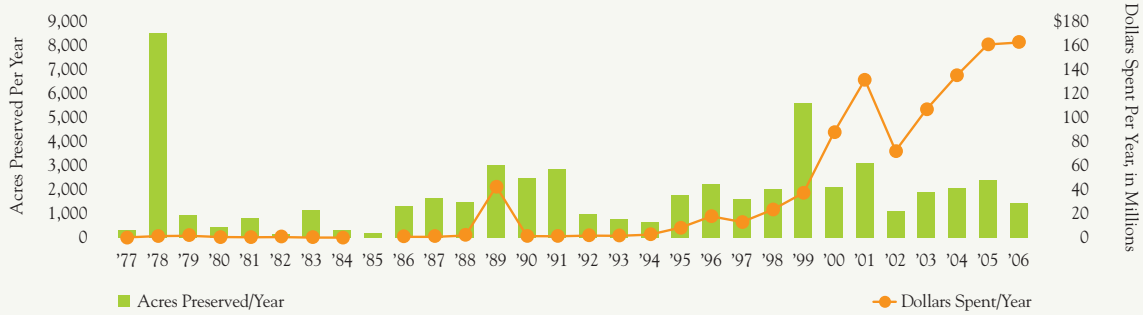
Land Preservation

Despite record spending, number of acres preserved falls to the lowest level since 2002.

Why is this important?

Land preservation is important on Long Island for reasons both environmental and economic. Preserved lands protect the Island's drinking water, provide critical habitat for wildlife, ensure the viability of the Island's farming industry and maintain the strength of its tourism sector.

Long Island Land Preservation



Sources: NYS Department of Environmental Conservation, Nassau County, Nature Conservancy, Suffolk County Planning Department, Town of Brookhaven, Town of East Hampton, Town of Huntington, Town of Riverhead, Town of Shelter Island, Town of Southampton, Town of Southold

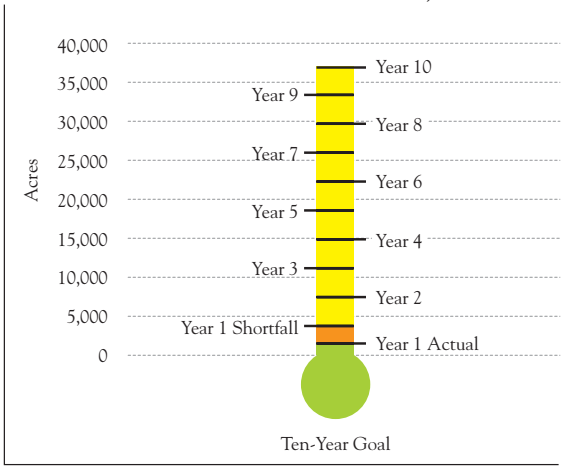
How are we doing?

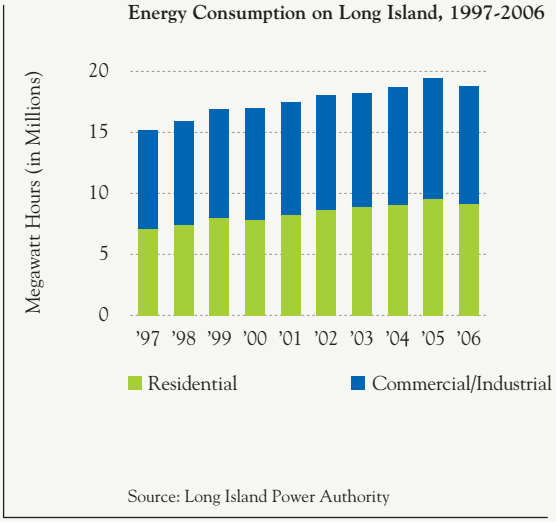
Over the past thirty years, New York State, both counties and numerous towns across the Island cumulatively expended just over $1 billion for the preservation of nearly 56,000 of Long Island's approximately one million acres. With experts forecasting the Island's final build-out to take place within the next decade, the Department of Environmental Conservation's (DEC) 2006 plan calls for the additional preservation of 25,000 acres of environmentally sensitive open space and 12,000 acres of working farmland before that time. These goals would leave the Island with 92,147 acres of preserved land, roughly 1/10th of its total land mass, at the time of final build-out.

