



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-

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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.

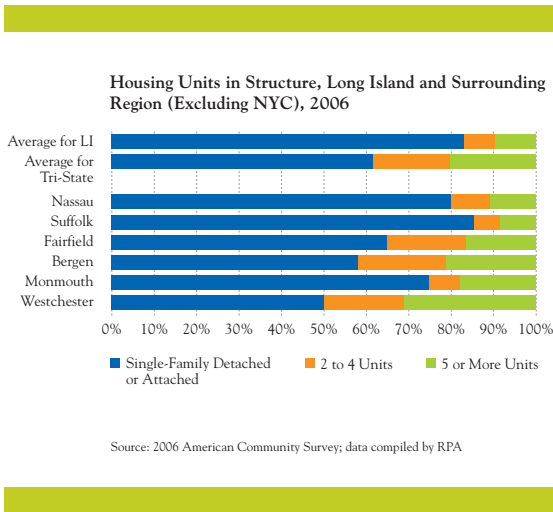
### **LONG ISLAND'S HOUSING SUPPLY: SINGLE-FAMILY HOMES IN MODERATE-DENSITY SUBURBS**

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<sup>1</sup>. Compared with other suburban areas in the New York region, Long Island has far fewer housing units in multi-family buildings.

<sup>1</sup>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.



**DENSITY COMPARISONS AND HISTORY**

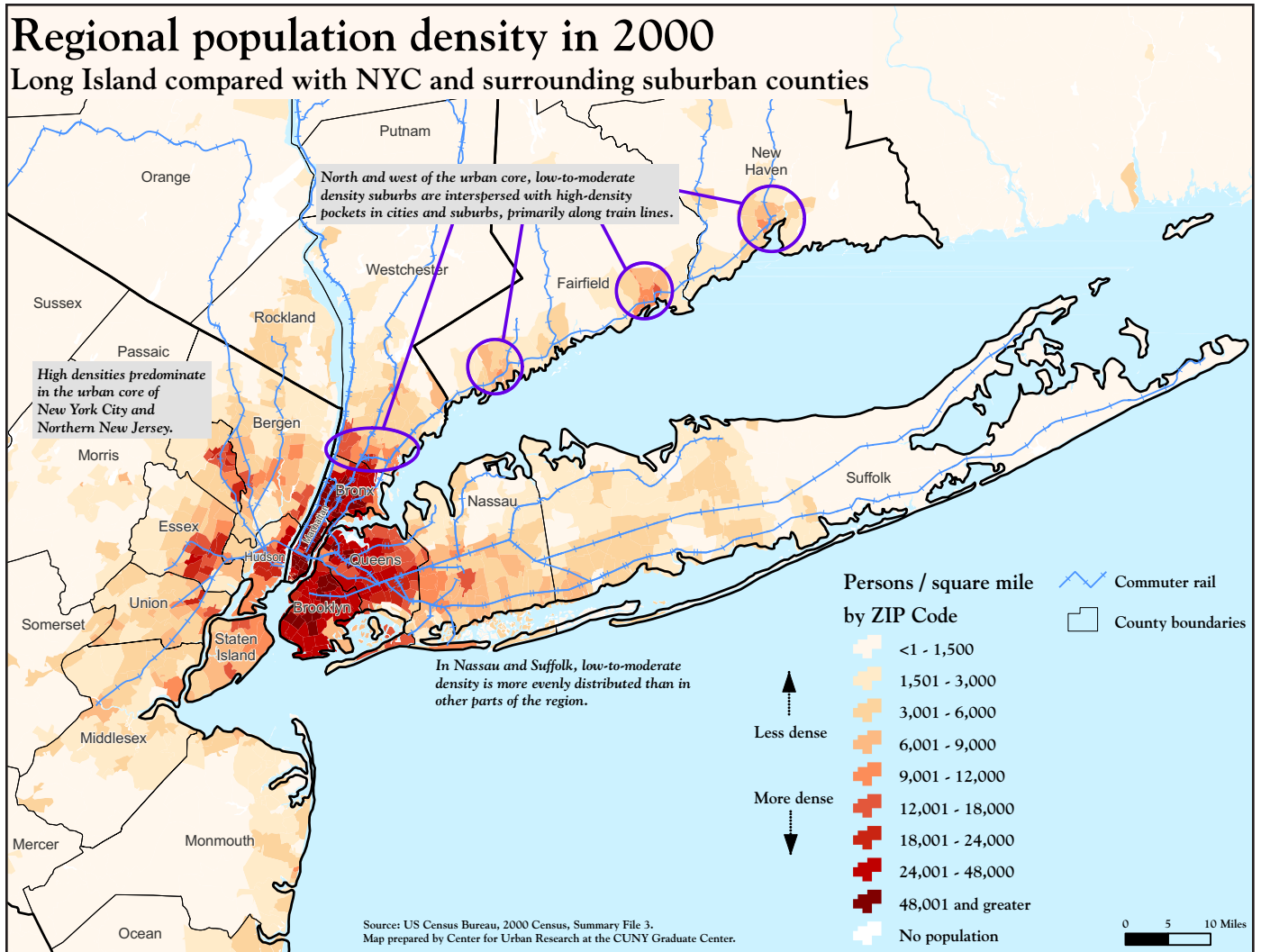
One irony of the predominance of detached, single-family homes on Long Island is that Nassau and Suffolk are two of the most densely populated counties in the region outside of New York City.

- 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.

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**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.

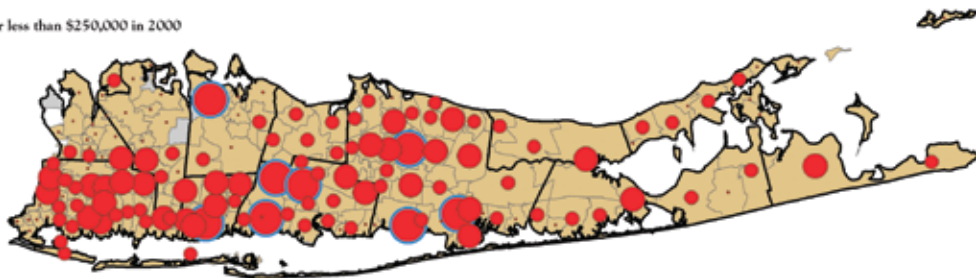
- Median home values, as tracked by the U.S. Census, more than doubled in a six-year period, rising from an average of \$213,000 in 2000 to \$474,000 in 2006.
- Median prices for homes at time of sale, as measured by Long Island Profiles, were nearly as high, at \$213,000 in 2000 and \$440,000 in 2006.

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

Number of houses sold for less than \$250,000 in 2000

displayed by ZIP Code

- 1 - 50
- 51 - 200
- 201 - 500
- 501 - 893
- None sold < \$250,000
- Town/city boundary

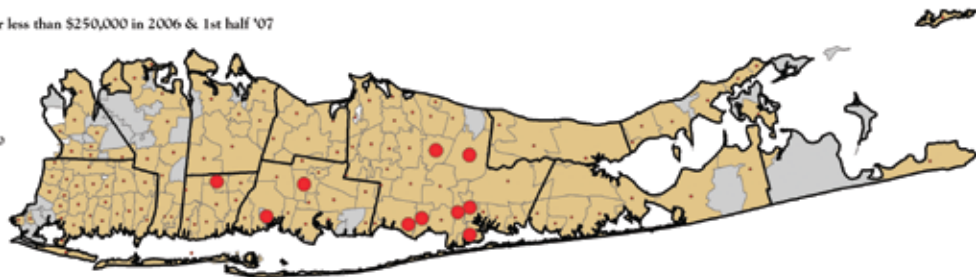


Number of houses sold for less than \$250,000 in 2006 & 1st half '07

displayed by ZIP Code

- 1 - 50
- 51 - 140
- None sold < \$250,000
- Town/city boundary

Notes: 2006 & 1st half 2007 subtotals were combined and divided by 1.5 to calculate annualized totals for each ZIP Code.