Though Long Island cumulatively spent a record $163 million on preservation efforts in 2006, the 1,458 acres preserved was actually the lowest total since 2002. Representing less than 5% of the Island's preservation goal, it would take over 20 years to preserve 37,000 acres at 2006 rates. If final build-out does occur within the next decade, Long Island is on course to fall far short of its goals.

In November 2007, the voters of Suffolk County, Southold and Oyster Bay approved a cumulative total of $356 million for open space preservation and farmland protection. At the same time, voters in the Town of Brookhaven voted down a Community Preservation Fund that was to raise a projected $500 million for preservation efforts. With funding streams on Long Island potentially reaching their limit, many are turning to New York State to significantly increase its efforts if the Island is to meet its preservation goals.

Land Preservation Goals vs. Actual, 2006-2015





INDICATOR:

Energy Consumption

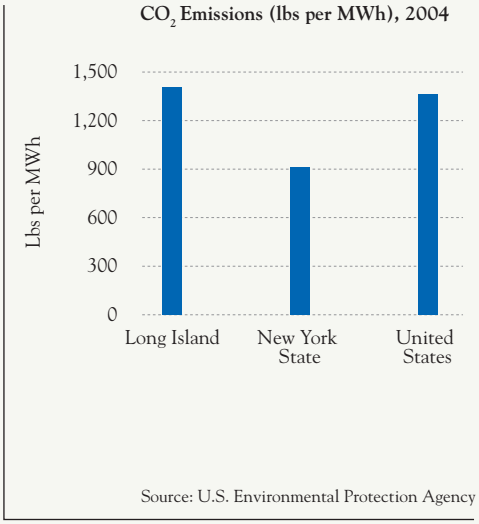
Long Island's electricity consumption and CO_2 emissions outpace that of the country.

Why is this important?

Data from the U.S. Energy Information Administration shows that buildings, commercial and residential, are responsible for almost half (48%) of all energy consumption and greenhouse gas (GHG) emissions in the United States. Greenhouse gas emissions, particularly carbon dioxide (CO_2), are widely accepted as the main contributing factors in global climate change. With 1,180 miles of shoreline, Long Island is uniquely disposed to sea level rise and other impacts of climate change. Recent modeling released by Architecture 2030, a leading organization studying the potential impacts of climate change, shows that a sea level rise of even one meter would have serious consequences for the U.S., leaving it vulnerable to catastrophic property and infrastructure loss with large population disruptions and economic hardships.

To help mitigate the potential impacts of climate change, Governor Spitzer has set New York State mandates to:

- Reduce energy consumption 15% by 2015
- Reduce CO_2 emissions 25% by 2025
- Generate 25% of the State's energy from renewable sources by 2013



How are we doing?

Long Island has a long way to go if it is to do its part in meeting the Governor's mandates. Despite a slight downturn in energy consumption in 2006, Long Island's overall residential and commercial electricity consumption for the preceding ten-year period increased by 24%, significantly outpacing the national consumption rate which increased 16% over the same period of time. With regard to CO_2 emissions, Long Island released an average of 1,412 pounds of CO_2 into the atmosphere with every megawatt hour (MWh) of usage in 2004. That same year, New York State averaged 907 pounds of CO_2 emissions per MWh while the country averaged 1,363 pounds per MWh. As of 2004, less than 1% of Long Island's on-Island energy generation came from renewable sources.

In an attempt to reverse these trends, the Long Island Power Authority recently announced its Efficiency Long Island program, a ten-year $924 million program aimed at reducing the Island's energy consumption through increased efficiencies.

Photo by JM Johnson

Governance

Goal #11—Managing for Results

Long Island's counties, towns, villages and other jurisdictions manage their costs and provide quality local and regional services.

INDICATOR:

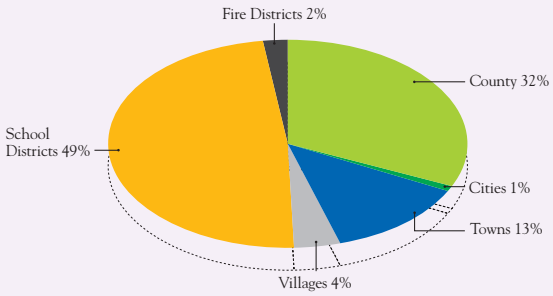
Expenditures and Revenues

Long Island has had higher increases in expenses in comparison to other counties in New York State, and relies more heavily on local tax revenues to support those expenses.

Why is this important?

Long Island has a large number of local governmental entities with associated expenditures that are large and growing. Local taxpayers contribute 79% of the total cost of local government, a higher percentage than other areas of New York State (excluding NYC). A nine-year history of local government expenditures and revenues, and comparable figures for local governments and school districts, allows Long Islanders to evaluate whether or not efforts to reduce the cost of local government are effective.

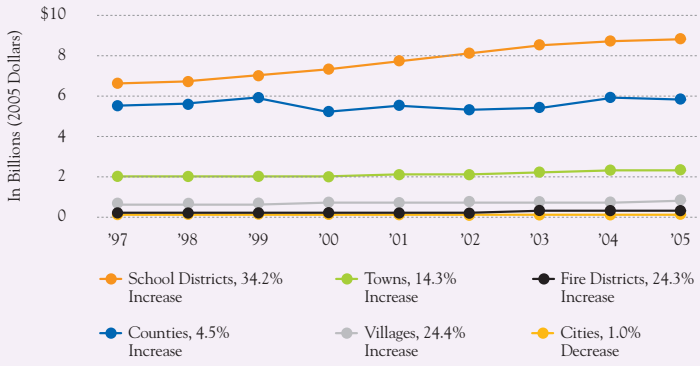
Distribution of Local Government Expenditures, 2005



Note: Results may not add to 100% due to rounding.

Source: New York State Office of State Comptroller (OSC)

Change in Local Government Expenditures on Long Island, 1997-2005



Source: New York State Office of State Comptroller (OSC)

How are we doing?

Long Island's expenses grew 20% faster than inflation between 1997 and 2005. The largest increases during this time period were school expenses and fire districts and villages. It is notable that State revenues are a much smaller portion of Long Island's total revenues, 17%, compared to other New York State local governments (excluding NYC), 27%. Also, Long Island's local governments rely much more heavily on local property taxes, and depend less on sales tax revenues compared to other New York State governments (excluding NYC).

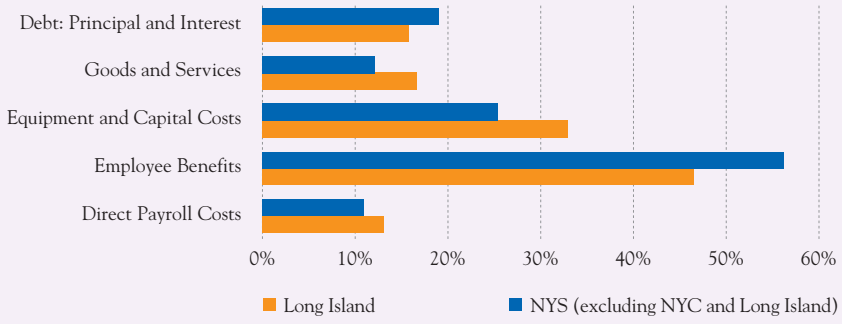
Expenditures

Total expenditures by local governments[1] amounted to $18.1 billion in 2005. School districts were the largest component of local government expenditures and county government expenditures were the second highest. Compared to New York State (excluding NYC), Long Island's distribution of expenditures are almost identical.

Spending by all local governments on Long Island grew 20% faster than inflation between 1997 and 2005. The growth rate shown for counties reflects the fact that expenditures and revenues for Nassau County prior to 2000 included the county hospital, which was spun off from county operations to a public benefit corporation on Sept. 29, 1999 and is no longer counted in county expenses and revenues subsequent to that date. In addition to being the largest component of local government spending, school districts had the greatest increase in spending, rising 34.2% higher than the rate of inflation over the nine-year period. This was followed by a 24.4% increase in village spending and a 24.3% increase in fire districts spending.