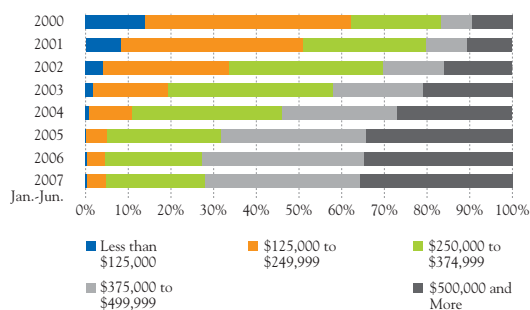


Source: housing price data from Long Island Profiles of Bridgewater, NY (www.LIPfiles.com). Maps prepared by Center for Urban Research at the CUNY Graduate Center.



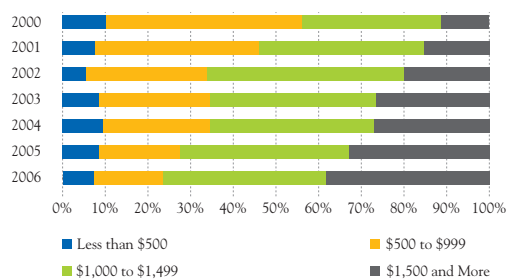
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Sales Prices of All Homes on Long Island, 2000-2007



Source: Long Island Profiles of Brightwaters, NY ([www.LIPfiles.com](http://www.LIPfiles.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

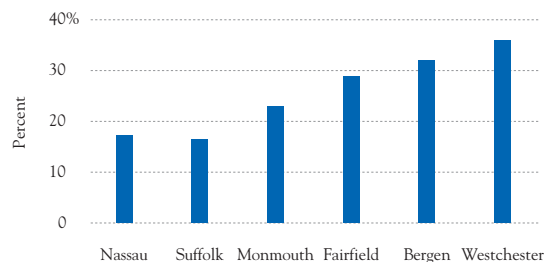
Household incomes have risen much less rapidly. Homes for \$200,000 which would traditionally be considered affordable to a family with a household income of \$80,000 (i.e., the home is valued at 2.5 times the annual income) have virtually disappeared from the market. The share of homes being sold for 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%)<sup>2</sup>.

## 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.

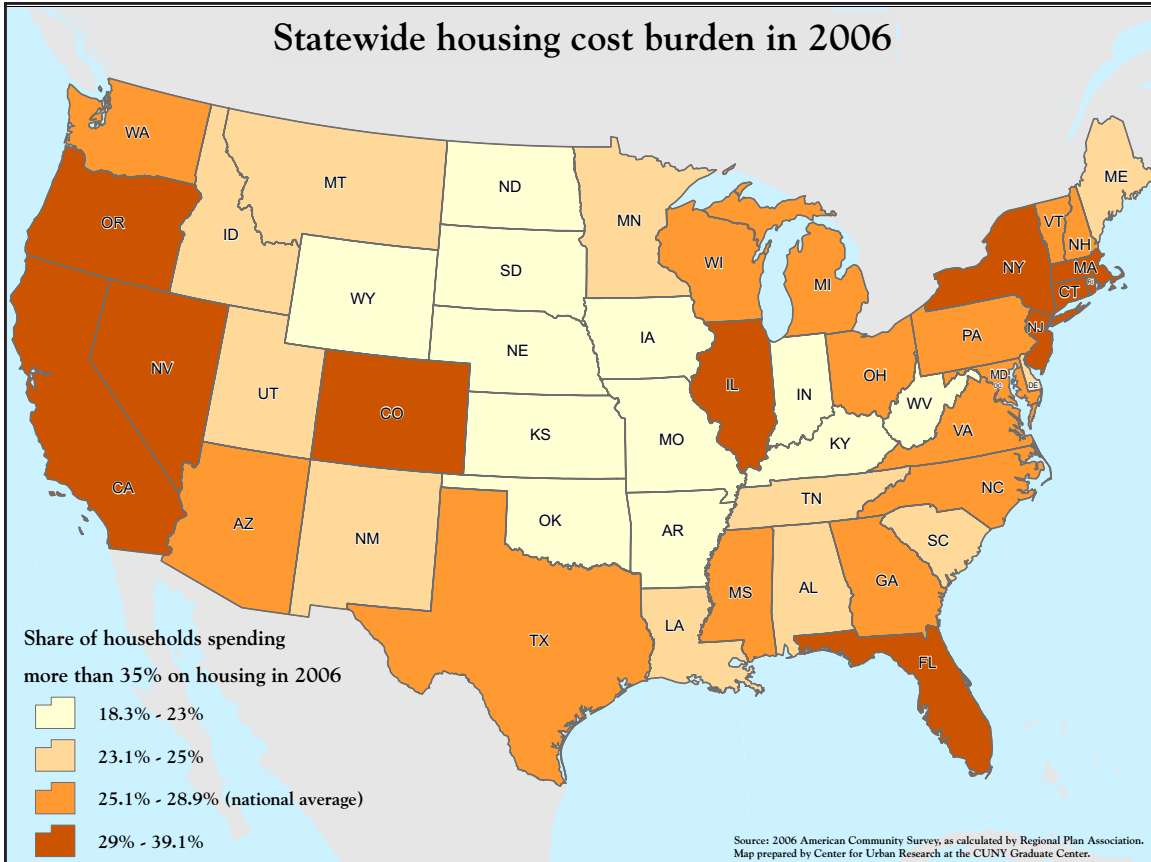
Share of All Housing Units That Are Renter-Occupied on Long Island and Surrounding Regions, 2006



Source: 2006 American Community Survey; data compiled by RPA

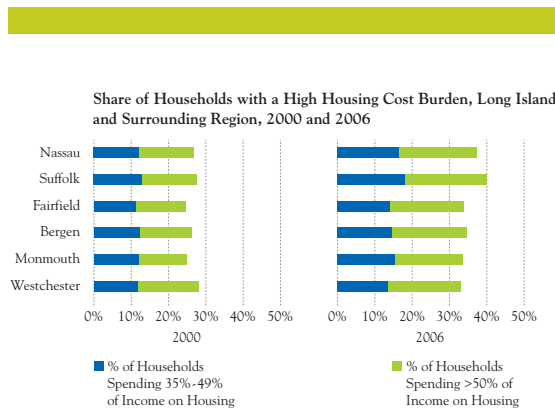
Contributing to the increase in rents is the scarcity of rental units on Long Island. In Monmouth, Fairfield, Bergen and Westchester Counties, a significantly larger share of all housing units are for rent.

<sup>2</sup>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.



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

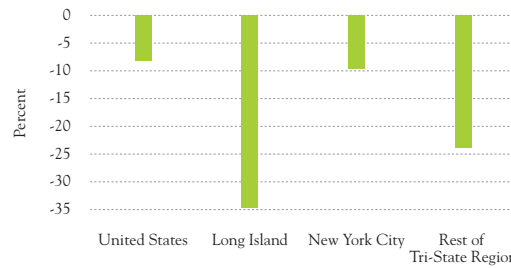
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## IMPACT ON YOUNG PEOPLE