[1] Local governments included in this report were all counties, cities, towns, villages, school districts and fire districts that filed annual reports with the New York State Office of State Comptroller. Independent special districts on Long Island are not included, as the Comptroller database does not include information from all these districts. However, based on the information available on reporting districts, CGR believes the total expenditures for special districts not included in these totals is less than $200 million, or less than 1.5% of the total counted in these tables.

Comparison of Percent Increase for School Related Expenses, Long Island and New York State (Excluding New York City and Long Island), 1997-2005



Source: New York State Office of State Comptroller (OSC)

Regarding school district expenditures, Long Island grew faster than the rest of the state due to higher increases in Direct Payroll Costs, Equipment and Capital Costs, Goods and Services. However, Long Island held down expenses for Employee Benefits and Debt: Principal and Interest better than the state as a whole.

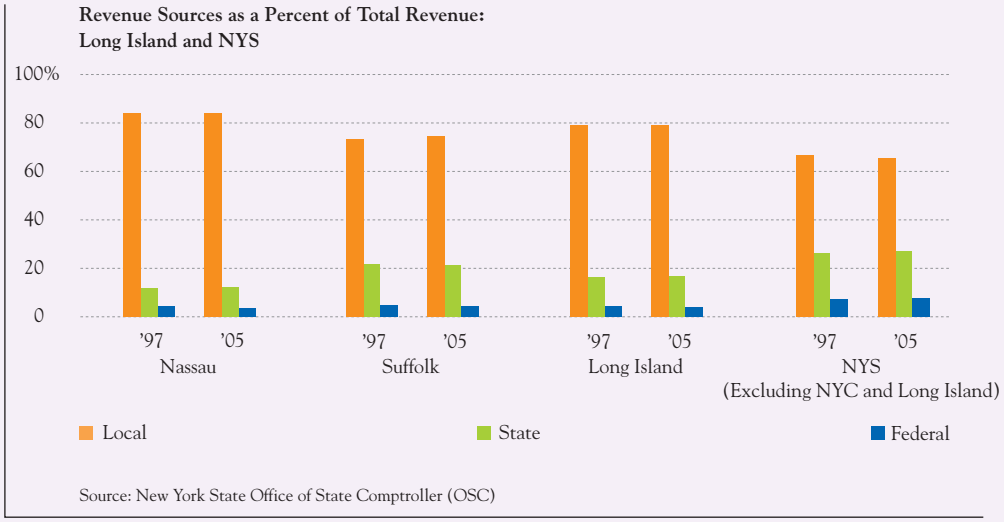
REVENUES

All local governments in New York rely on three sources of revenue: local revenues, state funding, and federal funding. In both 1997 and in 2005, 79% of the total local government revenues on Long Island were generated from local sources: either property tax, sales tax, interest and earnings, or other fees and taxes; while 17% came from state sources and the remaining 4% from federal sources.

The data also illustrates several key differences both between counties as well as between Long Island and the rest of the state. In Nassau in 2005, 84% of all local government revenues came from local taxes, interest and fees. This exceeded Suffolk's reliance on local revenues (75%), and the average for the rest of the state (66%). Suffolk's greater state funding is primarily due to higher aid in four key items: basic state aid formula, mortgage tax, lottery aid and education of handicapped children.

Overall for Long Island, local revenues were 79% of all revenues, compared to 66% for the rest of the state. This significant difference undoubtedly explains why Long Islanders perceive such a heavy local tax burden. The data also illustrates that the relative local tax burden differential between Long Island and the rest of the state has not changed over the last ten years.

More detailed information about the sources of local revenue, showing the total amounts for Long Island and the rest of the state along with the changes from 1997 through 2005 demonstrates two important differences between Long Island and the rest of the state. First, Long Island relies more heavily on property taxes for local revenues than the rest of the state (62% of the total for Long Island in 2005 versus 50% of the total for the rest of the state). Second, property taxes increased 14% above the rate of inflation on Long Island, compared to 7% for the rest of the state, while correspondingly sales taxes increased 32% higher than inflation for the rest of the state compared to 13% for Long Island. These represent significant differences in how local governments are funded on Long Island.