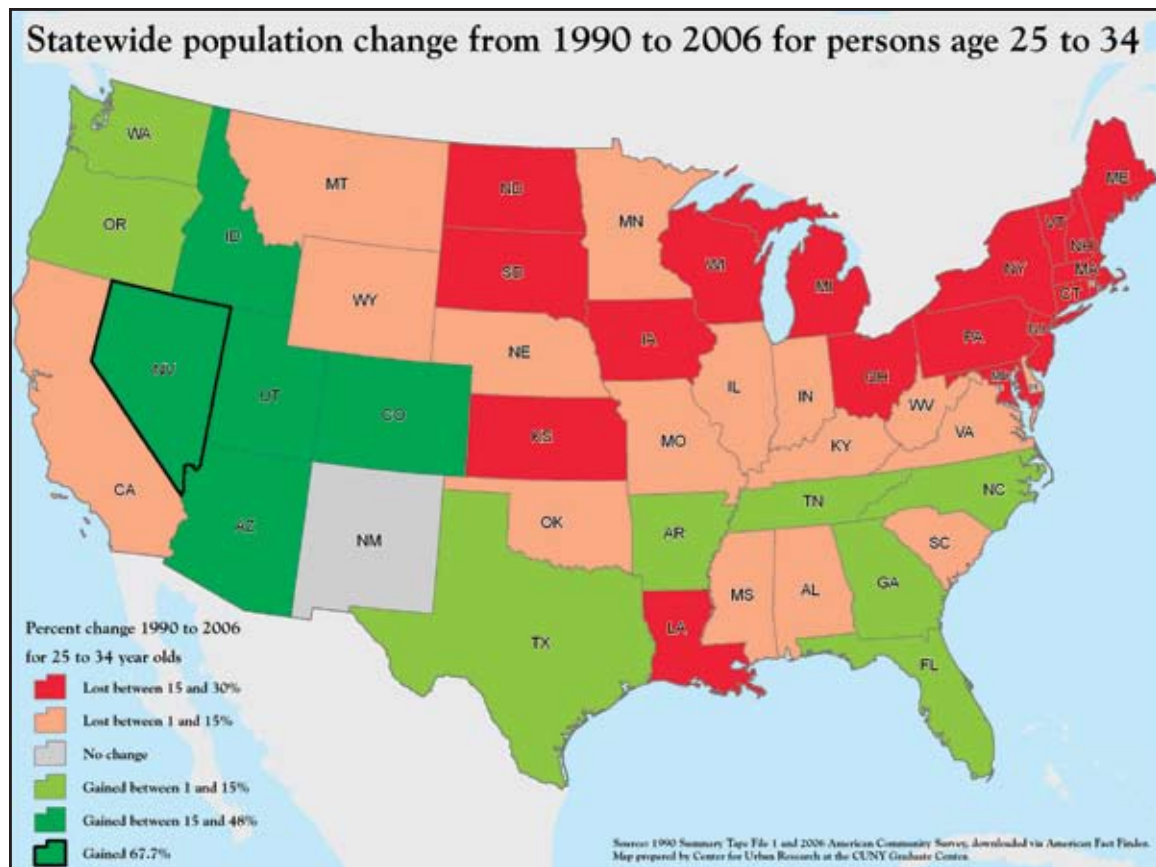
Long Island's housing patterns and high costs appear to be contributing to a sharp population decline among young adults. Nationwide there has been an 8% decline in the 25 to 34-year-old population as a result of low birth rates in the 1970s, when most in their mid-20s and early 30s were born. Additionally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

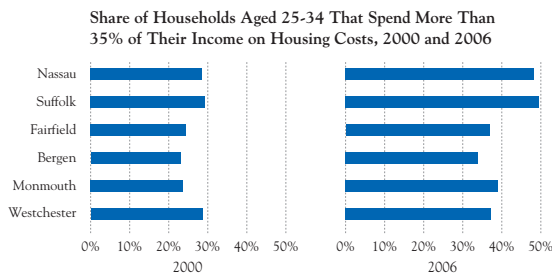




But other high-cost suburbs in the region have not experienced as great a loss as Long Island. Analyses of census data show that the high cost of housing is disproportionately affecting young households on Long Island.

- 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%)<sup>3</sup>.

**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.**



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



<sup>3</sup>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

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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.

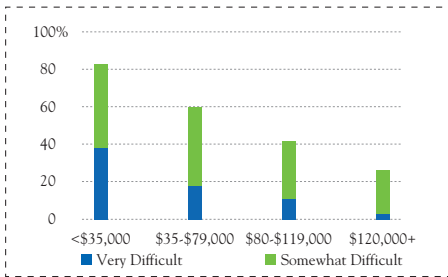
A similar study is planned for Nassau County. While Nassau has far less need expected from growth, the level of existing need could be of a similar magnitude since housing cost burdens are similar. For both Nassau and Suffolk, the amount of new construction that is needed to relieve excessive cost burdens 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.



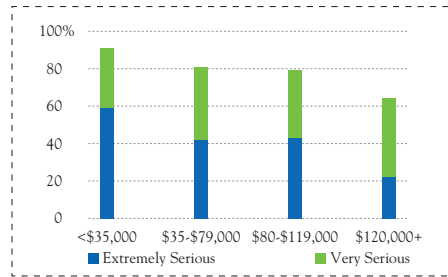
Credit: Donna Tine

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

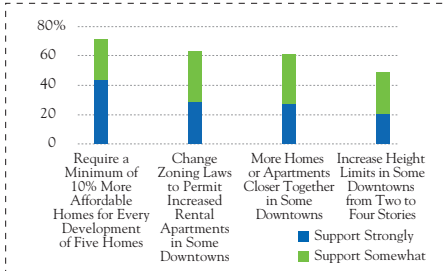
What People in the Region Are Saying  
*Difficulty in Meeting Housing Costs by Household Income*



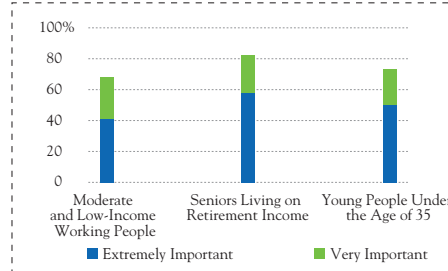
What People in the Region Are Saying  
*Seriousness of Lack of Affordable Housing by Household Income*



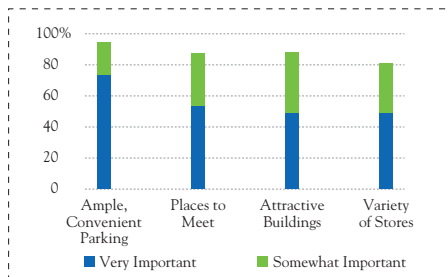
What People in the Region Are Saying  
*Support for Alternative Housing Proposals*



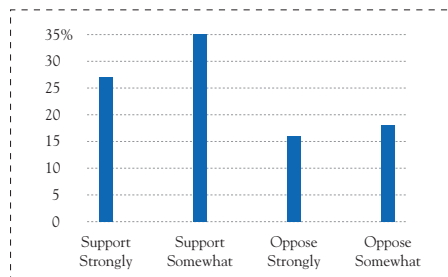
What People in the Region Are Saying  
*Importance of taking action to ensure the following groups have access to affordable housing*



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

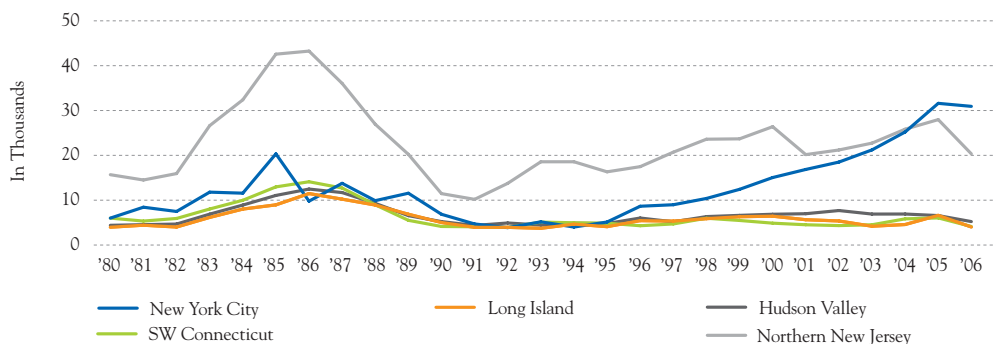


What People in the Region Are Saying  
*Support New Multi-Level Parking Facilities in Local Downtowns*



# special analysis

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.

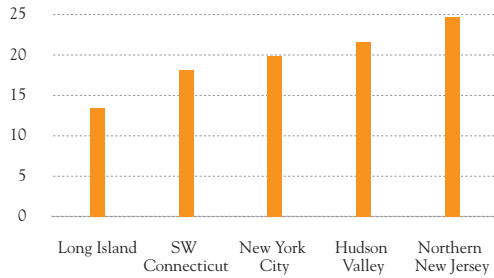
Long Island's housing production is also low when compared to other parts of the region.

- 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.<sup>4</sup>

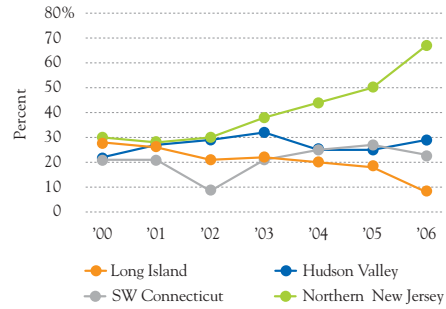
<sup>4</sup>For a list of counties included in these regions, see our Appendix.