Selected Sources of Local Revenue for Long Island and NYS Local Governments
(In Billions, 2005 Dollars)

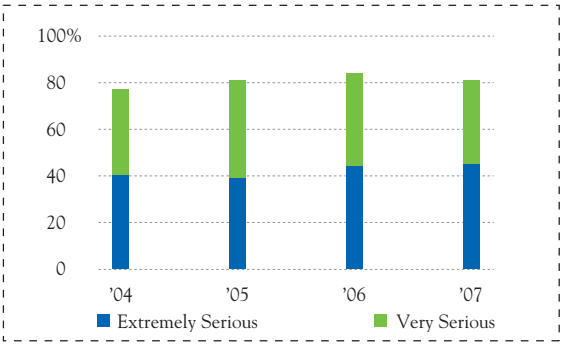
	Long Island					NYS (Minus NYC and Long Island)				
	1997	% of Total	2005	% of Total	% of Change	1997	% of Total	2005	% of Total	% of Change
Sales Tax	$ 1.822	16%	$ 2.064	15%	13.3%	$ 2.246	10%	$ 2.964	11%	32.0%
Real Property Tax	$ 7.205	65%	$ 8.224	62%	14.1%	$12.736	54%	$13.664	50%	7.3%
Interest and Earnings	$ 0.189	2%	$ 0.193	1%	1.9%	$ 0.591	3%	$ 0.397	1%	(32.8)%
All Other	$ 1.933	17%	$ 2.886	22%	49.3%	$ 7.809	33%	$10.070	37%	29.0%
TOTAL	$11.150	100%	$13.367	100%	23.2%	$23.382	100%	$27.095	100%	15.9%

Note: Results may not add to 100% due to rounding.
Source: New York State Office of State Comptroller (OSC)

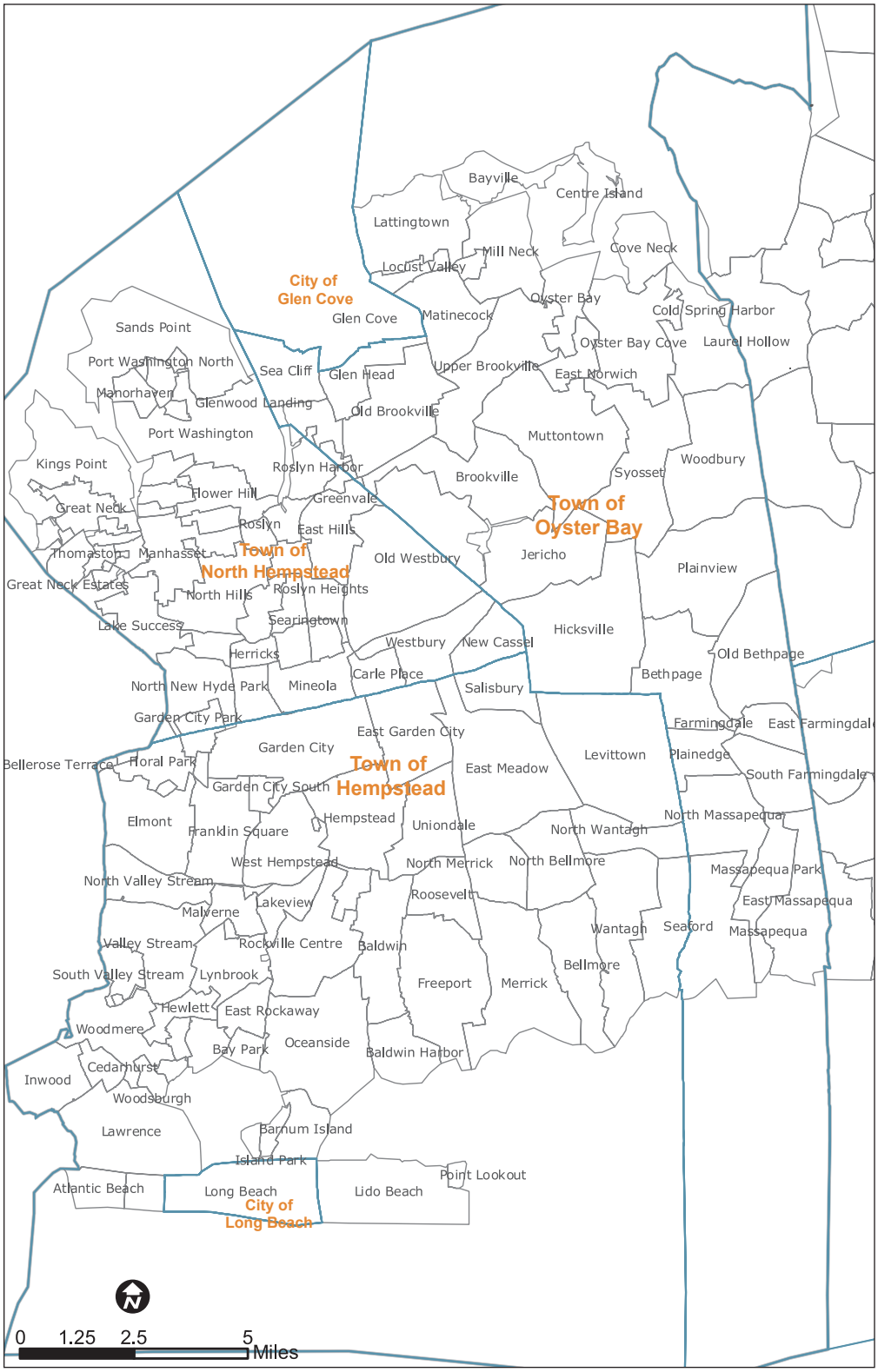
Note: See our website for a more in-depth analysis of Long Island's governmental expenditures and revenues.