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

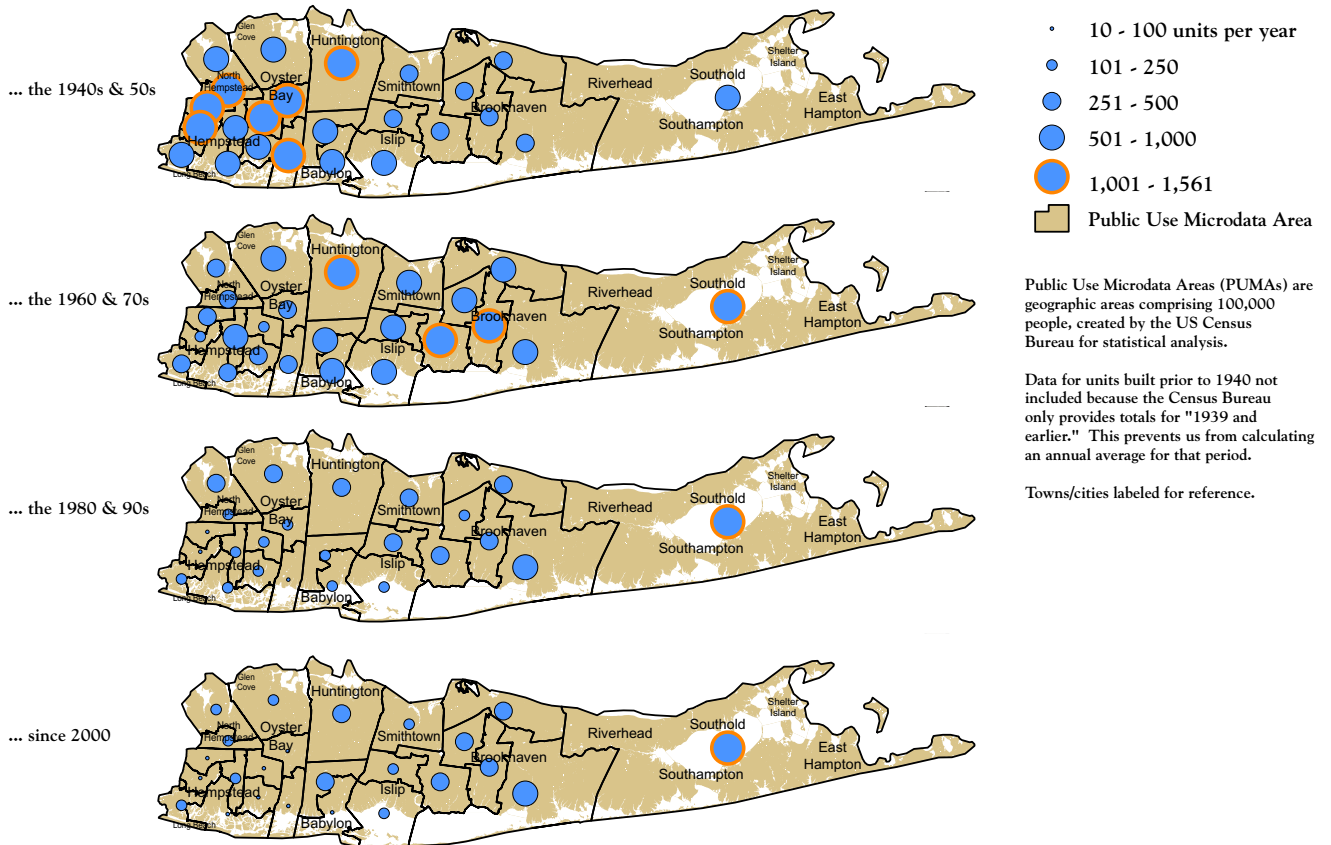
What's more striking, however, is that unlike other parts of the region, the share of building permits issued for multi-family housing on Long Island is substantially lower and has declined in the last few years, even as it has increased in other parts of the region. In northern New Jersey, by contrast, 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 ...