What People in the Region Are Saying

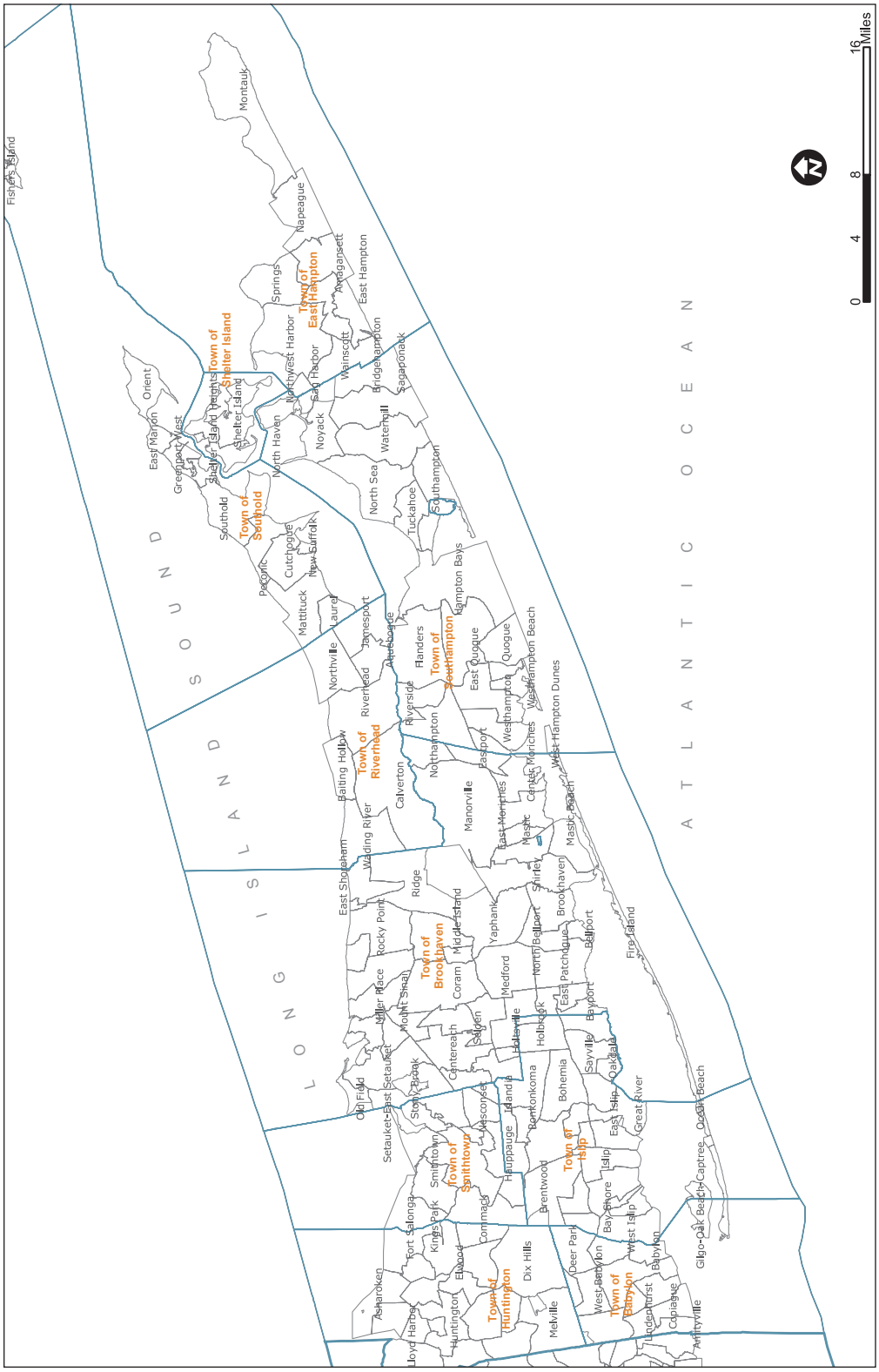
How serious a problem are high property taxes in your county?