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

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**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

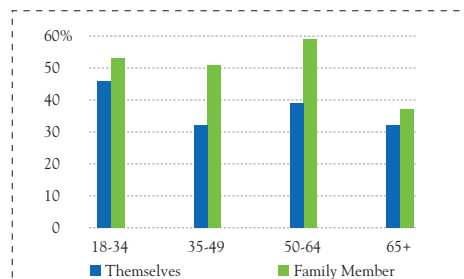
attractiveness. The economic revival of many cities has also enhanced their attractiveness as places to live as part of a mutually reinforcing relationship between job and population growth.

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





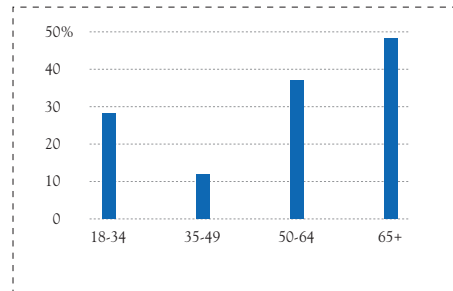
When asked to imagine what they would choose in the next five years, a different picture emerges. Young people hope for the suburban style single-family home. In contrast, about four in ten residents 50–64 years old and half of seniors said that they would choose to live in non-single family housing 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.

**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.<sup>5</sup>

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

**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*



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

<sup>5</sup>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 Storefronts	% Eateries	Vacancy Rates	Tallest Building (Number of Stories)	Yes/No	Income		Race % Non-White	Age % 18-34
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9	Note 8	Note 9	Note 8	Note 9	Note 8	Note 9	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](http://www.longislandindex.org).

**ARE MORE LONG ISLAND DOWNTOWNS READY FOR HIGHER DENSITY?**

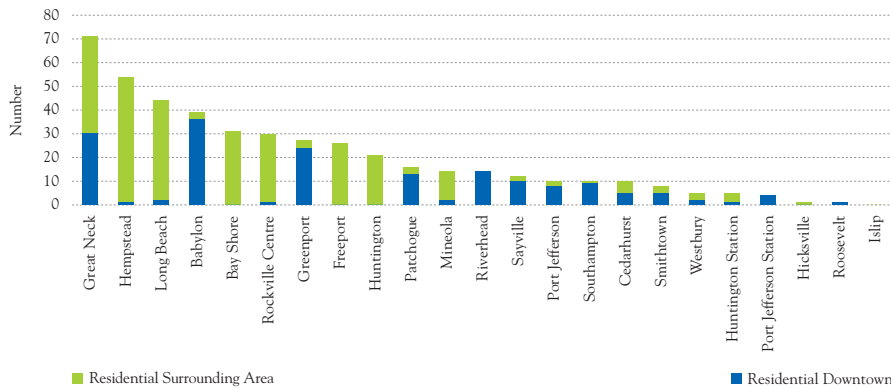
While large population, high-density downtowns and village centers do exist on Long Island—they *have* been built and people *have* come—the question could be raised, are there other downtowns on Long Island (at mid- or low-density levels) that could be developed into denser downtowns with a mix of apartments,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

# special analysis

## **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.

# special analysis

## 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 face-lift 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.

# special analysis

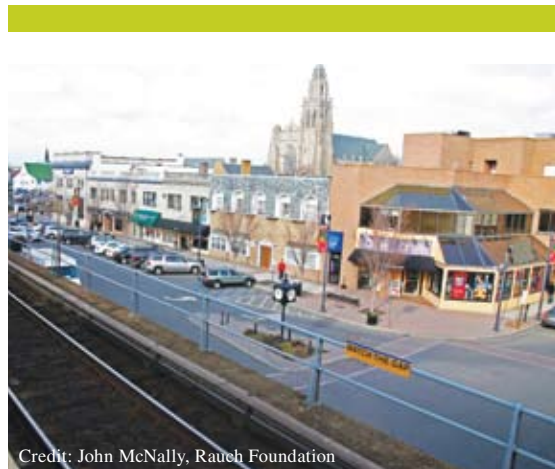
The recent bursting of the housing bubble is hitting many of these places much harder than Long Island and the New York region, but the long-term dynamic of relatively high housing costs will remain in places that are not expanding supply sufficiently to meet growing demand. Even within the New York 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 under-utilized 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