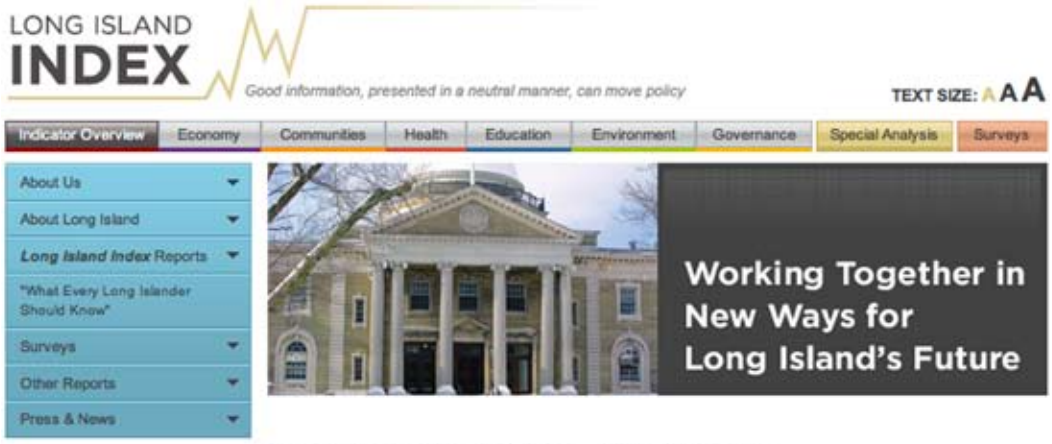


NASSAU COUNTY CITIES, TOWNS, VILLAGES AND HAMLETS



SUFFOLK COUNTY TOWNS, VILLAGES AND HAMLETS





LONG ISLAND INDEX WEBSITE

The ***Long Island Index* website** makes it easy to find detailed information about the Long Island region. Need a graph for a report or presentation? Want more information about Long Island's economy? Interested to see how far we've come in preserving land? Go to www.longislandindex.org and select the "Indicator Overview" option on the top navigation bar or go directly to one of the six indicator topics: Economy, Communities, Health, Education, Environment and Governance. Once you're there, select a goal, find the indicator, read the data, download the graph. Or, do your own analysis and form your own conclusions using actual data from the *Index*.

Also available on the site: Surveys and Special Analyses. Both can be found from the top navigation bar.

If you would like to see prior *Index* reports, learn more about the history of the *Long Island Index* project or about indicator projects in general, select an option from the left navigation. Find the complete news coverage of *Index* topics that you are interested in by going to "Press & News." Sign up to receive automatic updates about the *Index* or even take an online survey.

WHAT EVERY LONG ISLANDER SHOULD KNOW

This series of articles examining aspects of life on Long Island, based on information from the *Long Island Index* are written by Rauch Foundation President, Nancy Rauch Douzinas. Read current and back issues on our site.

CHECK BACK SOON

More is coming soon! Check back frequently to find updated information.

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